

**FLINTSHIRE COUNTY COUNCIL**  
**16 FEBRUARY 2021**

Minutes of the meeting of Flintshire County Council held as a remote attendance meeting on Tuesday, 16 February 2021

**PRESENT: Councillor Marion Bateman (Chair)**

Councillors: Mike Allport, Bernie Attridge, Janet Axworthy, Glyn Banks, Haydn Bateman, Sean Bibby, Chris Bithell, Helen Brown, Derek Butler, Clive Carver, Geoff Collett, Bob Connah, David Cox, Paul Cunningham, Jean Davies, Rob Davies, Ron Davies, Adele Davies-Cooke, Chris Dolphin, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Mared Eastwood, Carol Ellis, David Evans, Veronica Gay, George Hardcastle, David Healey, Gladys Healey, Patrick Heesom, Cindy Hinds, Dave Hughes, Ray Hughes, Dennis Hutchinson, Joe Johnson, Paul Johnson, Rita Johnson, Christine Jones, Richard Jones, Tudor Jones, Colin Legg, Brian Lloyd, Richard Lloyd, Mike Lowe, Dave Mackie, Hilary McGuill, Billy Mullin, Mike Peers, Michelle Perfect, Vicky Perfect, Neville Phillips, Ian Roberts, Tim Roberts, Kevin Rush, Tony Sharps, Aaron Shotton, Paul Shotton, Ralph Small, Ian Smith, Carolyn Thomas, Owen Thomas, Martin White, Andy Williams, David Williams, David Wisinger and Arnold Woolley

**APOLOGY:** Councillor Ted Palmer

**IN ATTENDANCE:**

Chief Executive, Legal Services Manager, Chief Officer (Housing and Assets), Chief Officer (Planning, Environment and Economy), Chief Officer (Streetscene and Transportation), Chief Officer (Social Services), Corporate Finance Manager, Senior Manager for Human Resources & Organisational Development, Revenues Manager, Strategic Finance Manager (Corporate Finance), Strategic Finance Manager (Corporate Services), Interim Technical Finance Manager, Head of Democratic Services, Overview & Scrutiny Facilitators, Democratic Services Team Leader and Democratic Services Officers

**58. DECLARATIONS OF INTEREST**

Councillors Janet Axworthy, Sean Bibby and Hilary McGuill declared a personal interest on the Minimum Revenue Provision (agenda item 8) as board members of NEW Homes.

Councillors Dennis Hutchinson and Andy Williams both declared a personal interest on the Council Fund Revenue Budget 2021/22 (agenda item 4) as transport providers for the Council.

Councillor Martin White declared a personal interest on the Housing Revenue Account 30 year Financial Business Plan (agenda item 6) as a Council house tenant.

The following Members declared a personal interest on the Pay Policy Statement for 2021/22 (agenda item 9) due to closely associated people employed by the Council: Councillors Bernie Attridge, Chris Bithell, Andy Dunbobbin,

Billy Mullin, Hilary McGuill, Michelle Perfect, Vicky Perfect, Neville Phillips, Kevin Rush, Aaron Shotton, Paul Shotton, Ralph Small, Ian Smith, Carolyn Thomas and Andy Williams.

**59. PETITIONS**

None were received.

**60. COUNCIL FUND REVENUE BUDGET 2021/22 - FINAL CLOSING STAGE**

The Chief Executive introduced a report to receive the recommendations from Cabinet for the Council to set a legal and balanced Council Fund Revenue Budget for 2021/22.

The Chief Executive, Corporate Finance Manager and Revenues Manager gave a presentation covering the following:

- Setting a legal and balanced budget
- Additional budget requirement 2021/22
- Budget solutions 2021/22
- Council Tax
- Schools and social care budgets
- Open risks
- Earmarked and un-earmarked reserves
- Professional opinions and concluding remarks
- Looking ahead and the Medium Term Financial Strategy (MTFS)

Following an extensive budget consultation process, all outstanding issues had been closed by Cabinet in January. Having been supported by the Corporate Resources Overview & Scrutiny Committee, the recommendations of Cabinet were to balance the budget based on the lower minimum budget requirement with no provision for pay awards other than for employees with salaries under £24k. The Local Government Provisional Settlement announced by Welsh Government (WG) in December represented a cash uplift of £7.392m (3.7%) above the 2020/21 amount and the Council's formal response set out the views of collective Cabinet and elected Members. The prudent and balanced approach to the budget had proved successful in protecting services, however the scale of the emergency situation had led to significant financial pressures which would continue into 2021/22.

The 3.95% annual increase in Council Tax followed the clear directive set by the Council to maintain an affordable level below 5%. This comprised 3.45% for Council budgets and 0.5% as contributions to regional bodies including the North Wales Fire & Rescue Authority. Additional precepts for the Police & Crime Commissioner (5.14% annual increase) and those for individual Town/Community Councils were detailed in the report.

The recommendations for Cabinet and Council were moved by the Leader of the Council and Cabinet Member for Education, Councillor Ian Roberts, who thanked the Chief Executive and officers for their work throughout the budget-setting process. Whilst recognising the impact from a local increase in Council Tax, he welcomed the

protection of Council services and investment in priorities such as schools and Additional Learning Needs (ALN). He also spoke about a number of open risks such as Out of County Placements where the Council had made extra provision in the base budget and called upon WG for nationally held reserve funding.

As Cabinet Member for Finance, Councillor Glyn Banks seconded the proposal and referred to the Council's response to the Provisional Local Government Settlement from WG that included a repeated call for a review of the local government funding formula.

Councillor Peers acknowledged the challenges in closing the budget gap and protecting services year on year. He raised concerns about the impact of the emergency situation and said that a review of expenditure was needed, with escalating costs for Out of County Placements considered in more detail by Overview & Scrutiny. In response to a question, the Corporate Finance Manager clarified that the Provisional Settlement had fallen short of minimum expectations by around £600k and that subsequent outstanding issues had now been completed and incorporated into the budget.

Councillor Richard Jones spoke in support of the report and thanked the Chief Executive. He said that WG should acknowledge the case for appropriate funding as increasing levels of Council Tax to contribute towards the budget were unsustainable and placed a burden on councils to make difficult decisions. He also said that WG should introduce a three-year funding strategy to assist councils with medium term financial planning.

Also speaking in support was Councillor Tony Sharps who thanked the Leader of the Council for his work on the budget and his commitment to continue to lobby WG for a national solution on Out of County Placements.

As Cabinet Member for Social Services, Councillor Christine Jones said that the Council was exploring options to help with increased demand for Out of County Placements, however, this was a national problem in need of appropriate support from WG.

Councillor Bithell commended the Leader of the Council, Cabinet Member for Finance, the Chief Executive and the Corporate Finance Manager for their joint letter of response to WG which continued to make the case for a change in the funding formula and a national solution on Out of County Placements.

In raising concerns on the risk to future collection levels of Council Tax, Councillor Carol Ellis agreed with the need for appropriate funding from WG. On Out of County Placements, she was informed by the Chief Officer (Social Services) that there had been a 10% increase in demand over the past year which equated to around 20 children. He referred to investment in local solutions and working with partners to help keep families together.

The Chief Executive thanked Members for their continued support. In response to comments, he said that the underlying amount of the Settlement, based on demographic changes, meant that the Council was still amongst the lowest

funded in Wales per capita. He agreed with the need for WG to consider the balance between the affordability of Council Tax and national funding and said that regular review and challenge of expenditure had identified nothing further without compromising services. He also spoke about the potential for further pressures on the budget arising from the emergency situation.

Responding to concerns about the risk of Council Tax collection rates, the Revenues Manager gave assurances that the sensitive approach would continue throughout the emergency situation to support residents to meet their payments.

Councillor Ian Roberts said that the Council continued to explore all funding opportunities and he agreed with the need for a three-year funding strategy from Governments. In response to the concerns raised about Out of County Placements, he suggested a seminar for Members to fully understand the educational and social care pressures.

Councillor Hilary McGuill advised that Out of County Placements would also be on the agenda at a forthcoming joint Overview & Scrutiny committee meeting.

Councillor Heesom commended the report and thanked all those involved.

Having been moved and seconded, the recommendations were put to the vote and carried.

- (1) That Council notes and approves the revised budget requirement for 2021/22;
- (2) That Council approves the final proposals for the corporate efficiencies which will contribute to the budget;
- (3) That Council approves a legal and balanced budget based on the calculations as set out in the report;
- (4) That Council notes the open risks which remain to be managed in the course of 2021/22;
- (5) That Council approves an annual increase in Council Tax for 2021/22 of 3.95%; and
- (6) That Council notes the medium-term forecast as a basis for the next revision of the Medium-Term Financial Strategy (MTFS).

**RESOLVED:**

- (a) That the recommendations of Cabinet, as detailed above, for balancing the budget for 2021/22 be approved; and
- (b) That the level of Council Tax for 2021/22 as recommended by Cabinet be approved.

## 61. COUNCIL TAX SETTING FOR 2021/22

The Revenues Manager introduced the report to formally set the Council Tax charges and associated statutory resolutions for 2021/22 as part of the wider budget strategy on the basis of the decision taken on the previous item. Members were asked to endorse the continuation of the Council Tax Premium scheme and the practice for designated officers to lead on legal proceedings on behalf of the Council.

As mentioned in the previous item, three separate precepts made up the overall level of Council Tax charges against each property. The 3.95% increase in the Council's element met expectations of affordability and would, along with central government funding and Revenue Support Grant, help to protect front-line services and maintain the scale and complexity of demand for services. The overall amount raised by Council Tax consisted of the County Council's total precept of £90,678,757; the North Wales Police & Crime Commissioner's total precept of £19,868,694; and the collective precept of £3,110,430 across 34 Town and Community Councils.

The recommendations were moved by Councillor Ian Roberts and seconded by Councillor Glyn Banks who praised officers in the Revenues Team for their work.

Councillor Banks took the opportunity to thank residents for paying their Council Tax and reiterated the support available for those who were struggling to pay.

The Chair also extended her thanks to the Revenues team for their support to residents and businesses throughout the emergency situation. This was endorsed by the Chief Executive who recognised the role of both the Revenue and Benefits Teams during the period.

In response to questions from Councillor Peers, the Revenues Manager provided clarification on the exemptions applied to long-term empty dwellings and would provide a separate response on the amount of council tax generated from the Council Tax premium scheme.

Having been moved and seconded, the recommendations were put to the vote and carried.

### **RESOLVED:**

- (a) That the 2021-22 Council Tax be set as detailed in Appendix 1 to the report;
- (b) That the continuation of the policy of not providing a discount in the level of 2021/22 Council Tax charges for second homes and long-term empty homes be endorsed. Also, where exceptions do not apply, to charge the Council Tax Premium rate of 50% above the standard rate of Council Tax for second homes and long-term empty dwellings; and
- (c) That approval be given for designated officers to issue legal proceedings and appear on behalf of the Council in the Magistrates' Court for unpaid taxes.

## **62. HOUSING REVENUE ACCOUNT (HRA) 30 YEAR FINANCIAL BUSINESS PLAN**

The Chief Officer (Housing and Assets) introduced a report to approve the proposed Housing Revenue Account (HRA) Revenue and Capital budget for 2021/22, the HRA Business Plan and the summary 30-year Financial Business Plan as recommended by Cabinet. The Chief Officer and Strategic Finance Manager (Corporate Finance) gave a presentation covering:

- Welsh Government (WG) Rent Policy
- Proposed Rent Uplift 2021/22
- Welsh Government - Wider Rental Agreement
- Service Charges
- Other Income
- Invest to Save Proposal
- Proposed Pressures and Efficiencies
- Reserves
- HRA Business Plan 2021/22
- HRA Capital Investment
- Capital Programme
- Development of the revised Welsh Housing Quality Standards (WHQS)
- Capital Programme 2021/22
- HRA Capital Funding 2021/22

The proposed rent increase met requirements of the WG Rent Policy to consider affordability and value for money for tenants. The delayed final phased increase towards achieving full cost recovery of service charges would help to protect tenants during the emergency situation and to allow for further work to ensure high quality services. An update on the Capital Programme indicated that 447 properties had been delivered to date through the Strategic Housing and Regeneration Programme (SHARP) and a further 148 units outside SHARP creating additional capacity in the housing market in Flintshire.

The recommendations were moved by Councillor Dave Hughes who commended the delivery of housing services despite the challenges of the emergency situation. He said that the proposed rent increase was the lowest set by the Council for five years and that the ambitious Capital Programme would ensure continued investment in the Council house building programme.

The proposal was seconded by Councillor Ian Dunbar who paid tribute to the work of the Chief Officer and his team, and the support of the Community, Housing and Assets Overview & Scrutiny of which he was Chair.

Councillor Chris Bithell welcomed the report and in particular, the delivery of 595 housing units and maintenance of WHQS levels to meet the needs of local people.

In response to questions from Councillor Richard Jones, officers provided clarification on the impact of the review of garage sites.

Also speaking in support, Councillor Paul Shotton welcomed capital spend and partnership working on homeless accommodation.

The Chief Officer responded to Councillor Mike Peers' question on the approach to the next phase of SHARP housing schemes. In response to further questions, the Strategic Finance Manager provided information on the repairs and maintenance budget and reinvestment into the Capital Programme including commuted sums.

Having been moved and seconded, the recommendations were put to the vote and carried.

**RESOLVED:**

That the recommendations from Cabinet on 16 February 2021 be approved:

- (a) That Council supports the HRA Budget for 2021/22 as set out in the appendices to the report;
- (b) That Council supports and approves the rent increase of up to 0.68% (plus up to £2);
- (c) That Council supports and approves a garage rent increase of £0.20 per week and a garage plot increase of £0.03 per week;
- (d) That Council supports and approves freezing for one year an increase in Service Charge recovery; and
- (e) That Council supports and approves the proposed HRA Capital programme for 2021/22 as set out in Appendix C to the report.

**63. TREASURY MANAGEMENT STRATEGY 2021/22**

The Corporate Finance Manager presented the draft Treasury Management Strategy for 2021/22 for approval, as recommended by Cabinet. No significant changes had been made to the Strategy and no specific issues had been raised following consultation with the Audit Committee and Cabinet.

The recommendation was moved by Councillor Glyn Banks and seconded by Councillor Chris Dolphin.

**RESOLVED:**

That the Treasury Management Strategy for 2021/22 be approved.

**64. MINIMUM REVENUE PROVISION - 2021/22 POLICY**

The Corporate Finance Manager introduced the report to approve the annual policy for the Minimum Revenue Provision for the prudent repayment of debt. He confirmed that there were no changes to the recommendations made by Cabinet.

The recommendations were moved by Councillor Banks and seconded by Councillor Chris Dolphin.

**RESOLVED:**

- (a) That the following be approved for Council Fund (CF):-
- Option 3 (Asset Life Method) be used for the calculation of the MRP in financial year 2021/22 for the balance of outstanding capital expenditure funded from supported borrowing fixed as at 31 March 2017. The calculation will be the 'annuity' method over 49 years.
  - Option 3 (Asset Life Method) be used for the calculation of the MRP in 2021/22 for all capital expenditure funded from supported borrowing from 1 April 2016 onwards. The calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
  - Option 3 (Asset Life Method) be used for the calculation of the MRP in 2021/22 for all capital expenditure funded from unsupported (prudential) borrowing or credit arrangements;
- (b) That the following be approved for Housing Revenue Account (HRA):-
- Option 2 (Capital Financing Requirement Method) be used for the calculation of the HRA's MRP in 2021/22 for all capital expenditure funded by debt; and
- (c) That MRP on loans from the Council to NEW Homes to build affordable homes through the Strategic Housing and Regeneration Programme (SHARP) (which qualify as capital expenditure in accounting terms) be as follows:-
- No MRP is made during the construction period (of short duration) as the asset has not been brought into use and no benefit is being derived from its use.
  - Once the assets are brought into use, capital repayments will be made by NEW Homes. The Council's MRP will be equal to the repayments made by NEW Homes. The repayments made by NEW Homes will be classed, in accounting terms, as capital receipts, which can only be used to fund capital expenditure or repay debt. The capital repayment / capital receipt will be set aside to repay debt, and is the Council's MRP policy for repaying the loan.

**65. PAY POLICY STATEMENT FOR 2021/22**

The Chief Executive introduced the report on the annual Pay Policy Statement for 2021/22 which summarised the pay and remuneration within an organisational,

regional and national context. It was a statutory obligation to publish the Pay Policy Statement each year within the deadline.

In summarising the main changes, the Senior Manager for Human Resources and Organisational Development referred to recommendation 2 in the report and advised that an announcement was expected from Welsh Government following the withdrawal of the Public Sector Exit Cap Regulations by the UK Government.

In moving the recommendations, Councillor Billy Mullin thanked the officers for the report.

Councillor Peers suggested that the section on Honoraria be amended to recognise employees who had been seconded to other roles during the emergency situation.

The Chief Executive confirmed that such arrangements were being made.

As suggested by the Chief Executive, Councillor Peers proposed that the wording 'in other exceptional circumstances' be added to the policy to reflect this.

On that basis, the recommendations were moved and seconded by Councillors Mullin and Carver. The recommendations were put to the vote and carried.

**RESOLVED:**

- (a) That the Pay Policy Statement for 2021/22 be approved;
- (b) That County Council notes the national position on the Exit Cap Regulations and potential changes to the Local Government Pension Scheme (LGPS) which may require changes to the Pay Policy and Pensions Discretions Statements 2021;
- (c) That County Council delegates authority to the Senior Manager, Human Resources and Organisational Development to update the Pay Policy Statement 2021/22 during the course of the year to reflect any changes required by legislation, Government policy or national negotiations so that it remains accurate and current; and
- (d) That the policy include the wording 'in other exceptional circumstances' to reflect situations where Honoraria payments may apply.

**66. PUBLIC QUESTION TIME**

None were received.

**67. QUESTIONS**

None were received.

**68. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES**

None were received.

**69. NOTICE OF MOTION**

None were received.

**70. MEMBERS OF THE PRESS IN ATTENDANCE**

There was one member of the press in attendance.

(The meeting started at 2pm and ended at 4.55pm)

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**Chair**