

TO: ALL MEMBERS OF THE COUNCIL

Your Ref /
Eich Cyf

Our Ref / Ein MT
Cyf

Date / Dyddiad 11/02/2009

Ask for / Mike Thomas
Gofynner am

Direct Dial / 01352 702324
Rhif Union

Fax / Ffacs

Dear Sir / Madam,

A **SPECIAL MEETING OF THE FLINTSHIRE COUNTY COUNCIL** will be held in the **COUNCIL CHAMBER, COUNTY HALL, MOLD** on **TUESDAY, 17 FEBRUARY 2009** at **14:00** to consider the following items.

Yours faithfully



Assistant Director (Democratic Services)

AGENDA

1. **PRAYERS**
2. **APOLOGIES FOR ABSENCE**
3. **DECLARATIONS OF INTEREST**
4. **MINUTES**
To confirm as a correct record the minutes of the meeting held on 28 October 2008, 6 November 2008, 2 December 2008 and 17 December 2008 (copies enclosed).
5. **CHAIRMAN'S COMMUNICATIONS**
6. **THE FUTURE OF THE COUNCIL HOUSING STOCK**
Report of Chief Executive and Director of Community Services and Head of Finance and Head of Legal and Democratic Services enclosed

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7. **PETITIONS**

8. **HOUSING REVENUE ACCOUNT 2009/10**

Report of Head of Finance and Director of Community Services enclosed

9. **FINANCIAL PROCEDURE RULES**

Report of County Finance Officer enclosed

10. **NOTICES OF MOTION**

The following Notice of Motion has been received from Councillors A. P. Shotton, J. B. Attridge, R. G. Hampson, R. C. Bithell, P. Macfarlane and I. B. Roberts:

(a) **AGENDAS AND REPORTS**

"That this Council resolves that until such a time as the Constitution Committee considers the matter of Members access to Committee agendas and reports, then the current despatch and distribution arrangements will remain in place. The status quo arrangements will remain until County Council considers any recommendations that may arise from the Constitution Committee."

The following Notice of Motion has been received from Councillors A. P. Shotton, J. B. Attridge, R. G. Hampson, R. C. Bithell, P. Macfarlane and I. B. Roberts:

(b) **TOWN CENTRE REGENERATION**

"It is resolved that this Council will bring forward detailed plans to invest in our Town Centres and therefore provide much needed regeneration. The Council will allocate the half a million environmental improvement fund created by the previous Labour Council in order to improve and help regenerate our Town Centres."

FLINTSHIRE COUNTY COUNCIL
28TH OCTOBER 2008

Minutes of the Meeting of Flintshire County Council held in County Hall, Mold on Tuesday 28th October 2008.

PRESENT: **Councillor Q. R. H. Dodd (Chairman)**
Councillor C. Legg (Vice-Chairman)

Councillors: A. Aldridge, J.B. Attridge, S.R. Baker, D. Barratt, G.H. Bateman, R.C. Bithell, C. S. Carver, Mrs J.C. Cattermoul, E.G. Cooke, D.L. Cox, P.J. Curtis, R. Davies, Mrs A.J. Davies-Cooke, A.G. Diskin, Mrs G.D. Diskin, B. Dunn, Mrs C.A. Ellis, E.F. Evans, J.E. Falshaw, Ms E.V. Gay, F. Gillmore, R.J.T. Guest, Miss A.M. Halford, R.G. Hampson, G. Hardcastle, P.G. Heesom, M. Higham, Mrs C. Hinds, H.T. Howorth, R. Hughes, Mrs N. Humphreys, H.D. Hutchinson, H.T. Isherwood, G. James, R. Johnson, Mrs N. M. Jones, R.B. Jones, Mrs S. Jones, R.P. MacFarlane, D.I. Mackie, Mrs D.L. Mackie, Mrs N.M. Matthews, D. Mcfarlane, Mrs A. Minshull, W. Mullin, T. Newhouse, E.W. Owen, M.J. Peers, P.R. Pemberton, N. Phillips, M.A. Reece, H.G. Roberts, I.B. Roberts, L.A. Sharps, A.P. Shotton, N.R. Steele-Mortimer, Mrs C.A. Thomas, W.O. Thomas, D.T. Williams, A. Woolley, M.G. Wright and Ms H. Yale.

APOLOGIES:

Councillors: C.J. Dolphin, Mrs R. Dolphin, Mrs C.M. Jones, Mrs H.J. McGuill and D.E. Wisinger

IN ATTENDANCE:

Director of Community Services, Director of Environment, Director of Lifelong Learning, County Legal and Democratic Services Officer, County Finance Officer, Assistant Director (Democratic Services), Assistant Director (Financial Management), Acting Chief Planning Services Officer, Head of Overview and Scrutiny and Head of Committee, Members and Electoral Services.

At the commencement of the meeting Councillor B. Attridge expressed his disappointment that the Chief Executive was not present particularly as there were a number of reports for which he was the author. The Leader of the Council explained that the Chief Executive was unfortunately absent due to family circumstances.

51. PRAYERS

The Reverend Martin Batchelor conducted prayers at the commencement of the meeting.

52. **AWARDS**

(a) Community Safety

The Chairman presented Sian Jones (Corporate Strategy) with a Divisional Commander's Commendation for Partnership Working for her contribution to community safety. He congratulated her on achieving this Certificate and presented her with a bouquet of flowers. Members from all Political Groups on the Council offered their congratulations to Sian and paid tribute to the excellent work that she did for community safety.

(b) Clwyd Pension Fund

The County Finance Officer introduced Mr Phil Latham Head of Pensions and Funds, who had been recently been presented by the "Professional Pensions" which was a leading investment publication, with an award to the Clwyd Pension Fund for the best "Trustee Development Programme" in the Public Sector.

The Chairman represented the award to Mr Latham.

(c) Wales Charter for Members Support and Development

Councillor Mrs G. Diskin reported that she and Councillors N. Philips, R.C. Bithell and V. Gay together with Peter Evans, Graham Connah and Steve Hughes had attended the Member Development Annual Conference at Llandrinod Wells the previous Friday. She was pleased to announce that Flintshire County Council had received the Wales Charter for Members Support and Development and became one of only six Local Authorities in Wales to receive the Charter award. Councillor Mrs Diskin explained that a number of years hard work had gone into achieving this award and paid tribute to the work undertaken by Peter Evans, Graham Connah, Steve Hughes and the staff in Members Services.

Councillor A.P. Shotton referred to the late Derek Darlington who as a Flintshire Member had been very instrumental in developing the Member Charter in his role at the WLGA. He also emphasised the amount of work that had been necessary over a long period of time to achieve this award and paid tribute to the work of the Member Development Working Group, the Members Services Team and Graham Connah.

The Chairman referred to a WLGA press release that had been issued following the annual conference which had highlighted Flintshire's achievements.

53. **PUBLIC QUESTION TIME**

There were no public questions.

54. COUNCIL MINUTES

RESOLVED:

- (a) That the minutes of the meeting held on 22nd July 2008 be approved as a correct record and signed by the Chairman.
- (b) That the minutes of the meeting held on 25th September 2008 be approved as a correct record and signed by the Chairman.

Matter Arising

Minute 45 – Post Office Closures – North Wales

Councillor B. Attridge referred to resolution (e) that the Council commit to undertake a scoping study to access the possibility of providing post office services within Flintshire County Council premises and asked if this had been undertaken. The County Legal and Democratic Services Officer reported that a limited response had been received from the Post Office but no formal response had been received to the letter sent by the Chief Executive. Councillor A. Shotton asked that all Members be provided with the information on the work undertaken in-line with the recommendation of the Council Meeting and this was agreed.

55. DECLARATIONS OF INTEREST

All Members present declared an interest in Agenda Item No. 12 – Members Allowances – the initial report of the Independent Remuneration Panel for Wales and Councillors B. Attridge, R.C. Bithell, Mrs C.A. Ellis, Mrs C. Hinds, Mrs N. Matthews, Mrs A. Minshull, Mrs S. Jones and A.P. Shotton all declared interest in respect of Agenda Item No. 16 – Clwyd Pension Fund Update as Members of the Pension Fund.

The County Legal and Democratic Services Officer advised Members who were members of the Pension Fund that they may wish to seek dispensation from the Standards Committee.

56. NOTICES OF MOTION

(a) Castle Park Industrial Estate, Flint

The following Notice of Motion had been received from Councillor L.A. Aldridge:-

“We call upon the Council to draw together the expertise and financial resources of both the public and private sector to create a situation that can exploit the vast development potential that exists on land formerly owned by Courtaulds on the Castle Park Industrial Estate”.

Councillor Aldridge formally proposed the motion and this was duly seconded.

In speaking to his motion, Councillor Aldridge referred to the unemployment situation of the late 1970's and early 1980's following the downturn in employment in the steel and textile industries. He paid tribute to the work undertaken by the former Delyn Borough Council and Alyn & Deeside District Council and paid tribute to the leadership of the former Leader of Delyn Borough Council, Councillor L.A. Sharps. A bridge had been provided into the Greenfield Park area and had provided access to further economic regeneration. In putting forward this Notice of Motion he considered this to be the final piece of the jigsaw which would provide development on the Castle Park Industrial Estate. He asked that Economic Development Officers and entrepreneurs to consider developing this vast area of land which would require a grade separated junction to the West of Flint and would link to the Flintshire Bridge and other adjoining areas.

Councillor P.G. Heesom seconded the Notice of Motion and supported the views expressed on the role of the previous Authorities. This Notice of Motion had the potential for bringing in a considerable amount of land for future economic use. Other Members supported the views expressed.

Councillor L.A. Sharps referred to the work undertaken by the former Alyn & Deeside District Council, Delyn Borough Council and Clwyd County Council and the provision of the Flintshire Bridge. This bridge was now ten years old and was now proving to be a worthwhile investment but it needed to be adopted as a trunk road otherwise Flintshire County Council would be liable for its future maintenance which would jeopardise other highway schemes. He moved this as an addition to the proposal. Councillor L.A. Aldridge and P.G. Heesom as mover and seconder of the Notice of Motion agreed to the addition. It was agreed that the following addition be made to the Notice of Motion that the Council inform the Deputy First Minister that it was Flintshire County Council's first priority for the A548 to be trunked and for the bridge to be adopted.

The Notice of Motion, as amended, was put to the meeting and was agreed unanimously.

RESOLVED:

- (a) That the Council draw together the expertise and financial resources of both the public and private sector to create a situation that can exploit the vast development potential that exists on land formerly owned by Courtaulds on the Castle Park Industrial Estate.
- (b) That the Council informs the Deputy First Minister the Council's first priority was for the A548 to be classified as a trunk road and that the Flintshire Bridge be adopted.

(b) **Mobility Benefits for Blind Residents in Flintshire**

The following Notice of Motion had been submitted by Councillor S.R. Baker.

“This Council notes that:-

- (1) Blind people experience significant barriers to independent mobility.
- (2) Blind people are often isolated and find it difficult to access basic services without mobility assistance.
- (3) Many blind residents in this Authority area find it difficult to access shops: supermarkets, doctors, dentists and community facilities and centres.
- (4) Our blind residents find it difficult to access many Council services ranging from housing to voting with mobility support and face additional costs as a result, such as using taxis or private hire vehicles.

This Council further notes that:-

- (1) Blind people are not entitled to the higher rate mobility component of disability living allowance.
- (2) Loss of usable sight clearly causes significant independent mobility problems and incurs significant additional and unmet costs.
- (3) Blind people are, in many parts of Wales, excluded from social care support because their needs are not considered “critical” or “substantial”.

This Council resolves to:-

- (1) Ask the Chief Executive and Leader of the Council to write to the Secretary of State for Work and Pensions, the Right Honourable James Purnell MP expressing these concerns.
- (2) Ask the Chief Executive and Leader of the Council to write to our local Members of Parliament requesting that they write to the Secretary of State expressing these concerns.
- (3) To support the Royal National Institute of Blind People’s campaign on securing the higher rate mobility component of disability living allowance for blind people”.

Councillor S.R. Baker formally proposed the motion and this was duly seconded.

In speaking to his motion, Councillor S.R. Baker outlined his own personal experience and that his father had been blind and read out a statement in support of the Notice of Motion. He hoped that the Government could be persuaded to pay the higher rate mobility component of the disability living allowance as this would considerably benefit blind people and he was seeking equality and fair play for blind people.

Councillor P. Curtis welcomed the Notice of Motion and thanked Councillor Baker for bringing this forward on behalf of the RNIB. He also referred to difficulties that blind people and partially sighted people experienced in their normal day to day life and he asked the County Council to support the Notice of Motion.

RESOLVED:

- (a) That the Council asks the Chief Executive and Leader of the Council to write to the Secretary of State for Work and Pensions, The Right Honourable James Purnell MP expressing these concerns.
- (b) That the Chief Executive and Leader of the Council be asked to write to the local Members of Parliament requesting that they write to the Secretary of State expressing these concerns.
- (c) That the Royal National Institute of blind people's campaign on securing the higher rate mobility component of disability living allowance for blind people be supported.
- (c) **Social Housing Provision – Affordability**

The following Notice of Motion had been submitted by Councillor L.A. Aldridge:-

“We call upon the Government both here and in Cardiff and Westminster to remove the requirement upon Local Authorities to seek under Section 106 Agreement a percentage relating to “affordability” in regard to social housing developments and move towards the more practical policy of social housing provision”

Councillor Aldridge formally proposed the motion and this was duly seconded. Councillor Aldridge spoke in support of his Notice of Motion and sought support to explore this with the Government to create real affordability.

Councillor P.G. Heesom referred to the lack of supply of housing and the current arrangements of 106 Agreements which had not met supply. He welcomed and supported Councillor Aldridge's Notice of Motion but did suggest

a minor amendment that this motion should be taken into account in the early work of the Local Development Plan.

Councillor R.C Bithell emphasised the importance of continuing with the Section 106 Agreement and emphasised that there were various means and models that could achieve the aim of affordability.

Councillor Mike Peers said that as a Member of the Planning Committee he saw many applications with Section 106 Agreements and affordability was in the main how much discount a developer would give. He supported the Notice of Motion and noted that a previous planning application had proposed 30% affordability in the Buckley area but this had been reduced to 15% at an Inquiry.

RESOLVED:

That the Government both here and in Cardiff and Westminster be called upon to remove the requirement upon local authorities to seek under Section 106 Agreement a percentage related to affordability in regard to housing developments and move towards the more practical policy of “social housing provision” and that this principle be taken into account in the early work of the Local Development Plan.

(d) **Alcohol Control Zones**

The following Notice of Motion had been submitted by Councillors R.C. Bithell, R.G. Hampson, R.P. MacFarlane, A.P. Shotton and J.B Attridge:-

“We the undersigned call upon Flintshire County Council to introduce alcohol control zones in all public places within the County”.

Councillor R.C. Bithell formally proposed the motion and this was duly seconded.

The Chairman referred to a briefing note prepared by the County Legal and Democratic Services Officer which had been prepared for Members information and tabled at the commencement of the meeting.

Councillor R.C. Bithell spoke in support of the Notice of Motion and referred to the areas in the County which had already been designated alcohol control zones and to a number of requests that had been made for further designations. In designating particular areas it was considered that this would just move the problem to other areas and Town and Community Council’s were all concerned on this matter as it was considered to be both an urban and rural problem. The Notice of Motion sought to introduce a zone for all of the County and whilst he appreciated the work that would be involved it would create a more effective Countywide solution.

The County Legal and Democratic Services Officer spoke to his briefing note which referred to the legal background, provided details of the current

designated alcohol control zones, the process that the Council was required to undertake before making an order, the cost of making such orders and the list of requests that had been made for further designations. In the light of the large number of requests received, the position had been discussed by the Flintshire Joint Action Group which commissioned a report from the Police to assess where the problems in relation to alcohol related issues were in the County and had agreed not to have a Countywide zone.

The County Legal and Democratic Services Officer then referred to the forthcoming Queen's speech and that it may be that this would include reference to legislation which may resolve this current problem but would make preparatory work on proposed zones redundant. Therefore, the options for the Council to consider were to pass the Notice of Motion, defer it until the results of the Queen's speech were known and thirdly to amend the Notice of Motion to agree it in principle and for the County Legal and Democratic Services Officer to undertake further consultation across the County and to present the evidence back to the County Council. He could start this process off by writing to all Town and Community Council's as well as the North Wales Police and to consult with licensed premises which were close to open spaces and then report back to the County Council. He also added that there may be a budget pressure in relation to this issue and this may have to be considered as part of the budget process. The proposer, and seconder of the Notice of Motion agreed to the third option put forward by the County Legal and Democratic Services Officer being considered as amended Notice of Motion.

On being put to the vote the amended Notice of Motion was agreed.

RESOLVED:

That Flintshire County Council agree in principle to introducing alcohol control zones in all appropriate public places within the County and calls upon the County Legal and Democratic Services Officer to commence a consultation procedure and present the evidence to a future meeting.

(e) **Temporary Council Discount on Second Homes which are Presently "For Sale"**

The following Notice of Motion had been submitted by Councillors R. Jones and G. James:-

"This Council notes the ongoing impact of the global credit crunch and its impact on the housing markets in the UK were the vast majority of properties for sale in the UK have now been on the market for more than 90 days without finding a buyer, according to recent research.

Council also notes – the proportion of properties unsold after 90 days has risen across the UK from 25% at the start of the year to 53% in August, while in Wales the figure is even worse at 64%.

The UK's largest mortgage lender, the Halifax, said that UK house prices had dropped by 11% in the past year.

The weakness in the housing market is being exacerbated by the sharp slow down in the UK economy, while unemployment is rising, growth is falling and retail sales are weak – with the British Retail Consortium reporting that sales have been flat throughout the summer.

Council also recognises it has a duty and moral obligation to consider what assistance it can provide to local residents affected by this economy downturn, particularly those saddled with mortgage debt and properties unable to be sold in the current climate. Council therefore resolves to provide residents with a temporary discount of 25% on their Council Tax on a second home that is presently “for sale” while the current housing market difficulties prevail with the budget for the proposed ward grant scheme being utilised to fund this proposed initiative”.

Councillor R. Jones referred to his Notice of Motion and proposed to amend the final paragraph and replace it with:-

“Council therefore resolves that in view of the current housing market difficulties, it supports the principle that, subject to budgetary pressures arising from the developing financial crisis, the Council, in the next financial year, allow residents a temporary discount of 25% on their Council Tax on second homes that are unoccupied, unfurnished and for sale”.

The Chairman asked the Council to consider accepting the revised Notice of Motion and this was agreed.

Councillor R. Jones formally proposed the motion and was duly seconded.

The County Finance Officer referred to the current Council Tax discount policy which had been considered in April 2006 and reaffirmed in April 2007 and that no discounts have been available on empty properties since 2006. She referred to the three classes of property on which exemption could be granted and said that it needed to be made clear on which property the Notice of Motion was to be applied for. She gave examples of second homes which were classed as holiday homes or inherited properties. The County Finance Officer referred to the preparation of the 2009/10 budget and to a draft report which would be made to the Executive in November 2008 which would be in relation to the Council Tax base and this Notice of Motion, if agreed, would need to be taken into consideration at that time.

A number of Members spoke against the Notice of Motion following which, Councillor R. Jones with the agreement of his seconder, agreed to withdraw the Notice of Motion.

RESOLVED:

That the Notice of Motion be withdrawn.

(f) **Fuel Duty Regulator**

The following Notice of Motion had been submitted by Councillor A. Woolley:-

“Flintshire County Council stresses its extreme concerns at the rapidly escalating costs of fuel and energy which is forcing individuals to meet ever increasing costs at the pumps and public services and industry to finance vast increases over and above what any organisation could reasonably expect to budget for.

The Council notes that its budget for 2008-09 included an assumption that energy and transport costs would increase by £1.069m but that latest projections suggest costs will increase by an additional £0.341m that is not included in the budget; and that these increases far exceed the 2.3% increase in revenue support grant provided by the Welsh Assembly Government for 2008-09.

The Council notes that, excluding UK duty on fuel, petrol would be 41.2p per litre and diesel would be 48.8p per litre. It further notes that statistics show that the UK’s taxation of petrol is the third highest out of all EU Member states and that, as a result of the escalating fuel prices, the UK Treasury is netting substantially increased levels of VAT in excess of the budgeted figures.

There is a temporary downward move in petrol and diesel prices, however, coal, gas and electricity continue, remorselessly to rise whilst the present situation of international financial uncertainty and the ‘credit crunch’ can only emphasise the difficulty created for Councils and residents in the outline above.

In light of this, Flintshire County Council now calls on the UK Government to act decisively to protect the interests of families, public services and industry by immediately introducing a Fuel Duty Regulator which will use the increasing revenues from VAT to fund a reducing in Fuel Duty levels and hence the price per litre of petrol and diesel for consumers.

In addition, the Council calls upon the Welsh Assembly Government to address this issue by creating a transparent element within future local government settlements to show how the Assembly Government is funding and fuel and energy price increases. Failure to provide an adequate level of funding could well result in adverse effects on local services such as leisure centres, bus services, health living etc.

The Council resolves to circulate this motion to all Flintshire MPs and AMs seeking their support for the above actions.”

Councillor A. Woolley formally proposed the motion and this was duly seconded.

Councillor Woolley speaking in support of his Notice of Motion and the need to bring this matter to the attention of the Government and emphasised that this was more than just the issue of fuel charges. He explained that the Council bought fuel in bulk and when the current contracts were due for renewal it was anticipated that there would be a 100% increase. The Council had previously made a prudent provision in the current years budget to meet increases in fuel supplies but it could not have foreseen the current increases which were being experienced. The Notice of Motion was intended to put pressure on the Welsh Assembly Government and Westminster to address this issue by creating elements within future over Government settlements to fund fuel and energy price increases.

Councillor L.A. Aldridge proposed an amendment to the Notice of Motion that the final paragraph be amended to read as follows:-

“In light of this, Flintshire County Council now calls on Government of the day to introduce windfall taxation methods against speculators who have again created artificially high oil prices as recently witnessed. And in equal measure apply the same methodology to oil companies. Furthermore, when it is clear that energy supplies fail to reduce the domestic price to the general consumer then we call upon the Government to take all necessary action to ensure that, as in high price times, drops in commodity prices follow at the same rate”. This amendment was seconded.

A discussion ensued when Members vote in support for both of the original Notice of Motion and the amended Notice.

The amendment was put to the meeting and with the majority voting against it the amendment was lost.

The Council then considered the Notice of Motion as proposed by Councillor A. Woolley and on being put to the vote it was duly carried.

RESOLVED:

- (a) that Flintshire County Council calls on the UK Government to act decisively to protect the interest of families, public services and industry by immediately introducing a fuel duty regulator which will use the increase in revenues from VAT to fund a reduction in fuel duty levels and hence the price per litre of petrol and diesel for consumers.
- (b) that the Council calls upon the Welsh Assembly Government to address this issue by creating a transparent element within future Local Government settlements to show how the Assembly Government is funding fuel and energy price increases. Failure to provide an adequate level of funding could well result in adverse effects on local services such as leisure centres, bus services, health living etc.

- (c) that Council resolves to circulate this motion to all Flintshire MP's and AM's seeking their support for the above actions.

57. CHAIRMAN'S COMMUNICATIONS

Details of the Chairman and Vice Chairman's engagement were circulated to all Members.

58. PETITIONS

Councillor R.G. Hampson presented a petition which requested the County Council to provide a pedestrian crossing on Mold Road near the entrance to Bod Offa Drive, Buckley to reduce risks to residents crossing the busy main road.

It was agreed that the petition be forwarded to the Director of Environment.

59. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES

No questions had been submitted.

60. ANNUAL PERFORMANCE REPORT 2007/08

A report of the Chief Executive, copies of which have been previously circulated to Members was submitted.

Councillor P.G. Heesom proposed that in the absence of the Chief Executive, this report be deferred.

The Chairman referred to the report and that it was required to be published by 31st October. Councillor H.T. Howorth emphasised the importance of the report and suggested that it be agreed in principle subject to consideration by the Overview and Scrutiny Committee to allow the Chief Executive to be present. The County Legal and Democratic Services Officer confirmed that it was appropriate for the report to be approved in principle which would enable the publication requirement to be met.

RESOLVED:

That the report be approved in principle but be submitted to Overview and Scrutiny Committee for consideration.

61. MEMBER ALLOWANCES – THE INITIAL REPORT OF THE INDEPENDENT RENUMERATION PANEL FOR WALES

A report of the Assistant Director (Democratic Services), copies of which have been previously circulated to Members, was submitted. The Assistant Director presented the report the purpose of which was to consider the

determinations made by the Independent Remuneration Panel for Wales on its initial report sent to the Council on 29th August and to amend the Council's scheme of allowances appropriately.

The Assistant Director referred to the Annual Meeting of the Council held on 13th May, 2008 which had received a report explaining that the Welsh Assembly Government had recommended that the rates of all allowances remain unchanged until such time as the Independent Remuneration Panel had made their recommendations when any increases could be backdated to the start of the current financial year.

The Welsh Assembly Government on 29th August, 2008 had sent to all Local Authorities in Wales copies of the initial report of the Independent Remuneration Panel for Wales and a copy of the letter was attached to the report. A copy of the Executive summary of the initial report was also attached and copies of the full report had been placed in the Members library and in group rooms. The Panel's report recommended that Basic and Special Responsibility Allowances increase by 2.45%. It also recommended that all Authorities in Wales pay the maximum guidance figures. The Panel's report also included other recommendations which were detailed in the report of the Assistant Director.

The Leader of the Council referred to the recommendations and that it was a matter for the Council to confirm this increase but stated that he personally would not be taking the increase and would be donating the increase to charity. He also referred to a meeting of Leaders of the WLGA the previous Friday which had been addressed by the Independent Remuneration Panel for Wales.

Councillor R.C. Bithell referred to the Member Development Conference held in Llandrinod Wells on the same day when the conference had been joined in the afternoon by the Leader of the WLGA and other Authority Leaders. The view expressed by the conference was that the Panel should determine what Members allowances were paid nationally and the annual increase which would avoid individual Councils having to consider this on an annual basis and the resultant media coverage.

Councillor M.G. Wright on behalf of the Conservative group proposed that the 2.45% increase be not implemented and this was duly seconded. He referred to the current economic situation and the difficulties being experienced and this would be a gesture to the general public and Council Tax payer.

Councillor R. Baker proposed an amendment that the recommendations of the report to increase the basic allowance and Special Responsibility allowance by 2.45% be implemented as this represented only half the current rate of inflation and in effect was a decrease and this was duly seconded.

Councillor L.A. Aldridge gave notice of a further amendment.

The amendment proposed by Councillor R. Baker was then put to the vote and was defeated.

Councillor L.A. Aldridge expressed his disappointment that the Leader of the Council was not providing a lead to the Council on this matter. He called upon the Leader of the Council to ask the County Finance Officer to calculate the total increase on the proposed Special Responsibility Allowances and basic allowance elements and to total them together and divide by 70. This would ensure that all Members were treated the same with the increase limited to the maximum guidance figure for Basic Allowances as recommended in the Panel's report. He moved this as an amendment and this was duly seconded.

A discussion ensued when Members spoke in support of the amendment and in support of the recommendation in the officer's report.

On being put to the vote the amendment proposed by L.A. Aldridge was defeated.

Councillor Mrs. C.A. Ellis then proposed a further amendment that the recommendations in the officer's report be accepted and the 2.45% increase be implemented but Members had the individual option not to take the increase in allowances if they so wished. The Assistant Director of Democratic Services confirmed that Members individually could write to him as the Proper Officer to confirm that they did not wish to take the proposed increase.

Councillor P.G. Heesom supported Councillor Mrs. C.A. Ellis and the advice of the Assistant Director of Democratic Services that Members had the option not to accept the increase by putting this in writing to the Proper Officer and duly seconded her amendment.

On being put to the vote the amendment was carried. This then became the substantive motion and on being put to the vote was agreed.

- (a) That the basic allowance for 2008/09 be increased by 2.45% to £12,867 with effect from 13th May, 2008.
- (b) That all existing Special Responsibility Allowance be increased by 2.45% with effect from 13th May, 2008.
- (c) That the care allowance be increased by 2.45% to a maximum of £384 per month with effect from 13th May, 2008.
- (d) That the provisions in the scheme for travel and subsistence be amended to reflect the various determinations of the Panel as indicated in paragraphs 3.05 and 3.06 of the report.
- (e) That Flintshire's scheme of allowances be amended to incorporate payment of co-optees allowance as recommended by the Panel with effect from 13th May, 2008 or when co-opted if later.

- (f) That other recommendations of the Panel contained in paragraphs 3.04 and 3.09 in the officer's report be implemented.

62. OVERVIEW AND SCRUTINY ANNUAL REPORT

A report of the County Legal and Democratic Services Officer, copies of which have been previously circulated to Members, was submitted.

Councillor J. Falshaw as Vice Chairman of the Overview and Scrutiny Co-Ordinating Committee presented the report the purpose of which was for the Council to receive the annual report of the Overview and Scrutiny function for 2007/08.

RESOLVED:

That the Overview and Scrutiny annual report for 2007/08 municipal year be received.

63. RECOMMENDATIONS OF THE CONSTITUTION COMMITTEE

A report of the County Legal and Democratic Services Officer, copies of which have been previously circulated to Members, was submitted. Councillor R.J.T. Guest, as Chairman of the Constitution Committee, presented the report the purpose of which was for the Council to consider the recommendations of the Constitution Committee.

RESOLVED:

That the recommendations of the Constitution Committee be agreed.

64. TREASURY MANAGEMENT/BANKING/INVESTMENT UPDATE

A report of the County Finance Officer, copies of which have been previously circulated to Members, was submitted.

The County Finance Officer presented the report the purpose of which was to provide information on the Council's Treasury Management Policy and Strategy, the investment of £3.7m with Landsbanki and the Council's short term investment portfolio. Secondly, to seek approval to an increase in the counter party investment limit from £5m as approved in the Treasury Management Policy statement 2008/09 to a maximum £7m. Thirdly, to seek approval of a temporary increase in the sector limit for investments in the Governments Debt Management Office account from 20%, as stated in the Treasury Management Policy statement, to 100% with immediate effect.

The County Finance Officer referred to sections of the report and firstly that the Council had adopted the CIPFA Treasury Management in the Public

Sector Code of Practice 2001 from 1st April, 2002 and its requirements were set out in Financial Procedure Rules.

The Council had £3.7m invested with the UK subsidiary of Landsbanki and the investments were detailed in paragraph 3.01. The three investments had been prior to the 30th September, 2008 and made as short term investments and before the credit rating for this bank had been reduced. On 7th October, 2008 Landsbanki had been placed in receivership which gave it temporary protection from payment of debts and obligations as they fell due. £1.2m of the £3.7m was due to mature on 17th October, 2008 and had not been repaid at this stage. Flintshire was one of nine Welsh Councils' to be caught up in the collapse of the Icelandic banking system along with three Police Authorities and three Universities in Wales. Flintshire's £3.7m was within the figure of some £70m for Councils' in Wales and £860m across England and Wales. Council Officers had been and continued to provide information to assist the Local Government Association, Welsh Local Government Association and other bodies. The WLGA was working closely with the Welsh Assembly Government, the Westminster Government and the Local Government Association in seeking to recover all investments and to guarantee Government support for Councils' if required.

The County Finance Officer referred to the position of Landsbanki which was in receivership rather than in administration. It was not possible at this time to present a clear picture on assets. The UK Treasury had made a £100m loan to a London division of Landsbanki to secure the banks position and continued operation. She also reported that a considerable number of enquiries had been answered on this situation in recent weeks and that a press release would be issued following the Council meeting which would also be made available to staff.

The County Finance Officer referred to Section 4 of the report and drew the distinction between the Council's cash investments and Council reserves. In particular she referred to paragraph 4.03 of the report which provided a summary of the Council's investments as at 9th October, 2008 in the sum of £67m.

Section 5.00 of the report set out recommended changes to the Council's Treasury Management Policy Statement. It was recommended that in order to safely manage the Council's investments in these unprecedented times of financial turmoil that two be made to the Council's Treasury Management Policy statement to maximise the opportunities available to invest monies. These were to increase the counter party limit from £5m to £7m (permanent change) and an increase in the percentage of cash invested which could be placed with the Government Debt Management office from 20% to 100% (temporary change). The report set out the options which had been considered in coming to these two recommendations.

The Leader of the Council as the Executive Member for Finance and Asset Management said that he was confident that Flintshire's reserves and its

approach to financial management was in safe hands. All operational matters were guided by instructions from the UK Government and he moved the recommendations of the report.

Councillor A. Shotton expressed his concerns and referred to the questions being asked by members of the public on the confidence in the Council's banking arrangements. He referred to the timing of events from February when an Icelandic bank had had its credit rating down graded. However, from the information contained in the report investments had been made through July and September. At the same time, Wrexham County Borough Council had been able to rescue their investment from this bank and he questioned how their Leader of that Council had received advice and had been able to take the appropriate remedial action. He questioned when the Flintshire Leader of the Council had been advised on the investment of the £3.7m in an Icelandic bank in his capacity as Executive Member for Finance. In conclusion, he asked for clarification as to whether other reserves were held in foreign investments and how this would affect other projects such as single status.

A discussion ensued when other Members sought clarification on the investments made and the impact this would have on the Council.

The County Finance Officer replied to the questions raised and referred in the first instance to the Wrexham County Borough Council situation and confirmed that their investment had come to maturity before Landsbanki went into receivership and was not as a result of any specific action taken by the Council. A full list of all the Council's investments was available and this could be shared with all Members. On the issue of increasing the counter party limit with any one financial institution from £5m to £7m this was the least risk option in the current circumstances. In conclusion, she referred to media coverage on the Council's reserves and to the misunderstanding that resulted from it. The actual figure of investment in the general fund reserves was £30m and not £9m as reported in the press.

RESOLVED:

- (a) That the current position in relation to the Council's Treasury Management Policy and Strategy be noted.
- (b) The current position in relation to the Council's investment £3.7m in Landsbanki, be noted.
- (c) That the current position in relation to the Council's short term investments be noted.
- (d) That the increase in the counter party investment limit as stated in the Treasury Management Policy and Strategy statement 2008/09 from £5m to a maximum of £7m with immediate effect, be agreed.

- (e) That the temporary increase in the sector limit for the DMO from 20% as stated in the Treasury Management Policy and Strategy statement to 100% with immediate effect be agreed.

65. CLWYD PENSION FUND UPDATE

A report of the County Finance Officer (Treasurer and Administrator to the Fund), copies of which have been previously circulated to Members, was submitted.

The Chairman of the Clwyd Pension Fund, Councillor Brian Dunn, presented the report the purpose of which was to provide an update on issues relating to the Clwyd Pension Fund.

RESOLVED:

That the report be noted.

66. ENFORCEMENT POLICY – HEALTH & SAFETY SECTION, PUBLIC PROTECTION

A report of the Director of Environment, copies of which have been previously circulated to Members, was submitted. The purpose of the report was to present to the Council recommendations of the Executive in relation to the Enforcement Policy (Health and Safety section, Public Protection).

RESOLVED:

That the recommendations of the Executive be agreed.

67. EMERGING FLINTSHIRE UNITARY DEVELOPMENT PLAN: CLOSE OF PUBLIC INQUIRY AND TIMETABLE FOR ADOPTION

A report of the Director of Environment, copies of which have been previously circulated to Members, was submitted.

The purpose of the report was to inform Members on the closure of the Unitary Development Plan Inquiry, to advise on the procedures for the Adoption of the UDP and to seek approval of the “additional further proposed changes” to the UDP, for development control purposes. Members were also asked to note that this report had been considered and endorsed by the Executive at its meeting on 16th September, 2008.

RESOLVED:

That the content of the report be noted and the UDP “additional further proposed changes”, July 2008 be approved for development control purposes.

68. QUESTIONS

The Council noted that no questions had been submitted in accordance with the County Council's Standing Order number 9.4 (a).

69. SEALING OF DOCUMENTS

RESOLVED:

- (a) That the Chairman and Vice Chairman, County Legal and Democratic Services Officer and Principal Solicitors be authorised to affix the Common Seal of the County Council between meetings of the County Council.
- (b) That the action of the Chairman and Vice Chairman, the County Legal and Democratic Services Officer and Principal Solicitors in affixing the Common Seal of the County Council as set out in the Seal Register Number 11027-11183, be noted.

70. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 – TO CONSIDER THE EXCLUSION OF PRESS AND PUBLIC

The Council was asked to consider excluding the press and public for the following agenda item which was considered to be exempt by virtue of paragraphs 12 and 15 of Part 1 of Schedule 12 A of the Local Government Act 1972 (as amended).

Councillor A. Shotton referred to the following report which was the Chief Executive's report on the 2nd Tier Pay and Grading Review. He explained that there were a number of questions that he wished to raise on the report and in the absence of the Chief Executive proposed that the report be deferred to the next County Council or to a special meeting of the County Council.

The Director of Community Services explained that she and the other members of the Senior Management Team intended to present the Chief Executive's report on his behalf.

Councillor P.G. Heesom spoke against deferring the Chief Executive's report as there was a need to commence the recruitment process for a number of senior appointments.

The Chairman suggested that the report be deferred to a special meeting of the County Council to be held as a matter of urgency and to enable the Chief Executive to be present, and this was agreed.

RESOLVED:

That the press and public be not excluded for the remainder of the meeting.

71. SECOND TIER PAY AND GRADING REVIEW

A report of the Chief Executive, copies of which had been circulated to Members previously, was submitted,

The report of the Chief Executive was deferred to a special meeting of the County Council to be arranged as a matter of urgency.

RESOLVED:

That a special meeting of the County Council be arranged as a matter of urgency.

72. DURATION OF MEETING

The meeting commenced at 2.00 pm and finished at 6.05 pm.

73. MEMBERS OF THE PRESS AND PUBLIC PRESENT

There were two members of the public and three press in attendance.

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Chairman

**SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT**

FLINTSHIRE COUNTY COUNCIL	DATE:	28th OCTOBER 2008
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MEMBER	ITEM	MIN. NO. REFERS
All Members of the Council present for the item on Members allowances	Agenda Item No. 12 - Members Allowances – The Initial Report of the Independent Remuneration Panel for Wales	61
Councillors B. Attridge, R.C. Bithell, Mrs. C.A. Ellis, Mrs. C. Hinds, Mrs. N. Matthews, Mrs. S. Jones and A.P. Shotton	Agenda Item No. 16 - Clwyd Pension Fund update	65

FLINTSHIRE COUNTY COUNCIL
6TH NOVEMBER 2008

Minutes of the Special Meeting of Flintshire County Council held in County Hall, Mold on Thursday 6th November 2008.

PRESENT: **Councillor Q. R. H. Dodd (Chairman)**
Councillor C. Legg (Vice-Chairman)

Councillors: J.B. Attridge, D. Barratt, R.C. Bithell, C. S. Carver, E.G. Cooke, D.L. Cox, R. Dolphin, B. Dunn, Mrs C.A. Ellis, E.F. Evans, Ms V. Gay, F. Gillmore, R.J.T. Guest, Miss A.M. Halford, R.G. Hampson, G. Hardcastle, P.G. Heesom, M. Higham, Mrs C. Hinds, R. Hughes, H.T. Isherwood, Mrs. C.M. Jones, Mrs N. M. Jones, R.B. Jones, Mrs S. Jones, R.P. MacFarlane, D.I. Mackie, Mrs D.L. Mackie, Mrs H.J. McGuill, W. Mullin, E.W. Owen, P.R. Pemberton, N. Phillips, H.G. Roberts, L.A. Sharps, N.R. Steele-Mortimer and Ms H. Yale.

APOLOGIES:

Councillors: L.A. Aldridge, G.H. Bateman, J.C. Cattermoul, P.J. Curtis, R. Davies, A.G. Diskin, Mrs G.D. Diskin, C.J. Dolphin, H.T. Hutchinson, G. James, Mrs. R. Johnson, Mrs. N.R. Matthews, D. Macfarlane, Mrs A. Minshull, M.J. Peers, I.B. Roberts, A.P. Shotton, Mrs C.A. Thomas, D.T. Williams and A. Woolley.

IN ATTENDANCE:

Chief Executive, Director of Community Services, Director of Environment, Director of Lifelong Learning, H R Operations Manager and Head of Committee, Member and Electoral Services.

1. PRAYERS

At the commencement of the meeting, the Chairman's Chaplain, the Reverend Anthapurusha conducted prayers.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 – TO CONSIDER THE EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED:

That the press and public be excluded from the meeting for the following agenda item which was considered to be exempt by virtue of paragraphs 12

and 15 of the Part 1 of Schedule 12A of the Local Government Act 1972 (As Amended).

4. SECOND TIER PAY AND GRADING REVIEW

The Council considered a report of the Chief Executive on the outcome of the Second Tier Pay and Grading Review which had been deferred to this meeting from the County Council at its meeting held on 28th October 2008.

Councillor L.A. Sharps introduced the report of the Chief Executive, the purpose of which was to report the outcomes of the Second Tier Pay and Grading Review and to seek approval of the recommended pay and grading structure. He moved the recommendations of the report which were duly seconded.

The Chief Executive thanked Members for attending this special meeting and proceeded to make a presentation in support of the written report. The review had followed Phase I of the organisational change and redesign which had approved Directorate structures and first tier posts. The pay and grading of second tier posts had been considered previously by the County Council (last in early 2007) and the review had been suspended pending the review of the directorates and wider senior management structure.

In making the presentation, the Chief Executive outlined the objectives of the review which were: to consolidate and modernise job descriptions and person specifications for second tier posts; to provide a pay and grading structure which recruited and retained senior employees with the requisite skills, experience and capability; elimination of the need for interim and temporary appointments. The structure would support the newly introduced first tier management structure, provide a framework for effective appraisal, management and development of the second tier postholders, and resolve a number of outstanding claims from those postholders who claimed second tier status.

The Chief Executive then outlined the outcome of the review which recommended modernised job descriptions and person specifications and a set of generic leadership and management competencies. The review had defined the criteria for second tier posts as follows:

- (i) to report directly to either the Chief Executive or Director and
- (ii) to deputise for the Chief Executive or Director across the entire range of their duties and
- (iii) to have the requisite "know how" score under the Hay Job Evaluation model.

There were 22 posts which had been included in the review. As a result of the job evaluation, 13 posts were now defined as second tier, 2 further posts which did not meet the definition for second tier were to be reviewed and expanded, and 7 posts did not meet the definition for second tier. The 13 posts

now defined at second tier level were listed and these would now be known as Head of Service rather than by variable titles. The remaining posts which were not now regarded as second tier were also listed.

The Chief Executive then referred to the projected costs of the proposals in the first and subsequent years. He reminded Members that he had given a commitment to the Council that the objective should be to make all planned management structural change cost neutral year-on-year (following initial costs e.g. redundancy, early retirement) with the aim of generating savings and efficiencies where possible. This review was not a planned review but was incomplete work he had inherited. The Council had set funds aside previously to meet the costs of the suspended review on the assumption that there would be an enhancement of grade and had uplifted salaries by an equal lump sum in the interim.

The year-on-year costs of the pay and grading structure from year 2 onwards would be met from a combination of a further rationalisation of senior management posts within the second and third tiers and savings and efficiencies in management, structure and overhead costs generated by the reviews being/to be undertaken as part of the second phase of organisational change and redesign. In this regard, he drew Members' attention to the current interim arrangements. The recruitment of permanent employees to these positions, following the adoption of a pay and grading structure, would provide a more cost effective and sustainable management structure. Elimination of the market costs of interim appointments would generate substantial savings not referred to or costed in his presentation.

The Chief Executive, in concluding his presentation, referred to the action points that would be required from this review. This would include an appeals process to be notified to all postholders. Posts which had not achieved the second tier status which would be job evaluated as part of the single status arrangement. Further work would be undertaken on the 2 posts to be considered for role expansion and elevation to the second tier. The 11 second tier postholders within the single grade would have their status confirmed and their new pay and grading introduced as at the implementation date. Temporary occupants of the 2 special graded posts which had significant statutory responsibilities would be considered for post matching. A recruitment exercise would be undertaken without delay for the priority second tier posts for example the post of Head of Planning Services.

The Chief Executive referred to representations that had been made by postholders for the outcomes of the review to be implemented with immediate effect.

Councillor B. Attridge read out a statement following which he moved an amendment that this item be deferred until such time as further savings were identified and the report be brought back to the County Council with clear plans to make this proposal cost neutral.

The Chief Executive referred to his presentation which he considered had answered all the points raised by the Member and emphasised his position made at the July meeting of the Council when he had explained that it would be difficult to pre-empt the level of expenditure on second tier posts until the salary review had been completed. However, he had always maintained that it would be necessary to find efficiency savings to finance any organisational change with the objective of either being cost neutral or deriving efficiencies. He gave examples of recurring efficiencies that were already being made in specific areas under his guidance totalling £600,000 per annum. The senior management structure had been reduced from 6 directors to 3 and it was now being proposed that the second tier officers be reduced from 22 to 13 with an additional two posts to be subject to further review.

The Chief Executive then answered specific questions raised by Members following which Councillor J.B. Attridge with the support of his seconder, having had the answers from the Chief Executive to the points he had raised, withdrew his amendment.

The Chairman then asked the Council to consider the recommendations of the report which had been moved, and seconded, earlier in the meeting and on being put to the vote, the recommendations were AGREED unanimously.

RESOLVED:

That the outcomes of the pay and grading review be received and the revised pay and grading structure as set out in the report be adopted with immediate effect.

5. DURATION OF MEETING

The meeting commenced at 2.00 pm and finished at 2.40 pm.

6. MEMBERS OF THE PRESS AND PUBLIC PRESENT

There were no members of the public and press in attendance.

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Chairman

**SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT**

FLINTSHIRE COUNTY COUNCIL	DATE:	6TH NOVEMBER 2008
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MEMBER	ITEM	MIN. NO. REFERS
NO DECLARATIONS WERE MADE		

FLINTSHIRE COUNTY COUNCIL
2nd DECEMBER 2008

Minutes of a Special Meeting of Flintshire County Council held in County Hall, Mold held on Tuesday, 2nd December 2008.

PRESENT:

Councillor: Q.R.H. Dodd (Chairman)

Councillor: C. Legg (Vice-Chairman)

Councillors: L.A. Aldridge, K. Armstrong-Braun, J.B. Attridge, S.R. Baker, D. Barratt, G.H. Bateman, R.C. Bithell, C.S. Carver, E.G. Cooke, R. Davies, C.J. Dolphin, B. Dunn, Mrs C.A. Ellis, E.F. Evans, J.E. Falshaw, Ms V. Gay, F. Gilmore, R.J.T. Guest, R.G. Hampson, G. Hardcastle, P.G. Heesom, M. Higham, R. Hughes, H.D. Hutchinson, Mrs C.M. Jones, R.B. Jones, Mrs S. Jones, D.I Mackie, Mrs D. L Mackie, Mrs N.M. Matthews, Mrs A. Minshull, W. Mullin, E.W. Owen, M.J. Peers, N. Phillips, M.A. Reece, H.G. Roberts, I.B. Roberts, L.A. Sharps, A.P. Shotton, N.R. Steele-Mortimer, Mrs C.A. Thomas, D.E. Wisinger, A. Woolley, M.G. Wright and Ms H. Yale.

APOLOGIES:

Councillors: D.L. Cox, P.J. Curtis, Mrs A.J. Davies-Cooke, Mrs R. Dolphin, Miss A.M. Halford, Mrs C. Hinds, Mrs N. Humphreys, G. James, R. Johnson, R.P. Macfarlane and P.R. Pemberton.

IN ATTENDANCE:

Chief Executive, Director of Community Services, Director of Environment, Director of Lifelong Learning, County Legal and Democratic Services Officer, County Finance Officer, Head of Overview and Scrutiny and Head of Committee, Members and Electoral Services.

80. PRAYERS

The Reverend Martin Bachelor conducted prayers at the commencement of the meeting.

81. DECLARATIONS OF INTEREST

No declarations of interest were made.

82. COUNCIL MINUTES

RESOLVED:

- (a) That the minutes of the meeting held on 28th November, 2008 be approved as a correct record and signed by the Chairman.

- (b) That the minutes of the meeting held on 6th November, 2008 be approved as a correct record and signed by the Chairman.

MATTER ARISING:-

Members Present

Councillor Robin Baker said that he was present at the meeting and wished for this to be recorded and Councillor D. Wisinger had submitted an apology and asked for this to be recorded.

83. AWARDS

Tidy Wales Award 2008

The Chairman was pleased to invite colleagues who had won awards to this meeting of the County Council and on behalf of Members he congratulated both winners.

Large Partnership Award Category

The Chairman presented Mr Dave Faulkner and Mr Mike Taylor representing Countryside Services who had won the award for the Big Dee Day and made reference to the event which had seen volunteers cleaning the coastline from Talacre to Chester.

Schools Category

The Chairman presented the award to representatives of Hawarden High School which had won the award for their Dell project. There had been 250 school applications for this award and he paid tribute to the staff and pupils on this achievement.

Councillor L.A. Sharps said that he had been present at the presentation of the awards in Cardiff and paid tribute to the excellent work undertaken by the Countryside Services Team and the Hawarden High School. He also thanked the Chairman for allowing the presentations to be made at this Council meeting.

Councillors N.R. Steele-Mortimer and K. Armstrong-Braun both endorsed the comments made and expressed their appreciation of the work undertaken on both schemes.

84. COMMUNITY SAFETY AND POLICING

The Chairman welcomed Chief Superintendent Ruth Purdie to the meeting and the Chief Executive explained that she would be giving a presentation on the work and priorities of the Community Safety Partnership, the Policing Green Paper and the Government "Contest" Anti-Terrorism Strategy.

Chief Superintendent Purdie thanked the County Council for its invitation to make a presentation at this meeting which she understood was the first to be made by North Wales Police to a formal Council meeting. The presentation made reference to the work and priorities of the Community Safety Partnership and outlined the key issues. This included the environmental audits, communications, and the facilities that were made available on the Police Authority website, community engagement, dangerous persons, vulnerable people, problem solving activity, Police Community Support Officers and overall quality of service and community activity.

Chief Superintendent Purdie then referred to counter-terrorism and the North Wales perspective of the Wales Extremism and Counter-Terrorism Unit and the collaboration between the four Welsh Police Authorities. The information provided in the presentation was restricted and she was only able to make reference to information that was currently in the public domain. As a result of the bombings in London on 7th July 2005 the situation had changed significantly in the United Kingdom and she emphasised the importance of community policing to gain information as activity and risks in the community. The "Contest" Strategy comprised the four Ps of Prevent, Protect, Pursue and Prepare and she gave further information on each of these categories which were linked by a common thread of community intelligence.

In conclusion, the Chief Superintendent referred to the Policing Green Paper on which the Community Safety Partnership had submitted a response and she outlined the key areas.

At the conclusion of the presentation Members were given the opportunity to raise questions and a number of points were raised. These included the proposals in the Police Green Paper which included potential changes to the membership of Police Authorities. A number of Members expressed concern on this proposal and the impact it would have on elected member representation. A number of Members made reference to neighbourhood policing and to what they considered to be the high turnover of Community Beat Managers, particularly in the rural areas, and to the large geographical areas that the Officers had to deal with. Councillor K. Armstrong-Braun also referred to drug problems in the locality and made reference to difficulties experienced by members of the public and the call centre system that was in operation.

Chief Superintendent Purdie responded to the issues raised and agreed to investigate specific issues. On the difficulties referred to on public contact and the call centre she asked the Member to provide details of these particular instances which would be investigated; she also offered the Member the opportunity to visit the call centre which was considered to be the best in the United Kingdom. On the issues of drugs she again asked the Member to provide evidence to substantiate his claims and these would be investigated. In response to Councillor Aldridge who had also asked for these claims to be substantiated on this issue she said she would attend a meeting of Flint Town Council if invited.

In conclusion, the Leader of the Council thanked the Chief Superintendent for her attendance at the meeting and referred to the WLGA's response on the Green Paper which was robust and had incorporated all the Council's concerns and he looked forward to receiving the White Paper. In this regard, the Chief Executive referred to the Community Safety Partnership in the Green Paper response which expressed concern on the governance issues in the Green Paper and had supported the need to protect the role of the elected Member. The Council also supported the response of the Welsh Local Government Association (WLGA) on the Green Paper.

85. ANNUAL LETTER FLINTSHIRE COUNTY COUNCIL 2007/08

The Chief Executive introduced a report the purpose of which was to present to the County Council the annual letter of the Appointed Auditor and Relationship Manager which summarised the work of the Wales Audit Office (WAO) and Pricewaterhousecoopers (PWC) during 2008. He then introduced the Relationship Manager Mr Alan Morris of WAO and Mr David Newman of PWC who would give a short presentation on the annual letter.

Mr David Newman referred to the summary and to the reference that that it had not been possible to conclude the audit opinion on the Council's accounts as due to the outstanding A.D. Waste Ltd annual accounts and the transfer of operations to the Council preventing the company's auditors from reaching an opinion on its accounts. He was pleased to report that ADW's Auditors had now provided an opinion and it was expected that the Council's accounts would be signed off within the next few days. He also made reference to the Council's Improvement Planning arrangements which had complied with statutory requirements and to areas where further work was required. The Council also had satisfactory arrangements in 2007/08 to assist it achieve economy, efficiency and effectiveness in issues of resources. He also noted that the Council faced potential difficulty and delay in recovering its investments of £3.7m in Landsbanki, the Icelandic bank but commented that the investments were consistent with the Treasury Management policy in operation at the time and only formed a modest proportion of the total value of the Council's investment as at 31st March 2008.

The Relationship Manager, Mr Alan Morris, referred to the Annual Joint Risk Assessment arrangement which had improved significantly and there was now a clear mechanism in place. The first phase of the Council's organisational transformation had been completed in line with the original plan, time frame and within budget. There was a clear positive message on the progress being made and there was still more work to be undertaken on phase two and the lower management tiers. The urgency of the housing strategy situation had been noted together with the extension of time granted by the Minister to March 2009 and this needed to be continued as a priority. Progress continued to be made with changes to the structure, management and working practices within the Planning and Development Control section and some of the intended enhancements were to be completed. The new

integrating HR/Payroll system when fully operational would provide enhanced management information on a range of HR issues.

The Chief Executive thanked David Newman and Alan Morris for their presentation and explained that the process of the annual letter drafting had been a challenging one. He thanked the Audit Committee for its consideration at the meeting held on 27th November and the annual letter represented a constructive and positive response which recognised progress made in 2007/08. There were a number of points which were not reflected in the letter which included organisational change, where it had not been recognised that services had been protected during the period of interim arrangements, a testament to the Officers and Members. There was no detailed reference to the economic downturn which would be the greatest financial pressure on the Council. The work undertaken on the Medium Term Financial Strategy to date had not been specifically recognised and a number of business process changes.

Reference was made to the housing strategy. A Special Meeting of the County Council would be held in January 2009 at which a decision on the way forward would be required. In regard to Planning and Development Control, the Planning Protocol Working Group was to be reconvened and the HRMIS system had been implemented in November with only minor operational issues. The contractor report had only just been completed and this would be considered by the Audit Committee and Executive in the New Year.

The County Finance Officer referred to the A D Waste accounts which had now been signed off by the company's auditors Deloitte's the previous day. In making reference to the Council's accounts and the complex/technical process that was required she expressed an appreciation of the Member input and paid credit to the Officers in her own department and service departments who had been involved in closing the accounts for 2007/08.

Councillor I.B. Roberts, as Chairman of the Audit Committee referred to the full debate on the Annual Letter which had taken place at the Committee on 27th November, 2008 and made particular reference to the Annual Performance Report which commented that the Council was ranked as the fourth highest performing authority in Wales. He thanked everyone involved in the process. The Audit Committee had resolved that the Committee was satisfied that the letter presented a fair and balanced picture, that the Committee was satisfied with the response that the Council had made and the progress outlined in the letter and had noted the positive comments on performance and the acceptance of challenges. He duly moved these recommendations and this was seconded by the Vice-Chairman of the Audit Committee.

The Chief Executive responded to questions raised by Members and the letter recognised the Council's performance in relation to other Welsh Local Authorities. On the issue of partnership with other Local Authorities and the reference made to the former Wirral and North Wales Purchasing Organisation. He explained that this was the only notable joint venture that

had failed in North Wales as a result of particular circumstances at that time. The Relationship Manager emphasised the benefits that could be achieved through such joint arrangements and whilst such arrangements could bring benefits there was a need to consider the risks and to ensure that the partnership delivered what was intended. This was a real challenge for North Wales but the initial signs were very positive.

The Chief Executive then referred to a question regarding the current housing review and confirmed that the Deputy Minister had originally agreed to an extension of time to December 2008. However, following a recent meeting of the Housing Strategy Review Board, the Minister had been asked to allow the Council a further extension of time to complete the business case for a partial transfer option. A potential further three months extension to 31st March 2009 had been agreed by the Deputy Minister. A Special Meeting of the County Council was to be held in January when consideration would be given to a business plan being capable of completion within the three months extension, dependent in the viability of a partial transfer model. A request to the Minister was made on the strict basis that the Council fully accepted that should partial transfer options prove, with external validation, to be unfeasible, the Council, at the January meeting, would have no option but to formally accept that it must move to ballot on a full transfer model.

RESOLVED:

That the report and recommendations of the Audit Committee held on 27th November, 2008 be noted.

86. NOTICE OF MOTION

Procurement of Products and Services from Local Suppliers

The following Notice of Motion had been received from Councillor M. Wright:-

“That this Council should increase the number of local suppliers it procures products and services from and that we should settle payment for those services, where that business has less than 250 employees (i.e. it is a small business), within 15 days maximum.”

Councillor Wright formally proposed the motion and this was duly seconded. In speaking to his motion, Councillor Wright referred to the current difficulties of the economy and his motion was intended to assist local businesses with their cash flow.

Other Members spoke in support of the motion making reference to the difficulties that small companies had in getting on the Council's contractor list but also recognising the need to ensure that services were sustainable in the long term.

Councillor A.P. Shotton said that whilst accepting the principle of the Notice of Motion and the need for expedient payment of invoices, questioned whether it was correct for the County Council to be considering such a change to policy as this was covered by the Council's financial regulations and standing orders. Councillor R.C. Bithell also referred to previous consideration that had been given to try and procure supplies from local businesses which had not always proved possible and this needed further investigation.

Councillor R. Baker proposed an amendment to the Notice of Motion that the addition of "wherever possible and practical" be inserted after the first word "That" and this was seconded. Councillor M. Wright with the agreement of his seconder, agreed to accept the suggested amendment.

The Chief Executive referred to Councillor Shotton's comments on determining policy and confirmed that it was not possible to agree an amended policy without giving the matter further exploration. He referred to the existing practice of maximising performance on paying invoices within 30 days, with the exception of disputed invoices, but noted there were Government proposals to reduce this to 10/15 days. The Council also had a procurement strategy and its provisions would need to be revisited.

The County Finance Officer said work would be required on the detailed implementation of the Notice of Motion. She also referred to the Welsh Assembly Government which was looking at reducing the timescale for payment of invoices. Such a proposal would present cash flow implications for Local Authorities with cash being moved out of the Authority more quickly and there was currently consultation on whether the Revenue Support Grant would be paid quicker by the Welsh Assembly Government to compensate Councils. There was a meeting of Welsh Finance Directors the following day and this would be considered at that meeting.

The County Legal and Democratic Services Officer referred to EEC directives and new regulations and at the meeting of the County Council on 28th October, 2008 agreement had been made on the recommendations of the Constitution Committee which included a review of the contract procedure rules.

The Council then considered the Notice of Motion as amended, and on being put to the vote it was duly carried.

RESOLVED:

That wherever possible and practical, this Council should increase the number of local suppliers it procures products and services from and that we should settle payment for those services, where that business has less than 250 employees (i.e. it is a small business), within 15 days maximum.

87. SPECIAL MEETING OF THE COUNTY COUNCIL ON 17TH DECEMBER, 2008

The Chief Executive reported that a Special Meeting of the County Council was to be held on 17th December, 2008 to consider Single Status and the recommended employer position and pay model. This was an important matter for the Council's consideration and Member's attendance was emphasised. It was also intended to offer a number of workshops and individual briefings to allow Members to understand the issues of Single Status and the pay model.

Councillor B. Attridge referred to an Allocations Workshop that was to be held at Theatre Clwyd on 17th December, 2008 for which he had recently received notification, which would clash with the Council meeting. The Director of Community Services agreed to reschedule the Allocations Workshop.

RESOLVED:

That the information provided by the Chief Executive and the reasons for the Special County Council meeting to be held on 17th December 2008 at 2pm, be noted.

88. DURATION OF MEETING

The meeting commenced at 2pm and finished at 4.30pm.

89. MEMBERS OF THE PRESS AND PUBLIC PRESENT

There was one member of the press in attendance.

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Chairman

SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT

FLINTSHIRE COUNTY COUNCIL	DATE: 2nd DECEMBER 2008
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MEMBER	ITEM	MIN. NO. REFERS
NO DECLARATIONS WERE MADE		

FLINTSHIRE COUNTY COUNCIL
17TH DECEMBER 2008

Minutes of a Special Meeting of Flintshire County Council held in County Hall Mold on Wednesday 17th December 2008.

PRESENT:

Councillor: Q.R.H. Dodd (Chairman)

Councillor: C. Legg (Vice-Chairman)

Councillors: L. A. Aldridge, K. Armstrong-Braun, J. B. Attridge, S. R. Baker, D. Barratt, G. H. Bateman, R. C. Bithell, C. S. Carver, Mrs. J. C. Cattermoul, E. G. Cooke, D. L. Cox, P. J. Curtis, Mrs. A. J. Davies-Cooke, C. J. Dolphin, B. Dunn, E. F. Evans, J. E. Falshaw, F. Gilmore, R. J. T. Guest, Miss A. M. Halford, R. G. Hampson, G. Hardcastle, P. G. Heesom, H. T. Howorth, R. Hughes, G. James, Mrs. C. M. Jones, Mrs N. M. Jones, Mrs. S. Jones, R. P. Macfarlane, D. I. Mackie, Mrs. D. L. Mackie, Mrs N. M. Matthews, Mrs. A. Minshull, W. Mullin, E. W. Owen, M. J. Peers, P. R. Pemberton, N. Phillips, I. B. Roberts, A. P. Shotton, Mrs C. A. Thomas, D. E. Wisinger and A. Woolley.

APOLOGIES:

Councillors: Mrs. R. Dolphin, Mrs. C. A. Ellis, Miss E. V. Gay, M. Higham, Mrs. N. Humphreys, H. D. Hutchinson, H. T. Isherwood, R. B. Jones, Mrs. H. J. McGuill, M. A. Reece, H. G. Roberts, N. R. Steele-Mortimer and Ms H. Yale.

IN ATTENDANCE:

Chief Executive, Director of Community Services, Director of Lifelong Learning, Director of Environment, Head of Legal and Democratic Services, Head of Finance, Interim Assistant Director (Human Resources and Organisational Development), Assistant Director (ICT and Customer Services), Single Status Project Manager and Head of Committee, Member and Electoral Services.

90. PRAYERS

The Reverend Anthapurusha conducted prayers at the commencement of the meeting.

Chairman's Announcement

The Chairman referred to the collection made at the Christmas lunch, the previous day, which had raised £94.00 and thanked Members for their support.

Councillor L. A. Aldridge referred to the apologies submitted for the meeting and expressed his disappointment on the number of Executive Members who were absent.

91. DECLARATIONS OF INTEREST

The County Legal and Democratic Services Officer referred to the business to be considered on the agenda which related to many employees of the Authority. He advised those Members who had a close personal association with any County Council employee to declare a personal nor prejudicial Interest as the report was a general report without the impact of the proposed pay and grading model on individuals being discussed and asking the Council to consider to a provisional position. If the debate developed into specific areas and interests did become prejudicial, the County Legal and Democratic Services Officer would give further advice at that stage.

Councillors L. A. Aldridge, J. B. Attridge, C. J. Dolphin, R. P. MacFarlane, N. Phillips, A. P. Shotton and Mrs. C. A. Thomas all declared personal interests in Agenda Item No. 4 – Single Status – Proposed Pay and Agreement for Green Book Staff in Flintshire – Provisional Employer Position.

92. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting for the following agenda item as it was considered to be exempt by virtue of paragraph 15 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)

93. SINGLE STATUS – PROPOSED PAY AND AGREEMENT FOR GREEN BOOK STAFF IN FLINTSHIRE – PROVISIONAL EMPLOYEE POSITION

The Chief Executive introduced his joint report with the Assistant Director of Human Resources and Organisational Development, Head of Finance and Head of Legal and Democratic Services. The purpose of the report was to seek a provisional employer position prior to entering final negotiations with the trade unions with the objective of implementing a new pay and reward model on 1st April 2009. He outlined the proposed proceedings for consideration of the report, which would be a presentation similar to that made at two workshops the previous week. This would be followed by a session for Members to raise issues and seek clarification. The meeting would then provide further information on the negotiating position with the trade unions prior to a final debate and the invitation to the Councillors, as the collective employing body, to offer advice.

The Chief Executive introduced the officers which included Annette Facer who was the Single Status Project Manager. He reminded Members that this was a highly confidential issue and Members acting as the employing body could not disclose or discuss any matters outside the Council Chamber as this could influence negotiations with the trade unions.

The Chief Executive outlined the reasons for convening this special meeting of the County Council which was to inform the County Council on Single Status and to seek a provisional employer position. The objective of Single Status was to introduce a new harmonised pay model which Annette Facer would outline in her presentation, and it was hoped, could be agreed with the trade unions. Accordingly, the officers required a provisional position from the County Council to support and enable final discussions to be held with the trade unions in the New Year. He informed the Council that Annette Facer, as the Single Status Project Manager, had been the lead negotiator with the trade unions until these later stages when the statutory officers, which were the Chief Executive, the Head of Legal and Democratic Services and Head of Finance would now be involved in the final negotiations.

The Interim Assistant Director (Human Resources and Organisational Development) referred to the presentations made at the workshops held the previous week which would now be repeated for those Members who had not been able to attend. Single Status was a new pay and grading structure which harmonised the pay and conditions of service of former manual staff and former Administrative, Professional, Technical and Clerical staff (APT&C). The 1997 National Agreement (the Green Book) required all local authorities to develop a local Single Status Pay and Grading Agreement. This provided an opportunity to simplify and modernise the Council's pay structure. There were three overriding factors which needed to be balanced which were legality, affordability and acceptability.

The Interim Assistant Director then referred to Single Status and Equal Pay and emphasised the importance of keeping these separate. Single Status was about the future pay structure which had to be "equality proof;" Equal Pay claims related to the current pay structure which was what Single Status would replace. Single Status included all former manual (White Book) and former APT&C (Purple Book) staff and included schools based Green Book staff as well as Flintshire County Council staff. There were some 6,000 employees included but teachers, Soulbury staff, second tier officers, youth and community and craft (Red Book) staff were excluded. The guiding principles while carrying out the work were partnership, openness and transparency, equality, realism, acceptability and objectivity.

The strategic goals were to support service improvement and customer focus and to provide fair pay as one element of a reward package and to equality proof the pay structure. Reference was then made to the current arrangements and details were provided on the various grades, pay scales, pay rates, overtime rates, extra duty payment rates and local agreements.

The Single Status Project Manager then outlined the work of the project which had included analysis, evaluation and consistency checking of 1,312 Council jobs and 1,125 school based jobs. This included the development of a new pay and grading structure in partnership with the trade unions, and a job evaluation rank order of scores to appropriate pay and grading structure. She outlined the pay and grading design options and their affordability.

On communications with employees, there had been strict confidentiality requirements for all those working on the project and confidentiality had been maintained. An extensive programme of employee communications was being planned and this would be followed by individual result letters. In addition, a programme was being planned to provide practical support to those employees whose remuneration would be reduced.

The important negotiating issues were the investment in the pay model, pay protection, back pay and transitional points. The employer options for both agreement or no agreement with the trade unions were outlined. The strategic considerations included the size of the pay bill, the sustainability and affordability of the pay model, the impact of negotiations on non-recurrent costs, the modernisation of working practices and managing impacts on the workforce.

At this juncture, Members were given the opportunity to ask questions and seek clarification on the presentation so far. Officers then answered a number of questions raised by Members.

The Chief Executive referred to the negotiations with the trade unions with the aim of reaching an agreement. As set out in paragraph 2.05 of the report, a balance had to be achieved across three critical factors of legality, affordability and acceptability. A final position had not been reached on the negotiations and there was an initial understanding with the trade unions on pay protection.

On the issues of back pay, and transitional points, there was no agreement. In conclusion, the Chief Executive also drew Members attention to the letter they had received from the trade unions and provided answers on the issues which were challenged.

The Head of Finance then highlighted the financial issues and referred to the base budget provision, the current spend on Green Book pay and proposed Single Status spend on Green Book pay which at top of the grade represented an increase of 11.6% on current spend. The Welsh Assembly had included an amount of 1.5% of the pay bill in each of the financial years 2005/06, 2006/07 and 2007/08 in the revenue settlement. The Council's strategy had been to earmark this money for Single Status and Equal Pay and had resulted in an additional £4.1m in the base budget and a reserve of £8.7m. She then outlined together with the total payroll costs for Green Book and non Green Book employees under the proposed pay and grading model, with the proposed Green Book recurring costs which exceeded the base budget from 2012/13 (which was year 4). The proposed costs of pay protection, development and training costs were outlined. In closing she referred to further additional recurring costs from increased employer rate contributions to the pension fund which would be dealt with at the next actuarial evaluation in 2010 as this could not be quantified at the present time.

The Chief Executive then referred to the base budget provision to fund the new ongoing cost of the pay bill at 2007/08 prices. The previous Council,

in the interests of prudence and transparency, had set aside cumulative revenue support grant funding to invest in a modernised pay structure and to settle any successful Equal Pay claims.

The Single Status Project Manager then referred to the impact on employees in year 1 and outlined the number and percentage of those that would gain from the new Single Status, those that would remain unchanged and those that would be adversely affected, the impact on those on basic pay and maximum of grade, and the impact on bonus earners and loss of full school holiday payment. In conclusion, she referred to the need for an understanding on the reserves set aside to meet the outcomes of Single Status; the justification for transitional points, the duration of pay protection and whether back pay was justified and affordable.

Following a short adjournment Members were given a further opportunity to seek clarification and ask questions on the information provided by the officers.

Councillor P G Heesom moved that delegation be given to the Chief Executive to enter final negotiations with the trade unions with the objective of securing an agreement which met the three requirements of legality, acceptability and affordability and this was duly seconded.

Councillor A. P. Shotton supported the proposition and referred to the issue of equal pay protection and single status reserves; if they were treated as an entirety it would assist in negotiations with the trade unions and provide increased flexibility.

On being put to the vote, the proposition was agreed unanimously.

RESOLVED:

That delegation be given to the Chief Executive to enter into final negotiations with the objective of securing an agreement with the trade unions which met the three requirements of legality, acceptability and affordability.

94. DURATION OF MEETING

The meeting commenced at 2.00 p.m. and ended at 4.05 p.m.

95. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance prior to the resolution to exclude the press and public.

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Chairman

**SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT**

FLINTSHIRE COUNTY COUNCIL COMMITTEE	DATE: 17th DECEMBER 2008
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MEMBER	ITEM	MIN. NO. REFERS
Councillors: L. A. Aldridge, J. B. Attridge, C. J. Dolphin, R. P. MacFarlane, N. Phillips, A. P. Shotton and Mrs. C. A. Thomas	SINGLE STATUS – PROPOSED PAY AND AGREEMENT FOR GREEN BOOK STAFF IN FLINTSHIRE – PROVISIONAL EMPLOYEE POSITION	93

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 6

REPORT TO: **SPECIAL MEETING OF THE FLINTSHIRE COUNTY COUNCIL**
DATE : **17 FEBRUARY 2009**
REPORT BY: **CHIEF EXECUTIVE AND DIRECTOR OF COMMUNITY SERVICES AND HEAD OF FINANCE AND HEAD OF LEGAL AND DEMOCRATIC SERVICES**
SUBJECT : **THE FUTURE OF THE COUNCIL HOUSING STOCK**

1.00 PURPOSE OF REPORT

- 1.01 To inform the Council of the outcomes of the work of the Local Strategic Housing Review Board and the subsequent recommendation of the Executive on the future of the Council Housing Stock; and
- 1.02 To recommend to the Council that it should resolve to ballot tenants on a full transfer model ("full" meaning inclusion of the whole Council housing stock in the transfer model) and inform the Welsh Assembly Government accordingly.

2.00 BACKGROUND

- 2.01 Following extensive work, representation and business planning to assess the options to bring the Council housing stock up to the Welsh Housing Quality Standard (WHQS), the Council, at a special meeting held on 5th December 2007, accepted that the retention model proposed in September 2007 would not be viable and would place the Council in a position of severe financial risk if pursued.
- 2.02 The Council deferred making any decision on whether to ballot tenants on a full transfer model pending further exploration locally, and with the Assembly, over the following key strategic issues:-
- Protecting the interests of its tenants post transfer to a social landlord;
 - The viability and continuity of residual functions such as homelessness;
 - The fitness for purpose of the management and maintenance functions; and
 - The future of the non-traditional housing stock.
- 2.03 Following further discussion with the Welsh Assembly Government it was mutually agreed that:-
- The Council would be given an extension of time until the end of 2008 to conduct a local strategic review of these four key strategic issues;

- The detailed terms of reference and project plan for the review would be written by the Council for joint agreement with the Assembly; and
 - Any threat of withdrawal of the Major Repairs Allowance (MRA) would be removed during this period.
- 2.04 The Welsh Assembly Government's agreement to the above was predicated on the expectation that at the close of the review the Council would make a final and binding decision to ballot its tenants on a transfer model.
- 2.05 Subsequent to the above the Executive Committee, at its meeting of 19th February 2008, approved the formation of the Local Strategic Housing Review Board and agreed the Terms of Reference (Appendix 'A'). These Terms of Reference were subsequently extended by the Review Board to include exploration of partial retention/transfer models. This amendment was reported to the Executive which authorised expenditure on external consultancy support to assess partial retention/transfer models subject to the endorsement of the Welsh Assembly Government. This endorsement was forthcoming.
- 2.06 The Executive Committee, at its meeting of 3rd June 2008, agreed the composition of the Review Board to include elected members of all political groups, appropriate Executive Portfolio members, the appropriate Chair of Scrutiny, two representatives of the Tenants Federation and a representative of the Flintshire Joint Trade Union Committee. In addition representatives from the Welsh Assembly Government, PricewaterhouseCoopers and the Wales Audit Office would be invited to attend and advise meetings of the Board.
- 2.07 The Review Board has met over a series of meetings from July 2008 to January 2009. In addition to completing its work under the fourfold terms of reference the Review Board considered reports on Gap Funding ("Dowry"), flexibility in the Welsh Housing Quality Standard, validation of the 2007 Stock Condition Survey, and, latterly, partial retention/transfer.
- 2.08 On 2nd October 2008 the Deputy Minister for Housing (Jocelyn Davies, AM) visited the Council to review progress under the terms of the agreement and confirmed that to accommodate the Council's meeting cycle, she would accept a final decision being taken at a meeting of the Council in January 2009 (subsequently February 2009).
- 2.09 Due to the decision of the Review Board to explore partial retention/transfer models consultants were commissioned through a competitive process, to evaluate a range of models. The models were based on retention of the Sheltered Housing Stock and/or stock retention in localities where the Council has a significant property holding. Tribal Consulting were commissioned to complete this evaluation and reported to successive Board meetings in January.

- 2.10 In the event that any partial retention/transfer options appeared viable, the Deputy Minister had agreed that a further 3 month extension would be allowed for a fully costed and viable business plan to be prepared and submitted in support of the preferred optional model.

3.00 CONSIDERATIONS

- 3.01 The Local Strategic Housing Review Board received reports on all aspects of its Terms of Reference and a summary of their considerations, including the examination of partial retention/transfer, is attached as Appendix 'B'. The full reports considered by the Board are available, as a set, for reference and inspection.
- 3.02 The Board has had provided, over a series of meetings, written reports on each listed part of the original terms of reference. Although it is accepted that the Board has had limited time to discuss these reports in depth, the Board has had sufficient information for it to advise the Executive on the principal issues under the fourfold terms of reference.
- 3.03 The Board has been advised that the fitness for purpose of the management and maintenance functions is under continual supervision and scrutiny. The functions are part of the second phase of organisational re-design within the Council with structural change proposals under development.
- 3.04 The Board has also been advised that the future of the non-traditional housing stock will have to be determined prior to developing any full or partial transfer offer document, and that the improvement/replacement of the non-traditional housing stock in the centre of Flint cannot be fully addressed within the housing capital financing system and will require a broader regeneration solution in agreement with the Assembly. Officers have advised that whereas the Flint high-rise non-traditional housing could be improved and maintained to WHQS compliance for a sufficient period to be cost-effective, the maisonettes could not. This poses a significant challenge to either (1) replace the maisonettes with comparable accommodation given the limitations of the social housing grant criteria which requires additionally and cannot be drawn down for replacement housing or (2) offer the existing tenants suitable alternative accommodation given the number of family units involved and the social impacts of community displacement.
- 3.05 The conclusive advice of Tribal Consulting, as the independent advisors, and that of the statutory and senior officers of the Council, is that none of the partial retention/transfer models are viable within the national Housing Revenue Account capital financing system.
- 3.06 Housing stock transfer is a considerable undertaking and the process, both up to ballot and beyond, must comply with the Welsh Assembly Government's guidelines. There are considerable financial implications

whether tenants vote in favour or against, a need for specialist advisers and a requirement to devote existing staff resources throughout the process.

- 3.07 The Board was advised to restrict its judgement to the viability of any of the partial retention/transfer models to the ability of the Council to fund such a model from within the national Housing Revenue Account capital financing system. Based on the advice and the evidence provided the Board was recommended to conclude that none of the partial retention/transfer models are wholly viable within the housing capital financing system. It would be the judgement of full Council, having received the advice of its statutory officers, whether a partial retention/transfer model was viable through a combination of housing and general fund capital financing. The full advice note given to the Board at its final meeting is attached at Appendix 'C'. The Board concurred with the above advice.
- 3.08 The Executive, at a special meeting held on 3rd February, 2009, received the advice of the Board. The Executive agreed to recommend to Council that it should resolve to ballot tenants on a full transfer model and inform the Welsh Assembly Government accordingly.
- 3.09 The preparation for ballot, in compliance with the Welsh Assembly Government guidelines, is a considerable undertaking, as is the management of the ballot itself. The required process is detailed in published guidance. The authoritative guidance is the Welsh Assembly Government: Housing Transfer Guidelines (January 2002) (available on the Welsh Assembly Government's website under the Housing and Community topic section - www.Wales.gov.uk). The guidance includes the pre-ballot provisional approvals and tenant consultation status and the types of "acquiring" or prospective landlord. Included with the guidance is the guidance and charter for Council tenants.
- 3.10 Appendix 'D' shows an indicative timescale with the key actions leading up to ballot; a realistic expectation would be a period of 12 months. In the event of a 'yes' vote in favour of transfer, a further 6 months would be required for the Council and the prospective Registered Social Landlord to complete the transfer process. In the event of a 'no' vote, the housing stock and the management, maintenance and other duties of the landlord would remain with the Council.
- 3.11 The immediate priority is to inform Welsh Assembly Government, the tenants, the trade unions and the employees of the Council of a decision. This should be followed by the appointment of specialist and independent advisers.
- 3.12 To facilitate this process it will be necessary to establish a Council governance and decision-making structure, with delegated authority to deal with the issues partially considered by the Local Strategic Housing Review Board, and to recruit and appoint advisers. Such a structure will be needed

to deal with the volume of work required to satisfy the Assembly Government's guidelines and to receive key reports from officers and specialist consultants.

3.13 The consultants required to be appointed, together with a brief summary of their role, is as follows:-

- Lead Advisor - to project manage the overall delivery of the housing stock transfer process up to ballot stage and, in the event of a 'yes' vote, up to transfer;
- Legal Adviser - to advise the Council, the prospective Registered Social Landlord and its 'shadow board' on the legal processes leading up to a tenant ballot, including the most suitable organisation and constitution of the prospective landlord;
- Independent Tenant Adviser - to ensure that all tenants and leaseholders receive impartial advice and information about the Council's and prospective Registered Social Landlord's proposals and provide expert advice and assistance on the implications for tenants of the ballot and stock transfer process;
- Independent Staff Adviser - to provide expert and impartial advice to all employees likely to be affected by the stock transfer proposals; and
- Communications Adviser - to assist the Council and prospective Registered Social Landlord to develop and implement a communications strategy to inform all affected parties of the stock transfer proposals and to ensure compliance with the Welsh Assembly Government's guidelines.

3.14 In addition to the specialist advisers it will be necessary to appoint a Project Team from within Council resources. There may be a need to supplement the Project Team with an external resource or to employ temporary employees to "backfill" internal secondments to ensure that existing services are maintained throughout the period leading up to ballot.

3.15 A fully developed communications strategy will need to be developed by the Council.

4.00 RECOMMENDATIONS

4.01 That the Council notes the work completed by the Local Strategic Housing Review Board according to its original and extended Terms of Reference and its concluding report to the Executive.

4.02 That the Council accepts the recommendation of the Executive that none of the partial retention/transfer models evaluated is viable within the national Housing Revenue Account capital financing system.

- 4.03 That in accordance with the agreement with the Welsh Assembly Government and the recommendation of the Executive, the Council resolve to proceed to ballot its tenants on a full transfer model.
- 4.04 That the appropriate communications are organised with the Welsh Assembly Government, tenants, trade unions, employees and other interested parties.
- 4.05 That an appropriate project governance and decision-making structure is appointed to oversee the ballot process including a project board based on the Local Strategic Housing Board model.
- 4.06 That specialist consultants are appointed, subject to the approval of a dedicated budget provision for this purpose.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Provision for pre-ballot costs has been made in the proposed 2009/10 budgets as follows:

General Fund: £0.250m
Housing Revenue Account: £0.500m

6.00 ANTI POVERTY IMPACT

- 6.01 There are no issues arising from this report. However, the quality of housing conditions has a casual impact on the health, life opportunity and health and well-being of tenants and communities.

7.00 ENVIRONMENTAL IMPACT

- 7.01 In the event of a positive ballot to transfer the Council's housing stock the prospective Registered Social Landlord will be required to undertake major environmental improvements as part of meeting and maintaining the Welsh Housing Quality Standard. Refurbishment of properties can also be expected to have positive impacts on energy consumption and conservation in accordance with national policy and targets.

8.00 EQUALITIES IMPACT

- 8.01 There are no issues arising directly from this report.

9.00 PERSONNEL IMPLICATIONS

- 9.01 There will be significant personnel implications in the event of a stock transfer which are covered by Transfer of Undertakings Protection of Employment (TUPE) Regulations and other employment rights.

10.00 CONSULTATION REQUIRED

10.01 Ongoing consultation will be required throughout the process, especially with tenants and the management, according to Welsh Assembly Government guidelines. The report proposes the appointment of specialist advisers to provide independent and expert advice.

11.00 CONSULTATION UNDERTAKEN

11.01 Previous consultation was undertaken in 2006/07 when the Council last considered this issue. The Local Strategic Housing Review Board has, within its membership, representation from the Tenants Federation and the Flintshire Trades Unions.

12.00 APPENDICES

12.01 A: The Terms of Reference with the Welsh Assembly Government.

12.02 B: Summary report on the work and recommendations of the local Strategic Housing Review Board.

12.03 C: Advice Note to the Local Strategic Housing Review Board.

12.04 D: Indicative Timescale and key actions up to Ballot Stage.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 **BACKGROUND DOCUMENTS**

1. Council report bibliography
2. Agendas, reports and research papers of the Local Strategic Housing Review Board
3. Welsh Assembly Government (www.Wales.gov.uk) and other published guidance

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TERMS OF REFERENCE FOR THE HOUSING STRATEGY REVIEW BOARD

1) Protecting the interests of its tenants in the event of transfer to a social landlord

- a) exploration of the transfer model and process
- b) exploration of social landlord models (e.g. community mutual)
- c) exploration and negotiation of the transfer offer document contents
- d) review of security of tenure
- e) review of rent levels, rent divergence and rent protection
- f) review of the process of achieving the WHQS and transition arrangements
- g) review service continuity and the protection of the workforce

2) The viability and continuity of residual function such as homelessness

- a) review of the retained housing responsibilities and residual functions and strategic and operational relationships with the new landlord and other RSLs to discharge those functions
- b) review of the capacity required for the Council to maintain those functions
- c) review of the impact of transfer out on central functions/Council budgets

3) The fitness for purpose of the management and maintenance functions

- a) agreement of formal improvement plans for the housing management and maintenance functions
- b) review of financial viability and performance levels required to be achieved for possible transfer to the new landlord
- c) review of transfer and protection arrangements for the workforce and functions

4) The future of the non-traditional housing stock

- a) exploration of options for the improvement/demolition and replacement of non-traditional housing stock
- b) development of regeneration strategy with the Assembly and other partners for Flint and the possible redevelopment of the Flint flats and maisonettes

Appendix 'B'

Summary Report on the Work of the Local Strategic Housing Review Board

1. Protecting the interests of its tenants in the event of transfer to a new social landlord.
 - a) Exploration of the transfer model, types of Registered Social Landlord (RSL) and negotiation of the transfer Offer Document – The Board received a report explaining the stock transfer process and the different types of models which could be used. Most transfers used an Industrial and Provident Society model and there had been limited use of the Community Mutual approach recommended by the Welsh Assembly Government (WAG).

With regard to the Offer Document the report explained the type of information to be included and the importance of tenant consultation when developing the transfer proposal. No decision was taken on the type of model to be recommended and this issue will need to be addressed very early in the transfer process.

Appendix 'C' shows the importance of an early decision and the timescale for negotiating the Offer Document.
 - b) Review of security of tenure – a detailed explanation was provided showing the difference between a local authority and RSL tenancy. In essence the two have almost identical security, the main difference being that local authority protection is provided by Acts of Parliament whereas an RSL is through legislation. In both cases any action for possession would require proceedings through the courts.
 - c) Review of rent levels, convergence and rent protection – this report explained the Assembly's rent convergence policy whereby all social housing rents are to be the same, subject to the property size, location and amenities. Each year WAG sets 'benchmark' rents which all RSLs must adhere to and local authorities must attain. In effect, this means that most local authority rents must increase at a faster rate until they reach their target and this policy applies irrespective of any stock transfer proposal. The Board noted that the Assembly's rent convergence policy, therefore, meant that rents would be the same irrespective of whether the stock was owned by a Local Authority or Registered Social Landlord.

When comparing Flintshire County Council's rent levels with those of RSLs it was noted that two Council property types already exceeded their 'benchmark' rent and remedial action would need to be taken.

2. The viability and continuity of residual functions such as homelessness:-

Several reports were provided covering service continuity, an analysis of the retained responsibilities and residual functions, the strategic and operational relationships between the Council and the new landlord and other RSLs, the issues relating to the Council's ability to maintain its responsibilities and a review of the impact any stock transfer would have on central functions and budgets.

The report detailed the difference between the strategic and statutory roles of a local authority and the landlord/operational functions to be transferred. Further explanation was provided on the additional role placed upon a local authority to ensure that the new landlord complies with the requirements of the Transfer Agreement and Offer Document and the need to foster and maintain a productive relationship with the new RSL to maximise the benefits of its significant investment within the County.

Of the retained services the report explained which could be contracted out e.g. the operation of a homelessness service, and the types of services which the Council may wish to provide for the new RSL e.g. fleet maintenance or rent collection. Indicative costs of the implications of transfer were given together with the impact upon budgets but detailed figures can only be determined when decisions are being taken upon which services the Council wants to contract out or provide for the new RSL.

All of the above will be subject to further discussion and negotiation with the new RSL and provision is made within the timescale shown in Appendix 'C' for the Council to pursue this issue.

3. The fitness for purpose of the management and maintenance functions and the protection of transferred staff:-

Two separate reports were provided on this issue –

- a) The first contained a brief history of concerns over the existing service levels, especially the maintenance functions which had been the subject of a Public Interest Report by the Council's external auditor. The report provided a comparison of key performance indicators amongst other local authorities and RSLs and the requirements that any new RSL must satisfy to be able to manage housing stock transferred from a local authority. Given the implementation of current actions plans to improve performance, the existing mechanisms for progress reports to the Executive and Scrutiny Committees, the ongoing monitoring by WAG and the Council's auditors, the report concluded that sufficient action was being taken to address the problem. Once the 'shadow board' of the new RSL is established it will need to be informed on any ongoing concerns.
- b) The second report provided a detailed analysis of the transfer and protection of employees who may be affected by the transfer. This included the provisions to be applied in the event that the Council may wish to negotiate for the new RSL to undertake any retained functions. The main thrust of the report explained the process for dealing with affected employees, the importance of regular communication and consultation and the protection provisions under the TUPE (Transfer of Undertakings Protection of Employment) Regulations, employment legislation and employment tribunal precedents. Provisions include protection of employment rights, terms and conditions, pensions and other related features. In addition, the report outlined the results of a 'shadow' TUPE exercise which had been conducted to compare existing staffing levels in the Council's organisation with those of similar sized structures in the RSL sector. The results showed a likelihood of additional posts being required by the new RSL and new employment opportunities.

4. The future of non-traditional stock:-

The Board considered two aspects of the non-traditional housing stock-

- a) The first related to 'Swedish' and 'Airey' types of construction and 'Easiform' non-traditional properties on the Holway estate. It concluded that as the Council only retained one 'Swedish' and two 'Airey' houses need improvements it would be viable to bring them up to the Welsh Housing Quality Standard (WHQS). With regard to the Holway properties their viability appeared to be marginal and any transfer proposals should include consultation with tenants before any decision on their future should be taken.

b) The second element related to the multi storey flats and maisonettes in Flint town centre. The report detailed the findings and costings of a specialist structural survey which had been commissioned in 2007/08. In addition, consideration was given to wider strategic issues relating to the town centre, previous consultation with tenants and the potential for attracting other investor interest. Specific issues relating to the complexity of different funding streams, the need for further discussion with WAG and the value of developing a master plan to incorporate both housing and other strategies were discussed. The report concluded the need for further discussions with the Assembly in order to progress a redevelopment strategy for the area.

5. Other issues considered

- a) PriceWaterhouseCoopers were commissioned to validate the Savills Housing Stock Condition Survey.
- b) A report was provided on flexibility in attaining the WHQS and consideration given to WAG's guidance on the issue.
- c) The approach taken by WAG in respect of gap funding (Dowry payments) and how it relates to an equivalent of the Major Repairs Allowance for up to 30 years.

6. Partial Transfer:-

To ensure that all aspects of housing stock transfer were considered the Board sought an extension to its Terms of Reference together with a budget provision to commission work on exploring the potential of partial transfer. Because of limited time, an invitation to tender process using a WAG approved procurement method secured the services of Tribal Consulting to undertake a series of analyses of the existing stock to explore whether a part retention/transfer option would be viable. This consisted of a number of scenarios including retention in areas where the Council still owned 50% or more of the stock and retention or disposal of only the sheltered housing properties.

Other permutations were analysed and at its last meeting on the 15th January 2009, the Board received a report and presentation on Tribal's findings.

At its meeting of 22nd January 2009 the Board concluded that none of the partial transfer/retention models were viable, within the housing finance system, and recommended that the Council proceeds to ballot its tenants on the future of its housing stock.

INDICATIVE TIMETABLE - DECISION MAKING TO TENANT BALLOT

Activity/month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Internal decision-making												
Agree member decision-making structure	█											
Project Team arrangements	█											
Working Group meeting arrangements	█											
Initial pre-ballot set-up starts												
Appoint joint advisers to LA and RSL	█	█										
Pre Ballot - Lead Consultants	█	█										
Pre Ballot - Legal Consultants	█	█										
Pre Ballot - Communications Advisers	█	█										
Independent Tenant Adviser	█	█										
Independent Staff Adviser	█	█										
Ballot Administrators	█	█										
New landlord shadow board recruitment												
New landlord constitution and governance			█	█	█	█	█	█	█	█	█	█
New landlord shadow board meetings			█	█	█	█	█	█	█	█	█	█
Develop policies and tenancy agreement			█	█	█	█	█	█	█	█	█	█
Develop new organisational structure			█	█	█	█	█	█	█	█	█	█
Investment programme												
Investment planning			█	█	█	█	█	█	█	█	█	█
Procurement methods and costing			█	█	█	█	█	█	█	█	█	█
Financial assessment												
Business plan and valuation development			█	█	█	█	█	█	█	█	█	█
Funding and viability			█	█	█	█	█	█	█	█	█	█
General Fund impact and implications			█	█	█	█	█	█	█	█	█	█
Council disengagement												
Assets to transfer			█	█	█	█	█	█	█	█	█	█
Land registration			█	█	█	█	█	█	█	█	█	█
Warranties			█	█	█	█	█	█	█	█	█	█
Staffing			█	█	█	█	█	█	█	█	█	█
Services and structures post-ballot			█	█	█	█	█	█	█	█	█	█
Consequences of no vote			█	█	█	█	█	█	█	█	█	█
Communications and consultation												
Develop offer document			█	█	█	█	█	█	█	█	█	█
Tenant consultation			█	█	█	█	█	█	█	█	█	█
Staff and member consultation			█	█	█	█	█	█	█	█	█	█
Formal consultation and ballot												
Issue Stage 1 Offer (28 Days)											█	█
Issue of Stage 2 Notice and Stage 2 Notice period												█
Ballot (28 Days)												█
Ballot Result												█
WAG liaison	█	█	█	█	█	█	█	█	█	█	█	█

ADVICE NOTE TO THE HOUSING STRATEGY REVIEW BOARD

22 JANUARY 2009

PREPARED BY THE CHIEF EXECUTIVE (LEAD OFFICER), HEAD OF FINANCE (S151 OFFICER) AND THE HEAD OF LEGAL AND DEMOCRATIC SERVICES (MONITORING OFFICER)

1. PURPOSE OF THE ADVICE NOTE

1.1 The purpose of this note is to provide advice to the Housing Strategy Review Board:-

- to conclude its original terms of reference and report in an advisory capacity to the Executive which will report to the full Council; and
- to conclude its additional terms of reference and report in an advisory capacity to the Executive which will report to the full Council.

1.2 The original terms of reference of the Board include were to examine:-

1. protecting the interests of Council tenants in the event of transfer to a social landlord;
2. the viability and continuity of residual function such as homelessness;
3. the fitness for purpose of the management and maintenance functions; and
4. the future of the non-traditional housing stock.

The terms of reference were extended by the Board to include:-

5. an examination of the viability of a partial retention/transfer model.

1.3 The Executive will hold a special meeting on 3 February and receive the outcomes of the Board's work. The Executive will make observations/recommendations to the Council which will meet on 17th February.

1.4 This meeting is the final meeting of the Board for it to conclude its work and report within the permitted timescales.

2. ORIGINAL TERMS OF REFERENCE

2.1 The Board has had provided, over a series of meetings, written reports to cover every listed part of the original terms of reference under the above four headings. A chronology of discussions and supporting reports has been provided to the Board. Although it is accepted that the Board has had limited time to discuss these reports in depth the Board has had sufficient information to provide the Executive with at least basic information for it to advise the full Council in reaching a final decision on stock options.

- 2.2 The Board has been advised that ‘the fitness for purpose of the management and maintenance functions’ is under continual supervision and scrutiny and is part of the second phase of organisational re-design within the Council with structural change proposals under development. The Board has also been advised that ‘the future of the non-traditional housing stock’ will have to be determined prior to developing any full or partial transfer offer document, and that the improvement/replacement of the non-traditional housing stock in the centre of Flint cannot be fully addressed within the housing finance system and will require a broader regeneration solution in agreement with the Assembly. Officers have advised that whereas the Flint high-rise non-traditional housing could be improved and maintained to WHQS compliance for a sufficient period to be cost-effective, the maisonettes could not. This poses a significant challenge to either (1) replace the maisonettes with comparable accommodation given the limitations of the social housing grant criteria which requires additionality and cannot be drawn down for replacement housing or (2) offer the existing tenants suitable alternative accommodation given the number of family units involved and the social impacts of community displacement.
- 2.3 **The Board is advised** to request officers to provide a summary of the proceedings of the Board and the various reports it has received under the original terms of reference to both the Executive and the Council. The full set of reports would be made available to individual elected members and interested parties on request.

3. ADDITIONAL TERMS OF REFERENCE (PARTIAL RETENTION / TRANSFER)

- 3.1 The Board has commissioned, with the agreement of the Executive and according to the terms of the amended timescale agreed with the Welsh Assembly Government, Tribal Consulting to examine the viability of a partial transfer model. The Board should consider the independent advice of Tribal Consulting, and the professional advice of its statutory and senior officers in making a judgement on the viability of any partial transfer model.
- 3.2 The Board has accepted that the stock condition survey data commissioned previously from Savills, as re-tested by PWC, is accurate and reliable. The Board has accepted that the data analysis model used by Tribal, officially recognised and endorsed by the Welsh Assembly Government, is robust and dependable. Therefore both the input (the stock condition survey data) and the methodology (the Tribal Consulting Model) provide a reliable analysis on which to base judgements and decisions.
- 3.3 The Board has been advised of the following:-
- that seven variable partial retention/transfers models have been examined using the Tribal Consulting Model

- that the Council would have an obligation to develop a fully costed and demonstrable business plan in support of any of the seven models it chose to submit to the Welsh Assembly Government for approval
- that the Council, in the event of proposing a partial retention/transfer model, would have an obligation to produce a fully costed and demonstrable business plan for the stock which it proposed to transfer out
- that a ballot of all tenants, conducted according to Assembly guidelines, would be required for a partial retention/transfer model
- that the Council has to calculate affordability of any such model using prescribed Assembly guidelines (such as Management and Maintenance Annual Subsidy being based on Government RPI plus a maximum of 2% which at current rates would be 2.5% + 2.0% = 4.5%) or the business plan would not meet with Assembly approval
- that none of the seven models are affordable within the housing capital finance system using established methods and norms of calculation and observing prescribed Assembly guidelines
- that the affordability gap for each of the seven models within the housing capital finance system is significant
- that none of the seven models are affordable if part financed by prudential (unsupported) borrowing using housing finance resources as the payment source for both principal and interest
- that the affordability gap for each of the seven models having built in prudential (unsupported) borrowing using housing finance resources as the payment source for both principal and interest is significant
- the technicalities and risks of deploying prudential (unsupported) borrowing to part finance

3.4 The conclusive advice of Tribal Consulting, as the independent advisors, and that of the statutory and senior officers of the Council, is that none of the partial retention/transfer models are viable within the housing capital financing system.

3.5 **The Board is advised** to restrict its judgement to the viability of any of the partial retention/transfer models to the ability of the Council to fund such a model from within the housing capital financing system. Based on the advice and the evidence provided the **Board is recommended** to conclude that none of the partial retention/transfer models are viable within the housing capital financing system. It would be the judgement of full Council, having received the advice of its statutory officers, whether a partial retention/transfer model was viable through a combination of housing and general fund capital financing.

4. TIMETABLE AND DEADLINES

4.1 The Executive and Council will be advised that unless, on the basis of a combination of independent advice and the professional advice of its statutory and senior officers, any form of retention model appears to be viable, then it has no option but to progress to a ballot on a full transfer model. The Council has negotiated an extension of time for a decision to be made, with the Welsh Assembly Government, until 17 February.

The Council can only access the further three month extension granted by the Deputy Minister for Housing from that date, should it be able to demonstrate that a partial retention/model is viable for progression to the completion of a full developed business plan.

- 4.2 It is the duty of the Board to report on the totality of its terms of reference in a fair, objective and evidential manner.
- 4.3 Whether a partial retention/transfer or full transfer model is adopted the Council will need to ballot all tenants according to Assembly policy, employ a range of expert and independent consultants, and follow Assembly guidelines on the construction of offer documentation and advice and publicity to tenants.

Colin Everett
Chief Executive

Kerry Feather
Head of Finance

Barry Davies
Head of Legal and Democratic Services

FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 8

REPORT TO: SPECIAL MEETING OF THE FLINTSHIRE COUNTY COUNCIL
DATE : 17 FEBRUARY 2009
REPORT BY: HEAD OF FINANCE AND DIRECTOR OF COMMUNITY SERVICES
SUBJECT : HOUSING REVENUE ACCOUNT 2009/10

1.00 PURPOSE OF REPORT

1.01 To determine the Housing Revenue Account for 2009/10, including rent and heating charges.

2.00 BACKGROUND

2.01 The final proposals for the Housing Revenue Account (HRA) budget for the 2009/10 financial year, including proposed rent and heating charge increases, key areas of income and expenditure and the level of balance at the year end will be considered by Executive on the morning of the 19th February and a recommendation made to County Council.

3.00 CONSIDERATIONS

3.01 The outcome of the Executive meeting will be reported verbally to Council, along with a presentation on the main details of the HRA for 2009/10.

3.02 Members are asked to bring with them to Council the report to the Executive of on the Housing Revenue Account 2009/10.

4.00 RECOMMENDATIONS

4.01 Members are recommended to receive and approve the recommendation from Executive 17th February, 2009.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report to Executive of 17th February, 2009.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None directly as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None directly as a result of this report.

12.00 APPENDICES

12.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
BACKGROUND DOCUMENTS

Report to Executive of 19th February 2008 on the Housing Revenue Account 2008/09

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FLINTSHIRE COUNTY COUNCIL

AGENDA ITEM NUMBER: 9

REPORT TO: **SPECIAL MEETING OF THE FLINTSHIRE COUNTY COUNCIL**
DATE : **17 FEBRUARY 2009**
REPORT BY: **HEAD OF FINANCE**
SUBJECT : **FINANCIAL PROCEDURE RULES**

1.00 PURPOSE OF REPORT

1.01 To provide Members with the proposed updated Financial Procedure Rules (FPRs), following the second annual review. A copy of the FPRs has been placed in the Member Services Room for Members to access as required.

2.00 BACKGROUND

2.01 Section 151 of the Local Government Act 1972 and the Accounts and Audit (Wales) Regulations require the Council to make arrangements for the proper administration of its financial affairs.

2.02 On 19th February 2008 the Council approved and adopted the current version of its FPRs.

2.03 The FPRs state that 'the Chief Finance Officer will undertake an annual review, ensuring that each individual rule is reviewed at least every two years, commencing on the first anniversary of their adoption by Council and reporting the outcome of each review to Council, with any recommendations for changes'.

2.04 This report details the recommended changes following the second annual review.

2.05 The proposed updated FPRs have been prepared following consultation with both the Finance Officers Group and Internal Audit. A final draft was submitted to and agreed by Corporate Management Team on 5th January 2009.

2.06 On 19th January 2009 Audit Committee considered the proposed FPRs and recommended that they be submitted to Council on 17th February 2009.

3.00 CHANGES TO EXISTING RULES

FPR 6.6 Financial Implications of Reports to Members

Whilst it is assumed that Chief Officers consult with Directorate finance officers when determining financial implications of all proposals, this requirement is now formalised in the revised rule.

3.02 FPR 7.5 Treatment of Year-End Balances

Following consultation with FOG it has been agreed to delete the section permitting internal work ordered but not yet carried out to be carried forward without Executive approval. This facility had not been utilised since its incorporation in the 2007 review.

3.03 FPR 9.4 Income & Expenditure - Credit Checks

Whilst the current rules make reference to Chief Officers undertaking credit checks for commercial or non-statutory activities, this section has been expanded to incorporate specific guidelines.

Where the supply of goods or services would necessitate setting up a new Accounts Receivable (AR) debtor account, with an anticipated value in excess of £500, a credit check must be undertaken before supplying the goods or services. The results of this check must be attached to the AR Customer Request Form before forwarding to Financial Systems and Performance.

All credit check requests are to be forwarded to the Corporate Procurement Unit for action.

FPR 9.7(i) Income & Expenditure - Personal Cheques

The reference to the cashing of personal cheques at Council's cash offices has been removed. This section now states that 'personal cheques are not under any circumstances cashed out of money held on behalf of the Council'.

FPR 9.19 Income & Expenditure - Electronic Invoices

As it is becoming increasingly common practice to receive single electronic invoices from suppliers (e.g. Office Depot and Matrix SCM) this rule has been amended to accommodate such invoices. The rule requires the Chief Finance Officer to provide Chief Officers with the details of their Directorate elements of such invoices in order to enable Chief Officers to approve payment.

3.04 FPR 10 Risk Management & Insurance

The section on Risk Management has been significantly expanded and now includes reference to the corporate strategic and operational risk register, Ffynnon, and a Chief Officer's responsibility to monitor and update the Strategic Assessment of Risks and Challenges.

3.05 FPR 11.17(e) Internal Control

The section relating to fraud, theft, improper use or misappropriation of the Council's property or resources has been expanded to link in with the Corporate Anti-Fraud and Corruption Strategy and Fraud Response Plan. Where the Council suffers financial loss due to such action the Council will seek to recover the full value of any loss as outlined in the above strategy and plan.

3.06 FPR 12.1 Security of Assets

The requirement to hold a terrier of all lands and properties owned by the Council has been expanded to also include all such assets leased to the Council.

3.07 FPR 13 Imprest Accounts

Following an internal audit of Imprest Accounts this section has been significantly rewritten. It has become apparent that where Officers obtain valid VAT receipts they are not correctly reclaiming the VAT – this is now an explicit requirement of the FPRs.

There is also a requirement to ensure:

- Reimbursement claims are signed by the claimant and one authorising signatory
- Two authorising signatories are obtained where there is no valid receipt/invoice
- Reconciliation sheets are signed by the imprest holder and two authorising signatories and placed on file.

The rule also states that payments should not be made to individuals, contractors, consultants, casual staff or self-employed persons. Where emergency loans are made to service users, Officers must comply with the Monitoring and Recovery of Loans Procedure.

3.08 FPR 18.6 Payments to Employees & Members

This rule has been amended to state that the Head of Human Resources & Organisational Design will be responsible for recovering all payroll overpayments. Where employees continue to have employment with the Council, recovery will be via the payroll system in order to accommodate income tax and national insurance refunds.

3.09 FPR 19 Procurement

Following approval of the Procurement Strategy 2008/09 to 2010/11, this rule has been updated to ensure that all procurement activities operate within the framework of this strategy.

3.10 FPR 24 Protection of Clients Assets

Following consultation with the Deputyship Manager this section has been significantly rewritten to incorporate reference to:

- Office of the Public Guardian (OPG) regulations and guidelines, applicable when the Council is appointed as a Deputy for a Client by the OPG
- Department for Work and Pensions guidelines, applicable when the Council is approved to act as a Corporate Appointee.

4.00 IMPLEMENTATION

4.01 Once approved, the updated FPRs will be published on the Infonet, as per the review last year, and will remain a standing item on the agenda for the Finance Officers Group (FOG).

5.00 RECOMMENDATIONS

5.01 That Members approve the proposed updated Financial Procedure Rules.

6.00 FINANCIAL IMPLICATIONS

6.01 The implementation of these rules will result in more robust, consistent financial processes across the Authority.

7.00 ANTI-POVERTY IMPACT

7.01 None directly as a result of this report.

8.00 ENVIRONMENTAL IMPACT

8.01 None directly as a result of this report.

9.00 EQUALITIES IMPACT

9.01 None directly as a result of this report.

10.00 PERSONNEL IMPLICATIONS

10.01 None directly as a result of this report.

11.00 CONSULTATION REQUIRED

11.01 All Departments, Finance Officers Group and Corporate Management Team.

12.00 CONSULTATION UNDERTAKEN

12.01 Finance Officers Group and Internal Audit. A final draft was submitted for approval to Corporate Management Team on 5th January 2009 and Audit Committee on 19th January 2009.

13.00 APPENDICES

13.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 **BACKGROUND DOCUMENTS**

Flintshire County Council - Constitution
Flintshire County Council - Financial Procedure Rules February 2008

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