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Gareth Owens LL.B Barrister/Bargyfreithiwr
Head of Legal and Democratic Services
Pennaeth Gwasanaethau Cyfreithiol a Democraidaidd



To: ALL MEMBERS OF THE COUNCIL

CS/NG

22 January 2014

Nicola Gittins on 01352 702345
nicola.gittins@flintshire.gov.uk

Dear Sir / Madam

A meeting of the **FLINTSHIRE COUNTY COUNCIL** will be held in the **COUNCIL CHAMBER, COUNTY HALL, MOLD CH7 6NA** on **TUESDAY, 28TH JANUARY, 2014** at **2.00 PM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

1 **APOLOGIES FOR ABSENCE**

2 **PRESENTATION**

A presentation will be made to the Property and Design Consultancy Team who were awarded the Consortium of Local Authorities Wales (CLAW) 2013 Commendation Award, in recognition of work at Ysgol Cae'r Nant, Connah's Quay.

3 **SIGNING OF THE DUBLIN DECLARATION ON AGE FRIENDLY CITIES AND COMMUNITIES IN EUROPE 2013**

Formal signing of the Dublin Declaration by the Chair, the Leader of the Council, Cabinet Member for Social Services and Chief Executive.

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www.flintshire.gov.uk
Neuadd y Sir, Yr Wyddgrug. CH7 6NR
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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

4 **COMMEMORATION AND TRIBUTES TO THE LATE COUNCILLOR TED EVANS**

5 **NOTICE OF MOTION**

6 **PUBLIC QUESTION TIME**

7 **COUNCIL MINUTES** (Pages 1 - 14)

To confirm as a correct record the minutes of the meetings held on 29 October, 12 November and 10 December 2013.

8 **DECLARATIONS OF INTEREST**

To receive any declarations of interests from Members.

9 **CHAIR'S COMMUNICATIONS**

10 **PETITIONS**

11 **QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES**

The Minute Book, Edition 4 has been circulated to Members. Members are now entitled to ask questions on these minutes, subject to certain limitations, and answers will be provided at the meeting. Members are requested to bring to the meeting their copy of the Minute Book. Any questions must have been received by the Democracy and Governance Manager prior to the close of business on 22nd January 2014.

12 **QUESTIONS**

To note the answers to any questions submitted in accordance with County Council Standing Order No. 9.4(A).

13 **TREASURY MANAGEMENT MID YEAR REPORT 2013/14** (Pages 15 - 30)

Report of Head of Finance enclosed.

14 **COUNCIL TAX REDUCTION SCHEME** (Pages 31 - 42)

Report of Head of Finance enclosed.

15 **UPDATE ON SINGLE STATUS**

Update on the Planned Implementation of the Single Status Agreement.

FLINTSHIRE COUNTY COUNCIL
29 OCTOBER 2013

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Tuesday, 29 October 2013

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Alex Aldridge, Bernie Attridge, Glyn Banks, Haydn Bateman, Marion Bateman, Chris Bithell, Amanda Bragg, Helen Brown, Derek Butler, Clive Carver, David Cox, Peter Curtis, Ron Davies, Alan Diskin, Glenys Diskin, Ian Dunbar, Andy Dunbobbin, Carol Ellis, David Evans, Jim Falshaw, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, George Hardcastle, Cindy Hinds, Ray Hughes, Hilary Isherwood, Joe Johnson, Rita Johnson, Christine Jones, Kevin Jones, Richard Jones, Stella Jones, Colin Legg, Brian Lloyd, Richard Lloyd, Mike Lowe, Dave Mackie, Nancy Matthews, Hilary McGuill, Ann Minshull, Billy Mullin, Tim Newhouse, Mike Peers, Neville Phillips, Mike Reece, Gareth Roberts, Ian Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Ian Smith, Nigel Steele-Mortimer, Owen Thomas, Sharon Williams, David Wisinger and Arnold Woolley

APOLOGIES:

Councillors: Adele Davies-Cooke, Chris Dolphin, Rosetta Dolphin, Brian Dunn, Ted Evans, Trefor Howorth, Dennis Hutchinson, Phil Lightfoot, David Williams and Matt Wright

IN ATTENDANCE:

Chief Executive, Director of Community Services, Director of Lifelong Learning, Head of Finance, Head of Legal & Democratic Services, Head of Human Resources and Organisational Development, Head of ICT and Customer Services, Head of Streetscene, Corporate Finance Manager and Team Manager, Committee Services

TRADE UNION REPRESENTATIVES:

Steve Bennett, Ren Davies, Hannah Gibbons, Mick Holt, Donna Hutton, Ian Jones, Elizabeth Lewis, Sarah Taylor and Karl Wainwright

54. DECLARATIONS OF INTEREST

The Head of Legal and Democratic Services gave notice of the formal interests for the Members listed below following the Standards Committee meeting on 14 October 2013 where dispensations had been applied for, and granted:

Councillors: Alex Aldridge, Bernie Attridge, Amanda Bragg, Helen Brown, Hilary Isherwood, Kevin Jones, Colin Legg, Billy Mullin, Hilary McGuill, Neville Phillips, Aaron Shotton, Ian Smith, Carolyn Thomas and David Williams.

The Head of Legal and Democratic Services emphasised that no information had been shared with any Members on any people they were closely associated with so they were not disenfranchised. Information had been provided on a broad basis rather than specific details. The dispensations granted at

Standards Committee were subject to a limited period of time so that when details about individuals became known, further requests for dispensations would be required to be made.

In addition to those Members, the Head of Legal and Democratic Services sought any further declarations from Members who had not applied for a dispensation. Councillors Glyn Banks, Paul Shotton and Robin Guest all declared personal interests.

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

RESOLVED:

That the press and public be excluded for the remainder of the meeting.

56. SINGLE STATUS AND EQUAL PAY

The Chief Executive welcomed Members and Trade Union representatives to the meeting.

A presentation would be delivered by the Chief Executive, Head of Human Resources and Organisational Development, Head of Legal and Democratic Services, Head of Finance and the Director of Community Services on the proposed Single Status Agreement. Members were invited to ask any questions at the end of each section as well as at the end of the presentation.

Following all Member questions, the Trade Unions representative, Sarah Taylor, was invited to present the joint Trade Unions statement.

In conclusion, the Chief Executive asked Members to evaluate the recommended agreement against two tests (1) was Council assured that they had done everything possible to meet the Nine Point Plan to be confident with the Agreement and (2) was this the best Agreement the Council could strike in balancing acceptability and affordability.

The Trade Union representatives left the meeting prior to the decision making.

RESOLVED:

- (a) That the proposed Single Status Collective Agreement based on and including Pay and Grading Model 31, and the revised Part 3 Terms and Conditions of Employment be adopted;
- (b) That a combined effective and implementation date for the Agreement of 1 April 2014 be set;
- (c) That two years of full Pay Protection to compensate all employees affected by any loss in base pay through job evaluation be offered, and further and

extended Pay Protection of 50% compensation for any loss in base pay for a third year and 25% compensation for a fourth year for any affected employees losing 10% or more in base pay be offered (excluding Nursery Nurses – see (d) below);

- (d) That two years of Pay Protection be offered to Nursery Nurses calculated on net loss having allowed for any increase in base pay for contracted term time working hours;
- (e) That an Implementation Payment (known as ‘Back Pay’) be offered to all employees who gain through job evaluation equivalent to 12 months pay at the new pay rate;
- (f) That the settlement of issues and unissued Equal Pay claims be approved in accordance with the strategy set out in the report;
- (g) That the use of the Equal Pay/Single Status Reserve as set out in the report be approved and the option to capitalise a proportion of the costs of settling Equal Pay be retained;
- (h) That the investment levels in the new Agreement as set out in the report be approved and the inclusion of this investment in the Medium Term Financial Plan be endorsed;
- (i) That the non-inclusion of all employees at the Clwyd Theatr Cymru workgroups from the Single Status Agreement be agreed on the grounds set out in the report, pending fuller advice and review, noting that a resolution on removing the risk of any Equal Pay claim liability will need to follow;
- (j) That the Equalities Impact Assessment and its conclusions be noted as an underpinning assessment to the Single Status Agreement; and
- (k) That the draft employment policies for Appeals against Job Evaluation Outcomes and Maintenance be adopted and delegated authority be granted to the Chief Executive and Head of Human Resources and Organisational Development to add to and amend the detail of the policies in consultation with the Trade Unions and the portfolio Cabinet Members.

57. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC

There were no members of the press or public present.

The meeting commenced at 2.00p.m. and finished at 4.25p.m.

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Chair

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FLINTSHIRE COUNTY COUNCIL
12 NOVEMBER 2013

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Tuesday, 12 November 2013

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Alex Aldridge, Bernie Attridge, Glyn Banks, Haydn Bateman, Chris Bithell, Amanda Bragg, Derek Butler, Clive Carver, David Cox, Peter Curtis, Ron Davies, Adele Davies-Cooke, Glenys Diskin, Ian Dunbar, Andy Dunbobbin, Brian Dunn, Carol Ellis, David Evans, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, George Hardcastle, Ray Hughes, Hilary Isherwood, Joe Johnson, Rita Johnson, Christine Jones, Kevin Jones, Richard Jones, Stella Jones, Colin Legg, Phil Lightfoot, Brian Lloyd, Richard Lloyd, Mike Lowe, Dave Mackie, Hilary McGuill, Ann Minshull, Billy Mullin, Tim Newhouse, Mike Peers, Neville Phillips, Mike Reece, Gareth Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Nigel Steele-Mortimer, David Wisinger and Arnold Woolley

APOLOGIES:

Councillors: Marion Bateman, Helen Brown, Chris Dolphin, Rosetta Dolphin, Ted Evans, Jim Falshaw, Dennis Hutchinson, Nancy Matthews, Owen Thomas, David Williams and Matt Wright

IN ATTENDANCE:

Chief Executive, Head of Legal & Democratic Services, Head of Finance, Democracy & Governance Manager, Head of Internal Audit and Team Manager, Committee Services

58. DECLARATIONS OF INTEREST

The Head of Legal and Democratic Services advised that all Members had a personal interest in agenda item number 11 – Consultation by the Independent Remuneration Panel for Wales (IRPW).

On agenda item number 12 – Single Status Implementation Plan, the Head of Legal and Democratic Services said the same declarations of interest would be recorded as those at County Council on 29 October 2013.

59. COUNCIL MINUTES

The minutes of the meeting held on 23 October 2013 were submitted.

Councillor Richard Jones asked if there was a response to the question on collaborative projects and whether there were any new projects where the three stage reporting Protocol which had been adopted had not been followed. The Chief Executive responded that he would follow that up and guidance would be re-issued.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chair.

60. CHAIR'S COMMUNICATIONS

A copy of the Chair's communications had been circulated to all Members before the meeting.

61. PETITIONS

No petitions were submitted.

62. NOTICE OF MOTION

The Chair confirmed that no Notices of Motion had been received.

63. QUESTIONS

The following questions had been submitted by Councillor Tony Sharps:

- (1) How many homes could be built on the sites for residential development allocated in the UDP that have not as yet received planning permission?
- (2) How many homes have received planning permission but have not yet been developed?

A copy of the responses to the questions, provided by the Deputy Leader of the Council and Cabinet Member for Environment, was circulated to all Members before the start of the meeting. A copy of the response is attached at Appendix 1 to the minutes.

64. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES

The Chair confirmed that no questions had been received.

65. UPDATE OF AUDIT COMMITTEE TERMS OF REFERENCE

The Democracy and Governance Manager introduced the report which detailed the proposed changes to the Audit Committee role contained in Article 7 of the Council Constitution.

A review of the Committee's role had taken place and been reported to the Audit Committee on 30 July 2013 and Constitution Committee on 16 October 2013. The revised wording following consideration by those Committees was attached at Appendix A to the report.

The main changes were:

- The role of the Committee was clarified in terms of financial affairs
- The work of the Committee was specified for risk management, corporate governance, treasury management and collaborations
- The review of the Anti Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy was included
- Reports from other regulatory bodies were included
- Approval of the Internal Audit Charter, the receipt of the Annual Report and the monitoring of performance indicators was included
- A strengthening of reporting on the implementation of audit recommendations
- From the Local Government Measure, the ability of the Committee to require the presence of a Member or officer (previously 'request')
- The frequency of meetings as laid down by the Local Government Measure – at least once a year, but as many as the Committee wanted
- The training requirements for the Committee
- The need for the Committee to act apolitically was stated

Councillor Bernie Attridge proposed that the County Council support the recommendation outlined in the report which was seconded by Councillor Alison Halford.

RESOLVED:

That the changes to Article 7 set out in Appendix A to the report be approved.

66. CONSULTATION BY THE INDEPENDENT REMUNERATION PANEL FOR WALES (IPRW)

The Democracy and Governance Manager introduced the report which outlined a draft response to consultation by the Independent Remuneration Panel for Wales (IPRW) on its draft annual report for 2014/15.

A report on the consultation document was submitted to the Constitution Committee on 16 October 2013 and their views were reflected in the report before Members.

On 1 November 2013 the IPRW issued a supplemental report in respect of payments to co-opted members, details of which were included in Appendix 1 to the report. The determinations in that supplement report were to take effect on 1 January 2014.

It was agreed at the meeting of Constitution Committee that the Democracy and Governance Manager would prepare a draft response to the consultation document which was attached as Appendix 2 to the report.

Details of the proposed changes of the IPRW were outlined by the Democracy and Governance Manager as:

- An increase of basic allowance for Members in 2014/15 from £13,175 to £13,300 p.a.
- An increase in payment to the Leader by £500 p.a.
- An increase in payment to the Deputy Leader by £40 p.a.
- An increase in payment to Cabinet Members by £220 p.a.
- Local choice to be given to each County Council to choose which of three salary bands to pay each individual Committee Chair. It was proposed it would be either £8,700, £6,700 or £4,700 p.a. At present, all Committee Chairs received the same extra payment of £8,735 for their added responsibility

On paragraph 3.05 of the report which detailed the proposed increase to the amount paid to the Leader of the largest so called opposition group, the Democracy and Governance manager apologised for an error contained in the report which read that that post would receive an increase from £3,745 p.a. to £8,700 p.a. This was incorrect and the allowance for that post would decrease slightly. He therefore suggested that paragraph 3 of the proposed response should be excluded.

Also proposed by the IRPW was:

- Local choice in payments to Civic Heads and deputy Civic Heads
- Removal of the current maximum reimbursement for an overnight stay in Cardiff (£120) – the maximum for all such overnight stays outside of London to be £95

The draft annual report made no proposals to change the limit of 18 on a number of 'senior salaries' which Flintshire could pay its members who had special responsibilities. This represented 25.7% of the Council membership when for other Councils it could be as high as 50%.

On co-opted members, Members were asked to agree that the Democracy and Governance Manager be the appropriate officer for the purposes of the determinations outlined in 4(i) and 4(iii) of Appendix 1.

Councillor Bernie Attridge proposed that the County Council support the recommendation outlined in the report which was seconded by Councillor Robin Guest.

Councillor Aaron Shotton moved an amendment to the proposed Council's response for point 1 to read "The Council expresses concern about the two proposed changes to introduce more local choice in relation to the payments to be made to Committee Chairs, Civic Heads and Deputy Civic Heads. One of the most important features of the Councillors' allowance system in Wales is that it is independent of those who receive those allowances. Greater local choice on the level of allowances could therefore give rise to the appearance of a conflict of interest and should be rejected". He felt it was not appropriate for Council to determine what should be paid to such postholders. This was seconded by Councillor Alex Aldridge.

Councillor Attridge wished to withdraw his original proposal of the recommendation. Councillor Guest, who had seconded the proposal, however did not withdraw and it therefore remained.

A number of Members spoke in support of the amendment proposed by Councillor Shotton.

As Chairman of the Constitution Committee, Councillor Guest explained that the Committee strongly supported the proposal and he felt the IRPW had got the balance right of allowing local choice where it was needed, for example, being aware of the workload of individual Chairs. He emphasised that the IRPW would make the final decision and what was before Members was a response to consultation.

On being put to the vote, the amendment was CARRIED and became the substantive motion.

Councillor Clive Carver asked if there happened to be two groups with the same number of members would the increase on basic allowance be shared. The Democracy and Governance Manager said that if that arose he would seek clarification from the IRPW.

On being put to the vote, the substantive motion was CARRIED.

RESOLVED:

- (a) That the Council's response to consultation on the draft annual report for 2014/15 be as follows:
1. The Council expresses concern about the two proposed changes to introduce more local choice in relation to the payments to be made to Committee Chairs, Civic Heads and Deputy Civic Heads (determinations 3 and 6 in the draft annual report). One of the most important features of the Councillors' allowance in Wales is that it is independent of those who receive those allowances. Greater local choice on the level of allowances could therefore give rise to the appearance of a conflict of interest and should be rejected.
 2. In relation to the first and second determinations in the draft report relating to increases in basic allowances/salary and the payments to the Leader, Deputy Leader and other Cabinet members, the Council believes it would be inequitable for Members to receive a greater increase in their pay than the majority of Council staff and would only favour these increases if those staff on NJC terms and conditions were receiving at least a 1% increase in their pay.
 3. The Council agrees with the proposal of removing the maximum reimbursement for an overnight stay in Cardiff so that for all overnight stays outside of London the maximum reimbursement would be £95.
 4. The draft annual report does not propose any increase in the number of Councillors who can be paid for having special responsibilities and therefore does not address the discrepancy between those Councils who

have a larger number of Councillors (such as Flintshire) and those that do not (such as Isle of Anglesey). Only 25.7% of Flintshire's membership can receive payments for their special responsibilities whereas in Anglesey it is 50% and there is no good reason for this discrepancy.

- (b) That the Democracy and Governance Manager be the appropriate officer for the purposes of the determinations in paragraph 4(i) and (iii) of Appendix 1

67. SINGLE STATUS IMPLEMENTATION PLAN

The Chief Executive updated the situation following the recent Special Meeting (29 October 2013).

The Trade Unions were requesting permission from their national offices to ballot their members on the proposals and it was hoped approval would be given shortly which would enable the ballot to take place in early 2014.

The target date for employees receiving their individual letters was week commencing 2 December 2013 and a staff communication update had been sent out that day. The implementation date of Single Status was 1 April 2014.

Members would be kept informed of the exact date that the letters would be sent to employees and would receive information on how to deal with any queries and details of where employees should be signposted to.

Managers had attended meetings to provide them with details on how to deal with any queries from employees following receipt of the letters.

RESOLVED:

That the verbal update be received.

68. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC

There was one member of the press in attendance.

The meeting commenced at 2.00p.m. and finished at 2.45p.m.

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Chair

FLINTSHIRE COUNTY COUNCIL

12th November 2013

Question by Councillor Tony Sharps

In preparation for the Local Development Plan please could the following information be provided :-

1. How many homes could be built on sites for residential development allocated in the UDP that have not as yet received planning permission?

Answer

1,638 based on the indicative yields shown in the UDP.

2. How many homes have received planning permission but have not yet been developed?

Answer

Number of dwellings with planning permission but **not started** April 2013 :-

a) Large sites – 3,467

b) Small sites – 323

Total - **3,790**

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FLINTSHIRE COUNTY COUNCIL
10 DECEMBER 2013

Minutes of the meeting of the Flintshire County Council of Flintshire County Council held in the Council Chamber, County Hall, Mold CH7 6NA on Tuesday, 10 December 2013

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Alex Aldridge, Bernie Attridge, Glyn Banks, Haydn Bateman, Chris Bithell, Derek Butler, Clive Carver, David Cox, Peter Curtis, Ron Davies, Adele Davies-Cooke, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, David Evans, Jim Falshaw, Robin Guest, Ron Hampson, George Hardcastle, Cindy Hinds, Ray Hughes, Dennis Hutchinson, Hilary Isherwood, Joe Johnson, Christine Jones, Stella Jones, Colin Legg, Brian Lloyd, Mike Lowe, Dave Mackie, Nancy Matthews, Ann Minshull, Billy Mullin, Tim Newhouse, Mike Peers, Neville Phillips, Mike Reece, Tony Sharps, Paul Shotton, Ian Smith, Nigel Steele-Mortimer, Owen Thomas, Sharon Williams, David Wisinger and Arnold Woolley

APOLOGIES:

Councillors: Marion Bateman, Amanda Bragg, Helen Brown, Alan Diskin, Glenys Diskin, Chris Dolphin, Brian Dunn, Carol Ellis, Ted Evans, Veronica Gay, Alison Halford, Trefor Howorth, Rita Johnson, Kevin Jones, Richard Jones, Phil Lightfoot, Richard Lloyd, Hilary McGuill, Ian Roberts, Aaron Shotton, David Williams and Matt Wright

IN ATTENDANCE:

Chief Executive, Head of Legal & Democratic Services, Director of Environment and Team Manager, Committee Services

70. DECLARATIONS OF INTEREST

None were received.

71. CHAIR'S COMMUNICATIONS

The Chair provided details of two recent events, the local flooding due to bad weather and the accident at Mold Market.

Councillor Bernie Attridge paid tribute to all involved with both incidents, particularly the staff in streetscene and asked if his thanks could be passed on.

As the local Member for Bagillt West, Councillor Mike Reece expressed his thanks to Council staff for their prompt action during he recent flooding in his ward.

Councillors Alex Aldridge, Rosetta Dolphin and Glyn Banks also paid tribute to all of the staff involved, citing examples of where prompt action had prevented further problems.

The Chief Executive thanked Members and said the Police collision investigation into the accident at Mold Market was ongoing. He praised the swift action of market traders, Council staff and customers in what was an unusual

accident. Future pedestrian security around the Market area would be reviewed post the investigation.

He added that he had been contacted by several senior Members to ask that the authority support the White Ribbon Campaign, which aimed to end violence and abuse against women through the pledges of individuals, communities and organisations to stand up and speak and act against domestic violence. He sought Members approval for the authority to become a corporate supporter, which was in line with the 10,000 Safer Lives Campaign in Wales, a request which was unanimously approved.

72. SECTION 85 OF THE LOCAL GOVERNMENT ACT 1972

The Head of Legal and Democratic Services introduced the report which sought approval for the reason for Councillor Ted Evans' inability to attend meetings for 6 months in line with Section 85 of the Local Government Act 1972.

Councillor Bernie Attridge proposed that the County Council support the recommendation outlined in the report which was duly seconded.

In response to a question from Councillor Tony Sharps on whether such decisions could be taken under delegated powers, the Chief Executive explained that it was a statutory provision as outlined in the Local Government Act 1972 and had to be considered by County Council.

Also, the wording 'failure to attend' throughout the report would now be referred to as 'inability to attend' to be more accurate and sensitive to the situation.

RESOLVED:

That Council approve Councillor Evans' inability to attend meetings due to his ill-health.

73. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 11.45 am and ended at 12.12 pm)

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Chair

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **TUESDAY, 28 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **TREASURY MANAGEMENT MID YEAR REPORT
2013/14**

1.00 PURPOSE OF REPORT

1.01 To present to Council the Treasury Management Mid Year Report for 2013/14 for approval.

2.00 BACKGROUND

2.01 The Mid Year Report reviews the activity and performance of the treasury management operations during the period 1st April to 30th September 2013 and compares them with the Treasury Management Policy Statement.

2.02 This report was presented to Cabinet on 21st January 2014 and any comments made will be reported verbally. This followed the recommendation of the Audit Committee which considered the report in detail.

3.00 CONSIDERATIONS

3.01 The Treasury Management Mid Year Report 2013/14 is attached as appendix 1. In summary, the key points of the Mid Year Report are:

- Performance during the period was broadly in line with the expectations of the TM Strategy 2013/14.
- There are early signs that the recovery of the UK economy is gaining momentum with increased growth but this is against a backdrop of historically low interest rates and a number of global factors with the potential to impact on the recovery as outlined in the economic update in section 3 of report.
- No new borrowing has been undertaken so far during 2013/14, therefore total long term borrowing stands at £172.1m with associated interest costs of £3.506m paid during the 6 month period at an average interest rate of 5.42% as expected.
- Investments in general were made with UK banks and building societies up to periods of 12 months. When appropriate, suitable longer term investments will be made. The average rate

of return was 0.6% generating investment income of £0.201m which is broadly in line with budget.

- AAA rated Money Market Funds continue to be utilised. As at 30th September 2013, £14.6m was invested across 3 separate funds.
- The treasury function operated within the limits detailed in the Treasury Management Strategy 2013/14 with one exception; an investment made in early April exceeded the limit with the particular counterparty. The error was identified promptly and immediate action taken to reduce the total invested in accordance with the policy limit. Internal controls have been improved to ensure that such a procedural error will not happen again. Further details in paragraph 7.03 of the Mid Year Report.

4.00 RECOMMENDATIONS

4.01 That the Council approves the Treasury Management Mid Year Report 2013/14.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the Mid Year Report.

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 Arlingclose Ltd as Treasury Management Advisers.

11.00 CONSULTATION UNDERTAKEN

11.01 Arlingclose Ltd as Treasury Management Advisers.

12.00 APPENDICES

12.01 Appendix 1 - Treasury Management Mid Year Report 2013/14.

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

**Contact Officer: Liz Thomas – Finance Manager,
Technical Accounting**
Telephone: 01352 702289
Email: liz.thomas@flintshire.gov.uk

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FLINTSHIRE COUNTY COUNCIL

TREASURY MANAGEMENT

MID YEAR REPORT 2013/14

1.00 PURPOSE OF REPORT

- 1.01 To provide members with a mid year update on matters relating to the Council's Treasury Management function.

2.00 BACKGROUND

- 2.01 Treasury management comprises the management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2.02 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 2.03 The Council's policy is to appoint external consultants to provide advice on its treasury management function. The current external adviser is Arlingclose Ltd.
- 2.04 The Council has adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.
- 2.05 In addition, the Welsh Government (WG) Guidance on Local Government Investments recommends that local authorities amend their investment strategies in light of changing internal or external circumstances.
- 2.06 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 2.07 The Council approved the 2013/14 Treasury Management Strategy at its meeting on 1st March 2013.

3.00 ECONOMIC & INTEREST RATE REVIEW APRIL – SEPTEMBER 2013.

Provided by Arlingclose Ltd the Council's Treasury Management advisors.

Growth: The UK economy showed some improvement, with consumer spending boosting growth. GDP for the first quarter of 2013 was +0.3% and for the second quarter was +0.7%. Recent data suggests a similar rate in quarter three. Revisions by the Office of National Statistics to GDP back-data showed the UK

avoided a double-dip recession in 2012, but that the downturn in 2008-09 was deeper than previously estimated. Growth is now still over 3% below its peak back in 2007.

Some positive signs for household spending emerged. The deterioration in real earnings growth (i.e. earnings less inflation) slowed, which implied a slower erosion of purchasing power. Consumer confidence improved. Household savings rates remained high, which is unsurprising given the uncertain economic outlook, but appear to be on a downward track, suggesting spending was being driven by borrowing or lower savings. This raises questions about the sustainability of the recovery at these rates of growth.

Inflation: Annual CPI was 2.8% in July. Inflation rose in line with expectations and is expected to remain close to this level throughout the autumn. Further out, inflation should fall back towards the 2% target as external price pressures fade and a revival in productivity growth curbs domestic cost pressures. The oil price (Brent Crude) climbed above \$100/barrel on the back of political unrest in Egypt and the unresolved crisis in Syria.

Monetary Policy: There was no change to UK monetary policy with official interest rates and asset purchases maintained at 0.5% and £375bn respectively. The main development for UK monetary policy was the start of Mark Carney's tenure as Governor and the implementation of forward guidance. Within the August Inflation Report, the Bank stated its forward guidance, the main element of which is to defer monetary tightening until the ILO Unemployment Rate falls below 7% (among a raft of caveats). The Bank projected that the probability of this happening would remain below 50% until 2016. The Governor has had to defend the Bank's guidance in the face of rising financial market expectations on the back of the encouraging economic data.

In his testimony to Congress on 22nd May the US Federal Reserve Chairman Ben Bernanke stated that, if the nascent recovery in the US economy became established, the Fed would reduce its \$85bn monthly asset purchase programme (QE). The apparent movement by the Fed towards tapering its open-ended QE programme prompted extreme asset price volatility in bonds and equities, as investors sought to crystallise gains driven by excessive liquidity. As a consequence, government bond yields spiked. There is a growing expectation that the Federal Reserve will seek to taper asset purchases before the end of the calendar year.

Global: Whilst the outlook for the global economy appeared to have improved over the first half of calendar 2013/14, significant economic risks remain, particularly in China and the Eurozone. The Chinese banking system is facing tighter liquidity conditions as officials seek to slow down rampant credit growth, and, despite the time gained by the ECB to allow individual members and the

Eurozone as a whole to reform their economies, the Eurozone debt crisis has not gone away. The region appears to be dragging itself out of recession and September's German general election passed with little incident but political uncertainties, particularly in Italy, could derail any progress towards a more balanced and stable regional economy. The US recovery appeared to be in train, but a lack of agreement on the federal budget by the end of September caused a partial government shutdown at the start of October, which could have an effect on GDP growth. Political risks also remain regarding the debt ceiling.

Outlook: At the time of writing this activity report in September 2013, the UK economic outlook appears to have improved. The projected path for growth has risen, but remains relatively subdued, with a distinct reliance on household consumption, which itself remains under pressure given the deterioration in real earnings growth, high unemployment and general low confidence.

A variety of other factors will continue to weigh on a domestic recovery, including on-going fiscal consolidation, muted business confidence and subdued foreign demand. While the economic recovery may pick up steam, forward guidance from the Bank of England suggests that monetary policy is unlikely to be tightened until the ILO Unemployment Rate falls below 7%. The Bank projected this level would be reached in 2016.

The table below details the latest forecast for the Bank of England base rate as provided by our advisors Arlingclose:

	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Dec 15	Mar 16	Jun 16	Sep 16
Interest Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

4.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

4.01 PWLB (Public Works Loans Board) Certainty Rate Update.

The Authority qualifies for borrowing at the 'Certainty Rate' (0.2% below the PWLB standard rate) for a 12 month period from 1st November 2012. In August the Authority submitted its application to WG along with the 2013-14 Capital Estimates Return to access this reduced rate for a further 12 months from 1st November 2013.

4.02 Borrowing Activity to 30th September 2013.

The total long term borrowing outstanding, brought forward into 2013/14 totalled £172.1 million. Loans with the Public Works Loans Board are in the form of fixed rate (£143.1m) and variable rate (£10m). The remaining £18.95m is variable in the form of Lobo's (Lender's Option, Borrower's Option). The Council's average borrowing rate is currently 5.42%.

	Balance 1/04/2013 £m	Debt Maturing £m	New Debt £m	Balance 30/09/2013 £m
Capital Financing Requirement	184.6			184.6
Long Term Borrowing	172.1	0.00	0.00	172.1
TOTAL BORROWING	172.1	0.00	0.00	172.1
Other Long Term Liabilities	7.4	0.00	0.00	7.4
TOTAL EXTERNAL DEBT	179.5	0.00	0.00	179.5
Increase/ (Decrease) in Borrowing £m				0.0

4.03 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

4.04 No new long term borrowing has been undertaken so far during 2013/14.

Affordability (interest costs charged on new loans) and the "cost of carry" (costs associated with new loans) remain important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing.

4.05 Loans at Variable Rates

The extent of variable rate borrowing the Council can potentially undertake is influenced by the level of Reserves and Balances. The interest rate on the Council's £10m variable rate loans averaged 0.545%.

The uncertain interest rate outlook further supports the case for maintaining variable rate debt. As the economy still appears unsettled official interest rates are forecast to remain low for much longer, the Council has determined that exposure to variable rates is warranted. It also assists with the affordability and budgetary perspective in the short-to-medium term.

Any upward move in interest rates and interest paid on variable rate debt would be offset by a corresponding increase in interest earned on the Council's variable

rate investments. The interest rate risk associated with the Council's strategic exposure of £10m is regularly reviewed with our treasury advisor against clear reference points, this being a narrowing in the gap between short and longer term interest rates by 0.5%. This strategic exposure to variable interest rates will be regularly reviewed and, if appropriate, reduced by switching into fixed rate loans.

4.06 Internal Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the strategy will be to minimise debt interest payments without compromising the longer-term stability of the portfolio.

The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant at around 3.5%.

The use of internal resources in lieu of borrowing has therefore continued to be the most cost effective means of funding capital expenditure, with £5.1m utilised for this purpose. This has lowered overall treasury risk by reducing both external debt and temporary investments.

The Council acknowledges that this position is not sustainable over the medium term and borrowing options and the timing of such borrowing continue to be assessed, with current expectations that the Council will need to borrow for capital purposes from 2014/15 onwards.

4.07 Lender's Option Borrower's Option Loans (LOBOs)

The option to change the terms on £18.95m of the Council's LOBOs was not exercised by the lender.

4.08 Debt Rescheduling

During the 2nd quarter of 2013/14, consideration was given to a potential opportunity to reschedule some of the Council's debt. Although the increase in PWLB repayment rates during the quarter lowered the premium that would apply on premature redemption of loans, the premia was still expensive, therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

The Head of Finance, in conjunction with the Council's treasury advisors will continue to review any potential opportunities for restructuring the Council's debt in order to take advantage of potential savings as interest rates change and to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

5.0 INTERIM INVESTMENT AND PERFORMANCE REPORT

- 5.01 The Welsh Government's Investment Guidance gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.
- 5.02 The maximum investments the Authority had on deposit at any one time totalled £83.3m. The average investment balance for the period was £71.1m and the average rate of return was 0.60%, generating investment income of £212k. The investment income received for the reporting period exceeded the budgeted figure of £201k by £11k.
- 5.03 Investments have been made with UK banks and building societies up to periods of 12 months, as well as utilising investment opportunities afforded by money market funds, instant access accounts, Debt Management Office and other Local Authorities.
- 5.04 The average debt balance held was £172.1m and the average rate paid was 5.42%, generating interest payable of £3.506m in line with budget forecasts.

	Investments		Borrowing	
	Interest received £'000	Interest rate %	Interest paid £'000	Interest rate %
Actual	212	0.60	3,506	5.42
Budget	201	0.60	3,506	5.42
Difference	+11	-	-	-

5.06 *Credit Risk (security)*

Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price. The minimum long-term counterparty credit rating outlined in the 2013/14 Treasury Management Strategy was A-/A3/A- across rating agencies Fitch, S&P and Moody's.

Counterparty Update (provided by Arlingclose Ltd)

In April Fitch downgraded the UK's long-term sovereign rating by one notch from AAA to AA+, the second of the rating agencies to do so (Moody's had downgraded the UK's ratings in February to Aa1). Where assigned, local authorities' ratings, which benefit from an uplift due to their close and direct links to central government, were also downgraded.

The proposed sale of 632 Lloyds' branches to the Co-op Bank – referred to as Project Verde – fell through in April. These branches were transferred in September to TSB Bank, a new bank which will be sold through a listing on the stock market in 2014.

In the Chancellor's Mansion House speech on 19th June he signalled his intention to sell the government's stake in the Lloyds Banking Group reasonably soon and a 6% stake was indeed sold to institutional investors on 17th September at a price of 75p. The situation was more complicated with RBS since its problems were greater and reflected in its share price. It appeared that a 'good bank' and 'bad bank' split for RBS was being favoured by the Chancellor and sat behind the announcement concerning the departure of RBS Chief Executive, Stephen Hester, who disagreed with that route.

Moody's placed the RBS's long-term of A3 on review for downgrade on 5th July 2013, amid concerns about the impact of any potential breakup of the bank on creditors. Although the probability of losses remains low there is a possibility of capital impairment especially as the government has clearly indicated that it will not put up any further taxable funds. As a precautionary measure the Council has reduced its maximum duration on RBS investments to overnight.

5.07 *Liquidity*

In keeping with the WAG's Government's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts.

5.08 *Yield*

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Council's investment yield is outlined in 5.02.

6.00 UPDATE ON INVESTMENTS WITH ICELANDIC BANKS

6.01 The Winding up Board of Landsbanki made distributions to the Council as a priority creditor, in February, May and October 2012 totaling £1.76m. A fourth distribution was made in September 2013 bringing the total received to date to £1.95m.

6.02 The Winding Up Board published details of Landsbanki's (LBI's) financial position as at 31st December 2012 on its website. This showed that LBI's assets, including partial repayments already made in respect of priority claims were

greater than the sum of the priority claims. It is therefore still considered likely that UK local authorities will recover 100% of their deposits, although this is still subject to potential future exchange rate fluctuations, which will have an effect on the total amount recovered. The final impact on the Council will not be known until the distribution process is completed which is not likely to be concluded for some years yet.

7.00 COMPLIANCE

- 7.01 The Council can confirm that it has complied with its Prudential Indicators for the period April to September 2013. These were approved on 1st March 2013 as part of the Council's 2013/14 Treasury Management Strategy.
- 7.02 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the period April – September 2013/14. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.
- 7.03 The treasury function operated within the limits detailed in the 2013/14 Treasury Management Strategy with one exception. The 2013/14 strategy permits investing with counterparties rated at A- for a maximum period of 6 months and a limit of £5m per counterparty (in 2012/13 the strategy was to invest with counterparties rated A or above with a limit of £7m per counterparty).

On the 3rd April 2013 an 'on-call account' investment of £7m was made with a counterparty rated by Moody's at A-, which therefore breached our investment criteria. This was a procedural issue and no loss was incurred by the Council as a consequence. Once the error was discovered action was taken immediately to reduce the investment to the agreed limit of £5m and working practices have since been strengthened.

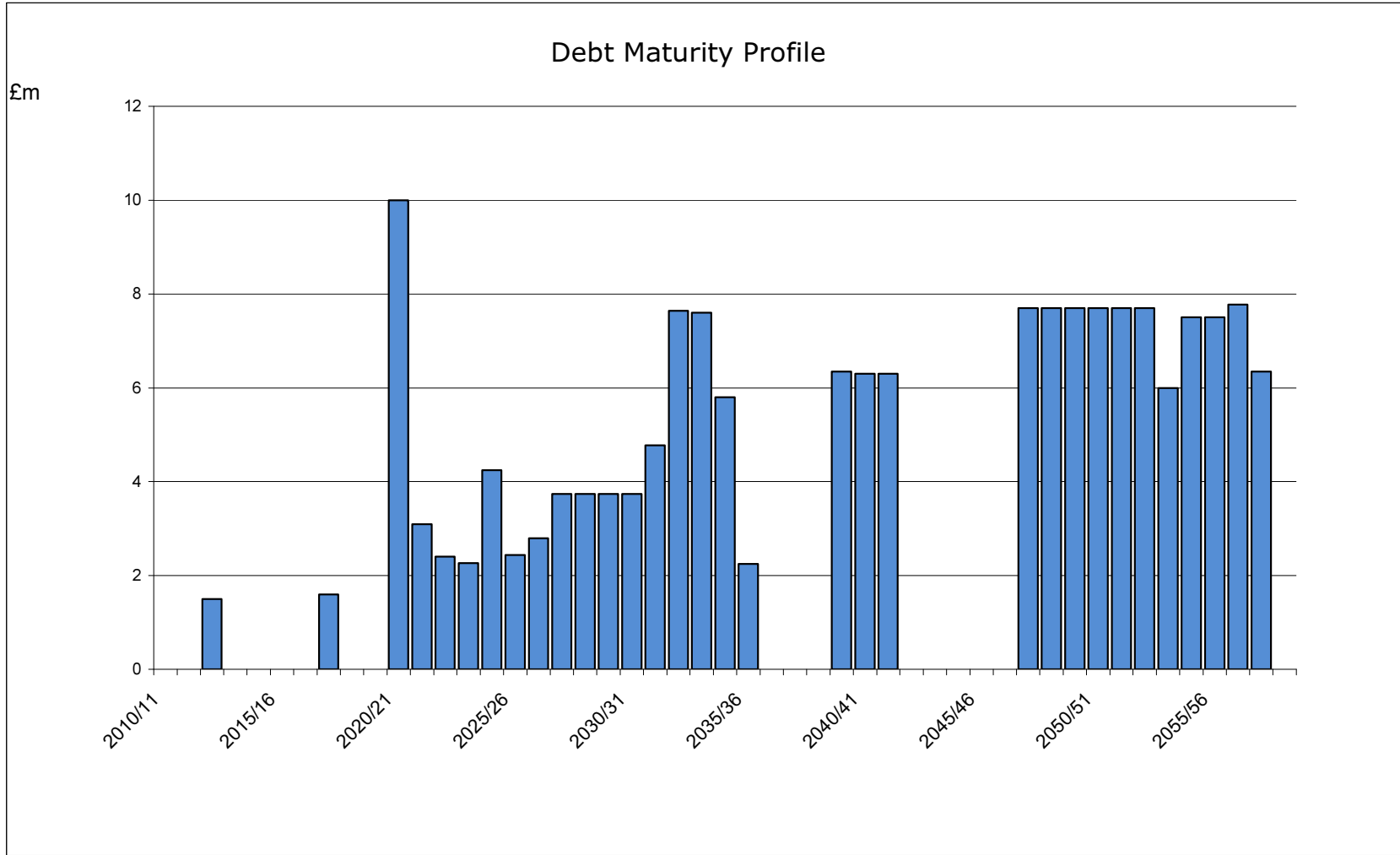
8.00 OTHER ITEMS

- 8.01 Other treasury management related activity that took place during April – September 2013 includes:
- The Head of Finance received a monthly update on treasury activities.
 - The Treasury Management Annual Report 2012/13 was reported to Audit Committee in July. Cabinet and Council reviewed and approved the report during September.
 - Quarterly Treasury Management updates were reported to the Audit Committee.
 - The Council continues to be an active member of both the CIPFA Treasury Management Forum and the CIPFA Benchmarking Club.

- Internal Audit reviewed the treasury management function and concluded that in their opinion the operation provides a substantial level of assurance.
- The treasury management team are currently assessing the merits of an alternative IT system for recording all treasury management activity. Further updates will be provided in future reports to the Audit Committee.

9.00 CONCLUSION

- 9.01 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2013/14.
- 9.02 As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.



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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **TUESDAY, 28 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **COUNCIL TAX REDUCTION SCHEME**

1.00 PURPOSE OF REPORT

1.01 The report is to explain the requirement for the Council to adopt the Council Tax Reduction Scheme for 2014/2015 by 31st January 2014.

1.02 To recommend to Council to adopt the Council Tax Reduction Scheme for 2014/2015.

2.00 BACKGROUND

2.01 The current Council Tax Reduction Scheme was adopted by Flintshire County Council on 29th January 2013. The scheme regulations had what is known as a “sunset clause” in them which made them valid and legal for 2013/2014 only.

2.02 The Council Tax Reduction Scheme in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012). On 26th November 2013, the Welsh Government approved the following Regulations:

- The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013
- Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013

2.03 These Regulations have been amended to reflect changes in Benefit allowances and were approved by Wales Government in Plenary on 14th January 2014:

- The Council Tax Reduction Scheme (prescribed requirements and Default Scheme) (Wales) (Amendment) Regulations 2014

2.04 These Regulations prescribe the main features of the Scheme to be adopted by all Councils in Wales.

- 2.05 The Regulations for 2014/15 do not contain any significant changes from the claimant's perspective. Qualifying taxpayers may continue to receive a reduction up to 100% of their Council Tax bill (depending on the level of their income).
- 2.06 Although a National scheme has been approved, within the Prescribed Requirements Regulations, there is limited discretion given to the Council to apply additional discretionary elements that are more generous than the national scheme and which provide for additional administrative flexibility.

These are:

- a) The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks.
 - b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income.
 - c) The ability to backdate the application of Council Tax Reduction awards for working age customers more than the standard period of 3 months prior to the claim.
- 2.07 The Prescribed Regulations require the Council to adopt the Council Tax Reduction Scheme by 31st January 2014, regardless of whether it applies any of the discretionary elements. If the Council fails to make or adopt a scheme, then a default scheme will apply under the provisions of the Default Scheme Regulations. The Council can only apply a discretion if it makes its own scheme under the Prescribed Requirements Regulations.

3.00 CONSIDERATIONS

- 3.01 In 2013/2014 the Council adopted the discretions as set out in this report and as detailed in Appendix 1 and it is recommended that these continue.
- 3.02 It should be noted that there are no additional monies available from Welsh Government to fund the discretionary elements. The projected cost of funding these discretionary elements during 2013/2014 and the estimated cost of funding these discretionary elements during 2014/2015 is outlined in Appendix 1 and is provided for in base budget.

- 3.03 The Council continues to have the powers to support hardship on an individual basis or in respect of a defined group, specifically within the Corporate Debt Policy. Such arrangements cannot, however, form part of the Council Tax Reduction Scheme itself.
- 3.04 The cost of the whole Council Tax Reduction Scheme is set out in detail in Section 5.00.
- 3.05 Whether or not the Council wish to adopt any of the discretionary elements described in Section 2.00, it is obliged to carry out consultation on the adoption of the scheme, even though the provisions were set by Welsh Government.
- 3.06 Consultation was carried out with Flintshire residents between 27th November and 18th December 2013. The time available for consultation was limited because of the regulations not being approved by Welsh Government until 26th November 2013 and the need to adopt the scheme by 31st January 2014.
- 3.07 The results of the consultation can be found at Appendix 2.
- 3.08 Flintshire's proposed scheme for 2014/15 has been considered by Corporate Resources Overview & Scrutiny Committee on 16th January 2014 and by Cabinet on 21st January 2014. Both committees were fully supportive of the proposed scheme.

4.00 RECOMMENDATIONS

- 4.01 To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") by Wales Government on 26th November 2013. As amended by the Council Tax Reduction Schemes (prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014.
- 4.02 To adopt the Council Tax Reduction Scheme discretionary elements as outlined in Appendix 1.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The Welsh Government's estimate of the whole cost of the scheme at this time last year was £222m, this was based on the intention to fund 90% of the scheme. Later a further £22m was paid to Council's via a specific grant, after a late decision was made by Welsh Government to fund a 100% reduction (where applicable).
- 5.02 The cost of Council Tax Reduction needs to be managed within the Council's budget. The amount identified by Welsh Government in the Financial Settlement for 2014/2015 is £9.924 million.

- 5.03 The funding arrangements for 2014/15 include funding of up to 100% of the estimated cost of the scheme based on the 2012/13 cost of the Council Tax Benefit and therefore funding does not include the 2013/14 increase in Council Tax producing an immediate additional shortfall of 3.14% including precepts. With the Council having a responsibility to meet this shortfall in order to maintain the scheme at 100% reduction (where applicable).
- 5.04 The Council must also meet the cost applied as a result of 2014/15 Council Tax increases.
- 5.05 In addition to Flintshire's initial estimates to maintaining the scheme at 100%, the Council are also liable for any fluctuations in caseload, which is dependant on the economic climate.
- 5.06 Current projection as to the cost to the Authority is:

2013/14 CTRS paid	£10.200 million
2014/15 C.Tax increase 3.5% (inc police and community councils)	£ 0.357 million
Projected Cost	£10.557million
WG Funding	£9.924 million
Shortfall / pressure	£0.633 million

6.00 ANTI POVERTY IMPACT

- 6.01 The major reform of the welfare benefits system began to impact residents from April 2014.
- 6.02 The Welfare Reform Programme recognised the need for proactive work and support to try to mitigate, as much as possible, the effects of the changes on vulnerable residents in Flintshire and continues to successfully deliver on this basis.
- 6.03 Residents may not only be affected by the changes to Council Tax Support but may also be affected by other changes to other welfare benefits which are happening at the same time.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None specifically associated with the content of this report.

8.00 EQUALITIES IMPACT

- 8.01 The Scheme proposed for 2014/2015 does not contain any significant changes from the scheme which is currently in operation, other than detailed in the recommendations above.

8.02 On this basis, following a rigorous and detailed Equalities Impact Assessment being conducted on the introduction of the Scheme in 2013, there is no requirement to conduct a further assessment.

9.00 PERSONNEL IMPLICATIONS

9.01 None specifically associated with the content of this report.

10.00 CONSULTATION REQUIRED

10.01 Due to the extent of the far reaching and detailed consultation approach taken in 2012/13 in relation to the brand new Scheme it has been agreed that a more targeted consultation approach would be adopted for the Scheme for 2014/15, as part of the statutory consultation requirements.

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation has been undertaken with the following bodies:

- Members of the Public
- Flintshire County Council Elected Members
- Members of Parliament and Assembly Members
- Local Service Board Members
- Advice Management Board Members
- Office for Police and Crime Commissioner for Wales
- Royal British Legion

11.02 The consultation period was 27th November 2013 to 18th December 2013 and a summary of the results of the consultation can be found at Appendix 2.

11.03 Consultation within the Council was undertaken with:

- Corporate Resources Overview and Scrutiny Committee on 16th January 2014.
- Cabinet on 21st January 2014.

12.00 APPENDICES

Appendix 1 – The Discretionary Elements

Appendix 2 – Summary of the Public Consultation

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012)

The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013

Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013

The Council Tax Reduction Scheme (prescribed requirements and Default Scheme) (Wales) (Amendment) Regulations 2014

Contact Officer: Jen Griffiths – Benefits Manager
Telephone: 01352 702929
Email: jen.griffiths@flintshire.gov.uk

The Discretionary Elements

There are three distinct areas of discretion within the Regulations and Flintshire County Council proposes to exercise these as follows:

1. Not to increase the “extended payment period” to more than four weeks when an applicant starts work. This rule currently acts as a good incentive measure under CTRS and it makes sense to maintain it in line with the Housing Benefits (HB) Extended Payment rules, which are also set at four weeks. This measure will result in approximately £20,948 of expenditure in 2013/14
2. To continue to disregard all War Disablement and War Widows Pensions as income. This measure will result in approximately £32,284 of expenditure for 2013/14. Continuation of this discretion would follow a long precedent and maintain the link with the Authority’s treatment of this income for HB purposes.
3. To maintain the standard three month backdating provisions for pensioners when a good reason for failing to claim earlier is shown. This reflects the current position with regard to CTRS and HB and payments in respect of backdating will result in approximately £29,375 of expenditure in 2013/14

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Summary of Public Consultation

The Consultation opened on 27 November and closed on 18 December 2013.

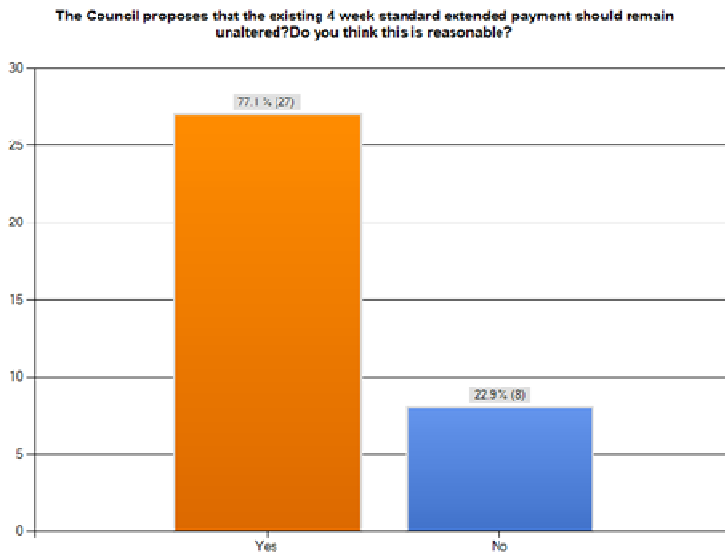
The survey was available publicly on-line via the Council’s website and was emailed to a range of identified stakeholders. It was also available in hard copy at public libraries, Flintshire Connects, Main Reception County Hall, Benefits Reception County Hall, Phase III Reception County Hall and Reception at County Offices Flint.

35 English responses were completed and 0 Welsh responses.

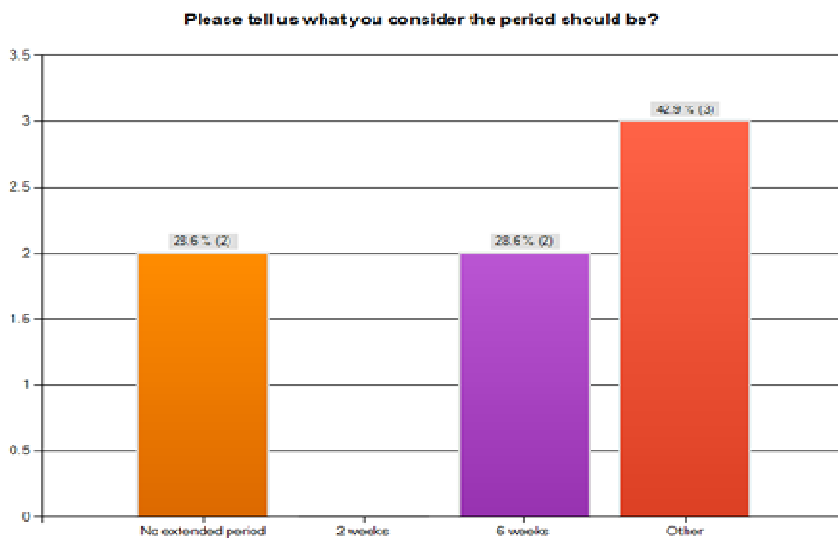
Of the 35 responses received 34 were completed on-line and 1 via hard copy.

Local discretion 1

The Council proposes that the existing 4 week standard extended payment should remain unaltered? Do you think this is reasonable?



If no, please tell us what you consider the period should be?



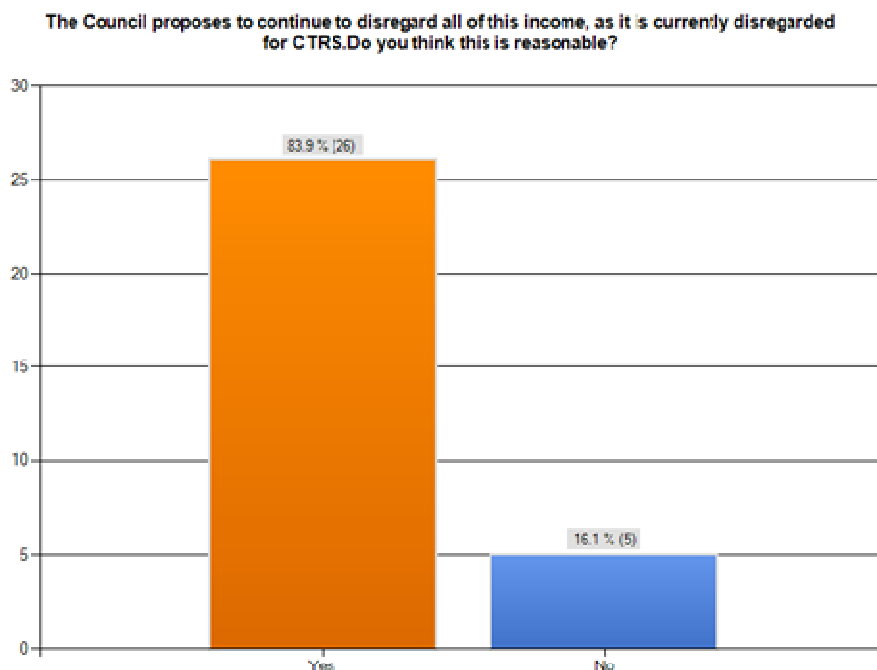
Of the three people who responded other, two respondents provided the following further information:

We feel that 4 weeks is generally sufficient time for an individual to continue to receive a Council Tax reduction after commencing paid employment. However we do feel that there should be a robust mechanism in place to proactively identify individuals who are in debt and/or facing financial difficulties despite finding employment. In these cases there should be recourse for individuals to discretionary Council Tax Reductions or other financial support for those who are facing difficulties paying their Council Tax, despite being in paid employment with earnings above the earnings threshold for Council Tax Reductions. For example some individuals will have accrued debts whilst unemployed that may result in a loss of heating or lighting to their home; homelessness; inability to feed themselves; inability to afford to travel to their workplace or other debts that cause not only distress and anguish, but also physical health and wellbeing concerns. In those situations individuals may require a longer period, in addition to independent advocacy and support, to address their financial difficulties before having to pay Council Tax. Consideration should also be given to delays in notifying the Council immediately of a change in circumstances, especially where this is due to not understanding their responsibilities due to communication barriers or disability-related barriers. In such circumstances retrospectively applying full Council Tax liability could force an individual into poverty and debt through no fault of their own.

Welfare reform changes to move benefit payments to calendar monthly payments will already push recipients into financial hardship as they will be paid a month in arrears, take 5 weeks to process (leaving them without funds) and therefore simply returning to work and waiting 4 weeks will not give them ample time to really catch up with themselves

Local Discretion 2

The Council proposes to continue to disregard all War Disablement Pension and War Widows Pension income, as it is currently disregarded for CTRS. Do you think this is reasonable?

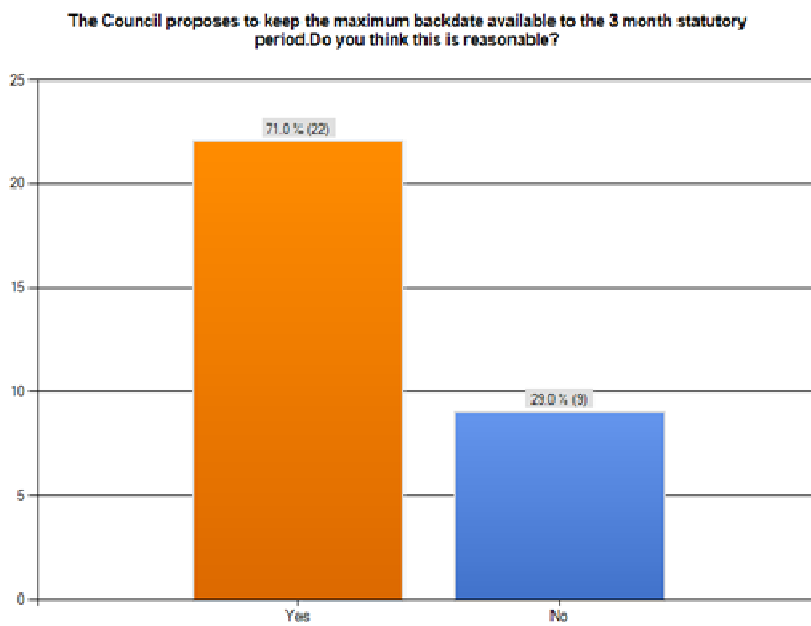


If answering no, respondents were asked; “Please tell us what you think would be reasonable?” and the following responses were received:

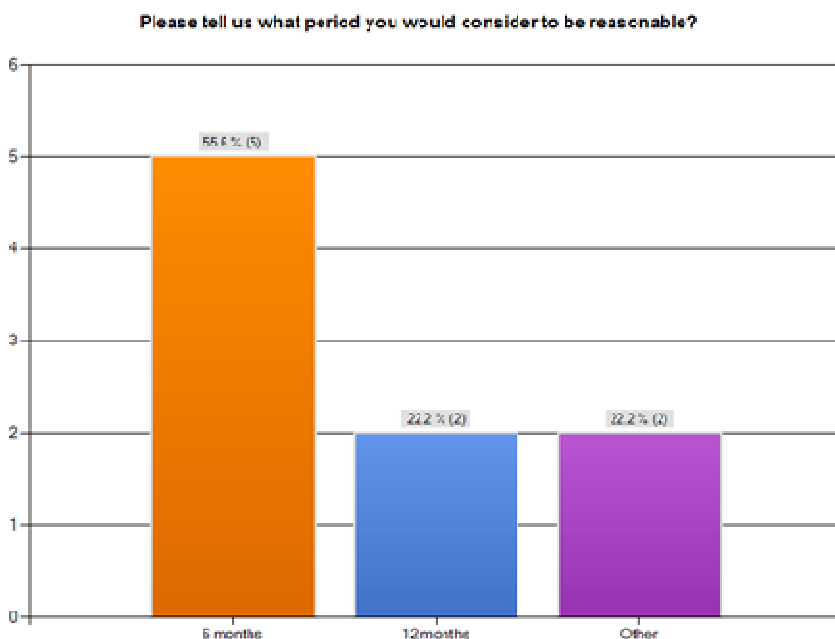
- Nothing
- To count it as part of their income
- I think a £40.00 per week disregard would be reasonable
- They have more disposable income than other households in order to meet their costs. Therefore a standard disregard could apply to the first £30 per week.

Local Discretion 3

The Council proposes to keep the maximum backdate available to the 3 month statutory period. Do you think this is reasonable?



If 'No' please tell us what you would consider to be reasonable?



Of the respondents who ticked other the following supplementary information was provided:

-
- None

 - We strongly believe Council Tax Reductions should be able to be back dated by 6 months if there are reasons for the delay, such as bereavement, mental distress, a hospital or hospice stay, caring for a family member, or disability-related barriers. The circumstances which have led an individual to claim Council Tax Reduction can often be both complex and lead to situations where an individual is struggling to access other entitlements and to continue to afford housing, utilities, water, food and other basic costs. In these situations there may be a delay in applying for Council Tax Reduction, which should be accounted for and 3 months is not sufficient time in some cases. Similarly many disabled people require additional time to complete forms either due to limited energy or time to fill in forms or due to not understanding the information or processes. Time limits can often place these individuals under extreme stress and anxiety and therefore any extension to backdating provisions, in order to account for these barriers and to prevent people falling into poverty and/or debt, is welcome. We would encourage Flintshire County Council to ensure that all individuals applying for Council Tax Reductions, any benefit, or any concern from the Council are signposted to independent professional advocacy to ensure that they are able to understand and complete forms accurately, reducing administration costs for the Council and stress and anxiety for the individuals applying. Accessible formats and community language information, documents and forms should also be proactively provided, including large print, Easy Read and audio documents. This should be in addition to providing all standard documents in Plain English and Cymraeg Clir as the usual format.

 - There are many reasons why backdating is necessary and limiting to 3 months is unfair in genuine cases