

## **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

**13 JULY 2017**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 13 July 2017

### **PRESENT: Councillor Clive Carver (Chairman)**

Councillors: Haydn Bateman, Bob Connah, Paul Cunningham, Patrick Heesom, Andrew Holgate, Paul Johnson, Richard Jones, Mike Lowe, Michelle Perfect, Vicky Perfect and Arnold Woolley

**APOLOGY:** Councillor Hilary McGuill

**SUBSTITUTE:** Councillor David Wisinger (for Ron Hampson)

**ALSO PRESENT:** Councillor Bernie Attridge

**CONTRIBUTORS:** Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Councillor Billy Mullin, Cabinet Member for Corporate Management; Chief Executive; Corporate Finance Manager; and Corporate Business & Communications Executive Officer

**IN ATTENDANCE:** Democratic Services Manager and Committee Officer

### **7. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **8. MINUTES**

The minutes of the meeting of 15 June 2017 were submitted.

### **RESOLVED:**

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

### **9. COUNCIL PLAN 2017-23**

Councillor Aaron Shotton introduced the draft Council Plan 2017-23 which had been reviewed and refreshed to reflect the Council's key priorities for the five year term of the new administration. It was a statutory duty for the Council to adopt the Plan (which replaced the former Improvement Plan) and its importance in identifying priorities and objectives, particularly during times of austerity, was recognised.

In correcting the purpose of the report shown on the agenda, the Chief Executive sought comments to feedback to Cabinet so that each Overview & Scrutiny committee could consider their respective areas. Responses would be reported back to this Committee and Cabinet in September 2017 to help inform the final Plan prior to seeking Council approval. The previous themes had been

consolidated into six priorities for delivery over the next five years, with particular focus on the first year.

The Corporate Business and Communications Executive Officer said that the general structure of the former plan had been retained but that national policy issues may affect the delivery of some outcomes. The table within the Plan indicated the desired impact of each priority and sub-priority which linked to the Council's Medium Term Financial Strategy (MTFS) and commitment to the Wellbeing of Future Generations (Wales) Act 2015. The management of risks was also set out for each section. Details on target performance and milestones would be shared in the second part 'How we measure achievement' document to be shared at a later stage.

Councillor Billy Mullin spoke about the Council's record on performance as recognised by the Wales Audit Office, and the intention to build on those achievements.

Councillor Richard Jones welcomed the ongoing improvements in the structure of the Plan. His concerns were on the content which he said lacked details on how the priorities would be measured for their achievement. He reflected on previous Plans which he felt had focussed on the Deeside area and sought assurance that spend on current priorities would be spread equitably across the county.

The Chief Executive said that some issues were county-wide but gave examples of others specifically targeted according to areas of need or dependent on funding. Such geographical-based schemes and their benefits to wider areas would be referenced in the second part of the document.

Councillor Aaron Shotton explained that reference to Deeside had been due to regional and national focus on the economic importance of the growth of the Deeside Enterprise Zone from which the whole of Flintshire would benefit. He also referred to the extension of the Council house building programme to other parts of the county.

Whilst Councillor Jones acknowledged Deeside as the employment centre of the county with benefits to wider areas, he felt it was important that other communities should receive equal funding, particularly to regenerate town centres.

The importance of tourism was highlighted by Councillor Vicky Perfect to help boost the local economy.

Councillor Arnold Woolley suggested alternatives to the word 'impact' which had been repetitively used in the Plan. He raised queries on the link between social housing and the Single Access Route to Housing (SARTH) and the need to define poverty to target support appropriately. He suggested other priority areas such as the safeguarding of young people against drug abuse; education training to meet required skills; tackling environmental crime such as dog fouling; and private sector rented housing.

In response, Councillor Aaron Shotton said that more specific reference could be made to tourism which had been recognised under the 'Green Council' priority. He said there were clear benchmarks on poverty and that a balanced view was needed on priority areas as opposed to the Council's daily business. The background to some of the topics suggested formed part of the Welsh Government framework, including other issues such as reviewing Council Tax policy on Houses of Multiple Occupation (HMO). Whilst this stage of the document set out the aims of priorities, the second part on measuring achievement would include the level of detail sought by Members.

The Chief Executive explained that the priorities were based on long-term impacts with supporting strategies which would be considered in the follow-up document by each Overview & Scrutiny committee. Many of the other priority areas suggested were society issues on which the Council could only have a degree of influence.

Whilst supporting the aims of the priorities, Councillor Patrick Heesom felt unable to support the Plan in its current form as it did not demonstrate a mechanism for achieving outcomes.

The Corporate Business and Communications Executive Officer reiterated that the second part of the document would feature measures and milestones on which progress would be scrutinised, however the draft Plan did include details on how achievement would be measured.

In response to Councillor Heesom's concerns on the need for more clarity, the Chief Executive reminded Members that the draft Plan built upon the previous Improvement Plan where long-established mechanisms, supported by strategies, had helped to drive performance.

Councillor Paul Johnson said that the document should include reference to Brexit as a potentially significant risk to outcomes on the local economy over the next five years. The Chief Executive suggested that elements on the local economy in the Plan could be strengthened and he spoke about regional discussions currently taking place.

Following a query by Councillor Holgate on Minimum Revenue Provision (MRP), it was acknowledged that this should be included in the glossary along with any other abbreviations. Members emphasised the need for the document to be meaningful and suggested that links be used to help explain phrases.

Councillor David Wisinger suggested consultation with Public Health Wales on planning applications for attic bedsit conversions to prevent overcrowding and would take this up with Planning. He agreed with the point made about reviewing Council Tax in HMOs.

Councillor Woolley said that the front of the document should refer to work on the priorities being 'in conjunction with statutory or essential partners'. The Chief Executive said that this could be clarified in addition to the handshake symbol.

Councillor Jones reiterated his concerns on the content of the current document and was unable to support the full recommendation on that basis.

The Chief Executive confirmed that Members' comments on the content of the draft Plan would be considered by Cabinet.

**RESOLVED:**

- (a) That the Committee informs the Cabinet that it supports the structure, format and content of the 'public' version of the Council (Improvement) Plan for 2017-23 which will be submitted to Council for approval in due course; and
- (b) That, where Members expressed concerns, these will be considered by the officers.

**10. REVENUE BUDGET MONITORING 2016/17 (OUTTURN) AND CAPITAL PROGRAMME MONITORING (OUTTURN)**

The Corporate Finance Manager presented a report on the revenue budget monitoring 2016/17 (outturn) for the Council Fund and Housing Revenue Account (HRA) and the Capital Programme 2016/17 (outturn), prior to consideration by Cabinet.

Revenue Budget Monitoring

The final position (subject to audit) reported a net in-year operating deficit of £0.846m. The overall outturn included a positive impact from the change in Minimum Revenue Provision (MRP) accounting policy which effectively eliminated the operating deficit with net spend being £2.039m lower than budget. The report superseded the month 12 position previously reported to Cabinet (appended as a link to the documents). A brief overview was given on the main movements for the year with details of significant movements since month 12. An update was also given on contingency reserves and the programme of efficiencies on which an improvement was shown on the previous year. The main changes within earmarked reserves included a significant reduction in the Single Status Reserve due to the continuing draw down of funding to meet approved costs.

On the HRA, the net in-year expenditure was £0.018m lower than budget, with a closing balance of £1.116m representing 3.5% of total expenditure (above the minimum 3% recommended level).

During explanation on the MRP accounting policy change, attention was drawn to the Council report of 6 December 2016.

Councillor Richard Jones questioned the interpretation of wording on the outcome of the position on Revenue Support Grant (RSG) funding. The Chief Executive clarified the strong stance taken by Flintshire as part of collective local government lobbying WG for a fairer funding settlement which had resulted in a more favourable outcome than expected.

In response to a query by Councillor Haydn Bateman, officers explained about the approach to building up Winter Maintenance reserves and the use of Single Status reserves.

Following a request by Councillor Patrick Heesom, the Corporate Finance Manager agreed to provide a breakdown of the proportion of contingency reserves used to meet the impact of community asset transfers.

### Capital Programme

A table showing changes to the programme during 2016/17 indicated a revised budget of £65.968m. Since the last quarter, there was a net increase in the programme total of £5.918m as detailed in sections 1.06-1.08. The total amount to be carried forward into 2017/18 was £3.589m which was a significant reduction on the previous year. An update on the funding of 2016/17 approved schemes reported the availability of £5.066m which was earmarked to fund future capital schemes.

### **RESOLVED:**

- (a) That the Revenue Budget Monitoring (outturn) report for 2016/17 be accepted;
- (b) That the Capital Programme (outturn) report for 2016/17 be accepted; and
- (c) The Committee confirmed that there are no specific issues to be brought to the attention of the Cabinet.

## **11. REVENUE BUDGET MONITORING 2017/18 (INTERIM)**

The Corporate Finance Manager introduced a report on the revenue budget monitoring interim position for 2017/18 prior to consideration by Cabinet. He gave a reminder that during the early part of the year, resources were dedicated to the closure of the accounts for 2016/17 to comply with the statutory deadline. The initial assessment at this early stage was that expenditure was projected to be £0.978m higher than budget, however this did not reflect a complete projected outturn position which would be reported in September. During an update on the monitoring of risks and other emerging risks, reference was made to the additional funding allocations from Welsh Government on social care. No significant variances were reported on the Housing Revenue Account.

The Corporate Finance Manager agreed to share information on the pressures arising from gas engine income requested by Councillor Haydn Bateman.

In response to comments from Councillor Richard Jones, the Chief Executive provided clarification on the Intermediate Care Fund grant and the withdrawal of payment software portal subscriptions.

The Chairman requested more details on the efficiency shortfall in car parking permits at County Hall and was told that figures would be shared. Councillor Jones suggested that town centre traders could also be offered the reduced cost of car parking permits. The Chief Executive said that a controlled system was now in place for parking at County Hall and that arrangements would be subject to further review.

**RESOLVED:**

- (a) That the Revenue Budget Monitoring 2017/18 (interim) report be accepted; and
- (b) The Committee confirmed that there are no specific issues to be brought to the attention of the Cabinet.

**12. MEDIUM TERM FINANCIAL STRATEGY UPDATE**

The Chief Executive and Corporate Finance Manager introduced the report on the revised financial forecast for 2018/19 as part of the refresh of the Medium Term Financial Strategy (MTFS).

A presentation was delivered covering the following areas:

- Financial Forecast 2018/19
- Main Pressures
- Risks and Potential Impacts from 2017/18
- National Position
- National Case Making
- Next Steps

The revised forecast showed a projected gap of £11.7m for 2017/18 prior to any modelling on increased Council Tax levels. The forecast was based on a range of information including national, local and workforce pressures. Whilst some issues could be predicted with certainty, others were outside the control of the Council. The two most significant factors were the local government financial settlement for 2017/18 and Council Tax levels.

Councillor Aaron Shotton highlighted the importance of councils in Wales continuing to collectively lobby the Welsh Government (WG) for fairer funding and for Flintshire to make its case amongst those in a low funded position. Reasonable assumptions had been made on grant funding and reference was made to the possibility of 'hidden' funding cuts from the UK Government which could affect Wales.

In response to a question from Councillor Richard Jones, the Chief Executive said that work would continue on developing the MTFS, however it was inevitable that the forecasted budget gap could not be met without affecting front-line services. This had been widely acknowledged during the last budget

consultation process where Overview & Scrutiny committees had considered options for their respective areas.

**RESOLVED:**

That, having considered the report, the Committee informs the Cabinet that it supports the framework for the revision of the Medium Term Financial Strategy.

**13. IMPROVEMENT PLAN 2016/17 OUTTURN REPORT**

The Chief Executive introduced the update report to consider progress towards the delivery of the impacts set out in the 2016/17 Improvement Plan, focussing on the areas of under-performance relevant to the Committee at year end.

The Corporate Business & Communications Executive Officer reported good progress on actions and performance against targets, with explanation given on the only red area on percentage of employee turnover. The majority of identified risks were moderate or minor, and the only red risk area was on the scale of the financial challenge.

Councillor Richard Jones raised an issue on consistency of outcome ratings when comparing two actions. It was explained that the first action involved the newly introduced Contract Procedure Rules on which community benefits would be achieved over the longer term. Although progress had been made on the Armed Forces Covenant, outcomes had not yet achieved 100% at this stage. Councillor Jones also pointed out that the Public Space Protection Order (PSPO) in Buckley had not been recognised within that Key Performance Indicator. On a request for commentary on the percentage of employee turnover, a brief update was given and would be further explained in the next Workforce Information update. On the percentage of high-risk repeat victims of domestic abuse referred to the Flintshire Multi-Agency Risk Assessment Conference (MARAC), officers would establish whether the target of 28 was set locally or nationally as this was higher than the previous year.

**RESOLVED:**

That the Improvement Plan 2016/17 outturn report be received.

**14. FORWARD WORK PROGRAMME**

The following actions were agreed:

- The Council Plan 2017-23 to be included for September 2017.
- Consultation on the Electoral Reform White Paper (scheduled for September 2017) was due to open at the end of the month.
- The Regional Emergency Planning Manager to be invited in October 2017 to present his annual report.
- A representative from the Fire & Rescue Authority had been invited in November 2017 for the budget consultation item.

- Although unavailable for the meeting in December 2017, the Police & Crime Commissioner would be invited to attend on another date as part of the annual arrangement with the Committee.
- Members of the Committee were encouraged to attend the forthcoming 'Aligning the Levers of Change' workshop.

**RESOLVED:**

- (a) That the Forward Work Programme as submitted, be approved with amendments; and
- (b) That the Democratic Services Manager, in consultation with the Chairman, be authorised to vary the Forward Work Programme between meetings, should this be necessary.

**15. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE**

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

(The meeting started at 10am and ended at 12.25pm)

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**Chairman**