

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**  
**28 SEPTEMBER 2016**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Wednesday, 28 September 2016

**PRESENT:**     **Councillor Clive Carver (Chair)**

Councillors: Marion Bateman, Andy Dunbobbin, Richard Jones, Paul Shotton, Nigel Steele-Mortimer and Arnold Woolley

**ALSO PRESENT (as all Members had been invited to attend)**

Councillors: Bernie Attridge, Haydn Bateman, David Cox, Adele Davies-Cooke, Chris Bithell, Ian Dunbar, Christine Jones, Kevin Jones, Mike Lowe, Dave Mackie, Billy Mullin and David Wisinger

Education & Youth Overview & Scrutiny Committee Co-optees: Mr David Hytch and Reverend John Thelwell

**APOLOGIES:** Councillors Derek Butler and Ron Hampson. Education & Youth Overview & Scrutiny Committee Co-opted Members: Janine Beggan and Bernard Stuart

**CONTRIBUTORS:**

Councillor Aaron Shotton, Leader and Cabinet Member for Finance, Chief Executive, Corporate Finance Manager, Chief Officer (Organisational Change), Chief Officer (Streetscene and Transportation), Chief Officer (Governance) and Finance Manager (Corporate Accounting and Systems)

**IN ATTENDANCE:**

Member Engagement Manager and Overview & Scrutiny Facilitator

**43.     DECLARATIONS OF INTEREST**

No declarations of interest were made.

**44.     COUNCIL FUND REVENUE BUDGET 2017/18 STAGE ONE**

The Chair welcomed Members and the contributors to the meeting.

The Chief Executive outlined the purpose of the meeting, which was to enable all Members and Co-opted members to comments on Stage 1 of the Budget for 2017/18 report, based on the Portfolio Business Plans, which was approved by Cabinet at its meeting on Tuesday 20<sup>th</sup> September, 2016. All of the Overview & Scrutiny Committees received presentations during the summer and were supportive of the efficiency and charging proposals overall.

The Corporate Finance Manager outlined the financial forecast for the 2017/18 financial year, which was the third and final year of the current Medium Term Financial Strategy (MTFS). The original forecast had been updated and reported to the Corporate Resources Overview & Scrutiny Committee in July 2016, as outlined within the report. The forecast was under continuous review and would be updated for reporting in October/November following:-

- announcement of the Provisional Local Government Settlement (which was due for publication on 19<sup>th</sup> October, 2016)
- all cost pressures built into the MTF5 having been reassessed and re-profiled; and
- the assessment of the impacts of national interest rate trends, investment market developments and inflation having been completed.

The Corporate Finance Manager continued to outline the portfolio business plans and corporate financial stewardship options as outlined within the report. He also advised that work was underway on developing a corporate income policy covering all current and potential fees and charges and the levels at which they were set. The outcome of this work would be reported by December, 2016.

The Chief Executive reported that the Council was actively involved in national discussions over the Welsh Government (WG) Budget for 2017/18 including the Local Government Settlement, both as part of the Welsh Government Association and as an individual council. The key issues under debate were detailed within the report.

Councillor Aaron Shotton advised that if the council was to receive a flat line financial settlement this would reduce the remaining budget gap by £2.8M. The service portfolio efficiencies of £5.9M, following this meeting would be presented to County Council on 15<sup>th</sup> November, 2016. In the meantime, an update on national discussions would be provided to Group Leaders as soon as possible.

Councillor Paul Shotton commented on the difference in financial settlements for councils across Wales and encouraged all Members of the council to lobby Assembly Members across all political parties to ensure fairer budget settlements in the future.

Councillor Kevin Jones referred to the introduction of the Rural Stabilisation Grant (RSG) announced by the WG during the setting of the 2016/17 budget, which he said, had not benefited the council. He also commented on the national discussions around local retention of Non Domestic Rate Relief (NNDR) growth by the collecting authority and the benefits this could have.

Councillor Aaron Shotton responded that the RSG had assisted those councils that had received a larger cut in their financial settlement. The Chief Executive explained that Flintshire, whilst having large rural areas did not fit into the rural categorisation as determined by the WG.

Councillor Clive Carver commented on the Financial Forecast 2017/18 – 2018/19 as outlined within section 1.04 of the report. He asked why the Council Tax increase for 2018/19 was lower than forecast for 2017/18 if the figures were based on a 3% annual increase. The Finance Manager (Corporate Accounting and Systems) explained that the lower Council Tax increase forecast for 2018/19 was based on an assumption of higher growth.

Councillor Arnold Woolley commented on the first recommendation outlined within the report and suggested that the word 'recommends' be amended to 'recognised'. He did not think the Committee should be recommending the service portfolio efficiencies due to the uncertainties around the financial settlement from WG. Councillor Aaron Shotton agreed that there were uncertainties but explained that £5.9M budget efficiencies would need to be found regardless of the outcome of the financial settlement.

Councillor Richard Jones supported the suggestion from Councillor Woolley. He did not agree that the Committee should be recommending the service portfolio efficiencies because he did not feel enough information on how the proposals would affect services and service users had been provided. He also commented on the case being put forward that, Flintshire was a low funded council, as were a small number of other council's across Wales. Whilst he recognised that this was the case, he did not feel that this would be supported by WG as he did not feel that very much had changed over the last 12 months of lobbying the WG.

Councillor Aaron Shotton responded that he wanted to stand up for all residents of Flintshire and that it was not fair or justified that Flintshire was a low funded council in comparison to council's in Wales with similar population figures. Changing the current funding formula would be a long and complex process but there was hope that the WG would recognise that the formula was broken.

In response to the comments from Councillor Richard Jones around the need for further information, the Chief Executive explained that a great deal of work had been undertaken with service users and staff to ensure that the service portfolio efficiencies had minimal impact.

In response to comments made by Councillor Richard Jones on the scrutiny process, Councillor Bernie Attridge advised that the Environment Overview & Scrutiny Committee had carefully considered and scrutinised the service portfolio efficiencies before recommending them to the Corporate Resources Overview & Scrutiny Committee meeting. Councillor Chris Bithell and Councillor Christine Jones supported these comments and spoke of the consideration given at both the Education & Youth and Social & Health Care Overview & Scrutiny Committee's to the proposed efficiencies.

A number of Members spoke in support of continued lobbying of WG in order to receive a fairer financial settlement in the future. Councillor Kevin Jones supported presenting the service portfolio efficiencies to County Council on 15<sup>th</sup> November, 2016 to avoid delaying the ability for efficiencies to be made within the 2017/18 financial year. Councillor Chris Bithell spoke in support of reviewing the current funding formula given the similar costs for each council for services, such as, residential care, transport costs and teacher salaries. Councillor Christine Jones also spoke in support on continued lobbying of WG and advised of the successful lobbying last year which had resulted in changes to the Intermediate Care Fund (ICF).

Councillor Dave Mackie commented on the national lobbying carried out last year and the decision of the WG at the time to introduce the RDG. He asked why when WG had additional funding, they had not decided to listen to the

arguments put forward by the Council and whether there were any lessons to be learnt by this. Councillor Shotton responded that the ICF had increased last year following lobbying from collective councils across Wales and that the overall reduction in funding had not been as severe as had been anticipated, which he felt had been as a result of the lobbying done by the council.

The Chief Executive suggested that Members contact officers prior to the County Council meeting on 15<sup>th</sup> November, if any additional information on the service portfolio efficiencies was required.

The Chair thanked the Leader, Chief Executive and Officers for responding to the questions raised by Members and advised that the recommendations outlined within the report had been approved by Cabinet.

**RESOLVED:**

- (a) That the service portfolio efficiency proposals listed in the appendices for adoption by Council as stage one of setting the Council Fund Revenue Budget for 2017/18 be noted; and
- (b) That the ongoing work on reviewing corporate funding options, and the national activity around the funding formula and Local Government Settlement be noted.

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

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

(The meeting started at 10.00 am and ended at 11.40 am)

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**Chairman**