

**FLINTSHIRE COUNTY COUNCIL**  
**30 JANUARY 2018**

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Tuesday, 30<sup>th</sup> January 2018.

**PRESENT: Councillor Brian Lloyd (Chairman)**

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

**APOLOGIES:**

Councillors: Bob Connah, David Cox, Chris Dolphin, Rosetta Dolphin, Andrew Holgate, Dave Hughes, Joe Johnson, Billy Mullin and Ted Palmer.

**IN ATTENDANCE:**

Chief Executive, Chief Officer (Governance), Chief Officer (Organisational Change), Chief Officer (Planning and Environment), Chief Officer (Streetscene and Transportation), Interim Chief Officer (Education and Youth), Chief Officer (Social Services), Corporate Finance Manager, Democratic Services Manager, Benefits Manager, Finance Managers and Team Leader – Committee Services.

Prior to the start of the meeting the Chief Officer (Governance) explained that due to technical problems the webcast of the meeting would not be shown live. However the recording of the meeting would be available on the Council's website in due course.

**80. MINUTES**

The minutes of the meetings held on 12<sup>th</sup> December were submitted and confirmed as a correct record.

**RESOLVED:**

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

**81. DECLARATIONS OF INTEREST**

Following advice from the Chief Officer (Governance), Councillors Allport and Woolley declared personal and prejudicial interests in agenda item number 8, Notice of Motion. Councillors Carver, Gay, Paul Johnson, Tudor Jones, McGuill and Carolyn Thomas declared personal interests in the same item.

**82. CHAIRMAN'S COMMUNICATIONS**

A copy of the Chairman's Communications had been circulated to all Members prior to the meeting.

The Chair commented in particular on the businesses in Flintshire who had been recognised at the Flintshire Business Week. He paid tribute to the late Stephen Hampson, son of the late Councillor Ron Hampson and his wife Rita who had touched the lives of many people.

**83. PETITIONS**

Councillor McGuill submitted an online petition which had been signed by 10,532 people seeking that the 20% top up for Non Domestic Rates be reintroduced for Scout Groups. A further 358 signatures had been received via a paper petition and a letter of support for the petition had been received from Bear Grylls, the Chief Scout for the United Kingdom.

**84. PUBLIC QUESTION TIME**

None were received.

**85. QUESTIONS**

The Chief Officer (Governance) explained that two questions had been received and had been copied, along with the response, and handed out.

Councillor Clive Carver:

"In relation to the removal of Discretionary Business Rate Relief by Flintshire County Council for Registered Charities and voluntary groups, can the Cabinet Member please advise (a) how many Registered Charities and voluntary groups have since applied for hardship rate relief? And (b) how many such applications have been granted".

Answer:

"Since April 2017 a total of 6 Hardship applications have been received from Registered Charities or Voluntary Groups and 1 organisation has been awarded Hardship Relief – which equated to their full liability for 2017-18.

We always promote the Hardship Rate Relief scheme where there are financial risks to any Charitable or Voluntary organisation, or indeed to any commercial business, by making payment of business rates.

It's important to say that each application for Hardship Rate Relief must be looked at on its own merits and where organisations have insufficient funds to pay the 20% liability, we will act in the wider public interest by awarding Hardship Relief. To date, based on the written evidence submitted from various organisations, there have been very few proven cases that would meet the test of hardship.

The Hardship scheme remains open, and we encourage all organisations to speak to the Business Rates service if they want make an application for the first time (or re-apply again, even if a previous application has been unsuccessful).”

Councillor Carver took the opportunity to ask a supplementary question:

“Can you please provide a breakdown of figures of the six hardship applications, including the one that was awarded hardship relief?” Councillor Aaron Shotton said that information could be obtained and would be sent to Councillor Carver.

Councillor Arnold Woolley:

“Is the authority reliably aware of the number of houses within the County which have been continuously empty/unused for at least six months and how many of such has the authority dealt with by use of existing available powers so as to bring them into purposeful occupation”.

Answer:

There are currently just under 800 long term empty homes in the County.

The Council has a number of strategies in place to bring long term empty (LTE) homes back into full use. One of the most effective ways of bringing these properties back into use has been use of the Local Taxation system to incentivise owners to focus on getting their properties occupied again.

Full Council endorsed the recommendation of cabinet to introduce a Council Tax Premium scheme in April 2017, which effectively now imposes an additional 50% charge on owners of LTE properties, as well as on second homes.

Around the time of introducing the Council Tax Premium scheme, officers were asked to write to owners of all LTE'S to promote access to other Council services which could assist with bringing LTE property back into use.

Since the introduction of this scheme, our records show that 212 LTE properties 45 second homes have been brought back into full use and this scheme is designed to encourage owners to bring these properties back into full use to:

- address local housing need
- support the increase of affordable housing for purchase or let
- enhance the appearance of local communities.

This Council is one of a handful of councils in Wales that has introduced the Council Tax Premium scheme from April 2017 with the primary objective of bringing empty property back into full use. Although we do what we can to bring property back into use, owners, landlords of empty properties should also share in the responsibility of bringing their properties back into use and making the most of their assets.

The Council is the first local authority in Wales to set up its own housing company, North East Wales (NEW) Homes which can offer a very competitive management service to support landlords.

The Council has, for a number of years, used a small capital allocation to support owners to bring empty homes into use as shown below. This allocation has reduced over time in part due to capital constraints and in part due to the availability of alternative Welsh Government funding (below).

Year	FCC grants	FCC loans
2013/14	£164,000	£30,000
2014/15	£105,000	£39,000
2015/16	£79,000	£4,000
2016/17	£62,000	£0
2017/18	£7,000	£10,000

The Council has, until this year, also employed an Empty Homes Development Officer. This role is a mixture of Environmental Health Officer duties as well as work to promote and administer the grant and loan funding. The future intention is to a) pass the EHO work to the Environmental Health team to pick up as their resources allow and b) use the remaining Housing Regeneration team to manage the loans programmes.

The Council currently manages the Houses 2 Homes programme on behalf of Welsh Government which provides repayable finance to bring empty properties back into use. The majority of this funding is currently committed as loans, with £595,815 currently allocated to 25 loans. As loans are repaid, this funding will be recycled into new loans.

It is expected that Welsh Government will shortly increase the flexibility of their repayable finance programmes which will allow the Council to increase the number of Houses 2 Homes loans. It is also expected that Welsh Government will fund officer time to support the loans programme which will enable it to reach more applicants.

The Council intends, during 2018/19, to work with the RSLs to acquire empty homes for social rent. The RSLs will part-fund purchase and renovation and the Council will allocate Social Housing Grant to match fund this. Targeting is underway currently to match identified housing needs with the empty homes stock.

Councillor Woolley thanked the Cabinet Member for the detailed response and did not ask a supplementary question.

## **86. NOTICE OF MOTION**

Having earlier declared an interest, Councillors Allport and Woolley left the room.

One Notice of Motion had been received:

Councillor Hilary McGuill:

“We call upon FCC to reconsider reinstating 100% business rate relief on scout huts for scout organisations in Flintshire who own and manage their scout headquarters”.

In speaking to her Notice of Motion, Councillor McGuill said she felt sure the Council, when approving the removal of the 20% top up of Discretionary Rate Relief to voluntary organisations two years previous, did not realise that it would affect scout groups. She said, in comparison, some small businesses did not pay anything for rates due to their rateable value adding that the scouts was not a business. She felt Welsh Government (WG) should provide 100% rate relief for scout groups in the same way they did for places of worship. Details of the financial impact it would have on some of the groups were provided and whilst this was significant for those individual groups, it was not a significant pressure on the Council’s budget.

The Notice of Motion was seconded by Councillor Tudor Jones.

Councillor McGuill requested a recorded vote.

Councillor Aaron Shotton gave notice of an amendment which was handed out to Members which was:

“We call upon Flintshire County Council to reconsider reinstating 100% business rate relief to all local community organisations with properties under the rateable value of £6,000. This is the threshold which is set by Welsh Government for small businesses to qualify for full business rate relief”.

On speaking to his amendment, Councillor Shotton said the decision taken by the Council to remove the 20% discretionary rate relief two years ago was supported across the chamber. However, he agreed with Councillor McGuill that national schemes should be funded wholly by WG. To address that issue he proposed the amendment and said there was an anomaly relating to voluntary groups with a rateable value below £6,000 as they were not profit making and should not pay the 20% top up. This was an opportunity for the Council to reinstate their decision. On reading out his amendment, he said it provided a commitment to address the original Notice of Motion and to also help other community groups in the county. He suggested that a report be brought back to County Council on 20<sup>th</sup> February 2018 with details of a workable costed scheme.

The Chief Officer (Governance) asked if Councillor McGuill accepted the amendment to the Notice of Motion. She expressed a concern that the amendment may not cover all scout groups as some may be over the £6,000 rateable value. The Revenues Manager said he thought most, if not all, of the 13 scout groups should qualify for the top up. Councillors McGuill and Richard Jones then asked if the 20% could be reinstated immediately to those that would qualify under the amendment. Following a discussion, Councillor McGuill requested a 10 minute adjournment so that legal advice could be sought on retrospectively reinstating Discretionary Rate Relief to the start of 2017/18 and also details of the number of groups affected in total.

Adjournment – 2.53 p.m – 3.03 p.m.

The Chief Executive explained that the guidance on whether the 20% could be reinstated retrospectively was not clear. On the number of groups affected, the details would be provided at the meeting in February.

On that basis Councillor McGuill accepted the amendment put forward by Councillor Aaron Shotton and as the seconder, Councillor Tudor Jones also accepted the amendment. The amendment then became the substantive motion.

A report would be submitted to the meeting on 20<sup>th</sup> February with details of the options to reinstate Discretionary Rate Relief. WG would also be contacted on the lack of equity within the scheme.

Councillor Attridge moved a closure motion as he felt the matter had been sufficiently discussed which was supported by the Chair.

In earlier requesting a recorded vote, the requisite 10 Members stood in support. The following Councillors voted for the Notice of Motion:

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

Councillor Janet Axworthy abstained against the Notice of Motion. No Councillors voted against.

Councillor Carver clarified that the original decision on removing Discretionary Rate Relief was a Cabinet decision and not a County Council one.

**RESOLVED:**

- (a) That the amended Notice of Motion be supported as follows:  
“We call upon Flintshire County Council to reconsider reinstating 100% business rate relief to all local community organisations with properties under the rateable value of £6,000. This is the threshold which is set by Welsh Government for small businesses to qualify for full business rate relief”; and
- (b) That a report be submitted to County Council on 20<sup>th</sup> February with details of the options to reinstate Discretionary Rate Relief. WG would also be contacted on the lack of equity within the scheme.

**87. STAGES ONE AND TWO OF THE COUNCIL FUND BUDGET 2018/19 AND PLANNING FOR THE CLOSING STAGE THREE**

The Chief Executive introduced the Stages One and Two of the Council Fund Budget 2018/19 and Planning for the Closing Stage Three report. Appended to the report were Stage One efficiency options, Stage Two efficiency options confirmed, impact assessment summary and new cost pressures and efficiencies. An amended version of appendix 3, impact assessment summary, was handed out.

An update on Stage One budget proposals was provided and covered garden waste charges and the integration of the music Service and Arts Development Team with Theatr Clwyd. The remaining items to be resolved from Stage Two budget proposals were schools funding, public car parking charges and the Council Tax increase. One a potential efficiency from the GwE budget of 3%, he explained that the best collective outcome that had been negotiated was a 1% reduction in contributions. However, with inflationary pressures the 1% reduction did not save the Council any funding in real terms. The longer term budget for GwE was now subject to a review prior to 2019/20.

Details were also provided on three requests for support that had been submitted to Welsh Government (WG) which were on the maximum charge for domiciliary care costs, guaranteed continuation of the Intermediate Care Fund funding and retention of a proportion of Apprentice Tax Levy contributions.

The Corporate Finance Manager summarised the impact of the known outcomes from Stages One and Two which resulted in a remaining working gap of £5.9m.

On Council Tax, the Chief Executive explained that options had been shared with Members ranging from an increase of between 3% and 5%. The Final Settlement from WG had set the Standard Spending Assessment (SSA) for Flintshire at £264.333m; for Flintshire to be funded at SSA and to maximise its local taxation income against that notional target would require an increase in Council Tax of 6.71%. WG had confirmed that councils had the local flexibility to go above the previous annual 'cap' of a 5% increase if they had a strong local case.

The Council had limited useable reserves and a number of earmarked reserves which included some service balances carried forward to fund specific expenditure in year, and some reserves with terms and conditions attached to them which limited their use. Work was underway to review all earmarked reserves and to challenge those that had not been used within the timeframe originally specified. Any use of reserves to balance the 2018/19 budget would need to be repaid in a later year.

The Chief Executive highlighted one of the risks facing the Council which was the national pay award; the Council had budgeted for a 1% annual pay award in its forecast but Trade Unions were driving potentially higher awards. WG had made it clear that it had no funding to meet higher than forecast national

pay awards and expected the UK Government to make additional funding available for it to meet any difference in cost.

Councillor Aaron Shotton expressed his concern on the limited information on specific grants from WG with proposed reductions and changes which posed a significant risk. In particular he referred to the Education Improvement Grant (EIG) and the Single Environment Grant which were of particular concern. He said the remaining gap of £5.9m was not a true figure as it did not take into account the pressures on grants and where those grants underpinned service delivery. The £5.9m gap assumed a cash flat settlement for schools and an increase in car parking charges however that had not yet been agreed. The only options available to the Council were raising the Council Tax and the use of reserves. He commented on the funding formula which assumed the Council had a greater opportunity to yield from Council Tax however the increase to meet SSA would need to be 6.71% but that would still not close the gap.

A document had been handed out by head teachers from primary schools in the County which asked Councillors to consider the following:

- the use of reserves to fund a 'true cash flat' budget;
- efficiency savings from other areas; and
- setting a deficit budget for 2018/19 to raise the issue and highlight Flintshire's continued status as one of the worst funded authorities in Wales and therefore the UK.

He said that to set a deficit budget was illegal but that message needed to be conveyed adding that WG had never known such a statement before.

Following the document that had been handed out, he proposed an additional recommendation in recognition that the Council cared about all of its services and its communities and it was a Council of principles and beliefs. The additional recommendation was as follows, and was seconded by Councillor Attridge:

"That the concerns be brought to the attention of the Cabinet Minister to immediately respond and assist a Council that was standing up against austerity in support of local services, and in particular schools. There must be further assistance from WG for this Council".

He also added that a response was needed on the three requests as referred to by the Chief Executive. The Chief Executive added that in addition to those three requests, WG had also been asked for supplementary general funding specifically for schools and social care funding.

Councillor Sharps expressed concern on the funding situation for schools and social care, the Council not reaching the Standard Spending Assessment (SSA) and the potential rise in Council Tax to 5% or over. He commented that the following year would be more difficult. The Chief Executive explained that the report to County Council on 20<sup>th</sup> February would outline all of the options for a rise in Council Tax from 3% upwards.



Councillor Peers commented on the limited options available for funding the gap adding that he could not support the Council setting a deficit budget as had been requested by the head teachers, however education needed to be supported as a main priority. On the predicted income generation from garden waste collections, he felt that this was a risk as the take up was not guaranteed. He commented on the number of job vacancies in the Council and the number of positions advertised and asked if there could be a freeze on recruitment and also asked about the possible amalgamation of some of the Chief Officers posts. The Chief Executive said the income from garden waste collections had been carefully calculated and forecast based on the uptake at other local authorities. On staffing, he said Flintshire had the leanest management structure in Wales and that structure would be looked at again given the impending departure of one of the Chief Officers. On the recruitment freeze, there was already a process of assumptions built into the recruitment procedure for all posts and when a vacancy arose, filling of that vacancy was rigorously challenged as to whether it was needed.

Councillor Richard Jones said he had hoped to receive a written document on consequences and an evaluation of them. He commented on the earmarked reserves which he felt were not reserves but service balances that had been put aside the previous year and not utilised for the purposes they had been earmarked for. He felt this sum of £2.45m could be brought back into the budget with a business case to be provided for any of the funds that were still required. The Chief Executive said some things were unknown such as the number of residents who wanted to use and pay for the garden waste collection service. Another area was the pay award and the need to keep reserves if the award was not funded nationally. The consequences of things that had not yet happened could not be predicted.

The Corporate Finance Manager urged caution on the use of reserves, which at the end of March was projected to be £4.2m but this could change and he said affordability and sustainability needed to be considered. Unearmarked reserves needed to be protected as much as possible and he also commented on the significant risk on the pay award.

The Chief Executive said the situation was dire and saw inflationary costs for schools not able to be met. At the meeting of Organisational Change Overview and Scrutiny Committee the previous day assets had been discussed and he explained that Phases 3 and 4 of County Hall were empty and were to be demolished. Options were being reviewed for the sale of parts of the whole site to generate capital receipts.

Councillor Ellis expressed her concern on the situation for schools and social care and said the future of County Hall needed to be explored with capital receipts being put into the capital programme. The only things schools could now do was approach WG. The Corporate Finance Manager explained that any money from the sale of assets had to go into the capital programme and not the revenue budget.

Councillor Bithell said a legal budget had to be set. He said the problem needed to be attacked at its source which was UK Government.

On being put to the vote, the recommendations including the additional recommendation were carried.

**RESOLVED:**

- (a) That completion of Stages One and Two of the budget be noted with the exception of the Stage Two options for schools funding, car parking charges and Council Tax levels, and the three requests made to Welsh Government which are under negotiation;
- (b) That the final forecast for 2018/19 be noted and approved taking into account the review of in-year cost pressures and their predicted impact on the following year;
- (c) That the arrangements for the third and closing stage of the budget setting process be noted; and
- (d) That the concerns be brought to the attention of the Cabinet Minister to immediately respond and assist a Council that was standing up against austerity in support of local services, and in particular schools. There must be further assistance from Welsh Government for this Council.

**88. TREASURY MANAGEMENT MID-YEAR REPORT 2017/18**

The Corporate Finance Manger introduced the Treasury Management Mid-Year Report 2017/18 for approval.

The report had been considered at Audit Committee on 22<sup>nd</sup> November 2017 where it was recommended to Cabinet. Cabinet received the report on 19<sup>th</sup> December 2017 and approved it for recommendation to County Council.

Regulatory changes were coming into force in the near future with the main change being MiFID II (the second Markets in Financial Instruments Directive) which would come into force on 3<sup>rd</sup> January 2018. MiFID II required local authorities to be categorised by regulated financial services firms as retail clients by default who could “opt up” to be professional clients, providing that they met certain criteria.

The Council was classed as a professional client. To “opt up” and continue its status the Council must hold an investment balance of at least £10m with the person authorised to make investment decisions having at least one year’s relevant experience. Officers had considered the differing impacts of remaining a professional client or changing to a retail client and it was recommended that the Council maintained its current MiFID status of professional in order to continue to manage the Council’s daily treasury management activities as at present.

**RESOLVED:**

- (a) That the Treasury Management Mid-Year Report 2017/18 be approved;  
and
- (b) That the decision to 'opt up' to professional client status by regulated financial services firms as a result of the second Markets in Financial Instruments Directive (MiFID II) be approved. This will enable the Council to continue to manage its treasury management activities as at present.

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

There was one member of the press and 52 members of the public in attendance.

(The meeting started at 2.00 pm and ended at 4.48 pm)

.....  
**Chairman**