

FLINTSHIRE COUNTY COUNCIL
20 FEBRUARY 2018

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Tuesday, 20 February 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, Bob Connah, David Cox, Paul Cunningham, Jean Davies, Rob Davies, Ron Davies, Chris Dolphin, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Mared Eastwood, Carol Ellis, David Evans, Veronica Gay, David Healey, Gladys Healey, Patrick Heesom, Cindy Hinds, Andrew Holgate, Dave Hughes, Kevin Hughes, Ray Hughes, Dennis Hutchinson, Joe Johnson, Paul Johnson, Rita Johnson, Christine Jones, Richard Jones, Tudor Jones, Richard Lloyd, Mike Lowe, Dave Mackie, Hilary McGuill, Billy Mullin, Ted Palmer, Mike Peers, Michelle Perfect, Vicky Perfect, Neville Phillips, Ian Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Ralph Small, Ian Smith, Carolyn Thomas, Owen Thomas, Martin White, Andy Williams, David Wisinger and Arnold Woolley

APOLOGIES:

Councillors: Adele Davies-Cooke, George Hardcastle, Colin Legg, Mike Reece and David Williams

IN ATTENDANCE:

Chief Executive; Chief Officer (Governance); Corporate Finance Manager; Chief Officer (Community & Enterprise); Chief Officers (Organisational Change 1 and 2); Chief Officer (Streetscene & Transportation); Chief Officer (Social Services); Interim Chief Officer (Education & Youth); Senior Manager, Human Resources & Organisational Development; Revenues Manager; Finance Manager - Technical Accountancy; Finance Manager - Strategy Accounting and Systems; Finance Manager; Benefits Manager; Housing Asset Manager; Democratic Services Manager; Team Leader - Democratic Services; Democratic Services Officer; and Rev. Maureen Roberts for prayers

90. DECLARATIONS OF INTEREST

On the advice of the Chief Officer (Governance), the following declarations were made:

Agenda Items 10 'Council Fund Budget 2018/19' and 11 'Council Fund Capital Programme 2018/19-2021'

The following Members declared a personal interest as school governors:

Councillors: Bernie Attridge, Janet Axworthy, Haydn Bateman, Marion Bateman, Sean Bibby, Helen Brown, Derek Butler, Geoff Collett, Paul Cunningham, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Carol Ellis, Veronica Gay, David Healey, Patrick Heesom, Cindy Hinds, Andrew Holgate, Kevin Hughes, Ray Hughes, Dennis Hutchinson, Joe Johnson, Christine Jones,

Richard Jones, Tudor Jones, Richard Lloyd, Mike Lowe, Billy Mullin, Hilary McGuill (and daughter employed by a Flintshire school), Mike Peers, Neville Phillips, Ian Roberts, Aaron Shotton, Paul Shotton, Carolyn Thomas, Owen Thomas, Martin White, David Wisinger and Arnold Woolley

A personal interest was also declared by Councillor Dennis Hutchinson as the owner of a minibus operation providing school transport; and Councillor Andy Williams as the owner of a taxi firm carrying out school contracts and whose daughter was a teacher in Flintshire.

Agenda Item 9 - Verbal update on Discretionary Rate Relief Scheme for 2017/18 and 2018/19

A personal interest was declared by:

Councillors: Mike Allport - Trustee and Executive Committee member of Flintshire Scouts; Glyn Banks - Committee member of Ffynnonogroyw and Talacre Community Centres; Marion Bateman - Sychdyn Memorial Hall management committee; Sean Bibby, Ron Davies and David Evans - Committee members of Shotton Community Association; Chris Bithell - Trustee and Board member of the Daniel Owen Community Association and Domestic Abuse Safety Unit; Helen Brown - Aston Park Community Centre management committee; Clive Carver - Chair of a registered charity; Geoff Collett - Chairman of Daniel Owen Community Centre; Carol Ellis - Hawksbury Community Centre; Veronica Gay - Volunteer for community centre; Patrick Heesom - Mostyn Community Council; Kevin Hughes - Chair of Gwernymynydd Village Centre management committee; Paul Johnson - wife was treasurer of Holywell Scout Group; Tudor Jones - Chair of Trustees of Holywell Leisure Centre; Tony Sharps - Northop Silver Band; and Arnold Woolley - Trustee and Chair of charities.

Agenda Item 12 'Housing Revenue Account Budget 2018/19'

A personal interest was declared by:

Councillors: Andy Dunbobbin - Council garage tenant; Hilary McGuill - Board member of NEW Homes; Ted Palmer - Council tenant; Carolyn Thomas - Trustee of Treuddyn Village Hall; and Martin White - Council house tenant.

91. CHAIRMAN'S COMMUNICATIONS

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

The Chairman commented particularly on the achievements of Sheila Delahoy and Sioned Williams, and gave special mention to Laura Deas from Llanfynydd, a bronze medallist in the Winter Olympic Games. It was agreed that an invitation would be extended for Laura to attend a future meeting of the County Council to formally recognise her success.

Councillor Tudor Jones took the opportunity to thank the employees involved in the recent by-election.

92. PETITIONS

None were received.

93. PUBLIC QUESTION TIME

Questions submitted by 12 individuals within the deadline were shown on the agenda. As these were closely related, a full combined response had been prepared and circulated. Jane Bellis and Helen Wall, who wished to ask their questions in person, were invited to do so.

“Why doesn’t Flintshire County Council spend to the full Standard Spending Assessment (SSA) level as most other councils in Wales do - I believe there is around 97% spent so I would like to know where the other 3% goes?”

“In light of the ever increasing budget constraints on our schools and the proposed cash flat settlement to schools for 2018/19, why does Flintshire not spend the recommended SSA amount on education outlined by the Welsh Assembly Government as the majority of other Local Authorities in Wales do?”

As the Cabinet Member for Education, Councillor Ian Roberts expressed his appreciation for the interest shown on the matter. In summarising the key points of the combined response, he referred to flaws in the SSA process and the funding formula which ranked Flintshire as one of the lowest funded councils per capita in Wales. Despite this position, an annual increase in school funding had been maintained over the past five years, in addition to additional protection against costs arising from Single Status. Whilst protection had been given to school funding, including some areas receiving expenditure above the notional SSA threshold, most other Council Fund services had been subject to major budget reductions. Flintshire continued to be a high performing education authority and this remained a key priority, however the need for supplementary funding was a major ongoing concern.

Copies of the full response would be circulated to all the individuals who had submitted questions, along with School Head Teachers.

94. QUESTIONS

None were received.

95. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES

None were received.

96. NOTICE OF MOTION

None were received.

97. DISCRETIONARY RATE RELIEF SCHEME FOR 2017/18 AND 2018/19

The Chief Officer (Governance) introduced a verbal update on the item arising from the Notice of Motion submitted to the previous meeting. The timing

of the decision made by Cabinet earlier in the day enabled the financial impact to be addressed as part of the budget item on this agenda.

Copies of the Cabinet resolution were circulated as follows:

- (a) That a retrospective change to the 2017-18 policy framework, as set out in the report, to provide 20% Discretionary 'top-up' relief to all Charitable organisations that already benefit from 80% Mandatory Rate Relief and who occupy small premises with a rateable value of up to £6,000, be agreed;
- (b) That a retrospective change to the 2017-18 policy framework, as set out in the report, to increase Discretionary awards by 20% to all Voluntary and Community organisations, who currently receive 80% Discretionary Rate Relief and who occupy small business premises with a rateable value of up to £6,000, be agreed; and
- (c) That the financial implications for the policy changes will cost £16.2k for 2017-18 and approximately £18k for 2018-19.

Councillor Aaron Shotton recalled the debate and recognition of the anomaly in the Welsh Government scheme for rate relief, and advised that the decision made by Cabinet would enable 88 organisations to benefit from 100% rate relief.

In response to a query from Councillor Richard Jones, the Revenues Manager said that the retrospective award of £16,200 for 2017/18 would met through existing budget provision primarily set aside for targeting hardship relief. A pressure of around £18,000 to meet the additional costs for 2018/19 would be built into the budget considerations about to be debated.

The Corporate Finance Manager clarified that the additional amount for 2018/19 had increased the projected budget gap to £5.789m and would addressed through an additional adjustment in the use of reserves.

Following a query by Councillor Peers, the Revenues Manager provided clarification on the tapered scheme for small business rate relief.

Councillor Sharps expressed his thanks to Councillor McGuill for raising the matter and to the Leader of the Council and Revenues Manager for reaching a positive outcome.

98. COUNCIL FUND BUDGET 2018/19 - THIRD AND CLOSING STAGE

The Chief Executive introduced the report to provide the recommendations of Cabinet for the Council Fund Revenue Budget 2018/19 - Third and Closing Stage, copies of which had been circulated.

The Chief Executive and Corporate Finance Manager gave a joint presentation covering the following areas. The Chief Officer (Governance) also contributed:

- Review of budget process for future years: Constitution Committee
- Setting a legal and balanced budget
- National positions on Local Government
- Local Government national position
- Through innovation - £79m efficiencies over 10 years
- Big things we have achieved
- Council resilience
- Local position
- Budget Stage One - portfolio business plans
- Budget Stage Two - secondary/corporate proposals
- Budget Stage Three - closing and balancing the budget
- Professional opinions
- Future outlook
- Next steps

The valuable input by all Members throughout the budget process would continue as part of consultation on a review of the future budget process. The phased budget process had enabled early planning and implementation of proposals. Taking a higher level of risk was acknowledged as a characteristic of budget setting in times of severe financial restraint. As an unresolved issue, options for increased public car parking charges still to be considered by Cabinet would need to meet a £0.450m additional income target if the budget as presented were to be approved. On the cases made by the Council at national level, there were ongoing discussions with Welsh Government (WG) on the requests for local flexibility on domiciliary care charges and the retention of a share of Apprentice Tax Levy.

The review of reserves had been rigorous due to the financial situation and the interest of the Corporate Resources Overview & Scrutiny Committee. The outcome of the review, which had been circulated, provided details of each reserve and identified nearly £2m of reserves which could be released to assist in balancing the 2018/19 budget. A reminder was given that reserves could only be used once and that, if they were to be drawn upon for the 2018/19 budget, then there would be a cost pressure on an equal amount to be met from 2019/20.

In moving the recommendations, Councillor Aaron Shotton thanked the Chief Executive, the Corporate Finance Manager and all those involved in working on the budget in the context of reduced government grant and increased demand and other costs for services. Whilst the budget gap could be met wholly by a Council Tax increase of over 8%, the recommendation from Cabinet was to use £1.927m of reserves and balances with a 5% increase in Council Tax to firstly balance the budget. In recognition of the concerns raised amongst the schools community, the public and Members, Cabinet recommended a further increase in Council Tax of 1.71% (taking the rise in total to 6.71%) to provide an additional £1.140m for schools' delegated budgets. Councillor Shotton commended the additional investment to meet pressures in social care, and the involvement and support of the Overview & Scrutiny committees throughout the process. Widespread recognition that service options had been exhausted had led to challenge on the retention of unused earmarked reserves. A recent report by the Wales Audit Office had acknowledged that Flintshire was a financially well-

governed Council. The escalating public debate was helping to raise awareness of the impact of continued austerity and the scale of future challenges.

Councillor Shotton's proposal was seconded by Councillor Attridge who requested a recorded vote to which the requisite number of Members stood in support.

Councillor Sharps spoke about the responsibility of elected Members in setting a balanced budget in keeping with the professional advice given by officers. He raised concerns about the difficult decisions required in future years.

As Chairman of the Education & Youth Overview & Scrutiny Committee, Councillor David Healey spoke in support of the additional support for school funding and of the work done to achieve efficiencies and protect front-line services.

In commending the efforts of all involved, Councillor Richard Jones referred to the disparity of funding given to the National Health Service in comparison with local authorities where more was being done to achieve efficiencies. He said that unused earmarked reserves should be drawn back into the Council Fund revenue account if unspent within the timeframe set and that the additional support for schools would not have been possible without the release of reserves - a challenge which had been led by the Corporate Resources Overview & Scrutiny Committee. In recognition of the risk of inflationary pay pressures to schools, he said it was appropriate to use a combination of £0.900m Invest to Save funding held by the Council and £1m of contingency reserves. He therefore proposed the following amendment, which was seconded by Councillor Peers:

- (a) That following a critical review, £1.927m of reserves and balances is released to be ring-fenced to schools budgets/education;
- (b) That a 6.71% rise in Council Tax is set to balance the budget in combination with reserves and balance; and
- (c) That following the same review, £0.787m of reserves and balances is released to contribute to balancing of the budget.

Following a closure motion moved by Councillor Attridge, the Chairman agreed to a short adjournment to allow officers to consider the implications.

Once the meeting was reconvened, the Corporate Finance Manager, in his capacity as Section 151 officer, gave his opinion that the amendment proposed was of too high a risk. This was based on the need to maintain a prudent level of contingency reserves to protect the Council against a number of significant in-year pressures such as the potential increase in pay award; annual budget management tolerance level; potential shortfall in efficiencies; Invest to Save on future efficiencies; and unforeseen cost pressures particularly for out of county placements. These pressures had been part of the presentation made earlier in the meeting.

The Chief Executive reported that WG had indicated that there was potential additional in-year revenue releases to address pressures including social care. He suggested that if Members were minded to support the Cabinet recommendations, the Council would engage with WG to seek an update for the next meeting on the release of any further funding. If such additional funding could be drawn down to subsidise service costs which had already been met in the financial year, rather than for additionality in service expenditure, then the Council's position on reserves and balances would improve and there would be some flexibility to go further with an increase in funding for schools in 2019/20.

On receiving this explanation, Councillors Jones and Peers indicated their willingness to withdraw the amendment on the basis that any additional funding be ring-fenced for schools. The Chief Executive clarified that any one-off funding made available by WG which improved the Council's out-turn position for 2018/19, would allow the release of further reserves to supplement the funding formula for schools.

As Cabinet Member for Social Services, Councillor Christine Jones conveyed her pride in the services and teams within her portfolio. She welcomed the increased investment in key areas of Social Services and highlighted significant financial support in several areas including extra care facilities, Children's Services and in meeting new legislative duties.

During the debate, a number of Members welcomed the progress made to reach this stage but recognised the challenges of work ahead on the 2019/20 budget.

As part of the budget process for 2019/20, Councillor Peers called for more scrutiny of areas such as vacancy management, mobile phone costs and the costs of borrowing. Councillor Heesom felt there should also be more focus on expenditure within portfolios.

In welcoming the investment in Social Services, Councillor Ellis said that the Council should intensify its case to WG for more funding.

Following comments from Councillor Bithell, the Corporate Finance Manager clarified that the use of reserves to support this budget was not a recurring solution. Reserves would need to be maintained at a prudent level in future years.

The Chief Executive confirmed the additional recommendation to report back to the next meeting on additional funding from WG. As reported in the previous item, the additional £18K to provide the increase in discretionary top-up rate relief would be reflected in an adjustment to reserves.

On being put to the vote, the recommendations from Cabinet - along with the additional recommendations outlined above - were carried unanimously as follows:

For the proposal:

Councillors: Brian Lloyd, Paul Cunningham, 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, Bob Connah, David Cox, Jean Davies, Rob Davies, Chris Dolphin, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Mared Eastwood, Carol Ellis, David Evans, Veronica Gay, David Healey, Gladys Healey, Patrick Heesom, Cindy Hinds, Andrew Holgate, Dave Hughes, Kevin Hughes, Ray Hughes, Dennis Hutchinson, Joe Johnson, Paul Johnson, Rita Johnson, Christine Jones, Richard Jones, Tudor Jones, Richard Lloyd, Mike Lowe, Dave Mackie, Hilary McGuill, Billy Mullin, Ted Palmer, Mike Peers, Michelle Perfect, Vicky Perfect, Neville Phillips, Ian Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Ralph Small, Ian Smith, Carolyn Thomas, Owen Thomas, Martin White, Andy Williams, David Wisinger and Arnold Woolley

RESOLVED:

- (a) That following a review, £1.927m of reserves and balances is released to contribute to balancing the budget;
- (b) That a 5% rise in Council Tax is set to balance the budget in combination with reserves and balances in (a) above;
- (c) That a further rise in Council Tax of 1.71% is set to provide additionality of £1.140m specifically for schools budgets;
- (d) That a report be made to the next meeting with an update on any additional one-off funding to be received from Welsh Government late in this financial year, with advice on how an improved out-turn position in 2018/19 could be used to further increase the funding for schools in 2019/20; and
- (e) To note that the £18K pressure for providing discretionary top-up relief, as agreed by Cabinet, be built into the budget for 2018/19.

99. COUNCIL FUND CAPITAL PROGRAMME 2018/19 - 2020/21

The Chief Executive introduced the Council Fund Capital Programme for 2018/19 - 2020/21 for approval. The Corporate Resources Overview & Scrutiny Committee had supported the proposals and given feedback to Cabinet who had recommended the proposals without amendment. Copies of the Cabinet resolution were circulated.

In acknowledging the work undertaken across the organisation, Councillor Aaron Shotton highlighted a number of key areas of investment such as school improvements, leisure facilities and the replacement of Glanrafon day care centre. He thanked Councillor Carolyn Thomas (the Cabinet Member for Streetscene & Countryside) and Councillor Andrew Morgan (the Leader of Rhondda Cynon Taf), the Welsh Local Government Association spokesperson for Transport, for their involvement in negotiations to secure additional funding for highway improvements across Wales.

Councillor Carolyn Thomas spoke in support of various allocations in the programme to support schools and play areas, and she referred to the criteria applied to different funding streams.

Councillor Richard Jones referred to his comments at the Corporate Resources & Scrutiny Committee on understanding the future financial impact of the programme on the revenue account. The Chief Executive gave a reminder of the commitment to report a response to the next meeting of that Committee and to build this into future reporting.

As Cabinet Member for Social Services, Councillor Christine Jones welcomed the investment in care homes and in particular the expansion of Marleyfield House.

In response to a question from Councillor Peers on the redevelopment of Theatr Clwyd, the Chief Executive gave an update where a commitment was being sought from Welsh Government to adopt this as a strategic project of national significance, as it had done with selected arts venues elsewhere.

Councillor Brown asked whether it was prudent for the Council to commit funding to support the theatre during this period of austerity. In response, the Chief Executive said it was not feasible for the Council to itself fund a complete rebuild of the theatre which was valued and supported.

On being put to the vote, the recommendations from Cabinet were carried.

RESOLVED:

- (a) That the allocations and schemes in Table 4 of the Cabinet report for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2018/19 - 2020/21 be approved;
- (b) That the schemes in Table 5 of the Cabinet report for the Investment section of the Council Fund Capital Programme 2018/19 - 2020/21 be approved;
- (c) That the shortfall in funding of schemes in financial years 2019/20 and 2020/21 as set out in the Cabinet report be noted. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2018/19, and updates provided to Members in future capital programme monitoring reports;
- (d) That the further development and refresh of a forward Capital Strategy and Asset Management Plan be noted;
- (e) That it be noted that Cabinet welcome the Corporate Resources Overview & Scrutiny Committee's request for a report on the consequential revenue impacts of capital expenditure; and
- (f) That it be noted that Cabinet agrees to approach Welsh Government for assistance with any costs arising from:

- (i) Remedial works to the Flintshire Bridge;
- (ii) Early sharing of responsibility in advance of any changes arising from the “Red Route”; and
- (iii) Increased wear and tear on Flintshire roads as a result of traffic diverted due to the works on the A55.

100. HOUSING REVENUE ACCOUNT (HRA) BUDGET 2018/19 AND 30 YEAR BUSINESS PLAN

The Chief Officer (Community & Enterprise) presented the final proposals for the Housing Revenue Account (HRA) Revenue and Capital budget for the 2018/19 financial year, including proposed rent increases agreed by Cabinet. Copies of the full recommendations from Cabinet were circulated.

The Chief Officer and Housing Asset Manager gave a presentation covering the following:

- 30 year business plan - HRA
- 2017/18 outcomes
 - Welsh Housing Quality Standard (WHQS)
 - Council house building programme
 - Performance
- HRA Budget 2018/19
- Other income
- Service Charges 2018/19
- HRA efficiency proposals/cost pressures
- HRA Capital Programme 2018/19

The Cabinet recommendations were moved by Councillor Attridge who explained that the proposed 3% rent increase for 2018/19 - lower than the limit set by Welsh Government (WG) - was due to remodelling work by the Council to establish a more affordable level for tenants.

In seconding the proposal, Councillor Aaron Shotton welcomed the additional investment in the Council house building programme and referred to concerns about the increasing number of individuals affected by the rollout of Universal Credit and the impact on rent arrears.

Councillor Owen Thomas spoke about the importance of ensuring value for money on the use of contractors.

As Chairman of the Community & Enterprise Overview & Scrutiny Committee, Councillor Dunbar expressed his thanks to the Chief Officer and spoke in support of the Cabinet recommendations which provided further investment in the Council house building programme.

Councillor Peers referred to an anomaly in the planning system which meant that affordable housing provision was not being maximised by some developers. Councillor Butler said that officers had reported that this issue across Wales had been addressed. He went on to describe the Council house building programme as being “the pride of Wales”.

Councillor Roberts expressed thanks to the Chief Officer and her team for the redevelopment of Flint and the installation of sprinkler systems in the high-rise flats. He paid tribute to the shift in officer culture to provide quality services to residents.

In summing up, Councillor Attridge thanked Members for their positive comments and would follow up those on the use of contractors.

On being put to the vote, the Cabinet recommendations were carried.

RESOLVED:

- (a) That the HRA budget for 2018/19 and Business Plan be approved as set out in the appendices;
- (b) That the option of setting a rent increase for 2018/19 be approved at 3% (plus or minus £2), with target rents applied for new tenancies, as a more affordable increase than the Welsh Government rent Policy formula which would set an increase of 4.5% (plus or minus £2);
- (c) That a garage rent increase of £1 per week and a garage plot rent increase of £0.20p per week be approved; and
- (d) That the proposed HRA Capital Programme for 2018/19 as set out in Appendix C be approved.

101. PRUDENTIAL INDICATORS 2018/19 TO 2020/21

The Corporate Finance Manager presented the report on Prudential Indicators for the period 2018/19 to 2020/21 for approval. The recommendations had been endorsed by Cabinet, noting changes to figures in Table 1 as follows:

Council Fund estimated capital expenditure
2018/19 - £23.773m
2019/20 - £13.659m

On being put the vote, the recommendations were carried.

RESOLVED:

- (a) That the Prudential Indicators for 2018/19 - 2020/21 as detailed in Section 1 of the Cabinet report, be approved; and
- (b) That delegated authority be given to the Corporate Finance Manager to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (paragraphs 1.14-1.15 of the Cabinet report).

102. TREASURY MANAGEMENT STRATEGY 2018/19

The Corporate Finance Manager presented the Treasury Management Strategy 2018/19 for approval. The recommendations had been endorsed by the Audit Committee and Cabinet.

RESOLVED:

That the Treasury Management Strategy 2018/19 be approved.

103. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were two members of the press and 26 members of the public in attendance.

(The meeting started at 2.00pm and ended at 5.40pm)

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Chairman