

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
19 OCTOBER 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, 19 October 2017

PRESENT: Councillor Clive Carver (Chairman)

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

SUBSTITUTE: Councillor Mared Eastwood (for Hilary McGuill)

ALSO PRESENT: Councillor Marion Bateman. Paul Goodlad and Richard Hayward of Wales Audit Office were present to observe the meeting as part of the ongoing Overview & Scrutiny review.

CONTRIBUTORS: Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Councillor Billy Mullin, Cabinet Member for Corporate Management and Assets; Chief Executive; Chief Officer (Governance); and Finance Manager, Corporate Accounting & Systems

Regional Manager, Emergency Planning (for minute number 29)

Senior Manager, Human Resources & Organisational Development; and Finance Manager, Community Services (for minute number 30)

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

27. DECLARATIONS OF INTEREST

There were no declarations of interest.

28. MINUTES

The minutes of the meeting of 21 September 2017 were submitted.

Councillor Arnold Woolley commented on the availability of agendas as early as possible to allow Members to contribute fully to the meeting. The Democratic Services Manager explained that whilst it had not been possible to meet the postal deadline in this instance, the agenda had been published online within the statutory deadline which provided for three clear working days' notice.

On minute number 21, Councillor Richard Jones pointed out that his concerns were reflected in the minutes but that his additional resolution was not. He said that his proposal 'to ensure the infrastructure support for each of Flintshire's towns is equitable' had been unanimously supported by the Committee. He said that there was also no mention of this on the subsequent

Cabinet report which led him to question whether his comments had been considered by Cabinet.

Whilst Councillor Aaron Shotton agreed with equitable investment across all areas, this was not practical to achieve as grant funding was subject to conditions only met by certain areas, for example Vibrant & Viable Places funding. He recalled that the Committee had accepted this explanation at the meeting.

The Chief Executive said that the explanation given was reflected in the minutes and that the Plan could not contain commitments that were not viable. He confirmed that Councillor Jones' concerns had been verbally reported to both Cabinet and County Council and that the accuracy of the minutes was a matter for the Committee to determine.

Following a query by Councillor Heesom, it was confirmed that the Member briefing on the North Wales Growth Deal would be held before Christmas. Councillor Shotton said that the briefing would help to explain the strategic nature and economic benefits to the whole of Flintshire.

Councillor Jones explained that the aim of his additional resolution was to raise the matter for debate and challenge, and to consider opportunities for other sources of funding which may become available, to benefit areas which did not fulfil the criteria for grant aid.

Councillor Woolley proposed that the minutes be amended to reflect Councillor Jones' additional resolution, which was duly seconded. On being put to the vote, the amendment was lost.

On minute numbers 21 and 22, Councillor Woolley highlighted a number of typographical errors.

RESOLVED:

That subject to the amendments from Councillor Woolley, the minutes be approved as a correct record and signed by the Chairman.

29. EMERGENCY PLANNING ANNUAL REPORT

The Chief Executive introduced an update on regional emergency planning arrangements and invited the Regional Manager to give a presentation covering the following areas:

- Background
- Service overview
- Regional activity
- Flintshire overview
- Recent Flintshire activity
- Future activity

The fully integrated regional service was hosted by Flintshire and linked to the Local Resilience Forum comprising Category 1 and 2 responders, hosted by

North Wales Police. The cost efficient and resilient model operated by the service was unique in Wales and was viewed as good practice by other regions. An update was given on regional activities to strengthen arrangements, together with progress on the Council's own internal arrangements including an overview of the Emergency Management Response Team.

In response to a query by Councillor Patrick Heesom, the Regional Manager explained that work was risk-led and he agreed to speak with Councillor Heesom separately on contingency arrangements for the classified industrial site in Mostyn. He also spoke about the opportunity to offer commercial resilience services to businesses.

Councillor Arnold Woolley referred to the failure of the telephone system to cope with demand during recent bad weather and asked about preventative steps. The Chief Executive shared the concerns about this temporary fault and gave assurance that follow-up actions were being taken. He said that business continuity plans were tested and would provide more information at a later date.

The Regional Manager and Chief Executive provided clarification to Councillor Haydn Bateman on alarm testing procedures and communication arrangements for the nearby Synthite factory classified site.

On questions from Councillors Paul Cunningham and Paul Johnson, explanation was given on the approach to testing procedures and arrangements with Network Rail as a Category 2 responder.

RESOLVED:

- (a) That the Committee is assured by the update; and
- (b) That the Committee receives future reports on the preparedness of the Council to plan for emergencies and specific follow-up reports to any major local or regional emergency events to which the Council has had to respond.

30. FINANCIAL FORECAST AND STAGE ONE OF THE BUDGET 2018/19

The Chief Executive introduced the report setting out the current financial forecast position for 2018/19 to seek views on Stage 1 of the Council Fund revenue budget proposals. Budget options for each service portfolio had been considered by the respective Overview & Scrutiny Committees, noting that the Welsh Government (WG) announcement of the Provisional Local Government Settlement was a key variable in the financial forecast.

A briefing note by officers on the outcome of the Settlement announcement was shared, together with information issued by the Welsh Local Government Association (WLGA).

Discussions during the budget process had generated widespread concerns about the impact of further reductions on service resilience, as indicated by risk assessment levels. Budget efficiency options totalling around

£3m had raised no objections, with the exception of a £35K efficiency for the Music Service for a new service model which was still under development.

The Chief Officer (Governance) gave a summary of the efficiencies achieved in his portfolio, noting that some elements of the budget were outside the control of the Council. The vast majority of planned efficiencies had already been delivered which meant that further savings posed a risk to operating levels. The benchmarking information demonstrated that services were operating at either the same or below average cost of peer authorities.

The Senior Manager, Human Resources & Organisational Development advised that efficiencies in her portfolio were mainly a result of major restructuring which left the service operating at optimal level. There was a risk that further efficiencies would affect the ability of the service to meet the needs of a large-scale workforce.

The Finance Manager, Corporate Accounting & Systems reported that having achieved most of the planned efficiencies through structural changes and new software, work was ongoing to deliver the remaining £200K. Demand on the service was high, particularly in view of the changing financial position of the Council.

The Finance Manager, Community Services provided an overview of efficiencies delivered in Customer Services, Revenues & Benefits and Welfare Rights, mainly generated through the Flintshire Connects service. She spoke about the development of digital services for customer access and improvement in the Registration Service which was performing well against national key performance indicators.

Officers were undertaking detailed analysis of the outcome of the settlement and were awaiting information on specific grants. Following the initial forecast position of a £11.7m projected gap, the reduction of 0.9% in funding would increase the budget gap by £1.9m including new responsibilities for homelessness duties as an additional pressure. It was also predicted that a further pressure on national non-domestic rates (NNDR) was likely to have a net impact of £64K. On the summary of inflation, the projected increase in gas charges was being reviewed, following a challenge. The only new efficiency for Corporate Services was £0.010m in Records Management.

Councillor Richard Jones asked whether the benefits of the Council collecting NNDR was outweighed by the resources required to do this. The Chief Executive explained that the performance of individual councils on collection targets affected the redistribution of funding across Wales. The lean operating model in Flintshire had been recognised. On benchmarking for ICT service provision, the Chief Officer advised that the unit cost was lower than average with spend more widely across the Council to support higher levels of agile working. This was a continuing trend, supported by the digital strategy, to help deliver efficiencies in other areas.

The Chairman raised a query on business rates for the County Hall building and was informed that a confidential report would be considered at the next meeting of Cabinet.

It was acknowledged by Councillor Patrick Heesom that budget options were reaching a critical stage but he raised concerns about the effect of any potential collaborative executive arrangements to address 'deficit areas'. He also asked about contingency arrangements to manage increases in inflation. The Chief Executive said that the Council had no new plans in place for collaboration and that regional discussions remained open. Councillor Shotton said that reduced finances from national government and increased pressures could not be resolved by sharing management resources with other councils. He referred to the resilience statements across service areas, many of which were assessed as amber, and called upon Members to reflect on the implications of the next stage of the budget process. On County Hall, he said that the Council was duty-bound to look at the scale and efficiency of its buildings to identify more operational savings.

In response to comments on reserves, officers gave a reminder that these could be used only once and that there was a protocol for decisions on earmarked reserves. An update was also included as part of the revenue budget monitoring report.

Following Councillor Arnold Woolley's concerns on the impact of capacity issues in Accounts Payable, it was explained that the team was now leaner but this did not pose any risk to the cashflow position of small and medium enterprises.

Councillor Paul Johnson pointed out reference to the unpredictable nature of inflation in the current economic climate. Officers explained that a risk-based approach was taken to inflation with predictions based on national intelligence and regular briefings with specialist advisors.

Councillor Jones spoke about the funding given by WG to the National Health Service which did not improve the efficiency of that service, and therefore it seemed logical to reconsider allocations for councils. Councillor Shotton said that the provisional settlement was a separate matter to the funding formula. He explained that the Council would continue to make the case to WG about the value of social care and its benefits to the Health service. Councillor Jones remarked on links between the funding formula and calculation of the Standard Spending Assessment (SSA) and asked if key indicators were missing to support the Council's funding case to WG. In responding, Councillor Shotton said that a unified voice was needed by local government in Wales.

Following comments by the Chairman, the Chief Executive clarified how population estimates were used at a national level to inform funding distribution.

When asked by Councillor Heesom about seeking a change to the SSA calculation, Councillor Shotton said that a joint approach was needed across councils in Wales to strengthen the national case.

Councillor Jones agreed that the settlement figure and funding formula were different and that the distribution of both was a key issue. He made the point that the Council should not rely solely on the funding formula to make representations to WG.

Following Councillor Johnson's proposal to accept the recommendations in the report, the Chief Executive clarified that there were no objections to any of the Stage 1 options to be submitted to Cabinet and that the comments raised had been noted.

Councillor Jones proposed that the resolution include the efficiency for Records Management along with those for Customer Services. This was supported by the Committee.

RESOLVED:

That the Committee notes the Stage One budget proposals and financial pressures, and the proposed savings as follows:

- Records Management - reduction in the amount of records in storage - £0.010m.
- Customer Services - new service models to deliver customer access through digital would return an efficiency of £0.050m.
- Flintshire Connects - options to change the delivery of the Connects service could deliver a range of savings between £0.056m and £0.112m depending on the option chosen.
- Registration Services - additional income from charging for declaration of births would deliver an additional £0.012m.

31. VARIATION IN ORDER OF BUSINESS

It was agreed to consider the latest Revenue Budget Monitoring report as the next item.

In view of time constraints, Councillor Patrick Heesom proposed that the item on Flintshire Public Services Board be deferred to the next meeting. The Chief Executive advised that the report was due to be considered by Cabinet prior to public consultation and that Members should forward any observations to officers. The remainder of the items would be considered in the order shown on the agenda.

32. REVENUE BUDGET MONITORING 2017/18 (MONTH 5)

The Finance Manager introduced a report on the revenue budget monitoring position for 2017/18 as at Month 5 for the Council Fund and Housing Revenue Account (HRA) prior to consideration by Cabinet.

On the Council Fund, the net in-year position was forecast to be £1.348m higher than budget, which was a slight increase from Month 4. Projected variances were summarised for each portfolio and the monitoring of in-year risks included assessment of new emerging risks to determine the impact on 2018/19. It was estimated that 92% of planned efficiencies would be achieved and a balance of £3.734m of contingency reserves held by year end.

On the HRA, in-year spend was projected to be £0.026m lower than budget, leaving a year end balance of £1.090m which was above the recommended minimum level.

In response to a query from Councillor Richard Jones, the Chief Executive provided explanation on recurring funding from the Intermediate Care Fund (ICF) which was a new issue for the budget due to late confirmation. As part of Stage 2 of the 2018/19 budget process, Members' support would be sought to request that this funding be ring-fenced.

RESOLVED:

That the Committee notes the Revenue Budget Monitoring 2017/18 (Month 5) report and confirms that there are no issues to be brought to the attention of the Cabinet.

33. WELSH IN THE WORKPLACE POLICY

The Chief Executive presented the draft Welsh in the Workplace Policy prior to seeking adoption by Cabinet. The commitments in the policy reflected the requirements for compliance with the Welsh Language Standards and were proportionate to Flintshire.

No comments were received, however Members were able to submit observations by email to the Chief Executive prior to consideration by Cabinet.

RESOLVED:

- (a) That the Committee is assured that work is being undertaken to comply with the Welsh Language Standards;
- (b) That the Welsh in the Workplace Policy be noted; and
- (c) That the Committee receives annual reports on work carried out to meet the Welsh Language Standards.

34. FORWARD WORK PROGRAMME

The Democratic Services Manager advised that the deferred item on Flintshire Public Services Board review and Well-being Plan Development would be included for the next meeting. No further changes were made.

RESOLVED:

- (a) That the Forward Work Programme as submitted, be approved with the amendment; 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.

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

RESOLVED:

That the press and public be excluded from the meeting as the following item was considered to be exempt by virtue of paragraph 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

36. DIGITAL PRINT SERVICE

The Chief Officer (Governance) presented a report to seek views on proposed changes as a result of a decline in demand for print services. Following detailed analysis of the service, a joint competitive exercise had been carried out with Denbighshire Council for a replacement print contract. The report summarised proposed future arrangements supported by structural changes on which teams had been consulted.

The Chief Officer provided clarification on a range of issues such as cost comparison and efficiency of equipment. During discussion about a previous incident, he agreed to provide a separate response on the costs involved.

RESOLVED:

- (a) That the Committee supports the appointment of a pool of suppliers on a two year contract that will ensure the Council obtains the most economically advantageous terms for its colour printing service and has no comments to refer to Cabinet; and
- (b) That, in light of the reducing demand for print services, the Committee supports the revision of the Digital Print service and the interim establishment structure as shown.

37. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10am and ended at 12.45pm)

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Chairman