

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
12 MARCH 2020

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Thursday, 12 March 2020

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Geoff Collett, Bob Connah, Paul Cunningham, Mared Eastwood, Patrick Heesom, Paul Johnson, Richard Jones, Michelle Perfect, Vicky Perfect, Andy Williams and Arnold Woolley

APOLOGY: Councillor Haydn Bateman

CONTRIBUTORS: Councillor Ian Roberts (Leader and Cabinet Member for Education), Councillor Billy Mullin (Cabinet Member for Corporate Management and Assets), Councillor Glyn Banks (Cabinet Member for Finance), Chief Executive and Chief Officer (Governance)

Jay Davies (Strategic Performance Advisor) - for minute number 90

Dave Ledsham (Finance Manager) - for minute number 93

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

85. URGENT ITEM OF BUSINESS

The Chairman notified Members that an update on the Council's response to Coronavirus situation would be given later in the meeting.

RESOLVED:

That the Committee notes the Chairman's decision to accept an urgent additional item to provide details of the Council's response to the Coronavirus/COVID-19 implications for Flintshire.

86. DECLARATIONS OF INTEREST

None.

87. MINUTES

The minutes of the meeting held on 13 February 2020 were approved, as moved and seconded by Councillors Cunningham and Johnson.

RESOLVED:

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

88. ACTION TRACKING

In presenting the report, the Democratic Services Manager advised that workshops on the Council Plan and North Wales Growth Bid would be held in late April and early May respectively. The suggested seminar on capital financing would be incorporated into the Medium Term Financial Strategy workshop to be scheduled in May.

Councillor Heesom said that the points he had raised on links with the Growth Bid and related matters on the Dee Bridge and Red Route had not been acknowledged. In response to his concerns on the Growth Deal, the Chief Executive reiterated that no regional decisions would be made until final Heads of Terms had been agreed and that agenda papers for the North Wales Economic Ambition Board (NWEAB) were available on Gwynedd Council's website. A link to that information would be circulated to Members and the Growth Bid workshop would provide an opportunity for Members to raise any queries with the new Regional Director of the NWEAB.

The meeting with Welsh Local Government Association representatives was currently on hold whilst discussions were taking place with its new Leader and Chief Executive.

On the Employment and Workforce quarterly update, Councillor Jones noted the response to his question on the total number of days lost during the period and said that he had also asked about the impact on the year's outcome target. A further response would be followed up by officers.

The recommendation was moved by Councillor Johnson and seconded by Councillor Cunningham.

RESOLVED:

That the Committee notes the progress which has been made.

89. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme for consideration.

On the appraisals update in May, the Chief Executive reaffirmed the commitment that Chief Officers would be required to attend if their portfolios had not achieved the minimum 90% completion rate.

Councillor Jones asked whether an update on Coronavirus should feature regularly on the Forward Work Programme. The item would be discussed later in the meeting.

The recommendations were moved by Councillor Johnson and seconded by Councillor Cunningham.

RESOLVED:

- (a) That the Forward Work Programme be noted; and
- (b) That the Democratic Services Manager, in consultation with the Committee Chairman, be authorised to vary the Forward Work Programme between meetings, as the need arises.

90. RISK MANAGEMENT FRAMEWORK

The Chief Executive presented a report on the development of an improved internal risk management framework including the allocation of risks and oversight of financial risks which were areas of interest to the Committee.

The Chief Executive and Strategic Performance Advisor gave a presentation on the following:

- Review of the Risk Framework
- Risk categories
- Risk types
- Active Risk Management
- Financial Risks 2020/21
 - Pay (annual awards)
 - Out of County Placements
 - Post-16 School Transport
 - School Deficit Budgets
 - In-year Budget
 - Medium Term Financial Strategy (MTFS)

The aim was to introduce a more effective, systematic approach to identifying and escalating risk which was viewed as best practice. The process involved positive engagement with the Chief Officer team and portfolio performance lead officers along with the Internal Audit team in an advisory role. As part of the presentation, an overview was given of the four principal 'open' risks that could be reported on at this stage. For example on Pay (annual awards) where the Council had little influence on the national position but could build in sufficient flexibility to the MTFS to reduce the impact. Whilst the impact severity was significant, the likelihood was low due to those mitigation measures. Whilst setting the overall budget was an open risk, the MTFS and managing the budget in-year remained ongoing risks.

In response to Councillor Jones' query on the risk for Additional Learning Needs/Special Educational Needs (ALN/SEN) reforms, the Chief Executive said that work was ongoing to assess demand following a delay in national grant funding.

Following comments by Councillor Johnson on the risk category for health and safety, the Chief Executive said that this applied to Out of County Placements due to the complexities involved.

The Chief Executive spoke about the significant cost pressures arising from school budget deficits which was currently given a 'black' risk score as financial actions had not yet been taken.

As the Leader of the Council and Cabinet Member for Education and also the Welsh Local Government Association (WLGA) Education spokesperson, Councillor Roberts described school budget deficits as a consequence of the period of austerity and of significant concern across Wales. In Flintshire, officers were working closely with schools in a licensed deficit position and welcomed plans by Welsh Government (WG) for a change in Pupil Deprivation Grant funding arrangements.

On the allocation of risks across committees, the Chief Executive said that discussions would take place with Overview & Scrutiny Chairs to agree urgent risks to inform active work programming. He suggested that the status of the principal open risks be reported to this Committee in April, May and June, and that the Revenue Budget Monitoring reports from July include an update section on each.

Councillor Jones suggested that all health and safety risks should be given a red status, particularly on Out of County Placements where this was a primary risk. The Chief Executive said that the overall risk rating reflected the current status on each of those live examples and would be subject to change as mitigating actions were taken in the future, for example on Post-16 School Transport where current negotiations on proportionate cost sharing could significantly reduce the risk in-year. It was for the Committee to consider whether mitigating actions were sufficient.

The Chief Officer said that the risk framework document would show the changing risk status before and after mitigation measures.

On school deficit budgets, Councillor Jones said that the Council should make representations to WG to support schools which were in an unsustainable position despite all steps taken to reduce this. Councillor Roberts spoke about the financial challenges to schools and the outside risks to pupils arising from exclusions. In response to comments on the need to accommodate the regulatory risk, the Chief Executive said that this applied to the MTFs where the future risk of being in a position to set a balanced budget was a reputational and regulatory risk.

Councillor Heesom thanked officers for the report which also provided positive links with the Council Plan discussed at the previous meeting.

Councillor Jones spoke about the need to make the case to WG to provide financial support for Out of County Placements and school budget deficits. It was explained that these were amongst a number of budget pressures where representations had been made.

The recommendations, which were amended to reflect the debate, were moved by Councillor Heesom and seconded by Councillor Cunningham.

RESOLVED:

- (a) That the Committee notes and supports the work on the risk management framework and the allocation of risks to Overview & Scrutiny committees following a presentation at the Committee; and
- (b) That monthly progress reports on the principal 'open risks' be made to the April, May and June meetings of the Committee.

91. FINAL LOCAL GOVERNMENT SETTLEMENT 2020/21

The Chief Executive gave a verbal update on the Final Settlement announced by Welsh Government (WG) and its implications for local government and for Flintshire.

As set out in the recent email to Committee Members, there was no significant change in the Final Settlement from the provisional stage and so there were no implications for the budget and no risk to specific grants. Despite representations, the request for the additional 'funding floor' had been declined by WG on the basis that councils had received an improved Settlement.

On the latter point, Councillor Roberts gave assurance that a robust case had been made through the Welsh Local Government Association.

RESOLVED:

That the update be noted.

92. CORONAVIRUS (COVID-19)

The Chief Executive provided a verbal update on the local response to the Coronavirus situation. This was a live issue of significant scale on which a local decision could not be made until further official guidance had been issued. The UK Government was expected to move from 'Containment' of the outbreak to the 'Delay' phase following an emergency COBRA meeting later in the day. Whilst information was available to the public by governments and Public Health agencies, this second phase of the Government's plan would help inform regional and local decision-making on preventative measures to slow down the spread of the virus.

The Chief Executive provided an overview of regional and local arrangements including business continuity planning where work had been taking place over recent weeks to identify and respond to key risk areas. He said that the Council was as prepared as it could be, given the uncertainty of the situation, and that the co-ordination of information from various government agencies was a significant challenge to inform the right decisions at the right time.

As with employees, Members with any health concerns were signposted to contact the Democratic Services Manager if they wished to seek advice from Occupational Health. A communication would be emailed to all Members as soon as possible once more information had been made available.

In thanking the Chief Executive for the update, Councillor Jones acknowledged the work taking place behind the scenes and said that a case should be made for a contribution of the additional £360m funding allocated to Welsh Government (WG). The Chief Executive said that discussions were taking place following the WG announcement and that other groups such as voluntary organisations needed to be considered.

Councillor Roberts spoke of his confidence in the Chief Executive and Chief Officer Team in responding to the situation. He sought the support of Members in respecting the confidentiality of sensitive communications.

RESOLVED:

That the Chief Executive and Chief Officer Team be thanked for the work which they are undertaking in planning for the impact of Coronavirus (COVID-19) in Flintshire.

93. REVENUE BUDGET MONITORING 2019/20 (MONTH 10)

The Finance Manager presented a report on the revenue budget monitoring position for the Council Fund and Housing Revenue Account (HRA) as at Month 10 prior to consideration by Cabinet. This reflected the budget position at the close of the financial year if all things remained unchanged.

The operating deficit of £1.625m was a positive movement of £0.041m compared with the previous month. The measures introduced to mitigate the overall projected overspend position had made a significant impact and this work would continue with specific areas under tactical review as detailed in the report. This included additional funding for Parc Adfer which was currently being pursued. In addition, there was potential for late grant awards from Welsh Government (WG) to improve the position. Amongst the major variances were overspends for Out of County Placements and Streetscene & Transportation in respect of resolving flooding issues.

On the tracking of planned in-year efficiencies, the achievement of 91% was expected to remain unchanged at year-end.

On Reserves and Balances, the projected year-end balance on Contingency Reserves was £3.244m. The significant risk on projected levels of school balances was again highlighted.

The allocation of WG funding to support school ICT networks would be allocated against existing spend, with a request to Cabinet for the resulting underspend to be carried forward to the next financial year.

On the HRA, a projected underspend of £0.062m would leave a closing un-earmarked balance of £1.385m, which was above the recommended guidelines on spend.

Councillor Jones referred to the additional cost of maintaining security and safety of Household Recycling Centres (HRCs) following incidents of vandalism. He questioned whether the CCTV facilities at the Buckley site had been working

prior to these incidents and that this may have been a contributing factor. The Chief Officer said that CCTV was often the first target for vandalism and would ask the Chief Officer for Streetscene & Transportation to provide a response.

Councillor Heesom asked for information on costs and timescale for addressing damage to cabling/pipeline along the A548. The Finance Manager agreed to pursue a response from the Chief Officer for Streetscene & Transportation.

The recommendations in the report were moved and seconded by Councillors Jones and Johnson.

RESOLVED:

That having considered the Revenue Budget Monitoring 2019/20 (Month 10) report, the Committee confirms that there are no specific matters which it wishes to have reported to the Cabinet.

94. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

(The meeting started at 10am and ended at 11.40am)

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Chairman