

CABINET
23RD DECEMBER 2020

Minutes of the meeting of the Cabinet of Flintshire County Council held virtually via Webex on Wednesday 23rd December, 2020.

PRESENT: Councillor Ian Roberts (Chair)

Councillors: Glyn Banks, Chris Bithell, Derek Butler, Dave Hughes, Christine Jones, Billy Mullin and Carolyn Thomas.

IN ATTENDANCE:

Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Sara Dulson, Dave Ledsham, Chief Officer (Education and Youth), Chief Officer (Social Services), and Team Leader – Democratic Services.

OTHER MEMBERS IN ATTENDANCE:

Councillor: Patrick Heesom.

72. DECLARATIONS OF INTEREST

None received.

73. ADDITIONAL URGENT ITEM

The Chief Executive explained that this item was being taken as an additional urgent item by the Leader due to the need to communicate clearly on the latest position within Flintshire on the pandemic, the restrictions recently imposed by Welsh Government, and how the Council would continue to deliver services.

A change in restrictions had been announced going into the Christmas period however all Council services would continue as intended. Plans for the resumption of education in the New Year had been published, but they may need to be reviewed nearer the time. Meetings would take place over the holiday period so that local and regional intelligence could be shared.

The vaccination programme was progressing well and Deeside Leisure Centre was ready to operate as a mass vaccination centre. In addition, a local vaccination centre in the Mold area was being pursued.

The advice was for people who had previously been told to shield, was for them to remain home.

RESOLVED:

That the update be noted.

74. **WELSH GOVERNMENT ANNUAL BUDGET 2021/22 AND PROVISIONAL LOCAL GOVERNMENT SETTLEMENT 2021/22**

The Chief Executive introduced the item and explained that the information on the Provisional Local Government Settlement would be looked at carefully and a response would be prepared. A report would be submitted to Cabinet in January 2021 with proposals for the budget.

A presentation was delivered by the Chief Executive and the Corporate Finance Manager which covered the following:

- Recent Events
- Provisional Settlement – Headlines
 - Average uplift in Revenue Support Grant (RSG) for local government of 3.8% after transfer adjustments
 - Range of increased Council by Council from 2.0% to 5.6%
 - Flintshire was on the average this year based on the demographic data which was applied to the Local Government Funding Formula and would receive 3.8%
 - Additional £10m for Social Care Workforce Grant on top (up to £0.5m for Flintshire)
 - The allocation for local government at £176m is £104m less than the total requirement presented by the Welsh Local Government Association (WLGA)
- **Specific Grants:** list of grants published and variations being worked through. Some potential risks to core budgets if any reduction in grant
- **Capital:** an unchanged allocation for local government. Confirmed continuation of the Public Highways Refurbishment grant
- **Continued Emergency Funding:** provision made in Welsh budget
- **Public Sector Pay Policy:**
 - The Chancellor of the Exchequer's UK Spending Review Announcement made no provision for public sector pay awards other than lower paid workers (Flintshire had included £600k in its budget estimate for this) and NHS workers (not applicable to Flintshire)
 - UK Government could not dictate pay negotiations for local government in the UK or teachers' pay in Wales which was now a devolved function
 - Any additional pay awards for 2021/22 would need to be fully funded over and above the level of Settlement
 - Details of the Ministerial Statement
 - The WLGA case for £280m included full provision for pay awards
 - Built in provision for a pay award for lower paid employees as per UK Government policy
 - No budget provision in the revised minimum budget estimate for any further pay awards
- **Analysis – Impacts for Flintshire**
 - Flintshire appealed to Ministers for a minimum uplift in RSG of 5.7% against a minimum budget estimate of £16.750m

(with full provision for pay awards calculated prior to the Spending Review)

- If the Spending Review was to be applied – and pay awards could be removed from the minimum budget estimate reducing it down to £13.818m – then an uplift in RSG of 4.1% would be sufficient
- On the lower minimum budget estimate the RSG uplift was around £0.6m or 0.3% short
- Subject to the working assumption on national pay policy we could aim to set a legal and balanced budget on these figures with an annual Council Tax rise of under 5% and with ongoing work on (a) budget estimates and (b) emergency situation bad debt provision aiming to generate additional funding of £1.5m to set in the base against the major open risks
- **Provisional Settlement - Response**
 - The Provisional Settlement was close to sufficient at the revised minimum estimate level but could/should be higher – with the funding provision devolved in the recent Spending Review Statement – to protect councils against in-year risk in a volatile emergency situation
 - It was disappointing that Welsh Government had fallen £104m short of the budget requirement set out by the WLGA
 - Pay policy needed to be clarified as any annual pay awards, negotiated later and post-budget setting, would be unaffordable. National pay policy had to be synchronised with annual budget setting and should not be out of alignment
 - A funding ‘floor’ was essential – and should be annual practice based on precedent and WLGA policy – and funded by Welsh Government over and above the Settlement figure and not cross-subsidised by councils above the floor
 - Specific additional funding provision should be set aside for the risks in social care e.g. commissioning costs non-standard inflation and children’s services
 - All specific grants should be protected and index-linked. There appeared to be some risks in the specific grants scheduled
 - Welsh Government to set out a clear policy on Council Tax
 - Hardship and Income Loss funds for 2020/21 to be fully protected for Quarters 3 and 4
 - Welsh Government to support councils with 2020/21 Quarter 4 additional payments against current service commitments and risks where it has projected underspends and available funds
 - Hardship and Income Loss funds to be continued into 2021/22, with the additional funds in the Spending Review Statement, as required
- **Balancing the Budget 2021/22 – Aims:-**
 - To set a legal and balanced annual budget based on those figures and assumptions
 - To keep the annual Council Tax rise to under 5%

- To add £1.5m to the base budget – over and above the revised minimum estimate – to protect the Council from open risks in (a) commissioned social care (b) Out of County placements (c) education (d) any reductions in specific grants for core operational services

Councillor Roberts commented on the biggest risk being that of pay awards and he would progress the issue with the WLGA.

Councillor Thomas expressed her concerns on the Sustainable Waste Management grant which was reduced each year, despite the pressures on waste collection which increased each year.

Councillor Jones commented on the significant work that had been done in social care during the pandemic however additional funding had not been provided.

Councillor Bithell welcomed the comments and concerns on the pay awards, and also supported the need for a funding floor. Councillor Mullin also supported the comments on the funding floor, and he expressed his thanks to all staff who had worked hard during this difficult time.

Councillor Banks thanked all officers who had worked on the budget. He also supported the need for a funding floor.

Councillor Roberts assured Cabinet Members that he and the Chief Executive would continue to make appropriate representations to the WLGA and Welsh Government. He thanked officers across all departments for their work undertaken during the pandemic, and he also thanked the residents of Flintshire for following the Welsh Government rules.

RESOLVED:

- (a) That Cabinet note the implications of the budget for the Medium Term Financial Strategy and Annual Budget 2021/22; and
- (b) That a response be prepared and submitted to Welsh Government accordingly.

74. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance.

(The meeting commenced at 11.00 a.m. and ended at 11.55 a.m.)

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Chair