

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
14 DECEMBER 2023

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 14 December 2023

PRESENT: Councillor Richard Jones (Chair)

Councillors: Bernie Attridge, Bill Crease, Alasdair Ibbotson, Allan Marshall, Vicky Perfect, Kevin Rush, Jason Shallcross, Sam Swash, Linda Thomas and Arnold Woolley

SUBSTITUTE: Councillor: Gina Claydon (for Gina Maddison)

ALSO PRESENT: Councillors David Coggins Cogan, Carol Ellis and Andrew Parkhurst attended as observers

CONTRIBUTORS: Councillor Dave Hughes (Deputy Leader and Cabinet Member for Streetscene and the Regional Transport Strategy), Councillor Christine Jones (Deputy Leader and Cabinet Member for Social Services & Wellbeing), Councillor Paul Johnson (Cabinet Member for Finance, Inclusion & Resilient Communities), Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Corporate Manager (People and Organisational Development), Corporate Manager (Capital Programme & Assets) and Strategic Finance Managers

IN ATTENDANCE: Democratic Services Manager and team

49. DECLARATIONS OF INTEREST

None.

50. MINUTES

The minutes of the meeting held on 16 November 2023 were approved, as moved and seconded by Councillors Bernie Attridge and Arnold Woolley.

RESOLVED:

That the minutes be approved as a correct record.

51. ACTION TRACKING

The Democratic Services Manager presented an update on actions from previous meetings and advised that those relating to cyber resilience training and Finance queries were also closed.

Councillor Alasdair Ibbotson thanked officers for the response to his query on the temporary change of use for Welfare Reform reserves and asked for clarity on whether the Council continued to deliver the Help to Claim service and its funding source. Finance officers agreed to refer the query back to the service for a response.

Following Councillor Carol Ellis' query on variances in the Social Services budget raised at the November meeting, officers agreed to forward the response which had been circulated to the Committee.

Councillor Sam Swash referred to information shared on the Local Development Plan allocation and sought confirmation that this was being transferred back into general reserves as a saving with the additional items documented as in-year budget pressures, as agreed at the meeting. He also referred to the list of specialist services previously funded by that allocation prior to 2016 and questioned how those services had since been funded. Officers agreed to refer this to the Chief Officer for a response.

The recommendation was moved and seconded by Councillors Bernie Attridge and Jason Shallcross.

RESOLVED:

That the Committee notes the progress which has been made.

52. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme and advised that the update on joint funded care packages could be moved to January depending on the items scheduled.

Councillor Alasdair Ibbotson asked for more detail on budget allocations in portfolios where there were little or no variances. The Corporate Finance Manager highlighted the information contained in the appendix and agreed that further detail would be provided in the next budget monitoring report. He also confirmed a further update report on the budget 2024/25 at the January meeting.

As requested by the Chair, a report on the review of industrial estates would be scheduled for a future meeting as agreed by County Council.

On that basis, the recommendations were moved and seconded by Councillors Bernie Attridge and Arnold Woolley.

RESOLVED:

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

53. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2024/25

The Corporate Finance Manager presented an update on the additional budget requirement for 2024/25 and progress with potential budget solutions, prior to consideration by Cabinet.

Since the November meeting, the Chancellor's Autumn Statement had been announced with key components relating to reductions in taxation affecting individuals and businesses, which meant there was unlikely to be any additional consequential funding for Local Government to improve the Provisional Settlement due from Welsh Government (WG) on 20 December.

A summary of changes to pressures since September had resulted in a revised additional budget requirement of £33.187m. Funding solutions identified to date totalled £22.097m which left a remaining additional budget requirement of £11.090m to set a legal and balanced budget for 2024/25. The report reflected a number of ongoing risks being closely monitored and other budget options still under consideration. Further cost reductions were being urgently considered to meet the scale of the remaining shortfall. The national picture showed that all local authorities in Wales were facing significant financial challenges of a similar scale. Members would be briefed on the outcome of the Provisional Settlement prior to the Christmas break.

The Chair raised concerns about the scale of further budget reductions that portfolios were being asked to identify and said that the anticipated position and potential solutions should have been made clearer at an earlier stage, particularly given the level of challenge at previous meetings. He went on to comment on the political leadership and questioned whether representations had been made to WG on pressures arising from continuing high demand for Additional Learning Needs and homelessness services.

In response to queries, the Corporate Finance Manager provided explanation on reduced efficiencies from the assets portfolio and said that the likely reduction in funding arising from the increase in WG Aggregate External Finance was based on initial information from the Distribution Sub Group and was subject to ongoing discussion. Clarification was also given on Council Tax modelling and the prudent approach of the year 2 saving from the Actuarial Review. On risks, it was explained that confirmation was awaited from WG on funding for the pressure around employer teacher pension contributions.

The Chief Executive advised that the strategic programme of transformation would create a sustainable budget position moving forward with workstreams focussing on protecting the Council's financial position, particularly given the levels of available reserves.

Councillor Paul Johnson provided context on Flintshire's financial position compared with other authorities and gave assurance that representations to WG were continuing. He went on to speak about taking a measured approach taken on the budget process to work through the data available.

On the potential harmonisation of fostering fees, Councillor Alasdair Ibbotson asked whether the Council's fees were lower than the proposed level and the Welsh average and if so, whether this impacted on Out of County pressures. The Corporate Finance Manager agreed to obtain a response from the service. In reply to further queries, he provided clarification on Council Tax calculations and Alternative Delivery Model inflationary pressures. He also explained that the projected additional £0.500m investment return was based on

the forecast of Arlingclose Ltd and agreed to share further detail on base rate assumptions used in calculations.

The Chief Executive provided explanation on the removal of the commercial waste cost pressure for 2024/25 and the need for greater focus on improving household waste recycling.

Councillor Bernie Attridge echoed concerns about portfolios being asked to identify further efficiencies at this stage and sought clarity on any additional options other than those already identified as 'red'. He raised concerns on a number of ongoing risks including homelessness and asked whether consideration had been given to bringing delegated school budgets under the Council's control.

The Corporate Finance Manager said that the homelessness budget would be risk assessed on the level of mitigation required for 2024/25 and that school budgets would form part of final budget considerations. He added that the risk around teachers' pensions was pending discussions with WG and would consider whether to include as a risk at this stage.

In response to comments on the ongoing challenges with recruitment and retention, the Chief Executive said that the moratorium on non-essential spend was likely to result in a freeze on all vacancies in the New Year, apart from those supported by a robust business case and involving a higher degree of risk.

Councillor David Coggins Cogan echoed the concerns about further cuts to portfolio budgets and the time available to scrutinise options, commenting that efficiencies alone were unlikely to bridge the budget gap. He went on to say that the potential waste recycling infraction fine was not a one-off risk if performance continued to fall short of targets in future years.

On the latter point, the Corporate Finance Manager spoke about the use of contingency reserves and further consideration on the ongoing position. Work on final portfolio budget proposals would be shared with Overview & Scrutiny committees in January, prior to final budget-setting in February.

In response to similar concerns from Councillor Bill Crease about the time available to make informed decisions, Councillor Paul Johnson spoke about the speed of changes and the collective case with other authorities for a fairer funding solution.

Councillor Ibbotson reiterated the role of all elected Members in setting the budget. As requested, officers agreed to provide a breakdown in response to questions relating to Council Tax calculations.

Officers noted the request by Councillor Sam Swash for Table 1 to include total budget lines in future reports, to assist Members in scrutinising changes.

On that basis, the recommendation was moved and seconded by Councillors Bernie Attridge and Allan Marshall.

RESOLVED:

That having considered the MTFs and Budget 2024/25 report, the concerns raised by the Committee be forwarded to Cabinet on 19 December 2023.

54. DRAFT STRATEGIC EQUALITY PLAN 2024-28

The Corporate Manager (Capital Programme & Assets) presented the draft Strategic Equality Plan 2024-28 and equality objectives for consideration and comment. Having been subject to extensive engagement with local groups and stakeholders, the Plan was due to be approved by Cabinet for public consultation early in the New Year in order to meet the publishing deadline by April 2024.

Councillor Paul Johnson spoke about work to incorporate equality commitments into procurement activities.

As highlighted, officers would amend the corporate email address shown in the document. On that basis, the recommendation was moved and seconded by Councillors Bernie Attridge and Arnold Woolley.

RESOLVED:

That subject to the amended email address, the draft Strategic Equality Plan 2024-28 be accepted.

55. COUNCIL PLAN 2023-24 MID-YEAR PERFORMANCE REPORTING

The Chief Executive presented the monitoring report to review mid-year progress against Council Plan priorities identified for 2023/24. This was an exception-based report focussing on areas of performance not currently achieving their target.

Under the remit of this Committee, there was one activity showing limited progress relating to the review of industrial estate strategy. Analysis of progress against performance indicators showed four areas of under-performance against target under the Poverty and Well Managed Council priorities.

On the percentage of answered telephone calls in the Contact Centre, the Chief Officer (Governance) provided background to the ongoing recruitment and retention challenges within that service, as previously reported. As one of the workstreams under transformational change, additional temporary support would be put in place to improve resilience and stability within the service by exploring options for artificial intelligence (AI).

The Chair said that a reduction in the number of measures and increase in 'red' measures since 2022/23 indicated a decrease in performance at this stage.

Whilst acknowledging the steps being taken to address the pressures within the Contact Centre, Councillor Alasdair Ibbotson suggested that more significant actions involving further cost pressures would be needed to improve performance.

In response, the Chief Officer explained that the findings of data analysis to understand the impact of AI on performance would be shared with Members when available.

The explanation was welcomed by Councillor Bernie Attridge who asked about the benefits of outsourcing calls. The Chief Officer agreed to liaise with the service manager to request costings of this compared with the enhanced Contact Centre service with AI technology.

During discussion on outsourcing calls, comments were made on call handlers being equipped with the necessary training and local knowledge as well as meeting Welsh language requirements.

The recommendations were moved and seconded by Councillors Bernie Attridge and Jason Shallcross.

RESOLVED:

- (a) That the Committee supports the levels of progress and confidence in the achievement of priorities as detailed within the Council Plan 2023-28 for delivery within 2023/24;
- (b) That the Committee supports overall performance against Council Plan 2023/24 performance indicators/measures; and
- (c) That the Committee is assured by explanations given for those areas of underperformance.

56. REVENUE BUDGET MONITORING 2023/24 (MONTH 7)

The Strategic Finance Manager presented the 2023/24 month 7 position for the revenue budget monitoring for the Council Fund and Housing Revenue Account (HRA), prior to consideration by Cabinet.

On the Council Fund, the projected year-end position was an operating deficit of £3.671m excluding the impact of the pay award to be met from reserves, currently estimated as £2.727m. This would leave a year-end contingency reserve balance of £3.664m after taking account of the estimated impact of pay awards and previously approved allocations. An overview of significant variances across portfolios during the period reported that the level of additional projected costs for severe weather events were likely to meet the threshold for Emergency Financial Assistance Funding from Welsh Government (WG). The report included the latest position on in-year risks and emerging issues, along with projected planned in-year efficiencies. On unearmarked reserves, the current balance of the Covid-19 Hardship Reserve was reported as £3.212m and the earmarked reserve for Council Tax income would be recommended for transfer into the Contingency Reserve.

On the HRA, projected in-year expenditure of £0.100m lower than budget would leave a closing un-earmarked balance of £3.297m, which was above the recommended guidelines on spend.

In response to questions from Councillor Bernie Attridge, clarification was given on cumulative minor movements across Children’s Services and rate changes for Out of County Placements. On Housing & Communities, officers would obtain and share a response on the decision behind the Housing Support Grant allocation in Housing Solutions.

Following comments by Councillor Alasdair Ibbotson on the underspend in Planning, Environment & Economy and previous explanations on budget movements within the portfolio, the Chair referred to the detailed information contained in the appendix.

On that basis, the recommendations were moved and seconded by Councillors Bernie Attridge and Jason Shallcross.

RESOLVED:

That having considered the Revenue Budget Monitoring 2023/24 (month 7) report, the Committee confirms that there are no specific matters to be raised with Cabinet.

57. MEMBERS OF THE PRESS IN ATTENDANCE

There was one member of the public in attendance.

(The meeting started at 10am and ended at 12.25pm)

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Chair