

FLINTSHIRE COUNTY COUNCIL
25 SEPTEMBER, 2013

Minutes of the Meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Wednesday 25 September, 2013

PRESENT: Councillor C.A. Thomas (Chair)

Councillors: L.A. Aldridge, J.B. Attridge, G. Banks, G.H. Bateman, M. Bateman, H. Brown, C.S. Carver, D.L. Cox, R. Davies, G.D. Diskin, R. Dolphin, A.I. Dunbar, A. Dunbobbin, B. Dunn, C.A. Ellis, J.E. Falshaw, V. Gay, R.J.T. Guest, A.M. Halford, R.G. Hampson, G. Hardcastle, H.T. Howorth, R. Hughes, H.D. Hutchinson, H.T. Isherwood, J. Johnson, C.M. Jones, R.K. Jones, R.B. Jones, S. Jones, C. Legg, P. Lightfoot, B. Lloyd, R. Lloyd, M. Lowe, D.I. Mackie, N.M. Matthews, A. Minshull, W. Mullin, T. Newhouse, N. Phillips, M.A. Reece, H.G. Roberts, I.B. Roberts, L.A. Sharps, A.P. Shotton, P. Shotton, I. Smith, N.R. Steele-Mortimer, W.O. Thomas, D.T. Williams, S. Williams, D.E. Wisinger, M.G. Wright and A. Woolley

APOLOGIES:

Councillors: R.C. Bithell, A.M. Bragg, P.J. Curtis, A. Davies-Cooke, A.G. Diskin, C.J. Dolphin, E.F. Evans, C. Hinds, H.J. McGuill, and M.J. Peers
Director of Community Services and Head of Legal and Democratic Services

IN ATTENDANCE:

Chief Executive, Head of Finance, Democracy and Governance Manager, Corporate Finance Manager, Finance Manager Strategy and Technical, and Committee Officers

Ms. Amanda Hughes and Mr. John Herniman of Wales Audit Office for minute number 39

29. PRESENTATIONS

(i) Lawrence Gotts Horticulture Modern Trainee

The Chair welcomed Lawrence Gotts whose design was accepted for the RHS Tatton show which took place 25 to 28 July 2013. Judged in the small garden section – Greenfield Valley Heritage park ‘The Industrious Force of Nature’ received a commendation.

(ii) Mental Health Services

The Chair welcomed the Mental Health Services team members who were joint winners of the Better Outcomes Through Working Together category of the Social Care Accolades.

(iii) Disability Services 'Citizen Directed Support Services'

The Chair welcomed the Disability Services Team who had been highly commended in the Citizens Controlling Services category of the Social Care Accolades.

Councillor C.M. Jones, Cabinet Member for Social Services, congratulated the teams on their success and referred to the special recognition of their hard work and commitment.

Councillor R. Dolphin also expressed congratulations to the Mental Health Services and Disability Services teams and to Lawrence Gotts for his achievement.

Councillor A.P. Shotton, Leader of the Council, reiterated the sentiments expressed by Councillors C.M. Jones and R. Dolphin and added his appreciation for the awards gained on behalf of the Authority.

The Chair presented Lawrence Gotts, the Mental Health Services Team and the Disability Services Team with their awards.

30. PUBLIC QUESTION TIME

The Chair confirmed that no questions had been received.

31. DECLARATIONS OF INTEREST

The following Members declared a personal interest in agenda item number 17: Clwyd Pension Fund Update:-

Councillors: J.B. Attridge, C.A. Ellis, J.M. Johnson, R.K. Jones, S. Jones, A. Minshull, N. Matthews, N. Phillips, I.B. Roberts, A.P. Shotton, and I Smith

Councillor H.D. Hutchinson declared a personal interest in agenda item number 7: concerning a petition on consultation on the withdrawal of the "Shopper Bus".

32. COUNCIL MINUTES

The minutes of the meeting held on 25 June 2013 were submitted.

RESOLVED:

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

33. CHAIR'S COMMUNICATIONS

A copy of the Chair's communication had been circulated to all Members before the meeting.

The Chair referred to the Armed Forces Community Covenant Signing and Commemorative Parade event. She read out a letter of thanks received from Brigadier Gerhard Wheeler CBE, Royal Welsh, for the Authority's work and hospitality which made the event such a success. He also expressed appreciation for the warm welcome provided by the residents of Flint and their support for the parade and thanked officers for their work in the signing of the Covenant.

Councillor I.B. Roberts referred to the Last Night of the Proms event held at Ysgol Gwynedd, Flint, and expressed his thanks to the Chair for her assistance in the provision of special transport arrangements to ensure all attendees arrived home safely due to unforeseen circumstances.

Councillor H.D. Hutchinson referred to the Treuddyn Book celebrating 90 years of the Urdd Gobaith Cymru and expressed his appreciation and thanks to the Chair on the success of the publication.

34. PETITIONS

Councillor H.D. Hutchinson withdrew from the meeting at this point.

Councillors C.A. Ellis and R.G. Hampson submitted a petition concerning the County Council's consultation on subsidised bus services in Flintshire and the proposal to withdraw the "Shopper Bus".

Councillor N.M. Matthews submitted a petition from residents of Cadole Road and surrounding area with regard to the road speed limit.

Councillor H.D. Hutchinson returned to the meeting.

35. NOTICE OF MOTION

The Chair confirmed that no notices of motion had been received.

36. QUESTIONS

The Chair confirmed that no questions had been received.

37. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES

The Chair confirmed that no questions had been received.

38. ANNUAL GOVERNANCE STATEMENT

The Democracy and Governance Manager introduced the Annual Governance Statement (AGS). He provided background information and explained that the preparation of the draft AGS had been coordinated by the corporate governance officer working group who had reported to the Chief Executive, the Monitoring Officer and Section 151 Officer on its work. The

core membership of that working group was detailed in appendix 1 to the report.

The Democracy and Governance Manager advised that pages 130 to 145 of the agenda detailed the AGS part of the Statement of Accounts 2012/13.

Councillor R.B. Jones referred to section 5 on Significant Governance Issues and asked if it should correspond to what was in the former Strategic Assessment of Risks and Challenges (SARC). He commented on the need for consistency. The Democracy and Governance Manager explained that the significant governance issues went beyond risk management. The Chief Executive acknowledged the point made and commented that whilst there was a degree of consistency between the two risk commentaries a fuller 'match' would be planned for the 2014 Annual Governance Statement.

Councillor W. Mullin proposed that the County Council approve the Annual Governance Statement and this was seconded by Councillor J.B. Attridge.

RESOLVED:

That the Annual Governance Statement be approved.

39. STATEMENT OF ACCOUNTS 2012/13

The Head of Finance introduced the Statement of Accounts 2012/13, together with the Wales Audit Office (WAO) reports in connection with the audit of the 2012/13 financial statements for Flintshire County Council and the Clwyd Pension Fund.

The Head of Finance advised that the statutory deadline for the approval of the Statement of Accounts was 30 September 2013 and commented on the opportunities which had been provided since July for Members to raise comments or questions beforehand. She reported that as part of the final accounts process the WAO had presented the ISA 260 reports 'Audit of the Financial Statements – Flintshire County Council' and 'Audit of the Financial Statements – Clwyd Pension Fund' to a meeting of the Audit Committee which was held prior to the meeting of the County Council. She also explained that during the audit process a number of changes to the draft Statement of Accounts had been agreed with the WAO and these were incorporated into the final document appended to the report. The Letters of Representation – Flintshire County Council and Clwyd Pension Fund were also attached to the report for consideration.

Councillor A. Woolley explained that he had been interim Chair at the meeting of the Audit Committee held on the morning of the meeting of County Council. The Statement of Accounts which incorporated the agreed changes with the WAO had been thoroughly considered by the Committee. The WAO had been present and fully explained their findings in respect of the accounts

for Flintshire County Council and the Clwyd Pension Fund. He gave an outline of the main points of discussion relating to the accounts and moved the recommendations of the report. The proposal was seconded by Councillor I.B. Roberts.

The Head of Finance introduced and welcomed Mr John Herniman and Ms Amanda Hughes of the Wales Audit Office to the meeting.

Mr. Herniman advised that an unqualified opinion on the financial statements would be issued when the Letter of Representation from the Authority had been received by the WAO. Referring to the Statement of Accounts he explained that there were some minor typographical errors which would be corrected in the final version. He reported that there had been no misstatements identified in the financial statements for Flintshire County Council which remained uncorrected. There were misstatements that had been corrected by management which were detailed with explanations in appendix 3 of the Audit report.

Mr. Herniman referred to other significant issues arising from the audit and said there was concern about some of the qualitative aspects of the Authority's accounting practices and financial reporting. He referred to matters concerning non-current assets, the functionality of Technology Forge, general issues relating to the quality of accounts, and liability for pension contributions on equal pay liabilities. Mr. Herniman also referred to the liquidation of AD Waste which was finalised in September 2013 and explained that the accounts had been amended to reflect the final position following liquidation.

In conclusion, Mr Herniman summarised that there were no other matters to be reported. He stated that full cooperation had been given to the WAO by Council officers and there were no significant matters discussed and no material weaknesses identified in internal controls.

Councillor A. Halford raised an issue concerning the Statement of Accounts 2012/13 which had been sent to members of the Audit Committee for consideration as part of the despatch of the agenda for the meeting. She said that this had not allowed the Committee sufficient time to read and assimilate the information in the document prior to the meeting of the Committee held on 25 September 2013. She outlined the reasons why she felt she could not support the recommendations of the report to the Committee on the Statement of Accounts 2012/13 and sought clarification on constitutional procedures.

The Chief Executive responded to the matters raised by Councillor Halford and explained that the Monitoring Officer gave the official and final advice on legal compliance. He said there was a statutory duty for the accounts to be considered and approved before the end of the month deadline, during which time the audit officially continued for post balance sheet events and the like, but had now been substantially completed. The Chief Executive also advised that the final accounts included changes agreed

by WAO during the course of the audit and that these had been discussed with officers with appropriate actions put in place to amend processes where necessary.

The Democracy and Governance Manager explained that in the temporary absence of the Head of Legal and Democratic Services he was currently the Monitoring Officer. He advised that the legal requirements and procedural rules regarding the meeting had been fully complied with.

Mr. J. Herniman of WAO spoke of the complex task and time dedicated to producing local government accounts, including some areas requiring technical discussion on the treatment of issues within the accounts and inevitable adjustments which were normal practice. He advised of the intention to issue an unqualified (clean) opinion on the financial statements. Whilst reporting on the corrected misstatements identified, which had been agreed with management, he advised that the issue with balancing entries in the accounts had been resolved.

Councillor Halford expressed her thanks to the Head of Finance and her team for their hard work in producing the Statement of Accounts.

In response to a further question raised by Councillor R.J.T. Guest concerning procedural matters the Democracy and Governance Manager advised that the Chair could adjourn a meeting in certain circumstances, however, those circumstances had not arisen at the meeting of the Audit Committee held earlier in the day.

Councillor R.B. Jones welcomed that there were no longer balancing entries in the accounts. He raised a query regarding the new IT system Technology Forge to which the Chief Executive responded based on the earlier discussion at Audit Committee which was also confirmed by the Head of Finance.

Mr. Herniman referred to the audit report for the Clwyd Pension Fund and said an unqualified opinion on the financial statements would be issued following receipt of a Letter of Representation from the Authority. He referred to an uncorrected misstatement which had been identified in the financial statements and asked that confirmation be given by Members to the response of management that for practical and expediency reasons the Authority was content not to adjust the accounts for the required change in value on this occasion. Mr. Herniman also referred to a corrected misstatement concerning the pension fund accounts. He summarised that there were no concerns about the qualitative aspects of accounting practices and financial reporting and no significant difficulties or matters discussed.

Councillor R. Davies expressed his thanks to the former Managing Director of AD Waste and his team for their work.

RESOLVED:

- (a) That the final Statement of Accounts for 2012/13 be approved and that the uncorrected misstatement in relation to the Clwyd Pension Fund not be amended;
- (b) That the Letter of Representation – Flintshire County Council be approved; and
- (c) That the Letter of Representation – Clwyd Pension Fund be approved

40. SUPPLEMENTARY FINANCIAL INFORMATION TO STATEMENT OF ACCOUNTS

The Head of Finance introduced the report to provide Members with supplementary financial information to accompany the Statement of Accounts 2012/13 as requested in the notice of motion approved by County Council on 29 January 2013.

Members were advised that the information requested by the notice of motion was detailed in Appendix 1 to the report.

Councillor C.S. Carver thanked the Head of Finance and the Finance Manager Strategy and Technical for the report. He referred to the information provided in Table 3 for consultants and non permanent posts and raised a query concerning costs. In his response the Chief Executive explained that the majority of individuals were in position for significantly less than a year and that the information provided related to the arrangements to acquire specialist advice on particular matters or issues.

RESOLVED:

That the report be noted.

41. TREASURY MANAGEMENT ANNUAL REPORT 2012/13

The Head of Finance presented the Annual Treasury Management Report for 2012/13. She provided background information and outlined the key considerations which were detailed in the report.

RESOLVED:

That the Annual Treasury Management Annual Report for 2012/13 be approved.

42. FINANCIAL PROCEDURE RULES

The Head of Finance introduced the report on the proposed updated Financial Procedure Rules (FPR's), as detailed in the appendix to the report,

following consideration by the Audit Committee and Constitution Committee. The report detailed the changes to the existing rules.

RESOLVED:

That the updated Financial Procedure Rules be approved.

43. APPROVAL OF NEW CONTRACT PROCEDURE RULES

The Chief Executive introduced a report on the revised Contract Procedure Rules (CPRs). A copy of the proposed new CPRs was appended to the report and a summary of the key changes between the new and the current CPRs was provided in appendix 2.

RESOLVED:

That the revised Contract Procedure Rules be approved.

44. CLWYD PENSION FUND UPDATE

The Head of Finance introduced a report to update on issues relating to the Clwyd Pension Fund (“the Fund”). She provided background information and gave an overview of the work undertaken during the Summer period to formulate responses to a number of consultations on the future structure of the Local Government Pension Scheme.

The Head of Finance reported on developments in relation to:

- Local Government Pension Scheme 2014
- Collaborative working - Welsh Pension Funds “Working Together”
- Financial update
- New Investment

RESOLVED:

That the update be noted.

45. DURATION OF MEETING

The meeting commenced at 2.00 p.m. and ended at 3.25 p.m.

46. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC

There were two members of the press and no members of the public present.

Chair

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