

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
12 JANUARY 2023

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 12 January 2023

PRESENT: Councillor Richard Jones (Chairman)

Councillors: Bernie Attridge, Bill Crease, Chris Dolphin, Alasdair Ibbotson, Gina Maddison, Allan Marshall, Vicky Perfect, Kevin Rush, Jason Shallcross, Sam Swash and Linda Thomas

Present for minute number 68:

Councillors: Helen Brown, Teresa Carberry, Rob Davies, Mared Eastwood, Hilary McGuill, Andrew Parkhurst and Mike Peers

CONTRIBUTORS: Councillor Ian Roberts (Leader and Cabinet Member for Education, Welsh Language, Culture and Leisure), Councillor Christine Jones (Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing), Councillor Dave Hughes (Deputy Leader and Cabinet Member for Streetscene and the Regional Transport Strategy), Councillor Paul Johnson (Cabinet Member for Finance, Inclusion & Resilient Communities), Councillor Billy Mullin (Cabinet Member for Governance and Corporate Services), Councillor Chris Bithell (Cabinet Member for Planning, Public Health & Public Protection), Councillor Sean Bibby (Cabinet Member for Housing & Regeneration), Chief Executive, Chief Officer (Governance), Chief Officer (Social Services), Chief Officer (Streetscene & Transportation), Corporate Finance Manager, Strategic Finance Managers and Corporate Manager (Capital Programme and Assets)

IN ATTENDANCE: Democratic Services Manager and team

64. DECLARATIONS OF INTEREST

None.

65. MINUTES

The minutes of the meeting held on 15 December 2022 were approved, as moved and seconded by Councillors Bernie Attridge and Linda Thomas.

RESOLVED:

That the minutes be approved as a correct record.

66. ACTION TRACKING

The Democratic Services Manager presented an update on actions arising from previous meetings.

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

RESOLVED:

That the Committee notes the progress which has been made.

67. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current forward work programme for consideration, including items to be allocated to future meetings.

The recommendations were moved and seconded by Councillors Bernie Attridge and Gina Maddison.

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.

68. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2023/24 - WELSH LOCAL GOVERNMENT PROVISIONAL SETTLEMENT

The Chief Executive introduced a report on the latest position for the Council Fund Revenue Budget 2023/24 including an update on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement and feedback from the recent Overview & Scrutiny meetings. The update detailed changes and risks to the additional budget requirement for 2023/24 and work being undertaken on the solutions available to enable the Council to set a legal and balanced budget.

In highlighting the main areas of the report, the Corporate Finance Manager gave a reminder that in November 2022, the additional budget requirement for the 2023/24 financial year was estimated to be £32.448m. Following a rigorous review by Overview & Scrutiny committees, all portfolio cost pressures had been accepted with no new cost reduction areas identified. A summary of the main themes from those sessions was appended to the report. The provisional Aggregate External Finance (AEF) for 2023/24 represented an increase of 8.4% which compared favourably with other Welsh authorities. This reflected a cash uplift of £19.568m over the 2022/23 AEF of £232.179m however Flintshire's funding allocation per capita remained ranked 20th out of the 22 Welsh authorities. An increase in the indicative all-Wales revenue allocation for 2024/25 equated to an increase of 3.1% in 2024/25 compared with the previous indicative increase of 2.4%.

Whilst the increased Settlement for 2023/24 was welcomed, this equated to around 60% of the Council's estimated cost pressures identified. In addition, the

report detailed changes which increased the additional budget requirement to £32.978m along with a number of ongoing risks which could further impact the position. As the Provisional Settlement was unlikely to change significantly, a combination of the remaining budget solutions would need to contribute to the remaining gap of £13.410m to enable a legal and balanced budget to be set. Following review by Overview & Scrutiny committees, the portfolio cost reduction options totalling £6.166m would need to be considered to decide which would be taken forward as part of the final budget proposals. Other budget considerations would include the impact of the reduction in Employers' National Insurance, the outcome of the Triennial Actuarial Review of the Clwyd Pension Fund, delegated schools budgets and the level of Council Tax.

On reserves and balances, it was being recommended to Cabinet that the additional Revenue Support allocation of £2.4m received at the end of 2022/23 be transferred to the Contingency Reserve to enhance the level remaining and safeguard the Council against risks.

The Chairman referred to unresolved points raised by Overview & Scrutiny committees on the Housing and Environment portfolio options which were not included in the appendix. The Corporate Finance Manager explained that the appendix summarised the main themes from the sessions with Cabinet Members in attendance and that feedback would be reported to Cabinet.

On the Overview & Scrutiny sessions, Councillor Bernie Attridge said that information requested on the homelessness service, currently being progressed by officers, would need to form part of the budget considerations. He raised a number of queries on the content of the report.

The Chief Executive explained that increased expenditure for Parc Adfer was primarily due to haulage costs linked with rising fuel costs and that a response from the Chief Fire Officer on the North Wales Fire & Rescue levy was due the following week. On homelessness, there was an increase in demand for temporary accommodation and it was unknown at this stage whether the level of grants available would be sufficient to mitigate pressures, however more clarity was likely in the coming weeks.

The Chief Officer (Streetscene & Transportation) advised that the Sustainable Waste Management Grant was currently under review by Welsh Government (WG) and could pose a potential risk, as reported to the Environment & Economy Overview & Scrutiny Committee. On school transport, she explained that rising fuel costs together with increased demand in services for children with Additional Learning Needs and Pupil Referral Units had resulted in the cost pressure. On projecting future costs, she explained the changing demand for those services, particularly over the Summer period.

In response to Councillor Attridge's concerns, the Corporate Finance Manager advised that the final budget report would include the outcome of work on specific grants including which of those were confirmed. He cited the Homelessness and Sustainable Waste Management Grants as the two most significant.

In highlighting risks such as the impact of inflation and funding of pay awards, Councillor Paul Johnson gave a reminder of the importance of maintaining an adequate level of reserves to safeguard against unforeseen events.

On the ongoing risks to the additional budget requirement, the Chairman said that assumptions on pay awards and Out of County Placements should be re-assessed to avoid reliance on reserves. He said that sharing estimated costs for each of the remaining risks would assist with the budget-setting process.

In response, the Corporate Finance Manager explained that officers were currently working through the implications of these known ongoing risks and that they would not remain as risks if there was a budgetary impact for 2023/24 as the full-year effect would be shared at the final budget stage.

Councillor Ian Roberts spoke about the challenges involved in accurately projecting some costs due to changes in demand and gave assurance that officers were working through these.

The recommendation was moved and seconded by Councillors Bernie Attridge and Bill Crease.

RESOLVED:

That having considered the Cabinet report on the latest budget position, the comments raised by the Committee be noted.

69. VARIATION IN ORDER OF BUSINESS

A slight change in the order of business was agreed to bring forward agenda item 9 Social Value Progress Update. The remainder of the items would be considered in the order shown on the agenda.

70. SOCIAL VALUE PROGRESS UPDATE

The Chief Officer (Social Services) presented performance data on the social value generated in Flintshire for the reporting periods, together with an update on progress with the broader social value work programme.

This was a positive report where performance targets for 2021/22 and the first half of 2022/23 had been exceeded following actions to increase social value from the Council's commissioning and procurement activities. In addition to providing detailed information on those achievements, the report highlighted the range of outcomes to support local communities and national recognition of social value work in Flintshire. The ongoing action plan would help to identify further improvements to embed social value across the organisation and develop additional resources to support the work of the Social Value Development Officer.

Councillor Bernie Attridge welcomed actions to maximise social value in all procurement activities across the organisation to build upon performance.

The Corporate Manager (Capital Programme and Assets) paid tribute to the work of the Social Value Development Officer as the sole member of the team and said that plans to develop 'social value champions' across the organisation would expand capacity.

Councillor Paul Johnson said that social value was a corporate priority for the Council and that the action plan would help to move forward in a more sustainable way. He suggested a future workshop on social value to raise awareness with all Members.

In response to a question from the Chairman, the Corporate Manager (Capital Programme and Assets) explained that many social value outcomes did not involve financial aspects and he referred to community benefits packages for larger contracts.

The Chief Executive said that performance reflected contractors discharging their own social responsibilities through contractual mechanisms.

The recommendations were moved and seconded by Councillor Attridge and the Chairman.

RESOLVED:

- (a) That the Committee notes the positive performance achieved in relation to generating social value during 2021/22 as well as the first six months of 2022/23; and
- (b) That the Committee supports the next steps proposed.

71. MID-YEAR PERFORMANCE MONITORING REPORT

The Chief Executive presented the monitoring report to review mid-year progress against Council Plan priorities identified for 2022/23. This was an exception-based report focussing on areas of performance not currently achieving their target.

Overall this was a positive report with 70% of performance indicators (PIs) having met or exceeded their targets (green). Of those reporting under-performance against target (red), only one was relevant to this Committee and related to the number of digital learning sessions provided, under the Poverty theme.

The Chairman remarked on the outturns for the completion of new Council homes and Residential Social Landlord (RSL) homes which were below target. His comments on improving recycling performance by raising awareness and encouraging residents had been raised at the recent Environment and Economy Overview & Scrutiny Committee meeting.

The recommendations were moved and seconded by Councillors Bernie Attridge and Bill Crease.

RESOLVED:

- (a) That the Committee supports levels of progress and confidence in the achievement of priorities as at mid-year within the 2022/23 Council Plan;
- (b) That the Committee endorses and supports overall performance against 2022/23 Council Plan performance indicators as at mid-year; and
- (c) That the Committee is assured by explanations given for those areas of underperformance.

72. REVENUE BUDGET MONITORING 2022/23 (MONTH 8)

The Strategic Finance Manager introduced the report on the 2022/23 month 8 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 - without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control - was an operating deficit of £0.352m, leaving a contingency reserve balance of £3.797m at year-end (after the impact of final pay awards).

An update was given on current eligibility for Welsh Government (WG) Hardship Funding claims and the current level of Covid-19 Emergency Reserves (as a safeguard against the continuing impacts of the pandemic) which stood at £4.064m. Significant movements across portfolios from month 7 were summarised including a carry-forward request by People & Resources. The tracking of in-year risks reported a marginal dip in Council Tax collection levels which reflected a national trend. Other tracked risks included the current position with Out of County Placements.

On the HRA, projected in-year expenditure of £3.076m higher than budget would leave a closing un-earmarked balance of £3.398m, which was above the recommended guidelines on spend.

In response to a question from the Chairman, the Strategic Finance Manager agreed to provide a separate response on the movement in the approved budgets from Chief Executive's to Assets, which the Corporate Manager (Capital Programme and Assets) said could relate to third sector grants.

On a query by Councillor Alasdair Ibbotson, the Chief Executive and Chief Officer (Streetscene & Transportation) provided clarification on additional costs arising from the Proclamation Event and Queen's State Funeral.

Councillor Bernie Attridge asked about the approach for some portfolios to absorb additional Covid-19 recovery costs from their underspends. The point was

noted by the Corporate Finance Manager who said that officers would look at this for the next report. On the carry-forward request, he advised that this complied with the reserves and balances protocol to show transparency.

Councillor Attridge's request that any underspend on the HRA be considered for use in improving performance with void properties was acknowledged by Councillor Sean Bibby.

The recommendation was moved and seconded by Councillors Bernie Attridge and Linda Thomas.

RESOLVED:

That having considered the Revenue Budget Monitoring 2022/23 (Month 8) report, the Committee confirms that there are no specific issues to be raised with Cabinet.

73. MEMBERS OF THE PRESS IN ATTENDANCE

None.

(The meeting started at 10am and ended at 11.42am)

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Chairman