

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
16 NOVEMBER 2023

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 16 November 2023

PRESENT: Councillor Richard Jones (Chair)

Councillors: Bernie Attridge, Bill Crease, Alasdair Ibbotson, Allan Marshall, Kevin Rush, Sam Swash and Linda Thomas

SUBSTITUTES: Councillors: Debbie Owen (for Jason Shallcross) and Carolyn Preece (for Gina Maddison)

APOLOGIES: Councillors: Vicky Perfect and Arnold Woolley

ALSO PRESENT: Councillors: Ian Roberts (Leader of the Council), Billy Mullin (Cabinet Member for Governance & Corporate Services), Mared Eastwood (Cabinet Member for Education, Welsh Language, Culture & Leisure), Mike Allport, David Coggins Cogan and Andrew Parkhurst

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

39. DECLARATIONS OF INTEREST

On the Budget 2024/25, Councillor Carolyn Preece declared a personal and prejudicial interest as a close relative's degree was funded through Theatr Clwyd. She withdrew from the meeting for specific discussion on Theatr Clwyd.

Councillor Bernie Attridge declared a personal interest on the Employment and Workforce Mid-year Update due to close family members employed by the Council.

40. MINUTES

The minutes of the meeting held on 12 October 2023 were approved, as moved and seconded by Councillors Bernie Attridge and Allan Marshall, subject to two amendments on minute numbers 30 and 35.

Matters Arising

Minute number 34: Budget 2024/25 - the Democratic Services Manager would follow up the request for a breakdown of the £365K cost pressure on Alternative Delivery Models and an update on Community Asset Transfers to be included on the forward work programme.

On the same minute, officers would liaise with the Chair on the formation of a letter as stated in resolution (b).

Councillor Alasdair Ibbotson thanked officers for sharing responses to his queries and sought further clarification on earmarked reserves. On the North Wales Residual Waste Treatment Project, he asked if any additional contributions were expected to the Community Benefit Fund and the reason for the anticipated significant reduction by year-end, given that the Fund would be active until 2044/45. As there were currently no approved applications in-year, he asked whether further payments would be reduced, based on the Fund being underused.

On the latter, the Corporate Finance Manager agreed to seek a detailed response to share with the Committee. When asked about the rationale for retaining the earmarked reserve on solar farms, he explained that this was a specific known commitment set aside to fund future repairs and maintenance.

Councillor Sam Swash referred to the response shared on the residual £0.110m budget which was not ring fenced for the Local Development Plan (LDP). He raised concerns about the lack of scrutiny and said that if the amount was not being used for its intended purpose, it should be put back into the overall budget.

The Corporate Finance Manager explained that additional costs had been identified from within the existing budget as the LDP process had been finalised, however Members were able to challenge any aspect of the budget as part of the process.

In response to the concerns raised by Councillor Swash, the Chair suggested that the remaining LDP allocation be transferred back into general reserves as a saving and to document the additional items as in-year budget pressures for the same amount. The Corporate Finance Manager agreed to liaise with the Chief Officer (Planning, Environment & Economy) to progress this.

RESOLVED:

That subject to the amendments, the minutes be approved as a correct record.

41. ACTION TRACKING

The Democratic Services Manager presented an update on actions from previous meetings and would follow up the outstanding actions.

The recommendation was moved and seconded by Councillors Bernie Attridge and Allan Marshall.

RESOLVED:

That the Committee notes the progress which has been made.

42. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme and would include an item on the acquisition of land for Flintshire cemeteries relating to value for money, as requested by Councillor Sam Swash. He would also follow up Councillor Alasdair Ibbotson's previous request for an update on Council Tax Discretionary (13a) Discounts/Write Offs which would first need to be considered by Cabinet.

On that basis, the recommendations were moved and seconded by Councillors Bernie Attridge and Sam Swash.

RESOLVED:

- (a) That the Forward Work Programme, as amended, 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.

43. BUDGET 2024/25

The Corporate Finance Manager shared a presentation to update Members on changes to the additional budget requirement for 2024/25 and to summarise feedback from the recent review by Overview & Scrutiny committees of their respective portfolio cost pressures, efficiency options and associated risks. All Members had been invited to attend for this item. The presentation covered:

- Purpose and Background
- Feedback from Overview & Scrutiny Committee meetings:
 - Environment & Economy (10 October)
 - Community & Housing (11 October)
 - Corporate Resources (12 October)
 - Education & Youth (19 October)
 - Social & Health Care (26 October)
- Additional Budget Requirement - Update on Risks
 - Additional Cost Pressures
 - Changes to Risks
- Budget Solutions - Workstreams
- Next Steps/Timelines

Since the last report in October, two additional/amended pressures for Coroner's fees and free school meals had increased the budget requirement for

2024/25 to £33.028m. An update on risks reported that whilst the pay award for NJC staff in 2023/24 had been finalised and closed off, there were two new potential risks relating to harmonisation of fostering fees within Social Care and the increase in employer teacher pension contributions from April 2024, both of which were expected to be met by Welsh Government (WG). An update on budget solutions detailed the range of work being undertaken to reduce the budget gap.

In response to questions from Councillor Bernie Attridge, the Corporate Finance Manager provided information on the £0.085m saving from the Capital Programme. On risks, he gave examples of 'external partners' and advised that the pressure on free school meals was due to recent increases in cost and demand.

On Theatr Clwyd, the Corporate Manager (Capital Programme & Assets) confirmed that contributions from the Arts Council remained unchanged and that no additional funding had been sought from the County Council.

Councillor Alasdair Ibbotson said that in respect of the budget-setting process, it would be useful for specific budget lines with no significant movement to include more detail on spend within those portfolios. The Corporate Finance Manager referred to the significant number of budget lines behind the summary of variances and said that Members could request a breakdown of specific services as required. On a further question, Councillor Ibbotson was informed that the facility on the Council's website for reporting rogue landlords was currently being developed.

Councillors Bernie Attridge and Debbie Owen moved and seconded that the presentation be noted and circulated to Members. The Chair asked that future presentations be shared prior to meetings to help Members to prepare.

RESOLVED:

That the presentation be noted and circulated to Members.

44. EMPLOYMENT AND WORKFORCE MID-YEAR UPDATE

The Corporate Manager (People and Organisational Development) presented a mid-year update report on workforce statistics and analysis for the period covering 1 April to 30 September 2023.

An overview of key areas showed the impact of continuing national workforce pressures, particularly in areas such as Social Care. In comparison with the same period in 2022, there was a slight increase in turnover and the introduction of an electronic survey, in addition to exit interviews, would help to gain a better understanding of the reasons. An improved position was reported on attendance where the main reason for absences continued to be related to mental health. As part of the robust approach to managing attendance, a separate policy was being considered to manage chronic long-term illnesses. An update on agency worker spend indicated active placements at the point of

preparing the report and showed increasing demand in specialist areas such as Children's Services. The majority of total agency spend was mitigated by vacancy savings or grant contributions.

Councillor Bernie Attridge asked for more information on the reasons behind employee turnover in Social Services. The Corporate Manager cited potential reasons and agreed to seek a detailed response from the service to share with the Committee. In response to comments on the Council's Occupational Health service, she remarked on more complex legislation to deal with multiple health issues and asked that any specific concerns be referred directly to her. On agency workers, she provided clarity on the Council's terms which went beyond regulatory requirements.

Given the Council's financial pressures, Councillor Andrew Parkhurst queried the increased headcount in non-schools employees and sought information on the types of roles and assurance that costs were being managed. The Corporate Manager agreed to share a detailed response separately but reiterated that the data provided a snapshot at that point in time and that the robust vacancy management process ensured that every post was challenged.

Councillor Alasdair Ibbotson asked about agency workers engaged in Social Services and was informed that additional temporary resources had been appointed to specifically deal with the increased demand for services, as recruitment had not resulted in permanent appointments. When asked about the average cost for employing an individual through an agency as opposed to recruiting externally, the Corporate Manager agreed to establish if she could share some contractual information with the Committee on a confidential basis, given it was commercially sensitive, but advised that the Matrix system was more cost-effective for the majority of posts.

The recommendation was moved and seconded by Councillors Bernie Attridge and Debbie Owen.

RESOLVED:

That the mid-year Workforce Information Report for 2023/24 be noted.

45. REVENUE BUDGET MONITORING 2023/24 (MONTH 6) AND CAPITAL PROGRAMME MONITORING 2023/24 (MONTH 6)

The Strategic Finance Managers (Corporate Finance) presented the 2023/24 month 6 position for the revenue budget monitoring for the Council Fund and Housing Revenue Account (HRA) and the Capital Programme, prior to consideration by Cabinet.

Revenue Budget Monitoring

On the Council Fund, the projected year-end position was an operating deficit of £3.559m (excluding the impact of the pay award to be met from reserves), leaving a year-end contingency reserve balance of £3.776m after

taking account of the estimated impact of pay awards together with balances released to reserves at month 5. A summary was given of significant variances across portfolios during the period and attention was drawn to Appendix 2 which included an additional column identifying savings from the moratorium on non-contractually committed spend. The tracking of in-year risks included the latest position on the waste recycling infraction charge where a report was due to be considered by Cabinet. It was projected that 99% of planned in-year efficiencies were expected to be achieved in 2023/24.

On unearmarked reserves, officers would ensure that future reports revert back to using the name Covid Emergency Fund for consistency, as requested.

On the HRA, projected in-year expenditure of £0.069m lower than budget would leave a closing un-earmarked balance of £3.266m, which was above the recommended guidelines on spend.

Whilst acknowledging fluctuations in service demand, Councillor Bernie Attridge felt that more accurate projections could have been made in some areas. He sought further information from Social Services on the £0.307m overspend in the Physically Disabled and Sensory Impaired budget, the increased demand for Family Group meetings and the £0.821m variance for professional support (Children's Services) including the overspend in the Leaving Care budget which he felt should have been forecasted.

The Corporate Finance Manager would refer the queries to Social Services for a response. On other questions, he spoke about the five new out of county placements and the process for considering those arrangements. On the temporary change of use of earmarked reserve to fund work within the Carelink Service, he said that cross-subsidy arrangements permitted this overspend to be met from the Council Fund without the need to impact on reserves.

In response to comments on increased legal costs, the Chief Officer (Governance) provided explanation on the approach to managing ongoing vacant posts including use of a specialist locum in Children's Services to deal with the increase in child protection orders. He said that increases in demand could not be predicted due to the nature of the services and that costs for more complex cases referred to external Barristers were within the budget for Social Services.

In highlighting the safety of children as a priority for the Council, Councillor Christine Jones referred to the challenges in predicting service demand and recruiting qualified social workers.

Councillor Bill Crease welcomed the work undertaken by Social Services to protect children. In response to comments on more accurate forecasting, the Corporate Finance Manager spoke about the difficulty in some services and assured Members that there was detailed monitoring of the budget with contingency allocations set aside.

On the temporary change of use for earmarked reserves, Councillor Alasdair Ibbotson sought clarity on the original intended use for the Welfare

Reform reserve and whether it had been used for Discretionary Housing Payments (DHP). He also asked if any other Department of Work & Pensions (DWP) earmarked funding was included in that reserve and if this was not the case, where those grants were allocated within the budget, together with details of any restrictions on the use of those reserves.

The Corporate Finance Manager explained that the Welfare Reform reserve was not required at this time and would be fully replenished for 2024/25. He agreed to liaise with colleagues for a more detailed response to the queries. On interest rate projections for the 2024/25 budget, he referred to ongoing modelling work to maximise contributions to the budget based on treasury management advice and forecasting.

Councillor Sam Swash queried the significant overspend in Streetscene & Transportation given the recent report on unadopted roads which stated that work undertaken in-year had been financed from existing revenue budgets. It was explained that risk assessments were part of routine daily operations and that a response would be sought from the Chief Officer on the proportion of the overspend set aside for work on unadopted roads. On costs relating to Storm Babet, a response would be sought from the Revenues Manager on budgeting for Council Tax exemptions given the frequency of severe weather events.

As requested by the Chair, the Strategic Finance Manager provided clarification on projected costs relating to Storm Babet which fell above the threshold for the Emergency Financial Assistance Scheme. A separate response would be shared to clarify the 'one off windfall' NDR credit referenced in paragraph 1.07 and the revenue impact of additional Welsh Government grants to support Inclusion and Progression services.

At this stage, there was a brief adjournment prior to considering the remaining items.

Capital Programme

The revised programme for 2023/24 was £94.662m taking into account all carry forward sums and savings transferred back to the programme. Changes during the period were mainly due to the introduction of grant funding streams and budget re-profiling. The projected outturn position totalled £93.449m leaving a £1.213m underspend recommended to be carried forward for the completion of schemes in 2024/25 as detailed. The report detailed one additional allocation which could be funded from within the current 'headroom' provision and no savings had been identified during the period. The overall funding position of approved schemes indicated a surplus of £1.996m prior to the realisation of additional capital receipts and/or other funding sources.

During discussion on Table 6, the Chief Executive explained that the figures represented investment in areas during the reporting period, including any major projects. Whilst more detail was contained in Appendix C, it was agreed that the table in future reports would be expanded to include investment over the past five years to give a broader view.

On that basis, the recommendations were moved and seconded by Councillor Bernie Attridge and the Chair.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2023/24 (month 6) report, the Committee confirms that there are no specific matters to be raised with Cabinet; and
- (b) That having considered the Capital Programme Monitoring 2023/24 (month 6) report, the Committee confirms that there are no specific matters to be raised with Cabinet.

46. CAPITAL STRATEGY INCLUDING PRUDENTIAL INDICATORS 2024/25 TO 2026/27

The Corporate Finance Manager presented the updated Capital Strategy prior to submission to Cabinet. The Strategy was an overarching document which brought together various strategies and policies, split into a number of sections incorporating details of the Council's Prudential Indicators for 2024/25-2026/27.

As suggested by the Chair, there would be a slight change to clarify that capital receipts could be used to directly fund the Minimum Revenue Provision.

On that basis, the recommendations were moved and seconded by Councillors Bernie Attridge and Allan Marshall.

RESOLVED:

- (a) That the Committee recommends the Capital Strategy to Cabinet; and
- (b) That the Committee recommends to Cabinet:-
 - The Prudential Indicators for 2024/25-2026/27 as detailed within Tables 1, and 4-8 of the Capital Strategy, and
 - Delegated authority for the Corporate Finance Manager to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (Table 6 of the Capital Strategy).

47. CAPITAL PROGRAMME 2024/25 - 2026/27

The Strategic Finance Manager presented a report on the proposed Capital Programme 2024/25 - 2026/27 which set out long-term investment in assets to enable the delivery of high quality and value for money public services split between three sections: Statutory/Regulatory, Retained Assets and Investment. Copies of the presentation slides covering the following areas would be shared after the meeting:

- Structure - Council Fund Capital Programme
- Current Programme 2023/24 - 2025/26
- Projected Funding 2024/25 - 2026/27
- Proposed allocations - Statutory/Regulatory, Retained Assets and Investment
- Summary generally funded Programme
- Specifically funded schemes
- Summary Capital Programme
- Potential future schemes
- Next steps

In response to comments from Councillor Bernie Attridge, the Chief Executive spoke about the aim to identify a suitable alternative site for a homelessness hub, with Welsh Government funding, to create a longer term solution towards provision in Flintshire. On further queries, officers clarified that the list of potential future projects were not yet included in the Programme as they were part of strategic planning over the longer term. Information was also shared on the review of industrial estates and the need for future discussions on Deeside Leisure Centre.

Councillor Sam Swash asked about costs relating to Hawarden Cemetery and was informed that the amount allocated for land acquisition in 2021/22 had been carried forward under Streetscene & Transportation within the Capital Programme whilst the purchase progressed.

In response to a question from Councillor Alasdair Ibbotson, details were shared on the extension of Buckley cemetery. Finance officers also explained arrangements for dealing with slippage in the Capital Programme involving carry-forward requests reported to this Committee.

The Chair queried the total amount for school building works which did not align with figures in Statutory and Retained Assets sections. On the development of Children's Residential Care, he said that the October figure stated should be updated to reflect the current overspend for out of county placements. On paragraph 1.43, he said that revenue implications of proposed future schemes would be useful in order to reach an informed decision.

The Chief Executive said that a prudent approach had been taken to the Capital Programme in order to protect the future revenue position, given the scale of the financial challenges.

The recommendations were moved and seconded by Councillors Bernie Attridge and Allan Marshall.

RESOLVED:

That the Committee:

- (a) Supports the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2024/25-2026/27;
- (b) Supports the schemes included in Table 4 (paragraph 1.32) for the Investment section of the Council Fund Capital Programme 2024/25-2026/27;
- (c) Notes that the shortfall in funding of schemes in 2024/25 and 2025/26 in Table 5 (paragraph 1.37) at this point in the approval process allows flexibility. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2024/25, and included in future Capital Programme reports;
- (d) Supports the schemes included in Table 6 (paragraph 1.41) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing; and
- (e) Confirms that it has no comments for Cabinet to consider before the Capital Programme 2024/25-2026/27 report is considered by Council.

48. MEMBERS OF THE PRESS IN ATTENDANCE

None.

(The meeting started at 10am and ended at 1.30pm)

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Chair