

CABINET
20TH FEBRUARY 2024

Minutes of the meeting of the Cabinet of Flintshire County Council held as a hybrid meeting in the Delyn Committee Room and on Zoom, on Tuesday 20th February 2024.

PRESENT: Councillor Ian Roberts (Chair)

Councillors: Sean Bibby, Chris Bithell, Mared Eastwood, Dave Healey, Dave Hughes, Paul Johnson, Billy Mullin, and Christine Jones.

IN ATTENDANCE:

Chief Executive, Chief Officer (Governance), Chief Officer (Planning, Environment and Economy), Chief Officer (Social Services), Chief Officer (Housing and Communities), Corporate Finance Manager, Corporate Manager – Capital Programme and Assets, Corporate Manager, People and Organisational Development, Revenues and Procurement Manager, and Team Leader – Democratic Services.

OTHER MEMBERS IN ATTENDANCE:

Councillors: Glyn Banks, Helen Brown, David Coggins Cogan, Bill Crease, Richard Jones, Dave Mackie, Debbie Owen, Andrew Parkhurst, Mike Peers and Antony Wren.

117. DECLARATIONS OF INTEREST

None.

118. MINUTES

The minutes of the meeting held on 16th January were submitted and confirmed as a correct record.

RESOLVED:

That the minutes of the meeting be approved as a correct record.

119. COUNCIL FUND BUDGET 2024/25 – FINAL CLOSING STAGE

Councillor Johnson introduced the report and explained that the work that had taken place since July 2023, providing regular update reports on the Council's challenging budget position for 2024/25, had concluded. The outcome of that work was detailed in the report.

The report set out a proposal by Cabinet for the Council to be able to reach a legal and balanced budget position for the 2024/25 financial year. The report also included another option following the receipt of a proposal by the Independent Group.

The report set out the Council Tax recommendations for setting local taxation

levels for 2024/25 which would be formally proposed at Council later that day following notification of the precepts of the Police and Crime Commissioner and all Town and Community Councils within Flintshire.

Cabinet was invited to make final recommendations to Council to set a legal and balanced budget based on the detail as set out in this report. A full presentation would be made at County Council.

The report included the following tables:

- Table 1: Remaining Additional Budget Requirement 2024/25
- Table 2: Final Proposed Budget Solutions 2024/25
- Table 3: Proposed Budget 2024/25
- Table 4: School Budget Adjustments
- Table 5: Social Care Budget Adjustments
- Table 6: Medium Term Forecast 2025/26 – 2026/27

RESOLVED:

- (a) That the revised additional budget requirement for 2024/25 be noted and approved;
- (b) That the final proposals for the cost reductions that will contribute to the budget be approved;
- (c) That a legal and balanced budget based on the calculations and two options set out within the report be recommended to Council;
- (d) That the significant open risks which remain to be managed in the 2024/25 financial year be noted;
- (e) That an overall annual increase in Council Tax for 2024/25 based on the two options provided be recommended;
- (f) That Council be invited to pass the formal Council Tax resolution now that notification of the precepts of the Police and Crime Commissioner and all Town and Community Council within Flintshire had been received; and
- (g) That the medium-term forecast as a basis for the next revision of the Medium-Term Financial Strategy (MTFS) be noted.

120. TREASURY MANAGEMENT STRATEGY

Councillor Johnson introduced the report which presented the draft Treasury Management Strategy 2024/25 for recommendation to Council.

The report had been considered in detail by Governance and Audit Committee on 24th January 2024 and there were no specific matters to bring to the attention of Cabinet.

The Treasury Management Strategy for 2024/25 was appended to the report for review and a summary of the key points were included in the report.

The report was supplemented by treasury management training that was provided for Members of the Council on 8th December 2023.

RESOLVED:

That the Treasury Management Strategy 2024/25 be recommended to County Council for approval.

121. MINIMUM REVENUE PROVISION – 2024/25 POLICY

Councillor Johnson introduced the report and explained that local authorities were required to set a Minimum Revenue Provision (MRP) policy each financial year.

Each year, local authorities were required to set aside some of their revenue resources as provision for the repayment of debt.

Regulations required an authority to make an amount of MRP which it considered to be 'prudent'. The Regulations themselves did not define 'prudent' provision. Welsh Government (WG) had provided guidance which made recommendations to local authorities on the interpretation of the term and authorities were required to prepare an annual statement of their policy on making minimum provision.

The Council, as part of the budget strategy, conducted detailed reviews of its MRP policy in 2016/17 and 2017/18 and amended the policy as a result.

No changes were required to the Policy for 2024/25.

The Policy was presented to Members in conjunction with the 2024/25 budget setting report.

RESOLVED:

- (a) That the following be approved and recommended to County Council for Council Fund (CF) outstanding debt:
- Option 3 (Asset Life Method) be used for the calculation of the MRP in financial year 2024/25 for the balance of outstanding capital expenditure funded from supported borrowing fixed as at 31st March 2017. The calculation will be the 'annuity' method over 49 years.
 - Option 3 (Asset Life Method) be used for the calculation of the MRP in 2024/25 for all capital expenditure funded from supported borrowing from 1st April 2016 onwards. The calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
 - Option 3 (Asset Life Method) be used for the calculation of the MRP in 2024/25 for all capital expenditure funded from unsupported (prudential) borrowing or credit arrangement, including MIM. The

calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.

- (b) That the following be approved and recommended to County Council for Housing Revenue Account (HRA) outstanding debt:
- Option 3(Asset Life Method) be used for the calculation of the HRA's MRP in 2024/25 for the balance of outstanding capital expenditure funded from debt fixed as at 31st March 2021. The calculation will be the 'annuity' method over 50 years.
 - Option 3 (Asset Life Method) be used for the calculation of the HRA's MRP in 2024/25 for all capital expenditure funded from debt from 1st April 2021 onwards. The calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
- (c) Members approve and recommend to County Council that MRP on loans from the Council to NEW Homes to build affordable homes through the Strategic Housing and Regeneration Programme (SHARP) (which qualify as capital expenditure in accounting terms) be as follows:
- No MRP is made during the construction period (of short duration) as the asset has not been brought into use and no benefit is being derived from its use.
 - Once the assets are brought into use, capital (loan) repayments will be made by NEW Homes. The Council's MRP will be equal to the repayments made by NEW Homes. The repayments made by NEW Homes will be classed, in accounting terms, as capital receipts, which can only be used to fund capital expenditure or repay debt. The capital repayment / capital receipt will be set aside to repay debt, and is the Council's MRP policy for repaying the loan.

122. REVENUE BUDGET MONITORING 2023/24 (MONTH 9)

Councillor Johnson introduced the report which provided Members with the first detailed overview of the budget monitoring position for the 2023/24 financial year for the Council Fund and Housing Revenue Account and presented the position, based on actual income and expenditure as at Month 9.

The projected year end position was as follows:

Council Fund

- An operating deficit of £2.502m which was a favourable movement of £0.440m from the deficit figure reported at Month 8
- A projected contingency reserve available balance as at 31st March 2024 of £5.108m (after the actual impact of pay awards and taking account of previously approved allocations)

Housing Revenue Account

- Net in-year revenue expenditure was forecast to be £0.049m higher than budget which was an adverse movement of £0.031m from the figure reported at Month 8
- A projected closing balance as at 31st March, 2024 of £3.148m

The Corporate Finance Manager explained that the economic outlook remained challenging due to inflation levels remaining high. The impacts of that, together with continued increases in service demand was becoming increasingly hard to deal with as the Councils funding failed to keep up with the scale of those pressures.

To assist with managing those risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend had been put in place alongside a vacancy management process which continued.

At Month 9, £1.548m of deferred and/or delayed expenditure had been identified and was analysed by service within Appendix 2. The robust challenge of budget lines and commitments would continue, and further updates provided in future reports.

RESOLVED:

- (a) That the report and the estimated financial impact on the 2023/24 budget be noted; and
- (b) That the carry forward requests be supported.

123. CAPITAL PROGRAMME MONITORING 2023/24 (MONTH 9)

Councillor Johnson introduced the report which summarised the changes made to the Capital Programme 2023/24 since it was set in January 2023 to the end of Month 9 (December 2023), along with expenditure incurred to date and the projected outturn.

The Capital Programme had seen a net decrease in budget of (£1.803m) during the period which comprised of:

- Net budget decrease in the programme of (£0.477m) (See Table 2 – All Council Fund (CF));
- Net Carry Forward to 2024/25 approved at Month 6 of (£1.151m)
- Identified savings at Month 9 of (£0.175m) (CF)

Actual expenditure was £43.441m (See Table 3).

Capital receipts received in the third quarter of 2023/24, along with savings identified totalled £0.316m. That provided a revised projected surplus in the Capital Programme at Month 9 of £2.312m (from a Month 6 funding surplus of £1.996m) for the 2023/24 – 2025/26 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

RESOLVED:

- (a) That the overall report be approved; and
- (b) That the carry forward adjustments be approved.

124. EXERCISE OF DELEGATED POWERS

An information item on the actions taken under delegated powers was submitted. The actions were as set out below:-

Governance

- **Review of Non-Statutory Registration Fees**

The Council manages the Registration Service which has several statutory functions including the registration of births, deaths, civil marriages, and civil partnerships. The service is based at Llwynegrin Hall, Mold and has custody of archived records from which copy certificates are issued. The service also licences venues for civil ceremonies across the County and conducts a variety of non-statutory celebratory services.

The fees relating to statutory services are prescribed by statute and cannot exceed the cost of providing the service. However, the Council has scope to set fees for non-statutory services.

The nature of the Registration Service means some services such as marriage are booked up to 24 months in advance and consequently non-statutory fees need to be set in advance to allow couples to plan. The fees were last updated on 1st April 2022 using the Council's Fees and Charges Cost Recovery Template, and they were set for three years. The report:

- Refreshed the published fees for 2024-25 and 2025-26 for reasons outlined in the report
- Set the fees for 2026-27 to ensure the Registration Service continues to publish three year fees.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 – TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded for the remainder of the meeting for the following item by virtue of exempt information under paragraph(s) 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

125. SERVICE RESILIENCE PROPOSALS

Councillor Jones introduced the report which identified progress in stabilising the resilience of Children's Services which had been achieved through the deployment of agency staff.

The report recommended that the local authority continued with its work to attract experienced social workers.

RESOLVED:

That the managed agency team be extended until 31st December 2024 to ensure that effective service provision could be maintained.

126. COMMUNITIES FOR WORK

Councillor Healey introduced the report which provided details of the Communities for Work programme and the budget reduction for 2024/25.

The report recommended a new structure for the service which was affordable within the reduced budget.

RESOLVED:

- (a) That the proposed new structure for the service be approved; and
- (b) That delegated authority be given to the Chief Officer (Planning, Environment and Economy) to complete the restructure process, amending the structure as needed following consultation with the Trade Unions and employees, or that, depending on the scale of the exit costs, it will be the subject of Full Council consideration following the consultation period.

127. NORTH EAST WALES (NEW) HOMES BUSINESS PLAN 2023/2052

Councillor Bibby introduced the report which presented the North East Wales (NEW) Homes Business Plan. The Business Plan set out key elements of the company's proposed development strategy which increased the number of affordable rent properties to be delivered over the next two years.

There was an obligation of NEW Homes to seek Cabinet approval in respect of any Business Plan that provided the strategic objectives of the company.

RESOLVED:

That the NEW Homes Business Plan 2024-2053 be approved.

128. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were no members of the public in attendance.

(The meeting commenced at 10.00 a.m. and ended at 10.40 a.m.)

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Chair