

EXECUTIVE
21 DECEMBER 2010

Minutes of the meeting of the Executive of Flintshire County Council held at County Hall, Mold on Tuesday, 21 December 2010.

PRESENT: Councillor A. Woolley (Chairman)

Councillors: H. Brown, C. A. Ellis, H. D. Hutchinson, N. M. Matthews, N. Phillips, L. A. Sharps and N. Steele-Mortimer

ALSO PRESENT:

Councillors: J. B. Attridge and C. A. Thomas

IN ATTENDANCE:

Chief Executive, Director of Environment, Director of Lifelong Learning, Head of Legal & Democratic Services, Head of Finance, Head of Human Resources and Organisational Development, Head of ICT & Customer Services, Head of Development and Resources and Team Manager – Committee Services

181. DECLARATIONS OF INTEREST

None were received.

182. CAPITAL PROGRAMME 2011/12 TO 2014/15

The Director of Environment introduced the report and explained that the Council Fund Capital Programme proposals included in the report took account of the Welsh Assembly Government's (WAG's) Provisional Settlement for 2011/12. The base settlement had reduced by 19.03%.

He explained, in detail, the appendices to the report which covered:

- Appendix A – Capital Programme 2011/12 - 2014/15: Schemes per 2010/11 Budget Book (excluding specific grants) – Reviewed and updated via the Corporate Asset Management Group (CAMG)
- Appendix B – Released Funding – 2010/11 Schemes: Funding identified within the 2010/11 Capital Programme (totalling £0.681m) that could be released for 2011/12 funding purposes
- Appendix C – Projected Available Funding 2011/12 - 2014/15 (totalling £51.439M over the four year period)
- Appendix D1 – Summary of Capital Funding Applications (scored) totalling a net £8.596M in 2011/12
- Appendix D2 – Summary of Capital Funding Applications for larger projects which were likely to need Unsupported (Prudential) Borrowing. The estimated net cost of those projects totalled £32.175M over the four year period (£54.675M over the five year period 2011/12 to 2015/16).

Appendix C also provided details of all available funding resources across a four year period from WAG Unhypothecated Supported Borrowing

(USB) and General Capital Grant, Capital Receipts and Released Funding from 2010/11.

He highlighted that a major part of the Council's future Capital Programme would be 21st Century Schools and WAG was due to make a statement on how it proposed to finance school modernisation plans across Wales. In addition, there were other schemes which would require capital funding including projects arising from the Flintshire Futures Programme.

To increase capital resources to fund the Capital Programme, the Council would take forward a more aggressive asset management strategy. The overall programme would be cross subsidised by the disposal of assets in line with the Council's approved Asset Management Plan. As a result of this, it was proposed that the available funding of £4.624M be left uncommitted until there was greater clarity, and for fuller consideration of competing priorities. A further report would be then submitted to the Executive for consideration and approval. It was proposed that the Executive approve Appendix A which would allow core Council functions such as Schools and Highways Maintenance to continue whilst the remainder of the Programme was developed.

The capital budget process would be reported to Overview and Scrutiny Committee on 20 January (Housing Revenue Account) and 27 January (Council Fund), followed by a recommendation of the final budget proposals to Executive on 15 February 2011, before being considered by County Council on 15 February 2011 for the Housing Revenue Account and 1 March 2011 for the Council Fund.

The Chief Executive stressed the need for flexibility and said the current base level of building assets could not be maintained. There was variability in financial planning which was beyond the control of the Authority, such as 21st Century Schools. Appendix D2, on Prudential Borrowing, included some commitments made and some aspirations. A clear set of priorities were needed before any Prudential Borrowing could be approved. There had been no Capital Programme commitment at this stage on Clwyd Theatr Cymru. A feasibility study was being carried out on the future of the Theatr but if capital investment was to be required, it would be on the basis of significant contributions from the Arts Council for Wales and WAG.

Members supported the recommendations in Appendix A for the Council Fund 2011/12 but requested further reports, when available, on funding for future years.

RESOLVED:

- (a) That Appendix A for the Council Fund 2011/12 to 2015/15 be approved;
- (b) That the retention of Unhypothecated Supported Borrowing within the Council Fund be approved;

- (c) That the HRA Capital Programme be approved; and
- (d) That it be noted the work is in progress in developing the Council Fund and HRA capital programmes and that a further report be brought back to Members at a later stage, seeking approval to commit the residual Council Fund Programme

183. COUNCIL FUND REVENUE BUDGET 2011/12

The Leader introduced the report and stressed that further savings were required beyond the proposals to balance the 2011/12 budget as there was still a shortfall of £2.687M at this stage in the budget process.

The Chief Executive provided detailed information on the Provisional Local Government Settlement, the Local Budget Strategy for 2011/12 and the Local Budget Strategy for 2012/13 onwards.

The Council had commended the Welsh Assembly Government (WAG) on its recognition of the importance of local government and the local public services for which it was responsible in balancing its first budget in the wake of the Comprehensive Spending Review (CSR).

The combined target for efficiencies and savings for 2011/12 was approximately £12M. The position on specific grants was not definitive; the intention to retain some grants had been confirmed with detail on the amount of grant and any conditions awaited. On some other grants, neither the intent nor the detail was clear at this stage.

The indicative Aggregate External Finance (AEF) allocations for Flintshire were -0.4% in 2012/13 and +1.1% in 2013/14. Locally, there would be significant pressures in these two financial years from a number of areas, which were highlighted in the report.

The WAG settlement assumed a 1% protection for schools. Whilst the specific and enhanced services in the Education Main Expenditure Group were being protected, there was no visible uplift in the Local Government Main Expenditure Group (MEG) to meet any expectation to protect schools. Therefore, it was fully justifiable to propose a manageable reduction in school budgets noting that there was no specific protection in the settlement for schools inflation including the third and final year of the pay settlement for teaching staff.

The WAG settlement also assumed a 1% protection for social services and there was no visible uplift in the Local Government MEG to meet any expectation to protect social services. Therefore, it was justifiable to propose a manageable reduction in social services budgets noting that there was no specific protection in the settlement for social services inflation or for the growth in demand for services.

The Council had an outline Flintshire Futures Strategy for changing the way it works to make significant efficiencies and savings over a number of

years. Regardless of the pace of organisational change, 'front-line' services could not be shielded in their entirety. The five most challenging areas were schools, libraries, leisure, social services and charging policy. The Director of Lifelong Learning, the Head of Development and Resources and the Head of Finance provided detailed updates on the key issues on those challenging areas.

The Head of Finance explained the budget process for 2011/12 which had been set within the context of the national budget position and the Medium Term Financial Strategy, which continued to be based on a corporate and strategic approach. Whilst the budget proposals looked forward to 2012/13 and 2013/14, the full year effects of the proposed pressures and efficiencies for 2011/12 were indicative only at this stage.

The budget proposals, as set out in the report, were based on the latest information and at this stage there was a projected budget shortfall of £2.687M for 2011/12. This shortfall would be addressed through a combination of reviewing pressures, considering options for further efficiencies and from refinement of figures as further information became available both locally and from WAG.

Further information was provided on the details of the Base Budget Build Up, which was detailed in the report. Also contained within the report was information on the earmarked and unearmarked reserves.

Meetings of the Overview and Scrutiny Committees had been scheduled to take place between 18 and 27 January to consider the budget proposals. The comments of the Schools Budget Forum, being held on 13 January 2011, would be reported to Executive on 15 February 2011. Consultation with business ratepayers would be carried out between 15 December 2010 and 14 January 2011 and any comments would also be reported to Executive on 15 February 2011. A presentation to the Flintshire Joint Trade Union Committee on the budget proposals was scheduled for 11 January 2011.

The outline of the Council's response was as follows:

- (i) Broadly welcome and support the Provisional Settlement
- (ii) Reinforce the general principles expressed by the Welsh Local Government Association, including that new initiatives be fully funded by WAG
- (iii) Request that any specific grants transferred into the settlement be passported at the full previous value
- (iv) Request that the First Steps allocation with the Revenue Support Grant at the Final Settlement stage, fully compensates the Council's current and future loss of income

Discussions were taking place with the voluntary sector on opportunities for future volunteer sector growth. In addition, there were a number of large Town and Community Councils that could potentially run some services.

If a 'cap' was placed on domiciliary care services, he would expect the Authority to be fully reimbursed by WAG.

RESOLVED:

- (a) That the budget proposals and items under consideration pending further consultation be endorsed;
- (b) That the arrangements in place for consultation on the budget proposals be endorsed;
- (c) That the Council's outline response to the Provisional Settlement, with Officers formally responding to WAG, be endorsed; and
- (d) That the investment made to date and the requirement going forward to deliver key changes projects up to the limit set in previous Executive reports be noted.

184. DURATION OF MEETING

The meeting commenced at 9.30am and ended at 11.00a.m.

185. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were 2 members of the press in attendance.

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Chairman

SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT

EXECUTIVE	DATE: 21 DECEMBER 2010
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MEMBER	ITEM	MIN. NO. REFERS
	None	