

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
17 JANUARY 2013

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at Delyn Committee Room, County Hall, Mold CH7 6NA on Thursday, 17 January 2013

PRESENT: **Councillor Richard Jones (Chairman)**

Councillors Haydn Bateman, Marion Bateman, Ron Hampson, Patrick Heesom, Richard Lloyd, Mike Lowe, Ian Smith, Nigel Steele-Mortimer and Arnold Woolley

SUBSTITUTIONS:

Councillor: Stella Jones for Ian Dunbar, Ron Davies for Paul Shotton, Joe Johnson for Peter Curtis, Mike Reece for Trevor Howorth and Jim Falshaw for Clive Carver

ALSO PRESENT:

(for minute 59) Councillors Veronica Gay, Nancy Matthews, Carolyn Thomas and Matt Wright

APOLOGY:

Councillor Jim Falshaw

CONTRIBUTORS:

Chief Executive, Leader of the Council, Cabinet Member for Corporate Management, Head of Finance, Corporate Finance Manager, Interim Manager Revenues & Benefits, Head of Assets and Transportation, Corporate Valuer and Asset Manager

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

55. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

56. MINUTES

The minutes of the meeting of the Committee held on 13 December 2012 had been circulated to Members with the agenda.

Accuracy

Councillor M. Bateman said that comments attributed to her on page 7 regarding tablets for councillors were inaccurate. The sentence "Councillor M. Bateman asked if councillors would be provided with tablets to replace hard copy committee papers" should be replaced with "Councillor M. Bateman asked if it would be possible for councillors to purchase their own tablets using the Flintshire County Council procurement system.

Matters Arising

Councillor P.G. Heesom asked why a supplementary sheet had been handed out at the beginning of the meeting and why it had not been supplied in advance of the meeting with the agenda. The Chair explained that the supplementary sheet from the Corporate Finance Manager was a record of responses to a member's questions at the previous meeting. It was agreed by the Chair that in future, all requests for additional information be reported back before the next meeting.

Councillor A. Woolley asked if the meeting referred to on page 1 had taken place. The Chair responded that a meeting had yet to be convened due to work pressures of the officers involved in the budget process.

Councillor P. G. Heesom asked about the position of the projected level of contingency reserve at the end of March which according to the minutes was an over drawn amount of £0.083 million, but in the report for today's meeting stated that it was £115,000 in credit. The Chair, in response said that this would be explained later in Agenda Item 5.

Councillor A. Woolley referred page 3 and the investigations into the impact of changes to Council Tax Benefit Support and asked if these had been undertaken. The Chair, in response said that this would be addressed in Agenda Item 4.

Councillor P. G. Heesom referred to page 4 and the re-ablement expenditure and asked about the original budget for the service. The Corporate Finance Manager said that this would be addressed in Agenda Item 5.

Councillor P. G. Heesom referred to the unsupported borrowing of £1.079 million on page 4 and asked if this information was now available. The Corporate Finance Manager said that this would be addressed in the capital report in Agenda Item 5.

Councillor P. G. Heesom asked if the task and finish group mentioned on page 10 had a terms of reference that had been agreed by the committee. The Chair explained that the group had not yet met and that the terms of reference would be agreed by the committee.

RESOLVED:

That the minutes be approved as a correct record subject to the matter of accuracy.

57. ADOPTION OF THE COUNCIL TAX REDUCTION SCHEME 2013/14

The Interim Manager Revenues & Benefits circulated an updated version of the report which contained Appendices 3 and 4. She apologised for the unavoidable late submission of the papers and then presented the report which explained the change from Council Tax Benefit to the Council Tax Reduction Scheme, the implications and the requirement to adopt the scheme by 31 January 2013. The key elements of the report were as follows:

- The scheme would come into operation on 1 April 2013.
- The Welsh Government took the decision to establish a national framework for the provision of Council Tax Support in Wales in order to avoid any regional differences in eligibility.
- Although a national scheme had been approved, there was limited discretion given to the Council to apply discretionary elements that were more generous than the national scheme.
- Discretionary elements included extension to the standard period of 4 weeks during which the council tax reduction would continue after a claimant started work.
- An increase in the amount of War Disablement Pensions and War Widows Pensions which was to be disregarded when calculating the income of the claimant.
- The ability to permit claims for council tax reduction at offices other than County Hall/County Council buildings.
- The backdating of the award of council tax reduction for longer than the new standard of 3 months where a claim had been submitted late.
- Flintshire County Council was obliged to carry out consultation on the adoption of the scheme even though the provisions were set out by the Welsh Government.
- The Consultation exercise was carried out between 17 December 2012 and 14 January 2013 and all 13,000 customers currently in receipt of council tax benefit received a consultation letter and response form. 18 forms were returned, 16 of which were on line and one organisation responded. Approximately 300 customers contacted the Council by telephone as a result of the letter to discuss their personal circumstances.
- An Equality Impact Assessment had been carried out, the results of which could be found on Appendix 4 to the report. It gave a profile of the clients in receipt of council tax benefit and how the council could support them.
- A report would be submitted to Cabinet on 22 January and full council on 29 January.

The Interim Manager Revenues & Benefits explained that from 1 April 2013 the Council through devolved powers to Wales Government would take over responsibility from Department for Work and Pensions for administering the new scheme. The amount of funding available for the scheme would be fixed at £8.7 million, which represented 90% of the costs of the present scheme. From 1 April 2013, claimants would receive a maximum 90% rebate of their council tax liability and would be expected to contribute at least 10% of the cost themselves.

The Chief Executive said that it should be recognised how quickly this new legislation was presented to the Council and the short time scale for implementation. He reminded the committee that consultation had been on the discretionary elements.

The Leader of the Council said that this scheme was part of the welfare cuts driven by the UK Treasury which would transfer responsibility for collection of council tax to the local authorities. He said that if the scheme was not adopted by 31 January, benefit payments could be delayed. He emphasised that there would be a huge impact on communities and the Council and that the Council's Welfare Reform Board would offer assistance as best they could. He reported that the Welsh Local Government Association (WLGA) had been in talks with the Welsh Government about the level of the charge, quoted as 10% and that this would be under review. If there was to be a sudden spike in the amount of council tax benefit claimants, this could exceed the grant funding available and the council tax payers would have to shoulder the extra costs.

The Head of Finance thanked the Interim Manager Revenues & Benefits for her report and said that comments from the committee would be fed back to Cabinet and Council. She apologised for the lateness of the updated report and said that data for the updated report had only been received the previous day. The 10% of revenue expected from council tax benefit claimants was included in the budget 2013/14.

Councillor A. Woolley said that the difficulty lay in not knowing the full impact of the new regulations. He said that concern should be recorded at the way councils were forced into it without full consultation and that the impact be carefully monitored. He said that the increased workload of FCC staff should not be underestimated.

The Leader of the Council said that the Revenues and Benefits, Welfare Rights and Housing Teams had spent last 4 months looking at the impact of the reform and that officers has worked hard to identify and contact persons who would be hardest hit. A significant number of people had been contacted to see if they needed money advice and some had already been helped. He stressed that it was essential that people sought help as early as possible, to avoid debt management issues.

Councillor S. Jones concurred with Councillor A. Woolley and the Leader of the Council and said that the regulations would have a devastating effect on residents and the council. She asked about financial arrangements should the level of claims exceed the £8.7 million grant. The Interim Manager Revenues & Benefits said that this potentially would have to be paid by Flintshire County Council.

Councillor P.G. Heesom commended the council for the work that had already been done to assess the impact of the change in regulations to residents and the council. He asked about the contributory rate for 2014/15 and if it would remain at 10%. The Leader of the Council said that the level of contribution was set by the Welsh Government and that the WLGA had lobbied for the claimant contribution rate to be 10%. The Chief Executive said that the issue of Council

Tax was a devolved matter and that the 10% contribution from all council tax benefit claimants was better than the original prediction of 20%.

Councillor J. Johnson asked for an estimation of the average 10% contribution. The Interim Manager Revenues & Benefits said that on a Band D property valued at £1,100 per year, this would equate to £100 per year.

Councillor R.G. Hampson asked if staffing had increased in the Welfare Rights Unit to address the increase in workload. Councillor M. Bateman asked if Flintshire had been allocated additional funding to set up the scheme and voiced her concern at possible extra burdens on council tax payers. The Leader of the Council in response said that the WLGA had secured £4.6 million for the 22 Welsh authorities to offset the costs of implementation and that 2 extra officers had been recruited to the Welfare Reform Team.

Councillor P. G. Heesom asked if the Welsh Government would monitor variations in customer demand. The Chief Executive said that the situation would be under review from the Welsh Government.

Councillor R. Lloyd asked if the single occupancy reduction would remain. The Interim Manager Revenues & Benefits confirmed that this would continue.

Councillor R. G. Hampson asked if council tax benefit and housing benefit would now be paid directly to the resident. The Interim Manager Revenues & Benefits said that the Council Tax Reduction Scheme would still be credited to the Council Tax Account as it does now. Housing Benefit rules would remain the same but from October 2013 certain claims under Universal Credit from would be paid directly to the recipient.

Councillor P. G. Heesom asked if North Wales and South Wales authorities were treated equitably in the grant allocation process. The Leader said that the money was allocated on a formula basis and that there were no issues around this.

RESOLVED:

That the report be approved and endorsed by the committee

58. REVENUE BUDGET MONITORING 2012/13 MONTH 7

The Corporate Finance Manager introduced a report on the Revenue Budget Monitoring 2012/13 (Month 7) which was due to be considered by Cabinet on 22 January 2013.

The latest forecast projected a year end overspend of £0.516 million on the Council Fund and a projected year end net under spend of £0.401 million on the Housing Revenue Account. For the Council Fund there was an improvement on the month 6 position of £0.198m.

The reasons for all variances over month 6 were included in Appendix 1 of the report. Risks were highlighted in section 3.05 of the report. Carry over

requests for funding had been submitted by Environment and Corporate Services.

The current projected level of contingency reserve at the end of March 2013 was £0.115 million.

The Housing Revenue Account (HRA) latest projection was an underspend of £0.401 m which would mean a closing balance at the end of the financial year of £1.471m, which at 5.4% of total expenditure satisfied the minimum level of 3%.

The Chair thanked the Corporate Finance Manager for his report.

Councillor P.G. Heesom asked for a progress report in relation to the required budget efficiencies of £14 million for the medium term financial plan and if they would be realised. The Chair in response said that the end of year projections were based on the implementation of all efficiencies. Councillor Heesom asked if efficiencies were on target. The Corporate Finance Manager said that in terms of the medium term financial plan, any efficiencies to be made in the current year are assumed to have been met. Any variances to this would be reported in in-year figures.

Councillor P.G. Heesom asked if paragraph 3.08 which related to requests for carry over of budget for Environment was connected to possible outsourcing or restructuring of the development, control and planning process. The Leader of the Council said that there were ongoing discussions regarding planning control.

Councillor A. Woolley asked when a report would be produced about the financial risks to the council associated with Municipal Mutual Insurance Ltd (MMI). The Chair in response said that this was discussed at the previous meeting and that a six figure sum was quoted by the Head of Finance. The Head of Finance said that the council were on the brink of reaching an understanding of the implications and that details would be shared internally and would feature in budget balancing for 2012/13.

Councillor M. Bateman asked for further information about the overspend of £0.44 million recorded on page 2 of Appendix 6, in relation to additional superannuation costs and the overspend of £0.079 in relation to the regional transformation fund. The Corporate Finance Manager said that he would send the superannuation information to her. He explained that the £0.079 overspend was caused by the payment of a bill in 2012/13 which should have been processed in the previous year. 2011-12.

Councillor G. H. Bateman asked if the gas engines at land fill sites highlighted on page 3 of Appendix 3 had previously belonged to AD Waste and sought clarification on the reduction of income due to problems with the engines. The Member Engagement Manager said that there were no relevant officers present to answer this question.

Councillor R. Davies said that the gas engines were originally put in place by A. D. Waste. He asked for further information about the reasons for the engine break down. The Head of Finance explained that during the passage of

time, the amount of gas produced by the engines would diminish. She agreed to find out more information.

The Chair said that variances in Transition and Disability Service, Vulnerable Adults and Disability Service and Commissioning (Development and Resources) appeared on page 39 in Appendix 1, but did not appear in the commentary about Community Services in Appendix 2. He pointed out that the commentary on page 53 in Appendix 3 about fleet services did not feature in the Budget Monitoring Summary, Appendix 1 on page 39. Details about vacancy savings in management and support on page 4 of Appendix 3 did not appear in the Budget Monitoring Summary, Appendix 1. The Corporate Finance Manager said that supporting appendices gave detailed information on variances and that sometimes there were differences in reconciliation.

Councillor A. Woolley asked for an update on the early introduction of P2P in Leisure Centres to better control expenditure on page 56 of Appendix 4. The Corporate Finance Manager said that he would get an update from Lifelong Learning.

RESOLVED:

That the report is received and its contents noted.

59. ASSET MANAGEMENT AS A FLINTSHIRE FUTURES WORKSTREAM

The Head of Assets and Transportation introduced an update on the Assets Workstream within Flintshire Futures Programme. The main elements of the report were as follows:

- Three phased approach to rationalise office areas, terminate leaseholds and relocation of staff.
- Identification and implementation of smarter ways of working and implementation of drop in hubs in libraries and resource centres.
- Develop a medium to long term strategy for county hall site/future civic centre.
- Buildings were not in the right place or of high quality, had high carbon foot print, were costly to maintain and not space efficient. There would be a focus on Connahs Quay, County Hall and Flint.
- Current working cultures would need to change from being physically present to outputs. H.R. needed to develop policies for agile and mobile working. There would be a higher reliance on I.T. support to scan documents instead of retaining paper records.
- More staff would occupy the available floor space.

The Head of Assets and Transportation explained that the process would begin with a review of third party leases and the possibility of moving staff to

other offices or to further Flintshire Connects sites, as they developed at Flint and Connah's Quay.

A number of targets were outlined in 3.07 of the report such as reductions in floor space per employee from 12m² to 8m² and reduction in storage from 10% to 2%. There would be a target of 50% reduction in floor space by 2016 and 95% of workforce would work on a mobile or agile basis by 2016.

Councillor S. Jones voiced concern about privacy and background noise with large open plan offices for staff dealing with highly sensitive or confidential customer enquiries. The Head of Assets and Transportation said that he was aware of this and that similar work groups would be placed together in open plan areas and private meeting rooms and break out rooms would be available for confidential and sensitive work.

Councillor R.G. Hampson asked about the options available if County Hall was no longer fit for purpose. He asked if the development of Flintshire Futures hubs could be accelerated, to make it easier to relocate staff from County Hall. He also asked about the future of the St David's building in Ewloe. The Head of Assets and Transportation said that a number of options were being considered. He said that there was the option of remaining at County Hall and remodelling and refurbishing the estate. He also said that additional Flintshire Connects offices would be established and a greater emphasis placed on mobile and agile working. The Leader of the Council said that the present occupants of St David's Building, Ewloe would vacate the building in 2014 and that all options would be kept open.

Councillor A. Woolley asked if an external Facilities Management service was being considered. The Head of Assets and Transportation said that a more efficient and integrated facilities management solution was being sought. Councillor Woolley asked if he could be given a list of Flintshire County Council owned listed buildings. The Head of Assets and Transportation said that he would provide this.

Councillor M. Reece asked if the former Bagillt Library could be brought back into use. The Head of Assets and Transportation said that he would note this.

The Chief Executive explained that there would be a need for a core, civic back office and generic customer service accommodation. He gave examples of current space rationalisation projects such as the relocation of all Streetscene personnel to Alltami depot, school amalgamations and the shared premises at Holywell Flintshire Connects.

RESOLVED:

- (a) That the report be noted; and
- (b) That progress be reported back to the committee at 6 monthly intervals.

60. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to consider the Forward Work Programme for the Committee.

The Committee were reminded that the 2013/14 Budget Meetings would be held between 21 -28 January 2013.

The next Corporate Resources Overview and Scrutiny meeting was to be held on 14 February 2013 and no changes had been identified for the programme for the meeting.

A Flintshire Futures Finance work stream update would be added to the 14 May meeting and a Flintshire Futures update on Assets would be included in the 11 July meeting.

Councillor P.G. Heesom asked for an early report on the current position of the Medium Term Financial Plan and projected savings. The Member Engagement Manager said that this could be put onto the Forward Work Programme if the committee so wished.

The Chair asked if the percentages of efficiencies completed could be reinstated on the monthly report.

It was agreed that the variances task and finish group would not meet until after March 2013.

RESOLVED:

- (a) That the Forward Work Programme as submitted be approved;
- (b) That the offer of a workshop on Appraisals during February/March be accepted;
- (c) That each of the 5 Flintshire Futures workstreams be reported back on at 6 monthly intervals;
- (d) That a report be requested on the Medium Term Financial Plan projected savings; and
- (e) That the variances task and finish group would not meet until after March 2013.

61. DURATION OF MEETING

The meeting commenced at 10.05 a.m. and ended at 12.00 p.m.

62. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were no members of the public or press in attendance.

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Chairman