CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
12 JULY 2012

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, 12 July 2012

PRESENT: Councillor Richard Jones (Chairman)
Councillors: Haydn Bateman, Marion Bateman, Clive Carver, Ian Dunbar, Ron Hampson, Richard Lloyd, Paul Shotton, Ian Smith, Nigel Steele-Mortimer and Arnold Woolley

APOLOGIES:
Councillors Billy Mullin, Peter Curtis and Mike Lowe

CONTRIBUTORS:
Leader of the Council, Deputy Leader of the Council, Chief Executive, Head of Finance and Corporate Finance Manager

IN ATTENDANCE:
Member Engagement Manager and Committee Officer

17.   DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

18.   MEDIUM TERM FINANCIAL STRATEGY & PLAN

The Chairman welcomed the Leader of the Council and officers to the meeting who were in attendance to provide an overview of the Medium Term Financial Strategy (MTFS) and Medium Term Financial Plan (MTFP) and advise on the ongoing development work.

The Leader of the Council thanked the Committee for the opportunity for himself and officers to provide an understanding of the robust plan currently in place to develop the Council's priorities over the coming weeks/month prior to the announcement of the provisional settlement from the Welsh Government (WG) in October, 2012. He commented on the National Government Comprehensive Spending Review and the uncertainties around how this would affect the allocation of funding across Wales and the potential financial impact of Welfare Reform. He said that the presentation to be given by officers would enable the Committee to consider how it played its part in protecting front line services through having a robust financial strategy in place.

The Chief Executive explained that the MTFS was a critical part of the Council's overall Governance Plan and set out the financial strategy by which the Council would deliver its vision and strategic objectives sustainably over the medium term. Its purpose was to enable the Council to plan ahead by identifying where new investment was required, where activity might increase or decrease and which new policies or targets would affect the organisation financially.

The Head of Finance gave a detailed presentation which covered the following areas:-

- Background
- MTFS includes the Financial Plan (MTFP)
- MTFS Contents
- Key Financial Objectives of the MTFS

In response to questions on grant funding and the capital programme, the Head of Finance explained that £30M of the Council's revenue funding was covered by specific grants which were mainly received from the WG to support Council services. The Leader of the Council explained that grant funding could bring additional revenue implications in the future in order to maintain a service where the grant was no longer accessible. The Chief Executive said that work was continuing on a development strategy to deal with the disposal of land and assets declared 'surplus to requirements' which would increase the resources for the capital programme from capital receipts.

The Corporate Finance Manager continued with a detailed presentation which covered the following areas:-

- Financial Planning & Operating Principles
- Our Commitment
- Drivers
- MTFP – The Hub of our Forward Planning
- Whose responsibility is it?
- Key to Success Will Be
- What have we got so far?
- Financial Pressures
- Delivering Financial Efficiencies
- Actions Needed
- Outline Timeline
- Achieving Value for Money
- Value for Money Model
- What Next?

In response to a question on collaboration, the Chief Executive provided examples of recent collaborative projects outlining the cash savings from the collaborative projects and the increased efficiency in providing services. The Leader of the Council said that work was on-going on a regional basis to identify opportunities for future collaborative projects but it was important to ensure that collaborations did not put services at risk and that they were sustainable over the long term.

The Chairman said that there was a need to ensure that collaboration projects provided value for money for the Council. He also asked why the forecasting model had been amended as he had found the previous model to be effective. The Corporate Finance Manager explained that the forecasting model had been updated to include revenue and capital funding. The Head of Finance explained that the MTFS document adopted in June 2011 provided further detail and was available to all Members.

Councillor M. Bateman asked if there was evidence that the Welfare Reform would increase the number of debtors to the Council. The Head of Finance said that the Council had, in previous years, planned to collect 99% of Council Tax as part of the budget preparations but this could be impacted as a result of Welfare Reform. It was unclear what the impact would be at this time. The Leader of the Council said that work was being undertaken around the introduction of a fair debt policy which could alleviate some of the impact of the Welfare Reform. He also said that Overview and Scrutiny would play a part in reviewing the impact of the Welfare Reform.

Officers responded in further detail to additional questions around non base budget items, prudential borrowing and value for money. It was explained that where prudential borrowing was undertaken to fund capital schemes, payments had to be met out of the revenue budget for an agreed amount of years to meet the cost.

Councillor Bateman asked if consideration could be given to Members paying for refreshments in Members Services. The Member Engagement Manager said that he would look into this matter.

RESOLVED:

That the presentation be received and the Leader of the Council and officers be thanked for their contribution.

19. **DURATION OF MEETING**

The meeting commenced at 10.00 a.m. and ended at 11.44 a.m.

20. **MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE**

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

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Chairman