

CABINET
19 NOVEMBER 2013

Minutes of the meeting of the Cabinet of Flintshire County Council held at Clwyd Committee Room, County Hall, Mold CH7 6NA on Tuesday, 19 November 2013

PRESENT: Councillor Aaron Shotton (Chairman)

Councillors Bernie Attridge (Deputy Leader), Chris Bithell, Derek Butler, Christine Jones, Kevin Jones and Billy Mullin

APOLOGIES: Councillors Helen Brown.

ALSO PRESENT:

Councillors Ron Hampson and Dave Mackie

IN ATTENDANCE:

Chief Executive, Director of Community Services, Director of Environment, Head of Legal and Democratic Services, Head of Finance, Head of Human Resources and Organisational Development and Team Manager, Committee Services

113. DECLARATIONS OF INTEREST

None were received.

114. MINUTES

The minutes of the meeting held on 15 October 2013 had been circulated with the agenda.

RESOLVED:

That the minutes be approved as a correct record.

115. CSSIW ANNUAL REVIEW AND EVALUATION OF PERFORMANCE 2012/13

The Leader and Cabinet Member for Finance welcomed Mr Peter Graham, Regional Director of CSSIW to the meeting.

The Cabinet Member for Social Services introduced the report which provided an overview of CSSIW's evaluation of social care in Flintshire and gave a positive view of the authority's Social Services for both Vulnerable Children and Adults.

Mr Graham thanked the Cabinet Member for her introduction and delivered a presentation to Members on the key areas of progress for the year 2012/13 in Flintshire's Social Services and areas for future improvement.

The key points were:

Adults Services

- Due to the emphasis on prevention, fewer people were supported in residential care and more able to lead independent lives
- The reablement service had been particularly successful in helping people regain independence with the majority not requiring ongoing services
- Adult safeguarding needed to be strengthened and the authority had taken action to improve the management of risk
- Ongoing issues in improving community health services with the authority reporting that the complex decision making processes with Betsi Cadwalader University Health Board (BCUHB) had not learnt themselves to joint working for shared outcomes

Children's Services

- Performance against a significant range of national indicators remained amongst the best in Wales
- The authority provided an effective response to incoming referrals and performed well in fulfilling its responsibilities in relation to child protection and looked after children
- The authority should consider the potential to improve placement stability
- The authority had developed a range of preventative services and provided good support to young people leaving care and access to accommodation had improved
- The authority's annual performance report had been restructured to reflect the key components of the Social Services and Well-being (Wales) Bill and would better lend itself to public scrutiny against the key areas of leadership, commissioning, improvement, voice for citizens, safeguarding and integrating services
- The report recognised that the current economic climate, welfare changes and demographic pressures presented significant challenges for the future and was increasingly realistic about how to prepare for new demands and shifting public expectations

Potential Risks

- Sustainability of medium term financial planning
- Continuing ability to influence locality focused strategic planning with the BCUHB
- Securing sufficiently robust outcomes in adult safeguarding

Summary

- The authority had benefited from strong leadership and clear vision and continued to make progress in a number of key areas
- The authority was able to evidence a range of positive outcomes which had been delivered through its strategic transformation of services
- The authority had signalled its intention to put people in control of the services they received and to support more people to live independent lives
- The authority was seeking to reduce dependency on its services by strengthening support in communities and the use of new technology

- The authority was forward looking and was innovative. This was recognised in the number of awards it had been given

Members thanked Mr Graham for the presentation and welcomed the positive report.

RESOLVED:

That the CSSIW's evaluation of performance be received and endorsed.

116. PROVISIONAL LOCAL GOVERNMENT SETTLEMENT AND THE IMPLICATIONS FOR THE 2014/15 BUDGET

The Leader and Cabinet Member for Finance advised that the report would be dealt with in two sections. Firstly to consider the formal response to Welsh Government (WG) on the Provisional Settlement. Secondly to consider the impacts on Flintshire.

The Head of Finance introduced the first part of the report which provided details of the Provisional Welsh Local Government Settlement 2014/15 which had been announced by WG on 16 October 2013. The consultation period on the Provisional Settlement was open until 20 November 2013.

Full details were provided on the aggregate external finance (AEF), the damping mechanism (Floors), the Standard Spending Assessment (SSA), transfers into the Settlement, Council Tax Reduction Scheme (CTRS), highways improvement – local government borrowing initiative, protection for schools and social care, specific grants, unhypothicated grants, capital settlement and the consultation period.

The Leader and Cabinet Member for Finance proposed the following key points be included in the formal response to WG:

- The financial challenges affecting public finances were recognised
- Recognised that WG's resources had reduced and WG had made policy choices about how to allocate across public services in Wales
- The settlement was not going to change; the intention was to work with the Settlement rather than against it
- The financial plans for local government had been changed drastically in a short period of time
- Proactive and realistic national public relations were needed on the gravity and impacts. WG needed to share responsibility for the local impacts which would follow
- Longer term budget planning was needed at a national level. Unlike Health who had 3 year plans, local government had one year of actual budget certainty and one further year with a broad outline which meant that the authority could not realistically plan in that operating environment
- There needed to be a rounded and collective review of the sustainability of the Welsh budget as a whole (including the affordability and benefits of the universal services), not at individual

sub-sector level which made thinking for the public services as a whole disjointed and could bring unintended consequences

- Any further changes to the Settlement needed to be transparent and communicated from the outset as some of the detail had not met expectations e.g. Council Tax Reduction Scheme and prudential borrowing for highways
- The need for the availability of capitalisation was high for local government to meet the costs of easing workforce reductions
- The need to be creative over income generation, charging and new models of working with the best practice advocated by peer organisations
- The proposed review of specific grants had to be ambitious and concluded quicker than proposed. There should be a presumption that all specific grants were withdrawn and included in the Settlement unless there was a proven case for their retention as an exemption. Local government should be judged on its performance outcomes and not constrained through tight financial controls

Following a question, the Head of Finance explained that at the time of writing the report it was believed that the Settlement included protection for education funding equivalent to 1% above the uplift for the WG's revenue funding allocation from the UK Government which equated to 0.9% and that uplift could include the Pupil Deprivation Grant.

The Leader and Cabinet Member for Finance, in response to a question, explained that because of the 'damping mechanism', the reduction in the Settlement for Flintshire was a reduction of approximately £200k.

The Head of Finance and Chief Executive presented the second part of the report which dealt with the impact on the 2014/15 budget position for Flintshire.

Although the Settlement was broadly in line with the assumptions contained within the Medium Term Financial Plan (MTFP) as at 30 September 2013, there were some direct impacts which were detailed in the report. The overall impact for 2014/15 was that the projected budget gap reduced from £16.5m to £16.1m.

A further review had taken place on new pressures, including items from the previous year and it was anticipated that this would contribute some £0.600m which would reduce the budget gap to £15.5m.

The second revision of the MTFP 2014/15 to 2018/19 set an outline of the Organisational Change and Re-Design Plan to further modernise the organisation and secure major efficiencies in costs and overheads through the four Strategic Change Programmes of: Corporate Efficiency; Functional Efficiency; Organisational Design – Structure and Operating Model and Organisational Design – Workforce.

The Chief Executive explained that the overall strategy for 2014/15 was to seek to maximise internal cost reductions as much as possible, in order to enable time for more detailed and thoughtful consideration to be given to longer term

planning and service choices from 2015/16 onwards. The organisational plan fell broadly into two areas. Firstly, identifying areas for Value for Money review through greater reduction of procurement spend, internal systems and practice etc, and Functional Efficiencies. Secondly, through sensitive and carefully planned workforce changes. Current planning assumptions were that the £15.5m budget gap would be met broadly from value for money and workforce in equal parts, accepting that workforce changes were likely to take longer to implement and were only likely to be effective for a part year in 2014/15.

November 2013 was a critical month in developing detailed proposals for full engagement with Members through December 2013. Inevitably, a strategy for dealing with such a substantial budget gap provided a significant risk challenge for the council. However, the aim continued to be to maximise savings, efficiencies and acceptable service reforms with a view to protecting services. Full details of the budget proposals would be available in January 2014 leading to the budget debate in mid February.

The Leader and Cabinet Member for Finance read out a press statement which is attached as an appendix to the minutes.

The Chief Executive thanked Cabinet Members and senior managers for the work that had been undertaken in the previous weeks. A sizeable gap of £5/6m would need to be met through workforce reductions and he expressed his concern that there could be a similar need in 2015/16.

RESOLVED:

- (a) That the details of the Provisional Settlement be noted;
- (b) That the impact on the budget for 2014/15, current position and plans for Member engagement be noted; and
- (c) That a formal response be submitted to WG on the Provisional Settlement in line with points made by the Leader detailed above.

117. COMMUNITY REVIEW

The Cabinet Member for Corporate Management introduced the report on the Council's community review proposals for the purposes of consultation.

The County Council had not completed a community review of all electoral areas since coming into being. There had only been limited reviews affecting a small number of Town & Community Councils.

The first formal stage of the community review was to seek and obtain proposals from Town & Community Councils and other interested parties and a series of consultation meeting were held.

Following representations by a member of Leeswood Community Council, all Town & Community Councils were informed that the objective of the seventh and eighth guiding principles was to have approximately the same ratios of electors to Councillors across the different wards that a town or community may

be divided into. County Council, at its meeting on 23 October 2013, endorsed the clarification of the seventh and eighth guiding principles.

The community review draft proposals were appended to the report as recommended by County Council. Once Cabinet had agreed the Council's draft proposals it was intended that there would be a nine week consultation period similar to the initial consultation in May. The response to the consultation period would be analysed and reports submitted to Council and Cabinet to determine what changes should be made to the proposals in light of the consultation responses received.

RESOLVED:

- (a) That the seventh & eighth guiding principles be clarified as indicated in paragraph 3.02 of the report;
- (b) That the proposals outlined in Appendix A to the report be sent out for consultation; and
- (c) That the second formal consultation period be as identified in paragraph 3.06 above.

118. VEHICLE REPLACEMENT AND FLEET UTILISATION POLICY

The Deputy Leader and Cabinet Member for Environment introduced the report which sought approval for the adoption of a Vehicle Replacement and Utilisation Policy for all fleet vehicles operated by the authority.

The potential savings identified by the consultants within the report were substantial and therefore, the Deputy Leader and Cabinet Member for Environment asked that the Council's internal Finance team confirm them before finally committing to the course of action outlined. He therefore proposed amendments to recommendations 4.01 and 4.02 of:

- 4.01 That Cabinet grant delegated authority to the Director of Environment, following consultation with the Deputy Leader and Cabinet Member for Environment, to approve the Vehicle Fleet Replacement and Fleet Utilisation Policy (Appendix 1)
- 4.02 That Cabinet grant delegated authority to the Director of Environment, following consultation with the Deputy Leader and Cabinet Member for Environment, to approve the proposals set out in paragraphs 3.10, 3.11 and 3.12 of the report

which were agreed.

RESOLVED:

- (a) That Cabinet grant delegated authority to the Director of Environment, following consultation with the Deputy Leader and Cabinet Member for Environment, to approve the Vehicle Fleet Replacement and Fleet Utilisation Policy (Appendix 1);

- (b) That Cabinet grant delegated authority to the Director of Environment, following consultation with the Deputy Leader and Cabinet Member for Environment, to approve the proposals set out in paragraphs 3.10, 3.11 and 3.12 of the report; and
- (c) That a further report is brought to Cabinet updating Members on Phase 3 of the project, as set out in paragraph 3.10, before a final decision is taken on the Council's future approach.

119. COUNCIL VEHICLE FLEET FUEL POLICY

The Deputy Leader and Cabinet Member for Environment introduced the report which sought approval for the adoption of a Fuel Policy for all Fleet Vehicles operated by the authority.

RESOLVED:

That the Council Fleet Fuel Policy (Appendix 1) be approved.

120. MID YEAR SERVICE PERFORMANCE REPORTS

The Cabinet Member for Corporate Management introduced the 2013/14 Mid Year service performance reports which had been produced at divisional level and covered the period April to September 2013.

The Chief Executive explained that this was the first round of receiving the streamlined and corporate approach mid year service performance reports since being adopted at Cabinet on 17 September.

Analysis had been undertaken for 35 of the 39 Improvement Targets and National Strategic Indicators (NSIs) showed the following:-

- 20 (57.1%) achieved a green (Red, Amber, Green) RAG status
- 12 (34.3%) achieved an amber RAG status
- 3 (8.6%) achieved a red RAG status

Details of those indicators which showed a red RAG status against target were outlined in the report with detailed commentary.

RESOLVED:

- (a) That the Mid Year service performance reports be noted and any specific issues which may require management action and/or referral to the appropriate Overview and Scrutiny Committee for consideration be recommended; and
- (b) That the following be noted:
 - The progress updates for the Council Improvement Priorities that are not set as an in-year priority
 - Service plan progress;

- Progress / performance against Corporate measures e.g. absence management;
 - The assessment of any regulatory reports; and
- Performance against Improvement Targets and National Strategic Indicators (NSIs)

121. REVENUE BUDGET MONITORING 2013/14 (MONTH 5)

The Head of Finance provided the most up to date revenue budget monitoring information (Month 5) for the Council Fund and the Housing Revenue Account (HRA) in 2013/14.

The projected year end position on the Council Fund, as estimated at Month 5 was:

- Net in year expenditure forecast to be £1.074m less than the budget (a decrease of £0.173m on the £1.247m reported at Month 4)
- Projected contingency reserve balance at 31 March 2014 of £3.715m

The projected year end position on the HRA, as estimated at Month 5 was:

- Net in year expenditure forecast to under spend the budget by £0.014m (£0.260m overspend reported at Month 4)

The report provided details on the projected positive variation of expenditure against budget of £1.074m, programme of efficiencies, inflation and monitoring budget assumptions and new risks.

On unearmarked reserves, after taking account of an allocation of £0.518m for recovery costs following the March 2013 severe weather, and bringing in the impact of the projected in year budget position, the current projected level of contingency reserve at the end of March 2014 was an amount of £3.715m.

On the HRA, for 2013/14 there was an overall projected under spend of £0.014m and a projected closing balance at Month 5 of £1.448m, which at 5.1% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

RESOLVED:

- (a) That the report be noted;
- (b) That the projected Council Fund contingency sum as at 31 March 2014 be noted; and
- (c) That the projected final level of balances on the Housing Revenue Account be noted.

122. COUNCIL TAX BASE FOR 2014-15

Prior to introducing the report, the Leader and Cabinet Member for Finance said an incorrect press statement had appeared in a local newspaper on an increase to Council Tax.

The Head of Finance clarified the position and explained that the Tax Base was the number of chargeable dwellings expressed as Band D equivalents of which there were 61,501. The Council Tax Base calculations were supplied to the Welsh Government and used for the distribution of the Revenue Support Grant in the annual Provisional and Final Local Authority Revenue Settlement. The calculations were also used by the Council when it set its annual budget to calculate the Council Tax levels. This was done by dividing the net budget requirement by the Council Tax Base to provide the amount of Council Tax for a dwelling in Band D. A set formula was then used to determine the Council Tax levels for the eight remaining Property Bands (A to C and E to I).

Also, the setting of the Council Tax Base allowed the County Council, Police & Crime Commissioner for North Wales and Town & Community Councils to calculate the following year's Council Tax charges based on the estimated number of chargeable properties, expressed as the equivalent number of Band D properties in the Council's area.

RESOLVED:

- (a) That a 'nil' level of discount for properties falling within any of the Prescribed Classes (A, B or C) be set and for this to apply to the whole of the County area; and
- (b) That the Tax Base of 61,501 chargeable Band D equivalent properties as shown in Appendix 1 be approved for the financial year 2014/15.

123. CLOSURE OF AD WASTE AND FINANCIAL BALANCES

The Cabinet Member for Waste Strategy, Public Protection and Leisure introduced the report which updated Members on the liquidation of AD Waste and the closure of the Company's accounts following the transfer of the service into Council control.

Details on the remaining financial balances and the outstanding commitments from the organisations operations were detailed in the report. Also highlighted was the net value of the company at transfer, which after taking account of its liabilities, was £2,831,474 which mainly comprised of the Property and Fleet assets owned by the Company.

RESOLVED:

- (a) That the finalisation of the liquidation arrangements for AD Waste be noted;
- (b) That the additional works set out in paragraph 3.01 be funded from the liquidated balance; and

- (c) That the remaining balance of £513k from the transfer of the company be added to the Council's in year Capital Programme Budget.

124. CORPORATE SUNDRY DEBT - WRITE-OFF

The Cabinet Member for Corporate Management introduced the report which requested authorisation to write off three corporate sundry debt invoices amounting to £98,985.45, relating to a single company that was no longer trading.

The Head of Finance confirmed that all possible routes to recover the debt had been exercised and there was no prospect of recuperation.

RESOLVED:

That the write off of three Corporate sundry debts invoices amounting to £98,985.45 be approved.

125. WORKFORCE INFORMATION QUARTER 2 - JULY-SEPTEMBER 2013

The Cabinet Member for Corporate Management introduced the report which provided an update for the second quarter 2013/14 on establishment, headcount, agency, early retirements, turnover, diversity and absence.

Members welcomed the reduction in the spend on agency staff and the 81% of employees who had 100% attendance in the second quarter.

RESOLVED:

That the Workforce Information Report for quarter two for 2013/14 be noted.

126. EXERCISE OF DELEGATED POWERS

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

- | | | |
|--------------------|---|-----------------------------------|
| Corporate | - | Business Rates – Write Offs |
| Environment | - | Scrap Metal Dealers Act 2013 Fees |

127. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 9.30 am and ended at 11.50 am)

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Chairman

Press Statement

Planning for the 2014-15 Council Budget and Further Ahead

The announcements being made by fellow councils across Wales, from Wrexham to Rhondda Cynon Taff, show the scale of the challenge we all face in balancing council budgets with major cuts in funding. Some councils have already announced controversial plans to reduce or withdraw local services. Internally we have been working intensively on our budget plans with the aim of protecting front line services from the impacts for the 2014-15 budget year as far as possible.

In Flintshire we face a reduction of over £7 million in our annual Revenue Support Grant from Welsh Government for 2014-15 as our devolved government itself comes to terms with the major reductions in public funding being 'passported' by the UK Government. When we add in the costs of price, energy and pay inflation, the costs of service demands particularly in education and social care, and the positive costs of investing in service improvements and new facilities such as building new local schools, the Council faces a huge financial gap of £15.5 million next year.

We have not faced a challenge of this scale since we were created as a Council in 1995-96. Whilst there is speculation that council will again be reorganised on the back of the Public Services Commission which is due to report next month, in part to save money, we have to 'keep our eye on our ball' and plan prudently for the next few years ahead.

It is inevitable that the Council will have to review the costs of all services and make difficult choices for the future. There is no respite as the year which will follow will pose a similar budget challenge. Throughout this period we are working to protect local services particularly education, services to the vulnerable, housing and support for the local economy and job creation, whilst meeting the aims of our top priorities set out in the Improvement Plan. We also aim to protect jobs as far as possible. The Single Status Agreement we have recently adopted makes an investment in public sector pay and will address unacceptably low levels of pay within our workforce. We may employ less people than now over the years ahead but we aim to employ people well on fair pay and terms and conditions.

For 2014-15 we are working intensively and demanding on options to reduce the internal running costs for the Council, including management, operating and workforce costs, before turning to difficult choices on the future of local services. We have a good track record of taking out costs and making efficiencies. Over the last three years we have taken out over £19 million of efficiencies to protect services, and since 2008 have reduced management and workforce costs by £5 million through structural redesign and service reviews. However, the challenge is now much greater than before and will not relent.

We are closing in on £10 million of identified efficiencies through Value for Money programmes with few impacts on services and local people within the options

under consideration thus far. We now have to close in on a target for reducing workforce costs.

We have already committed to reduce workforce costs. Firstly, we are reviewing the way the Council is structured and how it could best be organised and operate in the future. The Council will be restructured in 2014 with further reductions in the scale and cost of senior management. Secondly, we are working through the scope for workforce reductions across the Council. We are reviewing this carefully and sensitively with options for managed reductions through early retirement and voluntary redundancy. We will only make compulsory redundancies as a last resort.

In early 2014 we plan to hold a major consultation with local communities on the priorities for the future and the choices to be made over the way we run and pay for local services from 2015 onwards. Local communities will be invited to share in planning solutions for the future. Local community groups will also be invited to work with the Council in new ways including taking on local buildings and amenities, through community asset transfers, to protect them for the future.

We continue to remain resolute in our mission to defend local communities against the worst impacts of cuts to the Council's funding. Full disclosure of the plans for the budget will be made in January through the round of Overview and Scrutiny budget examination meetings.