

FLINTSHIRE COUNTY COUNCIL
18 FEBRUARY 2014

Minutes of the meeting of the Flintshire County Council of Flintshire County Council held in the Council Chamber, County Hall, Mold CH7 6NA on Tuesday, 18 February 2014

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Alex Aldridge, Bernie Attridge, Glyn Banks, Haydn Bateman, Marion Bateman, Chris Bithell, Amanda Bragg, Helen Brown, Derek Butler, Clive Carver, David Cox, Peter Curtis, Ron Davies, Adele Davies-Cooke, Alan Diskin, Glenys Diskin, Chris Dolphin, Ian Dunbar, Andy Dunbobbin, Brian Dunn, Carol Ellis, David Evans, Jim Falshaw, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, George Hardcastle, Cindy Hinds, Trefor Howorth, Ray Hughes, Dennis Hutchinson, Hilary Isherwood, Joe Johnson, Rita Johnson, Christine Jones, Kevin Jones, Richard Jones, Stella Jones, Colin Legg, Brian Lloyd, Mike Lowe, Dave Mackie, Nancy Matthews, Billy Mullin, Tim Newhouse, Mike Peers, Neville Phillips, Mike Reece, Gareth Roberts, Ian Roberts, Tony Sharps, Aaron Shotton, Paul Shotton, Ian Smith, Nigel Steele-Mortimer, Owen Thomas, David Williams, David Wisinger and Matt Wright

APOLOGIES: Councillors: Rosetta Dolphin, Phil Lightfoot, Richard Lloyd, Hilary McGuill, Ann Minshull, Sharon Williams and Arnold Woolley

IN ATTENDANCE:

Chief Executive, Director of Environment, Director of Lifelong Learning, Head of Finance, Head of Legal and Democratic Services, Head of Human Resources and Organisational Development, Head of Adults Services, Head of Children's Services, Corporate Finance Manager, Finance Manager – Technical Accountancy, Finance Officers and Committee Officers

The Chair indicated that the order of the first six items on the agenda was to change due to them being shown incorrectly. An amended version of the agenda was circulated to Members at the start of the meeting.

88. COUNCIL MINUTES

The minutes of the meeting of Flintshire County Council held on 28 January 2014 had been circulated with the agenda.

Councillor Cindy Hinds indicated that she had submitted an apology but it had not been recorded.

Councillor Colin Legg referred to the third sentence in minute number 75 and suggested that the word 'selfishness' be replaced with the word 'selflessness'.

RESOLVED:

That subject to the suggested amendments, the minutes be approved as a correct record and signed by the Chair.

89. DECLARATIONS OF INTEREST

No declarations of interest were received.

90. CHAIR'S COMMUNICATIONS

A copy of the Chair's communications had been circulated to all Members before the meeting.

91. NOTICE OF MOTION

The Head of Legal and Democratic Services confirmed that none had been received.

92. PUBLIC QUESTION TIME

The Head of Legal and Democratic Services confirmed that none had been received.

93. PETITIONS

None were received.

94. QUESTIONS

The following question had been submitted by Councillor Clive Carver:-

"When dealing with planning applications for residential properties adjacent to a railway line, what matters relating to health and safety are required to be taken into account by Planning Officers; bearing in mind that the toilets of two-car class 150 Sprinter trains flush directly onto the track?"

A copy of the response to the question provided by the Cabinet Member for Environment is attached at Appendix 1 to the minutes.

Councillor Carver asked the following supplementary question:-

"Will the Cabinet Member for the Environment take steps to review this issue and at least ensure that this spraying of faecal matter and urine and trackside run-off is taken into account when determining the location of Public Spaces and Children's Play Areas near to existing railway lines?"

The Cabinet Member may wish to note that the electrification of the Wrexham Bidston line would resolve this issue, since modern rolling stock has retention tanks."

The Cabinet Member for Environment responded that steps would not be taken to review the issue.

Councillor Robin Guest asked for clarification on whether a supplementary question was permitted. The Head of Legal and Democratic Services confirmed

that under point 9.6 of the Council's Procedure Rules in the Constitution, a supplementary question in response to the reply was permitted.

95. COUNCIL FUND REVENUE BUDGET 2014/15

The Chief Executive and the Head of Finance jointly introduced a report which provided Members with the recommendations of the Cabinet for the Council Fund Revenue Budget 2014/15.

The Council was informed that at its meeting on 18 February 2014, Cabinet had considered a report of the Head of Finance on the Council Fund Revenue Budget 2014/15 which was attached at Appendix A to the report. The initial budget proposals considered by Cabinet on 21 January 2014 had been referred to Overview and Scrutiny for consideration. A summary of the Overview and Scrutiny Committee's observations and questions, together with responses, was included in the Appendix of the 18 February 2014 Cabinet report.

The Chief Executive and Head of Finance gave a joint presentation and commented upon the following areas:-

- National Context and Local Impact
- Budget Strategy
- Organisational Redesign & Change
- Financial Strategy
- Closing the budget gap – progress, final stages and overview
- Efficiencies in the Budget
- Investment Strategy
- Reserves and Balances
- Risk Assessment & Assurance
- 2015/16 and the Medium Term
- Consultation in 2014 for 2015+

Councillor Aaron Shotton, Leader of the Council and Cabinet Member for Finance expressed his thanks on behalf of the Cabinet Members for the work undertaken on the budget. He referred to the significant and unprecedented challenge faced by the Council due to reductions in funding and increased demand for services and the clear signal of intent set out by the Authority to protect front line services. He spoke of the proposed reductions in senior management and workforce and he praised the workforce for their assistance and ideas of how to achieve savings within the Council as the pressure facing the Authority could have been significantly higher without their help. He welcomed the proposal to retain Council Tax at an increase of 3% and he urged Members to support the budget and the proposals contained within it.

Councillor Mike Peers thanked officers for the report and their work on the budget. He suggested that the numbering of the appendices be replicated throughout the budget process to allow for easy comparison between the documents. He also suggested that the budget consultation meetings with Overview & Scrutiny Committees be reviewed to ensure that sufficient time was allocated to consider the issues. He spoke of the need to recognise the drastic measures that were required to protect frontline services due to the cuts in funding from Welsh Government (WG) of 6% in real terms but also indicated that

it was important for WG to prioritise its funding and distribute it fairly across all Welsh local authorities. The budget proposals in the report were based on an increase of 3% in Council Tax and Councillor Peers welcomed this as raising the rate was one of the possible measures to assist in closing the budget gap. He requested further information on the efficiencies that had been found following the completion of the Overview & Scrutiny budget consultation meetings and proposed that a headcount freeze be put in place once the re-organisation of the Council had taken place.

Councillor Matt Wright recognised the difficult decisions faced by the Council and he approved of the intention to protect frontline services, however, he raised a number of concerns about the changes to the organisation and the structure and queried the cost of the exercise. He felt that the document which set out the changes was opaque and was difficult to follow. Even though a balanced budget had been presented, Councillor Wright did not have sufficient confidence in the structure and the ability of the Council to deliver the intended efficiencies and said that he would abstain from voting on the budget.

In thanking officers and Members for their work on the budget, Councillor Richard Jones spoke of the need to find efficiencies but he felt that the process should be scrutinised. He referred to the Value for Money exercise and said that in his opinion, some of the services had been shoe-horned in to fit the budget. He asked for additional information on the risk and benefits and the details behind the decisions and referred to a risk to vulnerable people who he believed were to be charged to receive financial advice which was currently being provided for free. Councillor Jones also raised concern about the consultation document that had been prepared on the Fleet Efficiency and said that he felt that the opportunity to consider how to change and improve the service had been missed. He spoke of the amount of work outsourced to other companies in the previous 18 months which he felt could have been undertaken internally and asked whether performance levels in future years were expected to be similar or higher than previously reported. He added that he found it difficult to agree with the budget. Councillor Jones also referred to the figure for workforce costs of employment of £0.160m in slide 9 and asked for further information on this.

Councillor Tony Sharps expressed concern that some Members were not able to support the budget proposals and said that most of the criticism seemed to be based on the speed of the reductions in management and workforce, not the financial element. He spoke of the proposals to protect front line services and the difficult choices that had to be made but he thanked the Leader and Deputy Leader for their work on the budget and the Chief Executive and officers for the advice that they had provided. He concluded by saying that he felt that even though this year had been difficult, next year would be even more challenging.

Councillor Gareth Roberts accepted the general theme of the budget and indicated that he would support the proposals but said that losing experienced staff could create problems in the future and could result in the need to employ consultants to fill the gaps. He commented on the need to spend up to the Standard Spending Assessment (SSA) to ensure that Flintshire was not penalised by Welsh Government in future years and suggested that an increase in Council Tax by 4% or 5% would provide much needed funding to retain some of the workforce and reduce the need to make efficiencies. He felt that an

increase would not be unpopular with residents to ensure continuation of services.

Councillor Chris Dolphin praised the Leader and Deputy Leader for the difficult decisions that they had made. He referred to community responsibility and ownership referred to in slide 18 of the presentation and spoke of community facilities that had been neglected and allowed to fall into a state of disrepair. He queried whether funding would be available for communities to refurbish the buildings for use by future generations.

Councillor Alex Aldridge said that this year was unprecedented in local government but that it was the intention of the Council to protect local services which were vital to its residents such as libraries. He said that if SSA had been set in previous years, there would be additional monies available for these services but Members had no alternative but to agree the proposals before them today which included maintaining the level of Council Tax increase at 3%. Councillor Aldridge referred to the challenges of future re-organisation. He asked Members to support the proposals and thanked the Leader, Chief Executive and officers for their work on the budget.

The Leader of the Council, Councillor Shotton, welcomed the fact that no alternative proposals had been put forward. He thanked Members for their comments but raised concern about the proposal to freeze the headcount as he felt that it was not practical, even though it was not expected that additional staff would be employed. He expressed his disappointment at the comment of Councillor Wright and indicated that if the organisational change could have been undertaken over a longer period, then it would have been but this was not possible due to the significant reductions in funding. He asked the Head of Finance to calculate what the budget gap would have been if the organisational change proposals were not carried out. Councillor Shotton also clarified that it was not the intention of the Council to start to charge for providing financial advice to vulnerable people. In referring to the comments of Councillor Dolphin, he spoke of the Community Asset Transfer which he said was a key strand and said that some community assets were in the process of being transferred.

In response to the comments made, the Chief Executive said that the 2015/16 budget process would commence earlier and he added that raising Council Tax over and above Council policy was an option but would only be recommended as a last resort. The £0.160m costs for the workforce were due to terms and conditions outside part 3 and this had been brought forward early due to works undertaken with the Trade Unions. He did not agree with a vacancy freeze as some services might increase and some might reduce but he added that each vacancy request would be challenged. The Chief Executive said that he would welcome a discussion with Councillor Wright about the proposed organisational changes but said that it was a consultation exercise and it was anticipated that if the plans were adopted, they would be positively supported. He referred to the positive comments that had been received following the work on the Fleet efficiencies. The Chief Executive added that it was not anticipated that there would be large amount of funds available prior to transfer of buildings to communities. It would be difficult to replicate the level of cuts proposed this year in future years and he concurred that the decisions required in the future would be more difficult.

On the issue of funding, the Head of Finance explained that of the £300m funding received, £230m of this came from Welsh Government in the form of Revenue Support Grants or specific grants. There would be reductions year on year and the 4% for this year did not take account of any anticipated pay award or inflation in some costs. There were also challenges for demands for services that the Council could not control so the overall reduction was between 6 and 8%. It was not known what the level of funding would be in the future so there was a level of uncertainty. If the organisational change proposals were not implemented, the efficiency amount referred to in slide 11 of £3.1m for 2014/15 would be the budget gap faced by the Council at this time.

RESOLVED:

That the County Council approve the recommendation of the Cabinet from its meeting held on 18 February 2014 as set out in section 9 of the Cabinet report attached to the Council report.

96. COUNCIL FUND CAPITAL PROGRAMME 2014/15 AND INDICATIVE FUNDING TO 2017/18

The Head of Finance presented a report which provided Members with the recommendations of the Cabinet for the Council Fund Capital Programme 2014/15 and Indicative Funding to 2017/18.

The Head of Finance and Director of Environment jointly gave a presentation and commented upon the following areas:-

- Capital Programme Context
- Funding
- Core Capital Programme
- Capital Receipts and Core Programme
- Allocating the Core Programme

In moving the recommendation, Councillor Aaron Shotton, the Leader and Cabinet Member for Finance said that it was important that the capital programme was set with a sustainable level of capital receipts.

Councillor Mike Peers queried how rigid the programme was and whether it could be reviewed if capital receipts were realised. Councillor Richard Jones asked if the Single Status/Equal Pay reserve could be used as a one-off to overcome the reduction of £0.720m on repairs and maintenance for schools from the level indicated last year for 2014/15. Councillor Robin Guest asked for an update on the issue of rollovers or deferring capital projects and asked whether the Council's assets were to be revalued. He accepted the prudent and realistic approach being taken on the capital programme.

In response to the questions and comments, the Director of Environment said that capital receipts would be reviewed on an ongoing basis and that rollover requests were challenged. These were for projects that had been allocated funding but had not been delivered and even though requests for rollover could be submitted, they were not always permitted. The Chief Executive said that

technically an allocation could be made from the Single Status/Equal Pay reserve but he advised against it due to the many variables associated with Single Status/Equal Pay. The work on Equal Pay was nearing a conclusion but if any reserve was held following transition to Single Status, it would be held and used for people costs in the organisation.

Councillor Jones sought an amendment to the recommendation to allow funding for repairs and maintenance for schools be increased to at least £2.1m to prevent further issues of disrepair for schools in the future. The Head of Finance advised that the Chief Executive had explained why the Single Status reserve could not be used and that any proposals agreed today to include school maintenance would need to be found from within the £7.403m general funding for 2014/15.

RESOLVED:

That the County Council approve the recommendations of the Cabinet from its meeting held on 18 February 2014 as set out in appendix 1 of the report to Cabinet attached to the Council report.

97. HOUSING REVENUE ACCOUNT 2014/15 & CAPITAL PROGRAMME 2014/15

The Head of Housing presented a report which provided Members with the recommendations of the Cabinet on the revenue budget proposals for the Housing Revenue Account (HRA) for 2014/15 and the Capital Programme for 2014/15.

The Head of Housing provided a detailed presentation which covered the following areas:-

- Welsh Government – Final determinations
- HRA subsidy system
- Approach to HRA budget setting
- 2014-15 HRA efficiencies
- 2014-15 HRA Service Improvements/Pressures
- Funding for HRA Capital Programme 2014-15
- HRA Capital Programme 2014-15
- HRA 30 year business Plan

Councillor Helen Brown, the Cabinet Member for Housing, proposed that the County Council support the recommendations as outlined within the report. She thanked the Head of Housing, her team and the workforce for their hard work which had resulted in significant improvements in the service and she also gave thanks to the Tenants Federation for their role as a key player in the delivery of services. Councillor Brown referred to the In-house Adaptations Team which had become a permanent scheme and she spoke of reductions in the number of days taken to carry out adaptations including level access showers. In praising the work of the Income Management Team, she indicated that rent arrears were £0.025m lower than at the same time in 2012/13 and that 97.2% of rent income had been collected. Councillor Brown also referred to the amount spent on meeting the Welsh Housing Quality Standard (WHQS) and the number of jobs and apprenticeships that would be created during the project.

Councillor Ron Hampson agreed with the proposal and in reflecting on areas of concern in the performance of Housing that had occurred in the past, he said that the changes to turn the department around should be celebrated. He felt that credit should be given to the Head of Housing and thanked her for the work she had undertaken. Councillor George Hardcastle echoed the comments and praised the Head of Housing and her team.

Councillor Alex Aldridge gave thanks to Penny Storr, Julie Gorman and Janet Manning for their work with tenants who had been moved to new homes from properties in Flint. He said that they, along with the Cabinet Member for Housing and the Head of Housing and her team, had ensured that their new homes were fit for purpose. Councillor Tony Sharps said that the Housing Department should be identified as a good service and the good practices in place should be replicated across the whole of North Wales. Councillor Marion Bateman also thanked the Cabinet Member for Housing for her work with the Head of Housing and the team. Councillor Hilary Isherwood echoed the comments and welcomed the first class service provided by all those in the department.

RESOLVED:

That the County Council approve the recommendations of the Cabinet from its meeting held on 18 February 2014 as set out in Appendix 1 of the report to Cabinet attached to the Council report.

98. PRUDENTIAL INDICATORS 2014/15 - 2016/17

The Council received the report of the Head of Finance which presented to Council the recommendations of the Cabinet in relation to the setting of a range of prudential indicators.

Councillor Bernie Attridge, Deputy Leader and Cabinet Member for Environment proposed the acceptance of the recommendations as outlined within the report. This was seconded by Councillor Chris Bithell.

RESOLVED:

- (a) That the prudential indicators as detailed in Section 4 of the Cabinet report dated 18 February 2014 be approved; and
- (b) That delegated authority be given for the Head of Finance to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (section 3.11 and 3.12 of the Cabinet report dated 18 February 2014).

99. MINIMUM REVENUE PROVISION 2014/15

The Council received the report of the Head of Finance which presented to Council the recommendations of the Cabinet in relation to the setting of a prudent minimum revenue provision for the repayment of debt.

Councillor Chris Bithell proposed the acceptance of the recommendations as outlined within the report. This was seconded by Councillor Bernie Attridge.

RESOLVED:

That the Council accept the recommendations of the Cabinet, being that:-

- (a) Option 1 (Regulatory Method) be used for the calculation of the minimum revenue provision in 2014/15 for all supported borrowing.
- (b) Option 3 (Asset Life Method) be used for the calculation of the minimum revenue provision in 2014/15 for all unsupported (prudential) borrowing.

100. TREASURY MANAGEMENT STRATEGY 2014/15

The Council received the report of the Head of Finance which presented to Council the recommendations of the Cabinet in relation to Treasury Management Strategy for 2014/15.

Councillor Aaron Shotton, the Leader and Cabinet Member for Finance proposed the acceptance of the recommendations as outlined within the report. This was seconded by Councillor Kevin Jones.

The Head of Finance detailed the background to the report and drew Members' attention to section 3 of the report to Cabinet and the detailed discussions undertaken at the Audit Committee meeting on 29 January 2014 on Investments and Debt. Cabinet had also discussed options that could be considered on the issue of Treasury Management which the Head of Finance detailed.

In response to a query from Councillor Alison Halford about the level of debt, the Finance Manager – Technical Accountancy said that the actual level of debt was £172m. A legal limit had to be set to allow headroom and whilst it was not anticipated that this level would be reached, it could not be exceeded.

Councillor Mike Peers queried whether a strategy was in place to prevent a reoccurrence of issues such as Landsbanki. The Head of Finance responded that there was always a risk that investments would not be returned but the strategy was in place to limit the risk. The issue of Landsbanki was now closed and Flintshire County Council was no longer a creditor of the bank. In response to a question from Councillor Clive Carver, the Head of Finance advised that the Council had previously recovered £1.9m and £1.4m following the sale of the debt which was 92% of the original investment of £3.7m. It was important to note that this payment had been recovered now rather than having to wait a number of years for its return. Councillor Glyn Banks thanked the Head of Finance, Corporate Finance Manager and Finance Manager – Technical Accountancy for their work on the Landsbanki issue.

RESOLVED:

That the Council's Treasury Management Strategy 2014/15 be approved.

101. COUNCIL TAX SETTING 2014-15

The Council received the report which requested the Council to agree the statutory and other necessary resolutions for the purpose of administering Council Tax and Non-Domestic Rates.

RESOLVED:

That the resolutions within Appendix A of the report be approved.

102. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were 2 members of the press and no members of the public in attendance.

(The meeting started at 2.00 pm and ended at 4.16 pm)

.....

Chair