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Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



To: ALL MEMBERS OF THE COUNCIL

CS/NG

21 January 2015

Nicola Gittins on 01352 702345
nicola.gittins@flintshire.gov.uk

Dear Sir / Madam

A meeting of the **FLINTSHIRE COUNTY COUNCIL** will be held in the **COUNCIL CHAMBER, COUNTY HALL, MOLD CH7 6NA** on **TUESDAY, 27TH JANUARY, 2015** at **2.00 PM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES FOR ABSENCE**
- 2 **COUNCIL MINUTES** (Pages 1 - 10)
To confirm as a correct record the minutes of meeting held on 25 November 2014
- 3 **DECLARATIONS OF INTEREST**
To receive any declarations of interests from Members.
- 4 **CHAIR'S COMMUNICATIONS**

County Hall, Mold. CH7 6NA
Tel. 01352 702400 DX 708591 Mold 4
www.flintshire.gov.uk
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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

5 **PETITIONS**

6 **PUBLIC QUESTION TIME**

7 **QUESTIONS**

To note the answers to any questions submitted in accordance with County Council Standing Order No. 9.4(A).

8 **QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES**

The Minute Book, Edition 4, has been circulated to Members. Members are now entitled to ask questions on these minutes, subject to certain limitations, and answers will be provided at the meeting. Members are requested to bring to the meeting their copy of the Minute Book. Any questions must have been received by the Democracy and Governance Manager prior to the close of business on 21 January 2015.

9 **NOTICE OF MOTION**

Councillor D. Roney

Transatlantic Trade & Investment Partnership (TTIP)

“This Council resolved to follow other Councils and other European Countries in rejecting the E. U. Commission’s Transatlantic Trade and Investment Partnership scheme, and calls upon the Prime Minister to use his veto to reject the proposed Treaty in order to protect the residents and businesses of Flintshire from this threat to any future change of ethical and fair trade.

This Council instructs its Chief Executive to write to Flintshire MPs and AMs to ask for their active support in opposing this scheme”.

10 **COUNCIL TAX REDUCTION SCHEME** (Pages 11 - 16)

Report of Chief Officer (Community and Enterprise) enclosed.

11 **TREASURY MANAGEMENT MID-YEAR REPORT 2014/15** (Pages 17 - 30)

Report of Corporate Finance Manager enclosed.

12 **INABILITY TO ATTEND MEETINGS DUE TO ILLNESS** (Pages 31 - 32)

Report of Chief Officer (Governance) enclosed.

FLINTSHIRE COUNTY COUNCIL
25 NOVEMBER 2014

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Tuesday, 25 November 2014

PRESENT: Councillor Glenys Diskin (Chair)

Councillors: Bernie Attridge, Glyn Banks, Haydn Bateman, Marion Bateman, Chris Bithell, Amanda Bragg, Helen Brown, Derek Butler, Clive Carver, David Cox, Paul Cunningham, Ron Davies, Adele Davies-Cooke, Alan Diskin, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Brian Dunn, Carol Ellis, David Evans, Jim Falshaw, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, George Hardcastle, Ray Hughes, Dennis Hutchinson, Hilary Isherwood, Joe Johnson, Christine Jones, Kevin Jones, Richard Jones, Colin Legg, Phil Lightfoot, Brian Lloyd, Richard Lloyd, Mike Lowe, Dave Mackie, Ann Minshull, Hilary McGuill, Tim Newhouse, Mike Peers, Vicky Perfect, Neville Phillips, Mike Reece, Gareth Roberts, Ian Roberts, David Roney, Aaron Shotton, Paul Shotton, Ian Smith, Nigel Steele-Mortimer, Carolyn Thomas, Owen Thomas, David Wisinger, and Arnold Woolley

APOLOGIES:

Councillors: Alex Aldridge, Peter Curtis, Chris Dolphin, Cindy Hinds, Rita Johnson, Stella Jones, Nancy Matthews, Billy Mullin, Tony Sharps, and Sharon Williams

IN ATTENDANCE:

Chief Executive, Chief Officer (People and Resources), Chief Officer (Community & Enterprise), Chief Officer (Organisational Change), Chief Officer (Social Services), Democracy & Governance Manager, Electoral Services Manager, and Committee Officer

62. PRESENTATIONS

The Chief Executive welcomed Melville Evans, Katie Clubb, Nicola Spencer and Julie Gorman from the Council's North East Wales (NEW) Homes Team. He praised the Team for their achievement as overall winner of the Welsh Housing Awards 2014 – New idea of the year category.

The Chief Executive explained that the Council was the first authority in Wales to set up its own housing company. Designed to respond to the challenges experienced by residents in accessing affordable housing, NEW Homes had been set up by the Council to increase the housing options available to local residents. The Company was providing accommodation to people on the affordable register who did not qualify for social housing but found it difficult to afford private rents.

The Cabinet Member for Housing, Councillor Helen Brown congratulated the team on their hard work and success. She said it was a significant achievement for the Authority as well as New Homes.

Councillor Aaron Shotton reiterated the praise expressed by the Chief Executive and Cabinet Member and referred to national recognition of the innovative

approach taken by Flintshire County Council. He commented on a human right to have access to affordable housing and thanked all those involved in bringing an embryonic idea to fulfilment. He said this was a good success story and other authorities across Wales and the United Kingdom were following Flintshire's lead.

63. COUNCIL MINUTES

The draft minutes of the meeting held 22 October 2014 had been circulated to Members with the agenda.

Accuracy

Councillor Richard Jones referred to his comments on page 5, and asked that the word 'accurate' be replaced with 'improved' which was agreed.

RESOLVED:

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

64. DECLARATIONS OF INTEREST

The Democracy and Governance Manager advised that Members who were members of the Fire Authority would need to declare a personal interest on Agenda Item 11 – Consultation on the level of Fire and Rescue Services by the North Wales Fire and Rescue Authority Your Services, Your Choices. The following Members declared a personal interest:

Councillors Ian Dunbar, Brian Dunn, Hilary McGuill, Mike Reece, Paul Shotton, and Owen Thomas

The Democracy and Governance Manager advised that Members would also have a personal interest to declare in relation to Agenda Item 14 – Review of Polling District and Polling Places if they were on the management body for the proposed Polling Place. The following Members declared a personal interest:

Councillors Marion Bateman, Haydn Bateman, Chris Bithell, Helen Brown, Alan Diskin, Glenys Diskin, Carol Ellis, Veronica Gay, Robin Guest, Ray Hughes, Dennis Hutchinson, Dave Mackie, Neville Phillips, Mike Peers, and Nigel Steele-Mortimer

65. CHAIR'S COMMUNICATIONS

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

The Chair referred to the fundraising event held on 21 November 2014, and reported that £500 had been raised for her chosen charities. She thanked Members for their support.

66. PETITIONS

The Chair confirmed that none had been received.

67. PUBLIC QUESTION TIME

The Chair confirmed that none had been received.

68. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES

The Chair confirmed that none had been received.

69. NOTICE OF MOTION

The Chair confirmed that none had been received.

70. CONSULTATION ON THE LEVEL OF FIRE AND RESCUE SERVICES BY THE NORTH WALES FIRE AND RESCUE AUTHORITY YOUR SERVICES, YOUR CHOICES

The Chief Executive presented the report for Council to determine its response to the consultation document of the North Wales Fire and Rescue Service *Your Services, Your Choices*. He provided background information and advised that the consultation paper outlined three options for the future. The first was a continued 'freeze' in the Authority's annual budget; the second was a reduction in the Authority's annual budget at a level similar to the reductions being felt by the constituent councils themselves; the third was a gradual increase in the Authority's budget to protect services. Council was invited to review the options and provide feedback to the Fire Authority. The deadline for response to the consultation was 9 January 2015.

Councillor Aaron Shotton proposed the following hybrid option. The proposition was seconded by Councillor Bernie Attridge.

"That the Council shares the concerns of the North Wales Fire and Rescue Authority to protect both the preventative and responsive services as far as possible. The Council requests the Fire Authority to review further the scope for efficiency savings and reductions in non-statutory services expenditure to offset any increase in the levy to be met by the constituent North Wales Councils".

Councillor Shotton spoke of his concerns on the unprecedented financial challenges facing local government and acknowledged the financial pressures on the Fire Authority. He said there was a need to ensure that everything possible was done to find internal efficiencies and that one of the purposes of the informal Council session held on 9 September 2014 was for senior officers of the Fire and Rescue Service to demonstrate how the Fire Authority had maximised the opportunities for making cost efficiencies and to evidence that there was no scope for further efficiencies prior to reviewing station cover and 'front line' and preventative services. Councillor Shotton expressed the view that there was not sufficient evidence this had been exhausted. He suggested that the Fire Authority provided further information

regarding the internal efficiencies achieved and commented that it may be possible to gain further reductions in operational management.

Councillor Richard Jones spoke in support of the hybrid option but asked that the following additional wording be included in the proposition: "To be open to financial scrutiny and challenge towards maximising 'Value for Money' and reduction of overhead costs whilst providing the same or better level of protection to the residents of Flintshire". Councillor Shotton agreed that the additional wording could be incorporated. Councillor Jones also asked that the item be submitted for consideration by scrutiny before the budget was set by the Fire Authority.

Councillor Mike Peers supported the views expressed by Councillor Shotton. He referred to the Consultation document which was appended to the report and the examples of support services undertaken by staff 'behind the scenes'. He commented on the need to look "closely" at the cost of all services and consider if any opportunities existed for collaborative working.

Councillor Colin Legg emphasised the need not to pursue financial efficiencies to the detriment of protecting the services provided by the Fire Authority. He commented on the need to be prepared for any eventuality concerning fire and praised the role and responsibilities of firefighters who put their lives at risk when called upon to deal with serious events. Members concurred with the sentiments expressed by Councillor Legg in praise of firefighters.

Councillor Owen Thomas said the North Wales Fire and Rescue Authority had already undertaken phases of efficiencies and cost reduction in recent years to avoid seeking increases in its levy. He referred to the valuable work undertaken by the Fire Authority to raise awareness and educate people about keeping safe and fire prevention, and the emergency response services. He said he would not wish to see a loss in any of those services.

Councillor Hilary Isherwood emphasised the importance of maintaining Fire Authority services in rural areas.

Councillor Hilary McGuill referred to the range of services provided by the Fire Authority as outlined in the consultation document. She commented on the assistance provided by the Fire Authority in response to road traffic collisions and said that other emergency services made a charge against insurance companies to recover their costs.

Members were asked to vote on the proposition put forward by Councillor Aaron Shotton incorporating the additional wording of Councillor Richard Jones. On being put to the vote the proposition was carried.

RESOLVED:

The Council shares the concerns of the North Wales Fire and Rescue Authority to protect both the preventative and responsive services as far as possible. The Council requests the Fire Authority to review further the scope for efficiency savings and reductions in non-statutory services expenditure, to be open to financial scrutiny

and challenge towards maximising 'Value for Money' and reduction of overhead costs whilst providing the same or better level of protection to the residents of Flintshire, to offset any increase in the levy to be met by the constituent North Wales Councils.

71. PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION: A COUNCIL RESPONSE

The Chief Executive introduced a report to advise on an outline response to the consultation on the Local Government Provisional Settlement 2015/16. He reported that although the formal consultation period had closed additional comments would be taken into consideration with the Authority's response which had been endorsed by Cabinet on 18 November 2014. The Chief Executive advised that the Welsh Local Government Association (WLGA) was also preparing a response on behalf of the local government family. A copy of the response had been distributed to Members for consideration.

Councillor Alison Halford referred to the WLGA response and raised a question on the settlement for coming years. The Chief Executive responded that the Authority had no indication on the settlement for 2016/2017 onwards. He explained that the local government had been seeking indicative statements on settlements to be made available by the Welsh Government (WG) for sometime to enable local authorities to plan with a degree of certainty. He commented that the Authority was placed in a difficult position as it was only able to plan one year ahead. The Chief Executive commented on the impact of reductions in specific grants for core services which added to the primary impact of the major reduction in the Revenue Support Grant.

Councillor Aaron Shotton referred to the outline response to the consultation on the Local Government Provisional Settlement which was detailed in the report and commented on the shared concerns across all political groups on the settlement. He expressed the need for unified support and proposed that the Council endorse the Cabinet response as set out in Section 3 of the report, and also support as part of the Council's representations the WLGA response to the consultation. The proposition was seconded.

Referring to the amount of the reduction in central funding from the WG, Councillor Shotton commented that the cuts were so significant it put the viability of a sustainable local government in question.

Councillor Aaron Shotton asked Members to take note of discussions at national level and referred to the call in England and Scotland for the devolution of business rates. He commented on the significant amount of NNDR rates that the Authority had collected on behalf of the WG last year and said that a share of the NNDR funds should be retained by local authorities. He also referred to the need for more local flexibility and freedoms in funding and specific grants and for a debate to be had at national level on what the priorities were going forward with reduced budgets.

Councillor Derek Butler supported the views expressed by the Leader and commented on the issues concerning late notification of specific grants. He reiterated the need for a share of the business rates to be retained by local authorities in Wales.

Councillor Robin Guest suggested that the meeting be adjourned so that Members could be given the opportunity to consider the WLGA response.

The Chair announced that there would be a 5 minute adjournment to allow Members to read the WLGA response.

Following the adjournment Councillor Guest said that the WLGA response had set out the main considerations on behalf of local government and had made the point that the approach to public sector funding did not apply equally across the sector. He cited the increased funding for the Health Boards in Wales as an example and expressed concern that the savings achieved through cuts in local government funding were being used to fund the health service.

Councillor Mike Peers commented on the level of dissatisfaction amongst local authorities in Wales concerning WG financial planning. He suggested that the WG be asked to review their own position to consider where efficiencies could be achieved.

Councillor Carol Ellis reiterated the concerns expressed by Councillor Guest around funding for the Health service and commented that increased funding had not resulted in improved services and cited increased waiting times and cancellation of operations as an example. She emphasised that local government services prevented hospital admissions and kept people out of the NHS. She expressed concerns that the cuts in funding would mean other services would be permanently lost and only limited social services and education could be provided in the future.

Councillor Aaron Shotton commented on critical national persuasion and said that all parties needed to be united in recognising the importance of retaining local government and the sustainability of public services in Wales. Members concurred with the views expressed by the Leader.

RESOLVED:

That the Council endorsed the Cabinet response as set out in Section 3 of the report, and also supported and endorsed as part of the Council's representations the WLGA response to the consultation.

72. REFORM OF LOCAL GOVERNMENT AND THE PUBLIC SERVICES

The Chief Executive provided an update on the Welsh Government consultation on the reform of local government and the public services. Referring to the Williams Commission he advised that the deadline for local authorities to express an interest to the Minister in a voluntary merger was 28 November 2014.

The Chief Executive referred to the WG 'prospectus' for 'early adopters' which detailed the process and incentives for councils who wished to submit a business case in favour of a voluntary merger. He reminded members that at the meeting of the Council on 22 October 2014, it had been agreed to explore an early adoption merger of Flintshire County Council and Wrexham County Borough Council, however, Wrexham Council had subsequently declined to pursue a voluntary merger with Flintshire, a decision Flintshire had to respect and accept at this stage. He referred to the local authorities who were thought likely to express an interest and advised that 7 local authorities had indicated that they had no interest in pursuing a voluntary merger at this moment in time, whereas six appeared to have an interest..

Councillor Aaron Shotton reported that the Council had written to seek an urgent meeting with the Welsh Government Minister for Local Government and the Minister for Finance to discuss the availability of transitional finance, support, and the long term funding strategy to assist the Council in protecting local government services in return for an early merger with Wrexham County Borough Council. Whilst the Authority was still willing to discuss and explore the opportunity of a voluntary merger with Wrexham Council, Councillor Shotton said there was a strong debate to be had around the costs of re-organisation and where the funding would come from to meet those costs. He cited as an example the contributory costs of redundancies, pay and grading, system changes, property, assets, accommodation, taxation, He commented that the costs for local government reorganisation across Wales had been estimated at between £160m - £268m which were higher than the figures indicated in the Williams Commission. Councillor Shotton referred to the indicative cost of £10m for a merger between Flintshire County Council and Wrexham County Borough Council which had a WG timeline of 2020. He said that until the Authority had a clear understanding of the real costs associated with a merger with Wrexham Council it could not see sufficiently the specific benefits. Whilst acknowledging that there were possible benefits to a merger there were also risks.

Councillor Shotton referred to discussions which were beginning to take place with some authorities in Wales around changes to existing council boundaries. Councillor Shotton commented on information that the Minister was possibly proposing to reduce the number of local authorities in Wales to 6, which was a change from the 12 authorities recommended in the Williams Commission. He stressed the need for the Authority to be involved in discussions concerning reviews of existing Council boundaries.

Councillor Shotton proposed that the Council writes to the Welsh Government Minister before 28 November 2014, to restate the Council's position concerning the opening of discussions with Wrexham County Borough Council for a voluntary merger, and request that if discussion takes place during the consultation concerning reviews of existing Council boundaries, that the Council be involved in those discussions with the North Wales local authorities. The proposal was seconded and agreed by Members.

RESOLVED:

That the Council writes to the Welsh Government Minister before 28 November 2014, to restate the Council's position of being open to discussions with Wrexham County

Borough Council for a voluntary merger, and request that if discussion takes place during the consultation concerning reviews of existing Council boundaries that the Council be involved in those discussions with the North Wales authorities.

73. REVIEW OF POLLING DISTRICTS AND POLLING PLACES

The Chief Executive introduced a report on the outcome of the recent review of polling districts and polling places and to agree a number of changes. He provided background information and referred to the responses received during the consultation process. He reported that various issues had been raised during the consultation and a number of proposals had been identified for consideration which were appended to the report.

Councillor Marion Bateman referred to the polling place in her Ward at Sychdyn and requested that the polling booths be placed in a different room.

Councillor Richard Lloyd confirmed that the Saltney Ferry Scout and Guide Hut, Bradshaw Avenue, would be available for use as a polling place. He also confirmed that disabled access was available at the building.

Councillor Ron Davies referred to the polling place at the Community Centre in Shotton and suggested that one of the entrances be improved for disabled access.

RESOLVED:

- (a) That the outcome of the review and the consultations undertaken be noted;
- (b) That the Council designates the locations listed in appendix 3 as polling places;
- (c) That the Council agrees to look at the suggested alternative polling places for BJA2, PAA1 and PAA2;
- (d) That the Council agrees to improve access arrangements for BJA2 and EAA2; and
- (e) That the outcome of the review and the Council's decision be published in addition to other information as is prescribed in the Act and Regulations.

74. REVIEW OF MEMBERS CODE OF CONDUCT

The Democracy and Governance Manager introduced a report which sought approval for minor revisions to the Members' Code of Conduct recommended by the Council's Constitution Committee. He provided background information and advised that the proposed changes to update or clarify the existing wording to the Code of Conduct were shown as tracked changes in the appendix to the report for Members' consideration.

Councillor Mike Peers suggested that the date on the title page of the Members' Code of Conduct should be amended to reflect that the document had been updated from 25 November 2014.

RESOLVED:

- (a) That with the addition suggested by Councillor Peers, the revised Members' Code of Conduct as shown in Appendix 1 be approved; and
- (b) That the Council complies with the requirements of Section 51 of the Local Government Act 2000

75. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 2.00pm and ended at 4.05pm)

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Chair

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**
DATE: **TUESDAY, 27 JANUARY 2015**
REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**
SUBJECT: **COUNCIL TAX REDUCTION SCHEME**

1.00 PURPOSE OF REPORT

1.01 The report explains the requirement to adopt the Council Tax Reduction Scheme for 2015/2016 by 31st January 2015.

2.00 BACKGROUND

2.01 The current Council Tax Reduction Scheme was adopted by Flintshire County Council on 21st January 2014. The scheme regulations include a requirement for them to be adopted each year.

2.02 The Council Tax Reduction Scheme in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012).

2.03 The following draft regulations (Statutory Instruments) were laid before the National Assembly for Wales and will be debated on 20th January 2015 and, subject to approval, will come into force on 21st January 2015.

- The Council Tax Reduction Scheme (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015.

2.04 These Regulations prescribe the main features of the Scheme to be adopted by all Councils in Wales.

2.05 The Regulations for 2015/16 ensure that qualifying taxpayers may continue to receive a reduction up to 100% of their Council Tax bill (depending on the level of their income).

2.06 The Statutory Instrument updates certain figures used to calculate an applicant's entitlement to a reduction under the Council Tax Reduction Scheme. They also make amendments relating to eligibility for a Council Tax reduction and makes consequential amendments as a result of wider changes to welfare benefits.

- 2.07 This statutory instrument amends the 2013 Regulations to uprate certain figures used within those Regulations to calculate entitlement to a reduction, and subsequently the amount of a reduction. The uprated figures relate to:
- Non-dependant deductions (adjustments made to the maximum amount of reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant);
 - The applicable amount (the amount against which an applicant's income is compared to determine the amount of reduction they are entitled to); and
 - The disregard that applies when calculating a person's income.
- 2.08 These uprated figures have been calculated with assistance from the Department of Work and Pensions following the Chancellor's Autumn Statement and the uprating of interrelated social security benefits such as Savings Credit. The uprating increases the various figures used to calculate an applicant's entitlement to a reduction, and the amount of the reduction, in line with increased living costs and earnings.
- 2.09 Whilst the scale of the impact is dependent on an applicant's particular circumstances, almost all applicants will be worse off in 2015-16 if the uprating amendments are not made.
- 2.10 In addition to the uprating, this statutory instrument amends the 2013 Regulations to:
- Remove the requirement for Council's to publish a draft scheme and consult interested persons where a Council revises a scheme in consequence of amendments made to the prescribed requirements in the Regulations. This removes an administrative burden from Council's as it means they are no longer required to consult on legislative changes made to their schemes as a result of changes made to the Regulations over which they have no control.
 - Incorporate the introduction of shared parental leave and statutory shared parental pay, into the rules for calculating entitlement to a reduction. This replaces additional paternity leave and additional statutory paternity pay for babies due or adopted on or after 5 April 2015.
 - Provide that being entitled to an income-based Jobseeker's Allowance ("JSA") will no longer grant access to a Council Tax Reduction for jobseeker's who are nationals of the European Economic Area ("EEA"). The 2013 Regulations are amended

so that only EEA nationals who are receiving JSA because they have a right to reside other than as a jobseeker or as a family member of a jobseeker will continue to be eligible. The amendment will not apply to a person who is entitled to housing benefit and income-based jobseeker's allowance on 31st March 2014 until that person ceases to be entitled to jobseeker's allowance or makes a new claim for a Council Tax Reduction, whichever is earlier. EEA nationals who are self-employed, are workers or who are unemployed but retain their worker status have the same rights to a Council Tax Reduction as a UK national and their situation remains unchanged. This amendment reflects similar changes made to Housing Benefit from 1 April 2014. Council Tax Reduction Schemes and Housing Benefit are administered together by Local Authorities and most applicants for a Council Tax Reduction are also in receipt of Housing Benefit. The amendment therefore aligns the treatment of applicants for Council Tax Reductions and Housing Benefit.

- Make minor consequential amendments in relation to definitions around Employment and Support Allowance and references to Universal Credit. Income related Employment and Support Allowance no longer consists of separate contributory and income related allowances, but only of a contributory allowance known as the „employment and support allowance“. Amendments are also made to insert references to Universal Credit into the 2013 Regulations where there are already references to other income-related benefits.

2.11 Within the Regulations, there is limited discretion given to the Council to apply additional elements that are more generous than the national scheme.

These are:

- a) The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks.
- b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income.
- c) The ability to backdate the application of Council Tax Reduction awards for working age customers more than the standard period of 3 months prior to the claim.

2.12 The Prescribed Regulations require the Council to adopt the Council Tax Reduction Scheme by 31st January 2015, regardless of whether

it applies any of the discretionary elements. If the Council fails to make or adopt a scheme, then a default scheme will apply under the provisions of the Default Scheme Regulations. The Council can only apply a discretion if it makes its own scheme under the Prescribed Requirements Regulations.

3.00 CONSIDERATIONS

3.01 The Council's recommended approach to the available discretions is to continue to apply them as outlined below.

3.02 1. Not to increase the "extended payment period" to more than four weeks when an applicant starts work. This rule currently acts as a good incentive measure under CTRS and it makes sense to maintain it in line with the Housing Benefits (HB) Extended Payment rules, which are also set at four weeks. The projected cost of this measure for 2014/2015 is £20,098 and the approximate cost of this measure for 2015/2016 will be £20,700.

2. To continue to disregard all War Disablement and War Widows Pensions as income. The projected cost of this measure for 2014/2015 is £42,870 and the approximate cost of this measure 2015/2016 will be £44,156
Continuation of this discretion would follow a long precedent and maintain the link with the Authority's treatment of this income for HB purposes.

3. To maintain the standard three month backdating provisions for working age customers when a good reason for failing to claim earlier is shown. This reflects the current position with regard to CTRS and HB The projected cost of this measure for 2014/2015 is £62,502 and the approximate cost of this 2015/2016 will be £64,377.

3.03 It should be noted that there are no additional monies available from Welsh Government to fund the discretionary elements.

3.04 The Council continues to have the powers to support hardship on an individual basis or in respect of a defined group. Such arrangements cannot, however, form part of the Council Tax Reduction Scheme itself.

4.00 RECOMMENDATIONS

4.01 To note the laying of The Council Tax Reduction Scheme (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015.

4.02 To adopt the Scheme as set out above in 3.02 and agree the

recommendations to maintain the discretionary elements.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The cost of Council Tax Reduction needs to be managed within the Council's budget. The amount of Grant received from Welsh Government is limited to £9.958m for 2015/16 and this is provided on a fixed rather than a demand led basis.
- 5.02 The funding arrangements for 2015/16 include funding of up to 100% of the estimated cost of the scheme based on the 2012/13 cost of Council Tax Benefit and therefore the funding does not include the subsequent increases in Council Tax producing an immediate additional shortfall including precepts, with the Council having a responsibility to meet the this shortfall in order to maintain the scheme at 100% reduction (where applicable).
- 5.03 In addition to Flintshire's contribution to maintaining the scheme at 100%, the Council must also meet the cost in any growth in caseload.
- 5.04 The total projected costs of the Scheme will be finalised, and budgeted for, once the Council Tax increase for 2015/2016 has been agreed.

6.00 ANTI POVERTY IMPACT

- 6.01 The major reform of the welfare benefits system began to impact residents from April 2014.
- 6.02 The Welfare Reform Programme recognised the need for proactive work and support to try to mitigate, as much as possible, the effects of the changes on vulnerable residents in Flintshire and continues to successfully deliver on this basis.
- 6.03 Residents may not only be affected by the changes to Council Tax Support but may also be affected by other changes to other welfare benefits which are happening at the same time.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None specifically associated with the content of this report.

8.00 EQUALITIES IMPACT

- 8.01 The Scheme proposed for 2015/2016 does not contain any changes from the scheme which is currently in operation.
- 8.02 On this basis, following a rigorous and detailed Equalities Impact Assessment being conducted on the introduction of the Scheme in 2013, there is no requirement to conduct a further assessment.

9.00 PERSONNEL IMPLICATIONS

9.01 None specifically associated with the content of this report.

10.00 CONSULTATION REQUIRED

10.01 Consultation has been undertaken for the previous 2 years which has confirmed the discretionary elements of the scheme. These regulations provide for the removal of the requirement to consult if the Council is not varying the discretionary elements it has previously consulted on and adopted.

11.00 CONSULTATION UNDERTAKEN

11.01 This report was considered by CROSC on 15th January 2015 and Cabinet on 20th January 2015.

12.00 APPENDICES

12.01 None.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012)

The Council Tax Reduction Scheme (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015

Contact Officer: Jen Griffiths – Benefits Manager
Telephone: 01352 702929
Email: jen.griffiths@flintshire.gov.uk

FLINTSHIRE COUNTY COUNCIL

REPORT TO: FLINTSHIRE COUNTY COUNCIL

DATE: TUESDAY, 27 JANUARY 2015

REPORT BY: CORPORATE FINANCE MANAGER

SUBJECT: TREASURY MANAGEMENT MID-YEAR REPORT
2014/15

1.00 PURPOSE OF REPORT

1.01 To present to Council the Treasury Management Mid Year Report for 2014/15 for approval.

2.00 BACKGROUND

2.01 The Mid Year Report reviews the activity and performance of the treasury management operations during the period 1st April to 30th September 2014 and compares them with the Treasury Management Strategy.

2.02 This report was presented to Cabinet on 20th January 2015 and any comments they had will be reported verbally. This followed the recommendation of the Audit Committee which considered the report in detail.

3.00 CONSIDERATIONS

3.01 In summary, the key points of the Mid Year Report are:

- Performance during the period marginally exceeded the expectations of the TM Strategy 2014/15.
- The UK economy saw stronger economic growth during the first half of the year with falling unemployment but this is against a backdrop of historically low interest rates, low inflation and depressed wages. A number of global factors exist which have the potential to impact on the continued recovery as outlined in the economic update in section 3 of the report.
- No new borrowing has been undertaken so far during 2014/15, therefore total long term borrowing stands at £172.1m with associated interest costs of £3.553m paid during the 6 month period at an average interest rate of 5.42% as expected.
- Preparations are being made for the abolition of the Housing Revenue Account Subsidy (HRAS) system in Wales and the introduction of 'Self Financing' for the Housing Revenue Account,

which will have an impact on the Council's level of debt. Section 4 of the report provides further information.

4.00 RECOMMENDATIONS

4.01 That the Council approves and the Treasury Management Mid Year Report 2014/15.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.01 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 Arlingclose Ltd as Treasury Management Advisers

11.00 CONSULTATION UNDERTAKEN

11.01 Arlingclose Ltd as Treasury Management Advisers

12.00 APPENDICES

12.01 Treasury Management Mid Year Report 2014/15

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

None.

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FLINTSHIRE COUNTY COUNCIL

TREASURY MANAGEMENT

MID YEAR REPORT 2014/15

1.00 PURPOSE OF REPORT

- 1.01 To provide members with a mid-year update on matters relating to the Council's Treasury Management function.

2.00 BACKGROUND

- 2.01 Treasury management comprises the management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2.02 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 2.03 The Council's policy is to appoint external consultants to provide advice on its treasury management function. The current external adviser is Arlingclose Ltd.
- 2.04 The Council has adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.
- 2.05 In addition, the Welsh Government (WG) Guidance on Local Government Investments recommends that local authorities amend their investment strategies in light of changing internal or external circumstances.
- 2.06 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 2.07 The Council approved the 2014/15 Treasury Management Strategy at its meeting on 18th February 2014.

3.00 ECONOMIC & INTEREST RATE REVIEW APRIL – SEPTEMBER 2014.

Provided by Arlingclose Ltd the Council's Treasury Management advisors.

Growth and Inflation:

The recent strong performance of the UK economy continued with output growing at 0.8% in Q1 2014 and at 0.9% in Q2. The services sector once again grew strongly. On the back of strong consumption growth, business investment appeared to be recovering quickly, albeit from a low base. The annual CPI

inflation rate fell to 1.5% year-on-year in August.

Revisions to the GDP methodology, now compliant with the European System of Accounting 2010, mean that growth is now estimated to be 2.7% above its pre-recession peak in Q1 2008 rather than just 0.2% higher, the general theme being that the recession was not as deep and the recovery was earlier than initially estimated. In anticipation of these revisions, the MPC has forecast growth at 3.4% in 2014.

Unemployment:

The labour market continued to improve, with strong employment gains and the headline unemployment rate falling to 6.2%. However, earnings growth remained very weak, rising just 0.6% for the three months May-July 2014 when compared to the same period a year earlier. The growth in employment was masked by a large number of zero-hour contracts and involuntary part-time working.

UK Monetary Policy:

The MPC made no change to the Bank Rate of 0.5% and maintained asset purchases at £375bn. However, there was a marked shift in tone from the Bank of England's Governor and other MPC members. In his Mansion House speech in June Governor Mark Carney warned that interest rates might rise sooner than financial markets were expecting. Following some mixed messages from Governor Carney later in the summer, the minutes of the August and September MPC meetings revealed a split vote with regards to the Bank Rate. Ian McCafferty and Martin Weale voted to increase Bank Rate by 0.25%, arguing economic circumstances were sufficient to justify an immediate rise. The MPC emphasised that when Bank Rate did begin to rise, it was expected to do so only gradually and would likely remain below average historical levels for some time to come.

In the Bank of England's August Inflation Report the Bank forecast growth to be around 3½% in 2014, easing back thereafter to around its pre-crisis historical average rate. Inflation was forecast to remain at, or slightly below, 2% before reaching the target at the end of the 2-year forecast period.

The Bank's Financial Policy Committee also announced a range of measures to cool the UK's housing market to avert the potential of spiralling house prices derailing a sustainable economic recovery. Key recommendations included lenders stress-testing mortgage applicants can cope with a 3% rise in interest rates; putting a 15% cap on the number of mortgages at more than 4.5 times the borrower's income; and a separate Treasury pledge banning anyone applying for a loan through the Help to Buy scheme borrowing more than 4.5 times their income. The Prudential Regulation Authority also announced that it intends to consult on capital requirements for mortgages.

The result of the Scottish referendum in the end was close, but not as close as many believed it might be. However, the political upheaval set in motion (the Prime Minister's linking of a more devolved Scotland to giving greater powers to English MPs over English-only legislation, the prospect of Scotland's potential freedom to raise taxes not being replicated elsewhere in the UK) is arguably likely to be just as problematic in the run-up to and beyond next year's general election.

Global:

Eurozone inflation continued to fall towards zero. HICP inflation (Harmonised Index of Consumer Prices – an indicator of inflation and price stability for the European Central Bank) registered just 0.3% in September, and there was mounting evidence that the already feeble recovery was losing pace. The unemployment rate remained stubbornly high at 11.5%. The European Central Bank lowered its official benchmark interest rate from 0.15% to 0.05%. The rate it pays on commercial bank balances held with it was also cut further into negative territory from -0.1% to -0.2% and the Marginal Lending Facility rate cut further to 0.3%. The ECB also announced a programme of acquiring Asset Backed Securities (ABS) from banks in an effort to encourage lending which was viewed as being one step away from full blown Quantitative Easing (QE) adopted by the US, UK and Japanese central banks. The minutes of the Bank of England's MPC meeting in September noted that "*weakness in the euro area had been the most significant development during the month*" and that, if it led once again to uncertainty about the sustainability of euro-area public and external debt, it could damage confidence and disrupt financial markets

There was no change from the US Federal Reserve as the central bank kept policy on its current track with a reduction in asset purchases by \$10 billion per month. Asset purchases are expected to end by October 2014, expectations therefore turned towards the timing of rate increases. The US economy rebounded strongly in Q2 with annualised growth of 4.6%.

Market reaction:

Gilt yields have continued to decline and hit a financial year low at the end of August, before ticking upwards in the run up to the Scottish referendum. What has driven yields lower is a combination of factors but the primary drivers have been the escalation of geo-political risk within the Middle East and Ukraine alongside the slide towards deflation within the Eurozone (EZ).

Outlook:

The stronger economic growth seen in the UK over the past six months is likely to use up spare capacity more quickly than previously assumed. Arlingclose has brought forward the timing for the first rise in Bank Rate to Q3 2015.

In addition to two MPC members having voted for a rate rise in August and September, the rhetoric from Committee members has in general become more

hawkish. However, the lack of inflationary pressure is expected to allow policymakers to hold off monetary tightening for longer than the market currently expects. The near-term risk is that the Bank Rate could rise sooner than anticipated.

The focus is now on the rate of increase and the medium-term peak and, in this respect; expectations are that rates will rise slowly and to a lower level than in the past.

The table below details the latest forecast for the Bank of England base rate as provided by our advisors Arlingclose:

	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
Interest Rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.75%	1.75%

4.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

4.01 PWLB (Public Works Loans Board) Certainty Rate Update.

The Authority qualifies for borrowing at the 'Certainty Rate' (0.2% below the PWLB standard rate) for a 12 month period from 1st November 2013. In August the Authority submitted its application to WG along with the 2014-15 Capital Estimates Return to access this reduced rate for a further 12 months from 1st November 2014.

4.02 Borrowing Activity to 30th September 2014.

The total long term borrowing outstanding, brought forward into 2014/15 totalled £172.1 million. Loans with the Public Works Loans Board are in the form of fixed rate (£143.1m) and variable rate (£10m). The remaining £18.95m is variable in the form of Lobo's (Lender's Option, Borrower's Option). The Council's average borrowing rate is currently 5.42%.

	Balance 01/04/2014 £m	Debt Maturing £m	New Debt £m	Balance 30/09/2014 £m
Capital Financing Requirement	184.6			184.6
Long Term Borrowing	172.1	0.00	0.00	172.1
TOTAL BORROWING	172.1	0.00	0.00	172.1
Other Long Term Liabilities *	7.6	0.00	0.00	7.6
TOTAL EXTERNAL DEBT	179.7	0.00	0.00	179.7
Increase/ (Decrease) in Borrowing £m				0.0

* relates to finance leases in respect of Deeside Leisure Centre (£5.0m) and Jade Jones Pavilion (£2.6m)

4.03 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

4.04 No new long term borrowing has been undertaken so far during 2014/15.

Affordability (interest costs charged on new loans) and the "cost of carry" (costs associated with new loans) remain important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing.

4.05 Loans at Variable Rates

The extent of variable rate borrowing the Council can potentially undertake is influenced by the level of Reserves and Balances. The interest rate on the Council's £10m variable rate loans averaged 0.567%.

The Council has determined that exposure to variable rates is warranted. It also assists with the affordability and budgetary perspective in the short-to-medium term. Any upward movement in interest rates and interest paid on variable rate debt would be offset by a corresponding increase in interest earned on the Council's variable rate investments. The interest rate risk associated with the Council's strategic exposure of £10m is regularly reviewed with our treasury advisor against clear reference points, this being a narrowing in the gap between short and longer term interest rates by 0.5%. If appropriate, the exposure to variable interest rates will be reduced by switching into fixed rate loans.

4.06 Internal Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the strategy will be to minimise debt interest payments without compromising the longer-term stability of the portfolio.

The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant at around 3.4%.

The use of internal resources in lieu of borrowing has therefore continued to be the most cost effective means of funding capital expenditure, with £4.9m utilised for this purpose. This has lowered overall treasury risk by reducing both external debt and temporary investments.

The Council acknowledges that this position is not sustainable over the medium

term and borrowing options and the timing of such borrowing continue to be assessed, with current expectations that the Council will need to borrow for capital purposes from 2015/16 onwards.

4.07 Lender's Option Borrower's Option Loans (LOBOs)

The Authority holds £18.95m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The option to change the terms on £18.95m of the Council's LOBOs was not exercised by the lender. The Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.08 Debt Rescheduling

The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Authority's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

The Corporate Finance Manager, in conjunction with the Council's treasury advisors will continue to review any potential opportunities for restructuring the Council's debt in order to take advantage of potential savings as interest rates change and to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

4.09 Welsh Housing Revenue Account (HRA) Subsidy Reform

The Housing (Wales) Act 2014 became law in Wales on 17th September 2014 and provides for the abolition of the Housing Revenue Account Subsidy (HRAS) system in Wales and the introduction of 'Self Financing' for the Housing Revenue Account. This is a negative subsidy system which requires stock owning authorities to make annual payments of rental income to Welsh Government and then onto the UK Treasury; Flintshire's payment is circa £6m per annum.

The Authority will be required to buy itself out of the current arrangement by making a 'settlement payment' to the Welsh Government; Flintshire's payment is estimated to be in the region of £80m, which will need to be borrowed from the PWLB. In return the Authority will be able to keep all future rental revenues generated from the housing stock. The Authority anticipates that the HRA will benefit from approximately £1m additional revenue budget each year (when interest on and repayment of the additional borrowing is taken into consideration). This will provide additional resource for investment in tenants' homes and will support achievement of the Welsh Housing Quality Standard (WHQS).

Self Financing will introduce a borrowing cap that will be set by Welsh Government for how much the Authority can borrow for the HRA in the future. The borrowing thresholds set will allow a council house building programme to commence in the future.

The exact timescales are being confirmed; though it is expected that exit from the HRAS will take place on 31st March 2015 with actual payments being transacted on 2nd April 2015. The settlement payment will not be determined by the Welsh Government until 31st March 2015.

5.00 INTERIM INVESTMENT AND PERFORMANCE REPORT

5.01 The Welsh Government's Investment Guidance gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

5.02 The maximum investments the Authority had on deposit at any one time totalled £83.3m. The average investment balance for the period was £71.1m and the average rate of return was 0.54%, generating investment income of £170k. The investment income received for the reporting period exceeded the budgeted figure of £124k by £46k.

5.03 Investments have been made with UK banks and building societies up to periods of 12 months, as well as utilising investment opportunities afforded by money market funds, instant access accounts, Debt Management Office and other Local Authorities.

5.04 The average debt balance held was £172.1m and the average rate paid was 5.42%, generating interest payable of £3.553m in line with budget forecasts.

	Investments		Borrowing	
	Interest received £'000	Interest rate %	Interest paid £'000	Interest rate %
Actual	170	0.54	3,553	5.42
Budget	124	0.50	3,556	5.42
Difference	+46	-	-3	-

5.05 *Credit Risk (security)*

Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price. The minimum counterparty credit rating outlined in the 2014/15 Treasury Management Strategy was A-/A3/A- across rating agencies

Fitch, S&P and Moody's.

Counterparty Update (provided by Arlingclose Ltd)

The European Parliament approved the EU Bank Recovery and Resolution Directive (BRRD) on April 15, 2014. Taking the view that potential extraordinary government support available to banks' senior unsecured bondholders will likely diminish within its two-year rating horizon for investment-grade entities, in April Standard & Poor's revised the Outlook of Barclays, Deutsche Bank, Credit Suisse and ING Bank from Stable to Negative (note, this is not the same as a rating review negative).

In May, Moody's also changed the outlook from stable to negative for 82 European banks and from positive to stable for two European banks. The institutions affected on the Authority's lending list are Nationwide Building Society, Pohjola Bank, Svenska Handelsbanken, Landesbank Hessen-Thuringen, Bank Nederlandse Gemeenten and Nordea Bank.

In August Moody's changed its outlook for the UK banking system from stable to negative, citing the reduction of government support for systemic banks as the reason. Although the agency believes that the stand-alone financial strength of UK institutions is improving they believed that this is more than offset by the potential bail-in risk now faced by investors. Similarly, in August S&P revised the outlooks for major Canadian banks to negative following the government's announcement of a potential bail-in policy framework.

There was strong likelihood that the UK, alongside Germany and Austria, would accelerate the adoption of the BRRD and that the implementation of bail-in resolutions would be fast-tracked in these countries to 1st January 2015, a full year ahead of other EU nations.

Banks in the UK and EU face banks face stress tests this autumn, which may result in some institutions having to additionally bolster their capital buffers. The extent to which this might be required and the form they will have to take casts uncertainty over capital requirements in the system.

5.06 *Liquidity*

In keeping with the WAG's Government's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts.

5.07 *Yield*

The Council sought to optimise returns commensurate with its objectives of

security and liquidity. The Council's investment yield is outlined in 5.02.

7.00 COMPLIANCE

7.01 The Council can confirm that it has complied with its Prudential Indicators for the period April to September 2014. These were approved on 18th February 2014 as part of the Council's 2014/15 Treasury Management Strategy.

7.02 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the period April – September 2014. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

8.00 OTHER ITEMS

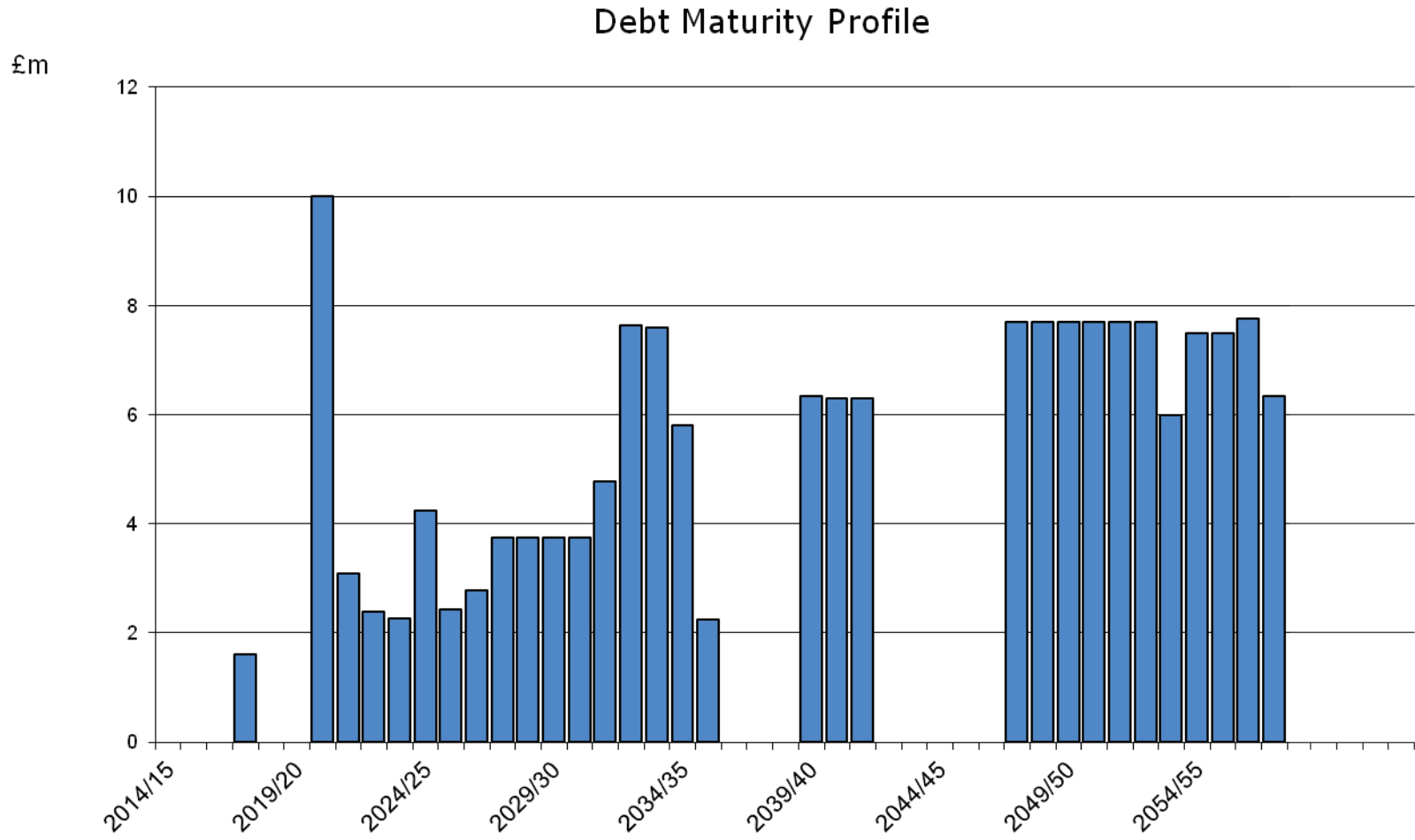
8.01 Other treasury management related activity that took place during April – September 2014 includes:

- The Corporate Finance Manager received a monthly update on treasury activities.
- The Treasury Management Annual Report 2013/14 was reported to Audit Committee in July. Cabinet and Council reviewed and approved the report in September.
- Quarterly Treasury Management updates were reported to the Audit Committee.
- The Council continues to be an active member of the CIPFA Treasury Management Forum and the TM Network Advisory Group.

9.00 CONCLUSION

9.01 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2014/15.

9.02 As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.



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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **TUESDAY, 27 JANUARY 2015**

REPORT BY: **CHIEF OFFICER (GOVERNANCE)**

SUBJECT: **INABILITY TO ATTEND MEETINGS DUE TO ILLNESS**

1.00 PURPOSE OF REPORT

1.01 To consider authorising the temporary absence of Councillor Billy Mullin from attendance at formal meetings.

2.00 BACKGROUND

2.01 Section 85 of the Local Government Act 1972 provides that if a Member fails to attend any meetings for 6 consecutive months he shall cease to be a member of the authority unless the reason for that failure is approved before the end of the period.

2.02 Councillor Billy Mullin last attended a formal meeting on 11 September 2014. Councillor Mullin is not well and receiving ongoing treatment.

3.00 CONSIDERATIONS

3.01 The purpose of the statutory provision is to give the Council the option of approving a member's absence where there is good reason for it so as to prevent the member ceasing to be a member at the end of the 6 month period.

3.02 The only reason Councillor Mullin has not attended meetings is due to his ill-health. It is not considered appropriate in a public report to give details of this ill-health. This report is being brought early so that Councillor Mullin does not feel under pressure to attend a meeting before 11 March 2015.

4.00 RECOMMENDATIONS

4.01 For Council to approve Councillor Mullin's absence from meetings.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 None as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 With the Council Chair and Council Leader.

12.00 APPENDICES

12.01 None.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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