

FLINTSHIRE COUNTY COUNCIL
16 FEBRUARY 2016

Minutes of the meeting of Flintshire County Council held in the Council Chamber, County Hall, Mold on Tuesday, 16 February 2016

PRESENT: Councillor Ray Hughes (Chairman)

Councillors: Alex Aldridge, Bernie Attridge, Glyn Banks, Haydn Bateman, Marion Bateman, Chris Bithell, Helen Brown, Derek Butler, Clive Carver, David Cox, Paul Cunningham, Peter Curtis, Ron Davies, Alan Diskin, Glenys Diskin, Chris Dolphin, Ian Dunbar, Andy Dunbobbin, Carol Ellis, David Evans, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, George Hardcastle, David Healey, Cindy Hinds, Joe Johnson, Christine Jones, Kevin Jones, Richard Jones, Colin Legg, Phil Lightfoot, Brian Lloyd, Richard Lloyd, Mike Lowe, Dave Mackie, Hilary McGuill, Ann Minshull, Tim Newhouse, Mike Peers, Vicky Perfect, Neville Phillips, Mike Reece, Gareth Roberts, Ian Roberts, David Roney, Tony Sharps, Aaron Shotton, Paul Shotton, Ian Smith, Nigel Steele-Mortimer, Carolyn Thomas, Owen Thomas, David Williams, Sharon Williams, David Wisinger, Arnold Woolley and Matt Wright

APOLOGIES:

Councillors: Rosetta Dolphin, Brian Dunn, Jim Falshaw, Dennis Hutchinson, Hilary Isherwood, Rita Johnson, Nancy Matthews and Billy Mullin.

IN ATTENDANCE:

Chief Executive, Chief Officer (Governance), Chief Officer (Community & Enterprise), Corporate Finance Manager, Finance Manager - Corporate Accounting and Systems, Housing Asset Manager, Finance Manager – Community Services and Committee Officers

83. MINUTES

The minutes of the meeting held on 26 January 2016 had been circulated with the agenda.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

84. DECLARATIONS OF INTEREST

Councillor Chris Dolphin declared a personal interest in minute number 90 (Council Fund Revenue Budget 2016/17) as his son worked for Betsi Cadwaladr University Health Board.

Councillor Richard Jones declared a personal interest in minute number 90 (Council Fund Revenue Budget 2016/17) as his wife ran a business in Buckley.

85. CHAIRMAN'S COMMUNICATIONS

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

The Chairman explained that he had attended a concert by the Llwynegrin Singers and expressed his surprise and disappointment that it had been announced that the concert would be the last show by the Llwynegrin Singers as they were disbanding due to reducing numbers. He commented that they had raised over £38,500 for charities and had been well respected.

Councillor Peter Curtis, the Vice-Chairman, suggested that a letter should be sent from the Council to express sadness at the decision to disband and to give congratulations for their work.

RESOLVED:

That a letter be sent from the Council to express sadness at the decision to disband the Llwynegrin Singers and to give congratulations for their work.

86. PETITIONS

No petitions were received.

87. PUBLIC QUESTION TIME

The Chief Officer (Governance) confirmed that no public questions had been received.

88. QUESTIONS

The Chief Officer (Governance) confirmed that no questions had been received.

Councillor Nigel Steele-Mortimer referred to the minutes of the previous meeting where it was indicated that a question had been received after the deadline for the 26 January 2016 meeting. The Chief Officer (Governance) advised that this meeting was to consider budget items and that the question would be submitted to the Council's next meeting on 1 March 2016.

89. NOTICE OF MOTION

The Chief Officer (Governance) confirmed that none had been received.

90. COUNCIL FUND REVENUE BUDGET 2016/17

The Chief Executive introduced a report to provide Members with the recommendations of the Cabinet for the Council Fund Revenue Budget 2016/17.

The presentation to be provided to Members at this meeting would focus on the process of closing the budget gap and Cabinet had agreed a two part recommendation to this meeting and copies of this had been circulated to

Members. The Chief Executive advised that the Corporate Finance Manager would briefly comment on the risk assessment of the proposals and provide Members with his statutory opinion as Section 151 Officer, which would override any other opinions, and the Chief Executive asked that the opinion be respected.

The Corporate Finance Manager and the Finance Manager – Corporate Accounting and Systems provided a detailed presentation, and commented on the following areas:-

- Content
- Cabinet Recommendations
- Budget Stages
- Budget Stage 1
- Summary of Revised Gap: Stage One Phase 1
- Summary of Revised: Stage One Phase 1
- Budget Stage 2
- Final Work to Balance the Budget
- Additional Service Issues
- Review of New and Emergent Pressures
- Workforce Efficiencies
- Council Tax
- Use of Reserves
- Other adjustments
- Summary of Final Balanced Position
- Risk Summary for In-year management
- Professional Opinions
- Looking Ahead
- Final settlement
- Medium Term Financial Plan (MTFP)

At the close of the presentation the Chief Executive referred to the unquantifiable risk of the level of support that would need to be given to commissioned care providers as a consequence of their inflationary costs. This was recognised in the second recommendation from Cabinet to secure extra funding from Betsi Cadwaladr University Health Board (BCUHB) from the Intermediate Care Fund (ICF) for this purpose. He confirmed that the Final Settlement had not yet been received and that the budget assumptions and the advice given by the Corporate Finance Manager and Finance Manager – Corporate Accounting and Systems was based on the settlement not changing materially from the Provisional Settlement. The final details would not be received until early March 2016 but a macro Welsh budget had been recommended by Welsh Government and an updated draft had been provided which reflected only a slight change to the settlement for Flintshire and therefore the recommended budget from Cabinet should be unaffected. The current Medium Term Financial Strategy (MTFS) would end in 2017/18 and any budget pressures which were being financed from the Council Reserves would need to be settled within the base from 2017/18. Figures for 2017/18 were based on a notional reduction in Revenue Support Grant of 1.5% and an increase in Council Tax of 3% along with the reserves being repaid from 2016/17 prior to new pressures and efficiencies. Based on these figures the Council was still facing a gap of around £11m for 2017/18. In referring to the Local Government Bill which

had been discussed at the previous meeting of Council the Chief Executive explained that the next MTFS would cover to the period 2018/19. If the Bill was enacted, then 2019 would be the year of Shadow Authorities; therefore planning up to that point was a prudent approach to take.

Councillor Aaron Shotton, the Leader of the Council and Cabinet Member for Finance, commented on the long journey that had been taken to reach this position and he paid tribute to all officers, staff and Members for the significant work that had been undertaken during the difficult time due to unprecedented cuts. He referred to the significant concerns and a crisis of confidence in 2015 when comparing the values of this Council with the emerging strategy in other Councils and the proposals that they were putting forward such as closure of care homes and leisure centres and reducing terms and conditions for employees. He commented on the importance and value of the lobbying case and of the public engagement events undertaken to gain public support which enabled a strong message to be conveyed to Welsh Government (WG). Councillor Shotton referred to the MTFS and confirmed that work on this would continue.

The recommendation from Cabinet included an element to pursue additional funds with the Health Board, funds that Councillor Shotton believed the lobbying case had contributed to securing. These funds should be used to protect the current level of services that were provided particularly in residential and domiciliary care. To prevent any further service cuts it was recommended that £1.429m from the Council's reserves be used for those services that WG support had been sought for. It was therefore important that the lobbying campaign continued once the new WG was formed in May 2016. He added that, as long as he was Leader, he would continue to put forward the case for a fairer funding formula for Flintshire. The proposals being put forward would mean the protection for another year of services such as day care and leisure facilities and would allow an increase in school budgets of £1.4m through a combination of Council funds and the additional pupil deprivation grant. There would be an increased investment in critical social services by over £2m and Councillor Shotton welcomed the continued commitment to retaining the three Council run residential care homes. In conclusion, he said that this budget prioritised the future of young people and the most vulnerable residents and the Housing Revenue Account which would be considered later on the agenda would secure decent housing for people most in need. In the face of severe austerity, he was proud to be able to make the case for Flintshire residents.

In supporting the Leader's comments and in seconding the proposals, Councillor Bernie Attridge spoke of the balanced budget which saw an investment in education and social care and a budget that protected the three care homes, leisure centres and swimming pools. He gave thanks to the Chief Executive, Chief Officers, the Finance Team and Cabinet colleagues for their work to achieve a balanced budget. He also thanked the role of Scrutiny in this process and hoped that all Members would support the budget.

Councillor David Healey asked whether any alternative budget proposals had been received by the Chief Executive or Section 151 Officer detailing the impact of each of the service departments and whether an alternative precept had been put forward. The Chief Executive responded that Members were not obliged to advise of any alternative proposals in advance of this meeting but it

had been requested that any complex suggestions be shared in advance for advice to be given; the Chief Executive confirmed that no alternatives had been shared but a number of relevant and appropriate questions had been asked. Councillor Healey also asked if any of the proposals submitted to Scrutiny had been put forward at any stage in the process. In response, the Chief Executive explained that provisional dates had been suggested for all six Overview & Scrutiny Committees to re-meet in January but that it had only be necessary to convene the Education & Youth Overview & Scrutiny because of options open on the funding formula. The Committee had endorsed the 1% uplift for schools of £0.869m which was included in the proposals to Council.. Corporate Resources Overview & Scrutiny Committee had also met at the end of January 2016 to introduce Stage one Phase two to Members and because of the 'mop-up' role of the Committee. At the closure of that meeting, there were no specific observations to be brought to the attention of the Council and no objections to the proposals had been received. Therefore, the views of the overview and scrutiny committees were represented in the final budget proposals.

Councillor Mike Peers referred to the numerous workshops and engagement events that had taken place and he agreed that it had not been an easy journey. He thanked the Corporate Finance Manager and officers for their responses to his enquiries. Stage One of the budget proposals had been supported by all six Overview & Scrutiny Committees and no new options had been sought. Cabinet had directed officers to work on proposals to close the budget gap at Stage Two from four work-streams but Councillor Peers said that it was reported that the budget came down to striking a balance between the level of Council Tax to be set and drawing upon reserves and balances. A Council Tax increase of 4.5% was proposed and in referring to the budget presentation slides, he said that it was reported that this would be a contribution to an unprecedented budget gap. Councillor Peers felt that previous increases of 3% had been a major contribution to the budget and added that it was also reported that the budget had been set within the context of the MTFS and stated that it had also been as the result of a significant reduction in funding (1.5%) from WG. He queried whether the increase in Council Tax would make up the difference in the reduction from WG and suggested that the Council was asking residents for an extra £0.862m. He felt that this was inappropriate as car parking charges had been introduced across the County, libraries had been closed and public transport was under threat so services were being reduced but residents were expected to pay more. He disagreed with the increase of 4.5% and agreed that a balanced budget should be provided but he disagreed with the way this had been achieved in Stage Two. In referring to paragraph 1.06 where it was reported that the educational contribution to schools of 1% would be funded through the setting of Council Tax at 4.5%, Councillor Peers also referred to the MTFS document where it was reported that the Council was planning to meet the budget pressure for 2016/17 only. It was therefore a one off pressure and the Council was assuming a Council Tax rise of 3% for 2016/17. He therefore proposed an amendment that the Council introduce a 3% rise in Council Tax instead of 4.5% in line with the forecast and assumptions in the MTFS document for 2016/17 along with a contribution from the Contingency Reserves of £0.862m to provide a balanced budget for 2016/17. This was seconded by Councillor Clive Carver.

The Chief Officer (Governance) advised that the amendment had been proposed and seconded and that the debate now should concentrate on the amendment rather than the substantive motion.

Councillor Aaron Shotton reminded Members that the £0.869m (1%) for the education budget to protect the existing budget and a real terms cash increase was not a one-off pressure. The substantive motion for the £0.869m would give schools protection against austerity for future years but the amendment put forward by Councillor Peers would only provide one-off one year security which was not sustainable.

The Chief Executive advised that the amendment was legitimate for debate. He explained that it was intended that the 1% to the schools budget would remain in the base for 2017/18 onwards and that if the amendment was approved, then the figure of £0.869m would need to be found from elsewhere for 2017/18 and 2018/19 and would become a budget pressure in itself. He commented on the varied rates of Council Tax raised over recent years. For the purposes of planning within the MTFs a notional increase of 3% had been included. He provided details of the predicted rates of Council Tax for the other North Wales authorities as comparators. He commented on Standard Spending Assessment (SSA) and said that Flintshire was still several million pounds short of the threshold even if Council Tax were to be increased by 4.5%. He further advised that it would be difficult to continue the argument with WG about being a low funded Council if SSA was not achieved over time and according to a plan.

The Corporate Finance Manager confirmed that the Council Tax funding was recurring in the overall budget and the school investment of £0.869m was built in on an ongoing basis. He did not support the additional use of reserves and reminded Members that the Contingency Reserve was in place to meet any in-year variation and would increase the budget gap for 2017/18 by £0.862m.

Councillor Tony Sharps supported the rise of 4.5% in Council Tax and welcomed the increase for education, social services and leisure centres. However, he raised significant concern about the service delivery and unreliability within Streetscene. He did not know the reasons for the problems which he felt were in the provision of the refuse collection service and litter picking particularly within rural areas. Councillor Attridge made an offer to Councillor Sharps to meet with him to share the issues that he had raised and that were causing him concern.

Councillor Carol Ellis also supported the recommendation from Cabinet and requested, as Chair of Social and Health Care Overview & Scrutiny Committee, that a special meeting of the Committee be convened to consider the issue facing the Council about residential care, specialist nursing and domiciliary care. On the amendment put forward by Councillor Peers, she said that other authorities either did not any longer run residential homes or were closing the facilities that they provided, and said that she could not support a lower Council Tax rise if this meant that the Council's residential homes and day care services would be closed. The Chief Executive said that the suggestion for a special Social and Health Care Overview & Scrutiny Committee meeting was important and was relevant to the budget because there was an unquantified budget pressure that residential care, nursing and other specialist care providers were

facing with gross inflationary risks of up to 4.5% in year, mainly because of the living wage. This pressure was not funded nationally and was a material budget issue in-year, and the Chief Executive added that the residential and nursing care market was approaching full capacity and that the provider market was a fragile one. The meeting would specifically consider how to fund social care in the longer term and suggested that a meeting could be arranged within four to six weeks.

Councillor Gareth Roberts indicated that he could not support the amendment and expressed his surprise that an increase of 5% had not been proposed. He said that current spending was about 3% below SSA and commented on the amounts that could have been achieved if the increase had been 5% for 2015/16 and for 2016/17. He spoke of the risks referred to by the Corporate Finance Manager and commented on unexpected one-off pressures such as protecting against a harsh winter and increases in oil prices. He felt that an increase to 5% would result in a very small rise per week for Band D properties which was acceptable. He concurred that the Council could not afford to diminish reserves and balances and that it was better to be cautious on their use.

In seeking clarification from Councillor Ellis about the Council Tax rise level she had referred to, Councillor Clive Carver said that he did not recall Councillor Peers referring to a 1% reduction in Council Tax and only to reduce the increase in Council Tax to 3% and to utilise reserves for the remaining gap. He agreed with the comments of Councillor Sharps about service provision. Councillor David Healey opposed the amendment and felt that it would be inappropriate to take from reserves. He felt that the process of setting a balanced budget had been difficult and he was aware of the anger felt in some parts of Flintshire. The budget did support education, helped social care, kept residential homes open for another year and was to be commended as being the best that could be achieved in the circumstances. He suggested that it would be a mistake to take anything further from reserves as the Council did not know the challenges it would face in the coming years. Councillor Healey commended those in the community who had been willing to volunteer to take some services over by way of Community Asset Transfer to protect services in times of austerity.

Councillor Robin Guest thanked and congratulated the officers and staff for their hard work on the budget proposals over the past 12 months. He accepted the words of the Leader on the budget which he felt Members had to accept would happen but had not recognised the Council Tax level reduction Councillor Ellis was speaking against. He referred to the MTFS document where it was reported that the Council would meet the one-off pressure for school funding formula only for 2016/17 and said that he was willing to support the amendment on the basis that the pressure was a one-off. However, if this was not the case then he was not able to support the proposal by Councillor Peers. Councillor Guest felt that the Contingency Reserve of £4.379m above the base level of reserves was more than sufficient to fund the one-off pressure and he did not think that it would have put the authority at risk. However, if the Contingency Reserves were earmarked for supporting other areas, he felt that this should have been made clear in the budget proposals.

The Chief Executive clarified that the second part of the MTFS on solutions and the schools funding formula referred to was where it was reported that the Council would meet only 1% of the schools pressure for 2016/17. However, the preceding sentences explained that schools were facing total pressures of up to 4% and therefore the Council was able to afford to fund only 1% of the 4% for 2016/17 in year and, as it was a recurring pressure, it could not be met from reserves. He said that it had been made clear at the Schools Budget Forum and the Education and Youth Overview and Scrutiny Committee that this was a recurring commitment. The Chief Executive went on to explain that the Contingency Reserves had not been earmarked and were intended to be used for unforeseen pressures not recurring commitments. Councillor Guest welcomed the clarification but felt that the wording in the MTFS document could be misinterpreted. Councillor Peers felt that it was regrettable that there had been a misunderstanding but he asked that it be recorded that he fully supported education provision in the County and based on the advice provided, he formally withdrew his amendment which was also agreed by Councillor Carver as seconder of the proposal.

The Chief Officer (Governance) reminded Members that the substantive motion for consideration was the recommendation from Cabinet at its meeting earlier today.

Councillor Arnold Woolley expressed significant concern about the effect of a 4.5% rise in Council Tax on residents at a time of austerity and shortages in disposable income. He also queried how the Council Tax collection rate would be affected if the increase was imposed and what impact this would have on future gaps. He raised concern about the reliability and robustness of the figures that the officers had been working with and referred in particular to a discussion at a recent Audit Committee meeting when the issue of consultancy costs, which differed from £2.5m to £0.480m, were discussed. Another area of concern was whether the savings from any Alternative Delivery Model Solutions (ADMS) had been included in the budget proposal calculations and what savings could be achieved from their implementation. Councillor Woolley also commented on a document entitled 'Ageing well in Wales' and how impacts of budget cuts on areas such as public transport could leave some residents being isolated which would have a significant impact on communities. Finally, he referred to the timing of budget setting after most Town & Community Councils had set their precepts and hoped that consideration would be given to any Town & Community Councils that were impacted by the proposals in the budget.

In response, the Chief Executive said that savings from ADMs and Community Asset Transfers (CAT) had been factored into the budget proposals; the three biggest ADMs had been considered at a meeting of Organisational Change Overview & Scrutiny Committee the previous day. A number of Town and Community Councils had also taken account of extra funding required for CATs where the Council was already undertaking a formal agreement. On the issue of debt, the Chief Executive reminded members that Flintshire's collection rate for Council Tax was one of the highest in Wales and an advantage of maintaining the Council Tax Reduction Scheme, which was not fully funded by Welsh Government, was that those least able to pay for any rise in Council Tax would be protected through the benefits system.

Councillor Richard Jones thanked Sara Dulson, Gary Ferguson, Dave Ledsham and the Chief Executive for the information that had been provided following his requests for detailed information. He also acknowledged the £0.471m difference on page 31 had been a financial error in the way that it had been reported. He referred to the lobbying case for 2016/17 which he had not supported and which he felt had failed because WG would not listen. Councillor Jones suggested that there were four of six parts of the lobbying case which had not been achieved including no change in the Council Tax Reduction Scheme (CTRS). He said that the last revision of the MTFS had been late and had been carried out in September 2013 and felt that the gap of £52.8m over 3 years might have had a better outcome if it had been acted upon sooner. He concentrated on a few areas in relation to savings and efficiencies and welcomed the reinstatement of the £0.070m for the rewards scheme but raised concern that the proposal had been through the Scrutiny process without being challenged. Councillor Jones felt that it was not always obvious from the wording of the proposals what the outcome would be if agreement was given. He spoke of the introduction of the Integrated Transport Unit which would see an efficiency of £0.200m but the comments in the risk indicated that the ADM was still to be confirmed. It was also not clear which rural areas could be at risk of losing their bus services; Councillor Jones felt that it was important that Members were made aware of this information. A reduction in the Household Recycling Sites from seven to three was also proposed but again it was not clear which would be retained particularly when the Missed Waste Collection Service was being removed. He referred to the £0.160m of efficiencies which named Town & Community Councils as the recipient of those costs for areas such as subsidy of bus routes, bus shelters and liability and maintenance of cemeteries. He felt that it would be better if the details were in the budget and set before Town & Community Councils set their precepts. He sought clarification on whether the figures for car park charges efficiency which was showing as £0.200m for this year and £0.400m for last year were correct.

In response to the comments relating to Streetscene and Transportation, the Chief Executive explained that there was a plan in place but further work was needed. He provided a factual precis on the lobbying case on four issues and explained that the Council had overachieved on one area, partly achieved on one and not achieved on two areas. The Council had been told to predict forecasts based on a minimum reduction of 3.5% reduction in Revenue Support Grant (RSG) and had helped achieve a much lower reduction. Social Services had been mentioned exclusively and lobbying had helped make the case for extra investment but it was not yet clear how this additional funding could be accessed. The Council was in advanced discussions with BCUHB and therefore this had been partially achieved. The areas of no achievement were in the CTRS and charging in Social Care but discussions were ongoing nationally over raising the charging capping threshold substantially. A fifth area where collective lobbying had been successful was on specific grants such as the Supporting People funding and the new Single Environment Grant.

On the issue of the Integrated Transport Unit, Councillor Attridge explained that the report and the identified routes was considered by a recent meeting of Environment Overview & Scrutiny Committee. The report had been considered by Cabinet earlier today and had been approved.

The Corporate Finance Manager explained that the £0.200m for car parking charges was the full year effect of the car parking strategy that was agreed for 2015/16 budget proposals.

In supporting the budget, Councillor Alex Aldridge said that when Councillor Woolley was Leader of the Council, he began to create the gap between SSA and spending and Councillor Roberts was correct in his assumption that if spend had been to SSA, then the Council would not find itself in the situation that it was facing today. He welcomed the proposals which would see the retention of services for residents of the County such as the Pavillion in Flint. It was important that vulnerable people were taken care of and that those who had made a contribution over many years were not discarded. The Council was facing difficult and challenging times but he felt proud that a good and balanced budget was being proposed. He was delighted at the way the Leader had made representation at the highest level in Cardiff and said that it was not an easy job to convince other authorities to give away some of their bounty.

Councillor Paul Shotton spoke in support of the budget and said that numerous workshops and public consultations had been undertaken and it had been scrutinised fully in an open and transparent manner. He indicated that the lobbying undertaken had worked in reducing the loss to the RSG which allowed a balanced budget to be presented to Members which included support for education and social care.

In referring to the Supporting People Commissioning Plan, Councillor Helen Brown said that it had been fully supported by Community and Enterprise Overview & Scrutiny Committee when it had been considered the previous week and was considered by Cabinet earlier today. The supporting people grant had seen a reduction of £18.4m over the past three years and a further £1m reduction was being proposed but as a result of lobbying £1m of services had been protected.

Councillor Chris Dolphin proposed that the vote be taken and this was duly seconded. The Chief Officer (Governance) advised that as a closure motion had been put forwarded and that it was for the Chair to decide if the matter had been sufficiently debated or if the remaining speakers could address Members. The Chairman agreed to hear the two remaining speakers.

Councillor Christine Jones said that lobbying would continue. She referred to the success of securing extra funding for the Intermediate Care Fund and discussions were still ongoing to lift the domiciliary care cap and the Minister had been helpful and supportive. She expressed concern that Councillor Richard Jones had already received information on the incentive payments and indicated that the cut had not been implemented following consultation. .

Councillor Gareth Roberts said that to not increase Council Tax would result in a reduction in services and suggested that the public expected a realistic level of services. On Household Recycling Centres, if the numbers were reduced, he felt that this would result in increases in fly-tipping and therefore costs to clearing rubbish would rise. He raised concern about whether CATs taken over by Town & Community Councils or volunteers would be sustainable in the longer term. He referred to a possible further 2% reduction in WG funding for

next year and spoke of savings by reducing staff numbers but reminded Members that redundancies required initial high costs and that savings would only be achieved in the longer term. He also commented on the use of consultants and agency workers and of employees who had been made redundant in the past but had been re-employed by the Council. Councillor Roberts commented on the proposed waste incinerator in Deeside which the Deputy Leader and Cabinet Member had voted against the proposal. Various suggestions of costs had been put forward and figures of £20 to £30m had been identified and he expressed concern of what could have occurred if it had been refused with Flintshire needing to find the costs for compensating the other Councils involved.

As a point of clarity, Councillor Aaron Shotton said that neither he nor the Deputy Leader were members of the Planning Committee and asked Councillor Roberts to accept that fact and withdraw his comments. Councillor Roberts said that Councillor Attridge had been imploring Members to vote against the proposal along with another Cabinet Member. Councillor Attridge asked Councillor Roberts to withdraw his comments and reiterated that he was not on the Planning Committee. Councillor Kevin Jones said that he had supported the waste incinerator and would continue to do so and as a Cabinet Member, and he suggested that Councillor Roberts' comments were out of order.

On the issue of redundancies, the Chief Executive said that redundancies were made through a detailed business case and costs were paid upfront from a special reserve set aside for this purpose which ensured that the efficiencies occurred immediately. He confirmed that the Council did not re-employ people who had been made redundant. There was a clear policy in place where no-one could be reemployed by the Council for a period of 2 years following their redundancy. Members of Corporate Resources Overview & Scrutiny Committee had accepted that the Council was excelling the Wales Audit Office recommendations on how to undertake redundancies.

On being put to the vote, the recommendations from Cabinet were carried. Councillor Clive Carver asked that his vote against the recommendation be recorded.

RESOLVED:

- (a) That the Council approves a balanced budget for 2016/17 based on a combination of the previously adopted Stage One proposals, and the new Stage Two proposals of £3.517M as set out within Table 1 of the Cabinet report; and
- (b) That Council calls on Betsi Cadwaladr University Health Board to allocate a proportion of the additional Intermediate Care Fund monies granted by Welsh Government to assist the Council, in its capacity as a commissioner of care, in meeting the increasing provider costs within the local residential, nursing and specialist provider independent care sector to both sustain the provider market and protect the secondary and acute health sector from increased demand.

91. CAPITAL PROGRAMME 2016/17 AND INDICATIVE PROGRAMME TO 2019/20

The Chief Officer (Organisational Change) introduced a report to propose the 2016/17 Council Fund Capital Programme and Indicative Programme for 2017/18 – 2019/20.

Councillor Mike Peers asked when the details referred to in paragraph 1.08 would be available. In response the Chief Officer (Organisational Change) explained that 2016/17 would be a transitional year in terms of the business cases and specific programmes of work. He indicated that business cases would be presented throughout the year and therefore the information in table 3 would expand as further information became available.

Councillor Bernie Attridge proposed the acceptance of the recommendations within the report and this was duly seconded by Councillor Helen Brown.

On being put to the vote, Members voted unanimously in favour of the recommendations.

RESOLVED:

- (a) That the Council approves the allocations in paragraph 1.07 of the Cabinet report at its 16 February 2016 meeting for Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2016/17 – 2019/20;
- (b) That the Council approves the schemes included in paragraph 1.11 of the Cabinet report at its 16 February 2016 meeting for the investment section of the Council Fund Programme 2016/17 – 2019/20; and
- (c) That the Council continues to support the existing process of allocating capital receipts to fund capital schemes generally only when the receipts have been actually received (paragraphs 1.03 and 1.04 of the Cabinet report at its 16 February 2016 meeting.

92. HOUSING REVENUE ACCOUNT BUDGET 2016/17 AND CAPITAL PROGRAMME 2016/17

The Chief Officer (Community and Enterprise) introduced a report to provide Members with the final proposals for the Housing Revenue Account (HRA) and Capital budget for the 2016/17 financial year including proposed rent increases.

The Chief Officer and Senior Manager - Council Housing Services provided a joint presentation and commented on the following areas:-

- Content
- Self-Financing
- 30 year business plan

- Housing Revenue Account
- Other Income
- Service Charges 2016/17
- Future phasing of service charges
- Principles Underpinning Efficiencies
- HRA Efficiency Proposals
- HRA Pressures
- HRA Capital Programme 2016/17
- Funding for HRA Capital Programme 2016/17
- Council house building programme

Councillor Helen Brown proposed the recommendation from Cabinet to approve the HRA budget for 2016/17. She said that the HRA had gone from strength to strength and services had improved particularly routine repairs and the time taken to let empty properties. She welcomed the self-financing initiative introduced in April 2015 and indicated that the increase of 1.4% (plus up to or minus £2) in rent was the lowest for a number of years. The report had been submitted to a recent meeting of the Community and Enterprise Overview & Scrutiny Committee and Cabinet earlier today. The increase in garage rent was also recommended to be 1.4%. Councillor Brown was proud to be proposing a £21m budget for the investment in the Welsh Housing Quality Standard (WHQS) and commented that the annual budget had been less than £10m five years ago and that each Council house could achieve WHQS by 2020. The SHARP project would provide at least 200 new council homes and work would commence on site to build 12 properties in the coming weeks and a further 40 will be built later in the year. The work would provide opportunities for apprenticeships and work for local people and Councillor Brown referred to the Training Academy which had been the subject of a report to Overview & Scrutiny Committee recently and Cabinet earlier today. The Council would continue to work in partnership with tenants to receive feedback on the quality of the service. The proposal was duly seconded by Councillor Tony Sharps.

Councillor Neville Phillips sought clarification on the proposal to build bungalows as part of the Council house building programme and queried whether these would be one or two bedroom dwellings. Councillor Brown confirmed that a local market assessment would be undertaken to establish whether there was need for one or two bedroom bungalows in line with the needs of the area. In welcoming the investment in Council housing, Councillor Ron Hampson commented on the significant progress made and praised the decision to retain the housing stock in-house. He congratulated the Chief Officer (Community and Enterprise) and her team for their hard work. Councillor Aaron Shotton, said that the budget would enable the Council to build council housing and said that this was an example that lobbying worked. It had enabled the Council to bring in the self-financing initiative to enable 200 new council properties to be built. He also welcomed the achievements for the WHQS in the investment for the Council's housing stock and reiterated that the proposed rent increase was the lowest ever.

In referring to the debt charging information reported in the business plan, Councillor Mike Peers asked if this was as detailed in paragraph 1.02. He queried whether the interest rate was variable or fixed and whether the figures for later years were assumptions or actuals. The Chief Officer (Community and Enterprise) advised that a consolidated rate of interest across all of the Council's

borrowing was charged to the HRA for its proportion of Council debt. The Finance Manager explained that the self-financing element was based on a rate specific for prudential borrowing for this purpose and a number of loans had been taken out based on what was most affordable for the Council with the loan terms varying from 19 years to 30 years. The Chief Officer (Community and Enterprise) confirmed that the Council had been able to secure good rates for its borrowing.

Councillor Kevin Jones welcomed the exceptional package before Members and the work that had been undertaken to reach this position. On the issue of service charges for future years, he asked whether it would be beneficial to include an amount to cover pest control on Council estates.

In referring to the WHQS, Councillor Richard Jones asked for details of the total figures for 2014 to 2017. The Finance Manager advised that details for 2015 to 2020 were included in the business plan and totalled £79m projected spend. The Chief Officer (Community and Enterprise) added that she would provide the requested information to Councillor Jones following the meeting. The Senior Manager - Council Housing Services advised that the whole WHQS investment for the six year period was £111m

On being put to the vote, Members voted unanimously in favour of the recommendations.

RESOLVED:

That the Council approve the recommendations of Cabinet from its meeting held on 16 February 2016 as set out in the report attached to the Council report.

93. TREASURY MANAGEMENT STRATEGY 2016/17, TREASURY MANAGEMENT POLICY STATEMENT 2016-19, TREASURY MANAGEMENT PRACTICES 2016-19, TREASURY MANAGEMENT MID-YEAR REVIEW 2015/16

The Corporate Finance Manager introduced a report to present the Treasury Management Strategy 2016/17 for approval, along with the Treasury Management Policy Statement 2016-2019, Treasury Management Practices and schedules 2016-2019 and the Treasury Management Mid-Year Review 2015/16.

The various policy statements and practice and schedules were refreshed for approval every three years and Audit Committee reviewed the report in detail at its meeting on 27 January 2016. Some minor adjustments were recommended and adopted into the final version before submission to Cabinet earlier today where there were no changes or verbal updates to report to Council.

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

On being put to the vote, Members voted unanimously in favour of the recommendations.

RESOLVED:

That the following documents be approved:-

- Treasury Management Strategy 2016/17
- Treasury Management Policy Statement 2016-2019
- Treasury Management Practices and Schedules 2016-2019
- Treasury Management Mid-Year Report 2015/16

94. PRUDENTIAL INDICATORS 2016/17 TO 2018/19

The Corporate Finance Manager introduced a report to present to Council the recommendations of the Cabinet in relation to the setting of a range of Prudential Indicators. He confirmed that Cabinet had not made any comments for consideration by Council.

Councillor Bernie Attridge proposed the acceptance of the recommendations as outlined within the report. This was duly seconded by Councillor Kevin Jones.

On being put to the vote, Members voted unanimously in favour of the recommendations.

RESOLVED:

- (a) That the Council approve the Prudential Indicators for 2016/17 – 2018/19 as detailed in Section 1 of the report to Cabinet on 16 February 2016; and
- (b) That Delegated Authority be given to the Corporate Finance Manager to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (paragraphs 1.07.1 and 1.07.2 of the report to the 16 February 2016 meeting of Cabinet).

95. MINIMUM REVENUE PROVISION - 2016/17 POLICY

The Corporate Finance Manager introduced a report to seek Council approval in setting the annual policy for prudent Minimum Revenue Provision for the repayment of debt, which Local Authorities were required to do each year.

Councillor Bernie Attridge proposed the acceptance of the recommendations as outlined within the report. This was duly seconded by Councillor Kevin Jones.

On being put to the vote, Members voted unanimously in favour of the recommendations.

RESOLVED:

- (a) That Members approve for the Council Fund:
 - Option 1 (Regulatory Method) be used for the calculation of the MRP for all capital expenditure funded from supported borrowing;

this represents a continuation of the approved and adopted policy for 2015/16

- Option 3 (Asset Life Method) be used for the calculation of the MRP in 2016/17 for all capital expenditure funded from unsupported (prudential) borrowing or credit arrangements; this represents a continuation of the approved and adopted policy for 2015/216

(b) That Members approve for the Housing Revenue Account (HRA):-

- Option 2 (Capital Financing Requirement Method) be used for the calculation of the HRA's MRP in 2016/17 for all capital expenditure funded by debt; this represents a continuation of the approved and adopted policy for 2015/16.

96. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press and no members of the public present.

(The meeting started at 2.00 pm and ended at 4.30 pm)

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Chairman