

CABINET
17TH MAY 2016

Minutes of the meeting of the Cabinet of Flintshire County Council held in the Clwyd Committee Room, County Hall, Mold on Tuesday, 17th May 2016

PRESENT: Councillor Aaron Shotton (Chair)

Councillors: Bernie Attridge Chris Bithell, Derek Butler, Christine Jones and Kevin Jones

APOLOGIES:

Councillors: Helen Brown and Billy Mullin.

IN ATTENDANCE:

Chief Executive, Chief Officer (Community and Enterprise), Chief Officer (Education and Youth), Chief Officer (Streetscene and Transportation), Chief Officer (Organisational Change), Chief Officer (Organisational Change), Chief Officer (Social Services), Corporate Finance Manager, Deputy Monitoring Officer and Team Manager – Committee Services

OTHER MEMBERS IN ATTENDANCE:

Councillor: Dave Mackie

1. DECLARATIONS OF INTEREST

On agenda item number 11 – Report back from the Education and Youth Overview and Scrutiny Call In Meeting – Ysgol Maes Edwin, Flint Mountain, and agenda item number 12 – Report back from the Education and Youth Overview and Scrutiny Call In Meeting – Ysgol Llanfynydd, the Deputy Monitoring Officer explained that any Members who were School Governors in the County had a personal interest only as long as the matter did not relate directly to schools where they were Governors. Councillors Butler, Christine Jones, Kevin Jones and Shotton declared personal interests accordingly.

Councillor Attridge declared a personal and prejudicial interest in agenda item number 6 – Strategic Housing and Regeneration Programme (SHARP), The Walks, Flint – Affordable Housing Development and agenda item number 7 – Strategic Housing and Regeneration Programme (SHARP), The Walks, Flint – Council Housing Development as he was Chair of NEW Homes Board.

Councillor Shotton declared a personal and prejudicial interest in agenda item number 15 – Establishment Structure in Governance as he had a family member who was employed in that section.

2. MINUTES

The minutes of the meeting held on 19th April 2016 had been circulated with the agenda. Councillor Bithell explained that he was not a School Governor and did not declare an interest in agenda item numbers 8 and 9.

RESOLVED:

That, subject to the above, the minutes be approved as a correct record.

3. ALTERNATIVE DELIVERY MODELS - LEISURE AND LIBRARIES

Councillor Shotton welcomed workforce representatives and service managers to the meeting who were in attendance to present their views on the Leisure and Libraries Business Plan.

The workforce representatives Paula Jones, Dafydd Young and Jay Davies presented their views which covered the following:

- As a workforce they were supportive of the proposed Alternative Delivery Model (ADM)
- They had confidence in the ADM
- They believed they had the skills to enhance the services
- The workforce was positive and enthusiastic about the future
- They wanted to provide a stronger service for the future
- They would work in collaboration with senior managers on opportunities
- Desire to develop themselves as individuals and break down any barriers
- Intended to lead by example and safeguard services for the public
- They recognised the challenges ahead and were ready to embrace the changes

The management representatives Paul Jones, Sian Williams and Kate Leonard presented their views which covered the following:

- There was an increased sense of ownership by the workforce
- It made financial sense in the coming years to meet the aims of the Medium Term Financial Strategy (MTFS)
- Based on assets, the ADM would be eligible for up to 80% business rate relief which would make huge inroads into identifying the required efficiencies. Efficiencies would be met and a trade surplus would be generated by making changes on how the service operated
- A good and enthusiastic workforce who were placed in a strong position for ADM
- Employee engagement had taken place with approximately 200 staff who generated good ideas for the service. Managers had been heartened by the number of employees who had approached them with ideas of how the service could be shaped
- Employees took great pride in the service and were looking forward to the future
- Opportunities to build on the co-located library at Deeside Leisure Centre which was a good showcase of what could be offered

Councillor Kevin Jones said he had met with the staff on a number of occasions and welcomed the way in which they had embraced the challenge.

Councillor Shotton explained that Cabinet Members had wanted to be confident and assured that the services could be protected in the current financial climate which had been demonstrated by those present. The purpose in inviting

the workforce and management representatives to address Cabinet was to hear their views on something that was unique and he welcomed all of the comments made.

Councillor Attridge expressed his thanks to those present saying he was heartened by what he had heard.

Councillor Bithell said he was pleased by the enthusiasm showed by the staff which would help to secure jobs and valuable services.

Councillor Butler commented on other local authorities who had closed leisure facilities because of austerity and praised this as a way forward.

The Chief Executive thanked the workforce group and service managers for their attendance. There was still a considerable amount of work to be done including the establishment of a Transition Board which would receive a high degree of support from himself, Councillor Shotton and other senior officers.

RESOLVED:

That the presentations be received.

4. CARE SECTOR

Councillor Christine Jones introduced the report on the care sector which examined the changes taking place in Wales and England, and the challenges being faced in Flintshire.

The care sector across Wales and England was fragile with both domiciliary and residential care experiencing difficulties sustaining their business models.

There were significant pressures on local authority budgets which was acute in Flintshire. The Council had agreed to an additional investment to meet the increases in independent provider care fees as part of setting the annual budget. As a temporary solution the shortfall for 2016/17 of £646k had been funded from reserves for this financial year only. The budget pressure remained unresolved for 2017/18 onwards and had been built into the Medium Term Financial Strategy (MTFS) as a recurring pressure. This was due to the introduction of the National Living Wage (NLW) on 1st April 2016 which required all employees over the age of 25 to be paid a minimum of £7.20 per hour.

The pressures on the system were causing businesses to fail across the UK resulting in insufficient available bed and domiciliary care packages to meet the needs of residents.

Flintshire's older population was predicted to rise by 23% over the next four years with the number of older people with significant health and social care needs predicted to rise by 22% during the same period. During that period there was a clear and ever present risk that the care sector would be unable to sustain itself if no action was taken.

The Chief Officer (Social Services) said the Council recognised the need to adopt a comprehensive strategy to address the significant threat with the aims of the strategy being outlined in the report. There was also a need for national reform to the funding of the social care sector in Wales through open urgent discussion with WG. By expressing the concerns for the sector and offering workable solutions, such as the removal of the £60 weekly maximum charge for non-residential services, it was hoped some spare resource capacity would be created. Flintshire was also seeking to ensure that Health colleagues appreciated the importance of the role they played in sustaining the care sector and hoped to work collaboratively with Betsi Cadwaladr University Health Board (BCUHB) to bridge the 'gap' through shaped resources.

Councillor Shotton commented on the views expressed at the Social and Health Care Overview and Scrutiny Committee meeting on what was becoming a crisis in social care. It was important to note the outcomes of the Independent Care Review that a reduction in provision was not an option, concluding that lobbying of WG would continue, which was supported by other Cabinet Members.

The Chief Executive stressed that social care was the biggest single service funding pressure for the Council. A discussion was ongoing on charging caps which would be discussed at the North Wales Regional Leadership Board later that week with the topic being a substantive item on future agendas.

RESOLVED:

- (a) That the report be accepted and the immediate and longer-term challenges faced in Flintshire be recognised;
- (b) That the need for national reform in the funding of the social care sector in Wales be supported, and the position to engage with a new Welsh Government to develop solutions as a matter of urgency be endorsed;
- (c) That the Residential Care Review be accepted and the recommendations within the report be endorsed; and
- (d) That Flintshire's intention to engage with the Welsh Government to share real concerns about the sustainability of the care sector be endorsed and that a case for additional funding for the sector be presented.

5. APPROVAL OF LENDING TO NEW HOMES TO FUND A DEVELOPMENT OF 62 AFFORDABLE NEW HOMES IN FLINT

The Chief Officer (Community and Enterprise) introduced the report on the approval of lending to NEW Homes to fund a development of 62 affordable new homes in Flint.

The proposed re-development of The Walks would bring to the town a significantly improved housing offer, utilising traditional construction methodology which would provide thermally efficient, well planned and secure properties for the current and future residents of Flint.

The overall vision for marketing The Walks would be to create a united marketing strategy that reinforced the partnership between the Council and NEW Homes. The marketing of The Walks would encompass developing a single brand that was easily recognised by local people.

Flintshire County Council had commissioned an independent valuation for The Walks from the District Valuer. The open market value of the proportion of the site to be developed by NEW Homes was £771k. There were projected abnormal site costs of £584k and when deducted from the valuation, left a net sale price to NEW Homes of c£187k. This was the same process which was utilised for land disposed of recently to Pennaf Housing Group and Betsi Cadwaladr University Health Board for the development sites in Flint. An application for consent to transfer the land to NEW Homes had been made to Welsh Government (WG) with a formal response expected.

A number of funding solutions had been identified to finance the development. The NEW Homes Board met on 26th April 2016 and agreed in principle to proceed with The Walks development with the preferred funding provider being Flintshire County Council. Details of the options available, including an appraisal of each, were outlined in the report.

The Local Government Act 2003 provided the Council with the powers to lend finance to NEW Homes and if agreed, could provide the Council with a new revenue stream alongside enabling NEW Homes to help the Council meet the identified need for more affordable properties in the County.

It was recommended that delegated authority be given to the Council's Section 151 Officer in conjunction with the Monitoring Officer to agree the terms of a loan and the rate of interest to be charged to NEW Homes, following receipt of external specialist advice.

In response to a question from Councillor Kevin Jones, the Chief Officer explained that the Council could either lend at commercial interest rates, and therefore provide no State Aid to NEW Homes, or it could consider lending at interest rates lower than commercial rates which would constitute State Aid. Lending at lower than commercial rates was lawful provided that the purpose of the loan qualified for a State Aid exemption and certain criteria were not breached. The Council had received legal advice indicating that the provision of homes for rent qualified for a lawful State Aid exemption.

Members welcomed the report on an enterprising scheme to meet the housing demand in the County.

Councillor Kevin Jones asked for an update on the application to suspend Right to Buy properties. The Chief Officer explained that the application had been submitted ahead of the WG elections and she expected it to be signed off following the appointment of the relevant Minister.

RESOLVED:

- (a) That it be noted that NEW Homes wishes to develop 62 affordable properties on The Walks at Flint at a build cost of £7.397M following the

board agreeing to seek approval from the Council to provide capital finance to fund the development;

- (b) That responsibility be delegated to the Section 151 Officer and the Monitoring Officer for a:-
- approval of the terms of the loan as described in paragraph 1.50 of the report
 - and approval of the terms of the loan agreement and any associated documents following satisfactory due diligence
- (c) That the inclusion of the NEW Homes Walks development costs in its Council's Fund capital programme in 2016/17 to be funded by prudential borrowing be approved;
- (d) That the changes to necessary strategies and policies including: Treasury Management Strategy, Prudential Indicators, Minimum Revenue Provision Policy and Accounting Policies be recommended to Council;
- (e) That the HRA land at The Walks be disposed to NEW Homes (subject to Welsh Government consent) for c£187k, subject to final valuation of abnormal costs; and
- (f) That it be noted that NEW Homes will develop a joint Marketing and Estate Management Strategy (including a Local Lettings Policy) with the Council for The Walks.

Councillor Attridge left the meeting during consideration of the item.

6. SHARP – THE WALKS, FLINT COUNCIL HOUSING DEVELOPMENT

The Chief Officer (Community and Enterprise) introduced the report on SHARP – The Walks, Flint Council Housing Development which sought agreement to develop The Walks, Flint as part of the Council's Strategic Housing and Regeneration Programme (SHARP).

Following approval of the previous item for 62 affordable homes in Flint, this report sought approval for 30 council houses on the same development which would provide an overall development of 92 residential properties.

The 30 Council properties would be managed within the Housing Revenue Account (HRA), whilst the 62 affordable properties would be managed by NEW Homes. A joint Local Lettings Plan would be developed to ensure good management of the stock for the sensitive allocation of properties to local Flint residents. Joint working arrangements would also be developed around tenancy management and repairs services to all residents living on the scheme moving forward, regardless of who their landlord would be.

Alongside completion of the Welsh Housing Quality Standard (WHQS) for its existing stock, the Council had been successful in securing an additional allocation of borrowing headroom for a Housing Revenue Account (HRA) new build programme (£14,757m) and the HRA was likely to generate further revenue

and borrowing headroom during the life of the programme. It was recommended to utilise prudential borrowing to fund the development.

Members also welcomed the report on an enterprising scheme to meet the housing demand in the County.

RESOLVED:

- (a) That the development of 30 new Council homes on The Walks, Flint House School for a total cost of £3.95M be approved; and
- (b) That the development of joint Marketing and Estate Management Strategies (including Local Lettings Policy) with NEW Homes for The Walks be approved.

Councillor Attridge left the meeting during consideration of the item.

7. PHASE 3 OF THE COUNCIL'S VEHICLE FLEET PROVISION AND MANAGEMENT REVIEW

Councillor Attridge introduced the report on phase 3 of the Council's vehicle fleet provision and management review. The report provided details of the outcome of the tender exercise that had been undertaken to source a partner organisation to provide and manage the County's fleet of vehicles.

The Chief Officer (Streetscene and Transportation) outlined the financial and service benefits of the tender submission, full details of which were contained in the report, emphasising the request of the workforce to remain in the employment of the Council with them carrying out the maintenance activities on behalf of the contractor. He added that the contract price included all of the costs associated with bringing Flintshire County Council's fleet to Euro 6 standard.

Councillor Attridge asked that an additional recommendation be added "That regular reports be brought back to Cabinet over the life of the contract to keep Cabinet informed, with the frequency to be decided" which was agreed.

The Chief Executive thanked all of those involved for their work on this review which Flintshire was a leading performer in this field.

Councillor Kevin Jones said bringing the fleet to Euro 6 standard was an excellent example of obtaining value for money for the authority.

RESOLVED:

- (a) That the implementation of Phase 3 of the Fleet Review and the award of a 7 year contract with a single external supplier for the supply, management and maintenance of all the Council's fleet, whilst retaining the in-house workshop staff who will carry out the maintenance activities on behalf of the contractor be approved; and
- (b) That regular reports be brought back to Cabinet over the lift of the contract to keep Cabinet informed, with the frequency to be decided.

8. ENVIRONMENTAL ENFORCEMENT ARRANGEMENTS

Councillor Attridge introduced the report on environment enforcement arrangements with the report seeking agreement, with a private partner, to undertake environmental enforcement duties in the County on a 12 month pilot trial basis.

In order to provide additional resources to deliver the zero tolerance approach introduced by the Council to littering and dog fouling enforcement, it was proposed to enter into an agreement with a private partner with a proven track record in the enforcement of environmental crime. The arrangement would initially be for a 12 month pilot trial which would allow a full evaluation of the success of the arrangement, before a longer term contract and commitment could be organised.

The Chief Officer (Streetscene and Transportation) explained that, whilst on duty, the Enforcement Officers from the partnering organisation would wear the same uniform as the Councils Enforcement Officers and each would carry a shoulder mounted CCTV camera to record all public contact.

Members welcomed the report which would address the continuing problems with littering and dog fouling.

RESOLVED:

That approval be granted to enter into a formal agreement with a private partner to undertake environmental enforcement duties in the County on a 12 month pilot trial basis.

9. REVENUE BUDGET MONITORING 2015/16 (MONTH 11)

The Corporate Finance Manager introduced the Revenue Budget Monitoring 2015/16 (Month 11) report which provided details on the latest revenue budget monitoring position for 2015/16 for the Council Fund and the Housing Revenue Account and reported that no specific issues had been raised when considered at the recent Corporate Resources Overview and Scrutiny Committee meeting. The position was based on actual income and expenditure as at Month 11 and projected to the year-end. The projected year-end position was as follows:

Council Fund

- Net in year expenditure forecast to be £1.574m lower than budget
- Projected contingency reserve balance at 31 March 2016 of £5.210m

Housing Revenue Account

- Net in year expenditure forecast to be £0.093m lower than budget
- Projected closing balance as at 31 March 2016 of £1.330m

The previous allocation for investment in organisational change was now fully committed therefore it was recommended that £0.750 was set aside to meet future investment costs for future organisational change. If approved this would reduce the balance on the contingency reserve to £4.460m.

The report provided details on the programme of efficiencies, inflation, un-earmarked reserves and earmarked reserves.

The report also outlined details on a number of risk areas as follows:

- Municipal Mutual Insurance (MMI)
- Recycling
- Out of County Placements

Various requests to carry forward funding into 2016/17 had been made, details of which were contained in appendix 3 to the report.

RESOLVED:

- (a) That the overall report and the projected Council Fund Contingency Sum as at 31st March 2016 be noted;
- (b) That the projected final level of balances on the Housing Revenue Account be noted; and
- (c) That the carry forward requests be agreed.

10. REPORT BACK FROM THE EDUCATION AND YOUTH OVERVIEW AND SCRUTINY CALL IN MEETING - YSGOL MAES EDWIN, FLINT MOUNTAIN

The Member Engagement Manager introduced the report which provided details of the call in meeting that was arranged for School Modernisation – School Standards and Reorganisation Act 2013 – Ysgol Maes Edwin, Flint Mountain.

Having considered the decision, the Committee chose Option 4, to refer the issue to Council. The Council considered the issue at a special meeting on Tuesday 10th May 2016 and recommended that the original Cabinet decision should stand.

RESOLVED:

- (a) That the decision of the Education and Youth Overview and Scrutiny Committee call in meeting with regard to Record No 3255 School Modernisation – School Standards and Reorganisation Act 2013 – Ysgol Maes Edwin, Flint Mountain, be noted;
- (b) That the decision of the Council at the special meeting held on 10th May 2016 be noted; and
- (c) That Cabinet notes that the decision has been implemented.

11. **REPORT BACK FROM THE EDUCATION AND YOUTH OVERVIEW AND SCRUTINY CALL IN MEETING - YSGOL LLANFYNYDD**

The Member Engagement Manager introduced the report which provided details of the call in meeting that was arranged for School Modernisation – School Standards and Reorganisation Act 2013 – Ysgol Llanfynydd.

Having considered the decision, the Committee chose Option 1, that it was satisfied with the explanation which it had received. Therefore the original Cabinet decision could be implemented immediately.

RESOLVED:

- (a) That the decision of the Education and Youth Overview and Scrutiny Committee call in meeting with regard to Record No 3254 School Modernisation – School Standards and Reorganisation Act 2013 – Ysgol Llanfynydd be noted; and
- (b) That it be noted that the decision makers had been informed that the original Cabinet decision could be implemented with immediate effect.

12. **EXERCISE OF DELEGATED POWERS**

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

Organisational Change

- **Land at Flint Retail Park**
The extinguishment of an easement in the Councils' favour has been negotiated in return for the payment of a premium by the land owner.
- **Land to the Rear of the Civic Amenity Site, Prince William Avenue, Sandycroft**
The subject land comprises a rectangular parcel of land and waste material to the rear of the new Civic Amenity site extending to approximately 3,600 square metres. A location plan is attached to the delegated powers report.
- **Community Asset Transfer of Bagillt War Memorial**
The transfer of Bagillt War Memorial including the land shown edged red on the plan attached to the delegated powers report.
- **Community Asset Transfer of Connah's Quay Allotments, South Site**
The transfer of the community allotments on the south site in Connah's Quay as shown on the plan attached to the delegated powers report.
- **Community Asset Transfer of Gwernymynydd Village Centre**
The transfer of Gwernymynydd Village Centre community building including the land shown edged red on the plan attached to the delegated powers report.

- **Community Asset Transfer of Gwespyr Play Area**
The transfer of Gwespyr Play Area as detailed on the plan attached to the delegated powers report shown edged red on the plan attached to the delegated powers report to Gwespyr Village Hall Committee.
- **Community Asset Transfer of Trelogan Community Centre**
The transfer of Trelogan Community Centre building including the land shown edged red on the plan attached to the delegated powers report to the Trelogan Community Association.
- **Sale of Land at the Willows Hawarden Road, Hope for the Construction of a Pharmacy**
The subject comprises a small parcel of land extending to 477 square metres approximately to facilitate the construction of a new Pharmacy building.
- **Sale of Land at Evans Way, Rowleys Park, Shotton**
The subject comprises a cleared site extending to approximately 0.9 acres.

RESOLVED:

That the actions taken under delegated powers be noted.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 – TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded for the remainder of the meeting for the following items by virtue of exempt information under paragraph 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

13. ALTERNATIVE DELIVERY MODELS - LEISURE AND LIBRARIES

The Chief Officer (Organisational Change) introduced the report on Alternative Delivery Models, Leisure and Libraries which provided final proposals including service business and transition plans for an ADM for Leisure and Libraries through the formation of an Employee Led Mutual.

Members thanked Ian Bancroft and Neal Cockerton for their work on the flagship scheme which was a unique model in Wales for Libraries and Leisure.

RESOLVED:

- (a) That it be agreed that Leisure and Libraries establish an Employee Led Mutual and that this be subject to a number of conditions as follows:
- That final implementation plans are developed prior to full establishment of the organisation and which are assessed as being able to deliver the objectives and savings as outlined in the proposal;
 - That a workforce vote is held and that this demonstrates support for the proposal;

- That the target date for full establishment of this organisation is 1st April 2017;
- That a senior management structure is put in place for the new organisation that has the necessary leadership skills and abilities and that this is in place at least 6 months prior to the full establishment date;
- That prior to full establishment a plan on the full extent of potential integration and links between leisure, libraries and connects services is developed and agreed; and
- That the Council establishes a transitional board to manage the period up to full establishment and that this board should have as a minimum membership from the Council the Leader, Chief Executive, the Cabinet Portfolio Holders, the Chief Officer (Organisational Change) and Finance and Human Resources representatives

(b) That full Implementation Plans be brought back to Cabinet prior to authority being provided to enter into legal agreements for completion of the Alternative Delivery Model.

14. ESTABLISHMENT STRUCTURE IN GOVERNANCE

The Chief Executive introduced the report which proposed changes in Legal and Democratic Services.

RESOLVED:

That the report be deferred to Cabinet in June 2016.

15. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 9.30 am and ended at 11.35 am)

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Chair