

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**  
**20 JANUARY 2017**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Friday, 20 January 2017

**PRESENT: Councillor Clive Carver (Chairman)**

Councillors: Marion Bateman, Paul Cunningham, Andy Dunbobbin, Robin Guest, Ron Hampson, Brian Lloyd, Paul Shotton and Arnold Woolley

**ALSO PRESENT (as all Members had been invited to attend)**

Councillors: Chris Bithell, Derek Butler, Adele Davies-Cooke, Ian Dunbar, Dennis Hutchinson, Christine Jones, Mike Lowe, Billy Mullin, Mike Peers, Neville Phillips and Gareth Roberts

Education & Youth Overview & Scrutiny Committee Co-optee: Mr David Hytch

**APOLOGIES:** Councillors: Ray Hughes, Ian Smith, Nigel Steele-Mortimer, Vicky Perfect, Helen Brown, Kevin Jones and Nancy Matthews

**CONTRIBUTORS:**

Councillor Aaron Shotton, Leader and Cabinet Member for Finance, Chief Executive, Chief Officer (Organisational Change), Chief Officer (Governance), Corporate Finance Manager and Senior Manager (Technical Accountancy)

**IN ATTENDANCE:**

Democratic Services Manager and Overview & Scrutiny Facilitator

**78. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

The Chairman declared a personal interest in agenda item 3 – Council Fund Budget Report 2017/18 – Part 3 Closing Strategy.

**79. COUNCIL FUND BUDGET REPORT 2017/18 – PART 3 CLOSING STRATEGY**

The Chair welcomed Members and the contributors to the meeting.

The Chief Executive introduced the Council Fund Budget 2017/18 – Part 3 Closing Strategy report which provided an update on the remaining amount to be found to achieve a balanced budget.

The annual Council Fund budget for 2017/18 had been developed in two stages:

- Stage One: which covered Part 1 of the Medium Term Financial Strategy (MTFS) – service reform based on the service portfolio business plans; and
- Stage Two: which covered Parts 2 and 3 of the Medium Term Financial Strategy (MTFS) – corporate financial stewardship and working with Welsh Government

Stage One proposals were approved by Council on 15 November, 2016 and were closed and being implemented. Stage Two proposals on corporate

financial stewardship were approved by Council on 6 December, 2016 and were also closed and being implemented.

The Chief Executive explained that the Final Local Government Settlement was received on 21 December, 2016 and had been largely unchanged in overall cash terms from the Provisional Settlement. The remaining budget gap was £2m and the limited options available to close the gap, which were set out in full in the report, were:

- Domiciliary Care – Charging Levels
- Local Taxation
- School Investment
- Use of Reserves and Balances

On Domiciliary Care, a Welsh Government (WG) announcement had recently been made on raising the charging cap from the current amount of £60 per week to £70 per week from 1<sup>st</sup> April 2017. For Flintshire, that would generate an additional income of £0.238m in 2017/18. In addition, WG had announced that as part of the Settlement, an additional £10m to support the rising costs of domiciliary care across Wales would be provided. Based on an assumed formula distribution the Council would receive additional funds in the region of £0.430m.

The North Wales Fire and Rescue Authority had approved an increase in its levy which for Flintshire, when taking regional population changes into account, would result in an annual increase of 4.52% (£0.317m). This was not included in the current budget estimate. An option was to add the levy increase to the planned Council Tax increase which would raise it from 3.00% to 3.55%.

The Corporate Finance Manager explained that there was the option to utilise reserves to assist in closing the budget gap but that would only provide a one year solution. As part of the approved Corporate Financial Stewardship options an amount of £0.699m had already been earmarked to meet the first year costs of the new UK Government Apprentice Tax Levy. A decision on what was considered to be a prudent use of reserves needed to take into account both the future sustainability of the budget and the impact on the reserve levels which remained for future years.

The outstanding risks and issues as were detailed in the report were:

- Single Environment Grant
- Transportation Costs
- Household Recycling Centres
- Car Park Income – County Hall
- Impact of the Outturn 2016/17

The Chief Executive explained that final budget proposals would be considered by Cabinet on 14<sup>th</sup> February prior to consideration by County Council later that day.

The questions and comments raised by Members have been recorded and are available for reference.

The Committee confirmed that no new options should be proposed and that there should be no reduction in the proposed uplift for the overall schools budget.

**RESOLVED:**

- (a) That the details and the implications of the Welsh Local Government Final Settlement be noted; and
- (b) That the comments made by the Committee, as shown in Appendix 1 of the minutes, be feedback to Cabinet to consider.

**80. DEVELOPMENT OF THE 2017/18 TO 2019/20 CAPITAL PROGRAMME**

The Chief Officer (Organisational Change) and Senior Manager (Technical Accountancy) introduced the developing Capital Programme for the period 2017/18 – 2019/20.

A detailed presentation was given, which covered the following areas:-

- 3 Part Council Fund Capital Programme
- Table 1 – Estimated Available Funding
- Table 2 – Proposed Allocations
- Table 3 – Proposed Investment
- Table 4 – Summary (Generally Funded Capital Programme)
- Dealing with any Shortfall in Funding
- Table 6 – Specifically Funded Schemes
- Table 7 – Summary Capital Programme

The questions and comments raised by Members were shown at Appendix 1 of the minutes.

**RESOLVED**

- (a) That the Committee supports the allocations and schemes in Table 2 of the report for Statutory/Regulatory and Retained Assets section of the Council Fund Capital Programme 2017/18 – 2019/20;
- (b) That the Committee supports the schemes in Table 3 of the report for the Investment section of the Council Fund Capital Programme;
- (c) That the Committee noted that the shortfall of funding of schemes in 2018/19 and 2016/20 at this point in the approval process is flexible. Options including a combination of future capital receipts, alternative grants, prudential borrowing or phasing schemes over several years will be considered during 2017/18, and included in future capital programme reports;
- (d) That the Committee noted the development of a longer term Capital Strategy and Asset Management Plan;

- (e) That the comments made by the Committee, as shown in Appendix 1 of the minutes, be feedback to Cabinet to consider before the final Capital Programme 2017/18 – 2019/20 report is considered by Council; and
- (f) That the Committee recommend to Cabinet that it support the proposed 'red' route as part of the consultation on the Welsh Government A494/A55 improvement plan.

**81. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

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

(The meeting started at 10.00 am and ended at 12.28 pm)

.....

**Chair**

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**  
**20 JANUARY 2017**

**AGENDA ITEM 3 - COUNCIL FUND BUDGET REPORT 2017/18 – PART 3**  
**CLOSING STRATEGY**

<b>Question/Comment</b>	<b>Response</b>
Unclear within the report what the remaining budget gap is.	Following notification of the Final Local Government Settlement on 21 December, 2016, the remaining budget gap had stood at £2m. Following the announcement from Welsh Government (WG) on raising the care charging cap and the additional social care investment, and then accounting for an increase of 4% on the North Wales Fire and Rescue Authority levy, the final remaining budget gap now stood at around £1.6m.
Have the financial risks to the possible reduction in the Single Environment Grant and the maintenance of local public and schools bus services been included within the 2017/18 budget?	These have not yet been included in the budget as they are under negotiation. The risks to local services have been set out in previous reports.
No mention within the report of the £40,000 funding for play schemes.	It is recommended that this be funded through the Contingency budget.
Further information requested around the Apprenticeship Tax Levy.	Welsh Government (WG) has had its UK funding of £90m used for further education to train apprentices withdrawn. The Apprenticeship Tax Levy should bring in around £90m to £120m to Wales. Therefore, the additional new funding for use for apprenticeship schemes will be limited.  The Council would continue to lobby on the Apprenticeship Tax Levy to protect and grow our successful apprentice and trainee schemes.
The footnotes at the bottom of Table 2 within the Cabinet report states that the precise estimates would not be subject to any material change. When comparing the 2016/17 revenue budget and the budget workforce efficiencies, only half of which	The proposed efficiencies were precise estimates. There should be no variances of note during 2017/18.

have been achieved, surely the estimates for 2017/18 will also change over the course of the year.	
Concern raised around the North Wales Fire and Rescue Authority increasing its levy by 4% at a time when Local Authorities were being encouraged to increase council tax by around 3%?	Noted.
Under the outstanding risks and issues, why is there an efficiency target for the Household Recycling Centres as funding had been secured for the configuration of the sites.	The efficiency target is the revised forecast taking into account the newly adopted strategy of the Council to divert waste from landfill.
Think it would be useful for Members to receive what the Final Local Government Settlement is per head of population in comparison to Newport Council.	This would be circulated to Members.  Newport as a comparator has a similar population to Flintshire. However, Newport is a more centralised urban county with a much different service configuration e.g. a single Household Recycling Centre and a smaller number of secondary schools.
Is it possible to separate the different elements of the Council Tax bill?	The bills have to follow the statutory template. Agreed that supporting information to separate out the amounts collected for the North Wales Fire and Rescue Authority, North Wales Police and Town and Community Councils would be valuable.
Welcome the proposals to increase school budgets.	Noted.
The Committee confirmed that no new options should be proposed and that there should be no reduction in the proposed uplift for the overall schools budget.	Noted.

#### **AGENDA ITEM 4 - DEVELOPMENT OF THE 2017/18 TO 2019/20 CAPITAL PROGRAMME**

<b>Question/Comment</b>	<b>Response</b>
Why is the special inspection for Flintshire bridge being funded through the capital programme and not the revenue budget?	Inspection work would usually be funded through the revenue budget. Due to the scale and cost of this inspection it will be funded through the capital programme.

<p>If the bridge was classified as a trunk road the funding to maintain and repair the bridge would be received from the Welsh Government.</p> <p>Concern that if during the inspection maintenance work is identified the cost could rise significantly.</p>	<p>Given that the bridge is a strategic route it perhaps should be funded through the Welsh Government as part of the trunk road network. A public consultation was about to open on improvements to the A494 and its connectivity to the A55. It was important that the Council took a full part in the consultation process on whether the proposed 'red' route or 'blue' route was to be the preferred option.</p> <p>If further maintenance works were required this would need to be met through capital receipts and/or funding re-directed as appropriate.</p>
<p>Could further information on the Home Improvement Loans be provided?</p>	<p>The Home Improvement Loan scheme offers financial support to owners of private properties. The Council receives the loan value back following the sale of the property (as a charge on the property).</p>
<p>Are redundant/vacant properties being sold to avoid unnecessary maintenance costs to the Council?</p>	<p>As part of the Council's Capital Strategy assets are sold or building demolished for redevelopment.</p>
<p>Welcome the proposed £1m for toilet upgrades in both primary and secondary schools, but the backlog of works is estimated to be in the region of £1.5m. How will the remaining gap be met?</p>	<p>Estyn has increased their attention on school toilets to support better learning environments for pupils. A backlog would remain following the £1m investment but upgrades through the 21<sup>st</sup> Century School Investment Programme would assist in addressing the backlog.</p>
<p>Welcome the proposed investment for school extension and remodelling. How prioritise which school receives the investment first.</p>	<p>There was a rolling programme within Band A (the first phase of school projects) of the 21<sup>st</sup> Century School Investment Programme. The proposed investment at Castell Alun High School would remove the need for mobile classrooms on site. The classrooms currently at Glan Aber Primary School, Bagillt do not meet minimum size requirements and some classes are having to be taught in other spaces such as the school hall.</p>
<p>Could some savings be found through the tendering process for the proposed investment for school extension and remodelling?</p>	<p>The final costs may come down. The proposed investment at Castell Alun High School was a 4 year project.</p>

<p>With regard to the proposed Extra Care provision in Holywell, hope this is not at the expense of Llys Gwenffrwd which needs to be retained.</p>	<p>The proposed Extra Care provision in Holywell will not replace Llys Gwenffrwd which is a residential care home. The Council Strategy clearly demonstrates the need for additional bed spaces at Llys Gwenffrwd to meet growing demand. A business case is being developed for investment in the home.</p>
<p>As the IT network equipment would no longer be supported by the manufacturer during 2017/18 is it possible for the Council to look at using a different manufacturer?</p>	<p>There have been a number of IT failures recently which have been as a result of the Council using the ICT infrastructure to its limit. In order to comply with the PSN accreditation and in order to ensure the day to day running of the Council is it important that the network equipment is replaced.</p>
<p>Has any thought been given to introducing Cloud computing and further new technologies?</p>	<p>This is being considered as part of the Council's Digital Strategy.</p>