

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
6 DECEMBER 2017

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Council Chamber, County Hall, Mold on Wednesday 6 December 2017

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

Councillors: Haydn Bateman, Patrick Heesom, Andrew Holgate, Paul Johnson, Richard Jones, Hilary McGuill and Michelle Perfect

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

Councillors: Mike Allport, Marion Bateman, Chris Bithell, Helen Brown, Rob Davies, Ian Dunbar, Kevin Hughes, Christine Jones, Dave Mackie, Carolyn Thomas and David Wisinger

SUBSTITUTION: Councillors: Andy Dunbobbin (for Mike Lowe), David Healey (for Vicky Perfect) and Paul Shotton (for Paul Cunningham)

APOLOGIES: Councillors: Dave Hughes and Arnold Woolley

CONTRIBUTORS: Councillor Aaron Shotton, Leader of the Council and Cabinet Member for Finance; Chief Executive; Chief Officer (Governance) and Corporate Finance Manager

IN ATTENDANCE: Democracy and Governance Manager and Community & Education Overview & Scrutiny Facilitator

47. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

There were no declarations of interest.

48. FINANCIAL FORECAST AND STAGE TWO OF THE BUDGET 2018/19

The Chief Executive introduced the report to provide the latest financial forecast and to consult with Members on the options for the stage two Council Fund Revenue Budget for 2018/19.

The Corporate Finance Manager detailed the provisional settlement which had been received on 10 October, 2017 which had been reported to Members in November, 2017. Following announcement of the provisional settlement, stage one budget options were approved by County Council on 14 November which reduced the budget gap by £3.1m. This left a remaining gap of £10.5m, which excluded in-year risks and pressures.

The Chief Executive explained that the second stage budget options had been shared at a Member Workshop on 21 November, 2017 and the options had been split into four categories, as detailed within the report. The Council was mindful of the risks around schools budgets and therefore were considering how to mitigate those risks going forward. The report also detailed within category 3 the specific asks of Welsh Government (WG) and it was hoped that a meeting with WG would be held before the end of the year.

Councillor Ian Dunbar commented on the Apprenticeship Tax Levy and the concern that many companies were not willing to take on any apprentices following the introduction of the levy. He asked whether any feedback had been received from WG on the Council's application to recover 50% of the cost. The Chief Executive explained that the application to WG was specifically to allow the Council to continue to grow the apprenticeship scheme and to employ more graduate apprentices where a gap in need has been identified.

In response to a question from the Chairman around graduate apprentices, the Chief Executive explained that the employment of graduate apprentices would assist in succession planning and commented on the way in which the scheme had helped apprentices gain successful careers.

Councillor Dave Healey appreciated the difficult financial situation the Council had been put in but questioned why stage two budget options had not been submitted for consideration to each of the individual Overview & Scrutiny Committees as this had been the process for considering stage one budget options previously. He proposed that a report reviewing the process for the setting of the annual budget process be considered by the Constitution & Democratic Services Committee to ensure consistency in the future. This option was seconded by Councillor Patrick Heesom. On the options for schools budgets to remain "cash flat", Councillor Healey raised concerns around the need to protect schools as much as possible and commented on the recent GwE business plan, which had categorised primary and secondary schools as 'red' due to the continued impact of austerity. He felt that the options around schools budgets should be considered by the Education & Youth Overview & Scrutiny Committee as a matter of urgency.

The Chief Executive agreed that the performance of schools differed across Flintshire and therefore the option was to continue to monitor the impact on schools and provide additional support where critically required and Councillor Aaron Shotton, Leader of the Council commented on the process for setting the annual budget which was relatively new in terms of considering budget options in stages which he felt allowed for greater discussion and debate. He shared the concerns around schools budgets and said that he was grateful for schools understanding during this time and said that the impact of the proposed "cash flat" settlement would need to be considered by the Education & Youth Overview & Scrutiny Committee.

The Chief Officer (Governance) responded to the comments around the process for setting the annual budget and explained that the Council's Constitution set out the process for Overview & Scrutiny to consider budget options published by the Cabinet. He said that the process had improved and that Members were given greater notice of options and the opportunity to consider them in detail than in previous years.

Councillor Healey thanked the Chief Executive, Chief Officer and Councillor Aaron Shotton for their response and for recognising the need for Overview & Scrutiny to consider budget options, especially schools budgets.

Councillor Hilary McGuill suggested that a workshop be convened for all Members to consider how best to generate further income for the Council. She also suggested that officers within the Council with specific expertise be asked to go into schools to assist in planning their budgets. The Chief Executive responded that the Chief Officer (Organisational Change) was working on the Income Strategy and welcomed the opportunity to have an open discussion with Members around future income generation streams. He also explained that school business managers should be offering assistance and support around planning for schools budgets and that he would pursue this at the next Primary and Secondary Heads Federation meeting.

Councillor Patrick Heesom spoke in support of the comments made by Councillors Dave Healey and Hilary McGuill. He commented on the stage one budget options approved by the Council on 14 November, 2017 and the remaining budget gap as detailed in the report and said that this figure was not accurate given the over-spend within the current financial year. He also commented on the structural change within the Council and raised concerns around the lack of co-ordination with the Public Services Board. The Chief Executive said that there would always be a degree of risk around Alternative Delivery Models, particularly in their early stages, and they would continue to be monitored by the relevant Overview & Scrutiny Committee. He also commented on the resilience statements which had been produced for each service area and said that the stage two budget options were areas which were considered acceptable and would not put those services at risk. Councillor Aaron Shotton said that he did not accept the concerns raised around the Public Services Board and Alternative Delivery Models as there were no options in front of members to reduce funding in these areas within the 2018/19 revenue budget.

Councillor Richard Jones raised concerns that there were no details around the consequences of implementing the options provided within the report which he felt made it difficult for Members to understand the significance of the options. He commented on the uncertainty of the Intermediate Care Fund (ICF) as detailed in the report and questioned why this was listed as WG had previously confirmed that this would continue. He raised a number of concerns around the options to increase car parking charges and the detrimental effect this would have on Buckley Town Centre in comparison to other Town Centres and made specific comments around the Deeside Plan which would ensure the area of Deeside would be immune to the cuts in funding and asked that this option be removed.

The Chief Executive responded that whilst WG had confirmed that ICF funding would continue the Council was seeking confirmed continuation of this specific funding so that it did not have to negotiate it year on year. On the consequences of the options, the full detail of the assessments of the risks, impacts and consequences of all of the budget options would be made available for review in January, 2018. Councillor Aaron Shotton said that he would not defend the proposed increase in car parking charges but this was an area that would be challenged by WG when the income generated by the Council was benchmarked with neighbouring Local Authorities. There was no funding directly attached to the Deeside Plan and the Plan in the same way as the Town Centre Plan's would assist in lobbying for funding when it became available.

Councillor Paul Johnson thanked officers for their work and information provided around the budget which he felt beneficial as a new Member of the Council. He commented on the Notice of Motion calling for an end to UK Government Austerity considered by County Council on 14 November, 2017 and asked what the Council was doing to communicate to local communities the issues being faced due to reduced funding. Councillor Aaron Shotton explained that the Council continued to lobby WG and provide evidence on the impact of austerity through the resilience statements which had been produced for each service area. A number of public engagement events had also been held across Flintshire to provide information on the financial situation to members of the public. The Chief Executive said that following the County Council meeting a letter was sent to both the Cabinet Secretaries for Finance and for Local Government and Public services, a copy of which could be circulated to all Members. He also said that together with the Leader of the Council, he was seeking a meeting with the Cabinet Secretary for Finance in order to discuss the settlement and the concerns around funding for public services moving forward.

Councillor Andrew Holgate commented on the Chancellor's Autumn Statement where it had been announced that Wales would receive an additional £1.2b of funding over the next 4 years. Councillor Aaron Shotton explained that the amount of revenue funding to be received by the Welsh Government was £215m over the next 4 years, which the remaining funding being provided through capital investments. The Chief Executive welcomed the capital investment around infrastructure and housing and said that clarification would be received from WG later on how the additional revenue funding might impact Local Authorities.

In response to comments from Councillor Patrick Heesom around base budgets, Community Asset Transfers and Alternative Delivery Models, Councillor Aaron Shotton explained that 4 years ago the Council introduced a 3 year business plan for each service area to meet proposed efficiency targets of 30% other than schools and front line social care services. The introduction of Alternative Delivery Models had allowed for services to be delivered in a different way rather than having to be scaled back.

Councillor Carolyn Thomas referred to an earlier suggestion from Councillor McGuill and asked that a workshop on Income Generation be arranged for the New Year. Councillor Richard Jones asked that information on the consequences of each of the stage two budget options be provided to Members.

The Chief Executive reported that following the discussion the Environment and Education and Youth Overview and Scrutiny Committees would be convened in January to review in detail the car parking charges and school budget options respectively, including the risks and consequences of the options, prior to any final decision being taken.

RESOLVED:

- (a) That having considered the stage 2 budget options, the report and options be noted;

- (b) That the remaining stages of the budget process and timescales be noted;
- (c) That the letter to the Cabinet Secretaries for Finance and for Local Government and Public services and the Resilience Statements be circulated to all Members;
- (d) That the full detail of the assessments of the risks, impacts and consequences of all of the budget options be made available for review in January;
- (e) That the Environment and Education and Youth Overview and Scrutiny Committees be convened in January to review in detail the car parking charges and school budget options respectively, including the risks and consequences of the options, prior to any final decision being taken; and
- (f) That a report reviewing the process for the setting of the annual budget process be prepared for the Constitution & Democratic Services Committee at its meeting on 31st January 2018.

49. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting started at 10.00 am and ended at 12 noon)

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Chairman