

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
13 DECEMBER 2018

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 13 December 2018

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Bob Connah, Paul Cunningham, Patrick Heesom, Andrew Holgate, Dave Hughes, Paul Johnson, Richard Jones, Michelle Perfect, Vicky Perfect and Andy Williams

SUBSTITUTE: Councillor: David Cox (for Mike Lowe)

APOLOGIES: Councillors: Haydn Bateman, Hilary McGuill and Arnold Woolley

CONTRIBUTORS: Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Chief Executive; and Chief Officer (Governance)

Corporate Business & Communications Executive Officer - for minute numbers 68 and 69

Corporate Finance Manager - for minute numbers 70 and 71

Senior Manager, Human Resources and Organisational Development - for minute number 72

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

63. OPENING COMMENTS

The Democratic Services Manager agreed to send best wishes for a speedy recovery to Councillor Bateman, on behalf of the Committee.

64. DECLARATIONS OF INTEREST

None.

65. MINUTES

The minutes of the meeting held on 15 November 2018 were submitted.

RESOLVED:

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

66. ACTION TRACKING

In presenting the progress report on actions arising from previous meetings, the Democratic Services Manager advised that the two actions on the Council Plan item from the September meeting would be resolved at the next meeting in January. These were the full range of performance measures for

Overview & Scrutiny and the illustration of the planning cycle for financial, business and performance planning.

Councillor Jones agreed that the outstanding action on the year-end Council Plan report could be deleted as work was starting on the 2019/20 Council Plan.

On outstanding actions from July and September, the Chief Executive asked that Members await details of the Local Government Final Settlement on recognition by Welsh Government (WG) of the cost pressures for Out of County Placements before deciding whether to make further approaches to Government for further funding. A detailed action plan on officer responses to Members - on their casework and complaints - had been shared with Group Leaders following an earlier Notice of Motion to Council, in advance of a full report to the Committee in January.

Councillor Heesom asked that further reports on the Flintshire Bridge be shared. He highlighted the importance of strategic transport integration to support the regional Growth Bid and the need to reflect this in the Ambitious Council section of the Council Plan. The Chief Executive said that the Council was not responsible for WG policy on transport routes and that funding decisions by WG were outside the Growth Bid. He would establish the timing of the next cyclical report on the bridge and share in due course.

During debate, reference was made to the report on the North East Wales Metro which linked to the Council's integrated transport solution and had been deferred from the recent Environment Overview & Scrutiny Committee meeting. Consideration of that item to January would provide an opportunity for Members to share any concerns with Transport for Wales representatives.

RESOLVED:

That the report be noted.

67. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme for consideration. The following changes were agreed:

- Performance information and illustrative item of the financial, business and performance planning cycle (requested at the September meeting) to be brought to the January meeting.
- Reform of Fire & Rescue Authorities in Wales consultation paper to be scheduled for January.
- A report on the handling of Member complaints to be considered in February following the Member workshop scheduled for 23 January.

RESOLVED:

(a) That the Forward Work Programme, as amended, be approved; and

- (b) That the Democratic Services Manager, in consultation with the Committee Chairman, be authorised to vary the Forward Work Programme between meetings, as the need arises.

68. COUNCIL PLAN 2018/19 MID-YEAR MONITORING REPORT

The Chief Executive introduced a mid-year progress report on performance against the Council Plan 2018/19. The report concentrated on the few areas of under-performance. A high-level summary report had been considered at the previous meeting in advance of this full report.

Following a question by Councillor Jones on the 'microcare' initiative, information was shared on plans to develop community social enterprise models to strengthen resilience in the social care sector. Explanation was also given on support for reducing energy tariffs delivered through an area-based programme to target specific areas of deprivation.

On the percentage of households successfully prevented from becoming homeless, officers agreed that the number of cases would also be shown in future reports to give a full picture.

In response to comments on the Serving Council priority, the Chief Officer (Governance) agreed to circulate summary information on the age and value of aged debt owed to the Council, together with an explanation of the process. He also provided a brief update on engagement with the Welsh Government to instigate the removal of the borrowing cap to support Council housing.

The Corporate Business & Communications Executive Officer advised that absent data for some of the Education performance indicators was due to the timing of the academic year, and that the preparations for the new curriculum could not be assessed until new guidance was made available.

In highlighting the need for further discussion on the Council Plan, Councillor Heesom reiterated his concerns about areas of risk on the Ambitious Council priority and benefits to the whole of the County. In response to comments on the integrated transport network, Councillor Shotton said that the achievements on securing investment locally should be recognised.

The Chief Executive provided clarification on the content of the report scheduled for the next meeting as set out in the recommendations, to manage expectations. He gave a reminder of the statutory requirements for the Plan and said that work on the Council Plan for 2019/20 was due to commence in the New Year with the aim to achieve adoption by June 2019.

Councillor Johnson raised his concerns about the impact of Brexit on the local economy which he felt should be identified as a strategic risk. The Chief Executive referred to the advisory handout circulated to County Council in October which outlined the different roles of any council in managing transition through Brexit. He gave examples of national and regional risk assessment work and said that regional and local risks would be better understood at a later stage.

RESOLVED:

- (a) That the Committee notes and endorses:
 - the overall levels of progress and confidence in the achievement of activities within the Council Plan;
 - the overall performance against Council Plan performance indicators;
 - the current risk levels within the Council Plan;
- (b) That the Committee is assured by plans and actions to manage the delivery of the 2018/19 Council Plan; and
- (c) That a further report be received in January with an illustration of the planning cycle for financial, business and performance planning, and information on the range of performance information which is available for Overview & Scrutiny Committees to draw upon for performance reporting.

69. FLINTSHIRE PUBLIC SERVICES BOARD: WELL-BEING PLAN FOR FLINTSHIRE 2017-2023 - MID-YEAR REVIEW

The Chief Executive introduced an update on the work of the Flintshire Public Services Board (PSB) following adoption of the Well-being Plan which prescribed five priority areas.

The Corporate Business & Communications Executive Officer spoke about the enthusiasm and strong partnership working across the PSB to deliver strategic objectives. Whilst all the agencies contributed to work on the five agreed priorities, there was effective information sharing and learning between lead partners.

Concerns were raised by Councillor Jones on the decision to put the Economy and Skills priority on hold for the first year, particularly due to the Council's high performance on economy. Officers explained that the decision to focus on four of the five themes this year was partly due to capacity of the PSB and also to achieve clarity on where value could be added. The PSB would return to local action planning on the Economy and Skills theme noting that the PSB (and the former LSB) had completed work on priorities on money advice and poverty, and the promotion of access to work and apprenticeships in the past.

Councillor Johnson expressed his appreciation to officers for the ongoing community resilience programme at the Holway which was making a real difference. He also spoke of the value of the 'Can Cook' project and Breakfast Club in that area. The Chief Executive said that this was a positive example of multi-agency working led by the PSB and he spoke about plans to develop a local social enterprise model to tackle food poverty whilst offering local community and employment benefits.

RESOLVED:

That Members are assured of the level of progress that Flintshire Public Services Board (PSB) has made to date.

70. COUNCIL FUND BUDGET 2019/20 - UPDATED FORECAST AND PROCESS FOR STAGE 3 OF BUDGET SETTING

The Chief Executive introduced an item to review the current budget position for 2019/20 following recent announcements by Welsh Government (WG) and the report to County Council on 11 December 2018, and in advance of the Local Government Final Settlement on 19 December. In approaching Stage 3 of the process, this was an opportunity for the Committee to bring forward any further options to help bridge the remaining budget gap for 2019/20 for recommendation to Cabinet and prior to approval of the final budget by County Council in January 2019. Following agreement of Stages 1 and 2 budget solutions, there were no remaining proposals to share with Members unless officers were commissioned to do so by Cabinet on the advice of the Corporate Resources Overview & Scrutiny Committee.

To assist, the presentation slides and information shared at the County Council meeting were re-circulated, highlighting the #BacktheAsk campaign for an improved Settlement. In response to previous requests, briefing notes were shared on reserves and balances, and borrowing through the Corporate Loans and Investment Account (CLIA).

Councillor Jones referred to concerns amongst Members about the potential increase in Council Tax, and he highlighted Out of County Placements and Streetscene as two areas of continued overspend year on year. He said there were certain issues affecting non-statutory services which had been set aside during the budget process as they were considered unacceptable at that stage. In the absence of further solutions and a commitment by WG on consequential funding, he said that a steer was needed by the Council Administration on reviewing service options, in advance of the Final Settlement, to understand the implications and alternatives to a further rise in Council Tax.

The Chief Executive cited Streetscene as one of the highest efficiency-driven portfolios and the Council's duty of care on Out of County Placements. Whilst some services were statutory, there were also organisational risks on some non-statutory services. Following consideration and risk assessment of all available safe options by Cabinet and Overview & Scrutiny during the budget process, any new proposals at this stage could only be considered if there was certainty on budget impact and delivery in accordance with due process. Until there was clarity on the Final Settlement, the only available options to achieve a balanced budget - aside from an improved Settlement from WG - were an increase Council Tax, and limited use of reserves and balances on the professional advice of the Corporate Finance Manager in his capacity as the Section 151 Officer.

On Out of County Placements, the Corporate Finance Manager advised that there was a lower level of financial risk than at the budget-setting stage for 2018/19 as cost projections had been fully built into the forecast for 2019/20 based on current activity, notwithstanding the volatility of service demand.

Following a query by the Chairman, explanation was given on the repayment of long-term debts (some of which dated back to predecessor authorities) as reflected in Treasury Management reports. The Chief Executive

said that spend commitments on future capital programmes would reflect the benefits, value for money and the revenue saving to give assurance to Members.

On Councillor Jones' comments, Councillor Shotton shared the concerns about the potential decision on Council Tax which would remain if there was no shift in the position from WG. Resilience statements for all efficiency proposals across service areas had been considered by Overview & Scrutiny Committees resulting in mutual agreement that there were no new solutions to deliver efficiencies of the scale required. Whilst some minor options had been identified in the report commissioned by the Council and Welsh Local Government Association (discussed at the October meeting), some would require development over time, for example Post-16 transport on which a report was due to be considered by Cabinet. Councillor Shotton suggested that Members wait until the Final Settlement to consider the next steps as the only legal option remaining was an increase in Council Tax.

Councillor Jones said that in advance of the Final Settlement, a calculation was needed as a practical alternative to show the implications of further non-statutory options if Members chose not to support the Council Tax increase.

The Chief Executive spoke about the importance of allowing for sufficient time for due process as part of the budget-setting, involving democratic decisions by Members informed by the advice of officers. In addition to highlighting the Council's statutory duties, he gave examples of cost implications from introducing significant changes to non-statutory services.

The Chief Executive agreed to a request by Councillor Jones that a more detailed breakdown on Corporate and Central Finance be provided at the January meeting.

RESOLVED:

That the only areas of concern that the Committee wishes Cabinet to review are Out of County Placements and Streetscene budgets.

71. 2018/19 REVENUE BUDGET MONITORING REPORT (MONTH 7)

The Corporate Finance Manager presented a report on the revenue budget monitoring position for the Council Fund and Housing Revenue Account (HRA) as at Month 7 prior to consideration by Cabinet on 18 December 2018.

On the Council Fund, the operating deficit had increased by £0.103m to £0.325m. The main changes related to Out of County Placements, Health Board contribution income and the impact of auto-enrolment opt-in on the Pension Fund.

It was estimated that 97% of overall planned efficiencies would be achieved by year end.

The projected year-end balance on Contingency Reserves was £5.447m, after agreeing to use £1.900m to close the budget gap as agreed as part of Stage

1 budget solutions. A summary of earmarked reserves showed a continued reduction with an estimated year-end balance of £11.096m.

There was no change on the HRA where in-year spend was projected to be £0.067m lower than budget, leaving a year-end balance of £1.165m.

Following discussion on the previous item, Councillor Jones proposed that the budgets for Streetscene and Out of County Placements be highlighted to Cabinet as two areas of concern for ongoing review.

RESOLVED:

That the Committee supports the recommendations made in the Cabinet report for 18 December on the Revenue Budget Monitoring 2018/19 (Month 7) and confirms that the areas of concern which it wishes Cabinet to review are Out of County Placements and Streetscene budgets.

72. WORKFORCE INFORMATION REPORT QUARTER 2 2018/19

The Senior Manager, Human Resources and Organisational Development presented the workforce information report on Quarter 2 of 2018/19.

Changes in headcount figures were mainly due to the group of playworkers appointed on short-term contracts during the summer. There was a downturn in attendance figures compared to the same period in 2017/18 and work was ongoing to understand the reason for the shift in Quarter 1.

An improved position on the use of agency workers was expected to continue following the appointment of permanent Streetscene posts early in the New Year and the resolution of three long-term contracts.

In response to Councillor Johnson's comment, managers were aware that the practice of employees using annual leave as an alternative to sickness leave was unacceptable for a number of reasons.

The Senior Manager provided clarification to Councillor Jones on the notice period for teachers which impacted on the number of voluntary leavers in the report. On expected changes to the headcount figures for schools, reference was made to the need to develop a new pay model whilst acknowledging the financial challenges faced by the Council.

RESOLVED:

That the Workforce Information Report for Quarter 2 2018/19 to 30 June 2018 be noted.

73. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

(The meeting started at 10am and ended at 12.10pm)

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Chairman