

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
14 NOVEMBER 2019

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, 14 November 2019

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Haydn Bateman, Geoff Collett, Bob Connah, Paul Cunningham, Mared Eastwood, Patrick Heesom, Paul Johnson, Vicky Perfect, Andy Williams and Arnold Woolley

SUBSTITUTE: Councillor: Ralph Small (for Richard Jones)

APOLOGIES: Councillors: Bernie Attridge, Michelle Perfect and Aaron Shotton

ALSO PRESENT: Councillors: Marion Bateman and Carolyn Thomas attended as observers

CONTRIBUTORS: Councillor Ian Roberts, Leader and Cabinet Member for Education; Councillor Billy Mullin, Cabinet Member for Corporate Management & Assets; Councillor Glyn Banks, Cabinet Member for Finance; Chief Executive; Chief Officer (Governance); and Corporate Finance Manager

Chief Officer (Housing & Assets) and Finance Manager (Technical Accountancy) - for minute numbers 60-62

Corporate Business and Communications Executive Officer - for minute number 64

Senior Manager, Human Resources & Organisational Development - for minute number 65

Customer Contact Service Manager - for minute number 66

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

53. OPENING COMMENTS

As requested by the Chairman, all those present stood in a silent tribute to the late Councillor Nigel Steele-Mortimer.

The Democratic Services Manager read out a statement on the restrictions over discussions at meetings during the Election period.

54. DECLARATIONS OF INTEREST

None.

55. MINUTES

The minutes of the meeting held on 17 October 2019 were submitted.

Councillor Bateman moved approval of the minutes and was seconded by Councillor Johnson.

RESOLVED:

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

56. ACTION TRACKING

The Democratic Services Manager presented a report on progress with actions arising from previous meetings.

The recommendation was moved by Councillor Johnson and seconded by Councillor Bateman.

RESOLVED:

That the Committee notes the progress which has been made.

57. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the Forward Work Programme and advised that the item on the North Wales Fire & Rescue Authority would need to be re-scheduled in the New Year.

In response to questions about the items currently unallocated, the Chief Executive advised that reports would be scheduled once the relevant issues had been resolved. On the County Hall campus, the demolition of Phases 3 and 4 would commence by early Spring. Confirmation of national capital funding was awaited on the Theatr Clwyd project with a report due to Cabinet in December on its transition to an independent Trust. On the North Wales Economic Ambition Board, representatives from across the region were to be asked to agree to a template report on scrutiny arrangements for consideration by each partner. This would be shared with the Committee and Community & Enterprise Overview & Scrutiny Committee in December or January.

The recommendations were moved by Councillor Johnson and seconded by Councillor Bateman.

RESOLVED:

- (a) That the Forward Work Programme be noted; 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.

58. MEDIUM TERM FINANCIAL STRATEGY: COUNCIL FUND REVENUE BUDGET 2020/21

The Chief Executive introduced the report providing the latest forecast for the Council Fund Revenue Budget 2020/21 and the work being undertaken in response to the budget gap. Each Overview & Scrutiny Committee would receive a report on their respective portfolios to review cost pressures and efficiencies as previously shared at workshops. At this stage, there had been no new requests from Members to explore any new areas of efficiencies. There was insufficient time to do so for the 2020/21 budget-setting process at this late stage.

The Corporate Finance Manager provided a summary of the main changes to existing pressures along with new pressures which had arisen during the summer. These had increased the budget gap to £16.2m for 2020/21 ahead of the Welsh Government (WG) budget. The report also summarised over £8m of efficiencies and income identified within the four-part strategy to contribute to the gap including a working assumption of 5% increase in Council Tax which was below the level expected by WG. This also included a projected £2m from the triennial actuarial review of the Pension Fund, which was nearing completion, following strong performance by the Clwyd Pension Fund over the past few years.

The Council was continuing to work with Welsh Local Government Association (WLGA) and WG in anticipation of a significant uplift in its annual Revenue Support Grant to meet the remaining forecasted gap and achieve a legal balanced budget. Outside this, the only solutions for the remainder of the budget gap were a further review of the Clwyd Pension Fund employer contributions, the sharing of cost pressures with schools and a Council Tax increase above the working assumption.

On the national position, the allocation to WG from the UK spending review would stand. Due to the General Election, WG had deferred announcement of its budget and Provisional Local Government Settlements to 16 December, with the Final Local Government Settlement due on 25 February and a WG final budget debate on 4 March. In advance of these key dates, it was hoped that any intelligence available could be shared at County Council on 10 December.

Councillor Banks welcomed the report and in particular the positive outcome on the Clwyd Pension Fund actuarial review.

Councillor Roberts thanked all those involved in the cross-party working group and endorsed the comments about work continuing with the WLGA and Assembly Members to seek a positive outcome on the Settlement.

In response to questions, Councillor Heesom was advised that the social care pressures reported for 2020/21 incorporated the significant increase in Out of County Placements. On Organisational Change, programmes of work aimed to achieve savings over the longer term, such as the Digital Strategy and Theatr Clwyd transition, and would therefore not affect the position for 2020/21.

Following concerns by Councillor Heesom about the disaggregation of services, the Chief Executive disagreed and said that the portfolio structure was working effectively and was not adversely impacted by workforce team locations.

In response to the Chairman's query, the Chief Officer (Governance) agreed to provide clarification on the annual licensing cost for Citrix which was a key part of ICT security arrangements and agile working.

The Chief Executive provided clarification to Councillor Bateman on the additional Enforcement post to increase capacity following legislative changes on Council Tax collection. On Councillor Johnson's query, he confirmed that the Social Services specific grant shortfall had been included in the MTFs.

The recommendation in the report was moved by Councillor Cunningham and seconded by Councillor Johnson.

Councillor Heesom asked that he be recorded in the minutes as abstaining and noting the report.

RESOLVED:

That the Committee notes the progress made.

59. MEDIUM TERM FINANCIAL STRATEGY: COUNCIL REVENUE BUDGET 2020/21 - CORPORATE SERVICES/CORPORATE FINANCING

The Corporate Finance Manager presented a report on proposed budget efficiencies and cost pressures for Corporate Services and Corporate Finance pending the completion of ongoing work on corporate finance options and resolution of the Welsh Government (WG) budget.

In welcoming the report, Councillor Heesom raised concerns about any increase in the working assumption on Council Tax. Councillor Roberts explained that this was an indicative amount included for budgeting purposes and that in the absence of a significant uplift in funding from WG, there would be no appetite across the Council Chamber for a higher increase.

The Corporate Finance Manager provided clarification to Councillor Bateman about the revenue and capital implications from the shortfall in rental income from the disposal of properties.

The recommendations were moved by Councillor Johnson and seconded by Councillor Bateman. Councillor Heesom asked that he be recorded in the minutes as abstaining and noting the report.

RESOLVED:

- (a) That the Committee endorses the Corporate Services and Corporate Finance efficiency proposals for 2020/21; and

- (b) That the Committee endorses the Corporate Services and Corporate Finance cost pressures recommended for inclusion in the budget for 2020/21.

60. CAPITAL PROGRAMME 2020/21 - 2022/23

The Chief Officer (Housing and Assets) presented a report on the proposed Capital Programme 2020/21 - 2022/23 which set out investment in assets for the long term to enable the delivery of high quality and value for money public services split between the three sections: Statutory/Regulatory, Retained Assets and Investment.

A presentation was received covering the following:

- Structure - Council Fund Capital Programme
- Current Programme 2019/20 - 2021/22
- Projected Funding 2020/21 - 2022/23
- Statutory/Regulations - Proposed Allocations
- Retained Assets - Proposed Allocations
- Investment - Proposed Allocations
- Summary Generally Funded Programme
- Specifically Funded Schemes
- Summary Capital Programme
- Potential Future Schemes
- Next Steps

At Month 6 there was an estimated funding shortfall of £1.502m for 2019/20 with an overall funding shortfall of £0.723m for the three year period. This deficit would be reduced in the event of successful bids for grant funding on which confirmation was awaited. The proposed allocations under the Retained Assets section included an increased amount for 'headroom' to allow greater flexibility to respond to unforeseen circumstances.

In thanking officers for the report, Councillor Heesom suggested a separate workshop to look at the information in more detail. He raised concerns about the lack of information on expenditure and economic development in western areas of the County, in particular to address traffic corridor issues to Mostyn Docks.

The suggestion for a workshop was supported by Councillor Roberts who referred to ongoing work to assess the condition of school buildings and the request to Welsh Government (WG) for a capital scheme to refurbish schools outside the scope of the main improvement programmes.

On investment across Flintshire, Councillor Johnson welcomed the improvements made in the Holywell area and asked that local Members be kept updated on progress on the proposed scheme at Llys Gwenffrwd.

Following a question by Councillor Bateman, Councillor Roberts advised that the Council was awaiting the outcome of a grant bid to the National Heritage Lottery Fund to develop a new joint archive facility recently reported to Cabinet and the Education & Youth Overview & Scrutiny Committee.

Councillor Banks said that there were a number of positives within the report and he paid tribute to the work of teams responsible for submitting bids for grant funding.

The Chief Executive drew attention to reference in the report to the maintenance of facilities under Aura Leisure & Libraries where work on assessing capital investment needs was incomplete. In response to Councillor Heesom's suggestion, he said that a Member workshop on capital financing would be arranged in the New Year. Councillor Heesom asked that this take note of his point on economic development.

The recommendations in the report, which were amended to reflect the debate, were moved by Councillor Cunningham and seconded by Councillor Johnson.

RESOLVED:

- (a) That the Committee supports the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2020/21 - 2022/23;
- (b) That the Committee supports the schemes included in Table 4 (paragraph 1.26) for the Investment section of the Council Fund Capital Programme 2020/21 - 2022/23;
- (c) That the Committee notes that the shortfall in funding of schemes in 2020/21 and 2021/22 in Table 5 (paragraph 1.36) at this point in the approval process is flexible. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2020/21, and included in future Capital Programme reports;
- (d) That the Committee supports the schemes included in Table 6 (paragraph 1.42) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing;
- (e) That the Committee confirms that there are no concerns to be reported to Cabinet to consider before the Capital Programme 2020/21 - 2022/23 report is considered by Council; and
- (f) That a workshop on capital financing be organised for the early part of 2020.

61. CAPITAL STRATEGY INCLUDING PRUDENTIAL INDICATORS 2020/21 - 2022/23

The Finance Manager (Technical Accountancy) presented the updated Capital Strategy prior to submission to Cabinet. The Strategy was an overarching document which brought together various strategies and policies, split into a number of sections and included details of the Council's Prudential

Indicators for 2020/21 - 2022/23. No significant changes had been made from the previous year.

The recommendations in the report were moved by Councillor Collett and seconded by Councillor Bateman.

RESOLVED:

- (a) That the Committee recommends the Capital Strategy to Cabinet; and
- (b) That the Committee recommends to Cabinet:-
 - The Prudential Indicators for 2020/21 - 2022/23 as detailed within Tables 1, and 4 – 7 inclusive of the Capital Strategy.
 - Delegated authority for 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 (Table 6 of the Capital Strategy).

62. CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN 2020-2026

The Chief Officer (Housing and Assets) presented a report on the refreshed Corporate Asset Management Plan 2020-26 which set out the Council's medium-term strategy for managing its assets and moving towards an optimal portfolio of assets. The total value of Council assets, mainly land and property, were valued at £762m. Over £7m had been generated from capital receipts over the past three years to invest into the Capital Programme.

Councillor Heesom shared his concerns about the extent to which capital and corporate assets were able to contribute to the revenue budget. He welcomed the update and spoke about the potential for discussion with Group Leaders on the Asset Register.

In welcoming the report, Councillor Mullin spoke about the constructive approach taken to optimise the asset portfolio.

On Councillor Heesom's point, the Chief Executive said that capital receipts did not directly impact on the Council Fund Revenue budget 'gap'. Although the total value of assets appeared significant, this included the entire public estate, for example schools and leisure centres, and future assumptions on capital receipts were modest.

In response to an earlier question from Councillor Heesom, the Chief Officer (Housing & Assets) explained that challenges in recruiting to the assets and valuation team had prompted a different approach to supplement resources with external specialist advisors. In addition, a recruitment process was underway to fill a vacant senior post.

Councillor Johnson said that research on the changing demographics in smaller towns could form part of future discussion.

Councillor Banks welcomed the report as an integrated plan for future monitoring of the Council's estate.

The recommendations in the report were moved by Councillor Cunningham and seconded by Councillor Williams.

RESOLVED:

That the Committee supports the Asset Management Plan 2020-2026 so that it can be adopted as the principal document for managing the Council's corporate property and land resource assets.

63. REVENUE BUDGET MONITORING REPORTS 2019/20 (MONTH 6) AND CAPITAL PROGRAMME (MONTH 6)

The Corporate Finance Manager presented a report on the revenue budget monitoring position for the Council Fund and Housing Revenue Account (HRA) and an update on the Capital Programme of 2019/20 at month 6 prior to consideration by Cabinet.

Revenue Budget Monitoring

On the Council Fund, the projected year-end position - without new actions to reduce cost pressures and improve the yield on efficiency planning - was an operating deficit of £2.698m, which was a favourable movement of £0.344m from Month 5. As set out in the report, this reduction was the result of a one-off delay in spend of -£0.530m at Month 6 which was offset by additional demand pressures totalling £0.186m. Further work on challenging areas of non-essential spend and recruitment would continue to further reduce the projected overspend. On the major variances by portfolio, the positive impact of additional winter pressure grant funding from Welsh Government (WG) would be included in future budget monitoring reports.

The projected balance on Contingency Reserves at year-end was £2.171m which was less than previous years.

In response to a question from Councillor Heesom on Central and Corporate Finance, attention was drawn to Table 1 in the report indicating a £0.377m underspend with the detail shown in the appendix.

On car park income, Councillor Bateman was advised that monthly projections had been adjusted in the budget for 2020/21.

In thanking officers, Councillor Banks praised the level of content in the report.

Capital Programme

Changes to the revised programme were mainly due to confirmation of various grant funding streams in-year. A large proportion of the projected underspend of £5.585m was recommended to Cabinet for carry-forward projects. Part of the Council's allocation of Economic Stimulus capital funding was

recommended to address Holywell town centre de-pedestrianisation and flooding impact on the highway network. Funding of approved schemes indicated a shortfall of 0.723m over the three year period.

The recommendations were moved by Councillor Johnson and seconded by Councillor Williams.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2019/20 Month 6 report, the Committee confirms that there are no specific matters which it wishes to raise with Cabinet; and
- (b) That having considered the Capital Programme 2019/20 Month 6 report, the Committee confirms that there are no specific matters which it wishes to raise with Cabinet.

64. COUNCIL PLAN 2019/20 - MID YEAR MONITORING

The Corporate Business & Communications Executive Officer presented a summary of progress on performance within the Council Plan at the mid-year point of 2019/20. This was overall a positive report with 88% of actions assessed as making good progress, and 90% likely to achieve the desired outcome. It was reported that 77% of performance indicators had met or exceeded their targets. Information on management of the areas of major (red) risk were set out.

Councillor Heesom questioned the lack of information on transport corridors which were integral to the Ambitious Council priority, and the Infrastructure Plan accompanying the Deposit Local Development Plan (LDP) particularly to address flood risk issues.

The Chief Executive said that the report provided an update only on objectives within the Council Plan and included references to local transport schemes forming part of the Council's commitments. He suggested that discussion on future provision be referred to the Environment Overview & Scrutiny Committee.

The recommendations were moved by Councillor Heesom and seconded by Councillor Woolley who also corrected a typographical error.

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 2019/20 Council Plan.

65. EMPLOYMENT AND WORKFORCE QUARTERLY UPDATE

The Senior Manager, Human Resources & Organisational Development presented the workforce information report on Quarter 2 of 2019/20 which focussed on organisational performance and trends.

On attendance, the team was continuing to work closely with services to improve figures. Following analysis of reasons for absence, the addition of a category for bereavement would provide more clarity and help to target appropriate support for those individuals. Good progress was reported on the completion of appraisals where the new appraisal model had generated positive initial feedback and would be shared with Members, once finalised. Other positive outcomes were a reduction in the number of active agency worker placements and the implementation of a new pay model.

Councillor Cunningham welcomed the changes to the categorisation of absence. He moved the recommendation and was seconded by Councillor Bateman.

RESOLVED:

That the Committee endorses the Employment and Workforce Information Report for Quarter 2 2019/20 to 30 September 2019.

66. PUBLIC SERVICE OMBUDSMAN FOR WALES ANNUAL LETTER 2018-19 AND COMPLAINTS AGAINST FLINTSHIRE COUNTY COUNCIL 2019-20

The Customer Contact Service Manager presented the report to share the Public Services Ombudsman for Wales (PSOW) Annual Letter 2018-19 together with an overview of complaints against Council services in the first half of 2019/20. The report also set out new legislative powers due to be implemented by the PSOW in early 2020.

Whilst there had been an overall increase in the number of complaints about Welsh local authorities during the period, the PSOW had welcomed the steps taken to reduce this number through early resolution. In Flintshire, the number of complaints received against the Council remained static with 70% deemed premature as the complainants had not exhausted the Council's complaints procedure before referring to the PSOW.

During the first half of 2019-20, a total of 371 complaints had been received by the Council with an improvement shown in response times. In recognition of areas for improvement and general learning, a number of actions were planned including a review of procedures.

The Chief Executive spoke about the positive relationship between the officers and the PSOW office. In welcoming the feedback on the early resolution of complaints, he said that the report reflected the improvements made in response to actions agreed at the workshop. Since the workshop, Members had not raised any specific patterns of complaints for him to review and address.

In response to comments from Councillor Bateman, officers explained that the highest number of complaints about Planning mirrored the trend across the UK. Clarification was also given to the Chairman on the criteria for complaints.

Councillor Mullin referred to the size of the organisation and said that the number of low-level complaints were dealt with promptly.

The recommendations were moved by Councillor Johnson and seconded by Councillor Bateman.

RESOLVED:

That the Committee:

- (a) Notes the annual performance of the Council in respect of complaints made to the Public Services Ombudsman for Wales (2018-19) and local complaints made against services in the first half of 2019-20;
- (b) Supports the Council's review of its complaints procedure upon receipt of the Ombudsman's model concerns and complaints policy for public service providers in Wales; and
- (c) Supports the actions outlined in 1.18 of the report to improve local complaints handling.

67. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

(The meeting started at 10am and ended at 12.05pm)

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Chairman