

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

12 AUGUST 2019

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Council Chamber, County Hall, Mold CH7 6NA on Monday, 12 August 2019

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Bob Connah, Patrick Heesom, Vicky Perfect and Arnold Woolley

SUBSTITUTES: Councillors: George Hardcastle (for Bernie Attridge), Ian Dunbar (for Geoff Collett), Ray Hughes (for Paul Cunningham), Chris Dolphin (for Mared Eastwood) David Wisinger (for Paul Johnson), Rosetta Dolphin (for Richard Jones), Gladys Healey (for Michelle Perfect), Paul Shotton (for Aaron Shotton) and Dave Healey (for Andy Williams)

ALSO PRESENT: Councillors: Chris Bithell (Cabinet Member for Planning & Public Protection), Derek Butler (Cabinet Member for Economic Development) Chris Jones (Cabinet Member for Social Services) Billy Mullin (Cabinet Member for Corporate Management and Assets), Mike Allport, Sean Bibby, David Evans, Kevin Hughes, Dave Mackie and Hilary McGuill.

INITIATORS OF THE CALL IN

Councillors: Mike Peers, Patrick Heesom, Chris Dolphin, Helen Brown, George Hardcastle and Veronica Gay

CONTRIBUTORS: Councillor Ian Roberts, Leader and Cabinet Member for Education; Councillor Glyn Banks, Cabinet Member for Finance; Councillor Carolyn Thomas, Cabinet Member for Streetscene & Countryside, Chief Executive, Chief Officer (Streetscene and Transportation) Transportation and Logistics Manager, Finance Manager – Environment, Project Manager – Chief Executives and Programme Manager.

IN ATTENDANCE:

Democratic Services Manager and Democratic Services Support Officer

29. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

30. CONSIDERATION OF A MATTER REFERRED TO THE COMMITTEE PURSUANT TO THE CALL IN ARRANGEMENTS

The Democratic Services Manager explained why the call in was being considered by Corporate Resources rather than Environment Overview & Scrutiny Committee. This was because the call in was not about the principle of green waste collection or charging for it. The call in was challenging the efficacy and justification for the recommended increase in the annual charge for green waste collection. This was one element of the newly adopted corporate fees and charges policy – a financial rather than a service provision or delivery issue.

The officer then gave an overview of the procedure for the call in of a Cabinet Decision, as detailed in the supporting document. The Cabinet had considered a report on the Fees and Charges report at its meeting on the 16th July 2019. The decision (Record of Decision 3673) had been called in by Councillors Mike Peers, Patrick Heesom, Chris Dolphin, Helen Brown, George Hardcastle, Veronica Gay and Richard Jones. Copies of the Cabinet report, the Record of Decision and Call in Notice, which identified seven reasons for the call in, were included with the agenda papers for the meeting.

The Chair indicated that he would not be accepting proposals for any of the four options until Members had heard the cases put by both the initiators and decision makers and Members had had an opportunity to ask questions of both.

31. FEES AND CHARGES

As initiators of the Call in, Councillors Mike Peers, Patrick Heesom, Chris Dolphin, and Helen Brown, were invited to address the Committee first.

Councillor Mike Peers thanked the Chair and Committee and outlined the reasons for the call in, also referring back to the previous call in on green waste collection which had been held in January 2018.

He explained the concerns that the take up of green waste collection permits had decreased by 23% following the increase in the Council Tax. When the review of the first year of the service was carried out, the report contained incorrect figures: the number of permits sold was not 33,871. Breaking this down to 29,021 for single bin, 5,292 for second and 558 for third, this totalled to 39,279 permits. With the cost of £30 per permit, there had been a surplus in the first year meaning the increased charge was unnecessary. With the Council Tax increases it was unfair to add further cost to Flintshire residents.

Councillor Chris Dolphin raised a number of issues: - where the surplus money had been spent; that this was a bad deal for customers; that 140 litre bins were too small compared to those provided by other authorities and that the 6.6% rise or 16% if customers paid £35 was not reasonable. He reiterated that charges needed to be fair. He referred to 1.10 in the Cabinet report, which stated the increased charges may be seen as unfair and may impact on take up. This together with the increase in Council Tax had been evidenced by the 23% drop in take up.

Councillor Patrick Heesom commented that Members understood the Council's role to generate income but that this way was not appropriate. It needed to be fair and acceptable and commented the figures in the Cabinet reports indicated a surplus. This could appear to be a double taxation policy and the Income Generation Policy should be reconsidered. Whilst Members understood that the Council was under funded and needed to look at other ways to raise income, this was not the right way, it had to be fair to all.

Councillor Helen Brown referred to the 1.07 in the January Cabinet report on the review of Green Waste Charges in Flintshire when the first year was reviewed. 33,871 permits were issued and there were no concerns with regard to rising costs yet 7 months later in the July report there were proposals to increase

charges. It was difficult to understand the figures presented. Also in the report, it stated a reduction in the number of permits issued compared to year one. She asked where information on the surplus money was provided and said there was no justification for the increase.

Responses from the decision makers

The Chief Executive welcomed the call in as a rigorous test of the policy and how it was to be applied. Corporate Resources had reviewed the policy and recommended it for adoption the previous month. He countered Councillor Peers' points on the increased charges being unnecessary and unjust by saying the service did not make a cost surplus. This was a discretionary service, which residents did not have to use. As the Council provided it, there should be full cost recovery – otherwise this discretionary service would still be subsidised by the tax payer. The increase in the annual charge was in line with inflation, and with permits still being bought during August and into the autumn, the final figure would be higher. He concluded by reminding the committee that the Council's charging policy had hitherto been inconsistent and not index linked, which was why the policy had been introduced.

The Environment Finance Manager explained that the figures contained in the document which had been circulated at the start of the meeting had been validated by Internal Audit colleagues. The total permits sold figure shown, 33,871 was accurate and had generated the £1,016,130 income. The figure provided for 2019/20 was up to 7th August and thus not a full year.

In response to the operating surplus question, the Chief Officer (Streetscene and Transportation) explained that the number of permits sold in 2018/19 had been greater than anticipated and that the surplus had been reinvested in Streetscene services. Following the review of year 1, clearer predictions could now be made. He explained that the current reduction in the number of permits was actually 8%, rather than the 23% stated. Whilst there had been a reduction in the number of permits sold, the vehicles would still have to go out every day with the same fuel costs and the Council still had to deal with the waste. The costs for providing the service had increased due to staff pay awards, fuel costs and insurances and taxes. These costs had not yet been met by the service charge. He referred to the January report saying there had not been a clear indication of the take up but in future it would be easier to predict. There were significant fixed costs attached to the service, for example vehicles.

The Fees and Charges Project Manager provided information on the work being carried out to establish all 'full costs' in order to provide Members with a complete picture of the income generated and the full costs and expenses involved.

The Leader commented that the green waste collection was a fantastic service and excellent value for money at £1.30 per collection which was convenient, taken straight from subscribers' homes.

Specifically addressing the questions put in the call in notice, the Chief Officer (Streetscene & Transportation) explained that there was a surplus in year 1 but not in year 2;

- the number of permits issued had now been clarified;
- the costs of delivering the service had been explained, which once index linked would be self-financing;
- the reduction in the number of permits was actually 8% not 23%;
- that this did not reduce the cost of delivering the service and that there was now an agreed incentive in place to encourage residents to pay early and online.

The Chair asked whether the incentive to pay online, with a £3 reduction could provide additional profit. The Chief Executive responded to say the service would not make a trading surplus with the service costs index linked. There had been a shift to digital transactions as telephone transaction costs were greater than online. The Project Manager clarified the difference was based on transaction costs being cheaper with telephone payments costing £2.83 per transaction and web transactions costing 11 p. She explained the different figure of £2.50 for telephone transactions which were dealt with at the call centre.

The Chief Officer outlined the work on direct overheads for Streetscene and understanding corporate overheads which was ongoing.

The Cabinet Member for Finance added the aim was for full cost recovery but it was accepted that some years would have a surplus and others would not. It would vary year on year.

The Chief Executive commented the Household Recycling Centre sites were still available for residents to take their green waste to at no additional cost.

Councillor David Evans asked whether the decrease in permits purchased this year meant fewer bins for collection, which if a downward trend would become unsustainable. He also asked whether it would be possible to recover the bins which were no longer being used and recycle them to be reissued.

The Chief Executive responded that there was no evidence that the costs directly impacted on the reduction of service and that permits were still being sold now so the figure could change. The introduction of Direct Debit payments would enable better forecasting but there was a need for a 3 or 4 year history to completely understand the trends. The Chief Officer added that demand was difficult to predict. Whilst changing collection days was not desirable, it was something that could be looked at if rounds finished consistently early. With regard to recovering unwanted bins, there was a cost to collecting them but some had been cleaned and used again.

The Cabinet Member for Streetscene and Countryside said some residents who didn't subscribe to the service used their green waste bins as storage for home composting.

Councillor Paul Shotton said that he understood why the initiators had disputed the figures. He referred to the recent workshop in Theatr Clwyd, where the Medium Term Financial Strategy and the implications on the delayed funding review from Westminster was discussed and that the Council had to make these difficult decisions. He said that he supported option 1.

Councillor Gladys Healey thanked the Chief Officer and Streetscene for the excellent work they do especially assisting the elderly and disabled residents

in Flintshire with the service. She asked why larger bins could not be provided to alleviate having extra bins.

In response the Cabinet Member explained the rationale for the 140 litre bins. The Chief Officer said the weight of the larger bins and health and safety reasons were determining factors.

Councillor Peers referred to point 1.07 in the report and said it could be interpreted in two ways. He added the information on the rising costs of the service was missing from the report and was only provided today. On brown bin recycling costs, those unused bins should all be recovered and recycled. The information on the method of payment did not include running costs of service or the efficiencies that could be made with recouping full cost recovery an issue with the drop off in the number of permits purchased.

In response the Leader referred to 1.07 of the report and accepted these figures could be misunderstood and would ensure in future years they would be clearer. He was aware that some people now used their bin for composting but they could be collected if not required. For the future, fuel and pay increases would be incorporated into the calculations. Finally this was a discretionary service with HRC sites for those wishing to use them but there were over 30,000 who chose to use the service.

Councillor Ian Dunbar said there had been quite a debate on this and following the workshop last week all portfolios were at breaking point. He asked whether there was the alternative to this service and secondly had concerns at online payments with not everyone having access to a computer. He agreed with Councillor Shotton and seconded option 1.

The Cabinet Member confirmed the Connects Centres would be able to help and also there was the telephone option. The service was currently looking at direct debit payments which would automatically continue on an annual basis until stopped.

Councillor David Wisinger agreed if permits were still being purchased it was difficult to get an up to date figure. He referred to elderly people with large gardens who relied on this service. The cost compared to hiring a skip or going to the recycling centre was value for money.

Councillor Arnold Woolley commented most of the questions had already been asked. He said that if the initiators had been provided with the additional information previously, this meeting may not have been necessary. He asked whether other Members were aware of the figures.

The Chief Executive responded that the full cost figures had been provided: Councillor Carolyn Thomas added that these figures had been audited. The Chief Executive went on to explain that service would be continuing and that the £33,871 quoted throughout was correct. The full cost of provision £977,000 in 2019/20. Whilst it was accepted fuller information could have been put into the report this had now been provided and had been rigorously checked beforehand.

Councillor Woolley asked that this information be provided to Members who were not present. This was agreed. The Chief Executive reiterated his guidance that there were no discrepancies with the number of permits sold and

that the costs of providing the service remained the same. The Leader acknowledged that there had been a difference in interpretation and that he could understand how that that confusion had arisen.

Councillor Heesom said this issue had been called in because of the evidence and that he was concerned about the Income Generation Policy. The evidence was a 10% reduction in the purchase of permits and asked if this continued was there control of this.

The Leader said use of the service was the customer's decision and if necessary the rounds would be looked at and collection days changed. This was a full cost recovery service and not subsidised. The Chief Executive said this was a small monetary increase.

Councillor Rosetta Dolphin commented that for those residents who could not go online the 16% increase was a big difference. She thought that there was a cost to go to the Connects Centre and asked how many people go online and how many visit the Connects Centres. In response the Chief Executive said 66% had paid online with the remainder from the Connects Centres and by telephone. The staff at the Connects Centre assisted people and there was no charge for this. What was being proposed was an early discount for payment before 1st March for online and telephone applications. The Cabinet Member said the recycling calendars would include a reminder leaflet for the green waste service.

Councillor Mike Peers thanked the Chair and said this was not a criticism of the service which he used himself; it was concerning the additional costs on top of the increase in Council Tax. He felt the take up could suffer if prices increased and that the figures to support this were not included within the report. An old bin recycling scheme should be introduced to provide an efficiency. It would be appreciated if clear and concise figures could be provided in future.

The Leader agreed the call in was justified and agreed with the comments made. He acknowledged that the demand may drop off and that the figures in the previous report could be misinterpreted. He was pleased with the debate and conciliation across the Council Chamber. He reiterated that this was an excellent service which the public did not have to use. The Chief Officer had confirmed that the service would be reviewed if and when necessary. If customers pay early either online, by telephone or via the Connects Office the increase would be £2.

Option 1 was moved by Councillor Shotton and seconded by Councillor Dunbar. A vote followed with 7 in favour, 6 against, and an abstention from Councillor Chris Dolphin.

RESOLVED:

That the Committee is satisfied with the explanations which it has received, and that the decision be now implemented.

32. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were one member of the public and one member of the press in attendance.

(The meeting started at 11.30 am and ended at 1.42 pm)

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Chairman