

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
11 JANUARY 2024

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 11 January 2024

PRESENT: Councillor Richard Jones (Chair)

Councillors: Bernie Attridge, Bill Crease, Alasdair Ibbotson, Gina Maddison, Allan Marshall, Vicky Perfect, Kevin Rush, Jason Shallcross, Sam Swash, Linda Thomas and Arnold Woolley

ALSO PRESENT: Councillors Helen Brown, David Coggins Cogan, David Healey, Gladys Healey, Christine Jones and Andrew Parkhurst attended as observers

CONTRIBUTORS: Councillor Ian Roberts (Leader of the Council), Councillor Paul Johnson (Cabinet Member for Finance, Inclusion & Resilient Communities), Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Strategic Finance Manager, Revenues & Procurement Manager and Corporate Manager (Capital Programme & Assets)

For minute number 61

Senior Manager (Safeguarding and Commissioning)

IN ATTENDANCE: Democratic Services Manager and team

58. DECLARATIONS OF INTEREST

None.

59. ACTION TRACKING

The Democratic Services Manager presented an update on actions from previous meetings and advised that further responses to questions had been circulated since publication of the agenda.

Councillor Alasdair Ibbotson thanked officers for the response shared on the Help to Claim service and sought clarity on whether the Flintshire service was currently being delivered by Cheshire West & Chester Citizens' Advice Bureau as part of the Department of Work & Pensions contract. Officers would circulate a response in advance of the next meeting.

The recommendation was moved and seconded by Councillors Bernie Attridge and Jason Shallcross.

RESOLVED:

That the Committee notes the progress which has been made.

60. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme for consideration.

The Chair suggested that the Public Services Ombudsman for Wales' report be deferred to March to focus on the budget at the February meeting.

On that basis, the recommendations were moved and seconded by Councillors Bernie Attridge and the Chair.

RESOLVED:

- (a) That the Forward Work Programme, as amended, be noted; and
- (b) That the Democratic Services Manager, in consultation with the Committee Chair, be authorised to vary the Forward Work Programme between meetings, as the need arises.

61. JOINT FUNDED CARE PACKAGES - UPDATE REPORT

The Senior Manager (Safeguarding and Commissioning) presented an update on current long-term debt with Betsi Cadwaladr University Health Board (BCUHB) in respect of the delivery of NHS Continuing Health Care packages in Flintshire.

As at 20 December 2023, outstanding invoices totalled £0.470m which reflected a slight increase since September. This amount comprised £0.047m of unpaid short-term debt from invoices overdue between 2-11 days which were due to be paid shortly. Invoices dated one year and over totalling £0.163m were currently being worked on (a reduction in this debt of £0.020m since the previous report). The remaining £0.261m of outstanding invoices related to four individuals subject to the arbitration process (a reduction in this debt of £0.012m since the previous report). As a further update, positive progress was being made in relation to two significant cases which would improve the position further. Members were assured that the process put in place to manage outstanding invoices continued.

In response to a query by Councillor David Coggins Cogan, the Senior Manager spoke about the challenges relating to historic cases and anticipated further progress on the remaining arbitration cases in the forthcoming months.

The Chair referred to the second recommendation in the report and instead proposed that future updates be received quarterly to monitor progress with the arbitration cases until the Committee was comfortable to move to annual updates. He was seconded by Councillor Bernie Attridge.

RESOLVED:

That the Committee notes the update and receives a quarterly update on the management of outstanding Continuing Health Care invoices raised by the Council for payment by Betsi Cadwaladr University Health Board.

62. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2024/25

The Corporate Finance Manager presented a report on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement (LGPS) together with an update on the range of budget solutions available to the Council to set a legal and balanced budget in February.

At the previous meeting, the additional budget requirement for the 2024/25 financial year was reported at £33.187m with potential funding solutions of £22.097m leaving a remaining amount of £11.090m. The Welsh LGPS was announced in December and responses to the consultation were invited by 2 February. The provisional Aggregate External Finance (AEF) reflected an increase of 2.2% which was the third lowest percentage increase in Wales and was below the 3.1% all Wales average. The report summarised the key headlines which had the effect of increasing the budget gap to £12.946m noting that there were a number of risks and impacts of specific grant reductions remaining which could further increase this figure. Two budget workshops would be held later in the month prior to detailed final budget proposals being considered by Overview & Scrutiny committees in February.

The Chair asked about the impact of reductions in the Social Care Workforce Grant and Homelessness No One Left Out Approach Grant. The Corporate Finance Manager estimated the impact of the first grant to be around £0.430m and agreed to share calculations for both grants and how they would be accommodated within the budget.

In sharing disappointment on the outcome of the LGPS, Councillor Bernie Attridge said that actions to share budget options to close the gap and lobby Welsh Government (WG) for an improved settlement were urgently needed.

Councillor Ian Roberts said that the joint press statement issued prior to Christmas had made clear the concerns about the Settlement. He gave assurance that robust representations had been made at regional and national meetings for a review of the funding formula, however it was apparent that the NHS and Transport for Wales were the main beneficiaries of national funding. Whilst representations continued, he said that the Committee may wish to consider sending an urgent letter/email to Senedd Members conveying its dissatisfaction over the impact of the funding formula. He also suggested that the Constituency and Regional Members of the Senedd be invited to a meeting with all elected Members at County Hall.

The suggestion for a meeting with Senedd Members was proposed by Councillor Attridge.

Councillor Alasdair Ibbotson pointed out that a change in the needs-based funding formula in the time available was unlikely. He said that the provisional Standard Spending Assessment (SSA) reflected a presumed 6.8% average increase in Council Tax across Wales and that the Council should focus on working with other councils to challenge that presumption and to seek an uplift in the AEF from WG.

Councillor Dave Healey spoke about the impact of austerity on the Council which continued to be one of the lowest funded councils in Wales and the need for a fairer funding formula.

In response to a question from Councillor David Coggins Cogan, the Corporate Finance Manager said that the indicative uplift advised by WG as part of the 2022/23 settlement was a reasonable working assumption and that changes in data sets in the formula had also impacted adversely on Flintshire. In responding to queries, he advised that whilst the additional cost of employer teacher pensions had been confirmed in the Minister's Autumn Statement, formal confirmation of that funding was still awaited. On Out of County Placements, the additional amount included in the current forecast would be closely monitored so that the full-year impact could inform budget proposals to be shared in the next stage of the process. On Social Care commissioning costs, comparison with other North Wales councils was difficult due to the various types of care involved.

On the latter point, the Chief Executive referred to the Council's strategy to extend its care provision in Flintshire to reduce reliance on escalating costs by external providers.

In response to comments from the Chair on the adverse impact of revised data sets on the funding for Flintshire, the Chief Executive advised that the Council's response to the LGPS consultation would also reflect the need for more consistent reporting of PLASC¹ data across Wales along with care home fee capping.

Following a question from Councillor Attridge regarding withdrawal from the Welsh Local Government Association (WLGA), Councillor Roberts spoke about the various implications which would require careful consideration. He went on to refer to the effects of consequential funding decisions and the timing of changes to data sets.

The Chair provided context of the impact of the continued reduction in AEF on Council Tax along with the rising cost of discretionary services.

In referring to the challenges around the financial situation, Councillor Gina Maddison called upon all Members to support the fair funding working group in the development of an action plan.

Councillor Paul Johnson spoke about changing financial trends across Wales and said that progress by the fair funding working group could be shared with this Committee.

Councillor Andrew Parkhurst said it was important to clearly set out the Council's business case to demonstrate the unfairness of the LGPS for Flintshire.

Following the debate, the recommendations were moved and seconded by the Chair and Councillor Bernie Attridge.

¹ Pupil Level Annual School Census

RESOLVED:

- (a) That having considered the Medium Term Financial Strategy and Budget 2024/25 report, the concerns raised by the Committee to be reported to Cabinet on 16 January 2024; and
- (b) That an urgent invitation be extended to the local Constituency and Regional Members of Welsh Government and the two local Members of Parliament to attend a meeting with all elected Council Members to discuss the concerns on the Provisional Settlement.

63. REVENUE BUDGET MONITORING 2023/24 (MONTH 8)

The Strategic Finance Manager presented the 2023/24 month 8 position for the revenue budget monitoring for the Council Fund and Housing Revenue Account (HRA), prior to consideration by Cabinet.

On the Council Fund, the projected year-end position was an operating deficit of £2.942m which was a favourable movement of £0.728m from the deficit position reported at month 7. This would leave a year-end contingency reserve balance of £4.918m after the actual impact of pay awards and previously approved allocations. Changes to approved budgets since month 7 were due to the disaggregation of the pay award budget (non schools) across portfolios. A summary was given of significant variances, in-year risks/emerging issues and other tracked risks as detailed in the report.

On the HRA, projected in-year expenditure of £0.018m higher than budget would leave a closing un-earmarked balance of £3.179m, which was above the recommended guidelines on spend.

In reiterating the need for pay awards determined at national level to include the appropriate funding, Councillor Ian Roberts referred to the outcome of the teachers' pay review to be announced in the summer. He advised that the Council was engaging with the Welsh Government (WG) on other risks relating to the waste recycling infraction charge and Storm Babet.

On Appendix 1, Councillor Bernie Attridge asked for explanation on increased residential care and domiciliary care costs in-year under Localities (Older People). On Appendix 2, he referred to the overspend in the Leaving Care budget and asked whether specific government funding had been utilised for unaccompanied asylum seeking children. On Streetscene & Transportation, he asked for clarity on the type of cleaning costs which had been reviewed and reduced under Service Delivery.

The Corporate Finance Manager agreed to seek a response from those services and reminded Members to share service specific questions with officers in advance, to enable responses to be provided at the meeting.

In response to a question from Councillor Alasdair Ibbotson about the estimated impact of Storm Babet on other Council assets, the Finance officers explained that figures in the table reflected the impact on school buildings and flooding as well as Council Tax income. They gave assurance that claims on the

Emergency Financial Assistance Fund sought to maximise the impact on the Council within the constraints of the eligibility criteria for the scheme on which further information was available on the WG website. On a further question, the Revenues & Procurement Manager provided information on the treatment of Council Tax exemptions issued mid-year.

On Governance, the Democratic Services Manager provided clarity on the one-off backdated Superannuation pension costs within Member Services.

The recommendation was moved and seconded by Councillors Bernie Attridge and Jason Shallcross.

RESOLVED:

That having considered the Revenue Budget Monitoring 2023/24 (month 8) report, the Committee confirms that there are no specific matters to be raised with Cabinet.

At this stage, the Chair left the meeting and Councillor Bill Crease (Vice-Chair) chaired the remaining item.

64. COUNCIL TAX REFORM - WELSH GOVERNMENT PHASE 2 CONSULTATION

The Chief Officer (Governance) presented a report on the phase 2 Welsh Government (WG) consultation which sought views on the ongoing Council Tax reform programme, following phase 1 consultation in September 2022. Feedback from the Committee on the recommended responses would be shared with Cabinet prior to a formal response being submitted.

The Revenues & Procurement Manager provided an overview of the implications of the WG proposals which involved:

- Completing a council tax revaluation.
- Designing a new system of tax bands and rates that is more progressive.
- Improving the framework of discounts, disregarded persons, exemptions, and premiums.
- Improving the Council Tax Reduction scheme.

In addition to the proposals, the consultation also sought views on the pace of reform as set out in the three options.

Councillor Alasdair Ibbotson spoke in support of reform with the full 12-band property structure which appeared to represent the best financial option for Flintshire, and he queried why this had not reflected in the recommended response. He went on to query reference to Disability Living Allowance within the response as this was no longer available to new claimants and proposed that the Committee reject the definition of 'progressive' tax in the glossary of the report.

He was seconded by Councillor Sam Swash who spoke in support of 'expanded' radical reforms which were seen as the most progressive and should

be implemented as a matter of urgency. His comments were endorsed by Councillor Bernie Attridge.

Councillor Andrew Parkhurst pointed out the difficulty in assessing the impact of expanded reforms as no banding ratios were shown. The Revenues & Procurement Manager said that these were not included in the consultation paper and that he would verify this.

In welcoming the consultation, Councillor Ibbotson said that WG could take the opportunity to shift the tax burden onto the owner of the property as opposed to the resident.

The Revenues & Procurement Manager said it was important to note that the overall effects of revaluation on local government finances would be generally cost neutral for all options.

Following the debate, the Chief Officer (Governance) summarised the general consensus that the Committee favoured the most radical step to be implemented as soon as possible. Having been moved and seconded, the proposal was put to the vote and carried.

RESOLVED:

That having considered the Welsh Government (phase 2) proposals to reform Council Tax, the Committee's view that the most radical reforms be implemented as soon as possible be fed back to Cabinet.

65. MEMBERS OF THE PRESS IN ATTENDANCE

None.

(The meeting started at 10am and ended at 1.08pm)

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Chair