

FLINTSHIRE COUNTY COUNCIL
24 SEPTEMBER 2014

Minutes of the meeting of the Flintshire County Council held at County Hall, Mold on Wednesday, 24 September 2014

PRESENT: Councillor Glenys Diskin (Chair)

Councillors: Alex Aldridge, Bernie Attridge, Glyn Banks, Haydn Bateman, Marion Bateman, Amanda Bragg, Derek Butler, Clive Carver, David Cox, Paul Cunningham, Peter Curtis, Adele Davies-Cooke, Brian Dunn, Carol Ellis, David Evans, Jim Falshaw, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, George Hardcastle, Cindy Hinds, Ray Hughes, Dennis Hutchinson, Christine Jones, Richard Jones, Colin Legg, Brian Lloyd, Mike Lowe, Dave Mackie, Nancy Matthews, Hilary McGuill, Vicky Perfect, Neville Phillips, Mike Reece, Ian Roberts, David Roney, Tony Sharps, Aaron Shotton, Paul Shotton, Ian Smith, Nigel Steele-Mortimer, Carolyn Thomas, Sharon Williams. David Wisinger and Arnold Woolley

APOLOGIES:

Councillors: Chris Bithell, Helen Brown, Ron Davies, Alan Diskin, Chris Dolphin, Rosetta Dolphin, Ian Dunbar, Andy Dunbobbin, Hilary Isherwood, Rita Johnson, Stella Jones, Phil Lightfoot, Richard Lloyd, Billy Mullin, Mike Peers, Gareth Roberts, Owen Thomas, David Williams and Matt Wright

IN ATTENDANCE:

Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Chief Officer (Community and Enterprise), 2 Chief Officers (Organisational Change), Chief Officer (People and Resources), Chief Officer (Planning and Environment), Chief Officer (Streetscene and Transportation), Democracy and Governance Manager, Finance Manager – Technical Accountancy, Finance Officers

Mr. John Herniman and Ms. Amanda Hughes from Wales Audit Officer for minute number 44

37. DECLARATIONS OF INTEREST

The Chief Officer (Governance) explained that the Clwyd Pension Fund Accounts formed part of the Statement of Accounts 2013/14 being considered at agenda item 9. He advised that those Members who were in receipt of a Pension from the Clwyd Pension Fund should declare a personal interest but did not need to complete a form. The following Members declared a personal interest:-

Councillors: Bernie Attridge, Amanda Bragg, Carol Ellis, Cindy Hinds, David Mackie, Nancy Matthews, Hilary McGuill, Ian Roberts, Ian Smith and Carolyn Thomas.

38. CHAIR'S COMMUNICATIONS

A copy of the Chair's communications had been circulated to all Members before the meeting.

The Chair thanked those who had sponsored her Zipwire Challenge, for which she had raised £1800 for her chosen charities, and reminded those who had not yet sponsored her that they could still do so. She also gave thanks to the Vice-Chairman, Councillor Ray Hughes, for covering events, sometimes at short notice. The Chair reminded Members of the Pride of Flintshire Awards which were due to be held on 15 and 16 October 2014.

Councillor Aaron Shotton referred to the Big Dee Day Breakfast Launch and welcomed the work undertaken by the two local authorities for the benefit of the local area.

39. PETITIONS

Councillor Nigel Steele-Mortimer submitted a petition from residents for the removal of parking restrictions and white lines on the Village Square, Central Gwaenysgor.

40. PUBLIC QUESTION TIME

The Chief Officer (Governance) confirmed that none had been received.

41. QUESTIONS

The Chief Officer (Governance) confirmed that none had been received.

42. NOTICE OF MOTION

The following Notice of Motion had been submitted by Councillor Clive Carver:-

"The Council's Constitution to have an additional Council Procedure Rule so that when a Member has declared a Personal and Prejudicial interest relating to an agenda item and subsequently leave the Council Chamber or Committee Room for the debate and vote, then when the Member returns to the meeting room, the Chair of that meeting will repeat the decision of that agenda item so that the Member who declared a Personal and Prejudicial interest will be made aware of the decision. There will be no comment or discussion when the Chair repeats the decision".

Councillor Carver formally proposed the motion which was duly seconded by Councillor Nigel Steele-Mortimer.

The Chief Officer (Governance) advised that under Council Procedure Rule 21.2, the item should be adjourned at this meeting for discussion at the next meeting of the Council.

The following Notice of Motion had been submitted by Councillor Aaron Shotton:-

“While many ordinary people face falling household income and rising costs of living, some multinational companies are avoiding billions of pounds of tax from a tax system that fails to make them pay their fair share. Local governments in developing countries and the UK alike would benefit from a fairer tax system, enabling them to provide quality public services. The UK government must listen to the strength of public feeling and act to end the injustice of tax dodging by large multinational companies, in developing countries and the UK”.

The Notice of Motion was formally proposed by Councillor Shotton and seconded by Councillor Bernie Attridge.

Councillor Shotton detailed the background to the Notice of Motion and explained that he had been contacted by a number of local campaigners on the issue. Councillor Robin Guest sought clarification on the wording and Councillor Paul Shotton, in welcoming the Motion, hoped that it would encourage the Government to take appropriate measures.

RESOLVED:

- (a) That the Notices of Motion be supported; and
- (b) That a report on the additional Council Procedure Rule be considered at the next meeting of the County Council.

43. ANNUAL GOVERNANCE STATEMENT

The Chief Officer (Governance) introduced a report for Council to approve the draft Annual Governance Statement (AGS) for 2013/14.

He detailed the background to the report and explained that the Statement was included in the Statement of Accounts which was the next item on the agenda. An early draft of the document had been considered by the Audit Committee and the final AGS had been approved by the Committee on 16 July 2014.

RESOLVED:

That the Annual Governance Statement be approved.

44. STATEMENT OF ACCOUNTS 2013/14

The Corporate Finance Manager introduced Mr. John Herniman and Ms. Amanda Hughes from Wales Audit Office (WAO) to the meeting.

The Corporate Finance Manager introduced the report to seek Members' approval of the final Statement of Accounts for 2013/14. The statutory deadline for the approval of the accounts was 30 September 2014. The draft document had been considered by the Audit Committee in July 2014 and as part of the final accounts process, WAO had presented the ISA 260 reports 'Audit of the Financial Statements – Flintshire County Council' and 'Audit of the Financial Statements – Clwyd Pension Fund' to a meeting of the Audit Committee which was held prior to this meeting of County Council. A number of changes to the draft had been agreed with WAO and these had been incorporated into the final document.

Audit of the Financial Statements – Flintshire County Council

Mr. Herniman spoke of the significant challenge of preparing a set of Local Government accounts and submitted them for audit. He advised that an unqualified opinion on the financial statements would be issued when the Letter of Representation from the Authority had been received by the WAO. He added that the standard of the Statement of Accounts had continued to improve and thanked the Corporate Finance Manager and his team for their work. A number of risks had been identified on fixed assets, remuneration and exit packages and equal pay claims and these were detailed in the Audit of Financial Statements Report from the WAO. It was reported that the Authority had not recognised a liability for pension contributions on its equal pay liabilities but the Auditor had been satisfied that the Council had acted on legal advice provided to it and further action by the Auditor was not required. Mr. Herniman explained that recording of income and expenditure in the correct year had not always been followed. He added that there were two areas that required further improvement and these were:-

- the establishment, discharge and review of reserves to support the Council's financial strategy and plan; and
- ensuring that the range of data provided by the administering authority (Clwyd Pension Fund), and actuarial assumptions matched. Some work to ensure reconciliations were undertaken on a monthly basis had been agreed with management.

Audit of the Financial Statements – Clwyd Pension Fund

Ms. Hughes advised it was the intention of WAO to issue an unqualified opinion. She explained that as a result of the audit work, it had been identified that the Pension Fund had underestimated the accrual for the lump sum and death benefit liabilities for former employees who had either retired or passed away up to and including 31 March 2014. As a result, an amendment was made to accrue an additional £1.107 million of expenditure. There was a

need for the Council to strengthen its arrangements to ensure it accrued for the liability in the correct financial period.

It was also important to work with all employer bodies to ensure that the membership data was updated and accurate. The administering authority (Flintshire County Council) was keen to move to a monthly process which the WAO welcomed. Ms. Hughes added that the Letter of Representation would need to be sent to the WAO if the Statement of Accounts for the Clwyd Pension Fund were approved by Members at this meeting.

On behalf of Councillor Tim Newhouse, the Chairman of Audit Committee, Councillor Ian Roberts formally proposed the recommendation to approve the Statement of Accounts for 2013/14. He thanked the Corporate Finance Manager and his team for their hard work on the accounts which had been formally moved at the earlier meeting of the Audit Committee and which had received two unqualified opinions from the WAO. The proposal was seconded by Councillor Glyn Banks.

The Corporate Finance Manager thanked Councillor Roberts for his kind words which he passed on to the Finance Manager – Technical Accountancy and her team. He provided assurance to Members that work was underway to ensure that all details of assets was kept in the Assets Register.

Councillor Alex Aldridge referred to the impact of cuts on local government and asked Mr. Herniman about the stance of the WAO to the Welsh Government (WG). In response, Mr. Herniman said that a neutral position would be taken by WAO and that a report would be published and submitted to WG on the financial position of all 22 local authorities in Wales.

The Chief Executive thanked the Members who had taken part in the Audit assessment and said that it was anticipated that a Statement of Circumstance would be received by the Council before the end of December 2014.

RESOLVED:

- (a) That the final Statement of Accounts for 2013/14 be approved; and
- (b) That the Letter of Representation – Flintshire County Council and the Letter of Representation – Clwyd Pension Fund be approved.

45. SUPPLEMENTARY FINANCIAL INFORMATION TO STATEMENT OF ACCOUNTS 2013/14

The Corporate Finance Manager introduced the report to provide Members with requested supplementary financial information to accompany the Statement of Accounts 2013/14.

He detailed the background to the report and explained that the information had been provided following a Notice of Motion approved by Council on 29 January 2013. The document was split into the following three categories:-

- Table 1 – Council Employees
- Table 2 – Posts covered by interim or temporary arrangements
- Table 3 – Consultants and Non-Permanent Posts

Councillor Clive Carver sought clarification on costs for external legal advice and for HR issues such as the recent work on the Senior Management restructure and Single Status. The Chief Officer (Governance) explained that Councillors could contact him following the meeting if they required specific information on the costs for legal advice. The Chief Executive advised that some named individuals had been employed through a recruitment agency for Single Status, hence the footnote to the figures, and that a consultancy practice had been appointed to support the Authority on the new operating model, not an individual, which was why the appointment was not listed.

RESOLVED:

That the report be noted.

46. TREASURY MANAGEMENT ANNUAL REPORT 2013/14

The Corporate Finance Manager introduced the report to present to Members the Annual Treasury Management Report for 2013/14.

He detailed the background to the report and explained that the Annual Report had been reviewed by Audit Committee on 16 July 2014 and considered by Cabinet on 16 September 2014 for recommendation to Council. The key points were detailed and the Corporate Finance Manager explained that Section 2 provided a review of the economy and interest rates and Section 4 provided further details of the Council's investment activity during the year. It was reported that the Council had sold its claims against the insolvent estate of LBI (Landsbanki) through a competitive action process and had recovered 92% of the amounts originally deposited. Section 5 of the report provided further details.

RESOLVED:

That the Annual Treasury Management Report for 2013/14 be approved.

47. EXCLUSION OF THE PRESS AND PUBLIC

The Chief Officer (Governance) indicated that if the vote to exclude the Press and Public was carried, then he would also leave the meeting.

Councillor Bernie Attridge sought clarification on why the item should be excluded and the Chief Executive provided a response.

RESOLVED:

That the press and public be excluded from the meeting for the following item by virtue of exempt information under paragraph 15 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

48. ASSIGNMENT OF THE ROLE OF MONITORING OFFICER

The Chief Executive introduced the report to review the options for the allocation of the role of Monitoring Officer, as an outstanding issue from the introduction of the new corporate operating model.

He detailed the background to the report and explained the benefits and risks for each of the options.

Councillor Aaron Shotton proposed the recommendation in the report and this was duly seconded by Councillor Bernie Attridge.

Councillors Robin Guest, Richard Jones and Clive Carver commented on the proposal and the Chief Executive provided responses to their questions.

RESOLVED:

That the role of Monitoring Officer be assigned to the post of Chief Officer (Governance).

49. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was 1 member of the public and 1 member of the press in attendance.

(The meeting started at 2.00 pm and ended at 3.03 pm)

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Chairman