

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
15 JANUARY 2015

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday, 15 January 2015

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Marion Bateman, Clive Carver, Paul Cunningham, Andy Dunbobbin, Robin Guest, Ron Hampson, Joe Johnson, Richard Jones, David Roney, Paul Shotton and Arnold Woolley

ALSO PRESENT:

Councillor Haydn Bateman attended as an observer

APOLOGIES:

Leader of the Council

Councillors: Peter Curtis, Ian Dunbar and Richard Lloyd

CONTRIBUTORS:

Deputy Leader, Chief Executive, Chief Officer (People and Resources), Corporate Finance Manager, Finance Manager, Revenues & Benefits Manager and Benefits Manager

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

55. DECLARATIONS OF INTEREST

No declarations of interest were made.

56. MINUTES

The minutes of the meeting of the Committee held on 11 December 2014 had been circulated to Members with the agenda.

Councillor Arnold Woolley referred to page 4 and felt that the minute on Mid Year Chief Officer Performance Reports did not reflect that had been agreed at the meeting. He opined that on the issue of virements, he had requested a full report on the reason why the virements existed and it had been agreed that a report detailing the facts would be submitted to the Committee when it was available; this was not reflected in the minute. He raised significant concern about the potential for non-compliance with procedures and said that it was important for Members to be aware of the detail behind virements.

In response, the Member Engagement Manager said that he had spoken to the Scrutiny Facilitator and the Committee Officer who had attended the meeting and neither had noted a decision for a report to be provided to the Committee. Councillor Woolley indicated that there had not

been a formal decision but agreement had been reached with officers to provide the report. The Member Engagement Manager added that a meeting had since taken place with Councillors Woolley and Nigel Steele-Mortimer, the Chief Officer (People and Resources) and the Corporate Finance Manager to discuss issues that Councillor Woolley had raised. Councillor Woolley confirmed that the meeting had taken place but had not addressed the issue of virements.

The Chair could not recall if a report had been requested and Councillor Paul Shotton commented that the Leader of the Council had indicated at the meeting that he was not aware of the situation and wanted further information on the issue. The Chief Executive felt that there were two issues which needed dealing with separately; the first being the request for a report on virements and practices, which could be provided and secondly Councillor Woolley's enquiries and concerns about historical practices. The Deputy Leader raised significant concern at the issues raised by Councillor Woolley, particularly as he had been Executive Member for Finance at the time of some of the issues. He also suggested that Councillor Woolley should share his letter to the Ombudsman with Officers and Members.

In response to a comment from the Chair on minute number 48 (Quarter 2 Improvement Plan Monitoring Report), the Chief Executive advised that a report would be submitted to the Committee when an update on the proposed demolition of the Civic Offices in Connah's Quay was available.

RESOLVED:

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

57. BUDGET CONSULTATION PROCESS

The Chief Executive provided a verbal update on the national and local budget position and gave a broad indication of the issues to be discussed at Cabinet on 20 January 2015.

He commented on the discussion that had taken place at the previous meeting about the Chancellor's Annual Statement and the support provided by the Committee to lobby for Flintshire's share of the funding. He advised that a letter that had been requested by the Committee at that meeting had not been sent. However, a positive meeting had taken place on 19th December 2014 with Leighton Andrews, the Minister for Public Services, on issues including Community Asset Transfer and what could be done to protect front line services. Work would be undertaken to establish whether funding for such issues was available from Welsh Government along with applying for any available funding from the balance remaining from the monies referred to in the Autumn Statement.

On the issue of local budget consultation, the Chief Executive thanked Members for their support and explained that the first budget Overview & Scrutiny budget meeting would take place on Thursday, 22nd January 2015.

He spoke about the budget proposals which had been shown on the Council's website and the small number of comments received compared to the significant number of 'hits' to the website. The public consultation responses would be available for Members to consider at the budget meetings. A verbal update and presentation was to be provided to the Cabinet meeting on 20th January 2015 to provide details on closing the budget gap. Substantial progress had been made on this issue and the Chief Executive thanked all those who had undertaken work on the budget proposals.

The Deputy Leader echoed the words of the Chief Executive and welcomed the questions submitted by Members and their involvement in the process. He commented on the Cabinet meeting on 20th January 2015 and the work that was still ongoing on the budget proposals. He reminded the Committee that the budget for 2015/16 would also be considered at the County Council meeting scheduled for 17th February 2015.

Councillor Richard Jones spoke about the national budget position and the extra funding in the Autumn Statement. He commented on the £40k that was being used for rate relief and was therefore not available for Council's to apply for to use for other purposes. He spoke of concerns in the Health Service and suggested that a request be made to WG for funding for specific portfolio areas that the Council wanted to retain. In response, the Chief Executive said that the Council had not been consulted on the use of the extra funding and he commented on positive discussions with the Director of NHS Wales on the interrelation between health and social care issues.

In response to a comment from Councillor Marion Bateman, the Deputy Leader said that he felt that savings could be made by collaborating with neighbouring authorities even if Councils did not merge. It was important to protect front line services and he spoke of the discussions and work that needed to be undertaken to assist in this. The Chief Executive spoke of the Medium Term Financial Plan and the need for Councils to be made aware of indicative funding for future years. He expressed concern that future cuts similar to those faced this year could result in difficult choices being made. He commented on the work by the Minister for Public Services on the White Paper for Local Government and his positive comments at the meeting in December 2014 on the future of local government. The Deputy Leader spoke of a meeting that the Leader of the Council was attending with the First Minister to discuss issues such as Local Government Reorganisation and said that he would be making representations about the need for the Council to receive indicative budget proposals for future years to allow early works on budgets for 2016/17 and the following years.

The Chair asked whether the White Paper would include financial details behind possible mergers between Councils. The Chief Executive responded that the scope of the White Paper was not yet known but it was anticipated that a significant amount of detail on the governance of Councils would be included but it was not expected to include financial planning. He spoke of a document published by the Chartered Institute of Public Finance

and Accountancy (CIPFA) on the proposed costs of a Local Government Review and the benefit of cost reductions.

Councillor Robin Guest spoke of the gap between Welsh Government and Local Government and the recent comments about reducing the number of Councillors but increasing the number of Assembly Members. On the issue of the letter requested at the previous meeting outlining Member's concerns on hypothecated funding, he raised concern that the letter had not been sent and queried what had changed to make the letter irrelevant. He also sought clarification on whether the Chair had been involved in the decision not to send the letter, which the Chair confirmed she had not. The Deputy Leader felt that the Leader would be discussing the concerns that had been raised at the 11th December 2014 meeting, and therefore what would have been included in the letter, when he met with the First Minister. He agreed to speak to the Leader and send Members a note about issues that had been discussed at the meeting. The Chief Executive explained that the concerns had also been raised with the Minister for Public Service when he visited the Leader and Chief Executive in December 2014 but added that a letter could still be sent if the Committee requested it.

Councillor Richard Jones was disappointed that the letter had not been sent and added that WG had had an opportunity to provide some of the additional funding, referred to in the Autumn Statement, to Councils for local choice but this had not been taken. The Chief Executive said that it was his understanding that the amount for the 'consequentials' would be a recurring amount that would be built into budgets and would therefore be available for future years.

Councillor Paul Shotton welcomed the drop-in sessions for Members on the budget proposals. On the issue of working with Wrexham Council, he suggested that a letter be sent to the Corporate Resources Overview & Scrutiny Committee, or its equivalent, on possible savings that could be made by collaborating. Councillor Richard Jones suggested that they be invited to a joint meeting to discuss such issues. The Deputy Leader suggested that a press release be sent out about the suggestion but it was agreed that this not be undertaken. Following a comment from Councillor Bateman, the Chief Executive confirmed that savings had been identified for collaboration on areas such as Planning, ICT and Human Resources. Councillor Richard Jones requested that a list be sent to Members of the areas where collaboration with neighbouring authorities was taking place; the Chief Executive confirmed that this was possible.

RESOLVED:

- (a) That the update be received; and
- (b) That a letter be sent to Corporate Resources Overview & Scrutiny Committee, or its equivalent, at Wrexham County Borough Council about a joint meeting to discuss possible savings through collaboration.

58. REVENUE BUDGET MONITORING 2014/15 (MONTH 7)

The Corporate Finance Manager introduced a report to provide Members with the latest Revenue Budget Monitoring 2014/15 (Month 7) for the Council Fund and Housing Revenue Account which was to be submitted to Cabinet on 20 January 2015.

For the Council Fund, the projected net in year expenditure, which included variances in pay, was forecast to be £0.821m lower than budget and was a £0.060m reduction on Month 6. Appendix 1 detailed the movement since Month 6 and the rebasing of workforce budgets as detailed in paragraph 3.02 had resulted in changes to portfolio budgets. Section 3.06 detailed the efficiencies and it was currently projected that £7.597m of the £8.840m (86%) would be achieved. Details of the workforce efficiencies and voluntary redundancy scheme were provided in paragraphs 3.10 and 3.11 with the second scheme resulting in an additional contribution of £0.240m of efficiencies to the overall target. The overall projected position for 2014/15 was summarised in the report.

Section 5 detailed the risks and assumptions and in section 6 the undermarked reserves were detailed. Taking into account amounts needed to be used from the unearmarked reserves and the current projected outturn at month 7, the projected balance on the contingency reserve at 31 March 2015 was £3.762m and this was summarised in appendix 4.

The HRA was projected to have an overall underspend of £0.083m and a projected closing balance at month 7 of £1.249m, which at 4.15% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%; appendix 5 detailed the reasons for significant variances.

On the issue of risks and assumptions, Councillor Richard Jones suggested that values could be included to allow Members to compare the risks month on month. He also raised concern that the budget headings, particularly for Social Services, changed each month which did not allow for easy comparison and added that where actions were required, further detail could be included. In response, the Corporate Finance Manager explained that work was being undertaken and the inclusion of figures for the risks and assumptions could be addressed for future reports. He added that the Social Services budget headings would be looked at in detail. The Chief Executive commented that, where possible, narrative about whether the risk was stable or not could be included. In response to a further query from Councillor Jones, he advised that MRP stood for Minimum Revenue Provision.

Councillor Robin Guest sought further detail on why some of the workforce efficiencies could not be achieved. The Chief Executive commented on the three major areas of review which included overall workforce reduction and the admin review. He provided details of the efficiencies that had been achieved and commented on the overall reduction of 40% for the admin review. He remarked on the work undertaken as part of the 'Value for Money' proposals.

Councillor Richard Jones referred to the appendix 1 and asked for further detail on the £0.144m variance in Disability Services and whether the vacancy saving of £0.292m in Development & Resources would continue to year end in March 2015. He also asked about the Central Loans and Investment Account (CLIA) reduction of £0.157m and the movement on workforce efficiencies less investment costs of £0.621m. In response, the Corporate Finance Manager advised that he would provide details on the £0.144m variance in Disability Services and he confirmed that the £0.292m vacancy saving in Development & Resources would continue to the year end. He provided details of the CLIA reduction and explained that paragraph 3.15 provided information on the £0.621m workforce efficiencies.

Councillor Paul Shotton asked about the results of the Single Person Discount Review for Council Tax and whether a reduction in those claiming had been achieved. The Revenues & Benefits Manager advised that following the review, 26% of claimants were no longer eligible to receive the discount. In response to a further question from Councillor Shotton about the costs for the former Euticals site in Sandycroft and whether funding was being sought from Welsh Government, the Chief Executive said that costs were known for the costs of phase 1 of the clearance of the site and that discussions would be undertaken with WG about whether any funding was available for the unique situation.

The Chair asked whether details of the Council Tax rate for 2015/16 and other charges for tenants would be discussed at Cabinet on 20th January 2015 as they were keen to find out what the charges would be. The Deputy Leader said that work on the budget had been based on a 3% rise in Council Tax. The Chief Executive added that details of the budget would be discussed at Cabinet and County Council on 17th February 2015 and that the Cabinet meeting on 20th January 2015 would provide an update on the work undertaken on the budget gap to give Members confidence about closing the gap.

RESOLVED:

That the report be noted.

59. COUNCIL TAX REDUCTION SCHEME

The Revenues & Benefits Manager introduced a report to explain the requirements to adopt the Council Tax Reduction Scheme for 2015/16 by 31st January 2015 and to seek support for this.

He detailed the background to the report and explained that there was a requirement for the Scheme to be adopted each year. The regulations for 2015/16 ensured that qualifying taxpayers continue to receive a reduction of up to 100% of their Council Tax bill if they were eligible. The Revenues & Benefits Manager explained that figures for calculating the entitlement to a reduction had been updated for Non-dependent deductions, the applicable amount and the disregard that applied when calculating a person's income. It

was reported that some of the 2013 Regulations had also been amended and full details were provided in the report.

The Revenues & Benefits Manager detailed the additional elements that the Council had limited discretion to apply, that were more generous than the national scheme, but added that the Council were required to adopt the scheme by 31st January 2015 regardless of whether it applied any of the discretionary elements. The Council's approach to applying the available discretions was detailed and the Revenues & Benefits Manager advised Members that there were no additional monies available from Welsh Government (WG) to fund the discretionary elements. The amount of Grant received from WG was limited to £9.958m for 2015/16 and this was provided on a fixed rather than a demand led basis.

Councillor Paul Shotton welcomed the report and proposed that the Scheme and the Discretionary elements be strongly supported. Councillor Richard Jones raised concern at the lack of consultation by WG with Councils on the scheme and that Authorities should be able to voice their concerns about the costs that were incurred in applying the scheme. In response to a question from Councillor Robin Guest, the Revenues & Benefits Manager commented on the possible shortfall for applying the scheme but added that the total projected costs of the scheme would be finalised and budgeted for once the Council Tax increase for 2015/16 had been agreed.

Councillor Jones felt that WG should recognise that implementation of the scheme was a pressure on Councils and suggested that a letter be sent to WG seeking their support. The Chief Executive reiterated that a fixed amount was paid by WG for the scheme and added that the Medium Term Financial Plan would need to reflect this type of pressure on Councils that was not in their control. Councillor Jones then withdrew his suggestion to send a letter to WG.

In response to a question from Councillor Clive Carver, the Revenues & Benefits Manager detailed the reduction in those claiming the Council Tax Reduction and said that there was an element of volatility in the fluctuating figures.

RESOLVED:

- (a) That the laying of the Council Tax Scheme (Prescribed Requirements and Default Scheme)(Wales)(Amendment) Regulations 2015 be noted; and
- (b) That the Scheme as set out in paragraph 3.02 and the recommendations to maintain the current discretionary elements be strongly supported.

60. PEOPLE STRATEGY UPDATE

The Chief Officer (People and Resources) provided a verbal update on the People Strategy Workshop that had been held on 12th December 2014.

The current Strategy up to 2014 had identified five specific priorities and the Authority was now in a position to design the next phase of the Strategy for 2015 to 2018.

The purpose of the workshop had been to consider the key themes and the level of attendance, engagement and contribution had been pleasing. Four key themes had been identified which included professional development, policy & culture and skills & talent development and Members had been clear about the importance of managing skills for the future. The next stage would be for the Chief Officer Team to consider the themes and key priorities to ensure that they linked in with the business plans. The Chief Officer ((People and Resources) suggested that an interim report setting out the key themes and providing an update be submitted to the 12th February 2015 meeting of the Committee.

RECEIVED:

That the update be received.

61. REPORT BACK FROM THE PERFORMANCE TASK & FINISH GROUP

The Member Engagement Manager introduced a report to advise the Committee on the outcomes from the meeting of the Performance Task & Finish Group.

He explained that a meeting had been held on 21 November 2014 which was attended by Councillors Carolyn Thomas and Richard Jones, the Chief Executive, the Team Leader for Performance and the Member Engagement Manager. A range of outcomes had been identified and these, along with outputs and timeframes, were detailed in the appendix to the report. The Chief Executive felt that the meeting had been positive.

RESOLVED:

That the Committee welcome and endorse the outcomes of the Task & Finish Group and commend them to each of the other Overview & Scrutiny Committees and to Cabinet.

62. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to consider the Forward Work Programme for the Committee.

The Member Engagement Manager detailed the items for consideration at the meetings scheduled for 22nd January, 30th January and 12th February 2015. The Chief Officer (People and Resources) had also earlier indicated that she would provide an update report on the People Strategy to the 12th February 2015 meeting. The Chief Executive suggested that a report on the Medium Term Financial Plan be submitted to the March or April 2015 meeting.

RESOLVED:

That the Forward Work Programme, as amended at the meeting, be approved.

63. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

(The meeting started at 10.30am and ended at 12.25 pm)

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Chair