

**FLINTSHIRE COUNTY COUNCIL**  
**24 SEPTEMBER 2015**

Minutes of the Flintshire County Council held in the Council Chamber, County Hall, Mold on Thursday, 24 September 2015

**PRESENT: Councillor Ray Hughes (Chair)**

Councillors: Bernie Attridge, Haydn Bateman, Marion Bateman, Amanda Bragg, Helen Brown, Derek Butler, Clive Carver, David Cox, Paul Cunningham, Peter Curtis, Adele Davies-Cooke, Ian Dunbar, Andy Dunbobbin, Carol Ellis, David Evans, Jim Falshaw, Veronica Gay, Robin Guest, Alison Halford, Ron Hampson, David Healey, Dennis Hutchinson, Hilary Isherwood, Joe Johnson, Rita Johnson, Christine Jones, Richard Jones, Colin Legg, Phil Lightfoot, Brian Lloyd, Richard Lloyd, David Mackie, Hilary McGuill, Billy Mullin, Tim Newhouse, Mike Peers, Vicky Perfect, Neville Phillips, Mike Reece, Gareth Roberts, David Roney, Tony Sharps, Aaron Shotton, Paul Shotton, Ian Smith, Carolyn Thomas, Owen Thomas, David Wisinger and Arnold Woolley

**APOLOGIES:**

Councillors: Alex Aldridge, Glyn Banks, Chris Bithell, Ron Davies, Chris Dolphin, Rosetta Dolphin, George Hardcastle, Kevin Jones, Mike Lowe, Nancy Matthews, Ian Roberts, Nigel Steele-Mortimer, David Williams and Matt Wright

**IN ATTENDANCE:**

Chief Executive, Chief Officer (Governance), Corporate Finance Manager and Team Manager – Committee Services

The Chair welcomed Mr John Herniman and Ms Michelle Phoenix from the Wales Audit Office (WAO) to the meeting. He also gave a warm welcome to Councillor Billy Mullin who had returned following illness. Councillor Mullin thanked all colleagues for their help and support during his time of ill health

**39. PRESENTATION**

The Chairman welcomed two teams to the meeting, both of which had recently received national recognition in the field of Social Care.

Gail Bennett from Flintshire County Council, Rachel Roberts from Ysgol Merllyn accompanied by parents Sarah Cullen, Beth Jones and Jo Crane represented the Family Support Service and partnership and were overall winners of the 'Better Outcomes through Working Together' category of the 2015 Social Care Accolades. With an ethos of 'think family' the initiative fought off tough competition and the judges were particularly impressed with the strong relationships built between the school, parents and social services.

Annie Donovan and Wendy Jones-Booth from The Kim Inspire Project were awarded the special 10<sup>th</sup> Anniversary Award at the 2015 Social Care Accolades. Offering support to people struggling with poor mental health the judges were impressed by the projects client led approach and the evidence of its continuing growth and its positive impact.

Councillor Christine Jones, Cabinet Member for Social Services said she was delighted to add her congratulations to both groups in their achievements, both of which attracted many applicants.

**40. COUNCIL MINUTES**

The minutes of the meeting held on 23 July 2015 had been circulated with the agenda.

**RESOLVED:**

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

**41. DECLARATIONS OF INTEREST**

None were received.

**42. CHAIR'S COMMUNICATIONS**

A copy of the Chair's communications had been circulated to all Members prior to the meeting. The Chair paid tribute to his wife Gwenda and grandson Keiron who had taken part in the Zip Wire Velocity Challenge in Bangor on 6 September 2015. The challenge had raised in excess of £1,700 for his chosen charities and he thanked everybody for their support and sponsorships.

**43. PETITIONS**

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

**44. PUBLIC QUESTION TIME**

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

**45. QUESTIONS**

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

**46. QUESTIONS FROM MEMBERS ON COMMITTEE MINUTES**

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

**47. NOTICE OF MOTION**

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

**48. MEDIUM TERM FINANCIAL STRATEGY**

The Chief Executive introduced Part II of the Medium Term Financial Strategy for the three year period 2015-2018. This was the most significant

strategy the Council would be presented with and cross chamber support for early engagement with Welsh Government (WG) for some relief was sought.

A detailed presentation was delivered which covered the following areas:

- Our journey thus far
- What do the next three years look like?
- An efficient and innovative Council
- Council annual efficiency targets 2008/09-2015/16
- A low funded Council
- Our three part strategy
- Business plan efficiency targets 2015/16-2017/18
- Corporate finance efficiency proposals 2015/16
- Funding pressures for support and relief
- Balancing ambition and risk
- Recommendations
- What next?

Part I of the Strategy had been published earlier in the summer and provided a forecast of the resources which were likely to be available to the Council for the three year period, including the pressures on those resources.

Part II set out how the Council could manage a significant reduction in resources in a period of major reductions in national funding for local government, whilst seeking to protect local public services and retaining its position as a well governed and high performing local authority in Wales. This was titled *Meeting the Financial Challenge*.

*Meeting the Financial Challenge* detailed the £52.8m of budget reductions required over three years and explored how Flintshire was funded and performed compared to the rest of the local government sector in Wales. The funding strategy to meet the unprecedented financial challenge was set out in three parts:

Funding Strategy Part 1: Service

Funding Strategy Part 2: Corporate Financial Stewardship

Funding Strategy Part 3: Working with Welsh Government

The strategy concentrated on how to meet the gap in 2016-17 of £20.8M and again in 2017-18 of £13.7m.

The Chief Executive explained the importance of Flintshire being able to demonstrate that it was an efficient Council before WG would enter into discussions. If WG did not provide support with flexibilities and some relief then the Council would have to turn to options for much deeper funding cuts which neither it nor the public would find acceptable.

The Chartered Institute of Public Finance and Accountancy (CIPFA) had been engaged to provide an independent view on the case for Flintshire. CIPFA tested the presumption that Flintshire was a 'low funded council in Wales with less flexibility and capability to find sufficient efficiencies under the current funding system and formula'. The report of CIPFA concluded that:

- Flintshire was a low spending authority on both Social Care and Education
- Flintshire achieved a relatively high level of performance on both of these services despite the low level of expenditure
- Flintshire spent at an above average level on highways
- Flintshire achieved the highest level of performance in Wales on the performance measure of roads in poor condition

The analysis demonstrated that Flintshire was a low funded and high performing Council in its two principal service areas and was both a higher spending and a higher performer than the average in highways. With a relatively low resource base there were few opportunities left for bridging the funding 'gap' through local innovation, without resorting to further and deeper service reforms, cuts and even closures of a scale unprecedented in North East Wales. If the Council was exposed to budget cuts of a scale which it could not manage through existing plans and strategies, many services would no longer be able to be protected and these included schools budgets, day care services, residential care homes, roads maintenance, local bus services and leisure centres.

There were five areas, listed below, where it was felt there was a legitimate case for WG to come to the support of the Council to fund cost pressures which had either been passed on to the Council through national decisions or meet its own critical social policy priorities. They were:

1. Extension of the Welfare State
2. Public Sector Employment
3. Health and Social Care as a Single System Needing Full Funding
4. Educational Entitlement and Attainment
5. Financial Freedom to Recover Costs to Make Services Sustainable

It was acknowledged that the WG itself was facing financial pressures but funding was available and it was about making choices. The list of services outlined in the document that would be exposed to major cuts if the strategy did not receive universal support was outlined in section 5 of the document and that list was not exhaustive.

It was important to balance risk and ambition with the outcome being to set a balanced budget. Was Flintshire to manage decline or support and serve its communities?

Early engagement with WG was strongly recommended with cross-council support.

Councillor Aaron Shotton thanked the Chief Executive for the presentation and also the Members who had attended the earlier workshops on the MTFs. Meetings would be held with Group Leaders to build a coalition of support to work with WG for which he sought endorsement from all colleagues.

He commented on the services that would be exposed to cuts should help not be received and these were listed on page 22 of the MTFs Part 2 publication. These were services that the residents of Flintshire held dear to them but the scale of the cuts for the following year would result in those services being vulnerable.

He stressed the importance of Members working together to combat and resist the austerity measures it faced on behalf of the tax payers of Flintshire, seeking support for a positive discussion to take place with WG to mitigate those cuts. As Deputy Leader of the WLGA he needed to be able to demonstrate a coalition support from the Chamber with a unified voice moving forward.

Councillor Peers said it was important to be honest with the public and explain that the potential cuts to the services outlined in the MTFs was as a result of cuts in funding from WG and the only way those cuts could be prevented was with the help of WG. He asked where in the strategy it gave an alternative to being in a position to recommend a balanced budget if help was not received from WG.

The Chief Executive said that in setting Part 3 of the MTFs, it was explained that the use of reserves was not a solution as the funds were not recurring. They were also at a low level. The only alternative was by extending the list of services which would be exposed to cuts or to significantly increase income.

Councillor Ellis, as Chair of the Social and Health Care Overview and Scrutiny Committee, spoke on behalf of that Committee asking all Members to listen to their concerns. The Committee was worried that should help not be received from WG then statutory functions would not be able to be provided. She provided details of the loss of services to date, including 220 community beds with the onus falling on Social Services. The NHS was receiving an additional £40m but Social Services was picking up the burden from their reductions. There was an increase in the elderly population and those with dementia and WG needed to be aware of those pressures faced by local authorities. She sought from all Members for the recommendations.

Councillor Carver felt the biggest problem was workforce pressures and referred to the exit packages that had been paid to employees who had left the authority. He also commented on the provision of funds by WG to freeze council tax but this was not passed on to residents.

Councillor Carver also referred to figures that he had requested in July on what it would cost the authority to provide statutory services only. He was still awaiting this information.

In response to the comment on workforce pressures, the Chief Executive said a full explanation was provided in Part 1 of the MTFs. The cost per head of those leaving local government was the lowest figure across the public sector. These departure costs were significant one off costs in return for ongoing budget efficiencies. On council tax, he advised that no funds were passported to Flintshire to protect against council tax rises. On the figures requested by Councillor Carver in July, this was a complex piece of work and the figures were still being collated. When the information was finalised it would be provided to all Members.

Councillor Richard Jones said the Labour group was seeking cross chamber support for something that was a Labour issue as WG was Labour run and therefore it was a Labour problem. He felt that savings were being cherry picked and gave examples of the closure of household recycling centres where he felt the liability had been passed to Town or Community Councils and the charges for assisted collections which would impact on the most vulnerable, questioning the amount it would actually save.

The Chief Executive said some of the service figures referred to by Councillor Richard Jones were estimated but they were not inaccurate. The Council had not previously had three year business planning with the level of detail on efficiencies that was now being provided to Members and at such an early stage of annual budget planning.

Councillor Curtis spoke of the unpalatable cuts that the authority may need to make and said that support of the request for assistance from WG was something that all Councillors should do on behalf of every resident in Flintshire.

Councillor Butler spoke in support of the recommendations concurring with Councillors Aaron Shotton and Curtis that the proposals were with the aim of doing the best for the people of Flintshire.

Councillor Woolley spoke against the recommendation and questioned the reasons why such austerity was being faced.

Councillor Carolyn Thomas asked, on the list of services outlined in the MTFS, would cuts would be made to statutory services. She also asked for clarification that the reason for the budget cuts was not due to immigration.

The Chief Executive explained that the list outlined in the document was not exhaustive but they were the likely areas to be impacted on initially. On immigration, there was no local evidence to show that it was having any more of a financial impact than any other year.

Councillor Halford said that authority had been let down by officers who had approved pay offs of vast sums of money and not done their job. She made reference to money spent on backfilling vacancies at a time when permanent staff were suspended and costs against the authority following a recent investigation.

Councillor Aaron Shotton said the remarks made by Councillor Halford were scurrilous and crossed a line.

Councillor Gareth Roberts spoke about spending to Standard Spending Assessment (SSA) saying it was difficult to keep the level of council tax down and maintain or increase services. He suggested that WG could feel that Flintshire County Council did not require the level of funding it was seeking as it was not spending to SSA.

Councillor Legg expressed his disappointment that those who were less likely to be able to help themselves would most likely be the ones affected by the cuts imposed by WG.

Councillor McGuill said WG had to work with the authority but they had not demonstrated this in the last 12 months.

In summing up, Councillor Aaron Shotton said the forthcoming WG elections should be used to the Authority's advantage and added that the Labour group of Flintshire County Council was not WG. He felt there was cross chamber criticism of WG and regardless of political persuasion Members should vote for the recommendations for the benefit of the residents of Flintshire which they would expect. There were difficult questions to be asked of WG but they would be done so with diplomacy and negotiation. He reiterated that the recommendation sought approval for a discussion to take place with WG.

He added that he did not agree with all proposals of the WG and reminded Members about the success of the recent ballot against transferring housing stock. He appealed to Group Leaders to support the recommendations thus standing up for Flintshire.

The Chief Executive concluded that the best strategy for the authority was to engage with WG. The list in the MTFs was not prioritised as the Authority did not want to see any of the services adversely affected. He added that all Members would support elements of the Strategy, such as parity of treatment in the funding of social care, and having the flexibility to make decisions and if they did, they should support the recommendations.

Councillor Attridge requested a recorded vote and was supported by the requisite nine other Members. On being put to the vote the recommendations were carried.

**For the proposal:**

Councillors: Bernie Attridge, Haydn Bateman, Marion Bateman, Helen Brown, Derek Butler, David Cox, Paul Cunningham, Ian Dunbar, Andy Dunbobbin, Carol Ellis, David Evans, Ron Hampson, David Healey, Joe Johnson, Rita Johnson, Christine Jones, Colin Legg, Phil Lightfoot, Brian Lloyd, Richard Lloyd, Billy Mullin, Tim Newhouse, Vicky Perfect, Mike Reece, David Roney, Tony Sharps, Aaron Shotton, Paul Shotton, Ian Smith, Carolyn Thomas and David Wisinger

**Against the proposal:**

Councillors: Clive Carver, Adele Davies-Cooke, Jim Falshaw, Veronica Gay, Robin Guest, Alison Halford, Hilary Isherwood, Richard Jones, Dave Mackie, Hilary McGuill, Mike Peers, Neville Phillips, Gareth Roberts, Owen Thomas and Arnold Woolley

**Abstention:**

Councillor Amanda Bragg

## **RESOLVED:**

- (a) That the second and concluding part of the Medium Term Financial Strategy (MTFS) titled *Meeting the Financial Challenge* be adopted for consultation and development as the first step towards setting balanced budgets for 2016-17 and 2017-18;
- (b) That specific proposals set out by Cabinet for service reform, corporate financing options, and national support and relief be subject to detailed consultation and development; and
- (c) That there is early engagement with Welsh Government (WG) with the support and involvement of the Welsh Local Government Association (WLGA) as the representative body, on the case for national support and relief as set out in *Meeting the Financial Challenge*.

## **49. STATEMENT OF ACCOUNTS 2014/15**

The Chief Executive invited Councillor Newhouse, as Chair of Audit Committee, to introduce the Statement of Accounts.

Councillor Newhouse moved approval of the Statement of Accounts which was seconded by Councillor Attridge. He explained that the Statement of Accounts had been reported to the Audit Committee that morning with the three recommendations in the Audit Committee report being supported by the Wales Audit Office (WAO). Following consideration of the item, an additional two recommendations were approved by the Audit Committee, copies of which had been distributed prior to the meeting along with a revised set of recommendations for County Council.

The Corporate Finance Manager explained that an additional briefing note had been provided prior to the County Council meeting which had also been emailed to Members the previous day. The briefing note included information on changes to the accounts since publication of the agenda and additional background information to any significant changes. As the Corporate Finance Manager and Section 151 Officer it was his unqualified opinion that nothing had been omitted from the report.

Mr John Herniman of WAO acknowledged the complex work involved in the production of the accounts. All of the issues that had been raised had been addressed however there were two minor areas outstanding and it was anticipated they would be resolved by 30 September 2015. On that basis he would be able to offer an unqualified opinion by that date.

He commented on the bank reconciliation which had not been prepared correctly but added that this could be easily rectified. Also, the Council had not complied with the Code in respect of a change in accounting policy on foundation schools as it had applied the change from 31 March 2014 rather than 1 April 2013. This was not material to the accounts.



Some weaknesses had been identified in the strength of the Council's internal controls relating to the processing of payroll but he was confident these too could be easily resolved. Regular updates would be reported to the Audit Committee.

The Chief Executive explained that the same issues would not be faced the following year as they were due to transitional arrangements. In addition, an officer working group would be established to look at the accounting processes as recommended to the Audit Committee.

Councillor Halford said he had voted against the Statement of Accounts at Audit Committee. She did not agree with officers and expressed her disappointment that at the Audit Committee on 15 July 2015 when the draft Statement of Accounts was considered there was nobody present from the Wales Audit Office who was known to the Committee. She commented on the absence of three Labour Members of the Committee at the meeting that morning, all of which had substitutes in their place. She felt there were issues contained in the Statement of Accounts that had not been reconciled and said she wanted to ensure that the authority did not get into further financial difficulty.

The Corporate Finance Manager said the final piece of work by the WAO was pending and all issues in the report had been corrected.

Following a question from Councillor Peers, Mr Herniman advised that the key changes were outlined in appendix 3 to the report and reiterated the comment by the Corporate Finance Manager that any issues that had been identified as requiring correction had been undertaken or taken on board. On moving forward, the priority was to look back at the previous year to see what could be improved. A commitment had been given to the Audit Committee that a progress report would be submitted to the meeting in January 2016 with those details.

Councillor Carver asked for details on the Members' expenses listed in the Accounts of £68k and also which Member received an allowance of £60,000 - £64,999. He also asked which two officers who had exited the Authority had been in the exit package cost band of £200,001 – £250,000. The Corporate Finance Manager did not have the level of detail on the questions relating to Members and in response to the question on officers, the Chief Executive said that information could be provided to Councillor Carver outside of the meeting. He added that the costs shown in the accounts would include pensions.

In responding to Councillor Halford, Councillor Attridge explained that seven of the eight members of the Audit Committee did vote in support of the recommendations for the accounts to be approved. In relation to the substitutes made by the Labour group, these were for legitimate reasons and he added that Councillor Ian Dunbar had permanently replaced Councillor Diskin on that Committee.

Councillor Aaron Shotton thanked the officers involved for preparing the Statement of Accounts who had been under significant pressure over recent weeks.

On being put to the vote, the revised recommendations following the meeting of the Audit Committee that morning were carried.

**RESOLVED:**

- (a) That Council is assured by the proposed establishment of an officer working group and the resolution of the Audit Committee to review the findings of that group;
- (b) That Council approves the Statement of Accounts 2014/15 (including the amendments and corrections circulated by the Section 151 Officer) and delegates authority to the Section 151 Officer (in consultation with the Chair of the Council) to make any minor changes to the statement prior to signature;
- (c) That Council approves the Letter of Representation – Flintshire County Council, and the Letter of Representation – Clwyd Pension Fund;
- (d) That Council approves the Reserves and Balances Protocol; and
- (e) That Council approves the Annual Governance Statement included within the Statement of Accounts

**50. SUPPLEMENTARY FINANCIAL INFORMATION TO STATEMENT OF ACCOUNTS 2014/15**

The Corporate Finance Manager introduced the supplementary financial information which accompanied the Statement of Accounts 2014/15.

Councillor Peers asked for clarification on the figure of £139,150 in the appendix to the report which related to the post of Principal Accountant (Waste). The Chief Executive explained that the employee had transferred into the authority and under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations they were subject to different rights. Payment could have been higher had the request to meet the contractual agreement been made.

Councillor Attridge moved approval of the report which was duly seconded.

**RESOLVED:**

That the report be noted.

**51. TREASURY MANAGEMENT ANNUAL REPORT 2014/15**

The Corporate Finance Manager presented the Annual Treasury Management Report for 2014/15.

Councillor Mullin moved approval of the report and thanked the Corporate Finance Manager and his team for the work undertaken. This was duly seconded.

**RESOLVED:**

That the Annual Treasury Management Report for 2014/15 be approved.

**52. CONSULTATION ON ELECTORAL REVIEWS FOR MERGED AUTHORITIES**

The Chief Executive introduced the report which sought approval of a Council response to the Welsh Government (WG) consultation on electoral arrangements for merged authorities.

The report provided information on key issues including the total number of Councillors for each merged authority and benchmark Councillor:elector ratios. The closing date for responses was 9 November 2015.

The consultation questions were attached as appendix 1 to the report and attached at appendix 2 were initial guiding comments provided by the Welsh Local Government Association (WLGA). The Chief Executive suggested that the Council base its response on the resolutions it had passed on similar consultations and Boundary Commission led boundary reviews in the past.

Councillor Phillips asked for clarification as to how elections were funded and the Chief Executive explained that this was via national government for all elections except local elections. The latter were funded by the principal and town and community councils.

**RESOLVED:**

That delegated authority be given to the Chief Executive and Leader to respond to the consultation paper.

**53. SYRIAN AND NEAR/MIDDLE EASTERN REFUGEE CRISIS**

The Chief Executive provided a verbal update and explained that a summit meeting had taken place the previous Thursday which was chaired by the First Minister Carwen Jones.

At that meeting a commitment had been given from across Wales that resources would be shared for up to five years to provide relief to the refugees who were on a temporary licence.

Wales would be due to receive approximately 8% of dispersed refugees. Local planning was underway on housing and support services in readiness.

Councillor McGuill said Welsh Government (WG) should make more speedy progress as people's lives were at risk.

Councillor Aaron Shotton said it was a humanitarian crisis and Flintshire was one of the first local authorities to respond. It was important to also provide help to local groups who were helping to support to the refugees.

**RESOLVED:**

That the verbal update be received.

**54. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There were two members of the press present.

(The meeting started at 2.00pm and ended at 5.06pm)

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**Chair**