

CABINET
20th SEPTEMBER 2016

Minutes of the meeting of the Cabinet of Flintshire County Council held in the Clwyd Committee Room, County Hall, Mold on Tuesday, 20th September 2016

PRESENT: Councillor Aaron Shotton (Chair)

Councillors: Bernie Attridge, Chris Bithell, Derek Butler, Christine Jones, Kevin Jones and Billy Mullin

APOLOGY:

Councillor Helen Brown

IN ATTENDANCE:

Chief Executive, Chief Officer (Community and Enterprise), Chief Officer (Governance), Chief Officer (Streetscene and Transportation), Corporate Finance Manager, Highway Strategy Manager and Team Manager - Committee Services

OTHER MEMBERS IN ATTENDANCE:

Councillors: Ron Hampson and Carolyn Thomas

56. DECLARATIONS OF INTEREST

Councillor Bernie Attridge declared a personal and prejudicial interest in agenda item number 12 – Appointment of Council Members as Directors – NEW Homes.

57. MINUTES

The minutes of the meeting held on 19 July 2016 had been circulated with the agenda.

RESOLVED:

That the minutes be approved as a correct record.

58. COUNCIL FUND REVENUE BUDGET 2017/18 STAGE ONE

The Chief Executive introduced the report on the Council Fund Revenue Budget 2017/18 Stage One which was the first step in planning the annual Council Fund Revenue Budget for 2017/18, including details of how the forecast gap of £13.7M could be bridged. The forecast gap between predicted income levels and the projected expenditure requirement reported in July 2016 stood at £14.4M which was an increase of £0.7M on the April forecast.

A set of service portfolio business plans had been developed by Cabinet and reviewed extensively by Cabinet Members and Chief Officers with annualised efficiency proposals forming the basis for recommendations for the annual budget. The proposals for budget efficiencies and income charging within the business plans for 2017/18 were reported in full to the Overview and Scrutiny Committees throughout the June/July meeting cycle. Those Committees were supportive of the efficiency and

charging proposals overall with the cumulative total of the proposals estimated to be £5.921M.

At the Overview and Scrutiny Committees presentations were delivered on assessments of the efficiency and resilience status of the services within their respective portfolios which reviewed the efficiency of each service. Those assessments demonstrated the limited options which remained for achieving further efficiencies of scale without having to reduce services to unpredictable levels of provision or running the risk of service failure.

The review of the portfolio business plans was the first of the three part strategy for Medium Term Financial Planning:-

- Service reform;
- Corporate financial stewardship; and
- Working with Welsh Government

The Corporate Finance Manager highlighted the details in Table 1 on the financial forecast 2017/18 – 2018/19, referring to a number of assumptions such as pay inflation, Council Tax annual increase and national and local pressures. The forecast for 2017/18 was under continuous review and would be updated later in the year.

Following on from the Chief Executive's comments on the revised forecast gap, the Corporate Finance Manager explained that the figure had been reduced, following a comprehensive review, due to (1) the removal of or change to options which were not considered to be acceptable and / or workable; and (2) the review and refinement of detailed cost estimates per proposal based on detailed planning and cost method calculations.

Moving forward the key focus was on seeking to offset or reduce cost pressures through corporate financial stewardship. Work was ongoing on the following areas and a report would be submitted to Cabinet in October 2016 which would provide the outcome of the work:

- Inflation;
- Pay inflation, and incremental pay progression provision;
- The outcomes of the triennial review of the Clwyd Pension Fund currently underway with the Fund Actuary, and the employer funding contributions required for future years;
- Provision within the Central Loans and Investment Account (CLIA) for capital financing charges including interest on debt and Minimum Revenue Provision for debt repayment and any income returns made from investments;
- The use of reserves and balances
- Detailed assessment of national and local cost pressures including latest intelligence on risks to the continuation of national specific grants to current levels of funding; and
- The impacts of the 2016/17 projected out-turn for 2017/18 and future years.

Councillor Shotton said the Council was actively involved in national discussions on the Welsh Government (WG) Budget for 2017/18 including the Local Government Settlement, both as part of the Welsh Local Government Association (WLGA) and as an individual Council. Key issues under debate included:

- The need for medium term financial planning at a national level;
- Sufficient and sustainable levels of Revenue Support Grant (RSG) and the option for the WG to set a zero-reduction or 'flat-line' RSG for 2017/18 at 2016/17 levels;
- Reform of specific grants and retention of sufficient current grant funding levels to maintain services;
- Relaxing charging levels for services including domiciliary care;
- Meeting cost pressures of national legislative and public demand in key services such as social care;
- Recognition of the workforce cost impacts of the Living Wage in both directly provided services and commissioned services; and
- Local retention of Non Domestic Rate Relief (NDR) growth by the collecting authority.

He commented on the importance of continued lobbying, particularly on the case of Flintshire being a low funded Council, to seek the relief required in the interests of the public.

Councillor Kevin Jones asked for an update on progress being made in national discussions. Councillor Shotton explained that individual and collective meetings had been held with the Cabinet Secretary for Finance and Local Government, Mr Mark Drakeford who appeared receptive to the challenges faced. The WG draft budget proposals would be published on 19th October 2016 and lobbying of WG would continue until the final budget was announced.

On a question on specific grants, the Chief Executive explained that details on grants were received at a later stage in the process.

Councillor Attridge urged colleagues to lobby AM's and MP's as much as possible in the coming weeks, particularly with a number of Ministerial visits scheduled.

Members hoped that the lobbying of WG would be successful and commended the level of work that had been undertaken to date.

The Chief Executive concluded that the report would be considered at a special meeting of Corporate Resources Overview and Scrutiny Committee on 28th October to which all Members of the Council were invited to. A special County Council meeting had been arranged for 15th November 2016 which would recommend formal sign off of Stage 1 of the budget.

RESOLVED:

- (a) That the service portfolio efficiency proposals listed in the appendices to the report be recommended for adoption by Council as Stage 1 of setting the Council Fund Revenue Budget for 2017/18; and

- (b) That the ongoing work on reviewing corporate financing options, and the national activity around the funding formula and Local Government Settlement, be noted.

59. GROWTH VISION AND STRATEGY FOR THE ECONOMY OF NORTH WALES

Councillor Shotton introduced the report on the Growth Vision and Strategy for the Economy of North Wales. The vision was being presented to all six Councils for adoption and set out a clear ambition for North Wales for infrastructure development, skills and employment, and business growth.

The Council had been working closely with partners in the Mersey Dee Alliance, Economic Ambition Board, North Wales Business Council and West Cheshire and North Wales Chamber of Commerce, to develop and launch a prospectus for rail improvement across North Wales and the Mersey Dee area as a requirement to support improved economic growth.

If funding was secured in phases for the action plan then the region would be able to see a positive future for sustainable economic growth. The value of the North Wales economy could increase from £12.8 billion in 2015 to £20 billion by 2035 and generate an additional 120,000 new employment opportunities.

Councillor Butler welcomed the report, commenting that the Authority was also part of a cross border growth bid on the Cheshire and Warrington Local Enterprise Partnership (LEP). He had met with the Minister the previous day who was supportive of the North Wales Growth Vision.

The Chief Officer (Community and Enterprise) said that in addition to infrastructure projects, the Vision would see a focus on skills development to better equip local people for future job opportunities.

In response to a question from Councillor Bithell, Councillor Butler explained that there were options for a Metro system which could see better connectivity between rail and bus services. There was the potential for rail services on Deeside Industrial Park and Saltney Mold Junction which was at the rear of Airbus.

Members welcomed and supported the report which presented exciting opportunities for the region.

RESOLVED:

- (a) That the “Growth Vision for the Economy of North Wales” as the basis for negotiation with the UK and Welsh Governments over a Growth Bid for the region be approved; and
- (b) That the prospectus for Rail Improvement “Growth Track 360” be supported and endorsed.

60. WELSH LANGUAGE ANNUAL REPORT

Councillor Mullin introduced the report on the Welsh Language Annual Report, which provided an overview of the Annual Report and details of progress being made to comply with the Welsh Language Standards. Areas for improvement were also identified.

The Chief Executive explained that the Annual Report covered the following areas:

- The number of employees who had Welsh language skills;
- The number and % of employees who attended training through the medium of Welsh;
- The number of posts advertised as: Welsh essential; Welsh desirable; Welsh skills not necessary; and Requirement to learn Welsh;
- The number of complaints received relating to compliance with the Operational Standards, Policy Making Standards and Service Delivery Standards; and
- Information on how the Council had complied with the Standards

Discussions with the Welsh Language Commissioner would conclude in the coming weeks on the Standards.

Councillor Bithell asked if Welsh Language training was available to County Councillors to which the Chief Executive said it was.

RESOLVED:

- (a) That the Welsh Language Annual Monitoring Report for the period 2015/16 be approved; and
- (b) That progress being made to implement the Welsh Language Standards and areas for improvement be noted.

61. THE FINAL STAGE OF THE REVIEW OF EXISTING SPEED LIMIT ORDERS ON THE COUNCIL'S HIGHWAY NETWORK AND PROPOSED PROCESS IMPROVEMENTS FOR ANY FUTURE CHANGES TO SPEED LIMIT ORDERS

Councillor Attridge introduced the report on the Final Stage of the Review of Existing Speed Limit Orders on the Council's Highway Network and Proposed Process Improvements for any Future Changes to Speed Limit Orders.

The report detailed the intended approach for the next and final phase of the work which would address anomalies within the existing speed limit orders on all other routes on the Highway Network. In addition, the current process for implementing speed limit orders was both complex and time consuming and there was a clear need to adopt a more efficient method of working. Adopting a revised process would provide a consistent, transparent and more simplistic approach for any future revisions to speed limit orders.

A mapping exercise was required which would accurately record the positioning of all existing speed limits which would result in a single consolidated Order. The information on all speed limits would be easily accessible to members of the public via the Flintshire County Council website.

Adoption of the revised process would streamline the current process and would also reduce demand on officer's time.

The report had been submitted to Environment Overview and Scrutiny Committee where it was fully supported.

RESOLVED:

- (a) That the revised process to deliver the final phase of the review of speed limit orders on all of the Council's Highway Network be approved; and
- (b) That the proposed changes to the process which will be adopted for any future revisions of highway speed limit orders be approved.

62. CONTRACT PROCEDURE RULES

Councillor Mullin introduced the report on Contract Procedure Rules (CPRs). CPRs set out how officers must advertise and award contracts to ensure that they were let in a lawful, fair and open manner. A review of the CPRs was required following changes in European Procurement Law, the introduction of the Well Being of Future Generations Act, the move to electronic procurement and the introduction of the new Welsh Language Standards.

The Chief Officer (Governance) explained that the Council shared its procurement service with Denbighshire County Council and the revised CPRs had been adopted by that Authority. The same or similar rules would create consistency for suppliers and the service itself.

The proposed CPRs were written in a logical order that flowed step by step from the considerations necessary before placing a contract, through sourcing of suppliers to award of contract and contract management.

The tender values and the level at which the relevant decision must be taken was as detailed below. The levels increased the degree of oversight for Members:

Contract Value	Authorisation Required From
Up to £250,000	Manager of the service
£250,000 to £1,000,000	Chief Officer
£1,000,001 to £2,000,000	Delegated decision
£2,000,001 and over	Cabinet

Community benefits were additional services or investment made by contractors in addition to the goods and services they were contracted to provide. Examples of community benefits already delivered in Flintshire included:

- An apprenticeship scheme as part of SHARP;

- The community benefit investment fund as part of the residual waste treatment project; and
- Support for community groups through Welsh Housing Quality Standard (WHQS).

The CPRs would be presented to Audit Committee on 26th September 2016, Constitution Committee on 5th October 2016 and County Council on 19th October 2016.

In response to a question from Councillor Mullin, the Chief Officer (Governance) explained that the electronic system provided a full audit trail of the process from inception to contract award and was open for Members to view.

RESOLVED:

That County Council be recommended to:

- Adopt the proposed Contract Procedure Rules
- Harmonise delegated authority levels for spending decisions within the Constitution with effect from 1st November 2016

63. CAPITAL PROGRAMME MONITORING 2016/17 (MONTH 4)

The Corporate Finance Manager presented the report on Capital Programme Monitoring 2016/17 (Month 4). The report summarised changes made to the Capital Programme 2016/17 since it was set in February 2016 to the end of Month 4 (July 2016), along with expenditure to date and projected outturn.

Changes during the period had resulted in a net increase in the programme total of £5.863M (Council Fund £3.768M, Housing Revenue Account £2.095M), full details of which were detailed in the report.

As at Month 4 Early Identified Rollover (EIR) of £0.067M had been identified which reflected reviewed spending plans across all programme areas. Three additional pressures totalling £0.910M had been approved since the budget was set. Additional IT data storage (£0.590M) and remedial works at closed landfill sites (£0.250) which were approved at Cabinet in July 2016 whilst a further £0.070M for target hardening works had been approved under delegated powers.

The report had been discussed at Corporate Resources Overview and Scrutiny Committee the previous week with no issues being identified.

RESOLVED:

- (a) That the report be approved;
- (b) That the rollover adjustments be approved; and
- (c) That the request for additional resources be approved.

64. REVENUE BUDGET MONITORING 2016/17 (MONTH 4)

The Corporate Finance Manager introduced the report on Revenue Budget Monitoring 2016/17 (Month 4) which provided the latest revenue budget monitoring position for 2016/17 for the Council Fund and the Housing Revenue Account.

The report had been considered at Corporate Resources Overview and Scrutiny Committee the previous week where it resolved: "*That the Committee wishes to impress upon the Cabinet the need to learn to be more realistic about the achievement of efficiency savings, some of which may not be wholly within the Council's control*". In response to that resolution, Members commented on the objections to some of the initial budget proposals by Overview and Scrutiny Committees which had resulted in changes to some schemes. This impacted on the budget and was part of the democratic process.

The Corporate Finance Manager explained that the final year end position was:

Council Fund

- Net in year expenditure forecast to be £2.081M higher than budget
- Projected contingency reserve balance of £2.107M

The underlying forecast overspend would be reduced to £1.641M with the successful negotiation of an additional Welsh Government (WG) transport grant of £0.440M. Of the remaining £1.641M, £0.861M (52%) came from conscious decisions to change proposals for household recycling centres, community asset transfers, town centre and County Hall car parking charging, and workforce essential car user allowances. This left a true unpredicted working deficit of £0.780M. The recurring impacts of the forecast position for 2017/18 were explained in the report.

Housing Revenue Account

- Net in year expenditure forecast to be £0.013M lower than budget
- Projected closing balance as at 31 March 2016 of £1.111M

The report covered significant budget movements; programme of efficiencies; inflation; reserves and balances; and an overview of the Housing Revenue Account.

The Chief Executive explained that the Council set a challenging level of specified efficiencies to be achieved in-year as part of its approach to annual budget planning. The first assessment of the efficiency profile for 2016/17 showed that 86% of the efficiencies pre-set in the annual budget would be achieved. That figure rose to 93% following the conscious decisions to change proposals for household recycling centres, community asset transfers, town centre and County Hall car parking charging, and workforce essential car user allowances. He commented on the difficulty in accurate predictions which included the democratic process.

He added that following the liquidation of GHA Coaches, the Council was attempting to recover as much of the costs as possible. Councillor Attridge praised staff for their work to ensure there was a continuation of service for both school children and public transport.

Councillor Bithell commented on the 86% of efficiencies being achieved and asked if the Wales Audit Office (WAO) provided details of the statistics from other Local Authorities. The Chief Executive said a composite list of efficiencies achieved was not available but if one was produced it would be a helpful document.

RESOLVED:

- (a) That the report be noted; and
- (b) That an allocation of £0.861M from the contingency reserve be approved to meet the financial impact of the changed proposals for household recycling centres, community asset transfers, town centre and County Hall car parking charges, and workforce essential car user allowances.

65. TREASURY MANAGEMENT ANNUAL REPORT 2015/16

The Corporate Finance Manager introduced the Treasury Management Annual Report 2015/16.

The Annual Report was reviewed by Audit Committee on 13th July 2016 and would be reported to County Council on 26th September 2016.

RESOLVED:

That the Annual Treasury Management Report for 2015/16 be approved and recommended to County Council.

66. APPOINTMENT OF COUNCIL MEMBERS AS DIRECTORS – NEW HOMES

The Chief Officer (Community and Enterprise) introduced the report on the Appointment of Council Members as Directors, NEW Homes.

Following the resignation of two Councillors who cited their membership of the Council's Planning and Development Control Committee as a conflict of interest, and the subsequent resignation of another Councillor for personal reasons, there were three Councillor Board vacancies.

Nominations from Councillors were sought and it was agreed that to ensure the greatest levels of propriety, that Members on the Planning and Development Control Committee and / or relevant Scrutiny Committee would not be considered. Nominations were received from Councillors Glyn Banks, Hilary McGuill and Nigel Steele-Mortimer. None of those Councillors were members of any of those Committees.

RESOLVED:

That the appointment of Councillor Glyn Banks, Councillor Hilary McGuill and Councillor Nigel Steele-Mortimer as Directors of North East Wales Homes Limited be approved.

67. BUSINESS RATES – WRITE OFF ABOVE £25,000

Councillor Mullin introduced the report on Business Rates – Write Off above £25,000.

Richmond Investment Properties Ltd were liable for business rates at the Bryn Awel Hotel, Denbigh Road, Mold for the period between 25th July 2012 and 8th July 2014. Despite litigation action being taken by the Council to recover business rate liabilities amounting to £25,881.51, the debt remained outstanding and was now considered to be irrecoverable on the basis that all recovery options had been exhausted.

The Chief Officer (Community and Enterprise) explained that there were no direct financial implications for the Council or local taxpayers as business rates which were collected were borne by the National Collection Pool for Wales. As the Collection Pool was supported by Welsh Government, non-payment of rates did though have a wider impact on the Welsh taxpayer.

RESOLVED:

That the write off of the business rate debt for Richmond Investment Properties Ltd amounting to £25,881.51 be approved.

68. HIGHWAYS AND CAR PARK INSPECTION POLICY

Councillor Attridge introduced the report on the Highways and Car Park Inspection Policy.

In order to ensure the Council's highway network remained fit for purpose and in a safe condition, and in order to provide a defence for the Council against claims made for compensation by users of the network, a robust Safety Inspection Policy was required. The Policy defined safety inspection frequencies on all of the classifications of carriageway, footway and cycleway maintained by the Council and the Policy also defined intervention criteria i.e. the point at which maintenance work was required, and defined timescales for completing any required remedial work.

The Council owned and managed a large number of car parks across the County and the Inspection Policy had been extended to include those facilities in order to ensure the safety of the sites and to provide a defence against any claims that may be received by users of the car parks, for personal loss or damage.

The report had been submitted to the Environment Overview and Scrutiny Committee where it was fully supported.

RESOLVED:

That the reviewed Highway and Car Park Inspection Policy outlining the Council's approach to all safety inspections, intervention criteria and response times be approved.

69. EXERCISE OF DELEGATED POWERS

An information item on the actions taken under delegated powers was submitted. The actions were as set out below:-

Organisational Change

- **Target Hardening Work to Various Flintshire County Council Sites**
Work to target harden various Council owned sites across Flintshire to improve security of sites against illegal traveller incursions.
- **Land to the Rear of Withen Cottages off Alltami Road, Buckley**
The subject comprises of a parcel of land extending to approximately 1.78 acres accessible from the purchaser's land only.
- **Ysgol Y Fron Annexe, Halkyn Street, Holywell**
The sale of this section of Ysgol Y Fron to ICR Group for conversion to offices for their own use
- **Saltney Library Site, Delcaring Site Surplus to Service Requirements**
The site of the former Saltney Library is declared surplus to the Library Service requirements.

Revenues

- **Business Rates Write Offs**
Financial Procedure Rules (Section 9.6 – Income and Expenditure) stipulate that any individual debt between values of £5,000 and £25,000 shall be reported to the Chief Finance Officer (Corporate Finance Manager / Section 151 Officer) for consideration to write off, in conjunction with the Cabinet Member for Finance. The scheduled, which are summarised by the category of write off involve 7 Business Rates accounts where the overall debt for each company is greater than £5,000.
- **Council Tax Write Offs**
Financial Procedure Rules (Section 9.6 – Income and Expenditure) stipulate that any individual debt between the values of £5,000 and £25,000 shall be reported to the Chief Finance Officer (Corporate Finance Manager / Section 151 Officer) for consideration to write off, in conjunction with the Cabinet Member for Finance. The delegated powers form details 1 Council Tax account where the overall debt is greater than £5,000.

Public Protection

- **Annual Increase in Fees and Charges**
Revised fees and charges for Public Protection relating to 2016/17.

Streetscene and Transportation

- **B5129 Chester Road, Pentre, Sandycroft, Restricted Road – Order 2016**
To advise of an unresolved objection received following the advertisement of the proposal to reduce the speed limit on the B5129 Chester Road, Pentre, Sandycroft. It is recommended that the objection be overruled and that the speed limit be adopted as advertised.

- **Proposed on and off Street Parking Orders – Talacre**

To advise of the objections and one unresolved objection received following the advertisement of the proposed introduction of car parking orders both on and off street. It is recommended that the objection be overruled and that the orders be adopted as advertised.

RESOLVED:

That the actions taken under delegated powers be noted.

70. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting commenced at 9.30am and ended at 11.40am)

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Chair