

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
11 JULY 2019

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 11 July 2019

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Haydn Bateman, Geoff Collett, Bob Connah, Paul Cunningham, Patrick Heesom, Paul Johnson, Richard Jones, Michelle Perfect, Vicky Perfect, Aaron Shotton, Andy Williams and Arnold Woolley

SUBSTITUTION: Councillor: Hilary McGuill (for Mared Eastwood)

APOLOGIES: Councillor Ian Roberts, Leader and Cabinet Member for Education; Councillor Billy Mullin, Cabinet Member for Corporate Management; and Councillor Glyn Banks, Cabinet Member for Finance

CONTRIBUTORS: Councillor Carolyn Thomas (Deputy Leader and Cabinet Member for Streetscene and Countryside), Chief Executive; Chief Officer (Streetscene and Transportation), Corporate Finance Manager, Corporate Business and Communications Executive, Finance Manager - Strategy Accounting and Systems, Finance Manager - Technical Accountancy and Income and Generation Marketing Manager

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

18. DECLARATIONS OF INTEREST

None.

19. MINUTES

The minutes of the meeting held on 13 June 2019 were submitted.

RESOLVED:

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

20. ACTION TRACKING

The Democratic Services Manager presented the progress report on actions arising from previous meetings. He explained that actions still to be determined would remain on the action tracking report until resolved and be reported back to the next meeting.

The Chief Executive commented on the invitation to Welsh Local Government Association (WLGA) representatives to attend a meeting with

Members and said this would now take place later in the year instead of before the August recess.

The Chief Executive reported that the actions on appraisals had been followed through and that the actions on the Council Plan would be completed by the end of July. He explained that the Welsh Language Annual Monitoring Report 2018/19 would be considered at the meeting of Cabinet on 16 July, and submitted to the next meeting of the Committee to be held in September. He also said that work was in progress to review and improve where possible the information provided on the Revenue Budget Monitoring report.

RESOLVED:

That the Committee notes the progress which has been made.

21. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme for consideration. He reminded Members that prior to the start of the next meeting a briefing session would be held at 9.30 a.m. on the new Revenue Budget Monitoring report format.

In addition to the items scheduled for consideration at the meeting of the Committee on 19 September, it was agreed that an update on appraisals would be included in the Workforce and Employment Quarterly report. It was also agreed that a report on the Welsh Language Annual Monitoring Report 2018/19 would be added to the Programme for the next meeting and later the Actuarial Review of the Clwyd Pension Fund.

In response to the questions raised by Councillor Richard Jones on the new Revenue Budget Monitoring report format, officers advised that some adjustments had been made to improve the format to assist understanding of the information provided. Councillor Jones commented on the need for the variances to be shown. Members were informed that details of the principal Social Care and Streetscene projected over-spends would be included in the Monthly Revenue Budget Monitoring 2019/20 report to be considered at the next meeting. The relevant officers would also be in attendance.

Councillor Patrick Heesom referred to the report on the Finance and Business Planning Cycle which was submitted to the meeting of the Committee on 17 January 2019 and said there was a need to attach budgets to this.

RESOLVED:

- (a) That the Forward Work Programme, as amended be approved; and
- (b) That the Democratic Services Manager, in consultation with the Chair and Vice-chair be authorised to vary the Forward Work Programme between meetings, should this become necessary.

22. COUNCIL PLAN 2019/20 – PART 2

The Chief Executive introduced a report to present Part 2 of the Council Plan. This was to share performance milestones and measures for the year and invite feedback for Cabinet which would consider the document the following week. He provided background information and context. Part 1 of the Council Plan had set out the Council's intent, and Part 2 sets out the performance measures, targets and milestones against which achievement would be measured and evaluated.

The Corporate Business and Communications Executive Officer advised on the detail in the report. The achievements to be attained during 2019/20 were clearly described in Part 1 of the Council Plan. Part 2 ensured that those achievements could be monitored for progress and tracking. The two types of measures used were qualitative milestones, when plans or strategies were projected to be attained, and quantitative, numerical measures for targets to be met. Part 2 of the Council Plan identified the classification of all numerical measures. Milestones or measures had been set to monitor progress against each activity or plan. Risks to be managed and mitigated throughout the year were being worked through and would be covered in the first monitoring report. The Corporate Business and Communications Executive advised that later in the year, comparison data with other authorities in Wales would be provided to compare our position.

Councillor Patrick Heesom referred to the Finance and Business Planning Cycle report which had been submitted to the meeting of the Committee on 17 January 2019, and said the measures had been well indicated in terms of portfolio. He said he supported the report but commented on the need for the Council Plan to be more focussed and prioritised. He referred to the Ambitious Council and said there were shortfalls in the way the Council was making progress with that part of the Plan. He expressed concerns on how the highways infrastructure was managed.

In response to the comments made by Councillor Heesom on the transport network, Councillor Carolyn Thomas advised that the Authority was working with the Welsh Government (WG) and Transport for Wales. Councillor Heesom had been invited to attend a meeting to discuss his concerns with the Chief Officer (Streetscene and Transportation) and herself.

The Chief Executive acknowledged the concerns raised by Councillor Heesom around the limited role of the Council in economic development but emphasised that the Council Plan could only include those services which were a Council function. He continued that everything that was in the Plan was given equal priority and it was our collective responsibility to deliver the milestones and measures.

Councillor Paul Johnson referred to the Council Plan (Part 2) 2019/20, which was appended to the report, and asked what were the aims and objectives of the social value framework. He commented that the social value framework could mean many things to different people. He said this was an important part of

the Council Plan and asked that the work on social value be brought back for consideration and development to a future meeting of the Committee. He also suggested that a Task and Finish Group be set up to take this forward, or that an all Member workshop be held.

Officers responded to the comments made by Councillor Johnson, and acknowledged the additional points raised around procurement. The Chief Executive welcomed the suggestion of a workshop. The Chief Executive and Councillor Carolyn Thomas commented on the amount of social value work done by the Council, citing the benefits of large contracts, public transport, and play schemes, as examples.

Councillor Richard Jones commented on the need to provide a better explanation in the report on why/how the Council proposed to manage reductions in service areas. The Chief Executive explained that it was not proposed to reduce current services, however, there was a need to discuss the standards expected in services and the budget requirements to meet them.

Councillor Richard Jones said it would be helpful if a copy of the Council Plan was attached to future reports. The Chief Executive explained that a matrix with all relevant information had been shared with Members, however, there had been a poor response over the performance information required by Members.

During discussion Councillor Jones sought further clarification on the information provided in the appendix to the report under the following sub-priorities: baseline information relating to Highway Networks (page 76), Local Development Plan (page 56), Becoming Work-ready (page 53), Flexible Funding Programme (page 52), baseline data Universal Credit/Welfare Reforms (page 51), Housing needs of vulnerable groups (page 46), and Independent Living (page 33).

Councillor Aaron Shotton said it was important that the social value of the work that was underway in Holway as a pilot project was measured. He also said there was a need to convince partners in other sectors of the valuable work being carried out. He referred to the suggestion of a workshop and asked if there was a need for evidence of what was being done in Wales to be taken into account. He made reference to the WG policy on procurement. It was agreed that contact would be made with the Deputy Minister for Economy and Transport in due course to inform him of the Council's work on social value.

Councillor Hilary McGuill referred to page 44 of the report and asked that the 2019/20 target figure be revisited as she felt it was too low. She also referred to page 53 of the report and suggested that the wording of the achievement measure be amended to read 'Number of individuals needing support through the mentoring service that enter employment, learning or volunteering'.

Councillor McGuill also commented on the need to "invest to save" and asked if consideration could be given to the purchase of new equipment which would help to save the Council the high cost of repairing pot-holes on road surfaces in the future. Councillor Carolyn Thomas explained that there was no

capital fund available to purchase equipment but gave reassurance that more repair work had been undertaken this year.

RESOLVED:

- (a) That Part 2 of the Council Plan – on performance milestones and measures for the year be supported, subject to the clarification of details;
- (b) That an all member workshop on Social Values be held in due course; and
- (c) That contact be made with Lee Waters, AM, the Deputy Minister for Economy and Transport to inform him of the Council's work on social value when the strategy was ready.

23. FEES AND CHARGES

The Chief Executive introduced a report to present an updated and complete corporate policy for fees and charges and invite feedback for Cabinet which would be invited to approve the policy later in the month. He advised that the Income Generation Policy, including fees and charges and the new income streams identified in the report, formed part of the Medium Term Financial Strategy. He drew attention to the outcome of the annual review of fees and charges which was appended to the report. For each charge the extent to which full cost recovery was being met was shown, however, further work was still required on this. The report also proposed an approach to the annual indexation of all fees and charges. The Chief Executive invited the Income and Generation Marketing Manager to present the detail of the report.

The Income and Generation Marketing Manager advised on the main considerations, as detailed in the report. She explained that the generation of additional income from fees and charges, along with specific projects to explore the feasibility of new income streams, were two of the solutions available to the Council to contribute to meeting the budget shortfall. The income target for 2018/19 had not been achieved in full and there remained in the region of £170k of additional income to be generated to achieve the 2019/20 target. She advised that it was important to maintain a focus on income generation and those fees and charges that could be reviewed, or introduced, as part of the Medium Term Financial Strategy. She explained that of the 605 fees/charges listed in appendix A of the report, 36% were statutory and the Authority had no or limited discretion in setting the charges, and 64% were discretionary where there was more room for local discretion when setting the price. In addition to income from fees and charges a number of income projects had been identified for further exploration. An overview of these projects and the indicative commencement date was also appended to the report.

The Income and Generation Marketing Manager said it was proposed that the annual review of fees and charges would be overseen internally, with any changes implemented from 1 October each year, following reporting to Cabinet in July.

The Chief Officer (Streetscene and Transportation) advised that an update report on fees and charges would be submitted to the Committee on an annual basis for review.

During discussion Officers responded to the questions raised by Members concerning the charges applied for services under Pest Control (citing the difference in charges for bees and wasps as an example), car parking, and the hire of Wepre and Buckley fields. Members also queried the costs involved in roundabouts and sought clarification on the charges for roundabout sponsorship. The Chief Officer agreed to provide further details to the Committee on the costs relating to roundabouts and the hiring of Wepre and Buckley fields.

Earlier in the week there had been concerns that the garden waste charge increases had not been put to the Environment Overview & Scrutiny Committee. The Chief Executive explained that the principle of charging had already been approved and that it was within the remit of Corporate Resources to suggest the varying of charges as part of financial policy.

RESOLVED:

- (a) That the Committee supports the policy and schedule of fees and charges to be submitted to Cabinet which will be recommended to adopt the policy at their meeting on 16th July 2019;
- (b) That the Committee notes the further work now required to establish full cost recovery, and/or comparable market rates, where it is possible/permissible to do so;
- (c) That the Committee support an ongoing review of the Income Generation Policy to ensure consistency of charging and cost recovery; and
- (d) That the Committee notes the additional income projects identified in Appendix B which are work in progress.

24. MEDIUM TERM FINANCIAL STRATEGY (MTFS) AND THE WORK OF THE CROSS PARTY GROUP ON LOCAL GOVERNMENT FINANCE

The Chief Executive gave a verbal update on the position of the Medium Term Financial Strategy (MTFS), the national position on budgets, and the completion of the work of the Cross Party Working Group on Local Government Finance. He provided a presentation on the Cross Party Working Group on Local Government Finance which covered the following points:

- our context
- purpose of the Group
- work to date
- available resources
- overall position
- making the case

- summary of cost pressures
- indexation for inflation – schools
- indexation for inflation – non-schools
- budget process
- immediate next steps

During the presentation the Chief Executive referred to the Wales Centre for Public Policy report '*At the tipping point*' which he suggested would be of interest to Members. It was agreed that this would be circulated to the Committee following the meeting.

Councillor Aaron Shotton referred to the work of the Cross Party Working Group regarding the funding formula and asked if there could be an opportunity to look at the allocation of funding for social care across local authorities based on weighting and deprivation. The Chief Executive acknowledged the points raised by Councillor Shotton and commented on the need to think about the budget as a whole. He said that at the Cross Party Working Group reference had been made to more rationale about the base costs for schools. Councillor Carolyn Thomas said Flintshire had some of the lowest funded schools in Wales and reiterated the importance of schools having a baseline of funding going forward. She said she would be putting the case for funding for Education at the WLGA Executive meeting next week.

Councillor Patrick Heesom commented that in his opinion there needed to be a different perspective and a way of weighting or prioritising certain pressures that were not being achieved at the moment. He said he had concerns that disaggregation in the Authority was not potentially change centred and the way that some services had been disaggregated was not helpful. He also said there needed to be a much greater awareness of the expenditures in portfolios. He welcomed the work of the Cross Party Working Group but said that the Authority had to be more centralised and democratic in the disaggregation of services.

RESOLVED:

That the update on the work of the Cross Party Working Group on Local Government Finance and presentation be noted.

25. CENTRALLY HELD BUDGETS AND CORPORATE FINANCE

The Corporate Finance Manager introduced a report to provide details and explanation of the specific budget headings included within central and corporate budgets, as requested at a previous meeting. The Central and Corporate Budget for 2019/20 at £23.498m was 9% of the overall Council Fund budget of £264m. In general terms the Central and Corporate Finance Budget contained the central organisational costs for the Council that were not directly attributable to individual portfolios and services.

The Corporate Finance Manager reported on the main considerations, as detailed in the report. He said the report provided a detailed breakdown on this budget area based on the 2019/20 budget of £23.498m. The report also provided

further background to all Members prior to the commencement of revenue budget monitoring for the 2019/20 financial year and as part of the Medium Term Financial Strategy.

RESOLVED:

The Committee notes the explanations given.

26. REVENUE BUDGET MONITORING 2018/19 (OUTTURN) AND CAPITAL PROGRAMME MONITORING 2018/19 (OUTTURN)

The Finance Manager, Financial Strategy and Insurance, introduced a report to provide Members with the Revenue Budget Monitoring 2018/19 (Outturn) report and the Corporate Finance Manager introduced the Capital Programme Monitoring 2018/19 (Outturn) Report. Both reports would be presented to Cabinet on 16 July, and were appended to the report.

Councillor Richard Jones referred to the Revenue Budget Monitoring 2018/19 (Outturn) report and referred to car parking charges. He commented that there was a need to identify and separate between a budget and a core service. He commented on areas of overspend and said the Council should look forward and not backwards to mitigate any potential overspend.

RESOLVED:

- (a) That the Committee notes the Revenue Budget Monitoring 2018/19 (Outturn) report and confirms that there are no specific issues which it wishes to have raised at Cabinet; and
- (b) That the Committee notes the Capital Programme Monitoring 2018/19 (Outturn) report and confirms that there are no specific issues which it wishes to have raised at Cabinet.

27. INTERIM COUNCIL FUND REVENUE BUDGET MONITORING 2019/20

The Finance Manager, Financial Strategy and Insurance, introduced a report to provide an interim in-year budget monitoring position for 2019/20 for the Council Fund and Housing Revenue Account. She provided background information and explained that the interim report was the first revenue budget monitoring report for the 2019/20 financial year. The report was an exception report on significant variances which may impact on the financial position in 2019/20 and the progress of achieving planned efficiencies against the targets set for the year. At this stage the net impact of the emerging risks and variances as detailed in the report was projected to be £3.101m over the planned budget. This figure was based on known significant variances of over £0.100m. This would be subject to change over the course of the year.

The Finance Manager referred to the key points, as detailed in the report, and reported on the achievement of efficiencies, the in-year budget position, and unearmarked reserves. Areas that were considered as a high risk of financial volatility would be reviewed as part of the monthly monitoring process and the implications considered as part of the forecast for the medium term. The Chief Executive commented in some detail on the areas of overspend and underspend.

Councillor Hilary McGuill referred to out of county placements and the information that the projected overspend for the service included externally provided placement costs for over 150 children, some of which lie within Flintshire's geographic boundary. The Chief Executive explained that the educational needs of some children could be met through local provision, however, the complex residential social care and educational needs of a number of children could only be met through external provision.

Councillor Richard Jones referred to the overspend on car parking charges. He expressed concerns around car park charges and said they could be a deterrent and reduce footfall in some areas. He commented on the social value of people shopping in towns and said that some areas were generating more income than the cost to maintain the car parks in that area.

RESOLVED:

- (a) The Committee notes the report and informs the Cabinet that at the September meeting, the Committee will be paying particular attention to projected overspends in social care and Streetscene; and
- (b) To note that Cabinet will be requested to approve a budget virement of £0.471m within Social Services to support the new extra care facilities

28. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10.00 a.m. and ended at 12.47 p.m)

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Chairman