

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
12 NOVEMBER 2020

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a remote attendance meeting on Thursday, 12 November 2020

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Sean Bibby, Haydn Bateman, Geoff Collett, Andy Dunbobbin, Mared Eastwood, Patrick Heesom, Kevin Rush, Andy Williams and Arnold Woolley

SUBSTITUTES: Councillor: Dave Evans (for Paul Shotton) and Mike Peers (for Richard Jones)

APOLOGY: Senior Manager for Human Resources & Organisational Development

CONTRIBUTORS: Councillor Ian Roberts (Leader and Cabinet Member for Education), Councillor Carolyn Thomas (Deputy Leader and Cabinet Member for Streetscene and Countryside), Councillor Billy Mullin (Cabinet Member for Corporate Management and Assets), Councillor Glyn Banks (Cabinet Member for Finance), Chief Executive, Chief Officer (Governance), Chief Officer (Housing and Assets), Corporate Finance Manager, Strategic Finance Manager and Accountant

IN ATTENDANCE: Head of Democratic Services, Civic & Member Services Officer and Democratic Services Officer

22. DECLARATIONS OF INTEREST

None.

23. MINUTES

The minutes of the meeting held on 28 September 2020 were approved, as moved and seconded by Councillors Bateman and Dunbobbin.

The minutes of 15 October 2020 were approved, as moved and seconded by Councillors Collett and Dunbobbin. Officers were thanked for their responses to questions raised at this meeting.

RESOLVED:

That both sets of minutes be approved as a correct record.

24. ACTION TRACKING

In presenting the report, the Head of Democratic Services confirmed that all actions had been completed, including Councillor Richard Jones' request for

information on the impact of the emergency situation on Out of County Placements.

The recommendation was moved and seconded by Councillors Dunbobbin and Rush.

RESOLVED:

That the Committee notes the progress which has been made.

25. FORWARD WORK PROGRAMME

In presenting the report, the Head of Democratic Services highlighted two reports which had been deferred to the next meeting due to the number of items on this agenda.

The recommendations were moved by Councillor Dunbobbin and seconded by Councillor Rush.

RESOLVED:

- (a) That the Forward Work Programme be approved; and
- (b) That the Head of Democratic Services, in consultation with the Committee Chairman, be authorised to vary the Forward Work Programme between meetings, as the need arises.

26. EMERGENCY SITUATION BRIEFING (VERBAL)

The Chief Executive gave a verbal update on the current situation including local and regional statistics. There had been minimal disruption to Council services during the national fire-break period which had now ended. All services were now fully operational and additional resources were being allocated to the Test, Trace & Protect service.

In response to comments from the Chairman, the Chief Executive gave a brief update on the status of emergency hospitals in the region.

Councillors Dunbobbin and Rush moved and seconded that the update be received.

RESOLVED:

That the verbal update be received.

27. NORTH WALES ECONOMIC AMBITION BOARD - FINAL GROWTH DEAL

The Chief Executive presented a report to consider the key documents required to reach Final Deal Agreement for the North Wales Growth Deal with the UK Government and Welsh Government (WG), prior to approval by Cabinet. The

documents were being presented to all partners for approval to formalise their legally binding commitment to the Final Deal Agreement.

Since Governance Agreement 1 had been adopted, Governance Agreement 2 had been developed to include shared benefits and risks along with co-financing arrangements. In Flintshire, the report had been supported by the Environment and Economy Overview & Scrutiny Committee earlier in the week following all-Member workshops held previously. The Agreement included provisions for executive and non-executive functions which required separate decisions to be taken by Cabinet and County Council on 17 November 2020. Feedback from both Overview & Scrutiny Committees would be reported to those meetings.

The Chief Executive provided clarification on the two forms of financial commitment for the Council which involved revenue contributions already built into the base budget and revenue consequences of borrowing capital to facilitate the negative cash flow for the Growth Deal. The latter would require annual contributions of between £100k-140k from Flintshire to access £240m of capital from both Governments to fund the Growth Deal over 15 years. This was regarded this as an affordable approach for the Council in the context of the Medium Term Financial Strategy. The Agreement had the commitment of the leadership of all partners and if signed off by 17 December, would enable capital to be accessed in the current year.

The Chief Officer (Governance) drew comparison between the provisions of the Agreement with those of other existing regional partnerships. He gave an overview of the governance model including provision for each partner to retain control over the level of resources that it contributed.

The Corporate Finance Manager said that he was satisfied with the financial considerations which he considered to be prudent on a project of this scale to deliver programmes in the early years. In echoing the Chief Executive's comments on the financial commitments, he said that the additional annual contributions would need to be built into the 2021/22 budget.

Councillor Dunbobbin paid tribute to Councillor Ian Roberts, the Leader of the Council and his predecessor Councillor Aaron Shotton for all their work on the North Wales Economic Ambition Board (EAB). In praising the report, he said that more clarity in the wording would help to raise awareness of the benefits. In speaking about the complexity of the Agreement, the Chief Executive said that a range of information was available on the EAB website and that the presentation given to the Environment and Economy Overview & Scrutiny Committee would be circulated. He responded to other questions highlighting the commitment of all partners and creation of new projects within the Growth Deal. On digital connectivity, the Chief Officer (Governance) agreed to circulate information on that area of work by the EAB.

On behalf of Councillor Richard Jones, Councillor Peers sought clarification on the recommendations in the report and was advised that feedback provided to

Cabinet would enable precise recommendations to be made to County Council where a full explanation would be shared.

Councillor Peers said that Members could have had a workshop in October as opposed to the briefing sessions that were organised. He had concerns about the level of scrutiny on such an important topic and questioned the removal of three of the original eight programmes within the business plan relating to skills, business growth and transport.

The Chief Executive confirmed that all pre-existing programmes were included in an amalgamated approach as sought by both Governments. He said that local and regional workshops held over previous years had been well received and provided opportunity for Member involvement and scrutiny throughout the process. There had been no requests for more information or engagement at the recent Members' briefings. Failure to sign off the Agreement in accordance with the regional timetable could put the projects within the Growth Deal at risk. Delegated powers would add flexibility to make any minor changes without any material impact on the spirit of the Agreement.

In echoing the comments about the work undertaken by Councillor Aaron Shotton, Councillor Roberts also praised the contributions of the Chief Executive as the regional lead for the work. He spoke about the importance of the Growth Deal and sought Members' support in the spirit of regional cross-party working.

Councillor Bateman gave positive feedback on the presentation previously given by the EAB Programme Director. On the partner contributions, he was advised that the amounts were proportionate to population size.

Concerns were raised by Councillor Heesom about the timetable and the capacity for Members to scrutinise the documents in detail. As such, he noted the recommendations but felt unable to endorse them.

In response, Councillor Roberts said that the future meetings with the Programme Director would provide the opportunity for challenge.

The Chief Executive reminded Members that the Growth Deal provided an opportunity for additional funding over and above current project commitments. He said that there had been no major changes to the Agreement since the Member briefings which had all been well received.

The Chief Officer (Governance) highlighted key areas of governance arrangements such as the commitment for a quarterly update report on the work of the EAB and provision for any decision for additional resources by the Council to be made by Cabinet subject to the usual Overview & Scrutiny process.

In response to comments from Councillor Woolley, the Chief Executive acknowledged the importance of publicising the benefits of the Growth Deal and spoke about significant engagement with businesses and Members.

Councillor Thomas reminded the Committee that the Growth Deal would provide major investment for North Wales. She agreed that more could be done to raise awareness with the public and that links to programmes on climate change and carbon control could be publicised on the website.

The Chief Executive said that signing the Agreement would provide much-needed recognition for North Wales as well as longer term benefits.

Having been moved and seconded by Councillors Dunbobbin and Woolley, the recommendations were carried.

RESOLVED:

- (a) That the Committee formally endorses and recommends that the Cabinet and Council approve the Overarching Business Plan as the document that sets out the arrangements to deliver the North Wales Growth Deal as the basis for entering into the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments;
- (b) That the Committee formally endorses and recommends that the Cabinet approves the provisions in Governance Agreement 2 relating to executive functions, recommends that Council approves the provisions relating to non-executive functions, and that Cabinet specifically adopts the delegations and Terms of Reference in '*Governance Agreement 2: Appendix 1*' thereof as the basis for completing the Final Deal Agreement and acceptance of the Grant Funding Letter with the UK and Welsh Governments;
- (c) That the Committee supports the recommendation that the Cabinet formally endorses and recommends that the Council authorises the accountable body, Gwynedd Council, to sign the Grant Funding Offer letter on behalf of the Partners;
- (d) That the Committee supports the Cabinet formally endorsing and recommending that Council approves the method used to calculate the cost of borrowing notionally required to facilitate the negative cash flow for the Growth Deal, and to include a provision within the Council's budget to pay this contribution and the established core and supplementary contributions as set out in GA2 (and in paragraphs 2.5 - 2.7); and
- (e) That the Committee supports that the Chief Executive in consultation with the Leader, Monitoring Officer and Section 151 Officer, be granted delegated authority to agree minor changes to the documents with the Partners as necessary to complete the agreement.

28. RECOVERY STRATEGY UPDATE

The Chief Executive presented a report to update the Committee on the Corporate portfolio risk register and mitigating actions as part of recovery planning.

There had been no significant changes since last month as many of the risks were longer term. As suggested by Councillor Richard Jones at the previous meeting, the presentation of risk trends had been changed for clarity.

On the high level recovery aims, Councillor Banks, praised the workforce for work undertaken during the emergency period.

The recommendation was moved and seconded by Councillors Dunbobbin and Rush.

RESOLVED:

That the Committee endorses the latest updated risk register and risk mitigation actions within the corporate portfolios.

29. MID-YEAR PERFORMANCE INDICATORS FOR RECOVERY, PORTFOLIO AND PUBLIC ACCOUNTABILITY MEASURES

The Chief Executive presented a report to review performance at the mid-year point for priorities relevant to the Committee and focussing on performance measures across portfolios that were most important to recovery.

There were no issues of particular concern and some indicators could not be used in the same way due to the emergency situation. A stable position was reported on the areas of Workforce, Finance and Governance.

Councillor Dunbobbin took the opportunity to thank the workforce for their commitment during the emergency period.

Councillor Mullin also paid tribute to the workforce and referred to good progress on his portfolio areas. His comments were endorsed by the Chief Executive who also recognised the valued support of Trade Union colleagues during the period.

In response to a question from Councillor Peers on Council Tax in-year collection levels, the Chief Executive spoke about the 'soft' enforcement approach which had been taken during the height of the national emergency. Whilst collection levels were an ongoing risk, there would be an impact from the first phase of actions taken in October.

The Chief Officer (Governance) advised that flexible payment arrangements were put in place where possible and that Court action was pursued for individuals who failed to pay or engage with the Council.

The Chief Executive said that an update on this work would be included in a report to the Committee and Cabinet in December, detailing the financial year-end position.

The recommendations were supported.

RESOLVED:

- (a) That the Committee receives the Mid-Year Performance Indicators for Recovery, Portfolio and Public Accountability Measures to monitor areas of underperformance; and
- (b) That the Committee is assured by the explanations given for underperformance, which in the main are explained by the interruption of the pandemic.

30. BUDGET 2021/22 - STAGE 1

The Chief Executive gave a verbal update following an overview of cost pressures and overall budget strategy for 2021/22 presented to each of the Overview & Scrutiny committees at recent meetings.

Each of the five committees had accepted:

- All cost pressures within the forecast for their respective portfolios, with no requests to explore further cost efficiencies in recognition that nothing of scale remained;
- The aim for between £1m-2m of 'true' cost efficiencies across the Council, including adapted ways of working;
- The existing stance that the annual increase in Council Tax should aim to be below 5% as the maximum; and
- That a minimum 6% uplift in the Revenue Support Grant (RSG) to Flintshire was required to clear budget requirements and keep Council Tax suppressed below 5%.

The Chief Executive summarised the budget timetable and advised that an all-Member briefing had been scheduled for 23 December to consider the implications of the Provisional Local Government Settlement due the day before. Collective council engagement with Welsh Government (WG) and Welsh Local Government Association had made clear the expectation for a minimum 5% national uplift.

Councillor Banks reiterated the need for a 6% uplift in RSG for Flintshire. He referred to the positive relationship with WG and thanked both Governments for the financial support received during the pandemic.

The recommendations - which were amended to reflect the debate - were moved and seconded by Councillors Williams and Dunbobbin.

RESOLVED:

That the Committee notes the verbal update from the Chief Executive following the meetings of the five Overview & Scrutiny Committees, as follows:

- All of the listed cost pressures have been endorsed;

- No proposals to review specific areas of cost efficiency/service models have been made;
- The budget corporate efficiency target of £1-2m was noted and accepted;
- The Council's position on Council Tax - as set out in last year's budget-setting - was reinforced by all five committees; and
- The expectations of Government for a minimum 6% increase in RSG, and stability and indexation in specific grants was fully supported.

31. REVENUE BUDGET MONITORING 2020/21 (MONTH 6) AND CAPITAL PROGRAMME MONITORING 2020/21 (MONTH 6)

The Corporate Finance Manager and Strategic Finance Manager presented a report on the revenue budget monitoring position for the Council Fund and Housing Revenue Account (HRA) at Month 6, together with the month 6 position on the Capital Programme of 2020/21 prior to consideration by Cabinet.

Revenue Budget Monitoring

The report reflected the budget position at the close of the financial year if all things remained unchanged and took into account the latest position on Welsh Government (WG) Emergency Grant funding announcements.

On the Council Fund, the projected year-end position - without new actions to reduce cost pressures and improve the yield on efficiency planning - was an operating deficit of £0.569m. This projection included savings achieved through the continued review of non-essential spend but excluded the impact of significant open risks on Council Tax income and Council Tax Reduction Scheme, together with the pay award which would be met by reserves. The reasons for the favourable movement of £0.352m from Month 5 were set out in the report, including significant variances for Social Services, Education & Youth, Governance and Strategic Programmes.

The Strategic Finance Manager provided full details of the key financial risks and new emerging risks, together with the position on emergency funding, achievement of planned in-year efficiencies, reserves and balances as set out in the report.

On the HRA, a projected underspend of £0.478m would leave a closing un-earmarked balance of £2.487m, which was above the recommended guidelines on spend.

In thanking the Finance team for their work, Councillor Banks welcomed the additional £0.200m from WG to part-fund the teachers' pay award.

Councillor Thomas highlighted increasing transportation costs as an area of concern.

The Chief Executive said that despite the national emergency, the Council was in a strong position at this stage and that grant funding claims had been maximised. There were a number of significant risks yet to be resolved with WG

and the year-end outturn would impact on the starting point for the 2021/22 budget.

On the Council Tax Reduction Scheme, the Corporate Finance Manager advised that following WG funding for the first quarter, a positive announcement was expected on funding to be allocated for the second quarter.

The recommendation was moved and seconded by Councillors Dunbobbin and Williams.

Capital Programme

Changes to the revised programme during the period were mainly due to the introduction of grant funding streams for Highways Maintenance, Childcare Offer and Flying Start, with no impact on the core funding for the Council. The summary position on capital expenditure at Month 6 showed a projected underspend of £1.369m on the Council Fund to be carried forward into 2021/22. A one-off saving of £0.027m was identified for work carried out on the All-Terrain Pitch at Elfed High School which was lower than budgeted.

Following approval of the 2020/21 - 2022/23 Capital Programme earlier in the year with a funding deficit of £2.264m, the impact of capital receipts and savings achieved had resulted in a revised projected surplus of £0.403m.

Councillor Thomas gave examples of maximising grant funding for highways and transportation to address related issues.

Councillor Banks commended the mix of projects within the Capital Programme and drew attention to the Mockingbird model.

The recommendation was moved and seconded by Councillors Woolley and Dunbobbin.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2020/21 Month 6 report, the Committee confirms that there are no specific matters to be reported to Cabinet; and
- (b) That having considered the Capital Programme 2020/21 Month 6 report, the Committee confirms that there are no specific matters to be reported to Cabinet.

32. CAPITAL PROGRAMME 2021/22 - 2023/24

The Chief Officer (Housing and Assets) presented a report on the proposed Capital Programme 2021/22 - 2023/24 which set out investment in assets for the long term to enable the delivery of high quality and value for money public services split between the three sections: Statutory/Regulatory, Retained Assets

and Investment. As reported in the previous item, there was an estimated overall funding surplus of £0.403m, with a surplus of £0.617m for 2020/21.

A detailed presentation covered the following:

- Structure - Council Fund Capital Programme
- Current Programme 2020/21-2022/23
- Projected Funding 2021/22 - 2023/24
- Proposed Allocations - Statutory/Regulatory, Retained Assets and Investment
- Summary generally funded Programme
- Specially funded schemes
- Summary Capital Programme
- Potential future schemes
- Next steps

In response to a question from the Chair, the Chief Officer agreed to provide separate information on the development of a solution for Hawarden cemeteries.

Councillor Dunbobbin commended the range of projects that linked with the Council's priorities. In response to other questions, the Chief Officer would provide a separate response on whether the adaptations to foster carers' homes also applied to kinship carers. On support for looked after children, he spoke about various initiatives aimed at helping to keep families together.

Councillor Peers asked whether the allocation for the Standard Yard waste transfer station took account of concerns about the local road network. Officers explained that preliminary work was being undertaken on options to reconfigure the road network. Information was also shared on programmes for replacement laptops and refurbishing toilets at school buildings.

Councillor Thomas provided an update on funding for the Standard Yard waste transfer station. On the Highway Asset Management Plan, she raised concerns about the ending of the funding programme from Welsh Government (WG) and would seek an increase in next year's budget to continue investing in the County's road infrastructure whilst continuing to make representations to WG. She went on to praise the approach taken by the Chief Officer and his team to maximise capital receipts and grant funding to support the Capital Programme.

In praising the report, Councillor Heesom commended the Cabinet Member and Chief Officer for their work.

Councillor Banks paid tribute to the Chief Officer and his team for their work on tackling homelessness.

The recommendations were moved and seconded by Councillors Heesom and Collett.

RESOLVED:

- (a) That the Committee supports the allocations and schemes in Table 3 (paragraph 1.09) for the Statutory/Regulatory and Retained Assets sections of the Council Fund Capital Programme 2021/22-2023/24;
- (b) That the Committee supports the schemes included in Table 4 (paragraph 1.27) for the Investment section of the Council Fund Capital Programme 2021/22-2023/24;
- (c) That the Committee notes that the shortfall in funding of schemes in 2021/22 in Table 5 (paragraph 1.36) at this point in the approval process allows flexibility. Options including a combination of future capital receipts, alternative grants (if available), prudential borrowing or the re-phasing of schemes will be considered during 2021/22, and included in future Capital Programme reports;
- (d) That the Committee supports the schemes included in Table 6 (paragraph 1.40) for the specifically funded section of the Council Fund Capital Programme which will be funded in part through borrowing; and
- (e) That the Committee had no comments for Cabinet to consider before the Capital Programme 2021/22-2023/24 report is considered by Council.

33. CAPITAL STRATEGY INCLUDING PRUDENTIAL INDICATORS 2021/22 - 2023/24

The Corporate Finance Manager presented the updated Capital Strategy prior to submission to Cabinet. The Strategy was an overarching document which brought together various strategies and policies, split into a number of sections and included details of the Council's Prudential Indicators for 2021/22 - 2023/24. There were no significant changes since the previous year and no areas of concern. A summary of the key points included the table showing the level of capital financing compared with the overall budget where marginal change was forecast over the three year period.

Officers noted Councillor Banks' suggestion for a change in wording in the Executive Summary to highlight that the Capital Strategy was a requirement.

The recommendations were moved and seconded by Councillors Williams and Dunbobbin.

RESOLVED:

- (a) That the Committee recommends the Capital Strategy to Cabinet; and
- (b) That the Committee recommends to Cabinet:-
 - The Prudential Indicators for 2021/22 - 2023/24 as detailed within Tables 1, and 4-7 inclusive of the Capital Strategy, and

- Delegated authority for the Corporate Finance Manager to effect movements between the separately agreed limits within the authorised limit for external debt and the operational boundary for external debt (Table 6 of the Capital Strategy).

34. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

(The meeting started at 10am and ended at 12.45pm)

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Chairman