

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
8 JULY 2021

Minutes of the remote attendance meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held on Thursday, 8 July 2021

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Haydn Bateman, Sean Bibby, Geoff Collett, Mared Eastwood, Patrick Heesom, Richard Jones, Richard Lloyd, Kevin Rush, Paul Shotton, Andy Williams and Arnold Woolley

CONTRIBUTORS: Councillor Ian Roberts - Leader and Cabinet Member for Education, Councillor Billy Mullin - Deputy Leader (Governance) and Cabinet Member for Corporate Management and Assets, Councillor Paul Johnson - Cabinet Member for Finance, Social Value & Procurement, Chief Executive, Chief Officer (Governance), Chief Officer (Housing and Assets), Corporate Finance Manager, Senior Manager for Human Resources & Organisational Development, Strategic Finance Manager, Finance Manager and Finance Manager (Technical, Capital & Systems)

Chief Officer (Social Services) and Senior Manager (Safeguarding and Commissioning) - for minute number 16

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

11. DECLARATIONS OF INTEREST

None.

12. MINUTES

The minutes of the meeting held on 10 June 2021 were approved, as moved and seconded by Councillors Paul Shotton and Kevin Rush.

RESOLVED:

That the minutes be approved as a correct record.

13. VARIATION IN ORDER OF BUSINESS

The Chairman advised of a change in the order of business to bring forward agenda item 9 (Joint Funded Care Packages) to enable officers to speak on the item. The remaining items would be considered in the order shown on the agenda.

14. ACTION TRACKING

The Head of Democratic Services presented the update report on progress with actions arising from previous meetings and advised that the evening briefing session on recycling had been moved.

The Chief Executive confirmed that the Audit Wales report on Financial Sustainability and the North Wales Economic Ambition Board item were both on track for September. On the latter, he thanked Members for their attendance at the recent joint Overview & Scrutiny meeting.

The recommendation was moved and seconded by Councillors Geoff Collett and Sean Bibby.

RESOLVED:

That the Committee notes the progress which has been made.

15. FORWARD WORK PROGRAMME

The Head of Democratic Services presented the current forward work programme for consideration.

Following a query by Councillor Richard Jones, it was agreed that an update on the Poverty theme would be included within the mid-year Council Plan monitoring report in December. On that basis, the recommendations were supported.

RESOLVED:

- (a) That the Forward Work Programme be approved, as varied at the meeting; 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.

16. JOINT FUNDED CARE PACKAGES

The Chief Officer (Social Services) and Senior Manager (Safeguarding and Commissioning) presented a report on the processes for agreeing joint funded care packages between Health and Social Care, following Members' concerns about the implications of the lesser contribution by Betsi Cadwaladr University Health Board (BCUHB). The report had been well received by the Social & Health Care Overview & Scrutiny Committee.

The report set out the challenges involved in this complex issue and the need to maintain close working relationships with BCUHB colleagues to agree the most appropriate Continuing Health Care (CHC) package for an individual. Eligibility criteria for the delivery of these services was set out in the national

framework document (appended to the report) which was currently under review by Welsh Government. An update was given on the current outstanding debt owed by BCUHB.

In thanking officers for the detailed report, Councillor Richard Jones said that this did not address his original question about the reduced contribution of £0.133K from BCUHB for a Disability Service package reported in March.

The Chief Officer said that the process for managing disputed cases would benefit from the agreed appointment of a dedicated CHC Monitoring Officer for the Council. He gave assurance that disputed cases were appealed and challenged, and agreed to provide information on the specific case referred to by Councillor Jones.

The Chief Executive referenced CHC as a highly contested area wherein the creation of the new role would increase capacity. On Councillor Jones' question, he suggested that the amount may have been an indicative figure which was not achieved and that detailed analysis would be shared with the Committee privately to avoid open discussion on a particular case.

Councillor Jones asked that the information include the amount of money lost each year compared with what had been projected. Due to the resources required to collate this information, he asked that the analysis apply to a period of time which could be reasonably accommodated by the team.

Councillor Ian Roberts gave assurance of robust discussions with BCUHB on a number of occasions to resolve case disputes.

The Chief Executive said that whilst funding was eventually received from BCHUB for undisputed cases, an additional resolution should be that the level of ongoing debt with BCUHB was an unacceptable practice in need of further improvement - as recognised by the Governance & Audit Committee.

The recommendations, which were revised to reflect the debate, were moved and seconded by Councillors Richard Jones and Patrick Heesom.

The Chairman was given clarification on the dispute resolution process. He thanked the Chief Officer and Senior Manager for their attendance.

RESOLVED:

That the Committee:

- (a) Notes the robust and proactive budget management approach that the Council takes on joint funded care packages;
- (b) Welcomes the plan to introduce a Continuing Health Care Monitoring Officer post supported by 'Invest to Save' corporate funding;

- (c) Seeks an understanding of the amount of money lost to the Council over a reasonable amount of time and the reduced contribution of £0.133K reported in March; and
- (d) Suggests to the Betsi Cadwaladr University Health Board that their Audit Committee should review this situation.

17. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2022/23

The Chief Executive and Corporate Finance Manager presented a report on the first stage of developing the Budget for 2022/23 alongside the Medium Term Financial Strategy (MTFS) following the recent Member briefing. A presentation covered the following:

- Financial Forecast for 2022/23 - 2024/25
- Cost Pressures
- Prior Year Decisions
- Loss of Income
- Legislative / Indexation
- National Resolution
- National Funding Requirements - Pay Awards - Non Schools/Schools
- Strategic Choices - Education/Social Care
- Other Choices
- Four Part Solutions
- Holding to our Position
- The 'bottom line'
- Efficiencies and Income to date
- National and Funding
- Next Steps and Timelines

The updated forecast indicated a minimum budget requirement of an additional £16.750m of revenue resources for 2022/23; this included the financial impact of cumulative pay award outcomes for 2021/22 and 2022/23 for school and non-school employees. The four part solutions were on service efficiencies, local taxation, Government funding and risk balance. Taking into account all cost estimates, budget options and limiting factors, a minimum 4.5% increase in Revenue Support Grant was required to recognise the cost of pay awards and support through a long recovery phase. All Councils in Wales were engaging with the Welsh Local Government Association (WLGA) and Welsh Government (WG) on these requirements.

Following consideration by Cabinet, Overview & Scrutiny Committees would be invited to review their respective cost pressures and efficiency proposals during September and October prior to reporting the overall position to this Committee.

Councillor Paul Johnson spoke about the importance of Member involvement throughout the budget process and the need for careful consideration of the aspirations set out.

In thanking officers for the report, Councillor Paul Shotton said that the analysis reinforced the need for a fairer funding settlement from WG to enable the Council to set a legal and balanced budget.

Councillor Richard Jones reiterated the point that any national decisions with a financial impact should be supplemented by the relevant funding. He noted that service balances had increased significantly and asked whether some of those amounts carried forward could be used to cover cost pressures for the year if not being used for the same purpose.

On the first point, the Chief Executive spoke about the increasing number of national pressures arising from legislative decisions which often had no specific funding allocated.

The Corporate Finance Manager said that all carry forward requests were approved by Cabinet and that the majority were committed for the original intended purpose during the start of the new financial year.

Councillor Jones proposed that officers re-review service balances to establish if any could be allocated elsewhere. The Corporate Finance Manager advised that any one-off amount identified could not fund recurring issues. The Chief Executive said that whilst balances were reviewed, a further rigorous review would be undertaken as requested.

The recommendations, which were revised to reflect the debate, were moved and seconded by Councillors Haydn Bateman and Geoff Collett.

RESOLVED:

- (a) That Committee advises the Cabinet that it supports the budget requirement estimate, and its rationale, and requests a review of service balances; and
- (b) That the Committee confirms that it will rigorously challenge the budget requirement estimates during September and October and will encourage the other four Overview & Scrutiny Committees to take a similar approach.

18. REVENUE BUDGET MONITORING 2020/21 (OUTTURN) AND CAPITAL PROGRAMME MONITORING 2020/21 (OUTTURN)

The Corporate Finance Manager and Finance Manager (Corporate Services) and Finance Manager (Technical, Capital & Systems) presented a report on the Revenue Budget Monitoring 2020/21 (Outturn) and the Capital Programme 2020/21 (Outturn) prior to consideration by Cabinet.

Revenue Budget Monitoring

The report took into account the latest position on claims made to the Welsh Government (WG) Hardship fund and Income Loss funding streams which had proved critical throughout the emergency period.

On the Council Fund, the final year-end position was an operating surplus of £2.185m (excluding the impact of the pay award which had been met from reserves) leaving a contingency reserve balance of £5.973m. Explanation was given on the reasons for the favourable net movement from the previous month, as set out in the report, which were mainly one-off benefits. An update was provided on the key financial risks, achievement of planned in-year efficiencies, and the position on reserves and balances as detailed in the report. On earmarked reserves and in response to earlier comments, the increase in service balances (requested for specific uses and split across portfolios) was mainly due to delays in spending due to the emergency situation.

On the Housing Revenue Account (HRA), an underspend of £2.866m would leave a closing un-earmarked balance of £4.875m, which was above the recommended guidelines on spend. The increased contribution to reserves in 2020/21 would fund the re-phased capital works now anticipated in 2021/22 and would offset future borrowing associated with these works.

In response to questions from Councillor Richard Jones, officers explained that a delay in the procurement of CCTV hardware upgrades within Streetscene & Transportation had caused an adverse movement and would be spent as a carry forward amount in this financial year. On the shortfall in Council Tax collection during the emergency, the financial contribution from Welsh Government had been set aside as a safeguard and would be reviewed against potential future bad debts, with any positive impact held in reserves.

Capital Programme

The revised programme for 2020/21 was £66.236m taking into account all carry forward sums and savings transferred back to the programme. Changes during the last quarter were mainly due to the introduction of grant funding streams and budget re-profiling. Actual expenditure for the year totalled £62.915m which was 94.99% of the budget, leaving a £3.321m underspend recommended to be carried forward for the completion of schemes in 2021/22. Also reported were details of savings identified during the last quarter and the overall surplus funding position of £1.968m for the three year programme which would lead to an opening balance of £2.112m in the 2021/22 programme.

Officers provided clarification to Councillors Patrick Heesom and Haydn Bateman on savings identified in the last quarter from the partial demolition of County Hall and the North Wales Residual Waste Treatment Project.

Councillor Richard Jones asked that the resolution reflect his previous request for the review of service balances. On that basis, the recommendations were moved and seconded by Councillors Paul Shotton and Sean Bibby.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2020/21 (Outturn) report, the Committee confirms that there are no specific issues to raise with Cabinet apart from the review of service balances; and
- (b) That having considered the Capital Programme Monitoring 2020/21 (Outturn) report, the Committee confirms that there are no specific issues to be raised with Cabinet.

At this point in the meeting, there was a brief adjournment prior to the next item.

19. REVENUE BUDGET MONITORING 2021/22 (INTERIM)

The Corporate Finance Manager introduced a report on the interim in-year budget monitoring position for 2021/22 for the Council Fund and Housing Revenue Account (HRA). This was an exception report on potential significant variances which may impact on the financial position in 2021/22 and progress in achieving planned efficiencies against targets set for the year.

Amongst the key considerations was the continuation of retrospective claims to the Welsh Government (WG) Hardship Fund up to September 2021, noting the uncertainty on whether this would be extended should restrictions continue. An update was given on open risks including the impact of the pay award, Out of County Placements and Contingence Reserves including ring-fenced amounts.

The Chief Executive said that although the overall summary reflected a positive interim position, there were a number of significant risks due to uncertainty on the continuation of WG funding and contributions to nationally agreed pay awards.

On Out of County Placements, Councillor Richard Jones suggested that the Committee could write to WG to reiterate the Council's lack of control over these cost pressures.

The Chief Executive said that all Councils in Wales were collectively engaging with WG on national or market-led cost pressures by sharing evidence and detailed analysis on the impact of key issues including Out of County Placements.

Councillor Ian Roberts said that the development of services within Flintshire would help to reduce the number of Out of County Placements. He said that robust discussions were taking place with WG on pay awards for teachers.

The recommendation was moved and seconded by Councillors Richard Jones and Geoff Collett.

RESOLVED:

That having considered the Revenue Budget Monitoring 2021/22 (Interim) report, the Committee confirms that there are no issues which it wishes to raise with Cabinet.

20. DIGITAL FLINTSHIRE

The Chief Officer (Governance) presented the report to review the Council's Digital Strategy 'Digital Flintshire' prior to submission to Cabinet. The Strategy had been updated to reflect long-term objectives and national changes, as discussed in recent Member briefings.

The recommendations were moved by Councillor Arnold Woolley and seconded by Councillor Patrick Heesom who commended the briefing sessions.

RESOLVED:

That the Committee:

- a) Welcomes the progress made in achieving the aims of Digital Flintshire;
- b) Agrees that the refreshed strategy sets the correct the aspirations for the further development of digital services; and
- c) Is assured that the revised strategy will help to ensure that everyone will have equal access to digital skills, devices and connectivity.

21. EMPLOYMENT AND WORKFORCE END OF YEAR UPDATE

The Senior Manager, Human Resources and Organisational Development presented a report on the year-end 2020/21 position on workforce statistics and their analysis. Figures for Test, Trace & Protect had not been included as this was a regional service.

In summarising the key areas, the Senior Manager spoke about the impact of the emergency situation on attendance figures and spend on agency workers.

Councillor Richard Jones praised the findings in light of the impact of the emergency. In response to questions, the Senior Manager spoke about changes to the appraisal process to adapt to the situation and positive feedback on the use of technology to maintain communications within teams.

Councillor Richard Lloyd asked about remote working in the future and was informed that work was taking place to establish long-term principles for each team to meet the needs of employees and their services.

In praising the report, Councillor Patrick Heesom highlighted the challenges for elected Members in working differently during the emergency.

The recommendations were moved and seconded by Councillors Paul Shotton and Patrick Heesom.

RESOLVED:

- (a) That the Committee notes the Year-End Workforce Information Report 2020/21 (October 2020 - March 2021); and
- (b) That the Committee expresses its appreciation of the Council's workforce in maintaining service delivery during the Covid-19 pandemic.

22. MEMBERS OF THE PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10am and ended at 1pm)

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Chairman