



## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE SPECIAL MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON MONDAY, 3RD DECEMBER 2018 AT 5.30 P.M.**

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PRESENT:

Councillor J. Pritchard - Chair  
Councillor G. Kirby - Vice-Chair

Councillors:

M. Adams, Mrs E.M. Aldworth, K. Etheridge, Mrs C. Forehead, Miss E. Forehead, L. Harding, G. Johnston, J. Ridgewell, Mrs M.E. Sargent

Cabinet Members:

C. Gordon (Corporate Services), Mrs L. Phipps (Homes and Places)

Together with:

N. Scammell (Head of Corporate Finance and Section 151 Officer), C. Forbes-Thompson (Interim Head of Democratic Services), R. Barrett (Committee Services Officer)

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors C.P. Mann, Mrs D. Price, R. Saralis, J. Taylor and L.G. Whittle, together with Mrs B. Jones (Finance, Performance and Governance).

#### **2. DECLARATIONS OF INTEREST**

Councillor Miss E. Forehead declared a personal interest in Agenda Item 4 (2019/20 Draft Savings Proposals for Corporate Services and Miscellaneous Finance). Details are minuted with the respective item.

#### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

#### **3. DRAFT BUDGET PROPOSALS FOR 2019/20**

Nicole Scammell (Head of Corporate Finance and Section 151 Officer) presented the report, which had been considered by Cabinet on 14th November 2018. The report sought the Scrutiny Committee's views on the draft budget proposals for the 2019/20 financial year as part of a period of consultation (19th November 2018 to 11th January 2019), prior to a final

decision by Full Council in February 2019.

The proposals are based on the Welsh Government (WG) Provisional 2019/20 Local Government Financial Settlement and a higher than forecast council tax rise by 6.95% to cover a savings target of £15.6m to enable the Authority to set a balanced budget. A Members' Seminar was held on the 15th November 2018 to consider the proposals and the final report will be presented to Cabinet on the 13th February 2019 and Full Council on the 21st February 2019. It was emphasised to Members that the Authority is entering unprecedented times and there will be difficult decisions to be made in moving forward.

The Scrutiny Committee were advised of the whole Authority cost pressures as set out in paragraphs 4.2.3. to 4.2.9. in the report and of the inescapable service pressures being faced by the Authority. The Officer referred to the updated Medium Term Financial Plan (MTFP) appended to the report and advised that this is a five year plan from 2019/20 to 2023/24, with the Authority required to make savings of up to £60m during this time. The Committee were advised that in looking to develop proposals to address the significant financial challenges going forward, the Council cannot continue to operate in its current format. Members noted that through the Council's Business Improvement Programme (BIP) strategic reviews, Officers will look at how services can become more business efficient through examining how they are currently provided and will explore options for greater customer focus, digital delivery, alternative delivery models, and commercial opportunities.

Members were referred to the list of savings proposals by Directorate/Service Area as appended to the report, and advised that for the first time, recurring and temporary savings have been included. Although not ideal, the temporary savings have been unavoidable due to the uncertainties around funding, particularly in respect of the Teachers and Fire Service increased employer pension contributions. The Officer also referred to the Council's reserves (which would be the subject of a report to the Committee in January 2019) and urged Members to have particular caution in considering their use to fill any savings gaps, particularly as they can only be used once and may already be ring-fenced for specific projects or needed for future contingencies.

The Scrutiny Committee discussed the proposals in detail, and queried the reason for the £251K of advance savings included in the proposals, given the extent of the cuts already proposed for 2019/20. The Officer explained that this will assist the Council in planning ahead for savings moving forward in future years. Members held particular concerns around the level of payment required for the Fire Service Levy, as set out in the updated MTFP appended to the report. It was explained that the Council's contribution is as part of the mandatory levy, but that WG are currently consulting on the levy model versus a potential precept model in the future. A query was received on the City Deal contribution and it was explained that this is a mandatory contribution payment. due to the binding regional agreement between the 10 local authorities. Members also expressed the need for more detailed information and timescales on how each of the BIP strategic reviews will be taken forward. It was explained that the recent Members' Seminar had given an overview of what these reviews will entail, including the complexity and scope of the reviews, and which will cover a wide range of service areas.

During the course of the debate, a Member suggested that savings should encompass a longer term strategy (for example looking at savings ranging across Years 1, 2 and 3). Queries were also received around the terminology used to describe the impact of savings proposals, particularly those with a low or medium impact. The Officer explained that this is a subjective assessment provided by the relevant Head of Service, and that in the case of vacancy management across particular service areas, this could be classed as a low impact as these are vacant posts that are being deleted.

Reference was made to the ongoing PFI review and it was explained that this work is progressing, with an options appraisal to be presented to the Policy and Resources Scrutiny

Committee and then to Cabinet in 2019. The Scrutiny Committee referenced a number of individual savings proposals and voiced concerns over the potential detriment to the appearance of the county borough if services such as civic amenity sites were to close or if charges were to be implemented for waste collection. Concerns were also expressed over the proposed reduction in the Music Service budget.

Discussion took place around the specifics of the proposals to cease the Community Warden Service (CSW) and Members queried the need for this budget saving, given the creation of new parking enforcement roles once the Council takes on civil parking enforcement in April 2019. It was explained that consideration of this proposal falls within the remit of the Regeneration and Environment Scrutiny Committee. However, Members were asked to note that parking enforcement will be a new income-generating service, and Members were asked to note that no new budget will be created for this service as salary costs will be covered by fines and penalties.

The Scrutiny Committee discussed the value of the CSW service to local communities, and it was subsequently moved and seconded that it be recommended to Cabinet that other savings proposals be sought as an alternative to the deletion of the CSW posts. By a show of hands, and in noting there were two abstentions, this was agreed by the majority present.

A Member suggested that the views of the Policy and Resources Scrutiny Committee as an overarching scrutiny committee should be reported back to Cabinet. The Committee were reminded that the final savings proposals will be presented for consideration by all Members at full Council in February 2019. Another Member gave an alternative budget savings suggestion in respect of Fleet Management, by examining the way vehicles are managed and opportunities to save or reduce expenditure. Officers confirmed that they would progress this suggestion with the relevant Director.

Having fully considered the report and provided their comments as part of the consultation process, the Scrutiny Committee noted the details of the draft budget proposals for 2019/20.

#### **4. 2019/20 DRAFT SAVINGS PROPOSALS FOR CORPORATE SERVICES AND MISCELLANEOUS FINANCE**

Councillor Miss E. Forehead declared a personal interest in this item, being employed by a supporting people provider, and remained in the meeting during consideration of the report.

The Scrutiny Committee were referred to the report, which detailed the 2019/20 draft savings proposals for the Corporate Services Directorate and Miscellaneous Finance. The Committee's views were sought on the report ahead of the final 2019/20 budget proposals being presented to Cabinet and Council in February 2019.

Members noted the details of the savings proposals which entail £2.024m of nil impact savings across the Directorate, and £1.084m of savings with a low or medium public impact. Further information on these savings proposals were set out in the report and its appendices, which included an Equalities Impact Assessment for each proposed saving that will have a public impact.

Discussion took place regarding the proposed deletion of the Communities Match Funding budget and its potential implications for the Bargoed Ice Rink. Suggestions were received for potential alternative funding solutions. Members referred to the pension contributions payable to former Authorities and the Officer provided an explanation reduced liability requirement which has led to a proposed saving of £50k for 2019/20. It was explained that this is an historical liability which will further reduce in years to come.

A Member queried the number of posts that would be affected by restructuring proposals

across Corporate Services. The Officer explained that this will be in the region of 10-15 posts, but that it should be noted that some of these relate to vacant posts and it is anticipated that the other post holders will be redeployed or released through business cases. The Scrutiny Committee also expressed concerns over vacant posts and vacancy management being classed as “nil impact” savings, given the potential impact on staff morale and the continuing pressure on resources. It was explained that the Authority is striving not to fill vacant posts wherever possible and referenced the need to make savings and deliver services in an alternative way in the future. This will inevitably lead to a reduction in the services that can be delivered, and given the reductions in year on year funding, expectations regarding the level of service that can be delivered need to be adjusted accordingly.

A Member suggested that it would be helpful to have a Special Council or additional Members Seminar, whereby all Heads of Service could deliver a 10-15 minute presentation on the savings proposals for their service area and respond to any queries and concerns from Members. Officers explained that a Members Seminar would be more conducive to the level of discussion and debate required on each of the proposals, and were reminded that additionally, the comments received during the special Scrutiny Committee meeting will be fed back to Cabinet and the Interim Chief Executive in any event. However, it was acknowledged that a Members Seminar (or series of seminars) might be a more beneficial approach to the consideration of budget saving proposals in future years, as it would give all Councillors an opportunity to ask questions, and remove the current limitations whereby Member scrutiny of draft proposals under each directorate is ring-fenced to the relevant Scrutiny Committee. It was subsequently moved and seconded that this recommended approach be relayed to Cabinet and the Interim Chief Executive, and by a show of hands, this was unanimously agreed.

The Committee discussed the proposed reduction in the budget that support Service Level Agreements (SLAs) with the voluntary sector. Members felt that the 16.76% reduction in the total budget is particularly high and held concerns regarding the detrimental impact that the proposals would have on the support that is given to the voluntary sector. In response, the Officer referred to the need to make savings to address the £15.6m shortfall in funding and of the difficult decisions that need to be made as a result, and Members were advised that if they were minded to reinstate any of the proposed savings that have a public impact, they would need to seek alternative savings proposals to deliver a balanced budget. Moving forward, the situation is only set to worsen and further savings that have a heightened impact on the public will need to be delivered.

A Member asked whether savings could be achieved via the outsourcing of services. It was explained that although this will be considered as part of the options appraisals within the BIP strategic review of services, outsourcing does not generally have the potential to produce a high level of savings.

Having fully considered the report and provided their comments as part of the consultation process, the Scrutiny Committee noted the details of the draft budget proposals for 2019/20 across the Corporate Services Directorate and Miscellaneous Finance.

The Head of Corporate Finance was thanked for her presentations and for responding to the queries raised during the course of the debate.

The meeting closed at 6.57 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 12th March 2019, they were signed by the Chair.

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CHAIR