



SPECIAL HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON WEDNESDAY 21ST DECEMBER 2016 AT 5.30 P.M.

PRESENT:

Councillor L. Ackerman - Chair

Councillors:

Mrs E.M. Aldworth, Mrs A. Blackman, M. Evans, Ms J. Gale, D.C. Harse, A. Lewis, J.A. Pritchard

Together with:

D. Street (Corporate Director - Social Services), S. Harris (Interim Head of Corporate Finance), L. Dallimore (Medium Term Financial Plan Programme Coordinator), E. Sullivan (Scrutiny Officer) and R. Barrett (Committee Services Officer)

1. MISS LOUISE PRICE

The Chair announced that Miss Louise Price had recently resigned as a co-opted member of the Scrutiny Committee. Members placed on record their appreciation to Miss Price for her valued contribution to the work of the Committee and wished her well in her future endeavours. It was agreed that a letter be sent to Miss Price on behalf of the Committee to thank her for her diligence in carrying out her role as an advocate for other service users across the county borough.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors L. Gardiner, G.J. Hughes, Miss L. Jones and Mrs A. Leonard, together with Cabinet Members N. George (Community and Leisure Services) and R. Woodyatt (Social Services).

3. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

REPORTS OF OFFICERS

Consideration was given to the following report.

4. DRAFT BUDGET PROPOSALS FOR 2017/18

The report, which was presented to Cabinet on 30th November 2016, provided Members with details of draft budget proposals and draft savings proposals for the 2017/18 financial year, to allow for a period of consultation prior to a final decision in February 2017.

Members noted the headline issues in the WG Provisional 2017/18 Local Government Financial Settlement (which was published on 19th October 2016) and the details of the draft budget proposals for 2017/18. The report detailed Whole Authority Cost Pressures (£2.745m), Inescapable Service Pressures (£6.186m), and the Reduction in Welsh Government Funding (£0.608m). Additionally, the report outlined draft savings proposals for 2017/18 (£8.653m) and a proposed Council Tax Uplift of 1% (£0.886m) which will ensure that a balanced budget is deliverable for 2017/18.

The report outlined the financial pressures placed on service areas, with significant pressure on Social Services for essential payments in relation to the National Living Wage that had an impact on suppliers contract prices to CCBC, and the ever-increasing demand for services in both Adult and Children's Services. Members were reminded that the 2016/17 revenue budget approved by Council in February 2016 included a contingency of £2.5m which has now been permanently transferred into the Social Services base budget to meet these cost pressures. The report proposed that a further sum of £3.5m be allocated in the 2017/18 budget to meet the ongoing financial pressures within Social Services. It was explained that cost pressures for schools are excluded as these will be funded through a proposed increase of 1.25% in the funding provided to schools.

Members were advised that although the provisional 2017/18 financial settlement is better than originally anticipated, the emerging cost pressures identified have resulted in a net savings requirement of £8.653m. Members were referred to Table 6 of the report, which provided details of the draft savings proposals that, alongside the proposed increase of 1% in Council Tax, will enable a balanced budget to be achieved. Included in the proposals are £3.037m of savings identified for 2017/18 that do not have a direct impact on service users or the public. A saving of £3.5m has also been proposed through undertaking a review of the Authority's Minimum Revenue Provision (MRP) policy, details of which were reported to the Policy and Resources Scrutiny Committee on the 7th December 2016. A Members' Seminar has been scheduled for the 12th January 2017 which will allow Members to be fully briefed on the proposed changes to the MRP policy, ahead of the proposals being presented to Cabinet and thereafter Council for consideration.

During the course of the ensuing debate, a Member queried whether the non-pay inflation at 1% (£1.128m) contained within Whole Authority Cost Pressures was a realistic calculation, given the uncertainty of the current economic climate. Officers explained that appropriate consideration had been given to the Consumer Price Index (CPI) in making this calculation and that inflation over the longer term would be considered as part of the Medium Term Financial Plan going forward over the next 4 years.

A query was received as to why the potential saving of £3.5m proposed through a review of the Council's MRP policy had not been examined in previous years. Officers explained that although legislation surrounding the calculation of MRP changed in 2007/08 to allow local authorities to set their own policy, authorities have only examined this in recent years in response to ongoing austerity measures. Furthermore, audit guidance on this matter was only issued by the Wales Audit Office in January 2016.

Concerns were raised that a change to the MRP policy could lead to an extended period of repayments by the Council, and of the implications of allocating funds to revenue rather than capital accounts. Officers clarified the processes relating to the MRP policy and explained that at a special meeting on 7th December 2016, the Policy and Resources Scrutiny Committee were in favour of annuity being applied to both supported and

unsupported borrowing. Members were advised that further details on these matters would be provided at the Members' Seminar arranged for 12th January 2017.

Further information was sought regarding the ongoing cost pressures faced by Social Services and the need for further funding in this regard. Officers explained that although the £2.5m transferred into the base budget has helped to meet cost pressures within Social Services for 2016/17, there is a need for additional funding moving forward to meet further cost pressures in relation to incremental increases in the National Living Wage and additional demand for services.

Officers outlined the need to appropriately balance staffing levels with service requirements during a period of reduced funding. Members were advised that there is increased demand within Children's Services arising from more complex behaviours being experienced, and that longer life expectancies have resulted in increased demands on Adult Services. It was explained that the proposed £3.5m additional funding will allow services to be maintained at their current level for 2017/18, but that in future years, if such funds cannot be secured, there may be a need to deliver resources in an alternative way or to those in the greatest need.

A Member enquired as to whether consideration had been given to increasing Council Tax over the proposed level of 1%. Officers explained that the Scrutiny Committee is able to put forward a view on this proposal if it wishes to do so. Members were also informed of the disparity between social care funding and healthcare funding and of the challenges this presents to local authorities across Wales.

Clarification was sought on the 'nil impact' vacancy management savings detailed in the report, with Members expressing concerns in relation to the impact that staffing reductions and subsequent service pressures could have on individuals. Officers outlined the context of these proposals, explaining that of the 11 posts identified for vacancy management across the service, 10 of these are currently vacant. It was explained that changing legislation has placed additional demands on Social Services and limited the resources available, and Members were also reminded of the difficult times faced by the Authority and the continued need to examine potential savings across all service areas.

A Member raised a query regarding contrasting information as to the total number of staff employed by the Authority. It was confirmed that arrangements would be made to circulate accurate figures to the Scrutiny Committee. In response to a query regarding running costs at Tiryberth Depot (as part of Inescapable Service Pressures and Other Service Commitments) it was explained that the shortfall of £75k is due to a loss of income from the Housing Revenue Account (as staff from that service area have moved to other locations).

Following consideration and discussion, it was unanimously agreed that the contents of the report be noted and that the recommendations contained therein be supported.

RESOLVED that for the reasons contained in the Officer's report: -

- (i) the draft 2017/18 budget proposals, including the proposed savings totalling £8.653m, be endorsed;
- (ii) the proposal to increase Council Tax by 1% for the 2017/18 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,011.96) be supported;
- (iii) the consultation process for the draft budget proposals be endorsed, prior to final 2017/18 budget proposals being presented to Cabinet and Council in February 2017.

The meeting closed at 6.07 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 7th February 2017, they were signed by the Chair.

CHAIR