



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
MONDAY, 4TH DECEMBER 2017 AT 5.30 P.M.**

PRESENT:

Councillor J. Pritchard - Chair

Councillors:

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

Cabinet Members:

C. Gordon (Corporate Services), Mrs B. Jones (Finance, Performance and Governance)

Together with:

S. Harris (Interim Head of Corporate Finance), R. Hartshorn (Head of Policy and Public Protection), L. Lucas (Head of Procurement), C. Forbes-Thompson (Interim Head of Democratic Services) and R. Barrett (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor K. Dawson, Miss E. Forehead, C.P. Mann, Mrs D. Price (Vice Chair), R. Saralis and J. Taylor, together with Cabinet Member Mrs L. Phipps (Homes and Places).

2. DECLARATIONS OF INTEREST

Councillors M. Adams, C. Gordon and G. Kirby declared a personal interest in Agenda Item 3 (Draft Budget Proposals for 2018/19 – Pontllanfraith Leisure Centre) and Councillor J. Pritchard declared a personal interest in Agenda Item 4 (2018/19 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 2018/19

Councillors M. Adams, C. Gordon and G. Kirby declared a personal interest in respect of the proposals relating to Pontllanfraith Leisure Centre, being local ward members for the area and having spoken in opposition to the proposed closure. Councillor M. Adams stated that he did not have a closed mind in respect of the proposed closure. As the Committee were being asked for comments and there were no recommendations in relation to this proposal, these Members remained in the meeting during consideration of the item.

The report, which was presented to Cabinet on 15th November 2017, provided Members with details of draft budget proposals and draft savings proposals for the 2018/19 financial year, to allow for a period of consultation prior to a final decision in February 2018.

Members noted the headline issues in the WG Provisional 2018/19 Local Government Financial Settlement and the details of the draft budget proposals for 2018/19. The report detailed Whole Authority Cost Pressures (£8.867m), together with Inescapable Service Pressures and Other Service Commitments (£2.310m) and a 1% reduction in Welsh Government Funding equating to £2.965m for 2018/19 after adjusting for the transfer in of specific grants and for funding for new responsibilities. Additionally, the report outlined draft savings proposals for 2018/19 (£7.205m) and a proposed Council Tax Uplift of 4.52% (£2.999m) which will ensure that a balanced budget is deliverable for 2018/19. The draft budget proposals assume no growth for schools in 2018/19, and as there is no requirement in the Provisional Settlement to protect schools, they will be required to manage their own pay and non-inflationary increases in 2018/19 along with other emerging cost pressures.

The report outlined the financial pressures placed on service areas, in particular Social Services, arising from fee increases for external care providers and further demand in both Adult and Children's Services. As a result, the report proposed that a further £1.5m be allocated in the 2018/19 budget to meet these ongoing financial pressures. Members were also referred to the report appendices which summarised the savings proposals by Directorate/Service Area, together with the savings proposals that are likely to have an impact on the public. £4.682m of the proposed £7.205m savings are 'nil impact', consisting of vacancy management, budget realignment and minor changes to service provision.

Members were reminded of the Medium-Term Financial Plan presented to Council in February 2017, which showed a potential savings requirement of £22.161m for the three-year period 2019/20 to 2021/22, and assumed a cash flat position in terms of the WG Financial Settlement for each of these years. WG has now provided an all-Wales indicative reduction in Aggregate External Finance of minus 1.5% for 2019/20, which would increase the Council's savings requirement by a further £3.984m for 2019/20 alone. If this was replicated in 2020/21 and 2021/22 then further savings of £7.789m would be required. This would result in a total savings requirement of circa £34m for the three-year period 2019/20 to 2021/22 and presents further challenges moving forward in regards to the Authority's Medium-Term Financial Plan.

It was explained that the indicative reduction of 1.5% is being reviewed by WG following the Chancellor's Autumn Budget Statement and the Final 2018/19 Local Government Financial Settlement, due to be issued on the 20th December 2017, may include a revised indicative figure for 2019/20. An updated Medium-Term Financial Plan covering the period 2018/19 to 2022/23 will be presented to both Cabinet and Council in February 2018.

The Scrutiny Committee were invited to consider and comment on the Draft Savings Proposals for 2018/19.

Discussion took place regarding nil impact savings and Members queried why these had not been identified in previous years. Officers outlined the history of nil impact savings as part of the MTFP and explained that these have been significant in recent years due to the continued

assessment of staffing levels and working practices across service areas. However, all the 'back office' options are now close to being exhausted and therefore the level of nil impact savings will decrease in future years.

A Member referred to the increase in employer pension contributions (which form part of the Whole Authority Cost Pressures) and queried whether there could be a significant impact on the Council's pension fund as a result of increased life expectancy. Officers outlined the process in relation to the actuarial valuation of the pension fund and confirmed that longer life expectancy is a significant factor in increasing liabilities on the pension fund.

A number of queries were received regarding the Council's Private Finance Initiative (PFI) contracts for schools, which are currently subject to an ongoing review and which has been included in the 2018/19 inescapable service commitments/pressures. Members sought clarification on the costs and duration of these contracts and it was confirmed that these are due to run to 2033/34. Officers explained that the ongoing work with Local Partnerships may allow for potential flexibility across certain areas of the PFI contracts (such as catering and cleaning) which could enable savings to be made in these areas. Officers confirmed that all options will be examined as part of the ongoing review, which could include the consideration of early termination of the contracts. Members requested that they be kept informed of the outcome of the review.

In response to a Member's query, Officers provided an explanation of the possible "double count" in relation to the treatment of Free School Meals as part of the anticipated shortfall of £22m for the Schools PFI Sinking Fund. Members were advised that following completion of the review, a detailed report will be prepared confirming the specific reasons for the anticipated shortfall.

A Member queried whether the funds allocated under inescapable service commitments/pressures for the City Deal partnership revenue contribution (£60k) and City Deal debt charges would be sufficient to cover the potential costs. Officers explained that the 10 local authorities are currently working on the City Deal business plan and that this will clarify the financial commitment in the medium-term.

Concerns were expressed regarding the impact of a proposed 11.3% reduction in the Highways Maintenance budget, to include a reduction in the frequency of gully cleansing. Officers explained that detailed information would be contained in the report being presented at a special meeting of the Regeneration and Environment Scrutiny Committee on 13th December 2017 and that the concerns of Members would be highlighted at that meeting. Members also referred to the proposed deletion of two Community Safety Warden (CSW) posts and queried the number of staff in post. Officers confirmed that there are currently 9.8 FTE (full time equivalent) permanent posts, although 1.8 is vacant and has been offered up as an MTFP saving. 3 CSWs have been appointed in the year on fixed term contracts to cover the vacant posts.

Discussion took place regarding the proposal to reduce Air Quality and Contaminated Land Monitoring and Contractors. Officers confirmed that this proposal would reduce the resources associated with environmental monitoring. Members raised concerns that this proposal could have an impact on Air Quality Management Areas (such as Hafodyrynys) but Officers explained that monitoring at Air Quality Management Areas would be prioritised within remaining resources.

A Member suggested that it could be seen as inappropriate to include the proposed closure of Pontllanfraith Leisure Centre in the list of proposed savings, given that this item is currently the subject of a consultation exercise. Members were reminded that all the proposals contained within the report were in draft form only at the current time and would be subject to approval from Cabinet. Discussion also took place regarding the proposed introduction of a

£20 charge for household rat treatments. It was confirmed that this would comprise of a single charge for multiple visits if required and there would be a reduction for those in receipt of means-tested benefits.

Having fully considered the report, Members unanimously agreed that the details of the draft budget proposals for 2018/19 be noted.

4. 2018/19 DRAFT SAVINGS PROPOSALS FOR CORPORATE SERVICES AND MISCELLANEOUS FINANCE

Councillor J. Pritchard declared a personal interest in respect of the savings proposals relating to the Greener Caerphilly Small Grants Fund, as the building where he works is a previous recipient of this funding.

Consideration was given to the report, which provided the Scrutiny Committee with details of the 2018/19 draft savings proposals for the Corporate Services Directorate and Miscellaneous Finance, and sought the views of Members prior to final 2018/19 budget proposals being presented to Cabinet and Council in February 2018.

It was explained that the proposed savings of £1,967k have been split into those with nil direct public impact and those with a low or medium public impact. The nil impact savings (£1,873k) consist mainly of vacancy management, budget realignment and minor changes to service provision, and details of these were outlined to the Scrutiny Committee. Members noted that the vacancy savings include a number of retirements across individual service areas where these posts will not be replaced. The remaining savings proposals (£94k) will impact on the public to varying degrees, and Officers summarised each of these as follows, with further details contained in the report:-

1. Customer First – Staffing Reduction - £80k (Public Impact: Low)
2. Corporate Policy – Reduction in Technical Assistance Budget- £4k (Public Impact: Low)
3. Corporate Policy – Reduction in Well-being budget - £10k (Public Impact: Low)

Members were referred to the report appendices which contained equalities impact assessments for the proposed reduction in the Technical Assistance and Well-being budgets. Further information was also tabled at the meeting which detailed footfall across Customer Services Offices, types of usage, and service requests received through the Contact Centre.

Discussion took place regarding the proposed staffing reduction within Customer First and Members sought clarification on the reasons for a significant drop in footfall across Customer Services Offices during 2016/17 and for 2017/18 to date. The Scrutiny Committee were reminded that as a result of the Customer Services Strategy agreed by Cabinet in April 2016, the Council is now seeing a much more flexible approach to customer interaction, and the service is now more planned and focused on customer outcomes and demands. An increasing amount of residents are now using online methods to contact the Council, and additional online services coupled with self-service and appointment booking will also be introduced in the next 12 months. Therefore less people are visiting Customer Services Centres or requiring face-to-face contact with staff.

In response to a Member's query, it was confirmed that all Customer Services staff are fully utilised across the service area and are working to their full capacity, and the Scrutiny Committee were asked to note that staff in face to face roles support the contact centre by answering calls remotely. .

Concerns were raised over whether the relocation of Blackwood Customer Services from the Market Place in the town centre to the Blackwood Library site has contributed to a decline in footfall numbers. Officers reiterated the changes to the service since the relocation in 2015, including an increase in online contact and improved access to flexible payment methods, which have contributed to a decrease in visitor numbers.

Members were advised that Officers, in consultation with the Leader and Cabinet Member for Corporate Services, will be examining the way that services are delivered and whether these can be more effectively delivered in a different way. These will include examining the use of libraries across the county borough to determine whether additional services can be delivered from these sites. Reference was made to the use of hubs and one-stop shops in other parts of the UK that allow users to access a variety of services in one place (such as doctors' surgeries and housing offices), and it was explained that consideration would be given to how a similar type of service could be implemented within Caerphilly county borough. Particular emphasis was placed on the need for the Council to consider smarter (more digital) ways of working with regards to Customer Services in the future.

Queries were received regarding the user location for Customer Services Offices and their potential travel distances to an alternative site if their preferred location is closed. Officers explained that they do not hold travel data for customers but that an appointments system is offered to the public to ensure that they are receiving the correct service and to avoid unnecessary or lengthy journeys.

Discussion also took place regarding the proposals to reduce the Technical Assistance and Well-being budgets within Corporate Policy. Arising from this, a Member queried whether underspends had contributed to the proposed budget reduction for the Community Regeneration Fund. It was confirmed that the Fund has a recent history of underspends arising from a lack of match funding applications and that further information would be made available in the report being presented to the special meeting of the Regeneration and Environment Scrutiny Committee on 13th December 2017. Clarification was also sought on funding levels in respect of the Greener Caerphilly Small Grants scheme. Officers explained that this is difficult to define as it is dependent on applicant match funding on a £1 for £1 basis, but that only £5k was awarded externally during 2016/17.

A Member suggested that it would be useful for a Members' Seminar to be arranged combining the outcome of the discussions from all the special Scrutiny Committee meetings on the 2018/19 draft savings proposals. Officers confirmed that arrangements would be made to progress this in due course.

Having fully considered the report, Members noted the details of the 2018/19 draft savings proposals for Corporate Services and Miscellaneous Finance.

The meeting closed at 6.39 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 16th January 2018, they were signed by the Chair.

CHAIR