



SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE SPECIAL MEETING HELD AT PENALLTA HOUSE, YSTRAD
MYNACH ON WEDNESDAY, 11TH DECEMBER 2019 AT 5.30 P.M.**

PRESENT:

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

Councillors:

M. Adams, Mrs. E. M. Aldworth, Mrs C. Forehead, Miss E. Forehead, L. Harding, C. P. Mann,
B. Miles, J. Ridgewell, Mrs M. E. Sargent, R. Saralis

Cabinet Members:

C. Gordon (Corporate Services)

Together with:

R. Edmunds (Corporate Director for Education and Corporate Services), S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer), L. Lucas (Head of Customer and Digital Services), L. Dallimore (Unison Branch Secretary), M. Jacques (Scrutiny Officer), S. Hughes (Committee Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K. Etheridge, G. Johnston, J. Taylor and L. Whittle, together with Mrs B. A. Jones (Deputy Leader and Cabinet Member Finance, Performance and Governance).

2. DECLARATIONS OF INTEREST

Councillor M. Adams, Councillor C. Forehead and Councillor C. Mann declared a personal interest in agenda item 4. Details are minuted with the respective item.

REPORTS OF OFFICERS

Consideration was given to the following reports.

3. DRAFT BUDGET PROPOSALS FOR 2020-21

S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer) provided an overview of the report which had been presented to Cabinet on 13th November 2019. The report set out details of the draft budget proposals for the 2020/21 financial year and as part of the consultation process the Scrutiny Committee was asked to consider and comment upon the content, prior to a final decision by Full Council in February 2020.

Members were informed that details of the Provisional Local Government Financial Settlement are normally announced by the Welsh Government in early October each year. However, due to a combination of the continuing uncertainty around Brexit, the delay in undertaking the UK Government spending review, and the forthcoming General Election; the announcement of the Provisional Local Government Financial Settlement for 2020/21 had been delayed. At the time of writing the Draft Budget Proposals Report it was anticipated that the Provisional Settlement would be announced on the 26th November 2019. However, it has since been confirmed by the Welsh Government that details of the Provisional Settlement will not now be released until 16th December 2019. The Officer explained that to ensure sufficient time is allocated to consult on the Council's draft budget proposals for 2020/21, Cabinet endorsed the draft budget and associated savings proposals in advance of the announcement of the Provisional Local Government Financial Settlement.

Members were advised that the draft budget proposals use a start point based on the Medium-Term Financial Plan presented to Council on the 21st February 2019. This showed a projected 2020/21 savings requirement of £15.658m based on information available at that time. Members were further advised that the projected position for 2020/21 has since been reviewed based on updated information and a revised set of assumptions. This resulted in an updated projected savings requirement of £8.485m, which is a reduction of £7.173m on the position reported in February 2019. The Officer reported that the main reasons for the significant reduction in the savings requirement are an assumed cash flat position in respect of the core funding received from the Welsh Government, an assumption that cost pressures in respect of Teachers Pensions will be fully funded; and a proposed increase in Council Tax of 6.95%.

Reference was made to Appendix 2 of the report which provided details of the draft savings proposals for 2020/21 totalling £8.485m. Members were advised of the attempt to limit the impact on frontline services wherever possible by focussing on delivering efficiencies and through doing things differently. The Officer emphasised to Members that it will not be possible to achieve a balanced budget without having to make some difficult decisions and regrettably the draft budget proposals do include proposed service reductions and cuts totalling £3.708m.

In terms of the financial outlook for future years the Officer reported that the Medium-Term Financial Plan presented to Council in February 2019 showed a potential savings requirement of £44m for the four-year period 2020/21 to 2023/24. Considerable uncertainty remains surrounding the funding position moving forward. The UK Government has completed a spending review for 2020/21 only at this stage, so there is no indication of likely funding levels in the medium to long-term. Members were advised that with this in mind the MTFP has been updated based on current information and a revised set of assumptions, which resulted in an anticipated savings requirement of £27m for the four-year period 2021/22 to 2024/25. Further details were provided in Appendix 3 of the report.

The Chair thanked the Officer for the report and welcomed Members questions and comments.

With permission from the Chair, L. Dallimore (Unison Branch Secretary) addressed the Committee with regard to the budget proposals. The Officer recognised the efforts the Council has made over the last few years but asked Members of the Committee to consider the impact the draft budget proposals for 2020/21 will have on the workforce and to take into account

vacancy management. Members were informed that the CIPD Health and Well-being at Work Survey 2019 said that the top 3 causes of stress-related absence were 62% workloads/volume of work, 43% management style and 30% relationships at work. The Unison survey undertaken during summer reported that 63% of people said they didn't have enough time to do their job, 66% said they were doing more hours, 62% said the workloads were impacting on health and 94% said they felt that their workloads will increase over time. In response to a Members query it was confirmed that there were 343 survey returns (28%). The Committee thanked the Officer for her comments and acknowledged the points made.

A Member raised concerns regarding a significant new cost pressure for schools in relation to increases in employer contributions to the Teachers' Pension Scheme from September 2019 and highlighted that the draft budget proposals include a proposed reduction of 2% in the budgets that are delegated to schools. The Interim Head of Business Improvement Services and Acting S151 Officer reported that there was no funding included in the Local Government Financial Settlement for 2019/20 to meet this additional cost, albeit that a one-off grant has been provided during the year. It is currently assumed that the full-year impact of the increase in employer contributions to the Teachers' Pension Scheme will be fully funded by WG in 2020/21 and for subsequent financial years. The Director for Education and Corporate Services responded to the concerns raised regarding the reduction in the schools budget and advised Members that schools have been working with the Council since April last year to enable these savings to be made.

It was noted that the Education Scrutiny Committee had proposed that any additional funding in the Local Government Financial Settlement for 2020/21 should be earmarked for schools.

Reference was made to the PFI review and Members were informed that to date the review has focussed on contract management arrangements, benchmarking and affordability and will now progress to reviewing options for the future. It is currently anticipated that an options appraisal will be presented to Cabinet in spring 2020.

In terms of the budget cutting process a Member questioned its cost effectiveness and asked how the budget will be reviewed in future years. In response to the query, it was explained that a commercial approach and value for money will be a focus going forward, moving away from target setting.

During the course of debate, the Scrutiny Committee referenced a number of individual savings proposals and voiced concerns over the proposed closure of Trehir Household Waste Recycling Centre, the proposed decommissioning of 26 public open space CCTV cameras and the proposal to merge Community Safety Wardens with the Environmental Health General Enforcement Team. Members of the Committee were assured that these concerns were raised at the Environment and Sustainability Scrutiny Committee meeting and will be relayed to Cabinet.

A Member referred to Appendix 2 and suggested that the draft savings proposals spreadsheet should also identify the internal impact of the proposed saving and it was agreed to consider this suggestion moving forward. An Officer commented on the reduction in posts that are required as a consequence of savings proposals and recognised the impact that this will have on staff. In looking to develop proposals to address the significant financial challenges going forward it was accepted that the Council cannot continue as it is. Officers made reference to the transformation programme which will enable the Council to continue providing high quality value for money services but in an environment that will require new approaches.

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 2020/21.

4. 2020/21 DRAFT SAVING PROPOSALS FOR CORPORATE SERVICES AND MISCELLANEOUS FINANCE

Councillor M. Adams declared a personal interest in this item, in that his brother has recently joined the Citizens Advice Bureau as a Volunteer Advisor. Councillor C. Forehead declared a personal interest in this item, in that she is a former member of the Citizens Advice Bureau Trustee Panel. Councillor C. Mann declared a personal interest in this item, in that he is a member of the Citizens Advice Bureau Trustee Board and a member of the Groundwork Trustee Board.

S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer) presented the report which provided details of the 2020/21 draft savings proposals for the Corporate Services Directorate and Miscellaneous Finance totalling £2.577m. As part of the consultation process the Scrutiny Committee was asked to consider and comment on the range of draft savings proposals outlined in the report and its associated appendices prior to final savings proposals being presented to Cabinet and Council in February 2020.

Members were referred to the Medium Term Financial Plan Saving Proposal Templates, which have been introduced to ensure that a consistent approach is applied to measure the impact of proposed savings, attached to the report as appendices 2 (1) to 2 (15).

The Scrutiny Committee discussed saving proposal C28 – reduction in Voluntary Sector Service Level Agreements (Citizens Advice, Groundwork Wales and GAVO). Members highlighted the detrimental impact the proposed savings would have on the support that is given to the Voluntary Sector. During the course of the ensuing debate, concerns were expressed regarding the impact on the organisations, future service provision and the significant impact to the public over the long term. The Officer informed Members that these concerns have been raised at a number of Committee meetings including the Voluntary Sector Liaison Committee meeting and the Leader has responded to a letter from the Citizens Advice Bureau. Following debate on this item it was moved and seconded that saving proposal C28 – Reduction in the Voluntary Sector Budget be referred back to Cabinet for reconsideration. By a show of hands this was unanimously agreed.

Members referred to the savings proposal to introduce a charge for the delivery of water to meeting rooms and noted that although classed as a saving, costs would be, in effect, be passed on to other budget holders.

A Member questioned the proposal to redirect £20m of current investments into long-term investment funds and was advised that further details will be provided in the Treasury Management Strategy report which is scheduled on the Policy and Resources Forward Work Programme for the 14th January 2020.

A discussion took place on saving proposal D12 – to increase the price of Meals Direct by 25p from April 2020 and saving proposal D16 – to increase the price of meals in the staff canteen by 3%. Following debate on this item it was moved and seconded to increase the price of Meals Direct by 3% and to increase the price of meals in the staff canteen by 4.5%, so that there is greater parity and the proposed Meals Direct increase is more in line with inflation. By a show of hands (and noting there was 1 against and 1 abstention) this was agreed by the majority present. It was noted that one Member raised concerns regarding the recommendation to further increase the price of the meals in the staff canteen. This concern was noted by the Officer and he advised that price of meals in the staff canteen had previously increased by 5% and it had not affected the demand.

Members made reference to saving proposal B11 – reduction in external Welsh language translation budget and were informed that the in house Translation Team is now in a stable position having previously lost staff to other organisations. It is hoped that this increased

stability will make the budget reduction easier to manage whilst still meeting legal requirements as more work will be translated internally.

In relation to the savings proposals to increase the price of school meals, Members referred to information in the report which detailed a survey between Welsh Local Authorities on current school meal prices and proposals, which has been used to benchmark the current prices. Members observed that the outcome of this survey evidences that Caerphilly has one of the lowest prices for school meals across Wales. Members questioned the methodology on the proposal to increase the price of school meals based on what other authorities are charging and sought clarification if this was equal value in terms of the quality of the meal provided. A Member noted that given the fact teachers are on a national pay scale, there seemed to be a huge variation in terms of the contributions they make to school meals. Members were advised that there is a national standard for school meals, however Officers recognised the point in relation to teachers contributions and agreed to look at this further.

Members referred to the saving proposal C32 – deletion of the match funding for community schemes budget and expressed concerns that the proposed withdrawal of funding for the Bargoed Ice Rink and Splash Pad in Senghenydd will impact on their future viability. In response, the Officer reiterated that the withdrawal of funding for both bodies was considered as part of the 2019/20 budget proposals but was deferred by one year to allow for a period of time for alternative funding to be explored. The Officer agreed to follow up Members queries with the Business Enterprise Renewal Team Leader. Members put forward suggestions for potential alternative funding solutions, including input from Town and Community Councils and cross border funding for events that are attended by more than one Community Council area.

Having fully considered its content the Scrutiny Committee:

RECOMMENDED to Cabinet:-

- (i) that saving proposal C28 – Reduction in the Voluntary Sector Budget be reconsidered by Cabinet.
- (ii) to increase the price of Meals Direct by 3% and to increase the price of meals in the staff canteen by 4.5%, so that there is greater parity and the proposed Meals Direct increase is more in line with inflation.

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 14th January 2020, they were signed by the Chair.

CHAIR