

Cabinet Scrutiny Committee

(Via Microsoft Teams)

Members Present:

2 September 2020

Chairperson: Councillor M.Harvey

Vice Chairperson: Councillor S.Rahaman

Councillors: S.E.Freeguard, N.T.Hunt, S.K.Hunt, S.A.Knoyle, A.Llewelyn, S.Miller, R.Mizen, J.D.Morgan, S.Paddison, L.M.Purcell, S.M.Penry, S.H.Reynolds and A.N.Woolcock

Officers In Attendance A.Evans, A.Jarrett, H.Jenkins, S.Phillips, C.Davies, C.Griffiths, K.Jones, T.Davies, S.Curran, S.Blewett, S.Brennan, N.Headon, N.Pearce, C.Plowman, M.Roberts, J.Woodman-Ralph and A.Manchipp

Cabinet Invitees: Councillors C.Clement-Williams, D.Jones, L.Jones, R.G.Jones, E.V.Latham, A.R.Lockyer, P.A.Rees, P.D.Richards and A.Wingrave

Observers: H.Neary

1. Declarations of Interests

The following member made a declaration of interest at the commencement of the meeting:

Councillor S.Rahaman	Re - Former Afan Lido Site (Exempt under Paragraph 14) as he has a family business next to the site.
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2. Pre-decision Scrutiny

The committee chose to scrutinise the following Cabinet Board items:

Budget Update and Monitoring

Members received an overview of the financial implications of Covid-19 on the Council's Financial Resources and 2020/21 Budget, as detailed within the circulated report.

It was highlighted that there was a mistake on page 4 of the report in which it states 'and we are awaiting WG confirmation relating to a further £1'; it was confirmed that the figure should be amended to £1.8m.

Officers stated that Welsh Government originally allocated £188.5m for local authorities to recover costs and loss of income through the Hardship Fund which was mainly to cover the period up to the end of June. It was noted that the Council had submitted claims for additional expenditure that was incurred (£4.133m) and were still waiting for confirmation on the reimbursement for the claim in July. Members were informed that since writing the report, Welsh Government had agreed to reimburse £409k free school meal costs and around £207k social services costs; therefore leaving a balance of around £156k of additional costs that Welsh Government had said they would not be refunding. It was mentioned that the majority of the remaining balance was additional ICT hardware costs that the Council had incurred, in which Welsh Government were only reimbursing 50% of costs and 25% of communications and media marketing costs.

The Committee noted that Welsh Government had reimbursed the Council £2.3m worth of lost income relating to parks, leisure centres, libraries, theatres, school meals, trade waste and parking; and that the Council had submitted a further request for £1.8m mainly relating to schools, Hillside, rent income from environment services and income from capital projects. It was highlighted that clarification was still needed on how Welsh Government were going to be reviewing the loss of income claims, however the report assumed that at this stage £400k of the £1.8m would be reimbursed.

Following this, it was confirmed that on 17th August 2020, Welsh Government announced an additional £264m of funding for Local Authorities to further mitigate against the financial impact of Covid-19 and as part of the announcement, they stated that £25m would be related to school cleaning. It was noted that as a consequence of this, the original projected £10m overspend that was reflected in the analysis of the report, was currently down to £5m projected overspend.

A discussion took place in relation to the progress of the financial forward planning and lost income payments. It was stated that there was no guarantee from the UK Treasury and Government of further consequential payments coming forward, therefore Welsh Government could not guarantee any further lost income payments; however they were paying majority of the claims and were efficiently monitoring. It was mentioned that the Council would need to start looking at their own council tax setting, in which there had been some additional money for council tax relief schemes; it was added that the Council would have a better idea in the next few months of the potential reserves that would need to be taken out in order to fill the budget gap for this year. Members were informed that Officers would start to look at next year's budget over the next 2 months and would be bringing back considerations for Members in October; it was mentioned that the UK Government was carrying out spending reviews to try and identify the amount of resources available for 2021/22 and into subsequent years, which would be a critical part of future budgets.

In relation to the loss of income in Hillside, Members asked if Officers had received further inclination whether support was going to be provided. It was noted that Hillside had an overspend of £803k; the Council had asked for the first quarter (£467k) from Welsh Government, additional to the £2m that they had made available to invest in improving the facilities at Hillside. It was added that some of that money would have been needed to offset the unavailability of two rooms whilst they were being upgraded and that some support had been provided within the £2m due to some of the restrictions from Covid-19 that was causing the projected overspend. Officers confirmed that Welsh Government had yet to review this particular issue as yet, but hope that they would do this in the near future and following this Officers would inform Members as part of the next budget monitoring report.

Detailed within the circulated report it stated that Hillside had a block contract with the Youth Custody Service (YCS) which guaranteed payment for 6 beds. Members asked if YCS were still paying for these 6 beds, to which Officers confirmed that they were, and even though not all of them would be used at all times, they were paying for the guaranteed availability of the beds which had been factored into the income streams for the year. It was noted that Officers were expecting Welsh Government to reimburse the money to Hillside and

that it was important to continue to pressure this to happen as the Council doesn't make a profit or generate income from Hillside.

Members asked for Officers to clarify what liability order receipts were, as these were mentioned in the circulated report. It was confirmed that when someone hasn't paid council tax and/or business rates, a liability order could be granted by the courts to the Council, which adds a fee onto the outstanding bill.

It was noted that some streams of income had been reintroduced from September such as car parking charges and pupils school meals, which would be taken into account and further built into projections through the rest of the year.

In relation to council tax support, it was highlighted that Welsh Government announced that £2.85m would be made available to fund the additional number of claims and costs of council tax support paid out by Councils for the first quarter of this year; Officers estimated that the value of Neath Port Talbot's share would be roughly £120k, which hadn't been factored into the report.

A discussion took place in relation to the council tax support claimants (CTRS) and whether the assumptions built into the report, where it states increased costs arising from CTRS of £529k over budget which could increase to £1m plus during the remainder of 2020/21, included the ending of the furlough scheme and the inevitable redundancies and unemployment which may be caused as a result of that. Officers highlighted that the council tax collection and council tax support cost could increase substantially should furlough result in more job losses when it comes to an end, however as previously mentioned the Welsh Government would be reimbursing Councils cross Wales and the exact figure for Neath Port Talbot Council was still to be confirmed.

Members were informed that Welsh Government were not funding local decisions, therefore if Neath Port Talbot decided as a Council to do something that wasn't being told for all Councils to do by the Welsh Government then consideration would need to be taken for the costs, an example of this was the purchasing of face masks.

The Committee thanked all employees within the Finance Directorate for their continued hard work during the Covid-19 pandemic.

Following scrutiny, the committee was supportive of the proposals to be considered by cabinet.

3. **Access to Meetings**

RESOLVED: that pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following item of business which involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A to the above Act.

4. **Pre-Decision Scrutiny of Private Item/s**

The committee chose to scrutinise the following Cabinet Board private items:

Former Afan Lido Site

Members received information on the former Afan Lido Site as detailed within the circulated private report.

Following scrutiny, the committee was supportive of the proposals to be considered by Cabinet.

CHAIRPERSON