

Cabinet Scrutiny Committee

(Via Microsoft Teams)

Members Present:

13 January 2021

Chairperson: **Councillor M.Harvey**

Vice Chairperson: **Councillor S.Rahaman**

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

Officers In Attendance: A.Evans, A.Jarrett, H.Jenkins, C.Davies, C.Griffiths, K.Jones, C.Plowman, H.Jones, N.Pearce, R.Davies, R.Turner and J.Woodman-Ralph

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

1. Pre-decision Scrutiny

The committee scrutinised the following cabinet items:

Revenue Budget Update and Monitoring Report 2020-21

The Committee was presented with the Revenue Budget Update and Monitoring Report 2020-21 which provided an overview of the financial implications of COVID 19 on the Council's Financial Resources and 2020/21 Budget.

Detailed in the circulated reported it stated that Welsh Government had funded £424k for loss of income for the Arts Venues during the period April to June, to which it was asked how that money had been utilised. It was noted that the Council had budgeted for income for the whole of the year; the venues had been closed for nine months, and staff expected them to be closed for the remaining three months of the year. This money was mentioned to be the total value of income

that the Council would have been generating, which covered the costs therefore all costs had been re-funded. It was added that the Arts Venues staff had not been furloughed, and instead had been re-deployed.

In relation to residential placements for children at risk, the report stated that there had been an £385k overspend; it was asked whether the Council was anticipating that the need for more residential placements would increase further. Officers confirmed that this year there had been just over two additional placements; the budget had been increase by two placements as there were now 11 children in placement and staff were expecting it to stay around this number for some time. It was noted that the Council were not anticipating additional residential care need, above the 11 that were mentioned, although this was difficult to assess. Officers anticipated that there would be increased pressures on the Looked After Children (LAC) system as a result of the impact of COVID 19; however, expected that this could be dealt with within the foster care systems, as most additional care placements would be in foster care and not in residential care.

The report highlighted that Welsh Government funding was being made available for the period July to March, to increase the hourly rate paid (by £1 per hour) to providers of domiciliary care who were experiencing additional costs due to the pandemic; it was asked whether increase in pay was just for the external providers. It was noted that Welsh Government had made various packages of additional funding available to residential and home care; in terms of the home care, the £1 pay increase was for the external providers, however the Council would be reimbursed £1 for both external and internal providers, therefore the in-house services would also be benefiting from this.

The Communication and Marketing overspend was stated to be at £26k due to additional costs incurred from the impact COVID 19, such as signage, banners; Welsh Government had only funded 25% of costs and Members mentioned that this percentage was disappointing. Officers mentioned that Welsh Government had provided a significant amount of financial support as highlighted in the report, however in some instances they had said they were not going to be covering all costs as they believed that some of the Councils base budgets and overall contingencies and resources should contribute towards particular overspends.

Members were informed that the Community Care Management had a £78k underspend, which was largely due to a reduction in the number of payments made to external assessors for Deprivation of Liberty (DOLS) assessments; it was asked whether the rules for these applications had changed or if individuals had been missed out in this context, as the underspend was quite significant. It was highlighted that this wasn't the case and that the number of DOLS assessments being carried out had been impacted by COVID 19, which was reflected in the underspend; Officers confirmed they would find out the detail of the waiting list for these assessments and provide Members with the information accordingly.

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

Draft Budget for Consultation 2021/22

The Draft Budget for Consultation 2021/22 was presented to Members which included draft budget proposals, financial savings, service reductions and income generation proposals; subject to Cabinet approval, it was proposed that the consultation would take place following the meeting and last up to 12 February 2021.

The Chair highlighted that the individual Scrutiny Committees would be given the opportunity to scrutinise areas of the draft budget, within their remits, in more detail in their upcoming meetings.

It was stated that the proposals included in the report took into account the Provisional Local Government Settlement that was announced by Welsh Government in the lead up to Christmas. Officers mentioned that the report proposed to set a budget of £317m which was inclusive of using £3.1m reserves, going to consult on 3.75% council tax increase and investment proposals of around £7.7m on top of inflation, mainly to deliver on the increase in demand for services for the next financial year; there will be further work needed in respect of future financial years, once COVID 19 was no longer a challenge and the UK Government had carried out their spending reviews, giving indicative funding levels into subsequent financial years.

Neath Port Talbot's provisional settlement was noted to be sixth out of the 22 Local Authorities in terms of revised budget share from Welsh Government, however Neath Port Talbot continually had either the second or third highest council tax rates in Wales, with a proposed increase of 3.75% for the next financial year; Members

asked how was this being justified by Welsh Government. Officers confirmed that Welsh Government had given a general settlement increase of 3.8% across the whole of Wales; Neath Port Talbot's increase was better than the average, at 4.2%. It was highlighted that one of the major drivers of the formula, to distribute the £4.6billion across all 22 Local Authorities in Wales, was population; population in Neath Port Talbot had slightly improved compared to the all Wales position which was one of the major changes and reasons why some Local Authorities had benefited more than others.

Members asked if Welsh Government could be influenced to change the standard spending assessment as part of the final settlement as it currently did not meet the needs of some Councils. It was noted that this was something that could be looked into for future years; to be able to have better influence and opportunities to obtain better resources. It was mentioned that it would not be beneficial for anyone to try and do this between now and the final settlement for this financial year.

Officers were asked to provide comment on the patterns of reserves reflected in the figures provided by the Director of Finance and Corporate Services.

Financial Year	Closing General Reserve	General Reserve as % of Budget
2018/19	£20.9m	7.4%
2019/20	£19.9m	6.9%
2020/21 (forecast)	£14.6m	4.8%
2020/21 (draft budget)	£12m	3.8%

It was explained that the original forecast for the end of this financial year (2020/21) was impacted by COVID 19; the new forecast was detailed in the table above. The report noted some of the prudent measures the Council had adopted in recent years, plus the significant council tax collection rates that were achieved; the Council had been achieving between 97.9% - 98% collection rates in previous years, which had boosted the amount of monies that were held in the general reserves. It was added that this had helped put the Council in a better position this year to be able to propose, as part of draft budget, to use a further £3.1m for the next financial year to enable the Council to be in a better financial position for 2022/23, when

further considerations were taken into account in the budget setting process around what was affordable and the priorities of the Council.

It was asked if the actual wording of the consultation, which was going out to the public to respond, could be shared with Members. Officers agreed to circulate the wording to Members and highlighted that it would also be uploaded onto the Council's website. Members were provided with the following information in relation to the aim of the consultation, which was a Council budget setting process for 2021/22 questionnaire, and the types of issues it was going to raise:

- Confirms that the Council's gross investment in Council Services was around £445m, and that there was a £3.2m gap in order to face the budget next year
- References and links to the report circulated to the Committee (Draft Budget for Consultation 2021/22)
- Highlights the facts that the Council was consulting on using £3.1m of general reserves, increasing council tax by 3.75% and using measures of savings an income generation already approved by Council last year (135k to be used)
- Provides indication of what an increase of 3.75% in council tax is and asks the public for their views around the increase
- Explains general reserves and gives examples of what is meant by general reserves and the potential use of the £3.1m
- Asks for any suggestions on ways the Council could generate income or save money.
- Asks if there were any Council Services that individuals think should be protected, reduced and/or stopped altogether
- Asks questions in relation to the £7.7m worth of investments the Council were making and if the public agreed with them

It was added that the consultation this year would be slightly different due to COVID 19; the Council would be encouraging through social media platforms and other measures for the public to consult and respond to this consultation.

It was asked if the proposed 3.75% increase in council tax could be reconsidered after the consultation had concluded, due to the significant financial impact that COVID 19 has had on the public. It was stated that all Members were included in the budget setting and were encouraged to get involved in this process by promoting the consultation to their communities to take part and submitting

information in regards to suggestions and ideas in altering, changing or improving the budget.

Members were informed that the proposed 3.75% increase in council tax was lower than the council tax set for the current financial year and the Council were doing their utmost in appreciating those businesses and individuals affected by COVID 19; the Council had paid £32m so far in relation to business grants since the outbreak of the virus. It was added that there were no cuts proposed in the budget and one of the priorities was improving settlements within individual departments; it was the first time the Council had taken a significant amount of money out of reserves in order to compensate for the unjust settlements that had been in place for some time.

A discussion took place in relation to the reserves and if there were any implications based on what was proposed. Officers stated that the predicted reserves for the end of this year was £14.6m (4.8%) and should the Council be provided with additional income loss refunds from Welsh Government, that position may improve; the Council had recently been asked to prepare a loss of income claim for the quarter which ended in December and there were indications that a further claim could be made for this next coming quarter. It was noted that the external auditors will want to see the Councils plans for a sustainable budget going forward from 2022/23; the UK Government hadn't announced their spending review for funding levels beyond 2022, that information would hopefully be available late summer/early autumn and work will be carried out by Officers and the Cabinet over the summer to try and develop strategies to have balanced budgets from 2022/23 onwards. Officers added that they were not expecting any challenges from auditors based on the proposals the Council was putting in front of Cabinet and the public, as part of the consultation process. It was highlighted that previously, external auditors and other had stated that anywhere in the region of 3-5% was appropriate for Councils to have, and at around 3.8% predicted by the end of next year meant that Neath Port Talbot Council were within that appropriate level; however, additional work needed to be carried out imminently for 2022/23 as the Council couldn't continue to take £3.1m reserves out year on year.

The committee thanked all of the staff in Finance Services for their work throughout the COVID 19 pandemic.

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

2. **Forward Work Programme 2020/21**

The committee noted the Cabinet Scrutiny Forward Work Programme 2020/21.

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 items 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 scrutinised the following private Cabinet item:

Delivery of Disabled Facility Grants for Bridgend County Borough Council

Members were presented with a private report on the Delivery of Disabled Facility Grants for Bridgend County Borough Council.

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

CHAIRPERSON