

Cabinet Scrutiny Committee

(Via Microsoft Teams)

Members Present:

3 February 2021

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.M.Penry and A.N.Woolcock

Officers In Attendance: A.Jarrett, H.Jenkins, C.Davies, C.Plowman, C.Griffiths, H.Jones, K.Jones, J.Woodman-Ralph, N.Pearce, S.Rees and A.Thomas

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

1. Minutes of the Previous Meeting

The minutes of the following meetings were approved:

- 25 November 2020
- 10 December 2020
- 8 January 2021
- 13 January 2021

2. Consultation on 2021/22 Budget Proposals

An overview was received on the Corporate Services draft budget proposals 2021/2022, as detailed in the circulated report.

The total budget for Corporate Services in the current financial year was detailed to be £18.4million, with £50k being identified as savings for 2021/22 and £30k for 2022/23. Members asked if there will be further analysis of how additional management savings could be redirected to front line services. It was confirmed that the future forward financial plan will be updated in the summer and will look at

savings and income generation for later in the year and future financial years. It was added that this year one of the main focuses of Corporate Services had been delivering on front line effects of supporting and paying grants out to all the businesses in the community, with the support from colleagues in economic development; so far £36million had been paid out to businesses. Officers mentioned that the budget of £18.4million also included the costs associated with Members and Committee Services in the facilitation of the various meetings including the Scrutiny Committees.

In relation to procurement for Legal and Democratic Services, it was asked if the posts were expected to generate savings through effective procurement. Officers stated that this would not specifically generate additional savings, however instead would help to ensure compliance and best value for money going forward. It was noted that additional support was being sought to ensure the right contracts were put in place so that activities, such as the work around the new leisure contract to do with the income generation through the Margam Park development, were properly procured which will hopefully ensure the Council will have best value for money in terms of contracts going forward.

It was asked if consideration had been given to the redeployment or retraining of staff, given the flexibility achieved over working arrangements in the past year. Officers highlighted that the Councils current recruitment policy requires this to happen, all posts have to be considered for any members of staff who were at risk; only when full consideration had been given to prior consideration candidates, can posts be advertised to the internal workforce of the Council. It was added that if a manager wasn't able to appoint at that stage, they could then complete a business case to seek approval to advertise the post externally; however, the Councils current policy requires full consideration to be given to trying to redeploy staff first.

In terms of Communication and Marketing, Members mentioned that the current high level of communication activity was recognised and appreciated, however asked was there an analysis of whether these new posts were needed on a permanent basis. Officers confirmed that the additional posts were linked to digital marketing and were originally created to support the exceptional demand that had been generated due to the pandemic. It was stated that over the next few months, staff would be looking at future planning and how the recovery phase of the pandemic could be shaped, which will include

identifying what individual services need for future delivery; it was likely that digital marketing would be a field that will be expanding.

Members asked if external funding had been sought for the Policy and Research posts. It was explained that when grant funding opportunities were identified, staff would always follow up on them to determine whether the funding was achievable; there was already one post within the Policy and Research team which was funded via grant monies. The Committee was informed that this particular post was linked to the introduction of the Local Government and Elections Act and was an important role for the introduction of the Act and the succession of the small team due to it being such a specialist role.

Officers highlighted that £27k was also put into the budget to manage the work being carried out in relation to the poverty agenda, where the Council was receiving external support from a company called Policy and Practice to provide information, analysis and data to enable that piece of work to progress.

It was queried whether the increased digital activity was anticipated to produce other savings. Officers stated that Personnel Committee recently approved the creation of a new Chief Digital Officer post, at no additional costs as it had been created following the changes with regards to the Assistant Chief Executive post; it will be the responsibility of the new Chief Digital Officer to work with Members, Officers and Partners to help drive the Councils digital agenda and recognise that this will result in a cultural shift.

Officers were asked to confirm whether the £500k to increase the council tax support budget would be specifically to provide payments to eligible recipients and if any of this was recoverable from Welsh Government or the Department for Work and Pensions (DWP). It was confirmed that the increase to the council tax support budget would be specifically to provide payments to eligible recipients as it was to reflect the fact that the Council had an increased number of claims this year (around 500) at a cost of roughly £500k. It was noted that in terms of the current year, the Council had received £306k back for the first two quarters of the year and Welsh Government made an announcement that they would be making a further £11million available across the whole of Wales; therefore Officers expected that all the additional costs incurred on council tax support this year would be refunded via the hardship fund. It was added that there wasn't any indication of funding levels for next year, which is why £500k had been built into the base budget for next year; if the recovery process

helps to reduce the volume of claims for 2022/23, it will allow for this budget to be reduced in future years.

Following on from the discussion, it was noted that the UK Government had declared the amount of money that they had given to Welsh Government in Cardiff for next year, however they hadn't given any indication of how much was being made available for the pandemic; this was a factor that could change next year, should the response and requirement of all the current restrictions and medical support be significantly higher next year than what was in the base budget given by UK Government, to their departments in Westminster and the administrations in Cardiff, Scotland and Northern Ireland. It was added that Welsh Government did not currently have the resources to commit significantly into next year, although they had committed to making £1.9million available for the Test, Trace, Protect (TTP) Service for quarter one next year; as of yet, no further commitments had been announced. Officers mentioned that it would take time for the economy to recover from the pandemic and for the Council to see a reduction in the number of claims for council tax support, hence it was prudent to build in £500k into the base budget; any announcement from Welsh Government in relation to funding will reduce the burden on the Councils current position.

The Committee was informed of the difference between a contingency and a reserve:

- Contingency – within the budget for this year, Officers had created a contingency to cover unforeseen/unexpected costs; it could be re-allocated to different services which needed the support for the unexpected costs. It was noted to be important as it ensured that the Council had some element of financial support within the base budget.
- Reserve – reserves were highlighted to be support that was available as and when; once these monies had been used, they could not be used again.

Members asked if the figures from the last Treasury Management report, including potential underspends, been factored into the budget. It was noted that when the Treasury Management report was presented to Cabinet on 13 January 2021, it showed a potential overspend as interest rates had reduced by about £250k and highlighted that any fluctuations in the Treasury Management annual budget, would then be dealt with through the Treasury Management

equalisation reserve; this was an example of how the reserve was used to help equalise costs between years.

In regards to the extra costs incurred because of the pandemic, Members asked for details on the progress and projection on recovering costs from Welsh Government and UK treasury. Officers provided an update on the recovery costs, following the initial report presented to Committee on 13 January 2021. It was stated that the Council had now claimed £9.1million from the Welsh Government hardship fund and had been reimbursed £7.7million; there was £22k worth of expenditure that they hadn't supported or only partially supported, for example they were only contributing 15% of media costs and around 50% of IT costs. It was highlighted that the balance of £1.1million was the value of the December claim which was submitted 2 weeks ago, and Officers were expecting further announcements and monies to come through from that claim during this month. In addition, Officers had submitted three claims of income loss, which was £8.2million covering the period up to the end of December, in which Welsh Government had reimbursed nearly £6.1million; the last submission which was sent for quarter three last week was for £1.8million, which Officers were expecting feedback on and payment later this month.

It was asked whether there will be an analysis of some potential savings from future working arrangements, e.g. reduced dependency on physical office space. Officers confirmed that when the Council goes through the recovery process of the pandemic, staff will be looking into this, identifying what services could be provided and how to make the best use of people and physical assets going through to future years. The Committee was informed that reports would be presented to Members in the future, as financial planning work begins from April onwards, for their consideration on all of these matters.

In 2019/20, it was noted that there was considerable discussion about the Income Generation Strategy; there had been disruption due to the pandemic, however it was queried whether that piece of work had been factored into the budget for future years. Officers confirmed that income generation was still being progressed through the pandemic, although not at the same levels as previous. It was mentioned that Members would be familiar with the original draft budget proposals report presented to Committee on 13 January 2021, which stated that car parking income and rental income was down and that additional budget provisions were being made to cover that for next year, with

the expectations that it would improve moving forward into the next two financial years. Offices highlighted that staff resources had also been re-directed, with the Commercial Co-ordinator being deployed to media issues, working to ensure the Council dealt with the significant work that the pandemic had caused in that particular service area. It was noted that staff had also continued to work on certain income generation activities such as the redevelopment of the leisure offer at Margam Park; this was currently moving to the design stage and as it progressed forward, Members would be updated on accordingly.

The Chief Executive highlighted that it had been identified in the COVID 19 response that there had been a huge team effort across all services in playing a role to make sure that the community was supported and protected; staff had been part of the front line effort over the past 12 months and this was likely to continue for the foreseeable future.

Some examples of the important role support services have had included:

- The roll out of the digital infrastructure to support learning in schools across the County Borough, a significant programme of work which was still continuing;
- In regards to the Public Health agenda, the Communications Team had been very much part of the overall Public Health effort to get the public to understand how to protect themselves in terms of washing their hands, social distancing and the other important messages;
- Across a number of services areas, played a critical role in trying to support people facing financial hardship whether they were individual people or business proprietors.

In relation to recovery, it was noted that discussions would need to take place through the Welsh Local Government Association (WLGA) about obtaining support to begin the process of recovery planning; part of this process would require the Council priorities to be reviewed and critically looking at where revenue and capital resources would be best invested. It was added that over the next 12 months, Members would be provided with the opportunity to look at shaping the budget for the period beyond that.

Members asked how much it costs the Council to reduce the council tax by half a percent, and if that was to happen, how difficult would it

be to make the money back up again. It was explained that the current amount of council tax generated was around £77million, meaning that every 1% amounts to £780k before the council tax support scheme would be put in place; there was nearly £19million budgeted for the scheme. Officers added that the net amount of increase for every 1% of council tax was around £590k and every half a percent would be just short of £300k; the council tax support scheme was in place to help those who were most financially disadvantaged and this scheme would still be in place next year. It was mentioned that there was over 17,500 people who benefited from that scheme; 12,500 people had their council tax paid in full and approximately 5,000 people had contributions towards their council tax.

If there were changes from Welsh Government which impacted the budget proposals detailed within the circulated report, from the point of the meeting up until the decision needs to be made, Members asked what opportunities they would receive between that time to ensure they had the clearest picture of the overall budget. Officers highlighted that Welsh Governments final announcement on their funding budget for next year was due on 2 March 2021 and any further information, including the details from this announcement, will be built into the final report which was being prepared for Committee for the second week of March. It was added that an All Member Seminar was arranged for 4 March 2021 in which Members could discuss aspects of the budget further.

Following Scrutiny of the budget details contained within the report, Members were reminded that their comments from this meeting would form part of the formal consultation response for the budget 2021/22. They were asked that if they had any other proposals for budget savings, not included within the attached report, that they approach Officers for their consideration.

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

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

CHAIRPERSON

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