

COUNTY BOROUGH OF BLAENAU GWENT

**REPORT TO: THE CHAIR AND MEMBERS OF THE JOINT
SCRUTINY COMMITTEE (BUDGET MONITORING)**

**SUBJECT: JOINT SCRUTINY COMMITTEE (BUDGET
MONITORING) - 28TH JANUARY, 2020**

REPORT OF:

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors G. Paulsen (Vice-Chair)
J. Holt
C. Meredith
D. Bevan
G. L. Davies
M. Day
P. Edwards
L. Elias
J. Hill
W. Hodgins
M. Moore
J. P. Morgan
L. Parsons
K. Pritchard
K. Rowson
B. Summers
J. Wilkins
T. Baxter – Co-opted Member

WITH: Managing Director
Corporate Director of Social Services
Corporate Director of Education
Corporate Director Regeneration & Community
Services
Chief Officer Resources
Chief Officer Commercial
Service Manager Accountancy
Communications, Marketing and Customer Access
Manager
Scrutiny & Democratic Officer/Advisor

ITEM	SUBJECT	ACTION
No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from: -</p> <p>Councillors M. Cross, J.C. Morgan, S. Thomas, T. Smith, M. Cook</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>No declarations of interest or dispensations were reported.</p>	
No. 4	<p><u>JOINT SCRUTINY COMMITTEE</u></p> <p>The Minutes of the Joint Scrutiny Committee meeting held on 18th November, 2019 were submitted.</p> <p>The Committee AGREED, subject to the foregoing, that the Minutes be accepted as a true record of proceedings.</p>	
No. 5	<p><u>REVENUE BUDGET 2020/2021 TO 2024/2025</u></p> <p>Consideration was given to the report of the Chief Officer Resources.</p> <p>The Chief Officer Resources presented the report which provided an update on the positive provisional local government settlement for 2020/21 and its impact upon the Council's budget. The report also proposed the detailed budget for 2020/21 and indicative budget for 2021/22; and proposed the level of Council Tax increase for the 2020/21 financial year, in line with the Medium Term Financial Strategy assumptions.</p>	

The Officer went through the report and highlighted points contained therein. She said the positive provisional settlement and the opportunities identified in the Bridging the Gap programme meant the Council would be able to invest in key priorities, avoid cuts to services and enhance its financial resilience moving forward. However, further details of the specific grants for Local Government would be published alongside the final RSG settlement in February 2020.

A Member commended Officers on the positive report. He said this was a very important part of the budget setting process and expressed concern that no Labour members were in attendance.

In response to a question raised by a Member regarding the cost pressure for the review of the LDP, the Corporate Director Regeneration & Community Services explained that whilst the LDP Review strategy had been agreed, there were various other stages to be undertaken and these were likely to continue for a further 2 years.

The Co-opted Member said the positive settlement for Blaenau Gwent was very good news, in particular the increase in education funding, and the fact that primary pupil numbers had increased. He said the report seemed to indicate that Blaenau Gwent was recovering from its economic decline.

However, whilst the increase in pupil population was positive, he hoped that this would be supported financially. He also referred to the shortfall in teachers' pay and pensions and the potential impact on individual school budgets (ISB). He also said that a list of schools showing those in a surplus/deficit position would be beneficial for Members to scrutinise.

The Co-opted Member then referred to the complexity of school funding, and said it was difficult to plan for the year ahead and set accurate budgets with a number of grants being distributed throughout the year.

The Chief Officer Resource confirmed that the comments in relation to the teachers' pay and pensions would be noted. However, if Members of the Council agree to fund the cost pressure for teachers' pay and pensions for the remaining 5 months, this would result in an increase to the ISB of approximately 5%.

The Corporate Director for Education also confirmed that the unpredictable allocation of grant funding had been raised with Welsh Government by the Local Authority and the EAS.

A brief discussion ensued regarding the Bridging the Gap Programme when the Managing Director confirmed that keeping up the pace of the workstreams was a clear incentive for CLT. However, it would be sensible to utilise any achievement exceeding the budget requirement in a more business-like way, rather than having to make cuts, and whilst it was pleasing to set an indicative budget for the next 2 years, the latter years of the MTFS would be challenging unless we deliver the Bridging the Gap programme.

The Chair and Members said this was a very positive report, and commended Officers for their work and prudent financial management.

The Committee AGREED to recommend that the report be accepted and supported Option 1, namely:

- i. Members recommend to Executive and Council the 2020/2021 revenue budget and high level indicative budget for 2021/2022 (as per Appendix 5 and para 6.4.1);
- ii. Note the potential for further change in the Final RSG Settlement (paras 2.8 – 2.19);
- iii. Note the outcomes within the BGCBC provisional RSG Settlement and its impact upon the Medium Term Financial Strategy (paras 2.20 – 2.26);
- iv. Recommend to Executive and Council the updated cost pressures and growth items (£2m in total) identified in Appendix 3 (parags 5.1.6 – 5.1.8) for inclusion in the Council's budget. This includes the establishment of a cross cutting Transformation budget of £500k to be utilised to implement/deliver opportunities for Blaenau Gwent;
- v. Recommend to Executive and Council 'passporting' expenditure from these former specific grants/additional funding in to the Council's budget (paras 5.1.11 – 5.1.18);

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| <ul style="list-style-type: none">vi. Recommend to Executive and Council that any achievement of Bridging the Gap proposals which exceeds the in-year budget requirement be transferred into an earmarked reserve to support medium term financial planning, specifically for the later years of the Medium Term Financial Strategy (para 5.1.28);vii. Recommend to Executive and Council a Council Tax increase of 4% for 2021/21 (para 5.1.3) as per the MTFS assumptions. | |
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