

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: THE CHAIR AND MEMBERS OF THE COUNCIL

**SUBJECT: SPECIAL CORPORATE OVERVIEW SCRUTINY
COMMITTEE – 10TH JULY, 2019**

REPORT OF: DEMOCRATIC SUPPORT OFFICER

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors: G. Paulsen
M. Cook
M. Cross
G.L. Davies
P. Edwards
J. Hill
H. McCarthy
L. Parsons

AND: Corporate Director Social Services
Corporate Director Education
Corporate Director Regeneration & Community
Services
Chief Officer Resources
Chief Officer Commercial
Head of Governance & Partnerships
Head of Organisation Development
Service Manager Performance & Democratic

ITEM	SUBJECT	ACTION
No. 1	<u>SIMULTANEOUS TRANSLATION</u> It was noted that no requests had been received for the simultaneous translation service.	
No. 2	<u>APOLOGIES</u> Apologies for absence were received from Councillors P. Baldwin, C. Meredith, J. Wilkins & D. Wilkshire	

<p>No. 3</p>	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>No declarations of interest or dispensations were reported.</p>	
<p>No. 4</p>	<p><u>MEDIUM TERM FINANCIAL STRATEGY & BRIDGING THE GAP</u></p> <p>Consideration was given to the report of the Chief Officer Resources which provided the latest assessment of the Council's draft financial position over the next 5 years and proposed the approach that the Council would take to address the financial challenges.</p> <p>The Officer spoke to the report and highlighted points contained, and confirmed that the MTFS & Bridging the Gap document would be submitted to Council in October 2019 for approval.</p> <p>The Council's current forecast contained a number of assumptions which impacted on the level of its income and expenditure, including pay and inflation rates, service demand, Revenue Support Grant and Council Tax levels. Members' views were being sought on the assumptions for planning purposes, and Members were not required to make a decision on Council Tax levels at this point in time.</p> <p>The Officer explained that changes in these assumptions could have a fundamental effect on the funding over the next 5 years, and it had already been advised that the comprehensive spending review scheduled for the Autumn had been delayed. As a result Welsh Government had indicated that this may impact on the announcement of the Local Government provisional settlement figure.</p> <p>There would also be a proposal during the budget setting process to build contingency, if possible, within future year's budgets to help maintain reserves at the current level, and where possible to increase reserves to ensure and support financial resilience moving forward.</p> <p>The Officer then referred to the MTFS document attached to the report and highlighted points contained therein. In relation to the assumption of a 7.12% increase in Employers contribution to the Teachers' Pension Scheme, the Officer reported that Welsh Government had yet to</p>	

confirm that this would be the case.

The Chief Officer Commercial said the Council recognised the challenges and had developed a programme of Strategic Business Reviews to deal with potential gaps between anticipated funding and expenditure that aimed to build financial resilience. The approach to bridging the gap was to ensure a balanced budget, but also to create conditions of a commercially minded Council.

In response to a question raised by a Member, the Chief Officer Resources confirmed that over the Summer period Officers would be undertaking an analysis of the Strategic Business Reviews and it was intended to present indicative figures to Members in October/November, 2019.

A discussion ensued when a Member asked whether local suppliers would be considered at part of the review of existing contracts to help the local economy.

The Chief Officer Commercial said work was needed to get a clear understanding of the conditions of our contracts and where expenditure was being deployed to ensure we are getting the best contract conditions. In terms of using local suppliers, the key was to open up opportunities for them for future procurement. If we can get best practice and keep it local, then this would be the best outcome.

The Chair referred to income recovery and asked whether there were any plans to encourage residents to sign up to a direct debit payment system to pay their Council Tax.

In response the Chief Officer Commercial confirmed that a review of Council Tax collection was being undertaken to understand the barriers for some residents not paying by direct debit, and how we might do things differently to help our residents pay their Council Tax.

A Member asked when the potential income and expenditure from new build homes would be shown in the MTFS moving forward.

The Corporate Director Regeneration & Community Services confirmed that the assumption growth figure was included in the MTFS, and this was worked out from the

indicative timelines provided by new developers.

The Committee AGREED to recommend that the report be accepted and Members considered the assumptions within the Draft MTFS; noted the forecast funding gap for the period of the Draft MTFS; and agreed the proposed approach to address the financial challenges and 'Bridging the Gap Programme' (Option 1).