

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO: THE CHAIR AND MEMBERS OF THE COUNCIL

**SUBJECT: SPECIAL JOINT SCRUTINY COMMITTEE
BUDGET MONITORING – 12TH JULY, 2019**

REPORT OF: DEMOCRATIC SUPPORT OFFICER

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors M. Cook
M. Cross
G. A. Davies
G. L. Davies
P. Edwards
L. Elias
J. Hill
W. Hodgins
H. McCarthy
C. Meredith
J. Millard
J. C. Morgan
G. Paulsen
K. Pritchard
K. Rowson
T. Sharrem
T. Smith
B. Summers
H. Trollope

**WITH: Managing Director
Corporate Director of Social Services
Chief Officer Resources
Chief Officer Commercial
Head of Governance & Partnerships
Head of Education Transformation
Service Manager Neighbourhood Services
Service Manager Public Protection**

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 P. Baldwin, D. Bevan, J. Holt, L. Parsons, S. Thomas, D. Wilkshire, J. Wilkins, L. Winnett</p> <p><u>Co-opted Member</u> Mr. T. Baxter</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>Councillors W. Hodgins and P. Edwards declared an interest in the following item:-</p> <p>Item No. 5 - Revenue Budget Provision Outturn 2018/19</p>	
No. 4.	<p><u>TIME OF FUTURE MEETINGS</u></p> <p>The Committee AGREED that future meetings be held at 9.30 a.m.</p>	
No. 5	<p><u>REVENUE BUDGET PROVISION OUTTURN 2018/19</u></p> <p>Councillors W. Hodgins and P. Edwards declared an interest in this item.</p> <p>Consideration was given to the report of the Chief Officer Resources which updated Members on the provisional outturn across all Portfolios for the financial year 2018/19.</p> <p>The Chief Officer Resources spoke to the report and highlighted points contained therein. The overall financial position across all Portfolios at 31st March, 2019 was an adverse variance of £0.07m against a total revenue budget of £145m, however, the figures were provisional and</p>	

subject to external audit. The outturn position was a significant improvement on the forecast financial position at the end of December 2018, at which time the forecast was an adverse variance of £0.8m.

The Officer said it was also important to note that the provisional outturn indicated that the general reserve should reduce by £71k, however, the accounts would show an increase in the general reserve of £0.412m to £5.89m at the 31st March, 2019, which maintained the reserve at 4.39% in line with the target.

Officers then clarified points raised by Members in relation to the following:-

Environment - £461k adverse variance (write-off of street lighting obsolete stock)

The Officer explained that the stock had been held on balance and showed as an asset over a number of years whilst alternative income options were explored. However, due to the changes over the years much of the street lighting stock became obsolete and could no longer be used.

Appendix 1 – Markets

A Member expressed concern that the income targets set by PWC were never achieved and said more realistic targets should be set.

The Chief Officer Resources confirmed that a new income target had been set for the markets budget as part of the budget setting process for the 2019/20 financial year.

Appendix 3 – Social Services (CHC Income)

In response to a question raised by a Member, the Corporate Director Social Services said the Department had been robustly challenging Health over the last few years, and this had resulted in more income. However, changes in the CHC Regulations moving forward would make it more difficult, but he assured that robust challenge would continue.

Appendix 3 – Corporate Services (ICT)

A Member expressed concern regarding the problems experienced with ICT, particularly Schools, and asked whether claw-back of funding from SRS could be considered.

The Head of Education Transformation said over the last 12 months capital investment was made on an ICT project with SRS to ensure consistency across the school estate. Part of that process included renewal of SLA arrangements with SRS and our Schools, and it was expected that the scheme would be rolled out by Spring 2020.

The Managing Director pointed out that the SRS was delivering a service within an infrastructure that had received very little investment for some time and was not fit for purpose. The Partnership investment against the business case in place with SRS would bring the infrastructure up to standard, and when this was done, the Authority would then be in a position to hold the SRS to account in terms of service delivery.

In response to concerns raised by a Member regarding the financial implications for schools, the Head of Education Transformation said in line with the new curriculum requirements there were expectations for schools to be in a position to deliver against the digital competency framework. During the planning process it was made clear to schools that there would be revenue implications, however, they understood the benefits of the scheme in providing consistency across the school estate.

Appendix 3 Infrastructure (Technical Services – Engineering & Property Management)

A Member asked why there was an overspend in relation to reimbursement of staff costs and receipts for external works.

In response the Chief Officer Resources explained that this was due to budget virements undertaken throughout the year to offset year-end variances. Whilst there was a variance on the income line, overall the budget was balanced.

Appendix 3 – Infrastructure (Public Transport Co-ordination)

Matthew Perry

A Member questioned the income level and the Service Manager Neighbourhood Services undertook to report back on this matter.

Social Services - £220k favourable variance

A Member commended the Social Services Department on the favourable variance, and asked whether the figure included Welsh Government grant funding, and if so, this should be indicated within the budget. He also asked whether this grant could be used to offset the adverse variance within the Education Portfolio.

The Chief Officer Resources said the funding referred to by the Member was the WG Supported Sustainable Social Services Grant received last year, and information on this was provided to Members within the Quarter 3 report. This grant was specifically to ease pressures within Looked After Children, and allocated within the Social Services Portfolio. The Officer confirmed that assumptions were made on the basis of specific grant funding during the budget setting process.

Education – Individual School Budgets

Lynn Phillips

In response to a question raised by a Member, the Head of Education Transformation undertook to provide a breakdown of Welsh Government grants awarded.

Civic Amenity Sites

A Member asked whether the adverse variance within the civic amenity budget would have a detrimental impact on the proposed new site at Roseheyworth.

In response the Service Manager Neighbourhood Services explained that there would be ongoing revenue costs associated with development of the new site in relation to exploratory works required to get the site ready for potential capital investment.

Appendix 3 – SLA's (Schools Catering and Cleaning Services)

	<p>A Member referred to the adverse variance within these budgets, and sought clarification as he understood the income was showing a favourable position.</p> <p>The Chief Officer Resources undertook to report back on this matter.</p> <p>A further brief discussion ensued when Officers clarified points raised by Members, and</p> <p>The Committee AGREED to recommend that the report be accepted, and provided appropriate challenge to the financial outcomes in the report (Option 1).</p>	R. Hayden
No. 6	<p><u>CAPITAL EXPENDITURE PROVISIONAL OUTTURN 2018/19</u></p> <p>Consideration was given to the report of the Chief Officer Resources which provided details of each Portfolio's capital expenditure outturn for the financial year 2018/19.</p> <p>The Chief Officer Resources spoke the report and highlighted points contained therein. The overall financial position at 31st March, 2019 was an adverse variance of £0.01m against a total in year capital budget of £13.86m.</p> <p><i><u>Land at Blaenant Road, Nantyglo</u></i></p> <p>In response to a question raised, the Service Manager Public Protection reported that NRW was proceeding with the proceeds of crime application, however, any costs recovered was likely to be significantly less than the costs already paid by the Council.</p> <p><i><u>Garden Festival Highways Improvements</u></i></p> <p>A Member asked why this was not included in the general highway maintenance capital programme. The Service Manager Public Protection undertook to report back on this matter.</p> <p><i><u>Appendix 3 Acquisition of Cwm Draw Units</u></i></p> <p>In response to a question raised, the Service Manager</p>	<p>Dave Thomps on</p> <p>Mathew</p>

	<p>Neighbourhood Services undertook to report back on this matter.</p> <p><u>Workplace Transformation - BRC</u></p> <p>In response to a further question, the Chief Officer Resources explained that was expenditure incurred in relation to moving staff out of the facility.</p> <p><u>Company Shop, Tredegar</u></p> <p>A Member asked for an update position, and the Service Manager Neighbourhood Services undertook to report back on this matter.</p> <p>The Committee AGREED to recommend Option 1, that the report be accepted and the Joint Budget Scrutiny Committee;</p> <ol style="list-style-type: none"> i. Provided appropriate challenge to the financial outcomes in the report; ii. Continue to support appropriate financial control procedures agreed by Council; and iii. Noted the budgetary control and monitoring procedures in place within the Capital Team, to safeguard Authority funding. 	<p>Perry</p> <p>Matthew Perry</p>
<p>No. 7</p>	<p><u>GENERAL RESERVES PROVISIONAL OUTTURN 2018/19</u></p> <p>Consideration was given to report of the Chief Officer Resources which provided details of the provisional forecast general reserves.</p> <p>The Chief Officer Resources spoke to the report and highlighted points contained therein. The General Reserve balance at 31st March, 2019 was £5.894m (subject to audit), which represented 4.39% of net revenue expenditure as reported in the 2017/19 Revenue Outturn forms. The General Reserve was therefore potentially £0.506m above the 4% target level, which was a positive position, and hopefully this would increase over time.</p> <p>A brief discussion ensued when the Officer clarified points raised by Members.</p>	

<p>The Committee AGREED to recommend that the report be accepted and the Joint Budget Scrutiny Committee:-</p>	
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| <ul style="list-style-type: none">i. Note the planned maintenance of the General Reserve at the 4% target level for 2018/19 and future years; andii. Continue to challenge budget overspends and implement appropriate service Action Plans, where required. | |
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