

COUNTY BOROUGH OF BLAENAU GWENT

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

**SUBJECT: JOINT SCRUTINY COMMITTEE
(BUDGET MONITORING) –
16TH SEPTEMBER, 2019**

REPORT OF: DEMOCRATIC SUPPORT OFFICER

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors D. Bevan
M. Cook
M. Cross
G. L. Davies
P. Edwards
J. Hill
W. Hodgins
H. McCarthy
J. Millard
J. C. Morgan
K. Pritchard
T. Sharrem
T. Smith
B. Summers
S. Thomas

Co-Opted Members

A. Williams

**WITH: Managing Director
Corporate Director of Social Services
Corporate Director of Education
Chief Officer Resources
Chief Officer Commercial
Head of Community Services
Service Manager Accountancy
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. Day, L. Elias, J. Holt, C. Meredith, L. Parsons, G. Paulsen, K. Rowson, H. Trollope, J. Wilkins, D. Wilkshire, B. Willis, L. Winnett</p> <p><u>Co-opted Member</u> Mr. T. Baxter</p>	
No. 3	<p><u>DECLARATIONS OF INTERESTS AND DISPENSATIONS</u></p> <p>Councillors W. Hodgins and P. Edwards declared an interest in the following item:-</p> <p>Item No. 10 - Revenue Budget Monitoring – 2019/2020, Forecast Outturn to 31 March 2020 (as at 30th June 2019).</p>	
No. 4.	<p><u>JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)</u></p> <p>The Minutes of the Joint Scrutiny Committee meeting held on 6th February, 2019 were submitted, whereupon:-</p> <p><u>Item 4 – Revenue Budget 2019/20</u></p> <p>A Member commented that in relation to schools he and another Member spoke in support of schools to provide a balanced view and he felt this was not accurately reflected in the Minutes. The Member referred to page 19 Individual School Budgets (ISB) and said this was also not a balanced view.</p> <p>The Committee AGREED, subject to the foregoing, that the Minutes be accepted as a true record of proceedings.</p>	

<p>No. 5</p>	<p><u>ACTION SHEET – 6TH FEBRUARY, 2019</u></p> <p>The action sheet arising from the meeting of the Joint Scrutiny Committee (Budget Monitoring) held on 6th February, 2019 was considered, whereupon:-</p> <p><u>Item 5 – Revenue Budget 2019/20</u></p> <p>A Member referred to the full cost recovery of premises related costs for occupancy of Town and Community Councils and requested a breakdown of the full cost recovery be provided.</p> <p>A Member commented that budget setting discussions would shortly be taking place for 2020/21 and enquired if the Council paid at a higher rate for its utility costs. The Chief Officer Resources said that a 20% increase in utility costs had been built into the budget process for 2019/20 and she would enquire if the Council paid any penalties in relation to its utility costs and report back to Committee.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	<p>Chief Officer Resources</p> <p>Chief Officer Resources</p>
<p>No. 6</p>	<p><u>JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)</u></p> <p>The Minutes of the Joint Scrutiny Committee meeting held on 11th February, 2019 were submitted.</p> <p>The Committee AGREED that the Minutes be accepted as a true record of proceedings.</p>	
<p>No. 7</p>	<p><u>ACTION SHEET – 11TH FEBRUARY, 2019</u></p> <p>The Action Sheet arising from the meeting of the Joint Scrutiny Committee (Budget Monitoring) held on 11th February, 2019 was considered, whereupon:-</p> <p><u>Item 7 – Revenue Budget Monitoring 2018/19, Forecast to 31st March 2019</u></p> <p>In response to a Member’s question regarding the Splash Park, the Director of Social Services said that a report had been prepared and presented to the Environment, Regeneration & Economic Development Scrutiny</p>	

	<p>Committee in May that Social Services Scrutiny Committee Members had been invited to attend.</p> <p>A Member requested information regarding the 13% increase in energy costs and Corporate Services energy rebates.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	<p>Head of Community Services</p>
<p>No. 8</p>	<p><u>JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)</u></p> <p>The Minutes of the Joint Scrutiny Committee meeting held on 12th July, 2019 were submitted, whereupon:-</p> <p>A Member commented that at the Committee meeting he had requested a breakdown of expenditure costs for public toilets in each Ward and was still awaiting the information.</p> <p>The Committee AGREED, subject to the foregoing, that the Minutes be accepted as a true record of proceedings.</p>	
<p>No. 9</p>	<p><u>ACTION SHEET – 12TH JULY, 2019</u></p> <p>The Action Sheet arising from the meeting of the Joint Scrutiny Committee (Budget Monitoring) held on 12th July, 2019 was considered, whereupon:-</p> <p>A Member enquired when an update review of the Industrial Portfolio would be received. The Managing Director said that this would form part of the MTFs and a report on individual Service Business Reviews e.g. Industrial Portfolio would be presented to the Regeneration Scrutiny Committee in the Autumn.</p> <p>A Member requested a further progress update on the Company Shop, Tredegar. The Head of Community Services said he would report back to Committee in due course.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	<p>Head of Community Services</p>

No. 10

**REVENUE BUDGET MONITORING – 2019/2020,
FORECAST OUTTURN TO 31 MARCH 2020 (AS AT 30TH
JUNE 2019)**

Councillors W. Hodgins and P. Edwards declared an interest in this item and remained in the meeting.

Consideration was given to the report of the Chief Officer Resources which provided the forecast financial outturn position across all portfolios for the financial year 2019/20 (as forecast at 30th June, 2019) and to review the actions taken forward to move towards a balanced outturn position.

The Chief Officer Resources spoke to the report and highlighted the main points contained therein.

Impact on Budget

In response to a Member's question regarding ALT Termination costs, the Chief Officer Resources said that the forecast overspend would have been £300,000 if reserves had not been used.

Risk including Mitigation Actions

A Member referred to Brexit as an organisational risk and commented on the Government's Yellowhammer Impact Assessment and enquired regarding preparations for financial planning. The Managing Director said that Yellowhammer was the worst case scenario and that an Officer Working Group was working on planning preparations and had geared up to the original March deadline. A Members Briefing session would be arranged for October to update Members and a report would be presented to Scrutiny. The Member felt that the Council may already feel the impact of Brexit by December. The Managing Director said that a risk assessment had been undertaken and if there was a radical change this would be reported to Members.

In response to a Member's enquiry regarding the Sustainable Social Services Grant, the Director of Social Services said that the grant had been received for the last 2 years but confirmation of the grant for 2020/21 would not be received until January/February 2020.

Financial Efficiency Projects (FEP)

A Member commented on the £50,000 increase in recycling income not being achieved due to the delayed use of the baler. The Head of Community Services said that there had been some issues regarding the baler at Silent Valley such as compacting of the aluminium cans and aerosols and training to operate the baler which had delayed its use and had resulted in a shortfall of income generated.

Appendix 1 - Summary of main forecast adverse variances 2019/20

Environment – Cemeteries

In response to a Member’s enquiry regarding cemeteries, the Head of Community Services said that the net surplus was not enough to offset the forecast adverse variance. Costs had been reduced as much as possible, however, the income target had been difficult to achieve. The Member felt that the income targets should be reviewed.

A Member commented that it was important that cemeteries be maintained to a good standard as they were an emotive and sensitive area for residents to visit. He added that it was not always about budgets and maintenance of cemeteries should be addressed in a better manner.

Reference was made to the Task & Finish Group and the monies received from Gwent Crematorium and Members felt that this should be referred to the Community Services Committee.

The Committee AGREED this course of action.

Environment – Cwmcrachen Caravan Site

A Member referred to the forecast adverse variance for Cwmcrachen Caravan Site and enquired if it was due to rents and high utility bills.

Education- Home to School Transport

A Member referred to the year on year increase in the

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Home to School Transport for special schools, the Director of Education said that it was based on need within the system, some pupils had complex needs and it was difficult to predict increases in demand for the service.

Another Member commented that the Authority received a Looked After Children grant for the Social Services Directorate and felt that one Directorate received finance which also affected another Directorate. The Director of Education clarified that costs were linked to LAC, Social Services Directorate picked up the care elements and the Education Directorate picked up the education element of the total cost.

Appendix 2
Transport Services - Parking Enforcement

A Member referred to civil parking enforcement at schools and requested that Brynbach Primary School and Tredegar Comprehensive be identified as priority areas for enforcement. The Head of Community Services said that there were only two enforcement officers and their remit was to focus on the priority areas of town centres and schools. However, he would arrange for the two schools to be made a priority for officers.

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Following a Member's comment regarding an SRS update on the new IT system, the Chair responded that a Members briefing session would be arranged with SRS colleagues to give a complete update on new IT systems, as agreed at a recent Corporate Overview Scrutiny Committee. It was noted that drop-in sessions had been arranged with the Chief Officer Commercial.

The Committee AGREED this course of action.

Appendix 4
Corporate Services – Adverse Variance

In response to a Member's question regarding the anticipated shortfall on the Administration Subsidy grant, the Chief Officer Resources clarified that the grant was received to administer Housing Benefits and work was being undertaken to review the overpayments process to address this cost pressure.

With reference to the installation of dog waste bins, the Head of Community Services said that dog waste bins would continue to be installed where an absolute need had been identified.

A Member felt that the deep cleans at town centres were poor value for money.

A Member referred to public toilets funding and requested a breakdown of the funds provided to each of the town centres over the last 2 years. The Head of Community Services said that a reduction to the contribution paid to the organisations for running the public toilets was being considered. A one off grant had been received last year, however, internal funding was also provided through the Street Cleansing budget. A breakdown of funding for each town centre would be provided at the next appropriate Committee.

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Councillor M. Cook left the meeting at this juncture.

A Member commented that the original concept to use café toilets was good as the café owners had received funding for the public to use their facilities.

Another Member pointed out that although the previous administration had closed public toilets, this had been under consideration since 2006, and noted that the toilets had not been re-opened.

In response to a Member's question regarding the continual restructure of departments, the Managing Director clarified that this was not a continual restructure, the Senior Management Review Phase 2 (SMR2) had taken some time to put in place and the changes in the Regeneration Department referred to were in fact part of SMR2.

A Member enquired regarding CCTV savings. The Managing Director confirmed that the savings had been achieved.

A Member proposed to support the virements with an amendment to read: consider and 'comment upon' an action plan.

	<p>The Committee AGREED, subject to the foregoing, to recommend that the report be accepted and endorsed Option 1, namely:</p> <ul style="list-style-type: none"> • that Members provided appropriate challenge to the financial outcomes in the report; • that Members consider and ‘comment upon’ the Action Plans attached at Appendix 4 developed to address the forecast adverse variances at the end of June 2019; and • recommend the Executive approve the budget virements attached at Appendix 5 which exceed £250,000. 	
<p>No. 11</p>	<p><u>CAPITAL BUDGET MONITORING – APRIL TO JUNE 2019 2019/2020 FINANCIAL YEAR</u></p> <p>Consideration was given to the report of the Chief Officer Resources which provided an overview of each Portfolio’s forecast capital expenditure against funding approvals for the 2019/20 financial year, as at 30th June, 2019.</p> <p>The Chief Officer Resources spoke to the report and highlighted the main points contained therein.</p> <p>A Member referred to the acquisition of Cwm Draw Units 1-6. The Chief Officer Resources said that the purchase had now been completed with a small budget remaining.</p> <p>The Committee AGREED to recommend that the report be accepted and endorsed Option 1, namely:</p> <ul style="list-style-type: none"> • that Scrutiny Members continue to provide appropriate challenge to the financial outcomes in the report; • Continue to support appropriate financial control procedures agreed by Council; • the budgetary control and monitoring procedures in place within the Capital Team, to safeguard Authority funding be noted. 	

No. 12 **USE OF GENERAL AND EARMARKED RESERVES**
2019/2020

Consideration was given to report of the Chief Officer Resources which provided Members with the forecast reserves position for 2019/2020 as at Quarter 1 (30th June, 2019).

The Chief Officer Resources spoke to the report and highlighted the key points contained therein.

In relation to Education – Gypsy Travellers, a Member raised concerns regarding increased costs to this budget associated with the expansion of Gypsy Traveller sites. The Service Manager Accountancy said that this was not an overspend it was a reserve. The Education Improvement grant had reduced and funding had been set aside.

The Chair commented on the officer representation at the meeting and felt that report authors needed to be in attendance at the meeting. The Managing Director responded that all Directorates had been represented at the meeting.

The Committee AGREED to recommend that the report be accepted and endorse Option 1; namely to

- Note the planned forecast increase of the General Reserve to 4.47% (above the 4% target level) for 2019/2020 and future years strengthening the Council's Financial Resilience;
- Note the impact the £0.150m forecast adverse variance for 2019/2020 would have on the General Reserve target; and
- Continue to challenge budget overspends and implement appropriate service Action Plans, where required.