

COUNTY BOROUGH OF BLAENAU GWENT

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

**SUBJECT: JOINT SCRUTINY COMMITTEE
(BUDGET MONITORING) –
18TH NOVEMBER, 2019**

REPORT OF: DEMOCRATIC SUPPORT OFFICER

PRESENT: COUNCILLOR S. HEALY (CHAIR)

Councillors G. Paulsen
D. Bevan
M. Cook
M. Cross
P. Edwards
L. Elias
K. Hayden
S. Healy
J. Hill
J. Holt
C. Meredith
M. Moore
J. C. Morgan
L. Parsons
K. Pritchard
T. Smith
S. Thomas

**WITH: Corporate Director of Social Services
Corporate Director of Education
Corporate Director Regeneration & Community
Services
Chief Officer Resources
Chief Officer Commercial
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 G.A. Davies, W. Hodgins, H. McCarthy, J. Millard, K. Rowson, T. Sharrem, B. Summers, H. Trollope, J. Wilkins, D. Wilkshire, B. Willis, L. Winnett</p> <p><u>Co-opted Member</u> Mr. T. Baxter Mr. A. Williams</p>	
No. 3	<p><u>DECLARATIONS OF INTERESTS AND DISPENSATIONS</u></p> <p>Councillors J.C. Morgan and P. Edwards declared an interest in the following item:-</p> <p>Item No. 8 – Capital Budget Monitoring April to September 2019/20 Financial Year</p>	
No. 4.	<p><u>JOINT SCRUTINY COMMITTEE (BUDGET MONITORING)</u></p> <p>The Minutes of the Joint Scrutiny Committee meeting held on 16th September, 2019 were submitted.</p> <p>Councillor M. Moore reported that her apologies had been submitted for the meeting, and Councillor J.C. Morgan pointed out that he left the meeting at the end of discussion on Item No. 10.</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 – 16TH SEPTEMBER, 2019</u></p> <p>The action sheet arising from the meeting of the Joint Scrutiny Committee (Budget Monitoring) held on 16th September, 2019 was considered, whereupon:-</p> <p><u>Civil Parking Enforcement</u></p> <p>The Chair reported that a Members’ Briefing Session had been convened for the 22nd November, 2019. He also requested that St. Illtyd’s Primary School and Swffryd Primary School be added to the list of priority areas for enforcement.</p> <p>The Committee AGREED, subject to the foregoing, that the Action Sheet be noted.</p>	
<p>No. 6</p>	<p><u>EXECUTIVE DECISION SHEET</u></p> <p>The Executive Decision Sheet was submitted for consideration.</p> <p>The Committee AGREED that the Decision Sheet be noted.</p>	
<p>No. 7</p>	<p><u>REVENUE BUDGET MONITORING – 2019/2020, FORECAST OUTTURN TO 31 MARCH 2020 (AS AT 30TH SEPTEMBER 2019)</u></p> <p>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 at 30th September, 2019) and to review the actions taken forward to move towards a balanced outturn position.</p> <p>The Officer said this was a positive report and stated that the overall forecast financial position across all portfolios at 31st March, 2020 was showing a relatively small adverse variance of £7,200 against a total net revenue budget of £147m. This was an improved position on the forecast position reported in quarter 1. She then spoke to the report and highlighted the main points contained therein.</p> <p><u>Environment - £259k adverse variance</u></p>	

A Member referred to Appendix 4 which outlined the actions to be taken to address the adverse variance, in particular reduction of town centre deep cleans and weed spraying. He pointed out that the current administration, in Council in July 2019, gave a commitment to prioritise street cleansing over the next 5 years, and the Member asked whether it was intended to move away from that priority.

He also referred to the development of a second HWRC in Roseheyworth and the associated revenue costs attached. He questioned whether it was financially viable for the Council in light of the adverse variance within the Environment Portfolio, and whether the HWRC had replaced the Leadership's priority for street cleansing. He expressed concern that the adverse variance within the Portfolio was after the virement of money into the portfolio, and prior to the HWRC being operational.

In response the Corporate Director Community Services & Regeneration said street cleansing remained a priority for the Council, but these actions were necessary to balance the budget. One of the key challenges was the increase in black bag sorting, but recycling continued to improve which would hopefully drive a reduction in costs in order to balance the budget, and then enable us to continue the activities that the Council committed to delivering.

Another Member asked whether some of the street cleansing activities could be undertaken 'in-house' in order to reduce costs.

The Corporate Director said some of the actions outlined in the report were short-term, and there would be opportunity to review and consider alternative opportunities as the budget progressed.

A Member said there was nothing in the report to suggest that politically the Council's priorities had changed. The report outlined the need for 'cut-backs' in order to balance the budget, and this may be required across all portfolios.

Social Services

In relation to income generation, a Member asked whether there were any proposals to expand the facilities available at Augusta House.

The Corporate Director Social Services confirmed that a feasibility study was undertaken and Welsh Government funding had been secured to develop additional facilities for the wider Gwent area.

Cwmcrachen Caravan Site

In response to a question raised by a Member regarding the electricity supply issues at the site, the Corporate Director Community Services & Regeneration confirmed that discussions were ongoing with the energy company regarding the installation of individual metres at the site.

A Member asked whether the Authority could subsidise the cost of installation of the metres in order to speed up the process, and the Corporate Director undertook to investigate.

Festival Park

In response to a further question, the Corporate Director Community Services & Regeneration explained that the Authority had a management agreement with the owners of the site to keep the site maintained. However, detailed expenditure would be considered moving forward.

Sustainable Social Services Grant

A Member referred to the risk identified at section 5.2.3 of the report, i.e. the risk that the Sustainable Social Services Grant may not be awarded in future years, and asked whether there was any indication of this money coming through.

The Corporate Director of Social Services said there was no indication at the moment and this was likely due to the delay in the budget, but hopefully the money would be received.

Fees & Charges

A Member expressed concern regarding a number of the adverse variances within fees and charges, particularly licensing.

In response the Corporate Director Community Services & Regeneration said in relation to licensing fees, a proposal was submitted to the General Licensing Committee to change the fees to bring them more in line with the cost recovery model, however, the proposal was not accepted by the Committee.

CCTV

The Chair confirmed that a report would be submitted to the Corporate Overview Scrutiny Committee in January 2020.

Dog Wardens

In response to a question raised, the Corporate Director Community Services & Regeneration said the current contract was the most efficient option at the moment, and was operating on a cost neutral basis.

The Committee AGREED to recommend that the report be accepted and the Joint Budget Scrutiny:

- Provided appropriate challenge to the financial outcomes in the report;
- Considered the action plans attached at Appendix 4 developed to address the forecast adverse variances at the end of September 2019; and
- Recommend that the Executive approve the budget virements attached at Appendix 5 which exceed £250,000.

No. 8

CAPITAL BUDGET MONITORING – APRIL TO SEPTEMBER 2019 2019/2020 FINANCIAL YEAR

Councillors J.C. Morgan and P. Edwards declared an interest in this item.

Consideration was given to the report of the Chief Officer Resources.

The Chief Officer Resources presented the report which provided an overview of each Portfolio's actual and forecast capital expenditure against funding approvals for the 2019/2020 financial year.

The Officer said this was another positive report, with the overall financial position at 30th September, 2019 showing a nil variance against a total capital budget of £19.16m. It was anticipated that all in year capital expenditure would be fully funded.

A Member referred to the budget allocated for the Household Waste Recycling Centre and asked whether the proposed opening arrangements were included in the funding bid submitted to Welsh Government.

In response the Corporate Director of Community Services & Regeneration said as far as he was aware there was no stipulation within the bid in relation to opening arrangements.

Band B Welsh Medium New Build

In response to a question raised by a Member, the Corporate Director of Education confirmed that all avenues of revenue funding were currently being explored.

The Committee AGREED to recommend that the report be accepted and the Joint Budget Committee:

- Provided appropriate challenge to the financial outcomes in the report;
- Continue to support appropriate financial control procedures agreed by Council;
- Note the budgetary control and monitoring procedures in place to safeguard Authority funding;
- Considered the funding proposals in relation to the Industrial Units Improvement Programme and Household Waste Recycling Centre (HWRC) projects and recommend to Executive Committee.

No. 9 **USE OF GENERAL AND EARMARKED RESERVES 2019/2020**

Consideration was given to report of the Chief Officer Resources.

The Chief Officer Resources presented the report which provided the forecast reserves position for 2019/2020 as at Quarter 2 (30th September, 2019). The forecast general reserve balance at 31st March, 2020 of £6.136m represented 4.58% of net revenue expenditure as reported in the 2018/19 Revenue Outturn forms. The general reserve would therefore be £0.775m which was above the 4% target level of £5.361m.

The Committee AGREED to recommend that the report be accepted and the Joint Budget Scrutiny Committee:

- Note the planned forecast increase of the General Reserve to 4.58% (above the 4% target level) for 2019/2020 and future years strengthening the Council's financial resilience;
- Consider the impact the £0.007m 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.