

COUNTY BOROUGH OF BLAENAU GWENT

REPORT TO:	<u>THE CHAIR AND MEMBERS OF THE COUNCIL</u>
SUBJECT:	<u>ORDINARY MEETING OF THE COUNCIL – 6TH FEBRUARY, 2020</u>
REPORT OF:	<u>DEMOCRATIC OFFICER</u>

PRESENT: COUNCILLOR M. MOORE (THE CHAIR,
PRESIDING)

Councillors P. Baldwin
D. Bevan
G. Collier
J. Collins
M. Cross
N. Daniels
D. Davies
G. A. Davies
G. L. Davies
M. Day
P. Edwards
L. Elias
D. Hancock
K. Hayden
S. Healy
J. Hill
W. Hodgins
M. Holland
J. Holt
J. Mason
H. McCarthy, B.A. (Hons)
C. Meredith
J. Millard
J. C. Morgan
J. P. Morgan
L. Parsons
G. Paulsen
K. Pritchard
K. Rowson

T. Sharrem
T. Smith
B. Summers
B. Thomas
G. Thomas
S. Thomas
H. Trollope
D. Wilkshire
B. Willis
L. Winnett

AND: Managing Director
Corporate Director of Social Services
Corporate Director of Education
Corporate Director of Regeneration & Community Services
Chief Officer Resources
Chief Officer Commercial
Head of Legal & Corporate Compliance
Press and Publicity Officer

<u>No.</u>	<u>SUBJECT</u>	<u>ACTION</u>
1.	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
2.	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from Councillors M. Cook and J. Wilkins.</p>	
3.	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interest or dispensations reported.</p>	

4. CHAIR'S ANNOUNCEMENTS

Condolences

- Condolences were expressed to the family of former Councillor David White who had sadly passed away.

Members and officers stood in silence as a mark of respect.

Congratulations

- Congratulations were extended to Denis and Audrey Osland from Abertillery who would be celebrating their Diamond Wedding Anniversary on 6th February, 2020.

RESOLVED that a letter of congratulations be sent.

5 – MINUTE BOOK – NOVEMBER 2019 – JANUARY 2020

16.

The Minute Book for the period November 2019 – January 2020 was submitted for consideration.

RESOLVED that the minutes be approved and confirmed as a true record of proceedings.

17. MEMBERS QUESTIONS

The following question was submitted by Councillor H. Trollope, Deputy Leader of the Labour Group and responded to by Councillor J. Mason, Executive Member for Social Services:

Question

“Would the Executive Member for Social Services make a statement and explain his support for maintaining the status quo with regard to Home to School and Home to College Transport (current level of provision) in September 2018 contrasted against

his support for the Executive decision taken on Assisted Transport in Social Services the previous week”.

Response

The Executive Member said he believed that there were fundamental differences between these two decisions, the Council had a statutory duty to provide Home to School Transport, whereas there was no statutory duty to provide Assisted Transport. Social Services only had a duty to meet those needs that could not be met by the person’s own resources or community resources.

The decision taken by the Executive in September 2018 was not to increase the current policy limit to the statutory limits laid down for Home to School Transport provided by Welsh Government and Home to College Transport, the decision had been not to agree to a phased reduction of the Post 16 travel grant. This decision was taken to ensure children’s safety, and that all children and young adults within Blaenau Gwent had the best possible opportunities to learn and develop skills for the future regeneration of the area.

The Assisted Transport Policy implementation was supported by both Social Services Scrutiny and Executive and the decision taken by Executive was simply charging 11 individuals who were not eligible for free transport but were unable to make their way to Community Options and needed to use the Council’s transport, and Executive had agreed this charge should be the equivalent to the cost of making their way in by public transport. Out of the 149 assessments undertaken, only one citizen had stopped attending Community Options, this reflected the consultation and solutions found by the team for those attending and their carers.

Supplementary Question

“Had a full impact assessment been undertaken with service users and families because it was obvious from the comments made in the South Wales Argus dated 29th January, 2020 that the individual concerned had felt let down and was experiencing on-going problems”.

Response

The Executive Member confirmed that a full impact assessment had been attached to the reports that had been submitted to both the Executive and Scrutiny Committee, which fully covered the points raised.

However, he extended an offer to arrange a meeting with himself, the Member and the Corporate Director at a convenient time to discuss the case concerning the individual.

Councillor Trollope thanked the Executive Member and accepted the offer to meet.

18. PUBLIC QUESTIONS

There were no questions submitted by members of the public.

19. REVENUE BUDGET 2020/2021 TO 2024/2025

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

The Chief Officer Resources spoke to the report which had been presented to Members to:

- Provide an update on the positive provisional local government settlement for 2020/2021 and the impact upon the Council's budget.
- Consider and agree the detailed budget for 2020/2021 and indicative budget for 2021/2022.
- Agree the level of Council Tax increase for the 2020/2021 financial year.

The following salient points were, thereupon, highlighted in further detail:

Scope and Background:

- The Provisional Settlement contained details of the revenue funding the Welsh Authorities could expect to receive in 2020/2021 in order to allow them to set their budgets and determine levels of Council Tax for that year. It also provided details of the Capital funding that Authorities could expect to receive to fund their Capital Programmes. It was noted that indicative figures for the 2021/2022 financial year and beyond had not been provided at this stage.
- The positive provisional settlement combined with the opportunities identified in the Bridging the Gap Programme meant that the Council was able to invest in key priorities, avoid cuts to services and enhance its financial resilience.

National Position (All Wales)

- The overall headline increase in the Aggregate External Finance (AEF) quoted by Welsh Government was 3.9%, after taking into account transfers into the settlement. Compared to the Welsh average increase of 4.3%, this placed Blaenau Gwent in the bottom third of the all-Wales table.
- There had been four transfers into the settlement as follows:
 - £39.112m for the teachers' pension grant
 - £12.018m for the teachers' pay grant
 - £1.9m for NHS funded nursing care
 - £151k for the Coastal Risk Management Programme

It would be a matter for each council to decide whether to passport all or some of this funding to the relevant budget holders.

- Certain specific Revenue Grants data had only been published on an all-Wales basis totalling £982m, therefore, the full impact of this was not yet known for Blaenau Gwent.
- Funding for certain grants had increased, for example Regional Consortia School Improvement Grant, PDG

Access and Social Care Workforce and Sustainability Pressures Grant. In addition, there was a new grant for Additional Learning Needs but some grants had decreased for example, the Sustainable Waste Management Grant.

- Further details of the specific grants would be published alongside the final Revenue Support Grant (RSG) on 25th February, 2020.
- The non-hypothecated general capital funding for 2020/2021 would be £198 million (including £20 million for public highways refurbishment grant) an increase of £15 million over that announced in the Final Budget last year.

Blaenau Gwent Position

- The headline increase for Blaenau Gwent County Borough Council after allowing for transfers was 3.9% (£4.3m) compared to the all Wales increase of 4.3%.
- Details of the Standard Spending Assessment (SSA) – the formula on which Welsh Government based the distribution of funding was provided in paragraphs 2.22 – 2.24 of the report.
- The Authority remained the highest receiver of Aggregate External Finance (AEG) on a per capita basis.

Table 1 – MTFs Funding Gap (as at 12th December, 2019)

- The figures included within Table 1 of the report were based upon a number of assumptions including a:
 - Cash flat level of funding from Welsh Government for 2020/2021 onwards.
 - Council Tax increase of 4% per annum.

Service Cost Pressures and Growth

- The provisional settlement increase in funding of £4.3m (3.9%) for 2020/2021 for Blaenau Gwent was better than the Medium Term Financial Strategy (MTFS) modelled position of 0%.

- Following this provisional settlement, the existing and new service cost pressures had been reviewed and updated. These pressures now totalled £2m for the 2020/2021 financial year (an increase of £1m). The changes to those cost pressures and growth items agreed by Council in December 2019 included:
- Teachers Pay and Pensions – the settlement only provided funding to cover the increase in costs for a 7-month period. The resulting cost pressure for the remaining 5-months of the financial year was assessed as £760,000.
 - Sustainable Waste Management Grant (£1.8m All Wales reduction in grant) – resulting in a cost pressure of £35,000, on top of the current year’s cost pressure of £50,000 (£85,000 in total).
 - Sustainable Social Services Grant – there had been a significant increase in the settlement for this specific grant for 2020/2021. This should allow the service to manage costs/budgets without the requirement for an increase in its core funding. The previously agreed cost pressure of £392,000 could, therefore, be reduced or removed.
 - Transformation Budget – it would be prudent to establish a Transformation Budget that could be utilised for example, to implement/deliver transformational projects and investments across the Council. It was anticipated that by establishing this budget, this would reduce the requirement to utilise earmarked reserves. It was proposed that this budget be set at £500,000.
- It was also proposed that the revised cost pressures and growth items be agreed and built into the Council’s budget from 2020/2021.

Treatment of Grants and Responsibilities Transferring into the Settlement

- It was noted that two grants transferring into the settlement, namely the Pay Award for Teachers and the NHS Funded Nursing Care would become un-hypothecated and the Council would have to consider whether it would want to continue to support this activity formerly funded by specific grant and additional funding or use the resources for other purposes. It was noted that if the Council did not agree to passport funding in this way, there would be a new cost pressure incurred within these budgets.
- It was, therefore, proposed that the grants transferring into the settlement be passported to relevant budgets from 2020/2021.

Impact upon the Individual Schools Budget (ISB)

- By passporting the grants transferred into the settlement (£1.075m Teachers Pay and Pensions) and agreeing to fund the schools cost pressures (£1.6m) i.e. (£760,000 for 5-months teachers' pay and pensions and £395,000 for an increase in pupil demographics) would result in an increase to the ISB of 5% - this was slightly above the increase the Council would receive of 4.9%.

Table 3 – Revised Funding Gap (Assuming Grants were Passported)

- For 2020/2021 the revised funding gap stood at £21,000 increasing to £2,342,000 in 2021/2022.

Table 4 – Estimated Achievement of Bridging the Gap Strategic Reviews

- It was noted that the Bridging the Gap Strategic Reviews had been scrutinised by the relevant Scrutiny Committees and had been agreed by Council in December 2019 as part of the Medium Term Financial Strategy (MTFS).

- It was proposed to factor in the estimated lower level achievement of the proposals into the budget which would result in the funding gap/surplus for:
 - 2020/2021 financial year (£1,444,000) surplus
 - 2021/2022 financial year being (£37,000) surplus

Transfer to Earmarked Reserves

- It was proposed that the achievement of Bridging the Gap proposals which exceeded the 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 (MTFS).

Leader of the Council – Statement

The Leader of the Council said that it was with a combination of pleasure and relief that he proposed that the budget (with one minor amendment) be endorsed. It was the first time in 12 years that local government had been in a position to have a settlement and budget proposal that did not involve the consideration of cuts to services and job losses. This was a very positive settlement for Blaenau Gwent and he hoped that this was a ‘step change’ in the way local government was funded. It was noted that other Council Leader’s from across Wales had indicated that services had been in melt down for the majority of the year.

In proposing the endorsement of the budget the Leader said he wanted to acknowledge and thank Welsh Government for the positive settlement. The Leader advised that Julie James, the Minister for Housing and Local Government in her opening line at her first meeting at the Welsh Local Government Association (WLGA) had stated that she wanted to “reboot the relationship between local government and Welsh Government” and between her, Rebecca Evans, Minister for Finance and Trefnydd, and the First Minister, Mark Drakeford, they had been true to their word and had acknowledged the precarious predicament that local government was in. It was noted that all Leaders had urged the Minister at that meeting to consider the way in which local government was funded and hoped that there would be a ‘step change’.

The Leader continued by stating that the positive settlement and the work undertaken by officers in respect of the Bridging the Gap Strategic Reviews had allowed the Council to be in this position today - budget setting had been approached in a different way which included producing an indicative budget for the 2021/2022 financial year which had been a significant achievement. The production of a 2-year budget provided a level of certainty for staff, residents and services provided and was also a major factor for the Council's short and long term financial sustainability and resilience.

At this juncture, the Leader gave advance notice that he would be proposing that Option 1 be endorsed with one minor amendment. In addition, further to the comments made by the Chief Officer Resources with regard to the un-hypothecated nature of grants he proposed that these be transferred into the Revenue Support Grant (RSG) and be passported directly to schools i.e. the grant covering Teachers Pay and Pensions together with the funding of the cost pressures for schools. This would result in a positive uplift of £2.2m to the Individual Schools Budget.

Amendment – Paragraph 3.1.7 – the Leader proposed a minor amendment to paragraph 3.1.7 of the report i.e. that Members agree a Council Tax increase of **3.9%** and not 4% as outlined in the report.

In proposing this level of Council Tax, it would provide the certainty to be able to produce a 2-year budget this year which was well within the parameters of a legal budget and would allow Council to enter into 2021/2022 assumptions within the Medium Term Financial Strategy (MTFS) in a surplus position.

The Leader of the Labour Group – Statement

The Leader of the Labour Group commenced by stating that he agreed with the proposal made to passport grants directly to schools and also endorsed the comments made relating to the Welsh Government.

He pointed out that he had indicated a number of years ago that Welsh authorities had not endured the same level of austerity and cuts as English authorities and the First Minister had made promises to look at the funding of local authorities and was hopeful for the future.

The Leader of the Labour Group continued by referring to the recent comments made in the press regarding the 'surplus' nature of the Joint Scrutiny Committee which had been convened to discuss the Revenue Budget and suggested that as political group meetings were held to receive briefings in respect of the budget, a discussion take place with the Leader of the Council regarding the future of this meeting.

He noted that the Leader had proposed a 3.9% Council Tax increase for 2020/2021 and said that the Council had complained for the last 12 years that it had suffered horrendous budget cuts but pointed out also suffering were the members of the public that had to endure annual council tax increases. Whilst the entrepreneurial nature of local authorities regarding income and charging was supported, in 2014 the Labour Group had put forward a 2.6% council tax increase and said that this positive settlement should be passported onto the residents. He felt confident for next year's settlement and proposed two amendments in respect of Option 1:

Amended Proposal:

Paragraph 3.1.4 – Transformation Budget (£500,000) – be reduced to £400,000.

Paragraph 3.1.7 – the level of Council Tax be increased to 2.9% - this would result in a £366,000 funding gap.

The above proposal could be funded by:

£100,000 from the Transformation Budget – 1%

£266,000 from the predicted Surplus (£1.4m) – 0.1%

This amended proposal was seconded.

The Leader of the Council acknowledged the point being made by the Leader of Labour Group and said that discussions had taken place regarding the council tax level. He expressed his concern regarding a reduction in any of the budget figures put forward as there were future challenges on the horizon, the full extent of which were not known at this stage i.e. the impact of Brexit, cost and demand for services provided, the U.K spending review and future settlements (it was hoped that these would also be positive). In

addition, the Council had to be mindful of the impact of the increase in the minimum revenue provision from 2022/2023.

Therefore, the Council needed to create a buffer zone to continue to protect jobs and services. A 3.9% increase in the level of Council Tax (if endorsed) was a 1% reduction on the previous year. He was convinced that a Transformational Budget of £500,000 would cease the requirement to use earmarked reserves (historically £14m had been used from these earmarked reserves) and this would create far more of a buffer for the Council moving forward into a surplus position.

The Leader concluded by stating that he would be far more content if the budget was accepted as presented and proposed that the initial proposals be endorsed.

This proposal was seconded.

The Leader of the Labour Group said that he still maintained that the estimated 'lower level' achievement range in respect of Bridging the Gap proposals would generate more income and he was optimistic that next year the Council would also receive a positive settlement as he believed there was a change in the thinking behind the way local government was funded.

He noted other local authorities could potentially be setting higher council tax rates and alluded to the work that had been undertaken between 2013 – 2016. He believed that the people of Blaenau Gwent were being penalised due to the size of the authority area and said that where some relief could be provided to residents, the Council should do so as they may also be affected by increasing service charges.

The Leader of the Council proposed that Option 1 be endorsed with the amendment that the level of Council Tax increase to 3.9%.

This proposal was seconded.

The Leader of the Labour Group proposed that the following amendment i.e. that the level of Council Tax increase by 2.9%.

This proposal was seconded.

A vote was, thereupon, taken in respect of the **proposed amendment i.e. that the level of Council Tax increase by 2.9%.**

This proposal was not carried.

A vote was, thereupon, take in respect of the **original proposal to increase the level of Council Tax increase to 3.9%.**

This proposal was carried.

The Leader of the Council expressed his appreciation to the Chief Officer Resources and her team for the incredible amount of work undertaken and to the Managing Director, Corporate Leadership Team and Senior Managers and Budget Holders throughout the process. He requested that it be put on record that part of the reason the Council had managed to produce this budget was due to the work undertaken in respect of the Bridging the Gap Programme, which would need to continue at pace to ensure that the Council remained well placed to meet those future challenges as an organisation.

The Leader of the Labour Group endorsed the comments above.

RESOLVED, subject to the foregoing, that a report be accepted and Option 1 be endorsed, namely that:

- The 2020/2021 revenue budget and high level indicative budget for 2021/2022 be agreed.
- The potential further change in the Final Revenue Support Grant (RSG) Settlement be noted.
- The outcomes within the BGCBG provisional RSG Settlement and its impact upon the Medium Term Financial Strategy be noted.
- The updated cost pressures and growth items (£2m in total) identified in Appendix 3 of the report for inclusion in the Council's budget be agreed. This included the establishment of a cross cutting Transformation budget of £500,000 to be utilised to implement/deliver opportunities for Blaenau Gwent.

- The grants be transferred into the settlement and the “passporting” of expenditure from these former specific grants/additional funding into the Council’s budget be approved.
- Any achievement of the Bridging the Gap proposals which exceeded 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 be approved.
- A Council Tax increase of 3.9% for 2020/2021 be approved.

20. MEMBERSHIPS REPORT

Consideration was given to:

(a) Aneurin Bevan Community Health Council

to appoint a replacement representative for Councillor Julie Holt.

The Leader reported that the Independent Group had no current nominations to submit for this vacancy and offered the Labour Group to provide a nomination.

(b) Advisory Panel for Local Authority School Governors

The following recommendations were made by the Panel on 17th December, 2019 to appoint:

Councillor D. Davies – ***Ebbw Fawr Learning Community***
 Councillor P. Edwards – ***Rhos-y-Fedwen Primary School***
 Councillor H. Trollope – ***Tredegar Comprehensive School***
 Ms. Sian Barrett – ***Willowtown Primary School***

(c) The following recommendations were made by the Panel on 31st January, 2020 to appoint:

Councillor D. Bevan – ***Cwm Primary School***

Upon a vote being taken it was unanimously,

RESOLVED that the above appointments be endorsed.

A Member stated that given the important nature of the business discussed at these meetings, requests had been made for a clerk to be provided at future Panels to minute the proceedings.

The Leader of the Council advised that discussions had taken place with the Executive Member – Education on this matter and he would liaise with Democratic Services Team regarding this request.