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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Bridgend County Borough Council



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Annwyl Cyngorydd,

Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate

Deialu uniongyrchol / Direct line /: 01656 643148 / 643147 / 643694

Gofynnwch am / Ask for:

Ein cyf / Our ref:

Eich cyf / Your ref:

Dyddiad/Date: Dydd Mawrth, 26 Ionawr 2021

PWYLLGOR TROSOLWG A CHRAFFU CORFFORAETHOL

Cynhelir Cyfarfod Pwyllgor Trosolwg a Chraffu Corfforaethol o bell trwy Microsoft Teams ar **Dydd Llun, 1 Chwefror 2021 am 10:00.**

AGENDA

1. Ymddiheuriadau am absenoldeb
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
2. Datganiadau o fuddiant
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
3. Strategaeth Ariannol Tymor Canolig 2021-22 i 2024-25 a Phroses Ymgynghori'r Gyllideb Ddrafft 3 - 14
4. Materion Brys
I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Sylwch: Yn sgil yr angen i gadw pellter cymdeithasol, ni fydd y cyfarfod hwn yn cael ei gynnal yn ei leoliad arferol. Yn hytrach, bydd hwn yn gyfarfod rhithwir a bydd Aelodau a Swyddogion yn mynychu o bell. Bydd y cyfarfod yn cael ei recordio i'w ddarlledu ar wefan y Cyngor cyn gynted ag sy'n ymarferol ar ôl y cyfarfod. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â cabinet_committee@bridgend.gov.uk neu ffoniwch 01656 643147 / 643148.

Yn ddiffuant

K Watson

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Cyfnwidd testun: Rhowch 18001 o flaen unrhyw un o'n rhifau ffon ar gyfer y gwasanaeth trosglwyddo testun

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Cynghorwyr
KL Rowlands
RMI Shaw
JC Spanswick
T Thomas

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

1 FEBRUARY 2021

REPORT OF THE CHIEF OFFICER – LEGAL, HR & REGULATORY SERVICES

MEDIUM TERM FINANCIAL STRATEGY 2021-22 TO 2024-25 AND DRAFT BUDGET CONSULTATION PROCESS

1. Purpose of report

1.1 The purpose of the report is to present the Committee with:

- a) the final report of the Budget Research and Evaluation Panel (BREP) attached at **Appendix A**;
- b) the responses from all the Subject Overview & Scrutiny Committees in relation to Cabinet's draft budget proposals, attached at **Appendix B**.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective/objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
2. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
3. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

3.1 In considering the challenges associated with continued budget reductions, Members recognised the need for a 'whole Council' response to be adopted in managing anticipated cuts to services against a backdrop of increasing demand and the challenging financial outlook.

3.2 It was therefore recommended in 2017, that a Budget Research and Evaluation Panel (BREP) be established to engage Members on budget proposals as well as

to enable members to feed in community intelligence gained from their representative role and to engage in shaping future service provision.

- 3.3 The Corporate Overview and Scrutiny Committee (COSC) has the overall responsibility of scrutinising budget monitoring reports throughout the year. As such, it was agreed at a meeting of Council in September 2017 that it would continue this role and appoint BREP members from within the COSC membership.
- 3.4 The purpose of the Budget Research and Evaluation Panel was subsequently agreed as the following:
- To achieve consensus on the direction of the budget over the life of the medium term financial strategy;
 - To achieve a detailed overview and assessment of the budget proposals where the expertise and knowledge of each Committee contributes to a Corporate understanding and appreciation of the draft budget proposals;
 - To assist the Council to develop a budget for the forthcoming year that aims to meet the needs of the communities of Bridgend County Borough;
 - To facilitate firmer understanding of the budget setting process and the draft proposals in order to assist the Committees in making informed comments, constructive challenge or recommendations to Cabinet as part of the budget consultation process.
- 3.5 BREP Members would be presented with the budget reduction proposals and budget pressures, and would have the opportunity to discuss these with the Chief Executive and Corporate Directors, and were asked to consider the information contained in these reports to determine whether they wish to make comments or recommendations for consolidation and inclusion in the report to Cabinet, as part of the budget consultation process.
- 4. Current situation/proposal**
- 4.1 The BREP has considered the draft budget proposals for the year 2021-22.
- 4.2 The Panel met on five occasions and were supported by two Scrutiny Officers, Interim Chief Officer - Finance, Performance and Change and Section 151 Officer, Interim Deputy Head of Finance and the Deputy Leader.
- 4.3 The September, October and November 2020 meetings of BREP considered individual presentations from all Corporate Directors and the Chief Executive detailing the impact that the budget plans and proposals would make to their Directorate. In addition Members heard from the Consultation Engagement and Equalities Manager in respect of the public consultation.
- 4.4 The Corporate Overview & Scrutiny Committee is asked to consider the findings of the Budget Research and Evaluation Panel attached at **Appendix A** and determine whether the recommendations should be forwarded to Cabinet along with the consolidated responses from all four Overview and Scrutiny Committees at **Appendix B** as part of the budget consultation process.

5. Effect upon policy framework and procedure rules

5.1 This item relates to the role of Overview & Scrutiny Committees as consultees in respect of the budget setting process.

6. Equality Impact Assessment

6.1 There are no equality implications directly attached to this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report:

- Long-term - The consideration and approval of this report will assist in the budget setting process for both the short-term and in the long-term.
- Prevention - The consideration and approval of this report will assist in the budget setting process by approving and shaping preventative measures provided by Directorates to generate savings.
- Integration - The report supports all the wellbeing objectives
- Collaboration - The consideration and approval of this report will assist in the budget setting process by approving and shaping collaboration and integrated working to generate savings.
- Involvement - Publication of the report ensures that the public and stakeholders can review the work that has been undertaken by Scrutiny members.

8. Financial implications

8.1 The report relates to the budget setting process and the financial implications associated with that.

9. Recommendation

9.1 The Committee is asked to determine whether it wishes to submit the recommendations outlined in **Appendices A and B** to Cabinet on 9 February 2021 as part of the budget consultation process, subject to any modifications and amendments that the Committee decides are appropriate.

K Watson
Chief Officer - Legal, HR & Regulatory Services
26 January 2021

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Background documents: None

Report of the Budget Research and Evaluation Panel in respect of the Medium Term Financial Strategy 2020-21 to 2023-24

- 1.1. The Budget Research and Evaluation Panel (BREP) has considered the draft budget proposals for the year 2021-22. During this period, the authority was experiencing unprecedented demand in relation to its support for communities during the Covid-19 pandemic. This is ongoing and, in response, the authority has set up a Cross-Party Recovery Panel. The Terms of Reference for this Recovery Panel extend beyond financial management. Particular emphasis was placed on BREP management to ensure there was no duplication in review processes.
- 1.2. The Panel met on five occasions and were supported by two Scrutiny Officers, Interim Chief Officer Finance, Performance and Change, Interim Deputy Head of Finance and the Deputy Leader.
- 1.3. At the first meeting in July, Members discussed the importance of attending for the full cycle of the BREP. Should Members feel unable to attend during the year, their Group Leader could nominate another Member to attend. This would apply for the duration of the BREP cycle.
- 1.4. The Interim Chief Officer Finance, Performance and Change set out in full the financial position, detailing the overspends and underspends in relation the Medium Term Financial Strategy (MTFS). It was identified that the underspends were utilised to set up a new earmarked reserve of £3m for unfunded Covid-19 costs.
- 1.5. At the second meeting in September, the Chief Executive presented an overview of the current budgetary position linked to the Covid-19 recovery and impact. The Consultation Engagement and Equalities Manager presented an update on the proposed Budget Consultation.
- 1.6. Members discussed the direction of the BREP and, with the agreement of the Chief Executive, invitations would be made to all Corporate Directors to attend the BREP in future meetings.
- 1.7. At the third meeting in October, the Consultation Engagement and Equalities Manager provided the BREP with an update on the Budget Consultation. BREP Members were encouraged to support the Consultation. The current Covid-19 situation presented unique challenges to public consultation.
- 1.8. The Chief Executive provided an overview of his budget. The Chief Executive answered questions on a variety of budgetary issues including Miscellaneous

spend (apprenticeships), Business Support, the challenges to remote working, the impact of Covid-19 and the need to set the council tax rate. The issue of managing multiple grant opportunities from Welsh Government (WG) was also discussed. It was accepted that this was also an increased burden on the authority.

- 1.9. The Head of Operations – Community Services provided an overview of the Directorate’s budget. In particular, BREP Members asked questions on Highway, Fleet, and Supplies Services, the delay in vacating the Waterton depot, and public realm. Additionally, the impact of Covid-19 on the Directorate was also discussed.
- 1.10. At the fourth meeting in November, the Corporate Director - Education and Family Support provided an overview of the budget. In particular, BREP Members enquired about deficit budgets within schools and what central support was being provided.
- 1.11. The BREP also received an overview from the Corporate Director - Social Services and Wellbeing. In particular, BREP Members enquired about the overspend on Looked After Children (LAC).
- 1.12. The BREP were aware of the pressures on each Directorate when compiling and meeting budget savings year on year. These savings would prove difficult to deliver when considering expenditure to meet the Covid-19 pandemic demands. At present this left little opportunity to suggest additional budget saving proposals.

MTFS Budget Reduction Proposals for 2021-22 to 2023-24

- 1.13. After receiving a presentation from the Chief Executive in relation to his budget management, the BREP identified the following challenges.
 - The impact of financial management of Covid-19.
 - The closure of the Bridgend Ford plant that would have a significant community impact.
 - The necessity to work closely with WG in relation to ongoing grant funding management.
 - The necessity to work in partnership with third sector organisations.
 - The necessity to work in partnership with Town and Community Councils.
- 1.14. The BREP identified that the centralisation of Business Support mechanisms within the authority may well be a positive step forward to manage these unique challenges.

Recommendation 1

The Panel recommends the development of the centralisation of Business Support that would improve services, for example to other Directorates including Education and Family Support, and Social Services and Wellbeing.

- 1.15. The BREP acknowledged overspends in most Directorates that may well have been impacted upon by the current Covid-19 pandemic. This may well adversely affect Directorates' ability to support the MTFS.

Recommendation 2

The Panel recommends that all Directorates review their individual bespoke savings plan to support the MTFS and to present these revised plans to the BREP 2021/22.

- 1.16. The BREP identified there were significant Covid-19 costs and budgetary pressures, which previously could not have been anticipated. These costs were not only in relation to current Directorates' activities to support activities but may well have been impacted upon in the long-term post Covid-19.

Recommendation 3

The Panel recommends that all Directorates identify all Covid-19 related costs and budgetary pressures and in particular ensures there is full cost recovery, where appropriate, from WG.

- 1.17. The BREP acknowledged the unique set of circumstances that the authority found itself in with regards to all aspects of financial management and the obligation on the authority to deliver a MTFS. The Corporate Management Board (CMB) and Cabinet will clearly be confronted with a difficult decision-making process in terms of meeting this obligation. The Panel therefore recommends:

Recommendation 4

The Panel once again extends an invitation to Members of the CMB and Cabinet, to take a more thematic approach in tasking BREP when considering a Forward Work Programme. This is an ideal opportunity for CMB and Cabinet to identify areas of work for BREP going forward.

- 1.18. The BREP reviewed the Education budget and identified the large number of deficit budgets within various schools across the county borough. The Panel was satisfied that central support was in place and that schools were receiving bespoke financial advice and guidance.

- 1.19. The BREP complimented the School Modernisation Programme and saw this as a positive step forward to improve educational facilities across the county borough. BREP noted a number of new school buildings across the County Borough. The Panel queried whether there were cost savings in revenue to run these new schools.

Recommendation 5

The Panel recommends a review of revenue costs for all new school builds, subject to the School Modernisation Programme and to establish whether there are cost savings in overall revenue costs for the new schools.

- 1.20. The BREP identified a reduction in Youth Service provision across the county borough as a result of service cuts to meet the MTFS. The Corporate Director – Education and Family Support provided information that there was a Youth Service provision, albeit on a smaller scale, that was proving effective in some communities. Youth Service provision was made on a needs basis. The Panel identified that, for example, ACE may well impact upon youth mental health. The Panel suggested that this may well be a subject matter for the Recovery Panel to consider. In addition, the current Youth Service provision may well be suitable to be included in a Scrutiny Committee Forward Work Programme.
- 1.21. **The Panel recommends referring to the Cross-Party Recovery Panel the development of a method for recording the effects of Covid-19 on ACE and education. The current Youth Service provision is subject to a Scrutiny Committee Forward Work Programme.**
- 1.22. The BREP also looked at opportunities to further support schools in managing deficit budgets. It was accepted that an option for some schools may well be to implement staff redundancies. The Panel felt there were significant skills and experience within the teaching community across the county borough, which could be utilised in a transfer process. This process could be considered when one school was forced into a redundancy and another school was looking to appoint.

Recommendation 6

To further support schools in their management of deficit budgets and the likelihood of potential redundancies, the Panel recommends that a central redeployment register of qualified and experienced staff is set up in collaboration with the Trade Union Movement. This central register should be made available to all Senior Management Teams within schools across the county borough.

- 1.23. The BREP acknowledged that LAC was a continuous and annual overspend. The Panel fully acknowledged that this was a demand-led service that was difficult to

manage and financially prepare for. The Panel focused exploration on prevention and early intervention measures as a means to support the Directorate in meeting its obligations to the MTFs. The Panel therefore recommends:

Recommendation 7

The Panel acknowledges that LAC is an annual overspend and the Directorate considers further strategic investment in prevention and early intervention programmes. Further, that the Scrutiny Committee process supports the Directorate in this initiative.

- 1.24. In respect of the Budget Consultation, the BREP complimented the Consultation Engagement and Equalities Manager in the focus, direction and energy to deliver a public budget consultation process during the height of the Covid-19 pandemic. Although public responses were reduced significantly when compared with previous years, this was in no way reflected in the effort to fully engage with the public.
- 1.25. The BREP identified that the budget consultation process was an essential tool to both the CMB and Cabinet in gauging public awareness of public finances and public expectation of services.
- 1.26. The BREP identified that financial management issues may well be considered by the Recovery Panel in their review of Covid-19 pressures currently in place across the county borough.
- 1.27. **The Panel recommends that the Cross-Party Recovery Panel reviews financial support processes and value for money from the following organisations:**
 - **Recovery support for well-established partnerships such as Halo and Awen.**
 - **An assessment of the financial costs of volunteering services and the possibility of developing a joint volunteer register with the third sector.**
 - **The impact of Covid-19 on individuals who receive support through other methods other than the conventional methods of referrals into Social Services.**
- 1.28. The BREP acknowledged the Recovery Panel Work Programme and the necessity to prepare a bespoke action plan for consideration by the CMB and Cabinet. In order to ensure transparency and consistency, the recommendations from the BREP could also be included in an action plan. Both action plans could then be considered individually and prevent duplication with the Recovery Panel.

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Combined Meeting of all Scrutiny Committees' Recommendations on Medium Term Financial Strategy 2021-22 to 2024-25

Following the Combined Meeting of all Scrutiny Committees' consideration of the draft budget proposals, the Committee made the following recommendations:

1. The Committee recommended that the Cabinet lobbies Welsh Government to ensure that additional legislation comes with the consequential funding to avoid putting the Local Authority under additional unnecessary financial pressure from existing budgets. (CEX5 Homelessness Funding.)
2. The Committee recommended that consideration be given to greater communication with the public explaining the costs of services and how the Council spends money.
3. The Committee recommended that clarification is sought regarding the Local Government Minister expressing this year's settlement is a flat cash budget that requires no redundancies.
4. The Committee recommended that Corporate Management Board and Cabinet are requested to review and define what the role and responsibility of BREP is and respond to Corporate Overview and Scrutiny to consider.
5. The Committee recommended that Cabinet are requested to write to Welsh Government to impress upon them the need to lobby Westminster, as while NHS Staff and Teachers pay protections are devolved to Welsh Government, Local Government staff are on NJC Terms and Conditions, is not a devolved budget, and they will be subject to a pay freeze. Furthermore, the White Paper for the care sector requires that commissioned services should be paid a real living wage on the same terms & conditions as LA staff.
6. The Committee expressed concern about the Ed Psych provision and the additional pressure the pandemic placed on the service and recommend an increase in the budget for 2021-22 to alleviate the likely huge demand from younger people from the impact of the pandemic, as well as increased additional learning needs. (EFS7)
7. The Committee expressed concern that the target of £300k for 2021-22 was unrealistic and recommended that it should be removed. While it supported the CAT process it was felt that any savings should be reinvested into the service. If this target cannot be removed for 2021-22, then the Committee recommend that the target of £300k be spread across 3 years from 2022-23 onwards. (COM1)

8. The Committee recommended that the narrative be amended, as it states “this may impact on the availability to maintain the current number of children’s play areas”, but the Capital Programme is investing in play areas.(COM 1)
9. The Committee recommended that CAT Transfer progress be monitored by Subject Overview and Scrutiny Committee 3 at the half year point. (COM1)
10. The Committee recommended that the Fees and Charges policy be reviewed in 2021-22 to change it from “inflation +1%”, to just “inflation” with a view to it being implemented from the budget in 2022-23.
11. The Committee were concerned regarding the impact of cutting the Pest Control Contract completely, due to the impact on those in receipt of benefits and recommended that the Pest Control Savings proposal is placed on hold pending the Cabinet reviewing of the proposal. (CEX2)
12. The Committee recommended that a working group actively look at identifying relatively small one off investments on safe routes to schools which could offset ongoing costs of some Home to School transport. (EFS2/Budget Pressure EFS7)