

**MINUTES OF A MEETING OF THE SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3
HELD IN COUNCIL CHAMBER - CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB
ON WEDNESDAY, 6 DECEMBER 2017 AT 09:30**

Present

Councillor JC Spanswick – Chairperson

SE Baldwin	TH Beedle	N Clarke	P Davies
DG Howells	A Hussain	RMI Shaw	RME Stirman
G Thomas	MC Voisey	JE Williams	

Apologies for Absence

Officers:

Rachel Keepins	Democratic Services Officer - Scrutiny
Joanne Norman	Finance Manager - Education, Transformation and Communities
Satwant Pryce	Head of Regeneration and Planning
Zak Shell	Head of Neighbourhood Services
Mark Shephard	Corporate Director - Communities

16. DECLARATIONS OF INTEREST

Councillor T Beedle declared a personal interest in agenda item 4 – Medium Term Financial Strategy 2018-19 to 2021-22 as a member of the Bridgend County Allotment Association and Secretary of Bronfair Allotments, Maesteg

Councillor G Thomas declared a personal interest in agenda item 4 – Medium Term Financial Strategy 2018-19 to 2021-22 as he is an allotment holder at Bryncethin.

17. FORWARD WORK PROGRAMME UPDATE

The Scrutiny Officer reported on items which had been prioritised by the Corporate Overview and Scrutiny Committee which included the next item delegated to this Committee to consider. She also presented a list of further potential items for comment and prioritisation requested the Committee identify any further items for consideration using the pre-determined criteria form.

Conclusions

1. That the Committee identified additional information it wished to receive on their next delegated item to them in the Forward Work Programme (FWP) and determined that it wished to invite the Corporate Director Communities, Group Manager Property and Community Asset Transfer Officer and representatives of Pencoed Town Council and the Awen Cultural Trust to attend to assist in their investigation of Community Asset Transfer;
2. That an officer of RCT Council be invited to attend for the item on Empty Housing. Committee considered the completed criteria form and determined that it wished to add to the Forward Work Programme the budgetary impact of Parc Prison on the Council;

3. That the Corporate Overview and Scrutiny Committee be requested to prioritise 5 items from the FWP and one Committee slot be kept free for the time being;

18. MEDIUM TERM FINANCIAL STRATEGY 2018-19 TO 2021-22

The Scrutiny Officer introduced a report, the purpose of which was to present the draft Medium Term Financial Strategy (MTFS) 2018-19 to 2021-22, which set out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. It also included a financial forecast for 2018-22 and a detailed draft revenue budget for 2018-19.

The Corporate Director Communities set out the context for the budget proposals, which was set against a background of seven consecutive years of austerity measures and diminishing resources, which had seen budgets being cut by 35% - 40% in some services.

The Committee commented on what seemed to be a lack of a one Council approach taken to the budget process. The Corporate Director Communities commented that a one Council approach is taken and that the ambition of Corporate Management Board is to find savings across the authority which does not impact directly on the public. Discussions had taken place with Cabinet on budget reductions on the basis of the least agreed corporate priorities.

The Committee requested clarification of the percentage of budget reductions in the Communities Directorate compared to the other Directorates. The Cabinet Member Communities commented that the Communities Directorate has had to make 6.4% budget reductions compared to budget reductions of 1% each to be made in the Social Services & Wellbeing and Education & Family Support Directorates. He stated that the Communities Directorate had to make budget reductions over the past 7 years which were disproportionate compared to the other Directorates. He also stated that it was never palatable to make budget reductions as many of the reductions in the Communities Directorate are visible. The Head of Regeneration, Development and Property Services informed the Committee that the Communities Directorate that certain areas had been earmarked for budget reductions and that the Communities Directorate had areas which were not regarded corporately as priority. She also informed the Committee that budget reductions in Economic Development and Regeneration had amounted to 37%.

The Committee commented that the services provided by the Communities Directorate are visible to the public and that other services in the authority also need to take a share of the budget reductions. The Committee expressed concern that reductions are being made to economic development at a time when inward investment should be encouraged in order to generate revenue. The Committee also considered that the Council should look to increase charges in order to make revenue through pursuing development opportunities and not by selling assets. The Committee commented that the Council has a corporate priority to support the local economy and by making budget reductions to the Communities Directorate could deter investment in the area.

The Committee congratulated the Directorate in establishing the new post of Empty Property Officer to bring properties back into beneficial use.

The Committee asked whether other Directorates are forced to look for budget reductions of the magnitude in the Communities Directorate and that Members ultimately have the ability to decide on the budget. The Cabinet Member Communities commented that it was very difficult to provide services due to budget reductions being

made, but was pleased to note the Committee's concern and support of the Directorate due to the visibility of the services it provides. The Head of Regeneration, Development and Property Services informed the Committee that different local authorities would make different decisions about which services to protect and which to cut, and therefore, over time, there would be a greater differences between local authority areas.

The Committee considered that there must be scope within the Social Services and Education Directorates to make budget reductions / efficiency savings as they have the two highest budgets. The Corporate Director Communities commented that if the budget reductions earmarked for the Communities Directorate were not implemented they would have to be identified elsewhere in the authority. The Committee recognised that the authority having to make budget reductions would have a consequential effect on Town and Community Councils having to increase their precept as they take on services formerly run by BCBC.

The Committee expressed its concern at the budget pressure of £500k for unsupported borrowing which is to the detriment of the Communities Directorate and that the authority should not borrow in order to fund services. The Cabinet Member Communities commented that the public would only see cuts made to visible services. The Head of Regeneration, Development and Property Services agreed that public trust and confidence in the council as a whole, is inevitably influenced by what people see around them.

The Committee referred to the growth figure in the waste contract for AHP bags and that take up of this service was greater than predicted and questioned why this had not been included in the new contract. The Head of Neighbourhood Services stated that the number of subscribers to AHP collections was what Kier had bid against. More people had signed up to this service straight away than predicted and an increase in budget was therefore required. It was predicted that 4,000 customers would sign up, but 8,000 customers had signed up for the AHP service within the first 6 months. The Committee asked whether take up of the service was reviewed as people no longer require the service. The Head of Neighbourhood Services stated that customers enrolled annually and if the annual enrolment was not made, they would be removed from the service. The Committee questioned what would be the effect if this service was stopped. The Head of Neighbourhood Services informed the Committee that the AHP service is an expensive service and that the contract could be varied but this would impact on recycling targets and in his opinion that it would be morally wrong to remove this service and also due to the introduction of the 2 bag rule for residual waste.

The Committee considered that the removal of the AHP service could release funding to enable public conveniences to remain open. The Cabinet Member Communities commented that there had been a step change to introduce an AHP collection service due the introduction of the 2 bag rule. The Head of Neighbourhood Services informed the Committee that withdrawing the AHP service would be a step backwards.

The Committee expressed concern that the removal of subsidy from bus services affects economic development and is an important component in people being able to get to work. The Committee requested detail of the bus routes to be cut and whether consultation had taken place on the proposals. The Committee commented that transport could be provided by operators working around school times and whether Arriva would consider increasing the frequency of trains at peak times. The Head of Neighbourhood Services informed the Committee that the Directorate undertakes a number of statutory functions and that service such as public conveniences and subsidised bus routes have to be considered as potential savings measures because they are non-statutory provision. He stated that consultation on the proposals was being

prepared and he advised that the criteria for selecting routes for the removal of subsidy were based on usage and where alternative providers are available. He informed the Committee that previously where the subsidy on routes had been removed, sometimes operators had continued to operate the route.

The Head of Regeneration, Development and Property Services informed the Committee that £200k of proposed savings were being made from management structures in the Communities Directorate. The Committee noted that this was not the case in other Directorates.

The Cabinet Member Communities informed the Committee with the metro project being developed as part of City Deal there would be a need for firm infrastructure plans to be put in place. There was also a need to review whether transport was being supplied on routes to meet demand.

The Committee considered that budget reductions needed to be distributed across the Council and that management savings being put forward by the Communities Directorate also needed to be reflected in other Directorates. The Committee also considered that bus routes should not be cut until there was a greater understanding of the routes to be cut by operators. The Head of Neighbourhood Services informed the Committee that usage of bus routes were considered before the removal of subsidy. The public consultation on bus routes would commence following the consultation on the proposals for public conveniences. The Head of Neighbourhood Services undertook to provide the Committee with information on the scoring criteria for subsidies on bus routes. The Corporate Director Communities informed the Committee that it would not work necessarily operationally for operators to only employ drivers at peak times as they would have to employ drivers for a whole day. The Committee questioned whether the bus routes subject to the removal of the subsidy could be tendered. The Head of Neighbourhood Services informed the Committee that the routes had been subject to competitive tender and he confirmed that officers were reviewing the routes which are the subject of subsidy. The Committee requested that it be given the opportunity to scrutinise the proposals for the removal of subsidy following the outcome of consultation and prior to a decision being made by Cabinet.

The Committee considered that it could not support the bid for growth of £65,000 for the Festival of Learning and that the funding could be better utilised to support the functions of the Communities Directorate. The Head of Neighbourhood Services informed the Committee in response to a question from the Committee that the expenditure on the Festival of Learning was equivalent to deploying an additional gritter.

The Committee questioned the impact of the £40k reduction on Community Asset Transfer in facilitating the transfer of assets. The Head of Regeneration, Development and Property Services informed the Committee that the £40k reduction related to where a number of budgets had been brought together.

The Committee questioned how the public conveniences in Maesteg could be transferred to the Town Council when the Town Hall is managed by Awen. The Head of Neighbourhood Services informed the Committee that the Council pays the cost of maintenance of the facilities and this is not picked up by Awen. The Corporate Director Communities informed the Committee that the redevelopment proposals for Maesteg Town Hall include the provision of new facilities. The Head of Regeneration, Development and Property Services informed the Committee that the existing toilets would be unavailable while the redevelopment takes place. The Head of Neighbourhood Services informed the Committee that consultation would take place on the potential closure of public conveniences. He stated there was potential for provision to be made through the comfort scheme as an alternative to

facilities being transferred to Town and Community Councils. The Committee expressed concern that the removal of funding of £40k was contrary to Directorate encouraging the transfer of assets. Concern was also expressed that Town and Community Councils would have to increase its precept in order to facilitate the transfer of facilities and also many Town and Community Councils would not have the staff and expertise to take on services from the Council and would therefore be detrimental to the progression of CATs. The Corporate Director Communities commented that it could place a potential burden on Town and Community Councils, but the Welsh Government see a wider role for Community Councils due to the move towards regionalising services. Concern was expressed that by transferring facilities to Town and Community Councils, it would lead to a smaller number of people paying for the maintenance of facilities.

Concern was expressed by the Committee that other Directorates were receiving a disproportionately larger amount of capital funding compared to the Communities Directorate. The Corporate Director Communities informed the Committee that the annual cost of maintaining public conveniences is £168k out of a total budget for the Council of £250m. He stated that in the proposed MTFs there is a requirement for the Communities Directorate to save £100k on public conveniences which is the reason for the public consultation.

The Committee questioned the sum of £2m which had been transferred into the Communities Directorate for the Corporate Landlord function, when it was shown as a cut of £0.5m in the revenue budget. The Head of Regeneration, Development and Property Services informed the Committee that the Corporate Landlord function had been transferred to the Communities Directorate and that the budget reflects that move and not a growth area. She stated that the sum of £0.5m represents the saving which has to be made to the Corporate Landlord function and its status is currently amber. She informed the Committee of the move towards more cyclical maintenance as opposed to reactive maintenance and there had been some time since the service was last reviewed.

The Committee referred to the scale of investment of £20m over the next 10 years needed in the highway network to maintain current standards when the Council was also proposing to invest a similar amount of budget in ICT services. The Corporate Director Communities stated that £2m of funding per annum for the maintenance of the highway network had provisionally been included in the capital programme. The Committee also questioned the proposed capital investment of £10m for the further roll out of LED streetlights. The Head of Neighbourhood Services informed the Committee that it was the intention to make the County Borough full LED. There was a cost of £55k to ensure the electricity supply is compliant and safe due to the inspection and testing regime in place. He informed the Committee that 20,000 lighting columns already had LED lighting, with a further 8,000 lighting columns to do. New LEDs would not be rolled out until external funding had been secured, when a programme of renewing lighting columns would be looked at.

The Committee requested an update on rationalising Raven's Court. The Head of Regeneration, Development and Property Services informed the Committee that it was proposed to relinquish as much of the building as possible, although other services from elsewhere in the Council could be brought into the building, thereby negating the need to vacate building making savings on lease/rental elsewhere. It would still be possible to lease one wing of the building or potentially use it as the base for the proposed MASH – Multi Agency Safeguarding Hub.

The Committee thanked the invitees for their contribution.

Conclusions

1. In relation to the budget reductions proposals put forward for 18-19 for the Communities Directorate, the Committee fundamentally do not agree with them in their entirety and recommend that the Social Services and Education Directorates who have the two highest budgets in the Authority be looked at instead to make up these savings.
2. The Committee expressed concerns over the proposals for the removal of subsidised bus services (COM 27), particularly given the fact that bus companies themselves are cutting their own routes and that the Authority's own proposals for service cuts have not yet gone out for public consultation. The Committee therefore recommend:
 - a) Prior to any decision being made on the routes being cut, Cabinet also receive information on what routes bus companies themselves are cutting in order to understand the overall impact of the combined route reductions;
 - b) That no decision is made regarding the proposed budget cuts to the service until public consultation has been completed;
 - c) The Committee also requested that Scrutiny get the opportunity to receive an item on the proposals and the outcome of Consultation for the removal of subsidised bus services as a pre-decision item before going to Cabinet.
3. In relation to COM1, the Committee recognise the work being undertaken to look at various options for public conveniences such as the comfort scheme and the possibility of Town and Community Councils taking these on. However given the focus of this Authority to improve our towns and encourage the public back into them, together with the view that public toilets are an essential necessity, the Committee recommend that no cuts are made to public conveniences within the Local Authority.
4. The Committee made comment on the management savings being put forward by the Communities Directorate and the fact that these are not reflected in other Directorates. In light of sharing the burden of the budget cuts, the Committee recommend that other Directorates also look towards management efficiency savings.
5. The Committee recommend that instead of disposing of the councils land and selling it off, the Authority look at the potential for revenue through development. One suggestion was the need for increased properties for small businesses in the County Borough. Members also recommend considering what land development and income generation other Local Authorities have achieved to determine what areas have been successful.
6. The Committee recommend that the £40,000 reduction proposed for third sector support for with Community Asset Transfer (CAT) be removed given the impact this will have on achieving the savings required from CATs.
7. The Committee did not support the discretionary growth items of £500,000 for schools to replace the Welsh Government reduction in the Education Improvement Grant and the £65,000 proposed for the week long 'Festival of Learning'. At a time of austerity and serious budget cuts the Committee views that these budget growths should not be supported and the money could be better spent elsewhere in the Authority. Should the 'Festival of Learning'

continue to take place, the Committee recommend that it be held in school holiday time so as to reduce the costs for providing teacher cover.

8. The Committee recommend that the Authority explore further whether there are greater opportunities for collaborative working for Community Services in order to achieve savings and at the same time improve these services.
9. The Committee recommend that the Authority consider the services provided by the Association for Public Service Excellence (APSE) to possibly assist in longer term planning and sustainability of Community Services.
10. The Committee expressed concern that the Authority continues to look to the Communities Directorate for further budget savings that are disproportional to those of other Directorates. The example given was that for 2018-19 the Communities Directorate is being asked for a 6% cut of its own budget whilst other Directorates, which hold around 2/3 of the Councils total budget are only being asked to make between 0.5 and 0.6% savings out of their own budget. Members understand this is due to the fact that the services within the Communities Directorate are not deemed as Council priorities; however the Committee also questioned as to whether the Authority was taking into account what the priorities were for the public. With this in mind the Committee recommend that the Authority reconsider its corporate priorities to take account of the 'public element' and realign Community Services as a Corporate priority.
11. Whilst not wishing to make cuts to Education and Schools and likewise Social Services, the Committee believe that with such large budgets there have to be efficiency savings within these Directorates that could assist with sharing the burden of the Authority's budget cuts. It is therefore recommended that where the Committee have concerns around cuts within the Communities budget, such as those mentioned above such as public conveniences and CATs, the Authority instead look to these other Directorates to make up these savings proposed.

Further Comments

The Committee expressed concern over the £20m predicted cost for the next decade to maintain Highways to their current standards and the unknown of where this funding would come from. The Committee also questioned the similar amount of £10-£20m for ICT in the next decade. Members requested that the Corporate Overview and Scrutiny Committee question the Corporate Director – Operational and Partnership Services in relation to the predicted ICT cost up against the context of other future budget pressures such as those for Highways.

Future Scrutiny

The Committee recommend that Scrutiny consider a future item on what other Local Authorities are doing to respond to the gap in provision in Community Services.

The Committee requested that a review of the AHP bags be considered when Scrutiny revisit the subject of 'Waste' in approximately 12 months' time to include the monetary against environmental impact.

19. **URGENT ITEMS**

There were no urgent items.

The meeting closed at 12:50