

SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3 - MONDAY, 23 JANUARY 2023

**MINUTES OF A MEETING OF THE SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3
HELD HYBRID IN THE COUNCIL CHAMBER - CIVIC OFFICES, ANGEL STREET,
BRIDGEND, CF31 4WB ON MONDAY, 23 JANUARY 2023 AT 16:00**

Present

Councillor – Chairperson

S J Bletsoe	N Clarke	C Davies	M J Evans
P W Jenkins	MJ Kearn	W J Kendall	J E Pratt
G Walter	MJ Williams		

Apologies for Absence

P Davies and I Williams

Officers:

Victoria Adams	Interim Finance Manager – Budget Management: Communities, Education and Family Support
Lucy Beard	Scrutiny Officer
Rachel Keepins	Democratic Services Manager
Meryl Lawrence	Senior Democratic Services Officer - Scrutiny
Jessica Mclellan	Scrutiny Officer
Janine Nightingale	Corporate Director - Communities
Mark Shephard	Chief Executive

27. DECLARATIONS OF INTEREST

Councillor Jonathan Pratt declared a personal interest as his wife is a teacher employed by Bridgend County Borough Council, and as a member of HM Coastguard Search and Rescue in Porthcawl.

Councillor Norah Clarke declared a personal interest as a volunteer for Porthcawl RNLI and a member of Rest Bay Lifeguard Club. and that her son is a RNLI crew member and a member of the Rest Bay Lifeguard Club.

Councillor Melanie Evans declared a personal interest as a member of Pencoed Town Council.

Councillor Martin Williams declared a personal interest as a member of Coity Higher Community Council.

28. MEDIUM TERM FINANCIAL STRATEGY 2023-24 TO 2026-27

The Chief Officer – Finance, Performance and Change presented a summary of the report, the purpose of which was to present the Committee with the draft Medium Term Financial Strategy (MTFS) 2023-24 to 2026-27, which set out the spending priorities of the Council, key investment objectives and budget areas targeted for necessary savings. The strategy included a financial forecast for 2023-2027 and a detailed draft revenue budget for 2023-24.

The Chair thanked the Chief Officer Finance, Performance and Change and invited questions.

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Members questioned if delivery models would continue into the next financial year and in addition to Community Asset Transfers (CATs) and the City Deal, asked how the Directorate intended to develop alternative delivery models and with whom. Officers advised there was not anything in the pipeline for the year ahead, but it did not mean they would not look at others in future. Members discussed alternative delivery models in particular partnering with Town and Community Councils (TCC) and devolving more services to them. Officers agreed they would be happy to have an open dialogue and advised that the job description of the CAT Officer who liaises with TCCs had been broadened to include those type of discussions, and a corporate position on policy would be reported to full Council / Cabinet Members.

Discussions were held regarding the significant reduction in volume of residual waste which was expected to benefit the Council financially over time and whether it would make a return over the period of this MTFS. Officers advised when talking about reducing tonnage, it was a reduction on an increase and that it was still higher than it used to be pre Covid but was an indication it was moving downwards. Members questioned if more people were working at home whether there was a decrease in waste being generated at their offices and therefore was there an efficiency and saving. Officers informed Members there had been a small reduction in their waste arising at Civic but compared to the entire domestic network of properties they were two quite different scale issues. So, in terms of budgetary settings, any saving tonnage at the civic waste production bins was going to be negligible compared to the overall.

The Committee referred to the Council's strategy to protect and invest in services provided to the most vulnerable and make reductions where it could have the least impact across Council services, and asked whether consideration had been given that it could be false economy for example to remove waste enforcement as it could lead to more fly tipping. They asked how many prosecutions had taken place and penalties issued on yearly basis with regards to fly tipping. Officers expressed they were uncomfortable with putting the waste enforcement team forward as although there may be initial savings not having the team could result in fly tipping, but they did need to produce a balanced budget, so appreciated Scrutiny's consideration going forward. Officers advised the Enforcement team had only been in place for eighteen months and had been concentrating on educating and community campaigns so there had not been a lot of legal enforcements, but as a result of visiting the communities and speaking to people recycling rates had improved. Members expressed that when looking for proposals they would like to propose this budget cut was not considered.

The Committee referred to the Council resolving the previous year to investigate opportunities to restructure or put on hold contributions to the Cardiff Capital Regional City Deal and asked for an update on progress. Officers advised legal advice had been sought, the cost of withdrawing would be excessive and the Authority received more than it contributed. .

The Committee referred to Medium Term Financial principles and the consideration of future income and expenditure scenarios and asked whether within the Directorate there were services that could provide income generation and additional charges. They also questioned if the Directorate was satisfied, they were utilising their partners and organisations to their full potential. Officers advised regarding income generation it was an important principle and they looked at all ways to be robust, they had been good at grant sourcing and had brought in £41M to the Directorate and were definitely trying to use all their partners to their full potential of which examples were given.

Members referred to the principle stated that all services would seek to provide value for money and asked for an explanation as to how they measure value for money and were they satisfied they were fulfilling that measure. Officers responded there were a number

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of ways they provided value for money, one was benchmarking in which they look at what other local authorities and partners are providing, they also had to do things within a financial envelope and ensure they have the best product for the monies they pay. Finally, an important thing was longevity, talking about sustainability and future generations.

With regard to timescales, Members asked what was realistic, what measures were in place to ensure delivery and the consequences of not delivering on timescales and unforeseen obstacles. Officers explained in relation to the timescales, ten years previous they would have set their budgets prior to Christmas however they did not have that opportunity now as Westminster were getting later when giving a consequential to Wales, so they would do a budget formulation as quickly as they could in the timescales available to them.

The Committee questioned the proposal to charge Blue badge holders to park and asked whether that proposal maintained the subsidised car parking that was offered to staff and Councillors. Officers advised that Bridgend was one of the only authorities in Wales that currently did not charge Blue badge holders for parking, but were proposing to charge going forward. With regard to staff and Members subsidised parking, the scheme had been suspended during the pandemic. Members expressed that if they were one of the last Councils to offer free parking for Blue badge holders, it should try to maintain this if possible.

The Committee referred to the proposal for closure of Community Recycling Centres for one weekday each and questioned how the week day for each would be decided. They also asked about the new facility being provided on the Pyle industrial estate. Officers advised the Pyle scheme was complete and had been for fourteen months but Kier as the operators were still waiting on a license to operate from Natural Resources Wales. Officers advised that regarding the days of closure they would look at the day there was least amount of traffic and demand in each of the sites as well as doing a separate consultation on the proposal before implementation.

Members raised the potential cost pressure mentioned in a previous meeting relating to net zero carbon next year of in the region of £800k which they could not see itemised in Appendix A and questioned whether that was in addition to what was listed there. Officers explained it had been difficult as they had £20M worth of pressures put forward in all Directorates and only £10 M had gone forward, meaning £10M had not gone forward, sixteen of which belonging to Communities.

Discussions were held by Members regarding proposed reductions in Appendix B and recalling the Kier contract and conversations regarding paying £150k, which would be shared 50/50, to run their fleet on biodiesel. Members were concerned that as a budget pressure for biodiesel it was not going to help them deliver 2030 target. Officers assured Members what had been suggested was £70k for the vegetable biodiesel for the fleet, so split with Keir would be £35,000. This would give them a 95% carbon reduction on that fleet so would contribute, although it did not mean it was something they wanted to pursue for the future completely as they would like to look at ultra-low emission vehicle fleet.

Members discussed the number of volunteers who litter pick around the county borough and whether their organisation worked with those volunteers. Officers advised their litter pick initiatives in Bridgend went through Keep Wales Tidy who train, provide insurance, risk assessments and kit for people who want to volunteer litter pick.

There was a discussion regarding two wings of Ravens Court being let to partner organisations, and it was asked how likely was it that this would happen considering that

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the Authority as an organisation were working from home. Officers confirmed the Corporate Landlord Department had put the two wings out with a commercial property letting company, were marketing and fielding inquiries and were positive that there did seem to be a lot of interest in them.

Members discussed and expressed their concern around the proposal to remove support to the Royal National Lifeboat Institution (RNLI) lifeguards at Porthcawl Beaches. They queried how the Authority could pay to sponsor a high-profile golf event in the area but were withdrawing essential support for life. Officers explained that when an event of that size came into the Borough there were services including litter picks, road closures, ensuring the borough could deal with additional traffic and visitors that they had to deal with. A sponsorship deal was agreed with the Senior Open that £50,000 would be paid over 2 years and that money would be then used for the things they would have done anyway. They expressed how difficult the decision had been regarding the RNLI, but they had been provided with statistics of the work done and the increase in the contribution requested, and they did not know how they could fund additional monies. It was not being taken lightly but it was a non-statutory responsibility, so they had proposed they reduce the amount of support they gave towards Rest Bay. Members were concerned Rest Bay was a dangerous beach mainly because of the rip tides and it being a rocky area and wanted to express they would not want to see the removal of the lifeguard service.

Members referred to the reserves in line with the Medium Term Financial principle and that the Council Fund would normally be maintained at the level of 5% of the Council's net budget excluding schools. They asked if the 5% went in there every year or was it discretionary and how the use of the money put aside for reserves was being monitored, and what pressures the Local Authority had from Welsh Government Guidelines on reserves. Officers advised that the Council fund was a working balance for the Council and not allocated for anything in particular. If anything changed during the year, they had some money there that could be allocated, there was not a contribution made year on year into those reserves, like all of the other reserves it had been built up over the years and the 5% was the Guidance with regards to how much they should hold in that fund. The Officers explained that earmarked reserves were money that had been put away over many years and have been built up and earmarked as decisions had been made about the priorities that the Council wanted to follow and therefore money was put aside so they could meet those priorities when they became a reality. They advised that any pressures to reduce those reserves were a decision for the Council with regards to the level of money that they keep in reserves.

Members discussed using reserves and capital reserves rather than revenue reserves more skilfully and where possible insourcing rather than outsourcing. They queried if there were those opportunities being looked at where they could make capital investments to see revenue. Officers responded that they did a significant amount to build into the capital programme in revenue and gave the following examples:

- Putting in energy efficient measures into schools
- Changing all the light bulbs and streetlamps across Bridgend
- Fleet replacement

Members also discussed that there were a lot of budget pressures in the document especially the impact of the war in Ukraine and the cost-of-living crisis. Members asked of all the difficult decisions how many of the proposed cost savings could have been avoided if the previous year's administration had not frozen Council tax in the election year.

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Officers responded that they did not know the financial position they would be in and did not know about the cost-of-living crisis at the time the budget for the current year was agreed. It had been hoped that that things were returning to normal after the pandemic, then the cost of living crisis hit the economy and things remained very fluid. Westminster were only that week supporting services in relation to energy costs, schools and care provision.

The Chairperson advised that Members of the Committee who wanted to ask questions had all spoken, so as there were no further questions for the invitees, thanked them for their attendance and they left the meeting.

RESOLVED: Following consideration of the report and appendices, the Committee made the following Recommendations for consolidation and inclusion in the report to Cabinet on the draft MTFS, including the proposed budget pressures and budget reduction proposals within the remit of this Scrutiny Committee, as part of the budget consultation process:

Recommendations

Collaboration with Town and Community Councils

1. The Committee highlighted the potential benefits of working collaboratively with TCCs to alleviate future budgetary pressures and maintain services. It was therefore recommended that the Authority utilise the TCC Forum more effectively and efficiently to develop this, commencing with the creation of an Action Plan to demonstrate the various collaborative work that is currently being undertaken by the Authority with TCCs. Members requested that this be presented alongside guidance and explanation on what the Authority can offer and how collaborative work with TCCs can be expanded further. Additionally, the Committee stressed that it was essential that these discussions take place as soon as possible in the new financial year so as to inform the TCC precept. The Committee agreed that this work would be monitored by the Scrutiny Committee as it advanced.

Budget Reduction proposal – COM5

- 2a. The Committee expressed concern over the proposed reduction to support to the RNLI for Lifeguards at Porthcawl Beaches, particularly given that Officers reported that this was focused primarily at support to Rest Bay. Given the dangerous Rip tides at Rest Bay, the increased popularity of water sports at this beach and the number of visitors each summer, Members were alarmed at the risk any reduction to support for the RNLI would pose. The Committee therefore recommend that the reduction not be progressed.
- 2b. The Committee recommended that discussion be held with Town and Community Councils within the County Borough regarding potential funding for the RNLI.
- 2c. There was also a minority view from some Members of the Committee recommending that the reported £35,000 funding to Kier for biodiesel be considered as an alternative to the RNLI budget reduction as it was felt that the use of biodiesel would not have an

immediate benefit or contribute to the Council's 2030 net zero carbon target.

Budget Reduction proposal – COM8

3. The Committee expressed concern over the removal of the Waste Enforcement Team and the impact this could have on tackling waste management issues such as fly-tipping, and particularly given the potential counterproductive nature of the reduction where it could result in an increase in costs. The Committee therefore recommend that this budget reduction not be progressed.
4. The Committee supported education in terms of tackling waste management, however recommend that the Local Authority look towards its partner organisations to assist with this rather than relying on Council staff, who could then look more towards their enforcement role, thus utilising all resources to their full potential.

Council Reserves

5. Whilst appreciating that the Council Fund should be maintained at a level of 5% of the Council's net budget, Members queried the size and use of the Authority's reserve budgets, given the difficult financial situation this year and future budget forecast. The Committee recommend that a review be undertaken of the Council's reserves, particularly historical reserves, with consideration and explanation of how they are managed and operated.

Consultation

6. The Committee expressed disappointment at being unable to receive any outcome of the public consultation of the MTFS 2023-27 and recommended that this be sought for next year's annual scrutiny budget meetings to apprise the Committee of the views of the public to enable them to make more informed and effective recommendations.

Further Comments and Requests

The Committee requested:

7. That going forward they receive performance measures in order to scrutinise effectively and make more informed decisions.
8. Information in relation to the interest paid on the Council's borrowing as well as interest earned on investments.
9. The Committee endorsed the following COSC Recommendation:
In relation to COM5, the Budget Reduction Proposal of £38,000 by removal of support to RNLI for Lifeguards at Porthcawl Beaches, the Committee expressed concerns about funding provided to a golf tournament to actively encourage the public to visit Porthcawl and that this Budget Reduction Proposal would put the public at risk.

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None

The meeting closed at 19:26