

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

7 FEBRUARY 2023

### REPORT OF CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

#### MEDIUM TERM FINANCIAL STRATEGY 2023-24 TO 2026-27 AND DRAFT BUDGET CONSULTATION PROCESS

#### 1. Purpose of report

- 1.1 The purpose of this report is to present Cabinet with the findings and recommendations of the Corporate Overview and Scrutiny Committee (COSC) in relation to:
- a) the report of the Budget Research and Evaluation Panel (BREP) in respect of the Medium Term Financial Strategy (MTFS);
  - b) the comments and recommendations from the four Overview and Scrutiny Committees in relation to the draft MTFS including the proposed budget pressures and budget reduction proposals, as part of the budget consultation process.

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

- 2.1 This report assists in the achievement of the following corporate well-being 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 previously recognised the need for a 'whole Council' response to be adopted in managing anticipated reductions 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 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 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 The Panel would be presented with the budget reduction proposals and budget pressures and have the opportunity to discuss these with the Chief Executive and Corporate Directors and be 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.

#### **BREP**

- 3.6 The Budget Research and Evaluation Panel (BREP) met on four occasions to consider draft budget proposals for the year 2023-24 and were supported by the Scrutiny Team, the Democratic Services Manager, the Chief Officer Finance, Performance and Change and Section 151 Officer, Deputy Head of Finance and Cabinet Member Resources.

- 3.7 The Chief Officer Finance, Performance and Change set out the financial position for the MTFS 2023-24 to 2026-27 detailing the in-year pressures for 2022-23 and the budget 2023-24 onwards. The Panel were advised that in terms of available funding, 1% of Welsh Government funding equated to £2.3m and 1% of Council tax was £870,000. Officers stressed that significant budget pressures had been identified for 2023-24 which produced a funding gap of potentially £15-£20M.
- 3.8 The Panel were also presented with an early report on the 'Budget Consultation 2022 – Shaping Bridgend's Future' which illustrated the plans for engagement and a potential timeframe.
- 3.9 The Panel considered early draft budget reduction proposals as well as budget pressures and both Officers and Cabinet Members highlighted the significant pressures that were on the Authority, particularly in relation to Social Services and there was therefore a need to consider each budget and where the priorities lie.
- 3.10 The Chief Officer Finance, Performance and Change identified some of the key Council wide issues including the pay awards, difficulties in recruiting to vacant posts and inflationary pressures, which were impacting on both the Capital and Revenue budgets. It was emphasised that the difficult budget situation for this year was not unique to Bridgend but was a national issue impacting all Local Authorities in Wales.
- 3.11 It was reported that there was more demand than ever on services including, but not exclusive to, Social Care, Housing, Legal, Human Resources, and the Council could simply not continue to operate the same as it has done previously.
- 3.12 The Panel focused their detailed consideration on particular areas including the following:
- School Delegated Budgets and the impact of any proposed reduction;
  - Council Tax options as well as Income tax
  - Council Reserves
  - Viability of the proposed budget reductions
  - Discretionary Services versus Statutory services
  - Risk of deliverability of proposed budget reductions
  - Consultation and engagement
- 3.13 An Interim Report of the Budget Research and Evaluation Panel was submitted to COSC by the Chair of BREP on 15 December 2022 presenting an initial series of comments, recommendations and requests. These were approved by the Committee, and subsequently submitted informally to Cabinet and Senior Officers to inform their development of the draft budget proposals for 2023-24.
- 3.14 Following a further meeting of the Panel in January 2023 the Panel made additional comments, recommendations, and requests. The final BREP report was presented to COSC on 31 January 2023 and can be viewed [here](#).

### **Overview and Scrutiny Committees**

- 3.15 Following the BREP's consideration, each of the four Overview and Scrutiny Committees were presented with the draft Medium Term Financial Strategy 2023-24

to 2026-27 and asked to consider the information contained in the report relevant to their individual remits and determine whether they wish to make comments or recommendations for consolidation and inclusion in the report to Cabinet on the MTFS as part of the budget consultation process.

#### **4. Current situation/proposal**

4.1 The Corporate Overview and Scrutiny Committee considered the findings of the BREP and all four Overview and Scrutiny Committees on 31 January 2023 and agreed to submit them to Cabinet, as part of the budget consultation process 2023-24, together with the addition of Recommendation 9 in **Appendix B**.

4.2 For ease of reference the Recommendations are split into the following separate appendices:

**Appendix A** - All final comments, recommendations and requests from BREP and the Overview and Scrutiny Committees on the Medium Term Financial Strategy 2023-24 to 2026-27.

**Appendix B** - A table of all recommendations for Cabinet's response.

#### **5. Effect upon policy framework and procedure rules**

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

#### **6. Equality Act 2010 implications**

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of 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 well-being 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 view 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 Cabinet is requested to consider and respond to the Recommendations of the Corporate Overview and Scrutiny Committee, in response to the Medium Term Financial Strategy 2023-24 to 2026-27 and the Draft Budget Consultation Process.

**K Watson**

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**1 February 2023**

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**Background documents:** None