

**BREP and Overview and Scrutiny Committees' Recommendations, Comments and Requests on the Medium Term Financial Strategy 2023-24 to 2026-27**

**Budget Research and Evaluation Panel (BREP)**

**BREP Recommended:**

National Legislative Commitments

1. That Cabinet raise with Welsh Government, the Panel's expectation that all national legislative commitments must be fully funded to allow the Council to have the capacity to deliver them in an efficient manner.

RNLI Support

2. In relation to COM5, the Budget Reduction Proposal of £38,000 by removal of support to RNLI for Lifeguards at Porthcawl Beaches, discussions be held with Porthcawl Town Council regarding potential funding and consideration also be given to decreasing the proposed budget reduction.

Strategic Regeneration Fund

3. The Panel reiterated the fact that whilst discretionary, the Strategic Regeneration Fund was a clear 'invest to save' fund (for every £1 invested, the Council received £9 back) and that the quantum of the proposed budget reduction of 93% be reviewed to a more palatable level.
4. The ability for the Strategic Regeneration Fund to lever other external funding, to invest in feasibility and development studies and help secure private investment outweighs the saving achieved by reducing this budget. The Panel therefore recommend that any potential reduction to this fund be revisited.

Waste Enforcement Team

5. The Panel considered the proposed removal of the waste enforcement team would be counterproductive and lead to increased costs in the areas of waste and fly tipped waste removal. The Panel recommended that alternatives to a complete removal of the team be explored and supported the proposal of possibly merging teams to provide a reduced service rather than a complete removal of the waste enforcement team.

Council Tax

6. That it was essential that the public be informed of the proposed increased level of Council Tax as soon as possible with clear reasons and rationale for the increase.

7. In light of the cost of living crisis, the Panel recommend that when determining any change to Council Tax, Cabinet consider the impact of any potential increase in Income Tax by Welsh Government.

### Consultation and Engagement

8. The Panel acknowledged the difficult situation the Council found itself in and the tough decisions that would have to be made on the budget which could have quite serious implications for services and residents of the borough. It was therefore felt communication and engagement with the public was vital to get this message across and to be open and transparent about the challenges the Council faced. The Panel noted that similar concerns had been raised at a COSC meeting on 27 October 2022 where Members had requested that any press release regarding the upcoming budget consultation be mindful of improving communication to residents and improving understanding of the budget and purpose of reserves held.
  - a) The Panel therefore endorse this and further recommend that the Authority, as a matter of urgency, start preparing its residents for the possibility of difficult reductions to services and communicating the potential impact of these to ensure transparency and openness.
  - b) Further to this, following any future budget or resulting service reductions, the Authority work with the community or communities involved to establish how the Council can assist in enabling them to take up the service provision, thereby reducing the potential negative impact.
  - c) Given the fact that other Local Authorities are experiencing similar budgetary issues, the Panel recommend that Officers look at how other Local Authorities are communicating this to their residents to ensure they are well informed and aware of the potential impact on services received.
9. In light of the majority of responses to the public budget consultation indicating that respondents supported Council Tax remaining the same, that a response be provided to respondents who engaged to ensure they understand the rationale behind the budget and the reason for decisions taken to ensure they feel that their views are valued and have been taken into consideration.
10. That targeted consultation, focusing on particular groups and representative organisations be developed and rolled out in the future.

### BREP Process 2023/24

11. That the BREP process in 2023/24 commence as soon as possible in the financial year to allow for more detailed discussions on the budget to enable the Panel to provide more meaningful Recommendations. The Panel requested that they be presented with:

- a) the full budget book breakdown to include all the various options being considered by Cabinet;
  - b) greater narrative by cost centre; and
  - c) information about discretionary and statutory services, a cost breakdown of what is statutory and what is discretionary and the impact of any potential budget reductions on each.
12. Concerns were expressed over the high risk of deliverability of the proposed budget reductions given that the risk status for the majority of the proposals are marked red and have not been worked up yet. The Panel would have liked more narrative from Corporate Directors/Officers setting out how they were to achieve the proposed reductions and recommended that this information be provided to future Meetings of BREP.
13. That when the Panel considers school budget reduction proposals in future, the Panel be provided with feedback from the School Budget Forum (subject to the timing of their meetings) and input from Head teachers and Chairs of Governors.

### **BREP Comments:**

#### Budget Reduction Proposals and Council Tax

14. The Panel expressed the view that without the final budget settlement information and the additional list of services, Members could not have full oversight of potential options and therefore could not make informed recommendations over Council Tax levels, or the need for further proposed budget reductions or less budget pressures.
15. In relation to the proposed 6% increase in Council Tax, the Panel expressed concern about how it would be received by the public but noted the early indications from the public budget consultation were that 34% of respondents were in favour of a slight increase to Council Tax to protect the most vulnerable services. Whilst it did not actively support the proposed 6% increase in Council Tax, the Panel acknowledged the pressures and rationale for the proposed increase.

#### General

16. The Panel agreed with the principles behind the budget and the way it was balanced, protecting social services and vulnerable people. However, strong concerns were expressed regarding the impact of further cuts on other services and Directorates in the future due to the continued protection of social services.

## Schools Delegated Budgets

17. In relation to the proposed 2% efficiency in school budgets, the Panel did not actively support the proposal, but appreciated the difficulties and pressures within this year's budget and also acknowledged the generosity of the Council in fully funding the pay uplift and increase in energy costs.
18. The Panel agreed that the impact and implications of the 2% efficiency in school budgets be closely monitored by Scrutiny. The Panel expressed concerns about the achievability of the efficiency, particularly in schools already in a deficit and if it were to result in redundancies.

### **BREP Request:**

19. Resulting from their discussions with Cabinet Members and Officers, the Panel requested that they receive further information to a future Scrutiny meeting on School surplus budgets as well as the funding formula for schools in order to examine these budgets in further detail.

## **Corporate Overview and Scrutiny Committee (COSC) Chief Executive's Directorate and Council Wide**

### **COSC Recommends:**

#### Waste Enforcement Team

1. That Cabinet carefully considers the impact and cost of any necessary intervention by statutory services due to the removal of discretionary services, such as the Waste Enforcement Team in the Communities Directorate.

#### National Legislative Commitments

2. The Committee endorsed the recommendation made by BREP that *Cabinet raise with Welsh Government, the Panel's expectation that all national legislative commitments must be fully funded to allow the Council to have the capacity to deliver them in an efficient manner.*

That the Committee continue to lend their weight to lobbying of Welsh Government and central Government that has already taken place so that the Revenue Support Grant is not affected by any policy changes.

#### Joint Working

3. That consideration be given to more joint working across Directorates and more collaboration within the authority and external partners; working towards a 'One Council' approach.

## Council Tax

4. The Committee endorsed the recommendation made by BREP *that it was essential that the public be informed of the proposed increased level of Council Tax as soon as possible with clear reasons and rationale for the increase.* The Committee also felt that it should be appropriately communicated to the public that for every £1 spent on services provided by the Council, only around 27 pence is funded from Council Tax.

## RNLI Support

5. 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. It endorsed BREP's recommendation that *discussions be held with Porthcawl Town Council and Trecco Bay regarding potential funding and consideration also be given to decreasing the proposed budget reduction.*

## Deliverability of Budget Reduction Proposals

6. Given that the risk status for the majority of the budget reduction proposals are marked red and have not fully developed, it is imperative that Cabinet consider the deliverability of the proposed budget reductions and the implication on setting a balanced budget.

## Schools Delegated Budgets

7. Given the proposed 2% reduction on schools delegated budgets and the indicative 1% reduction every year thereafter for the MTF5 period, that Cabinet provides more detail on how they are going to deliver the proposal and consider what impact that would have on individual schools and whether it would push any individual schools into a deficit position.

## Legal Services, Human Resources and Organisational Development

8. The Committee acknowledged the importance of back-office services such as, HR and legal and that emphasis should be on the necessity to ensure operational delivery is not compromised.
9. In order to meet the recommendations and conclusions from the Care Inspectorate Wales Inspections, the authority must have an adequate legal team and paralegals in place, rather than a reliance on agency staff. The Committee noted that whilst these roles were not entirely visible to the public, they had a crucial role in ensuring services are improved and recommended that Cabinet be mindful of that when considering the budget in areas of human resources and organisational development.

## Communication of Reserves

10. That there be a communication to residents to improve understanding of the purpose of reserves and earmarked reserves held by the Council.

### **COSC requests:**

11. The feedback following the discussions between the Cabinet and the Welsh Government Minister regarding support for Ukrainian Refugees and their hosts.
12. With regard to the CEX1 Budget Pressure of £700,000 in homelessness support, whether there are any specific grants available to the Council in this area and, when a Ukrainian host placement comes to an end, whether the monthly payments that would have been made to hosts, could instead be paid to the Council to help fund temporary accommodation.
13. That the occupation and prospect of letting wings of Ravenscourt and Civic Offices be kept under review to identify any additional income that may be generated and any future savings.

## **Subject Overview and Scrutiny Committee 1 (SOSC 1) Education and Family Support Directorate and Schools**

### **SOSC 1 Recommendations:**

#### Collaboration and Value for Money

1. Having queried with Officers whether the Authority were utilising our partners to their full potential, Members did not feel 100% reassured of this, using the example of the Central South Consortium. Members therefore recommended that Cabinet and Officers consider evidence of collaboration with partners, as part of their deliberations over the budget proposals, to ensure value for money for the full MTFs period 2023-2027.

#### School Delegated Budgets

2. The Committee acknowledged that the Education directorate needed to play its role in balancing the budget. However, following the grave concerns highlighted by the Chair and Vice Chair of the Schools Budget Forum regarding the feasibility of the 2% budget reduction proposal and the fact that these proposals have not yet been fully developed and are high risk in terms of delivery, the Committee recommend that:
  - a) Cabinet reduce the proposed budget efficiency against School Delegated Budgets to 1%.

- b) that Cabinet consider all discretionary options available to them across the Corporate wide budgets and other Directorates, to comprise the remaining £1,059,000 required as a result of reducing the proposed education budget reduction by 1% in order to balance the Council's budget.

### Discretionary and Statutory Services

3. Whilst acknowledging the benefits of discretionary services in terms of their potential to prevent further issues and expenditure for the future, given the overall current financial situation the Committee recommend:
  - a) that Cabinet give greater consider to all discretionary options available to them for budget reductions proposals and that they be presented to full Council for consideration of the MTFs.
  - b) that a greater proportion of budget reductions should be as a result of policy changes.
4. The Committee further recommend that a review of all discretionary services within the Education Directorate be undertaken to evaluate the costs of delivering them and the value they provide to the Local Authority and its residents, to inform the future MTFs with a view to protecting school delegated budgets as much as possible.

### National Legislative Commitments

5. The Committee recommend that Cabinet raise with Welsh Government, the need to ensure that all National Legislative commitments are fully funded to allow the Council to have the capacity to deliver them in an efficient manner.

### School Agency staff

6. The Committee queried the use of agency staff in schools and recommend that it be explored whether schools could adopt a cohesive approach across the County Borough that could potentially assist with staff cover costs for such things as sickness.

### **SOSC 1 Comments:**

#### Schools Delegated Budgets

7. The Committee had grave concerns about the impact of a 2% efficiency saving against School Delegated Budgets and the resulting impact this could have. Of particular concern was the impact this could have on vulnerable children as information presented at the meeting implied that this budget reduction could lead to potential compulsory redundancies likely to affect school support staff who, for example, assist pupils with Additional Learning Needs, behavioural difficulties, attendance, safeguarding and wellbeing issues. The Committee commented that this could lead to potential increased

costs for the Local Authority further down the line if this support was not provided sufficiently and early enough in schools.

8. Concerns were also expressed regarding the possible cost of compulsory redundancy packages outweighing the proposed 2% efficiency and the risk of losing experienced teaching staff.
9. In addition to redundancies, the Committee expressed strong concerns over the possibility of more schools ending up with a deficit budget as a result of the 2% budget reduction, and potentially worsening the situation for those who were already in deficit. Members highlighted particular concern for new schools and their budgets, given that they cannot balance their budget for some time due to not being at full capacity.

### Free School Meal Provision

10. The Committee expressed concern over the future free school meal provision to primary schools in that it required not just extra staff and kitchen equipment, but also extra space for pupils due to the likely increase in take up of provision. Extensions for schools were already under discussion but Members expressed concern over the potential budget implications this service could have for the future, both revenue and capital budgets.

## **Subject Overview and Scrutiny Committee 2 (SOSC 2) Social Services and Wellbeing Directorate**

### **SOSC 2 Recommendations:**

#### Social Care Workers

1. The Committee recognised the physical and emotional demand on social care workers and recommended that Cabinet review the wages for social care workers, in light of external pressures and consider how to ensure that these staff feel appropriately supported and valued.

#### Budget Pressures

2. The Committee noted that the majority of the budget pressures were within the Social Services and Wellbeing Directorate and, following detailed consideration and discussions with Officers and Cabinet Members, the Committee were content that they are sufficient and necessary.



## **Subject Overview and Scrutiny Committee 3 Communities Directorate**

### **SOSC 3 Recommendations:**

#### Collaboration with Town and Community Councils (TCCs)

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.

#### RNLI Support

- 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.

#### Waste Enforcement Team

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.

### **SOSC 3 Comments:**

7. 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.

### **SOSC 3 Requests:**

8. That going forward they receive performance measures in order to scrutinise effectively and make more informed decisions.
9. Information in relation to the interest paid on the Council's borrowing as well as interest earned on investments.