

**SCRUTINY RECOMMENDATIONS ON THE MEDIUM TERM FINANCIAL STRATEGY 2023-24 TO 2026-27**

	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response</b>
<b><u>National Legislative Commitments</u></b>		
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.  <b>(BREP &amp; Endorsed by SOSC 1)</b>	This issue continues to be consistently raised by both the Chief Executive and Leader whenever the opportunity arises in an appropriate forum. To note, it is often the indirect 'costs' in terms of officer time and the opportunity cost of having to forego other work that erodes capacity and can be most onerous, and this is often 'unknown' at the time new legislative or policy commitments are made.
2	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. <b>(COSC)</b>	Noted
<b><u>Council Tax</u></b>		
3	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. <b>(BREP &amp; Endorsed by COSC)</b>	The budget process remains incomplete at the time of writing but as soon as there is clarity on the likely final level of Council Tax that will be communicated through the usual channels.
4	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. <b>(BREP)</b>	It is unlikely there will be an income tax rise imposed by Welsh Government this year, although of course Cabinet are cognisant of the pressures on individuals and families and will seek to keep any rise as low as is possible without unduly impacting on valuable services.
5	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. <b>(COSC)</b>	The relative level of Council Tax income compared to the overall Council spend and the proportion per pound spent on each service are already part of the 'budget explainer' used to consult with the public. This will also be made clear in the budget report to Council and any subsequent information shared with the public re the budget.
<b><u>Consultation and Engagement</u></b>		
6	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	

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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p><b>(BREP)</b></p>	<p>There have been a number of press releases to this effect since the autumn and features in various newspapers and online.</p> <p>A proposed Well-being Objective in the forthcoming new Corporate Plan is explicitly about how communities can be assisted and enabled to help find their own solutions and proposed our 'ways of working' are intended to set out more clearly our role as a Council and the complementary role that residents can play to ensure valuable services continue to be delivered effectively.</p> <p>Various fora already exist at officer and elected member level to share good practice and learn from the experiences of other local authorities.</p>
7	<p>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</p>	<p>Cabinet will consider all of the responses that have been made and use them to inform and shape the final budget proposal. Communication will be prepared explaining the rationale for the final proposals including the level of Council Tax set, which is likely to be around the keeping Council Tax as low as possible but balancing that against the impact on</p>

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	taken to ensure they feel that their views are valued and have been taken into consideration.  <b>(BREP &amp; Endorsed by COSC)</b>	services and on the overall Council budget if the level of income from this source is diminished too much.
8	That targeted consultation, focusing on particular groups and representative organisations be developed and rolled out in the future. <b>(BREP)</b>	The budget consultation process is reviewed every year to see how it can be improved within the parameters of the resource available.
9	That there be a communication to residents to improve understanding of the purpose of reserves and earmarked reserves held by the Council. <b>(COSC)</b>	This will be developed as part of the information to be shared with residents.
10	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. <b>(SOSC 3)</b>	The public budget consultation was run later than in previous years in view of the rapidly changing and worsening budget situation over the last six months. This was necessary in order to make the consultation as meaningful as possible, however it had the impact of meaning that because it only closed in late January full details of the feedback were unable to be shared with scrutiny committees. The timing of next year's consultation will be reviewed and implemented based on the specific circumstances that apply next year.
<b>Council Reserves</b>		
11	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. <b>(SOSC 3)</b>	The Council Fund is there to manage the impact of uneven cash flows and unexpected events and emergencies. Earmarked reserves have been established to meet known or predicted requirements and are normally established on a needs basis in line with planned or anticipated requirements. They have been built up over a number of years and have been identified to ensure that the Council meets its priorities and policy commitment for the coming years.  The reserves are reviewed throughout the year to ensure that they are being used appropriately and in accordance with the decisions made in the budget setting process.

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<u>Deliverability of budget reduction proposals</u>		
12	<p>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. <b>(BREP)</b></p>	<p>The deliverability of the budget proposals is always discussed in full by the Corporate Management Board and Cabinet. It is not unusual at this point for many proposals to be 'red' or 'amber' in status as with over a decade of austerity behind us it is increasingly difficult to propose savings or cuts that are easily implemented and without controversy or difficulty. This is particularly true this year in view of the volatility of many Council budgets and the significantly increased demand on many services.</p>
<u>Legal Services, Human Resources and Organisational Development</u>		
13	<p>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. <b>(COSC)</b></p>	<p>Clearly it is undesirable that many 'back office' services are running at sub-optimal resource levels, compounded by undesirable vacancies across many services where it has proved difficult to appoint to positions. However, in order to protect our front line services, particularly those to the most vulnerable in society, we have not been in a position in the main this year to prioritise and strengthen our commitment and invest in these other important services. This is one of a number of very significant challenges and dilemmas with setting this year's budget.</p>
14	<p>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. <b>(COSC)</b></p>	<p>As above, we are not in a position to invest in all of the services that ideally would be strengthened. Were we to do so it would have to be offset by less investment or cuts to other services. There is a strong desire (and many initiatives in place) to reduce the use of agency staff across the Council, including in legal, but unfortunately the market is such that currently there is often no choice than to engage staff on that basis to ensure essential work is carried out.</p>
<u>Discretionary and Statutory Services</u>		
15	<p>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:</p>	

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	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response</b>
	<p>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.</p> <p>b) that a greater proportion of budget reductions should be as a result of policy changes.</p> <p><b>(SOSC 1)</b></p>	<p>This matter has been discussed at length at scrutiny committees and it has been accepted that it will not be possible this year to present additional information in this way. It is also well rehearsed that it is not as simple as looking at discretionary services in terms of looking for additional savings, in view of the direct link many of those services have to reducing demand on some statutory services.</p> <p>Noted, but we are not aware of any proposals from scrutiny committees of their suggestions as to which policies should change.</p>
<b>16</b>	<p>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.</p> <p><b>(SOSC 1)</b></p>	<p>This could be a significant undertaking; especially if a full cost/benefit analysis (for example, of nursery/post-16 home-to-school transport and/or of nursery education) is required. In addition, we need to determine whether protecting school budgets is the organisation's/the directorate's top priority.</p>
<b>Schools Delegated Budgets</b>		
<b>17</b>	<p>Given the proposed 2% reduction on schools delegated budgets and the indicative 1% reduction every year thereafter for the MTFS 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.</p> <p><b>(COSC)</b></p>	<p>To deliver the proposal, we would reduce the total delegated schools' budget by 2% before applying the current funding formula. It is difficult to determine what impact the proposed cut would have individual schools and this would take some work to determine. It is important to note that changes in the quantum of the schools' delegated budget is only one of several issues that could affect a school's budget (for example, changes in pupil numbers, retrospective budget adjustments and changes in grant funding). It is also worth noting that seven schools are already projecting a deficit budget.</p>
<b>18</b>	<p>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</p>	

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	<p>are high risk in terms of delivery, the Committee recommend that:</p> <p>a) Cabinet reduce the proposed budget efficiency against School Delegated Budgets to 1%.</p> <p>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.</p> <p><b>(SOSC 1)</b></p>	<p>This is not considered achievable for the current budget round.</p> <p>The only areas of discretionary spend (if cut) that would generate £1m are home-to-school transport and nursery education. No meaningful savings could be realistically deliverable during the 2023-24 financial year due to legal requirements and statutory guidance (including public consultation periods).</p>
<b>School Agency staff</b>		
19	<p>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.</p> <p><b>(SOSC 1)</b></p>	<p>Many local authorities in Wales previously managed a 'pool' of teaching staff for schools to use as required. Bridgend (in line with most, or all, other local authorities in Wales) dispensed of this function many years ago and there is no intention of re-establishing this facility. The main reasons for this are as follows:</p> <ul style="list-style-type: none"> <li>• it is expensive to manage;</li> <li>• due to professional learning requirements or staff, it would be a significant undertaking for any local authority to develop; and</li> <li>• several agencies provide the same facility.</li> </ul>
<b>Collaboration and Value for Money / Joint Working</b>		
20	<p>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.</p> <p><b>(COSC)</b></p>	<p>There is already considerable working across Directorates and collaboration within the authority and with external partners, it is the default position. Many examples were given in the various scrutiny committee meetings. This recommendation would benefit from examples of where scrutiny feel this is not happening and where the 'One Council' approach is not being evidenced, as we know from experience that how people define 'One Council' can differ greatly and some suggestions are not achievable.</p>

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21	<p>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.</p> <p><b>(SOSC 1)</b></p>	<p>All major partnerships have been reviewed as part of the budget setting this year to see if savings could be achieved and/or whether the current collaborations best meet the Council's needs. This includes the Central South Consortium where currently a full review of the service and future options has been commissioned that will inform decisions moving forward.</p>
<b>Social Care Workers</b>		
22	<p>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.</p> <p><b>(SOSC 2)</b></p>	<p>Within the parameters that we can operate we have already reviewed and regraded many social worker posts, applied market supplements where appropriate to do so based on a business case, and introduced other measures around the work of social workers intended to make the job more attractive and assist with recruitment and retention. This is an example where the introduction of national terms and conditions would be beneficial as any further local changes to wages, as suggested, is likely to lead to job evaluation and equal pay issues for the organisation.</p>
<b>Budget Pressures</b>		
23	<p>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.</p> <p><b>(SOSC 2)</b></p>	<p>Noted</p>
<b>RNLI Support (COM 5)</b>		
24	<p>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 and the operators of Trecco Bay regarding potential funding and consideration also be given to decreasing the proposed budget reduction.</p>	<p>The concern of the scrutiny committees has been noted and Cabinet will now reconsider this proposed budget saving. The operators of Trecco Bay contribute to the RNLI separately, however discussions will take place with Porthcawl Town Council to see whether any financial assistance in future years can be supported from this organisation.</p>

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	<b>(BREP &amp; COSC)</b>	
25	The Committee also 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. <b>(COSC)</b>	Noted – The sponsorship funding for the Senior Open Golf Tournament was agreed in the 2021-22 financial year and a legal agreement entered. The event takes place in June 2023. Please see point 24 above about the RNLI saving.
26	A) 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. B) The Committee recommended that discussion be held with Town and Community Councils within the County Borough regarding potential funding for the RNLI. C) 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. <b>(SOSC 3)</b>	A) Please see the narrative in point 24 above.  B) Please see the narrative in point 24 above.  C) The use of biodiesel in the Refuse Collection Fleet reduces the carbon emissions from waste collection operations by 80%. Therefore this reduction is having an immediate effect on the Council's carbon footprint and is contributing positively to the 2030 Net Zero Carbon Agenda.
	<b>Strategic Regeneration Fund</b>	
27	The Committee 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. <b>(BREP)</b>	The concern of the scrutiny committees has been noted and Cabinet will now reconsider this proposed budget saving.
28	The ability for the Strategic Regeneration Fund to lever other external funding, to invest in feasibility and development	The concern of the scrutiny committees has been noted and Cabinet will now reconsider this proposed budget saving.



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	<p>studies and help secure private investment outweighs the saving achieved by reducing this budget. The Committee therefore recommend that any potential reduction to this fund be revisited.</p> <p><b>(BREP)</b></p>	
Waste	Enforcement Team	
29	<p>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.</p> <p><b>(BREP &amp; Endorsed by COSC)</b></p>	<p>The concern of the scrutiny committees has been noted and Cabinet will now reconsider this proposed budget saving.</p>
30	<p>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.</p> <p><b>(COSC)</b></p>	<p>The concern of the scrutiny committees has been noted and Cabinet will now reconsider this proposed budget saving.</p>
31	<p>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.</p> <p><b>(SOSC 3)</b></p>	<p>The concern of the scrutiny committees has been noted and Cabinet will now reconsider this proposed budget saving.</p>
32	<p>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.</p>	<p>Noted</p>

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	<b>Scrutiny Recommendation:</b>	<b>Cabinet Response</b>
	<b>(SOSC 3)</b>	
<b><u>Collaboration with Town and Community Councils (TCCs)</u></b>		
<b>33</b>	<p>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.</p> <p>The Committee agreed that this work would be monitored by the Scrutiny Committee as it advanced.</p> <p><b>(SOSC 3)</b></p>	<p>The Council is always open to working with partners to ensure service continuity. The new Corporate Plan will stress the importance of these working arrangements and an ongoing dialogue at the Town and Community Council Forum can inform budget setting discussions for future years.</p>
<b><u>BREP Process 2023/24</u></b>		
<b>34</b>	<p>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:</p> <ul style="list-style-type: none"> <li>a) the full budget book breakdown to include all the various options being considered by Cabinet;</li> <li>b) greater narrative by cost centre; and</li> <li>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.</li> </ul>	<p>It was not possible to start the BREP process earlier for the coming financial year due to the level of financial uncertainty in the past 6 months. The engagement of BREP will commence earlier for the 2024-2025 budget setting process supported by the consideration of detailed financial and service information to support the debate and decision making process.</p>

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	<b>(BREP &amp; Endorsed by COSC)</b>	
35	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.  <b>(BREP &amp; Endorsed by COSC)</b>	Consideration will be given to how savings proposals are assessed taking into account service implications, timelines required, policy implications and financial implications.
36	That when the BREP 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. <b>(BREP)</b>	Agreed. It must be noted, however, that it is unlikely that any headteacher or chair of governors would be supportive of any cut to their school's budget at any time.