

Report of the Budget Research and Evaluation Panel in respect of the Medium Term Financial Strategy 2024-25 to 2027-28

- 1.1. The Budget Research and Evaluation Panel (BREP) met on five occasions to consider draft budget proposals for the year 2024-25 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 for Finance, Resources and Legal.

Meeting 1

- 1.2. At the first meeting of BREP in August 2023 the Panel approved Councillor Simon Griffiths as Chair for that meeting, agreed the Panel's Terms of Reference and emphasised the need to focus on innovation, to avoid duplication with the role of the Scrutiny Committees and asked that the Panel receive information on statutory and non-statutory services.
- 1.3. The Chief Officer Finance, Performance and Change presented the financial position for the MTFs and a Benchmarking report to the Committee. Following consideration of both items the Panel agreed the following recommendations, to be sent to Cabinet and CMB informally as part of the ongoing preparations for this year's budget proposals:

Recommendations:

- 1. Members referred to a new framework that was being developed for working arrangements in Children's Social Services which was planned to be in place by 2026. In view of the predicted overspend and increasing budget pressures in Social Services, the Panel recommend that Officers and Cabinet explore the possibility of frontloading and accelerating the rollout of this Framework to try and stabilise the service and avoid further cost implications at an earlier stage.**
- 2. In view of the need for the Authority to look at any and all services for potential savings, the Panel recommend that clearer targets be set for each Directorate of what contribution they are required to make or that each Directorate be asked to identify service areas that could be reviewed to identify potential budget savings.**
- 3. Following a discussion around Council Tax, the Panel highlighted that communication with the public was key and recommended that clear information be provided by any avenue possible to inform the public of the reality of the difficult situation the Authority faced with regards to future budget setting. Members highlighted that as part of this, it was paramount that any communication included explanation of what the public receive for their Council Tax.**

1.4 Following consideration of both reports and discussions, the Panel identified a number of themes to focus on as part of their work for the year, including:

- Social Services
- School Delegated Budgets
- Home to School Transport
- Housing
- Economic Development
- Coast Protection
- Sports and Recreation
- Income Generation across the LA
- Consideration of Other Comparative Local Authorities such as Wrexham
- Modelling of Council Tax scenarios
- Earmarked Reserves

1.5 The Panel highlighted once again that key to their consideration of the above themes were receiving associated information on which services were statutory and non statutory as well as the associated cost vs value and impact of these services.

1.6 The Panel also requested that they receive the full budget book breakdown of the approximate 800 service budgets of the Council.

1.7 Linked to **Recommendation 2** above, the Panel offered Cabinet and CMB the opportunity to raise or flag up any particular area they would like the BREP to review to have a fresh set of eyes and views upon, particularly where there may be reduced capacity to undertake such a review.

Member Support in the Budget Setting Process

1.8 The Panel discussed the options for support to political groups when considering an alternative budget and Members expressed concern that any alternative budget should technically receive some form of scrutiny via a scrutiny committee. This would have resulting implications for the proposed timelines, particularly if the alternative budget contained proposals for the level of Council Tax.

Meeting 2

1.9 This meeting, held on 16 October 2023, was organised solely with BREP Members, to discuss methods of working, work planning and prioritisation of the items to be considered.

1.10 BREP Members appointed Councillor Tim Thomas as Chair of the Panel for the municipal year.

1.11 During this meeting Members expressed concern that a Member Budget Briefing had been scheduled for 25 October 2023, prior to BREP being suitably briefed on the budget position.

- 1.12 Members also concluded from this meeting that someone from Corporate Management Board (CMB) level should attend BREP and advise them of the timescale, plan and process for the budget and how BREP fits into it, as well as when decisions will be made, who will be involved and how will BREP be involved and provide feedback. The Panel felt it was important to understand the whole process in order that they could plan their work out appropriately to ensure BREP have a genuine input and impact.
- 1.13 BREP therefore proposed and unanimously agreed the following motion:
- That by the 26th of October that the CMB and Cabinet present BREP with a proposed Budget process and plan moving forward to the budget meeting next year.
- 1.14 Members also requested a response to the 3 Recommendations made by the Panel on 10 August that were shared with Cabinet and CMB informally, as well as the further information requested, detailed in paragraphs 1.4 to 1.7 above.

Meeting 3

- 1.15 At the third meeting of BREP held in November 2023, the Chief Officer Finance Performance and Change presented to Members the predicted outturn for 2023/24 and the Five Point Action Plan in place, for:
- Selective vacancy freeze.
 - Only essential goods and services to be purchased.
 - Review of fees and charges for services and increasing them where we can.
 - Ensure all grants awarded are claimed in a timely manner.
 - Review the use of our buildings to rationalise our usage.
- 1.16 She outlined the current position in the budget process and presented a Budget Planning Model which included all of the information available for the next year and outlined the position and potential savings options from using the model.
- 1.17 The Chief Officer Finance Performance and Change had also circulated information via email to all BREP Members prior to the meeting, in response to their request to receive the full budget book breakdown of the approximate 800 service budgets of the Council. This included the Budget Breakdown 2023-24 as follows:
- a. Summary
 - b. Education and Family Support Cost Centre
 - c. Chief Executive Cost Centre
 - d. Social Services and Wellbeing Cost Centre
 - e. Communities Cost Centre
Council Wide Cost Centre
- 1.18 BREP Members were requested to bring forward any ideas and suggestions for potential options in the upcoming meetings.

- 1.19 The Panel were also asked to be flexible around when it meets as it was highlighted that given the emergency budget from Welsh Government (WG) and potential for this year's budget to be volatile, there may be a need to convene a meeting at short notice.

Meeting 4

- 1.20 At the fourth meeting held in December 2023 the Chief Officer Finance Performance and Change presented BREP with an update on the current position for the budget setting for 2024-25 including the assumptions being made about WG funding thought to be available next year, the pressures built into the budget assumptions to date and information regarding potential budget savings at that point.
- 1.21 There was a proposal that the next BREP meetings would be held straight after the draft settlement was received to look at each Directorate and put forward any areas identified to look for potential savings.
- 1.22 This was slightly revised with the next BREP meeting held in January 2024, due to a number of assumptions still needing clarification from both WG and Central Government following the draft settlement.
- 1.23 In the interim, BREP members were emailed a list of the 3000 plus duties that the Authority must provide, in response to their request for information regarding whether the 800+ services that the Council provides, are statutory or voluntary. (Members had previously been advised in their October meeting that following contact with the Welsh Local Government Association and the Local Government Association it was not possible to provide a full list of every statutory and non-statutory Local Authority service).

Meeting 5

- 1.24 At the final meeting held in January 2024, the Chief Officer Finance Performance and Change presented the Panel with an update on the impact of the provisional settlement on the draft budget. She advised that the draft settlement had been an extra half percent than the budget had been drafted on and there had been more money in the settlement equating to £1M, in addition to WG expecting UK Government to fund the Teachers Pensions of circa £3M, which was being clarified, so approximately £4M better off but on the assumption of the Pension funding.
- 1.25 BREP Members then had the opportunity to question Cabinet Members, the Chief Executive and Corporate Directors on the update and the Draft Budget Reduction Proposals and consider any recommendations given the updated position following the provisional finance settlement.
- 1.26 Following discussion with Cabinet Members and Officers, regarding the draft budget reduction proposals, BREP made the following conclusions:

Recommendations:

4. The Committee recommended that, given the better than expected settlement equating to an additional £1M and any other potential additional funding received by the Final Settlement, that Cabinet be asked to reconsider the following Budget Reduction Proposals:

Prioritising the following:

SCH1 - Efficiency savings against School Delegated Budgets:

That Cabinet look specifically at reducing the impact on individual school budgets.

Council Tax:

That Cabinet consider reducing the burden of Council Tax as best possible from the proposed increase of 9.5%

Risk:

That given the high proportion of the proposed budget reductions being categorised as red and the risk of their deliverability, that Cabinet consider whether some of the additional money needs to be held as a contingency.

Then in no particular order:

Given the additional money available from the provisional settlement that Cabinet be asked to reconsider the following Budget Reduction Proposals:

COM 8 – Closure of Bridgend Bus Station & associated public toilets.

COM 20 – Removal of additional street cleansing resource and Tikspac Posts.

COM9 - Cessation of Shopmobility Scheme.

The number of staffing budget reduction proposals in the Chief

Executive's Directorate - (including Legal, HR and Procurement), the loss and impact of a significant number of posts across the Directorate and the impact of these on Services across the Authority.

- 1.27 This BREP final report is presented to the Corporate Overview and Scrutiny Committee for consideration as part of the Medium Term Financial Strategy consultation process for 2024-25, for adoption and onward reporting to Cabinet on 6 February 2024.
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