

Meeting of:	CABINET
Date of Meeting:	6 FEBRUARY 2024
Report Title:	MEDIUM TERM FINANCIAL STRATEGY 2024-25 TO 2027-28 AND DRAFT BUDGET CONSULTATION PROCESS
Report Owner / Corporate Director:	REPORT OF CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
Responsible Officer:	MERYL LAWRENCE SENIOR DEMOCRATIC SERVICES OFFICER – SCRUTINY
Policy Framework and Procedure Rules:	The report relates to the role of Overview and Scrutiny Committees as Consultees in respect of the budget setting process in line with the Budget Policy and Framework Procedure Rules.
Executive Summary:	<p>The report presents Cabinet with the findings and recommendations of the Corporate Overview and Scrutiny Committee (COSC) in relation to:</p> <ul style="list-style-type: none"> a) The report of the Budget Research and Evaluation Panel (BREP) in respect of the draft Medium Term Financial Strategy; b) The comments and recommendations from the four Overview and Scrutiny Committees in relation to the draft Medium Term Financial Strategy, including the proposed budget pressures and budget reduction proposals, as part of the budget consultation process. <p>The report includes background of the process and meetings held.</p> <p>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 2024-25 to 2027-28 and the Draft Budget Consultation Process.</p>

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 draft 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. Background

- 2.1 In considering the challenges associated with continued budget reductions, Members 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.
- 2.2 It was therefore recommended, in 2017, that a Budget Research and Evaluation Panel (BREP) 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.
- 2.3 The Corporate Overview and Scrutiny Committee (COSC) 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.
- 2.4 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.
- 2.5 The Panel would be presented with the budget reduction proposals 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.

Budget Research and Evaluation Panel

- 2.6 The Budget Research and Evaluation Panel (BREP) met on five occasions and was supported by the Democratic Services Manager and Scrutiny Team, Chief Officer – Finance, Performance and Change and Section 151 Officer, Deputy Head of Finance and the Cabinet Member for Finance, Resources and Legal.
- 2.7 At the BREP meetings the Panel considered information provided by the Chief Officer – Finance, Performance and Change and Section 151 Officer on the financial position for the MTFS 2024-25 to 2027-28, considered draft budget reduction proposals and had the opportunity to question Cabinet Members, the Chief Executive and Corporate Directors on the draft budget proposals.
- 2.8 The Panel's Recommendations were included in the final BREP report which was presented to COSC on 30 January 2024.

Overview and Scrutiny Committees

- 2.9 Each of the four Overview and Scrutiny Committees met and considered the draft Medium Term Financial Strategy 2024-25 to 2027-28, including the proposed budget pressures and budget reduction proposals within the related Directorate and remit of the Scrutiny Committee, and made comments / recommendations for consolidation and inclusion in the report to Cabinet as part of the budget consultation process.

3. Current situation / proposal

- 3.1 The Corporate Overview and Scrutiny Committee considered the findings of the Budget Research and Evaluation Panel and all four Overview and Scrutiny Committees on 30 January 2024 and agreed to submit them to Cabinet, as part of the budget consultation process 2024-25, together with some amendments and additional final Recommendations from the COSC Committee at this meeting. These are listed in Appendices A and B.
- 3.2 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 2024-25 to 2027-28.

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

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 A high level Equality Impact Assessment (EIA) will be carried out and included within the Final MTFS in February 2024. The high level EIA considers the impact of

the strategy, policy or proposal on the nine protected characteristics, the Socio-economic Duty and the use of the Welsh Language.

- 4.2 The proposals contained within this report cover a wide range of services and it is inevitable that the necessary budget reductions will impact on the local population in different ways. In developing these proposals, consideration has been given to their potential impact on protected groups within the community and on how to avoid a disproportionate impact on people within these groups.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Well-being of Future Generations (Wales) Act 2015 provides a framework for embedding sustainable development principles within the activities of Council and has major implications for the long-term planning of finances and service provision. The 7 well-being goals identified in the Act have driven the Council's seven well-being objectives.

- 5.2 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 Medium Term Financial Strategy links to the Corporate Plan and 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.

6. Climate Change Implications

- 6.1 The local authority's 'Bridgend 2030 – Net Zero Carbon Strategy' and Welsh Government's carbon reduction commitments will also be addressed through the Medium Term Financial Strategy, where funding allows, particularly through capital investment. Specifically, they will be addressed through a number of schemes, including the School Modernisation Programme, Ultra Low Emission Vehicles, and

a recurrent 2030 decarbonisation capital budget, amongst others. However, due to financial constraints, the ambition to achieve Net Zero 2030 may be compromised.

7. Safeguarding and Corporate Parent Implications

- 7.1 The Medium Term Financial Strategy is aligned with Bridgend County Borough Council's Corporate Parenting Strategy and provides substantial investment in children's services through revenue budget pressures.

8. Financial Implications

- 8.1 The report relates to BREP and Overview and Scrutiny responses to the draft MTFS, 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 2024-25 to 2027-28 and the Draft Budget Consultation Process.

Background documents

None.