

Findings of the Budget Research and Evaluation Panel (BREP) 2015-16

1. Background

- 1.1. The BREP has considered the draft budget proposals for the year 2016-17. It has also continued to monitor the deliverability and achievability of the Medium Term Financial Strategy (MTFS); for example, by considering the progress of the Schools Strategic Review and the current situation regarding the tendering process in relation to the Materials Recovery and Energy Centre (MREC).
- 1.2. The work of the BREP helps to ensure financial transparency and accountability with regard to the draft budget proposals and the draft Corporate Priorities. This ensures that elected Members have the opportunity to help to develop and shape Council policies on the delivery of services, which is particularly important at a time of increasing demand for services, public sector reform and the challenging financial outlook.
- 1.3. The BREP acknowledge the financial challenges facing the authority and the need to make substantial savings over the term of the MTFS and therefore stress the importance of BREP and Scrutiny Committees taking an active role in monitoring the savings in the context of a 'One Council' approach.
- 1.4. The BREP are concerned that year on year the opportunities to identify additional budget reductions to offset shortfalls in planned savings become fewer and less sustainable. Therefore it is increasingly vital that budget savings are delivered as planned.
- 1.5. BREP were advised that previous budget reductions identified and agreed by Council on 25 February 2015 will still stand and that further or new budget reductions be concentrated primarily areas that are not 'Areas of Focus' (AOF) identified by CMB and Cabinet as aligning with the Corporate Strategy.

2. Recommendations

2.1 Transport

The Panel discussed Learner Transport and commented that transport provision for the whole Local Authority needs consideration. For example, they raised the point that minibuses owned by the LA are not utilised throughout the day and therefore greater use of the assets might be made.

Recommendation

The Panel recommend that a whole Authority review be undertaken in relation to transport to ensure that we are running these services as effectively and efficiently as possible. Members requested that a Project Manager be identified from outside of the Education and Transport departments to take this forward.

2.2 Nursery Education

The Panel discussed the ongoing work related to potential changes to Nursery Education. Members questioned whether there was any evidence to indicate the success of nursery education similar to that used to evaluate Flying Start and expressed concern over the disparity of the level of provision under Flying Start due to it being dependent on postcodes and not necessarily on need. Members also questioned whether the need within the LA was nursery education or whether it was a childcare issue, concluding that as with Flying Start the need was different in different areas of the County Borough.

The Panel expressed some concern over the disparity of provision under Flying Start due to it being dependent on postcodes. Officers reported that there are plans being considered to combine Flying Start and Families First under one grant and the possibility of a pilot being run next year based on need rather than postcode, subject to a decision by Welsh Government.

Recommendation

The Panel support the plan to revisit Nursery Education savings in future and expressed concerns over how the shortfall would be met if savings could not be found from Nursery Education. Members requested that this work look into the childcare aspect and the associated cost of childcare provision against Nursery Education. Furthermore, the Panel recommend that future provision be more targeted and based on need rather than a universal provision, to acknowledge and address the differing need across the County Borough.

2.3 Pay Day Harmonisation

The Panel questioned the proposal to reduce the number of monthly pay day dates from two to one, querying why this had not been progressed. Officers reported that they had looked at moving the pay date to the end of the month but negotiations had not been successful. The Panel proposed that this saving could still be made by moving the pay date to the middle of the month. Officers responded that this change would be deemed unacceptable to the general public as it would exacerbate the problem we currently have of overpayments and claw-back. The Panel did not feel that the argument against the changes was robust enough, and upheld their view to move the pay date to the middle of the month for all staff and therefore make the saving.

Recommendation

The Panel recommend that BCBC proceed with the proposal to move pay dates for all staff to the middle of the month.

2.4 City Deal

The Panel discussed the City Deal and expressed their support for the initiative and the development of a regional approach across the Cardiff Capital Region, including investment in areas such as business, regeneration and innovation, with an investment in infrastructure across South Wales that will improve opportunities for all communities in the region. The panel were

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keen to encourage participation by the Authority in the initiative and recognise that where any local changes or developments are proposed they will need to be considered in context with plans for the Authority to link in with the City Deal.

Recommendation

The Panel supports City Deal and recommends that it is explored further to identify links to local initiatives, such as transportation infrastructure and regeneration, and the possibility of tapping into University Sectors by utilising colleges within the Authority where people may not wish to travel to Cardiff or Swansea.

2.5 Balancing of savings

The Panel recognised that different Directorates have been subject to varying levels of budget reductions over the past five years. For example, the Communities Directorate has, for some time, been subject to levels of cuts which, in the view of the Panel, could result in legal issues and ensuing costs. The Panel highlighted the impact of this as a risk to the Authority in achieving the required level of budget reduction.

Recommendation

The Panel acknowledged the savings that had been made in the Local Authority so far, however Members recommend that savings be rebalanced across Directorates. Members recommend specifically that there is a reduction in cuts being made in the Communities Directorate and an increase in the percentage of cuts made within the Social Services and Wellbeing Directorate to address the disparity over the last six years.

2.6 Public Realm Services

The Panel consider that to achieve investment in the County Borough and grow the economy, the appearance of the Borough needs to be improved and maintained.

Members also queried the Directorate priority of Supporting Local Economy stating that it needs clarification regarding the meaning of this priority, as the links between the new corporate priorities and Streetscene and neighbourhood services are not clearly defined, making it difficult for these services to identify and evidence links to the corporate priorities. The Panel believe that if BCBC are trying to attract businesses the County Borough towns must be attractive and appealing.

The Panel commented on planning changes and raised concerns over the reduction in staff at a time when there is pressure to put through applications faster and when, if staffed sufficiently, we could be gaining more income from planning.

Recommendation

The Panel recommend that in order to attract investment to the County Borough greater consideration needs to be given to the need to maintain the appearance and attractiveness of the Borough.

2.7 Legal and Regulatory Services

The Panel expressed concerns regarding the impact on other directorates or areas of service from the diminishing of individual budgets. This was raised in relation to the LARS budget where staff shortages were impacting on the support provided to other Directorates. The Panel supported the possibility of offering more training contracts for lawyers which may assist in providing legal support to the Authority.

The Panel also expressed concern over the diminishing support for Scrutiny which had led to the inability to undertake further Research and Evaluation Panel investigations. It was the view of the Panel that these REPs had the potential to have a direct impact on achieving future budget reduction.

Recommendation

The Panel requested that consideration be given to the provision of a full time equivalent Scrutiny Officer post to reinstate the support level at 2.6 to ensure that an effective Scrutiny function is maintained for the Local Authority.

2.8 Payroll

The Panel discussed the possibility of joint working with a Regional Payroll function recognising that any portal and systems would need to be of generic design to enable regional working effectively.

Recommendation

The Panel recommend that the Authority seek to establish a joint regional Payroll function.

2.9 Income Generation

Recommendation

The Panel recommend the Authority pursue attainment of General Power of Competence to enable the Authority to sell skills or and services to generate income.

2.10 Council Tax

The Panel queried the disparity between the proposed amount of council tax increase and the recent adjustment to savings required by the Authority, and commented that this may be perceived as unfair as the benefit of the reduction in savings requirement will not be passed on.

Recommendation

The Panel recommend adjusting the proposed increase in Council Tax to bring it more into line with recent changes to savings requirement throughout services.

2.11 MREC

The Panel discussed various aspects surrounding the Materials Recovery and Energy Centre (MREC).

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The Panel recommended that the subject of MREC be added as an item to the Forward Work programme by the Community Environment and Leisure Overview and Scrutiny Committee as soon as possible. This was scheduled immediately following the meeting of BREP on 18 November 2015 and the item has now been considered by the CEL Overview and Scrutiny Committee at their meeting held on 27 January 2016.

2.12 Highways

The Panel expressed concern over the lack of detailed information currently presented under the proposal for a Review of Highways in order to enable Members to make an informed decision and commitment to this.

The Panel were advised that there is no plan to wholly outsource highways but there may be opportunities for collaborative working. It was reported to them that a joint venture with Capita currently covers only part of the services i.e. design and engineering.

Recommendation

The Panel recommend that a full options appraisal for future service delivery be carried out in order to identify and consider all available options, including the Teckal approach.

2.13 Cultural Trust

The Panel raised concerns regarding some services currently managed by the Cultural Trust. Members discussed in particular the care elements relating to vulnerable adults in B Leaf and Wood B and were concerned that the provision of these services may be at risk in future, despite the benefits that the Trust may currently be able to provide.

Recommendation

The Panel recommend that the work of the Cultural Trust be monitored closely by the relevant Scrutiny Committee, paying particular attention to activities linked to B Leaf and Wood B.

2.14 Local Authority Innovation

It was reported to the Panel that there are plenty of potential ideas for change but the capacity to explore these is limited and very difficult due to diminishing resources. They were advised that most of the ideas are speculation with no guarantee that they will work and the Authority cannot risk losing sight of the day to day work in favour of unproven ideas.

Recommendation

The Panel recommend that support should be given to identifying and developing innovative ways of working to help to address the amount of savings required for the future.

2.15 ICT

The Panel commented that the Council is too cautious in relation to using ICT innovatively.

Recommendation

The Panel recommend that ICT within the Authority needs a change of pace and an openness to embrace it, whilst also recognising that in some instances such as the development of online services, an alternative provision still needs to be maintained for those who cannot access them.

2.16 Schools Strategic Review and Schools Budget

The Panel received information on the Schools Strategic Review regarding the various options that were being considered, particularly in relation to the future of Post-16 Education.

It was also reported to the Panel that the 14-19 budget was being reduced by WG for forthcoming years.

Panel was informed that a 1% efficiency saving was being proposed, and that schools had expressed the view that this should take place over two years as it would be more achievable. This was later superseded by the Welsh Government decision to continue to protect school budgets.

Recommendation

The Panel expressed support for the 1% saving proposal in relation to school budgets and recommend that savings are phased in starting immediately.

The Panel recommend that teaching trade unions are involved in the work of the Strategic Review of schools at the earliest possible stage and are particularly engaged in any proposed changes to Post-16 education in order to make the process as harmonious as possible.

The Panel further recommend that all staff are engaged throughout the change process to Post-16 Education to ensure they are involved and encouraged to take ownership of the changes.

2.17 Consultation

It was reported to the Panel that, at 1,800 responses, the overall response rate was better than last year by approximately 1,300. However, the Panel agreed that this is still a very small proportion of potential responses and were concerned that the sample may not be representative enough to provide any robust analysis or conclusion.

The Panel also questioned the cost of the exercise compared to the low response rate, particularly in relation the events where only 80 people in total attended the 6 events and the YouTube video.

During the early meetings of BREP, the Panel put forward numerous suggestions for consultation and engagement; for example, working with Bridgend Business Forum, Halo and the housing associations but it is unclear which of these suggestions were used during the consultation.

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Members raised concerns regarding the estimated cost of using You Tube and Bridge FM during early meetings however Members were later advised that the actual cost was significantly less.

Members also raised concerns regarding the cost of hiring venues to host engagement/consultation activities and whether this provided best value for money considering the low turn out

Recommendation

The Panel recommend that Cabinet Members are involved in future budget consultation events.

The Panel recommend that suggestions and proposals provided by the Panel to help to improve the consultation and engagement regarding the budget be taken forward to inform the exercise in future years.

Members recommend that an interview with BridgeFM is arranged to communicate the outcome of the consultation and raise more awareness of the savings going forward.

3. Review of Budget Information

- 3.1 The Panel requested and received information on the budget savings/pressures for 2010/11 to 2015/16. The Panel commented that the information was extremely useful and accessible and presented in such a way as to enable a clearer assessment of the situation regarding budgets for individual directorates.
- 3.2 The Panel highlighted the disparity between directorates regarding actual savings and budget pressures. Members also noted that the information does not explain what is and isn't included, for example Demographic Growth.
- 3.3 There were concerns about the lack of information, such as a comprehensive risk assessment and information on the actual impact and outcomes of proposals for service users.
- 3.4 The Panel also expressed concerns over the lack of timeliness in the provision of the final draft budget proposals which left little opportunity for Members to be prepared prior to discussion with invitees. This was a particular concern due to the proposals having been revised quite significantly as a result of the better than expected budget settlement, some of which the Panel felt merited serious consideration.

Recommendation

The Panel recommend that:

- Clear information to be provided where any changes or omissions are made to proposals during the BREP process, this to include rationale for changes.

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- Cover reports to be provided by Officers specific to individual Overview and Scrutiny Committees when they consider budget proposals at meetings during the consultation process.
- All information to be provided to the Panel in an accessible format.
- Information is provided to the Panel in timely manner to enable them to have time to read and consider the reports, to identify areas for discussion and to formulate questions. This will make the best use of Member and Officer time and ensure that meetings are effective.

4. The Future Role of the BREP

- 4.1 The current pattern of budget reductions, whereby some service areas are routinely more protected from budget reductions than others, is likely to prove unsustainable. The BREP considers that service areas which in previous years have provided the majority of the savings will no longer be in a position to do so. Consequently, recommendations relating to this have been made by the BREP and these will form part of the focus of their future monitoring.
- 4.2 The Panel will continue to consider which services will be delivered differently, which will no longer be provided directly by the local authority and which services will no longer be provided at all. This consideration should be extended to all service areas, regardless of the extent of the budget savings required of them.
- 4.3 The BREP requested that as part of their future work they be involved at the planning stage of any public consultation or engagement surrounding the draft budget and at key stages throughout the process such as where questions and methodology are formulated.
- 4.4 The BREP note the recent review of the Corporate Priorities and consider that there is an ongoing role for the Panel to take part in a wider discussion with Cabinet and CMB about the future delivery of services.
- 4.5 The BREP consider that the work of the Panel is a vital and important mechanism for budget setting and monitoring to ensure an objective, democratic approach from the start of the budget setting process.
- 4.6 The Panel requested that this year's BREP undertake a review of the process following the setting of this year's budget. The purpose of this would be to evaluate the effectiveness of BREP, to identify any potential improvement, establish how recommendations are taken forward and to provide evidence of the impact and outcomes from the work of the Panel.