

Monmouthshire Select Committee Minutes

Meeting of Strong Communities Select Committee held at Remote Meeting on Thursday, 28th January, 2021 at 10.00 am

Councillors Present

County Councillor L.Dymock (Chairman)
County Councillor (Vice Chairman)

County Councillors: D. Batrouni, P. Clarke,
A. Easson, L. Guppy, V. Smith, J.Treharne

Also in attendance County Councillors: P. Murphy
, Cabinet Member for Whole Authority Resources

Officers in Attendance

Hazel Ilett, Scrutiny Manager
Robert McGowan, Policy and Scrutiny Officer
Jonathan Davies, Central Accountancy Finance
Manager
Dave Loder, Finance Manager

APOLOGIES: None

1. Apologies for absence

There were no apologies for absence.

2. Declarations of Interest

Linda Guppy declared a non-prejudicial interest as Rogiet Community Council has a shared car park with the authority.

3. Open Public Forum

No members of the public were present.

4. Budget Monitoring: Scrutiny of the budget monitoring capital and revenue position at Month 7, setting the context for scrutiny of budget proposals.

Jonathan Davies and Dave Loder presented the report and answered the members' questions, with additional comments from Cabinet Member Phil Murphy.

Challenge:

To date, has any reclaimed money for car parking been offered to Rogiet Community Council for Severn Tunnel car parking?

We submit quarterly claims to Welsh Government regarding income loss for car parks. The claim is based on actual activity this year vs. last year. We will have to discuss the way forward with Rogiet with the Car Parking manager.

Regarding profits and deficits, there's nothing in the report about profits from solar panels?

We are underspending against the solar farm and the sustainability section. Our income targets are being met so we are marking the required returns on the solar farm.

Can the position with Capita Gwent be clarified – did we not part company with them years ago?

Yes, the final steps to dissolve the agreement has taken quite a while. This now is very much the final stage of ending the partnership – this is just the final administrative phase, and getting the funds back to the various partners.

Part of the way we're balancing the budget is by keeping positions open – surely that is not sustainable in the long term for providing services properly?

It is specific to the service. Yes, it is not sustainable long-term but this year, more than ever, with staff diverted to dealing with the pandemic there hasn't been the resource to fill those vacancies where required. Behind the scenes, we are looking towards the recovery phase and what shape those services need to take at that stage. Those services might look different then, with different demands on them, and we have to be prepared to shape and reform them to meet demand.

For years, we have taken a 2% vacancy factor. It's a way of sharpening up the department, and enables us to assess whether a post is actually required. If a department has done without the post for a substantial time to achieve that 2% saving then it begs the question as to whether the post should be there in the first place. That was true several years ago but is certainly not true now: a vacancy factor in many departments is no longer appropriate, especially in Social Care. We have accepted this as a pressure.

What are our agency or consultancy costs, therefore?

We don't have a figure to hand for this committee's area. Those that have been using agency costs have benefitted from the flexibility of that. In many areas, those contracts have been flexible and we've been able to call on them as required. But we know we need to fill the vacancies for long-term sustainability.

There is a £72k saving on streetlights – has the rollout of LEDs been completed? Has the remote switching firm's contract been removed?

We're on target to finish the installation completely this financial year. The majority of our inventory will then be LEDs. The £72k underspend this year won't affect the budget next year – the same amount of budget this year will be carried forward because in the next financial year we will have to pay the full amount of the annual loan repayments.

How will that saving affect the budget for the future of lighting?

The underspend is made up of 3 areas. We're starting to see the benefit of the LEDs on the reduction of electricity consumption. We've also benefitted from an actual reduction in energy price increase this financial year – we have built in quite a large budgeted increase for this year – and we're seeing the

benefit of installing the LEDs and the reduction of energy, but we don't have to start repaying the loan for some of those LEDs until next year.

Are there any plans to look at lighting facilities in older streets with poor lighting, where LEDs aren't as efficient?

We can't really answer this question – it will have to go to the officer.

How long do we have to pay off the loan, and will the budget surplus be sufficient to cover that?

We're paying off the loan over 15 years, which is the lifetime of the asset. As we don't increase non-paid budgets by inflation, the only problem we will have is the cost of energy: if it goes up over the next 5 years, we will have to build that into our budget as a pressure.

5. Budget Scrutiny: Scrutiny of the budget proposals for 2021/22.

Jonathan Davies and Dave Loder delivered the presentation and answered the members' questions, with additional comments from Cabinet Member Phil Murphy.

Challenge:

When comparing Welsh Government funding for Blaenau Gwent and Monmouthshire, should more context not to be given i.e. that the former has much more deprivation?

We are conscious that our demographics in Monmouthshire are quite different from some of the other authorities but the funding formula itself is supposed to deal with all of those. We are aware that that formula doesn't benefit us in many ways, and we are looking to have a dialogue with Welsh Government over its reform. Regarding the proposed settlement for next year, the areas where we have benefitted, comparatively, are from population numbers, pupil numbers and equalisation of resource – Welsh Government has gone some way to recognising that Monmouthshire has the largest proportion of funding from council tax, which isn't sustainable for residents over the long term. Comparison between Blaenau Gwent and Monmouthshire is very useful for the public, so is included here principally for the public consultation.

What was Welsh Government offsetting through its grants? Homelessness, for example?

We are awaiting specific grant settlement figures. The pressure recognises that we haven't had the confirmation from Welsh Government yet, so the pressure you see in the papers is the gross pressure and doesn't recognise the further support that we expect to receive on homelessness and the housing grant. The current homelessness pressure is £875k. We've had information regarding additional grants for the next financial year; one is an increase in the housing support grant of £667k. We can't apportion a lot of that homelessness cost to that additional funding – that's being used up elsewhere – but Welsh Government has released another £4m across Wales to help deal with the homelessness issue. Housing officers think that we can move about £275k of that £875k against this funding. So Welsh Government has agreed to fund the first 6 months our homelessness costs via the Hardship Fund. Therefore, the £875k has come down to £600k.

We're increasing fees and charges in line with inflation – could we have the precise figures? Are we going for an average? What's the bigger picture?

There is a detailed breakdown of the fees and charges in Appendix 2 of the budget papers. There isn't an overall increase; the increases are specific to services. The average increase is 2.5%, which is a little over current inflation. Officers set their price increases based on what they think the market will afford. They take into consideration the effect on the public etc.

To clarify: we will increase council tax by 4.95%, and, as an average, increase charges that the market can handle, at 2.5% – 'the market' presumably being our residents. Is that accurate?

Yes, on average, for the services in this portfolio, there is a 2.5% increase. In the detailed appendix listing the fees and charges, there is a percentage against each one. Not all services have been increased. Across this portfolio, we're expecting to only pull in £10k more of income.

There has been a significant increase in free school meals. What are our contingencies for feeding families in the holidays, especially in the summer?

In our settlement from Welsh Government, there is an amount for FSMs. The further commitment to support those meals during the holidays comes from a Welsh Government policy commitment specifically – we get funding for that through the Hardship Fund. We continue to make those payments and to meet that policy commitment. Moving into next year, we will continue with our existing provision for FSMs. We are seeing an increase in numbers, which has been reflected as we've moved through this financial year. We certainly need to accommodate that pressure as we proceed.

Environmental health staff are doing extra work and have been redeployed. Where's our backfill and where's the money coming from for that?

Waste relates to the environmental health team, falling within our public protection, alongside trading standards etc. But yes, a lot of staff have been redeployed to Track And Trace. Those costs will be reclaimable through Track And Trace funding, via the Health Board.

Extra I.T. provision is needed in schools. Where's the money coming from to help them?

We will have to defer this question to the Education Finance Officer, and respond later.

There is a deficit in CYP concerning looked-after children and safeguarding but not enough money seems to be put in. Is there any extra provision to help families with looked-after children?

Yes, this was discussed at CYP Select last week. It's important to note that there is provision in the draft budget for an additional £1.46m for support for looked-after children costs, which goes some way towards meeting those commitments. The service works very closely with Health in ensuring that there is early intervention, where possible. Also, we aren't making staff efficiencies and applying a vacancy factor to that service in 2021-22, so we recognise that there is additional pressure in that area.

It's very positive that some hotels have opened up for homelessness and domestic abuse pressures. Homelessness is not in our portfolio but what money is being put towards that?

We are putting provision into next year's budget to cover as much of the homelessness budget as we can. We hope to receive further funding to offset that pressure. Questions concerning the suitability of rooms should probably be directed to the Housing Officer.

There has been a lot of flytipping and recycling workers have been moved elsewhere: where is that in this budget, and is there further provision for them not moving back anytime soon?

With recycling centres closed, there has probably been an increase in flytipping, and our teams will be doing their utmost to keep on top of it. It will probably cost us more money to get rid of it, and is an unfortunate consequence of the centres being closed. We recognise that Covid is having a very large impact on services not just monetarily, but in terms of resources too.

An uptake of free schools meals entitles a school to additional funding. Where does that additional funding come from?

The settlement for any financial year from Welsh Government will include an amount based on the data that we submit.

How will schools attendance affect the contract hand-back with taxis etc.?

It is a problem. Sometimes there are contract hand-backs because the operator goes out of business or they feel that they can't run the service on the contract that we have given to them. The Passenger Transport Team does a very good job in managing that, dealing with sudden dropouts from operators at short notice. Going forward, there is a potential risk that we won't be able to put on a service but so far, the Passenger Transport Service has managed any problem that it has encountered.

There is a £65k saving on sweepers: is there a part-funding arrangement for these? If so, how will this affect us?

The part-funding offer sent to community councils wasn't taken up much. £65k is the cost of the machine that is operating. It won't affect the service, as far as we are aware.

Caldicot Town Council has an arrangement with town centre sweeping that includes the use of a sweeper. Could that be considered?

It's probably best to refer that directly to the Commercial and Operations Manager for an answer.

How many outstanding loans do we have with Welsh Government for street lighting?

There are currently 4 outstanding loans. Each has a different payment period, as some were taken out earlier than others.

What is the status of council tax collection this year? Have we put in place contingencies – do we expect to collect as much next year?

Early indications, when the pandemic first broke, were that there would be problems in terms of collection. As the year has progressed, we are returning to our usual levels. We don't foresee an overall issue. The total council tax collection usually takes a long time to manifest – we probably won't know

the final position on that for quite some time. But it's important to note that Welsh Government is supporting local authorities with some specific funding that will come in February. We don't know yet how much that will be. We should get an allocation to support us with any shortfalls that we will face. As we move into next year, the signs are that our collection rates won't deteriorate and we shouldn't be affected in totality.

Is a 4.95% council tax increase sufficient?

We are proposing to support the budget this year with reserve usage and looking to limit the impact on council taxpayers as much as possible. As we move towards the final budget our commitment to that reserve usage will remain. The point of putting last year's surplus into reserves was for it to be used in circumstances such as these. No one likes to see council tax go up – 4.95 is about the absolute maximum that we could countenance under present circumstances. It will cause difficulties for some, which is why there are reliefs. It is better to use reserves rather than hit the public with more than we need to.

Chair's Summary:

Item 4:

Councillor Guppy asked a question regarding income lost on car parks, specifically funding for the Rogiet Community Council's shared car park. The officers will check and respond. The Councillor also asked about profits on solar panels. The officers didn't have the details to hand but confirmed that we are making a return. Councillor Smith asked for an update about Capita Gwent. We were advised that it is an ongoing situation and we are in the final phase of the relationship.

Councillor Batrouni asked about agency and consultancy costs, and whether this policy is sustainable. It is not a long-term solution; with staff diverted from frontline services, resources haven't been available. The officers confirmed that they would come back to the committee with a breakdown of agency costs. Councillor Batrouni asked if we are looking at a restructure of the teams due to the pressures. There is no specific restructure of teams owing to the pressures but we will have to continue to monitor the situation.

Councillor Easson asked about the saving on street lighting, if the rollout of LED lights has been completed, and the remote switching contract has ended. Officers believe the contract was extended for this year but will check with the street lighting manager and update the committee with the response. Officers advised that we won't have to start repaying the loan until next year, once the rollout has been completed.

Councillor Easson also asked if it will change the future of the budget – the answer is no, because of the loan that we are due to start repaying. Given the poor lighting in some streets, it was asked if there are plans to review the lighting – this will go to Carl Touhig, the responsible officer. Officers explained that we have 15 years in which to repay the loan. There are 4 loans; officers will give the committee a breakdown of loans and terms.

Item 5:

Councillor Batrouni asked why we are comparing Blaenau Gwent and Monmouthshire given the disparity in deprivation between them. Officers confirmed that they are conscious that our demographic is different from other local authorities but the funding formula doesn't recognise the difference. The largest proportion of funding from council tax and Welsh Government recognises this. We compare ourselves to other authorities because it helps the public to understand the difference between what we and other authorities get. The councillor also asked about Welsh Government offsetting through its grants for homelessness – officers confirmed that we are awaiting grant settlement figures but that will come under the Adults Select committee. A breakdown of fees and charges in line with inflation was requested – officers confirmed that a detailed breakdown is available in Appendix 2 of the budget. Clarity was sought as to whether we're increasing council tax and charges by 2.5%. Officers confirmed that not all services are being increased, but on average, there is a 2.5% increase.

Councillor Guppy asked questions about free school meals. Officers confirmed that there is an increase in the number of applicants for FSMs and we will get a settlement from Welsh Government for that. The councillor also asked where the money is coming from for waste pressures, with environmental health being redeployed to Track And Trace: these costs will be reclaimed through Track And Trace. With regard to looked-after children, there is a provision of £1.46m. Hotel costs, homelessness and domestic abuse: it has been put provisionally into next year's budget to receive further funding from Welsh Government.

Councillor Easson asked about contract hand-backs, which the officers confirmed can be problematic, and there has been a risk to services, but so far, Transport has not failed to support the services. Officers asked that the Councillor direct his question regarding the sweeper to Nigel Leaworthy.

Councillor Guppy also asked if we expect to see as much council tax coming in next year. Officers advised that there were indications of issues collecting council tax at the start of last year, however things seem to be more consistent now, and there are allocations from Welsh Government. Councillor Guppy also requested that we make communications to residents about council tax relief very clear.

6. To confirm minutes of the following meetings:

- **12th November 2020**
- **12th January 2021 (Special)**

The minutes were confirmed and signed as an accurate record.

7. Strong Communities forward work programme

Note that the original date has moved from 11th to 4th March. Councillor Batrouni asked if the committee could receive a briefing about numbers of FSMs in the context of Social Justice, and its effect on families. He acknowledged that it would normally fall under CYP, and officers agreed to put in the request.

8. Cabinet & Council forward work programme

9. Date and time of next meeting

Thursday 4th March.

The meeting ended at **11.50 am**