

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Strong Communities Select Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 26th January, 2017 at 10.00
am**

PRESENT: County Councillor S. Howarth (Chairman)
County Councillor T. Easson (Vice Chairman)

County Councillors: D. Dovey, V. Smith and A. Webb

Also in attendance County Councillor(s): D. Blakebrough and P
Murphy.

OFFICERS IN ATTENDANCE:

Joy Robson	Head of Finance/Section 151 Officer
Hazel Ilett	Scrutiny Manager
Roger Hoggins	Head of Operations
Mark Howcroft	Assistant Head of Finance
Paula Harris	Democratic Services Officer

1. Apologies for absence

County Councillors P. Jordan, P. Watts and S. White.

2. Declarations of Interest

None received.

3. Open Public Forum

We were joined by Mr Sutherland, a Woodside resident who was keen to be updated on traffic safety issues he had raised at previous Strong Communities Select Committee meetings.

Mr Sutherland criticized the minutes as he stated that although he was attending the meeting in a solo capacity he represented 19 houses in the Woodside area and wanted the minutes to reflect this in future.

He also claimed that the minutes inferred that he only had an interest in the Woodside area of the County and wanted it recorded that he has a countywide interest in road safety.

4. To confirm minutes of the previous meeting

The Committee confirmed the minutes from the 8th December 2016 and they were duly signed by the Chair.

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5. DRAFT BUDGET PROPOSALS 2017/18 FOR CONSULTATION**Context:**

To provide detailed draft proposals on the budget savings required to meet the gap between the available resources and need to spend in 2017/18, for consultation purposes.

To consider the 2017/18 budget within the context of the 4 year Medium Term Financial Plan (MTFP) and the emergence of priorities to guide forward activities through Future Monmouthshire.

Recommendations:

1. That Select committee scrutinises the draft budget savings proposals for 2017/18 released for consultation purposes.
2. That Select committee notes that the consultation period and opportunity to present alternative proposals that have been Equality Impact assessed ends on 31st January 2017.
3. That Select committee notes that work is continuing on the areas required to balance the 2017/18 budget and Medium Term Financial Plan (MTFP), through those opportunities identified in the emerging Future Monmouthshire programme.

Key Issues:

1. Cabinet received a report on the MTFP and budget process at their meeting of 2nd November 2016. The report outlined the assumptions that were being used in the construction of the budget for 2017/18 and the MTFP and highlighted the outcome of the provisional settlement announcement for Monmouthshire.
2. As a reminder the following assumptions have been used for the 2017/18 budget:
 - Council Tax – 3.95%
 - Other external income – 2.5%
 - Pay inflation – 1%
 - Non pay inflation – 0%
 - Vacancy factor – 2% (except schools)
 - Superannuation – 21.1% (Actuarial review pending)
 - Schools Budget – 0%
 - Aggregate External Finance – 0.12% reduction based on the provisional settlement
3. The above assumptions led to a gap of £2.509 million in 2017/18 rising to a gap of £10.5 million over the medium term. At that time further work was being undertaken to assess the pressures both in the current year budget and any new pressures arising from changes in regulations for example. Savings and income generation proposals were also being worked up and reviewed through an internal and external challenge process guided by the principles and thinking established through Future Monmouthshire.

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Member Scrutiny:

In respect of the Waste Income Charges report members debated whether to call the decision in because they felt they had not had the opportunity to scrutinise this in advance as it went on the Cabinet planner the day before it went out for consultation. While the Members discussed this during the meeting they also picked up other examples of issues that are not on the planner. It was asked that officers at SMT and SLT be reminded that the planner needs to be populated in advance to enable opportunities for advance scrutiny and that Democratic Services ensure that the weekly emails to members are reinstated to show additions to the planner.

A Member of the committee asked about the confusion surrounding the brown bag charge, the Head of Finance answered that sometimes items may appear in two places for decision and the Select Committee have the opportunity to scrutinise this during this meeting, but in future there may be further reports outlining more detail to the issue.

In respect to the same issue the Head of Operations added that the reason that this was brought forward as a single member decision was that the implementation of charges for brown bags starts in March.

The Chair asked the Cabinet Member when the budget was set and was answered that the budget meeting is released by Cabinet at the end of February and will go to Council on the 9th March 2017.

The Head of Finance clarified that the fees and charges was a separate report and that members had the opportunity to scrutinise this also.

A Member spoke of the proposed charges to collect waste from schools and commented that schools will be heavily impacted by the costs and if they choose to outsource the service, the £30, 000 proposed in the budget will not be made. The Head of Operations answered that due to collection and disposal costs charges will now go out to the schools and although the costs sound high schools can go out to the market and use someone cheaper.

It was asked by a member if Monmouthshire County Council was here to provide a service or creating as business as she was concerned about the reference to income generation via the release of core staff and income from various waste services. The member commented that the onus appeared to be on income generation rather than service provision and that many figures appeared to be unrealistic. In response the Cabinet Member responded that we are 22nd in the pecking order for grants from the Welsh Assembly and that we don't generation income we cannot provide a service.

The Head of Operations answered a question asked regarding the frequency of grass cutting and the Council's need to work in tandem with Monmouth Housing Association, as we are contracted to cut their grass. Monmouthshire Housing Association are not willing to reduce their cuts for the following year meaning that officers will need to look at the saving figure proposed for the following 12 months until Monmouthshire Housing Association decide if they are willing to drop the number of cuts in future.

To answer the question asked about the staffing, Head of Operations advised that the £100,000 figure was made of plant materials and staff and if we stop cutting the grass less staff would be needed, rather than make staff redundant it is planned to use staff on commercial contracts.

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The Chair told the committee of feedback he had received from residents in his ward who complained about the maintenance of the countryside, the trees not being lopped, signs covered by foliage and verges not being cut and that the rate payers of this county felt that their services were being cut to subsidise other revenue income streams. The Head of Operations spoke of the importance of improving communications with residents as Monmouthshire County Council do not carry out work at a subsidised price to the private sector, we are recovering our costs and overheads.

A Member commented on the pressures placed on town and community councils in respect of service provision and stressed the importance of them working alongside us.

The Chair spoke of his concern in relation to the annual pattern of cuts.

Concerns were raised regarding the constant cuts in regard to infrastructure and it was asked of the Head of Operations what he felt was his top risk was, he answered that he felt that it would be the staffing pressure.

The Head of Finance advised the committee that a one year approach had been adopted this year as the work of Future Monmouth is ongoing and will help shape the direction of a 5 year approach. This year it had been attempted to spread the burden of across all directorates and each service had been asked for proposed savings, with over 123 proposals in the report providing a 1.8 million pound saving.

The Committee spoke of having faith in the officers and raised concerns about the mental health of the staff if too much workload pressure was placed upon them.

A Member asked for guidance on the saving proposed in Community Safety/CCTV and asked if this was in relation to the towns. **(ACTION J.R.)**

The Chair asked about the staffing arrangements in the Communications team and the projects undertaken by them. **(ACTION M.H.)**

It was asked in regard to PTU, do we still run this or has it been passed to Newport. The Head of Operations answered that currently the Passenger Transport Manager was shared between MCC and Newport, with Newport paying 50% of the post's salary. Going forward the proposed changes to the PTU will be reported on and brought before the Select Committee for scrutiny.

Reassurance was sought regarding repairs on fleet vehicles as it was felt there were currently vehicles on the roads that shouldn't be. **(ACTION R.H.)**

A member asked who is responsible for supporting grass roots drivers (volunteers). **(ACTION R.H.)**

Concerns were raised in regard to staff carrying out risk assessments and asked how many staff were going to be trained. **(ACTION M.H.)**

Clarity was sought in respect of the working group looking at charges. **(ACTION R.H.)**

It was asked if a quality impact assessment had been carried out in regard to the increased school meal price.

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Members asked for further detail on the budget for laptops and sought confirmation that the authority always strive to obtain the most competitive price available.

Members asked for figures in regard to income related to Raglan Market and a loss and gains report will be supplied to the Committee. **(ACTION M.H.)**

Committee's Conclusion:

The Chair spoke of the Committee's large portfolio thanked members of the committee for their scrutiny.

It was agreed that the Joint Select Committee meeting on the 31st January 2017 would allow an opportunity for further questions and scrutiny.

The Chair looked forward to receiving answers from the officers on matters raised during discussion today.

6. CAPITAL BUDGET PROPOSALS 2017/18 FOR CONSULTATION

Context:

To outline the proposed capital budget for 2017/18 and the indicative capital budgets for the three years 2018/19 to 2020/21.

Recommendations:

1. That Select Committee scrutinizes the draft capital budget proposals for 2017/18 to 2020/21 released for consultation purposes as set out below and referred to in Appendix 2.
2. That Select Committee notes the following recommendations approved by Cabinet:
3. That Cabinet confirms a capital strategy, which seeks to prioritise the Council's Future Schools programme and other commitments whilst also continuing to finance a minimum core capital programme, recognizing the risks associated with this approach.
4. That Cabinet reviews the priorities in the Capital programme in the light of the issues raised in 3.7 and other demands for capital resources.
5. That Cabinet reaffirms the principle that new schemes can only be added to the programme if the business case demonstrates that they are self-financing or the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.
6. That Cabinet agrees to maximize the use of capital receipts when received to fund the capital programme (therefore reducing the need to borrow) and/or set aside to repay debt.

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7. That Cabinet agrees to the sale of the assets in accordance with the Asset Management Plan and identified in the exempt background paper in order to support the capital programme, and that once agreed, no further options are considered for these assets.

Key Issues:

1. The capital MTFP strategy put in place in the face of an ever reducing resource base from Welsh Government has been reviewed. The strategy going forward has the following key components:

The core MTFP capital programme needs to be financially sustainable without drawing on further funding.

The original Match funding identified for the Council's priority of the Future schools programme (£40 million) has been supplemented with £11.9 million additional funding.

Budgets for Disabled Facilities Grants and Access for all schemes will be maintained in line with the Council's priority of protecting services to vulnerable adults and children.

No inflation increases will be applied to any of the capital programme with property maintenance budget and Infrastructure maintenance budget set at the same level as last year

The County farms maintenance and reinvestment programme is based on the revised asset management plan for County farms, supported by the latest condition survey data

Budget for Area Management of £20k in the programme could be further reduced or cut in the face of other pressures

£1m unsupported prudential borrowing per annum has been contained in the programme for a number of years and this will continue in the current 4 year programme

The capital MTFP currently projects no increase in supported borrowing for 2016/17 onwards (provisional settlement received October 2016)

Use of the capital investment reserve to ease the transition to a balanced budget

Budget to enhance or prepare assets for sale will be maintained and funded through the capital receipt regeneration reserve in order to maximize this funding stream for the Future schools programme priority

2. The four year capital programme is reviewed annually and updated to take account of any new information that is relevant.

3. The major component of the capital MTFP for the next few years is the Future schools programme, and the Council has recently approved further funding for this programme at its meeting on the 20th October 2016.

4. There are a number of other areas where there is a commitment to invest, however the schemes currently sit outside the programme as work progresses to identify the funding requirements. These are:

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- Monmouth Pool – commitment to reprovide the pool in Monmouth as a consequence of the Future schools programme
- Abergavenny Hub – commitment to reprovide the library with the One Stop Shop in Abergavenny to conclude the creation of a Hub in each of the towns
- Disabled Facilities Grants – the demand for grants is currently outstripping the budget, work is being undertaken to assess the level of investment required to maximize the impact and benefit for recipients.
- City Deal - 10 Authorities in the Cardiff City region are looking at a potential £1.2 billion City Deal. Agreement to commit to this programme is being sought across the region in January and so would impact on the capital MTFP. The potential impact on individual authority budgets is currently being modelled in advance of decisions on specific projects and profiles in order for authorities to start reflecting the commitment in their MTFPs.
- J and E Block – the office rationalization programme is being considered to see if there is a solution that would enable the Magor and Usk sites to be consolidated, releasing funding to pay for the necessary investment to bring the blocks into use.

5. A strategy that enables the core programme, Future schools and the above schemes to be accommodated is being developed. Notwithstanding this there will still remain a considerable number of pressures that sit outside of any potential to fund them within the Capital MTFP and this has significant risk associated with it. Cabinet have previously accepted this risk.

6. The current policy is that further new schemes can only be added to the programme if the business case demonstrates that they are self-financing or the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.

7. In summary the following other issues and pressures have been identified:

- Long list of back log pressures – infrastructure, property, DDA work, Public rights of way, as outlined in Appendix 1. None of these pressures are included in the current capital MTFP, but this carries with it a considerable risk.
- Capital investment required to deliver revenue savings – this is principally in the area of office accommodation and looking at alternative delivery models for leisure and culture, and social care, property investment and possibly Additional Learning needs. The level of investment is currently being assessed however, in accordance with the principle already set above, if the schemes are not going to displace anything already in the programme then the cost of any additional borrowing will need to be netted off the saving to be made.
- The IT reserve is depleted so funding for any major new IT investment is limited. Any additional IT schemes will need to either be able to pay for themselves or displace other schemes in the programme.
- Circuit of Wales – the Authority has undertaken due diligence work on a version of the proposal which concluded not to proceed, the current proposal is being considered by Welsh Government without recourse to Local Authority funding.

Member Scrutiny:

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It was asked what was the deadline date to realise the money from the capital receipts in order to pay the 21st century school bill and if it cannot be done, is there an alternative plan. The Head of Finance advised that in terms of inflows & outflow there is a constant juggle in process. We have received one of our major receipts and in terms of planning for the programme we plan in terms of the indicative spend our project manager gives us. If there is slippage we bridge the gap with temporary borrowing.

In regard to the exempt document the Chair asked for an explanation as to why it was exempt and we were told that one of the appendix lists actual capital assets which Monmouthshire County Council are proposing to sell.

A Member asked if the £20,000 grant shared between the four area committees was under threat and we were told that was waiting for the work community governance to be finished and would come forward to a future Council meeting.

The Chair asked about the building development to J&E block and looked forward to seeing the proposals.

It was proposed that a working group be set up to monitor assets.

A question was raised in regard to public toilets and we were told by the Head of Operations that Monmouthshire County Council propose to keep one public toilet in Abergavenny.

It was asked if school governors were aware that school kitchens needed having substantial maintenance issues.

A member asked how the Agri-Urban project was funded. **(ACTION J.R.)**

Committee's Conclusion:

In respect to assets, the Economy and Development Select Committee monitor this as part of their portfolio and it was asked if the Chair of E&D update members of the Committee.

It was noted that the proposals were ambitious and that proposals to public rights of way would be difficult to fulfil.

7. Strong Communities forward work programme

Members discussed the Work Programme for the Strong Communities Select Committee. In doing so it was decided that after the next committee meeting members will meet to discuss item burial charges.

8. Action List

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Actions accepted.

9. Cabinet & Council forward work programme

Members considered the Cabinet and Council Forward Work Planner – no issues were identified as requiring pre-decision scrutiny.

It was requested that Democratic Services send the Council and Cabinet work planner via email to all members on a weekly basis. **(ACTION DEMOCRATIC SERVICES)**

10. To confirm the date and time of next meeting as the 2nd March 2017 at 10am

County Councillor T. Easson to Chair.

The meeting ended at 13:17PM