

CORPORATE SCRUTINY COMMITTEE

Minutes of the meeting held on 6 November 2018

- PRESENT:** Councillor Aled Morris Jones (Chair)
Councillor Dylan Rees (Vice-Chair)
- Councillors Lewis Davies, John Griffith, Richard Griffiths,
Richard Owain Jones, Bryan Owen, Alun Roberts, Nicola Roberts.
- Co-opted Members :**
- Mr Keith Roberts (The Catholic Church).
- Other Members of the County Council**
- Kenneth P Hughes, Dafydd Roberts.
- The Executive :**
- Councillor Llinos M Huws (Leader of the Council and Portfolio Holder for Social Services);
Councillor Richard A Dew (Portfolio Holder for Planning & Public Protection);
Councillor R Meirion Jones (Portfolio Holder for Education, Youth, Libraries & Culture);
Councillor Alun Mummery (Portfolio Holder for Housing and Supporting Communities);
Councillor Bob Parry OBE FRAGS (Portfolio Holder for Highways, Property & Waste);
Councillor Dafydd R Thomas (Portfolio Holder for Corporate Business).
- IN ATTENDANCE:** Chief Executive,
Head of Function (Resources)/Section 151 Officer,
Head of Learning,
Head of Adults' Services,
Head of Democratic Services,
Interim Head of Highways, Waste & Property,
Accountancy Services Manager (BHO),
Service Business Manager (Economic) (CB),
Scrutiny Manager,
Committee Officer (MEH).
- ALSO PRESENT:** None
- APOLOGIES:** Councillor Glyn Haynes.
Mrs Anest Frazer (The Church in Wales).
- Councillor Ieuan Williams (Deputy Leader of the Council and Portfolio Holder for Transformation & the Welsh Language).

The Chair congratulated Councillor Bob Parry OBE FRAGS on his recent marriage.

1 DECLARATION OF INTEREST

None received.

2 MINUTES OF PREVIOUS MEETINGS

The minutes of the previous meetings of the Corporate Scrutiny Committee held on the following dates were presented and confirmed as correct:-

- 8 October, 2018 (extraordinary);
- 24 October, 2018 (subject to the inclusion of Councillor John Griffith as being present at the meeting).

3 FORWARD WORK PROGRAMME

The report of the Scrutiny Manager incorporating the Committee's current Forward Work Programme for 2017/18 to 2019/20 was presented to the Committee.

It was RESOLVED to accept the Forward Work Programme.

ACTION : None

4 2019/20 BUDGET CONSULTATION PLAN

Submitted – the report of the Head of Profession (Human Resources) & Transformation incorporating a proposed plan for conducting the public consultation process 2019/20 Budget during the period from the week commencing 12th November to 31st December, 2018 was presented for the Committee's consideration.

The Portfolio Holder for Corporate Business reported that the initial internal stage of the Budget consultation process i.e. with Elected Members and Officers within the Council has been completed. The plan was also discussed recently within the Engagement and Consultation Board which gave guidance that there was a need for better attendance and discussion with young people as part of this year's consultation plan. The second stage is to ensure that input and response of as many residents of Anglesey possible is secured.

The Committee considered the proposed Financial Proposals Consultation/ Communication Plan and made the following points:-

- Clarification was sought as to the process as regard to engaging and receiving comments by young people in respect of the Budget Consultation Plan. The Leader of the Council explained the previous year budget consultation process and noted that she attended Secondary Schools on the Island. She further said that the same process will entail together with a 'Question and Answer Session' being arranged with representatives from 'Llais Ni' and pupils of all ages to participate in the financial consultation process. She further said that representatives from the Urdd, Anglesey Young Farmers and homeless young people have also been contacted to arrange a session as regards to the participation within the consultation on the Council's Financial Proposals;

- Reference was made to the Well-being of Future Generations (Wales) Act 2015 and questions raised whether the Public Services Board is consulted as regards to the consultation process and the possible effects of savings proposals will have on the Councils stakeholders. The Leader of the Council said that the Councils partnerships will be invited, as the previous year, to discuss the financial proposal.

It was RESOLVED to agree to the proposed Budget Consultation Plan for 2019/20 and to recommend its adoption by the Executive.

(Councillors Aled M Jones and Bryan Owen abstained from voting).

ACTION : As noted above.

5 EXCLUSION OF THE PRESS AND PUBLIC

It was RESOLVED to adopt the following :-

“Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it may involve the disclosure of exempt information as defined in Paragraphs 12, 13, 14 and 15 of Schedule 12A of the said Act and in the Public Interest Test.”

6 2019/20 BUDGET SETTING - INITIAL PROPOSALS

Submitted – the report of the Head of Function (Resources)/Section 151 Officer outlining the context to the 2019/20 budget setting process. The report incorporated at Appendix 1, on the initial proposals for the 2019/20 budget. The paper provides a position statement on the following issues:-

- The Executive’s initial budget proposals
- Local Government initial settlement (Welsh Government)
- Council Tax
- Reserves and general balances
- Savings proposals
- Budget pressures
- Risks
- Impact on the Medium Term Financial Plan

The Portfolio Holder for Finance reported that setting the budget for 2019/20 will be a challenge due to the provisional local government budget settlement announcement by Welsh Government on 9 October, 2018 with a 1% cut in funding. He noted that before identifying any savings and increasing the Council Tax or the Council Tax premium the Council is facing a financial gap of £7.156m for the 2019/20 financial year. The services within the Council have identified savings of £3.7m and details of the savings have been reported to the Elected Members Briefing Sessions and has been included within Appendix 4 of the report to this Committee. He further referred to the Council’s balance of general reserves as at 31 March 2018 stood at £6.9m, which was just above the balance assessed by the Head of Function (Resources)/151 Officer as the minimum required. However, the current budget position for 2018/19 is projecting an overspend of over £2m and this will have to be funded from the general reserves which will result that the level of general reserves will be below the minimum recommended balance. However, he said that following the UK Budget announcement on the 29th October, 2018, it is expected that additional funding will be received by the Welsh Government (as part of the Barnett formula

for Wales), and Welsh Government has expressed that local government will be in the forefront to receive any additional funding available. The Portfolio Holder further said that Welsh Government is also considering as to how the new Teachers' Pension is to be funded as it will be a financial burden on local authorities. He wished to note an amendment to the report that the nappy collection service will be consulted upon during the consultation process of the 2018/19 Budget.

The Head of Function (Resources)/Section 151 Officer reported that the Medium Term Financial Plan sets out a number of assumptions and these have been taken into account in calculating the standstill budget for 2019/20. He referred to the Standstill Budget as regards to the services provided at present by the Council and which highlights the requirements for additional funding for services which are under financial pressure i.e. Children's Services. He said that 'Committed Changes' within the budget are amendments which are taken into account in drawing up the standstill budget and they reflect an increase/decrease in costs which are outside the control of the Council. These were highlighted within paragraph 3 of the report. The Head of Function further said that any change to the Council Tax premium will impact on the Council's funding and change the funding gap. He referred to the premium for empty properties and second homes which may be a matter for discussion during the consultation process on the budget for 2019/20.

Councillor Dafydd Roberts, on behalf of the Finance Scrutiny Panel, gave detailed consideration to some of the initial draft budget proposals at its last meeting held on 26th September, 2018. The Finance Scrutiny Panel had specifically prioritised 3 service areas i.e. Learning Services, Adult Services and Highways, Waste and Property. A summary of the Panel's deliberations was attached as Appendix 2 to the report.

The Committee considered the information presented and made the following points :-

- The Committee expressed deep concerns as to the unacceptable cut of 1% in the financial settlement for 2019/20. It was noted that the WLGA is campaigning to put pressure on Welsh Government for further funding within the final local government settlement. Questions were raised as to the formula used by WG as regards to local government settlement. The Head of Function (Resources)/Section 151 Officer responded that WG reviewed their local government settlement formula for 2017/18 and 2018/19 which had resulted in rural authorities receiving additional funding. However, the funding formula appears to favour urban areas in South Wales who received a smaller reduction due to population increase in those urban areas. An analysis of the Standard Spending Assessment allocation does not identify one clear reason as to why Anglesey has fared badly in this year's settlement compared to previous years. The Leader of the Council said that the North Wales Local Authority's Leaders Group has recently requested a meeting with the Cabinet Member for Finance, Mr Mark Drakeford AM to discuss the local government settlement, but to date the meeting is still awaiting to take place by WG. It was noted that the WLGA is campaigning to put pressure on Welsh Government for further funding within the final local government settlement. **The Committee considered that a formal response needs to be undertaken to the Welsh Government expressing their concerns with the provisional settlement and to press for additional funding in the final settlement.**
- The Committee considered that the 2nd Homes/Empty Homes premium needs to be increased as a method by which the budget funding gap can be closed;
- Clarification was sought to the allocated formula used as regards to funding per pupil and the methodology of that funding transferring when a pupil transfers to another school. The Head of Function (Resources)/Section 151 Officer responded that funding

towards schools is distributed by an allocated formula which is driven by the number of pupils within a school. The formula allocates more per pupil to the smaller schools as it provides funding to ensure a minimum staffing level and that the building costs are funded in full and as a result they become a higher proportion of the overall budget for the smaller schools.

It was RESOLVED to recommend to the Executive :-

- **That a formal response be submitted to the Welsh Government expressing their disappointment with regards to provisional settlement and to press for additional funding in the final settlement in due course;**
- **To accept the standstill budget and not to request services to find further savings nor to use the Council's reserves as means of closing the financial gap;**
- **That consideration needs to be given to increasing the 2nd Homes/Empty Homes premium.**

ACTION : As noted above.

(Mr Keith Roberts, Co-opted Member abstained from voting).

**COUNCILLOR ALED M JONES
CHAIR**