

CORPORATE SCRUTINY COMMITTEE

Minutes of the meeting held in the Committee Room and virtually on Zoom on 19 February 2025

PRESENT: Councillor Douglas Fowlie (Chair)
Councillor Sonia Williams (Vice-Chair)

Councillors Geraint Bebb, Aled M. Jones, R. Llewelyn Jones,
Jackie Lews, Llio A. Owen, Keith Roberts, Alwen Watkin, Ieuan Williams.

Co-Opted Member: Mr John Tierney (The Catholic Church)

Portfolio Members

Councillors Gary Pritchard (Leader of the Council and Portfolio Member for Economic Development), Robin Williams (Deputy Leader and Portfolio Member for Finance and Housing), Neville Evans (Portfolio Member for Leisure, Tourism and Maritime), Dyfed Wyn Jones (Portfolio Member for Children, Young People and Families), Alun Roberts (Portfolio Member for Adults' Services and Community Safety), Dafydd Roberts (Portfolio Member for Education and the Welsh Language), Nicola Roberts (Portfolio Member for Planning, Public Protection and Climate Change), Dafydd Rhys Thomas (Portfolio Member for Highways, Waste and Property).

IN ATTENDANCE: Chief Executive (from item 3 onwards)
Deputy Chief Executive
Director of Function (Resources)/Section 151 Officer
Head of Democracy (DS)
Head of Housing Services (for item 6)
Housing Technical Services Manager (DJR) (for item 6)
Community Housing Service Manager (LIW) (for item 6)
Scrutiny Manager (AGD)
Committee Officer (ATH)
Webcasting Officer (FT)

APOLOGIES: Councillor John Ifan Jones, Mr Fôn Roberts (Director of Social Services)

ALSO PRESENT: Councillor Kenneth Hughes, Head of Adult Services (AO), Head of Highways, Waste and Property (HP) Secondary Education Sector Senior Manager (AE) (for item 3)

1 DECLARATION OF INTEREST

No declaration of interest was received.

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meetings of the Corporate Scrutiny Committee held on the following date and times were presented and were confirmed as correct and progress against the actions agreed at both meetings was outlined and was noted.

15 January 2025 (morning meeting)

15 January 2025 (afternoon meeting)

3 BUDGET SETTING 2025/26 - FINAL DRAFT REVENUE BUDGET PROPOSALS

The report of the Scrutiny Manager was presented for the Committee's consideration. The report outlined the context to the 2025/26 Budget setting process along with the key issues and questions for Scrutiny in evaluating the Executive's final draft revenue budget proposals. The report of the Director of Function (Resources)/Section 151 Officer summarising the final budget proposals including for comparison and context an analysis of Wales Council Tax rates for 2024/25 was attached at Appendix 1 to the report along with a summary of the response to the public consultation on the initial revenue budget proposals which was conducted from 22 January to 7 February 2025 at Appendix 2.

The report was presented by Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing who provided a reminder of the diverse range of services which the Council provides for its communities and highlighted that the Council is legally required to set a balanced budget each year which means that what it plans to spend should be in line with what it receives in income. He referred to a number of comments from the public consultation which advocated using the Council's reserves to make up the budget gap which the Council is facing and said that if that approach had been taken over the years then the Council would have depleted its reserves leaving it vulnerable if future unexpected costs arise. The Executive is therefore proposing a revenue budget based on a combination of budget savings (£3.9m), use of reserves (£2.0m) and Council Tax increase (9.5%) and to maintain the premium for second and empty homes at 100%. The Council is not an outlier as regards the proposed level of Council Tax increase with other councils in Wales proposing similar increases. Councillor Robin Williams referred to the public consultation exercise as having contained no surprises in terms of substance and priorities and no changes had been made to the proposals as a result. In light of this and given also that Welsh Government's announcement of the final budget settlement is yet to be made the final draft proposals are unchanged from the initial proposals presented to this committee on 15 January, 2025.

The Director of Function (Resources)/Section 151 Officer confirmed that no amendments and/or adjustments had had to be made to the details of the initial draft revenue budget proposals and so the revenue budget proposal remains the same as that submitted for scrutiny on 15 January. It is a matter for Scrutiny to consider whether in reflecting on the outcome of the public consultation, it wishes to come to a different view on the proposal.

Councillor Geraint Bebb, Chair of the Finance Scrutiny Panel reported that the panel had met yesterday, 18 February to consider the final draft revenue budget proposals for 2025/26. The panel considered the documentation presented to the meeting as well as the feedback from the public consultation and noted that in the absence of any additional information by Welsh Government regarding the final settlement no changes had been made to the detailed initial draft proposals and that they had not been amended as a result of the public consultation. The Panel had also indicated its support for the Executive to come to a determination in due course about how any additional resources might be used should the final settlement provide extra funding. The panel had resolved to support the final draft revenue budget proposals for 2025/26 as presented and to recommend the same to the Corporate Scrutiny Committee.

The Leader of the Council, Portfolio Member for Finance and Housing, Chief Executive and Director of Function (Resources)/Section 151 Officer responded to questions and matters raised by the committee in the ensuing discussion as follows –

- Explained how the budget proposals have been drawn up and factors considered to ensure they respond adequately to service pressures and challenges. The budget monitoring reports to the Executive have shown that Children and Adults social care are the areas operating under the greatest pressures and while overspending in Children's Services due to increased demand and cost of provision has been factored into the proposals, demand in Adult Services has over the course of the year stabilised and the financial situation is steady so no additional funding beyond inflation is provided for demographic pressures. Budget planning is a complicated process and involves a balancing act between taking an optimistic approach which under provides thereby running the risk of budget overspends and a pessimistic approach which over provides and has to be funded with the main lever being Council Tax. The objective and requirement is to set a budget that is reasonable, reflects the position of the Council and based on the information available, meets the needs of services in 2025/26. It was further confirmed that the recent rise in inflation to 3% would feed into pay increases but that its impact on costs would be less than when the rate reached a peak of 11% a few years ago.
- Confirmed that the proposals do not specifically affect any particular group and that efforts have been made to protect services for vulnerable individuals. While it is proposed to rationalise the provision of day services for clients with physical and learning disabilities, day service activities are in the process of being transformed as part of the modernisation of Adult Services and the development of plans will be consulted upon with clients when appropriate. The Council Tax Reduction Scheme is available for anyone struggling to pay their Council Tax and the ways in which people can apply to the scheme are publicised on the Council's website. In response to further questions the Director of Function (Resources) explained how the scheme works and how it is funded and clarified that other organisations such as the J.E. O'Toole Centre and Citizens Advice are also available to provide advice and support for people experiencing financial difficulties.
- Explained the milestones remaining in the budget setting process with the Executive now due to meet on 27 February to recommend the final budget proposals for Full Council approval on 6 March. In the event that Welsh Government's final settlement is not announced in time for the Full Council meeting on 6 March, the Council would set a budget for 2025/26 as required and make adjustments as necessary once the settlement is known including by utilising reserves to meet any gap should the final settlement be less favourable. While that is not anticipated, the final settlement may make available some additional funding the use of which would be considered by the Executive. As the provisional settlement was not announced until mid-December it is not expected that the data used to inform the funding formula will have changed in the meantime and that no adjustments to the settlement are likely on that basis. Reference was made to the funding outlook for 2026/27 and beyond, and to the implications for local government of developing global issues which may mean councils facing a funding gap again in 2026/27. The provision by Welsh Government of longer term 3 year funding settlements would reduce uncertainty and would allow councils to plan and budget more effectively. The Chief Executive highlighted that although the budget proposals presented are for one year considerable work has also been undertaken to look forward to the longer term and the resulting considerations from that work have been incorporated into the draft budget for 2025/26 to ensure the Council's sustainability in the next and subsequent years.
- Confirmed that the Council and the Leader as well as individual portfolio members have regular contact with the WLGA to advocate for the interests of this and other councils in Wales with Welsh Government on a variety of issues. The Council and the Leader along with other council leaders through the WLGA have highlighted that

the increased funding received for 2025/26 although welcome is not enough to overcome the significant funding challenges faced by councils and they have also been lobbying for additional floor funding in the final settlement for those councils in receipt of a lower than average settlement as well as better long term settlements to support the continued provision of local authority services. A group within the WLGA representing more rural councils has raised specific concerns about the current funding formula believing that it disproportionately benefits urban areas with younger populations because it allocates funds based on factors including the number of young people in an area to the disadvantage of more rural areas such as Anglesey which has an older demographic and receives less funding as a result even though the costs of meeting the needs of an older population are high.

- Confirmed the inclusiveness of the public consultation which was published on the Council website and promoted through the Council's social media channels. Paper copies of the consultation questionnaire were distributed among the Council's public buildings and meetings of the Town and Community Councils Forum, Older People's Forum and the Schools Funding Forum were also held.
- Clarified that agency costs and consultancy expenditure are monitored and reported on quarterly in the publicly available quarterly revenue budget monitoring reports to the Executive the latest being the Quarter 3 2024/25 report to the 18 February meeting of the Executive. These costs are partially met from the Council's core budget e.g. for the Council's Treasury Advisors with a high proportion being covered by grant funding particularly in relation to Economic Development projects.
- Explained that the £2.6m of reserve money used with Full Council approval for essential roof repairs at Canolfan Addysg y Bont was to address a specific historical issue regarding the school's roof to enable pupils to continue their education at the school without further interruption. The Leader clarified that Full Council had agreed based on professional advice, that recovery of the expenditure through legal channels was unfeasible and could incur significant additional costs. The Leader further explained that the proposed Council Tax increase of 9.5% is due to the funding shortfall faced by the Council with the only options available to balance the budget and keep services going in 2025/26 being to reduce spending and/or increase Council Tax.
- Confirmed the protection for school budgets and the funding of cost pressures in full.

Following a full discussion of the final draft revenue budget proposals for 2025/26, the majority of the committee's members were supportive of the proposals as presented as reasonable and as responding appropriately to the needs of services within the limitations of the funding available. The committee recognised that increasing Council Tax can put a financial strain on residents but accepted that given the budgetary pressures, the need to balance the budget and to keep services going in 2025/26, increasing Council Tax is one of the few options available if services are not to be reduced further. The committee noted the efforts being made through the WLGA to secure better long term funding for councils in Wales and agreed that this message should be reinforced in a letter by the Leader to the Welsh and Westminster Governments to establish the timescale for introducing the arrangement. Should the final settlement provide any extra funding a suggestion was made that the Executive might consider withdrawing the reduction in the total days that recycling centres are open from the savings proposals.

Having scrutinised the final draft Revenue Budget proposals for 2025/26 and having regard to the matters raised in discussion, the responses provided by the Officers and Portfolio Members and the feedback and recommendation of the Finance Scrutiny Panel it was resolved following a vote –

- **To support and recommend to the Executive the final draft Revenue Budget proposals for 2025/26 as presented including a 9.5% increase in Council Tax.**
- **To recommend that the Leader of the Council write to the Welsh and Westminster Governments to press for a timescale for introducing a three year funding settlement for councils in Wales to allow better financial planning and sustainability.**

(There were three abstentions and no votes against)

4 BUDGET SETTING 2025/26 - FINAL DRAFT CAPITAL BUDGET PROPOSALS

The report of the Scrutiny Manager was presented for the Committee's consideration. The report outlined the context to the 2025/26 Capital Budget setting process along with the key issues and questions for Scrutiny in evaluating the Executive's final draft capital budget proposals. The report of the Director of Function (Resources)/Section 151 Officer to be presented to the 27 February 2025 meeting of the Executive summarising the proposed capital budget and programme for 2025/26 was attached at Appendix 1.

The report was presented by Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing who reported that a capital budget of £39.309m is proposed with the programme and funding as set out in Table 3 of the report. In the course of the financial year the Council may receive additional grants for capital projects and should that be the case the budget will be adjusted accordingly.

The Director of Function (Resources)/Section 151 Officer referred to the Capital strategy that underpins the capital programme and he explained the main sources of funding for the programme as being the General Capital Grant from Welsh Government and supported borrowing. Although the General Capital Funding received from Welsh Government for 2025/26 is £401k higher than the allocation for the previous year which is the first significant increase the Council has received for a number of years, it does not make up for the erosion in the value of the funding that has taken place due to inflation and is insufficient to meet the Council's capital expenditure needs in terms of maintaining and improving its assets. The Council can take out unsupported borrowing but all the associated costs with borrowing in this way must be covered by the Council's own revenue. The Section 151 Officer provided an overview of the schemes in the capital programme for 2025/26 along with the Housing Revenue Account capital funding and expenditure position. He further explained that it is understood but not confirmed that Welsh Government may be intending to introduce a scheme to support councils to borrow to fund further expenditure on highways, the details of the scheme and amounts involved are under discussion but the indication are that it will be a scheme over two years.

Councillor Geraint Bebb, Chair of the Finance Scrutiny Panel reported that the panel at its 18 February meeting had also considered the final draft capital budget proposals for 2025/26 and in scrutinising the details of the proposed capital budget had noted that there are no sources of significant capital funding available to the Council to fund any large scale projects apart from the HRA which is earmarked for HRA projects alone and cannot be used for any other purpose. He confirmed that the panel had resolved to support the final draft capital budget proposals for 2025/26 as presented and to recommend the same to the Corporate Scrutiny Committee.

The Portfolio Member for Finance and Housing and the Director of Function (Resources)/Section 151 Officer responded to points raised by the committee on the capital budget proposals as follows –

- Explained that the £769k brought forward for school building major repair and upgrades is due to the late receipt of a Welsh Government grant that cannot all be spent before the end of the financial year. The Council has instead been allowed to spend its core budget and to set the expenditure against the grant on condition that the core budget slips into the following financial year.
- Clarified that with regard to vehicle replacement and whether the Council should be making efforts to extend the life and utility of its vehicles before replacing them, some vehicles require timely renewal e.g. gritters and minibuses in order to meet the needs of the client and to ensure the continuation of the service provided.
- Explained how the Council's HRA investment and strategy supports the objectives of the Council Plan in ensuring that everyone has the right to call somewhere home. Expenditure funded by the HRA supports continued investment in the Council's existing housing stock ensuring that they fulfil the requirements of the Welsh Housing Quality Standards including new standards introduced in November 2023 and energy efficiency commitments, in order to meet the needs of current tenants. The Council through the development of new council housing and the acquisition of former council houses as well as new build affordable houses seeks to meet the demand for affordable houses and the needs of individuals on the housing register. HRA funding also supports the development of extra care facilities.

Having scrutinised the final draft Capital Budget proposals for 2025/26 and having regard to the matters raised in discussion, the responses provided by the Officers and Portfolio Member and the feedback and recommendation of the Finance Scrutiny Panel it was resolved following a vote to support and recommend to the Executive, the final draft Capital Budget proposals for 2025/26 as presented.

(There were three abstentions and no votes against)

5 FINANCE SCRUTINY PANEL PROGRESS REPORT

Councillor Geraint Bebb, Chair of the Finance Scrutiny Panel reported on the outcome of the Panel's meeting on 18 January, 2025 to consider the final draft Revenue and Capital Budget proposals as referred to in the narrative under items 3 and 4 above.

6 CORPORATE SCRUTINY COMMITTEE TASK AND FINISH GROUP ON HOUSING SERVICES VOIDS AND ALLOCATIONS - PROGRESS REPORT

The report of the Head of Housing Services which provided an update on progress to date on implementing the recommendations of the Scrutiny Task and Finish Group on Housing Services voids and allocations was presented for the committee's consideration.

The report was introduced by Councillor Robin Williams, Deputy Leader and Portfolio Member for Finance and Housing as an interim report documenting actions taken to date.

The Head of Housing Services confirmed that a great deal of work had been undertaken since the establishment of the Task and Finish Group and that the group's recommendations are receiving attention through the void turnaround improvement action plan as set out under annexe 2 to the report which charts agreed improvement tasks and timescales. The service is of the view that more time is needed to see the impact of the results achieved on performance indicators following the work of the task and the finish group and the resulting interventions put in place by the Housing Service.

The Portfolio Member and Head of Housing Services responded to matters raised in the ensuing discussion as follows –

- Acknowledged the importance of keeping prospective tenants informed about changes and/or progress related to their housing including timescales if they are waiting to take up a confirmed tenancy. Former council properties that have been reacquired by the Council will not be let immediately until all necessary works are completed to ensure they are up to standard upon allocation.
- Confirmed that additional resources have been put into the service to address the challenges identified by the Task and Finish Group and drive performance improvement against the indicators for void property turnaround and re-letting of properties. A Voids Supervisor has been appointed as has a Maintenance Information Systems Officer. An additional painter and decorator has been recruited along with two additional contractors to carry out major work on void properties. The status of void properties is tracked and monitored.
- Confirmed that the challenge of meeting the requirements of the new tranche of Welsh Quality Housing Standards 2023 as well resource limitations mean that there is little scope for addressing issues with private sector housing/substandard properties.
- Clarified that the discrepancy between performance between Quarters 1 and 2 with regard to the number of days taken to turnaround a void property (26 days and 49 days respectively) was due to the availability of resources and number of properties dealt with in the first quarter, with more properties coming through to be completed in the second quarter including properties that had been empty for a period of time involving more works thereby driving up the average turnaround/re-letting time.

Following discussion, it was resolved –

- **To note the report as an interim report on progress to date following the recommendations made by the task and finish group on void turnaround and days taken to re-let properties.**
- **To note the void turnaround improvement action plan as set out under annexe 2 to the report.**

Additional action - to ask the Head of Housing Services to provide the committee with a further progress report to the end of Quarter 2, to include confirmation of the actions completed and their success in meeting the challenges and objectives identified.

7 FORWARD WORK PROGRAMME

The report of the Scrutiny Manager incorporating the Committee's Forward Work Programme to April, 2025 was presented for consideration.

It was resolved –

- **To agree the current version of the Forward Work Programme for 2024/25.**
- **To note the progress thus far in implementing the Forward Work Programme.**

**Councillor Douglas Fowlie
Chair**