

Minutes



Performance Scrutiny Committee - Place and Corporate

Date: 18 January 2021

Time: 4.00 pm

Attendees:

- Paul Jones – Head of City Services
 - Rhys Cornwall – Head of People and Business Change
 - Meirion Rushworth – Head of Finance
 - Amie Garwood-Park – Senior Finance Business Partner
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2021-22 Budget and Medium Term Financial Projections

Finance and Non-Service

Proposal 9 – N/A – Increase council tax increase from 4% base assumption by 1% to 5%

The Head of Finance gave an overview of the budget position, which had followed a similar process to previous years. The budget gap was £4.1 million in September of last year. Officers had then looked at planning savings down to half a million by the time the settlement was brought forward, and so the budget was almost balanced at this point. Grant funding received just before Christmas was £9 million better than expected. Population numbers were used as a large part of this calculation and the numbers being used for Newport historically had been too low. This had now been corrected and so we had received more money this year. Also, rather than it being phased in, the grant was made in full which had made it significantly better for the council this year. The final budget would be set in February following feedback received and considered.

Members asked the following:

- Members commented that the report states the Council is £9 million better off than anticipated, but also states that “given all of these challenges, at least another £9 million has to be found by 2025 based on current planning assumptions and projections. It was then asked if that £9 million has not obviated the necessity to find further savings and if we are still in a challenging position.

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It was advised that Cabinet will decide what it wants to do with the additional settlements that we received this year. There are a number of future budget pressures and budget investments that are required and need to be considered in the budget. Assumptions have been made about what the settlements will be in those future years, and those assumptions need to be considered before February's Cabinet meeting and Council in March.

The Head of Finance then advised that based on the on the 1% increase in our RSG each year, the 4% on Council Tax each year and the pressures that have already been identified in those future years, we still have that £9million . The second figure of £9million for future years are purely coincidental. It was advised that we are still in a challenging position.

For additional context, the committee were advised that within the draft Cabinet report, included was the Medium Term Financial Plan (MTFP) and the £9million is the budget gap for future year and around the Revenue Support Grant (RSG) plus 1% council tax each year. These are planning assumptions and not decisions at this point because it is in the future. The budget pressures that are identified in the MTFP for the future years lead up to that gap.

- Members commented on point 1.5 in the Cabinet report – **“The public sector has faced a prolonged period of real term reductions and funding levels for a number of years and core spending is still below 2009/9 levels, in real terms.”** Have we not really recovered from the 2008 crash?

It was advised that we still have not caught up. If we took our grant funding back then, and with rising inflation to where we are now, that would be our expected ground level.

- Members then queried point 3.16 in the Cabinet report – It alludes that there is hope of not allowing individual school reserves build up, but on page 48 it states that the decline in school reserves is a concern?

It was explained that school reserves have reduced significantly quickly over the last three years. There are 4-5 secondary schools that have individually large deficits. We are still on the positive side in school reserves but there are little left. There has been a underspend this year due to schools not physically being open because of Covid-19. Most of the Primary schools are overspending, but have positive reserves and will still do so after this year, but this is an area to keep an eye on. Members were also advised that there is ongoing work being done with deficit schools to ensure that they are bringing forward recovery plans. The draft Budget is planning to fund next years schools cost increases. The cost next year is uncertain but the intention is to confirm when it is known.

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- Members asked for clarification in point 3.15 of the Cabinet report that states the draft Budget makes provision for schools to receive investment of up to £4.9 million, which represents a 4.6% growth in the schools budget. Is this a significant increase? Members then queried about the level of the budget compared to past years which had reduced from not increasing council tax and due to austerity, and asked if this was the reason we are currently behind.

Members were advised that it is a significant increase. The Head of Finance did not have the figures, but we have seen the settlements either reduce in cash terms or increase by not keeping up in real terms, which has been a problem. It is also linked with demand increases and budget increases from a growing city, such as new schools and demand for more social care. The grant funding is not increasing enough to cover the budget demands. It was also clarified that council tax accounts for 25% of the council's funding, the RSG is the main issue.

- It is proposed to raise council tax by 5%, with the announced settlement we would still be in benefit if council tax was not raised. Would the Head of Finance advocate this, or is it not economically prudent?

Members were advised that this decision would be down to Cabinet. From a finance perspective, the Head of Service advised that Newport has lower council tax than almost all of Wales. Missing a year of increase would be problematic as it would take a long time to catch up.

- Members queried Objective No 10 on page 199 in the Cabinet report – **“Work with partner agencies and 3rd sector to provide advice and assistance to those with debts and financial problems.”** Is the service area confident that this action will be completed by the 1st March 2021 end date, and with some of the extra money to invest, could it be used to engage with people that do not normally face financial worries due to loss of income?

The Head of Service advised that this relates to council tax arrears, and for residents who contact us regarding their arrears, the Revenues Team make sure that where appropriate, they get referred to agencies such as Citizens Advice Bureau. Residents are also made aware of the council tax reduction scheme and how to check if they are entitled.

The Chair thanked the invitees for attending.

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City Services

Proposal 3 – STR2122/02 – Charges for non-household waste taken to Household Waste Recycling Centre (HWRC)

The Head of City Services advised that currently the Council does not charge for materials under the waste regulations, but are allowed to charge for certain types of wastes. The proposal is to introduce a small charge for two items of waste, tyres and plasterboard.

Members asked the following:

- Members advised that they receive numerous complaints about tyres being dumped in their ward and it seems to be a problem throughout the city. Comment was then made that imposing a charge to take tyres to the HWRC might not be a wise thing to do as it could increase fly tipping.

Members were advised that if tyres are not charged at the point of disposal, then they are being paid for from their council tax. It is deemed that this is a fairer charge towards those who are disposing of more tyres. In terms of fly tipping, the Head of Service advised that it is mostly people that are involved in other forms of crime, such as white vans that charge to dispose of waste but do not have a proper duty of care.

The Head of Service then advised the committee that there has been a lot of work this year in terms of surveillance and prosecution for flytipping, which will feed into next year.

- Has the additional waste and fly tipping that has been accumulated during lockdown created any additional pressures on the budget for the way services we are running?

Members were advised that waste that was usually produced in work is now being generated at home, so the Council have to provide more resources to do those collections. It has not put a strain on refuse collections as the most of the increase are recyclable materials, however extra food waste in particular has put a strain on the budget. The budget proposals that have been drawn together are under the assumption that at some stage life will return to normal, which could take a year or more but it is a risk. If the patterns do stay the same, as domestic collections require more resources.

- Concern was raised about extreme weather events, which are happening more often. Are the service area confident they will have the capacity and financial ability to deal with this increased risk, and would more funding be needed?

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The Head of Service advised that this is a challenge, especially for flooding. A concern is in terms of what council can do, and expectations from the public of what council can and allowed to do, can sometimes be greater than reality. Climate change has had a huge impact. Once we can maintain systems we have and carry along our current projections, we can look at making small improvements. It is not a budget issue as such, it is that often these events are point events. Members were then advised that the service area are always looking at ways to improve.

Proposal 4 – STR2122/05 – Streetworks – Increased Fees and Charges

The Head of City Services advised that this proposal is a specific significant increase for the fees and charges that utility companies pay whenever they dig up the road. This had been reviewed over the last two years and the proposal is to move the charges in line with neighbouring authorities. It will generate around £20,000 of income.

Members had no questions for this proposal.

Proposal 5 – STR2122/06 – Creation of pay and display car park Mill Parade

The Head of City Services advised Mill Parade car park was one of the few remaining highways car parks without a story. The service itself did not originally envisage as a saving, it was meant to try and resolve issues in the car park but it does generate income so it needs consultation. It was hoped that the proposal of the creation of a pay and display system would help resolve issues in the car park. The fees would be in line with the fees at Maindee car park.

Members asked the following:

- Comment was made that the charges may turn be a turn off for visitors, and asked if we could stay mindful where to ask people to park.

Members were advised that one of the issues for visitor to the Transporter Bridge Visitor Centre is there is nowhere to park, but this is an ideal place for visitors as it is so close to the centre. It would help free up space to use as a car park and stop it being used as a dumping ground.

Members queried if the first hour of parking could be free? The Head of Service advised that the savings are based on those charges.

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Proposal 7 – New fees and charges within cemetery services

The Head of City Services advised the fees and charges come into two categories. The first is around public health funerals, which are funerals that the Council are legally required to undertake for people who have died and we are unable to track their family. Previous, this was outsourced to a private contractor but it is proposed for an operational change so the Council do those works ourselves. It will provide some savings but it is more operational and improving efficiency.

The second is a change of charges, as are there some that have not been updated in years. Example was given to the committee of test digging. This would be a small increase of income compared to other fees but it is listed to consult as they effect the public

They are relatively small income compared to the overall income generated from the cemeteries but listed to consult as they effect public.

Members asked the following:

- Members queried test digging and asked what happens if the Council's records are incorrect, somebody pays for the dig and then find out that there are 3 people in a grave, but there are only 2?

Members were advised that in those instances the charge would not be levied.

- Are the charges from the Council sent to the bereaved or to the funeral director?

Members were advised that it depends on the arrangement. Normally deals are arranged through the funeral director as a go between through people's insurance, but it can vary.

The Chair thanked the invitees for attending.

Regeneration Investment and Housing

Proposal 8 – RIH2122/04 – Information Station move to Central Museum and Library

The Head of Regeneration Investment and Housing advised that the decision to relocate the Information Station was taken previously, so this proposal relates to the savings associated with the move. The Council do not own the Old Station Building, it is owned by a company named Arch Co, and the Council have to pay rent for the Ground and First Floors. The savings made from not paying the rent have been taken to pay for the relocation works. The balance of the savings would be £117,000 by not paying the balance of the rent.

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Members asked the following:

- Members were advised that the decision to relocate the Information Station was made in 2019 and is already tied up with the idea that we use the Ground and First Floor as an incubation type networking hub, so this in process of being delivered as a regeneration project.
- Members asked if there is any possibility of the space vacated being used, or for a linked purpose?

Members were advised that the Ground Floor is already been in process of securing an operator. Officers have been speaking to the firm all throughout lockdown to understand their position and make sure that their requirements have not changed, and they are still interested in the move.

- Members asked for clarification on whether the savings that will be made each year, are they for the life of the lease that we have on the Information Station, and will those savings be put back into the Central Library afterwards?

The Head of Service confirmed that it would be the balance of the remaining term, which is 7 and a half years. following the expiry of the council lease, it will be open for all existing occupiers to discuss a new lease with the freeholder. There has been a lot of engagement over what is provided in the new location of the Information Station and necessary budget to deliver those are in place.

- Members queried Budget Investment RIH9 – **Norse Joint Venture – Increased contract payment as a result of assumed 2% uplift each year from 20/21** and asked for a brief explanation of the payment. The Head of Service advised she did not have these details to hand but would send would send the details to the committee.

The Chair thanked the invitees for attending.

Conclusion – Comments to the Cabinet

The committee noted the Draft Budget Proposals relevant to the Place and Corporate Service Areas and agreed to forward the minutes to the Cabinet as a summary of the issues raised.

APPENDIX 2 - Extracts from Scrutiny Committees

The Committee wished to make the following comments to the Cabinet on the Proposals within the Place and Corporate Service Areas:

Proposal 3 – STR2122/02 – Charges for non-household waste taken to Household Waste Recycling Centre (HWRC)

- The Committee were concerned that any charges could result in an increase of flytipping, which would also burden the budget, and hope that there is a contingency plan in place in case this was to happen. A suggestion was made that extra investment would be used for the Pride of Newport to help concerns about increases of flytipping and to clean up any potential hotspots.
- Further investment suggestions were made for the service area to employ additional Enforcement Officers and more CCTV in known flytipping hotspots.

Proposal 5 – STR2122/06 – Creation of pay and display car park Mill Parade

- Members had a robust conversation and agreed with the proposal to turn this into a public car park, to improve security at the site. However, concern was raised in relation to the proposed charges and whether they would deter visitors. Some Members suggested one hour free parking, while others suggested free parking all day but with some sort of voucher scheme. A Member also stated that they would also welcome the views of the Ward Members.
- The committee acknowledged that this would not deliver the Medium Term Financial Plan income and it would be some time before the Transporter Bridge was re-opened as a visitor attraction. Therefore, they asked Cabinet to consider all of these issues when making a final decision on this budget proposal.

Proposal 8 – RIH2122/04 – Information Station move to Central Museum and Library

- The Committee praised the service the Information Station has provided the residents of Newport, but voiced concerns of any possibility that some services could be lost during the transfer. The committee wished to seek assurance that we maintain the range of services that are provided whilst completing the transfer.

Proposal 9 – N/A – Increase council tax increase from 4% base assumption by 1% to 5%

- The committee acknowledged the proposal for the increase. Members then suggested if some money from the future investments could be used to focus on engaging with people that do not normally face financial worries due to loss of income.

Minutes



Performance Scrutiny Committee - People

Date: 19 January 2021

Time: 10.00 am

Present:

- Chris Humphrey, Acting Director of Social Services
- Meirion Rushworth - Head of Finance
- Sally Jenkins – Head of Children and Young Peoples Services

2021-22 Budget and Medium Term Financial Projections

The Head of Finance gave an overview of the budget position which had followed a similar process to previous years. The budget gap was £4.1 million in September of last year. Officers had then looked at planning savings down to half a million by the time the settlement was brought forward, and so the budget was almost balanced at this point. Grant funding received just before Christmas was £9 million better than expected. Population numbers were used as a large part of this calculation and the numbers being used for Newport historically had been too low. This had now been corrected and so we had received more money this year. Also, rather than it being phased in, the grant was made in full which had made it significantly better for the council this year. The final budget would be set in February following feedback received and considered.

1. A Member asked if any capital money was used to reduce revenue costs, particularly in relation to environmental initiatives in schools.

The Head of Finance replied that the capital programme included a number of energy efficiency schemes including energy saving lights, green roofs, etc. but that much depended on the learning environment in some schools and taking into account the condition of the existing school buildings.

2. A Member asked about projected pension costs.

In response to this question about pension costs, the Head of Finance confirmed that there were 2 relevant pension schemes, the NGAC fund and the Teacher's fund. The latter had increased last year but the NGAC employer contributions would need to increase next year, and this had been built into future budget requirements.

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3. A Member asked what changes to the budget were envisaged as a result of the Covid recovery plan?

There were continuing discussions regarding the budget due to ongoing increased costs, particularly in the domiciliary and residential care budgets. There had been additional financial support available during the pandemic but this funding (hardship fund) was due to cease at the end of March. This meant they would need to look into what the ending of the funding would mean going forward into next year. It could be that a more sustainable model would need to be found going forward. There were also specific challenges in some services due to additional costs such as PPE which would be a permanent funding issue and there were currently no specific reserves put aside for this.

The Chair thanked the Head of Finance for his report.

Adult and Community Services

Proposal 1 - AS2122/03 – Transformation of Adult Day Services

The Acting Director of Social Services introduced the saving proposal:

The service currently ran a number of day services from the Brynglas site. Over the past few years, the numbers attending the services had significantly reduced while there had been an increase in the referrals for older persons' respite care. Younger people coming into the adult PMLD group and their families did not want the traditional building-based service. The current service model delivered from Brynglas was not flexible enough to meet the needs of younger people coming through transition in the service. Some people tended to stay in the service for longer than they should, which created a dependency. For example, many of the people with mental health problems had continued to be supported by the service for more than 12 months, when there were other community based services that could meet their needs. During Covid the facility had been shut and this had provided the opportunity to deliver these services in a different way which had worked well.

Members raised the following:

- Mental health issues had become a huge issue for all, but was a particular issue in relation to the elderly. It was concerning to hear that this proposal would mean an end to meeting up and socialising in a group setting. Socialisation was hugely important so was this an acceptable proposal in this respect?

The Acting Director of Social Services responded that the number of elderly who attended Brynglas was very small, 10 people. It was proposed to move this facility from Brynglas to Spring Gardens, where there was synergy with the existing building based respite service for older people. This would allow the existing management structure in day services to be streamlined, overseen by the Homes Team Manager of Spring Gardens.

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- A member queried the consultation carried out with young attendees.

The Acting Head commented that findings had shown that the younger people coming forward were looking for a different type of service from the traditional 9 to 5 day service to wanting more access to opportunities in the community. Because of this, numbers of attendees had reduced over the years. It was beneficial having strong partnerships with those who provided services more in keeping with what families seemed to prefer.

- A Member queried how the Service worked with partners and how this helped to reduce costs?

The Acting Director of Social Services replied that the teams worked closely with colleagues to ensure that children moving into adulthood had their skills worked on in readiness. Working with Aneurin Bevan Health Board to ensure their need were met in the best possible way. They had been constantly reviewing what people needed and worked in close partnership. This had proved to be one of the strengths in Newport during the pandemic.

A Councillor queried who the different partners that were referred to throughout the reports were and would it be possible to have this provided as background information in future.

The Acting director stated she would take advice on providing this information taking into account data protection issues.

- A Member asked what back up was in place should one of our private providers give up their contract with little or no warning

The Acting Director of Social Services replied that this was always a risk and that the right approach was to have a sufficient number of providers so we were not overly reliant on one provider only. Approach in Newport was to have a healthy mix of different providers and not rely sole on one dominant organisation. We also had some in house services that we could use, the focus always being to ensure people were not left without any care. There were contingency plans in place should any issue arise.

- A Member asked if there were any particular concerns as a result of Brexit?
 - a.

Response was that there was a whole range of work in place for EU staff who wished to remain and work in the UK. In Newport, rather than an issue with numbers of carers, it was more of a supply of nurse issue, which did not directly affect our service provision. The Health board were responsible for ensuring adequate supplies of medications and any issues had previously been identified and contingency plans were already in place.

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The Chair thanked the Acting Director of Social Services for her report.

Children and Family Services

Proposal 2 – CS2122/03- Closure of Cambridge House as a Children's Home

The Head of Children and Young Peoples Services introduced the saving proposal for the Service Area.

There had been a clear commitment made by the Council to provide our own children's homes in the City and we currently had more than any other Local Authority in Wales. It was recognised that if we managed and implemented the care planning for our own children then we were more in control. Cambridge House had been used for over 30 years but it was no longer in good condition and needed a considerable amount of money spent to make it fit for purpose. It was not ideally situated, being very close to the city centre, which was also not ideal for children in care when trying to keep them safe. We would be looking to develop our portfolio further over time so this proposal was not about walking away from providing residential care but more into looking to provide the best care possible.

Members asked the following:

4. A member asked how many children were currently based in Cambridge House and to where would they be transferred?

The Head of Children and Young Peoples Services replied that it was registered for 6 children but there had only been 1 child there very recently. This meant that move on arrangements would be minimal if the proposal was accepted.

5. A Member asked what emergency provision was proposed to replace those provided at Cambridge House

a.

The Head of Children and Young Peoples Services confirmed that historically it had been used to provide emergency accommodation but not for a number of months. There was 1 bedroom available at Forest Lodge and Brynglas Bungalow could also be utilised.

6. Members asked if there had been an increase in numbers of children coming into care and what was the situation with the proposed new home at Windmill Farm?

The Head of Children and Young Peoples Services commented that surprisingly, there had been no increase in numbers during the pandemic. Staff had worked incredibly hard during Covid and they had also recruited more foster carers during this period. Risks had been managed well even during this very trying period. Windmill Farm proposals had just completed the Planning process and because it was a new building, rather than a conversion, it was likely to take longer to complete.

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The Chair thanked the Head of Children and Young Peoples Services for presenting and discussing the budget proposal.

There were no specific budget savings proposals for Education contained within this report however Members wished to ask the Chief Education Officer questions regarding the Education Service in general.

- A Member asked what was being done to address the deficit that some schools currently had and what would be the impact on the education these schools were able to deliver?

The Chief Education Officer commented that the forecast showed an improving position. This was partly due to the pandemic – there were less consumables being used such as lighting and heating etc. but also, schools were able to claim costs through the hardship fund. With the 8 schools currently in deficit, the Service had set up deficit monitoring schemes and all had shown progress. The monitoring panels were made up of Business Improvement Team staff, together with Finance and Education staff to ensure modelling and assumptions were correct in order to reduce deficits.

It was important to ensure there was not a risky outcome for children and the risks had to be discussed against proposed cost savings. There were ways to investigate savings from small tweaks that would not have a knock on negative effect.

- Members asked what the situation was regarding the provision of laptops and free school meals?

The Chief Education Officer replied that they had provided 2,600 mifi units to support children and other IT on order from China was due to arrive at the end of January. Having done as much as possible with the funding available, it was the responsibility of each school to be aware of the situation of each of their pupils. Not all learning had to be provided electronically, blended learning was a menu of activities to reach all children. Live lessons were not always the best way but this was not the only way of learning remotely.

As regards free school meal provision, from April 2020, supermarket vouchers were provided during lockdown, holidays and to those in self isolation. Provision was linked to Housing Benefit so should have been automatic. The vouchers could not be used to purchase tobacco, alcohol or fuel.

- Members asked about blended learning and how the quality of teaching was being monitored?

a.

The Chief Education Officer responded that the Education Achievement Service (EAS) had been instrumental in building an effective network of information across the 5 local authorities to ensure successful learning outcomes. They had set up a website dedicated to blended learning to show how it should be implemented across the school sector. 2 blended learning surveys had been sent out by the Authority and

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it was vital that all governing bodies ensured these were completed and submitted in order to see where improvements could be made and best practice shared. It was noted however that self reported surveys did not always provide a totally accurate picture and so challenge advisors also worked with schools to validate the surveys in a positive way to provide support and constructive criticism where necessary. The surveys helped to identify any gaps in provision and provide any appropriate guidance.

The Chair thanked the Officers and their staff for information provided to the Committee and on behalf of all members present asked that their sincere appreciation be passed on to all staff working in their Service Areas during the Covid crisis.

Conclusion - Comments to the Cabinet

The Committee noted the budget proposals relevant to the People Service Areas and agreed to forward the minutes to the Cabinet as a summary of the issues raised.

The Committee wished to make the following comments to the Cabinet on the Proposals within the People Service Areas

General Comments

- The Committee felt that officers did lots to address concerns. They felt assured that these are the right proposals to take and that due consideration has been taken to mitigate concerns.

Proposal 1 - AS2122/03 – Transformation of Adult Day Services

- The committee raised concern about older people being isolated and meeting together and socialising. Changing the format in which they are supported needs to be considered and managed appropriately.

Proposal 2 – CS2122/03- Closure of Cambridge House as a Children's Home

- The committee welcomed the detailed report and accepted this proposal. Members commented that every effort should be made to redeploy staff rather than issue compulsory redundancies. The committee would also like to know whether the building could be used for any other purpose, such as for homelessness charities and other supporting networks.