

POLICY & RESOURCES SCRUTINY COMMITTEE

6th JANUARY 2016

Present: Councillor G. Davies (Chair)

Councillors: D.M. Cundy, J.K. Howell, A. Lenny, D. Price, D.W.H. Richards and D.E. Williams.

Councillor M.K. Thomas – Substitute for Councillor J.S. Edmunds

Also in attendance:

Councillor D. Jenkins, Executive Board Member (EBM), Resources

Councillor L.M. Stephens, Executive Board Member (EBM), Human Resources, Efficiencies, Collaboration and Welsh Language Champion

The following officers were in attendance:

Mr. M. James – Chief Executive

Mr. C. Moore – Director of Corporate Services

Mr. P. Thomas – Assistant Chief Executive (ACE), People Management & Performance

Mrs. W. Walters – Assistant Chief Executive (ACE), Regeneration & Policy

Mr. O. Bowen – Interim Head of Financial Services

Mr. J. Fearn – Head of Corporate Property

Mrs. L. Rees Jones – Head of Administration & Law

Mr. P. Sexton – Head of Audit, Risk & Procurement

Mr. U. George – Senior Accountant

Ms. B. Dolan – Senior Consultant

Venue: Chamber, 3 Spilman Street, Carmarthen (10:00am – 11:20am)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors T. Bowen, J.S. Edmunds and A.G. Morgan.

Councillor Glynog Davies (Vice-Chair) chaired the meeting as Councillor Hugh Richards (Chair) had to leave shortly after the start.

The Chair and Chief Executive thanked Councillor Deryk Cundy for his positive contributions to the work of the Committee as this was his last meeting.

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest.

3. DECLARATION OF PROHIBITED PARTY WHIPS

There were no declarations of prohibited party whips.

4. PUBLIC QUESTIONS (NONE RECEIVED)

None were received.

5. FORTHCOMING ITEMS

The Committee was provided with a list of forthcoming items to be considered at its next scheduled meeting on Wednesday, 3rd of February 2016. The ACE Regeneration & Policy advised that the Well-Being of Future Generations (Wales) Act 2015 report would not be ready in time for the next meeting due to the timing of the publication of the guidance by Welsh Government (WG). The Committee agreed to defer the report to the meeting arranged for the 16th of March 2016.

UNANIMOUSLY RESOLVED to note the forthcoming items, subject to the amendment above.

6. REVENUE BUDGET STRATEGY CONSULTATION 2016/17 TO 2018/19

The Committee considered the Revenue Budget Strategy 2016/17 to 2018/19 (Appendix A) which had been endorsed by the Executive Board for consultation purposes at its meeting on 16th of November 2015. It was advised that Welsh Government (WG) had announced the provisional settlement on the 9th of December and that Carmarthenshire would see a 1% cut in budget rather than the 3.3% on which the Strategy was predicated. This equated to an additional £7.5m for the 2016/17 budget however this also included the Outcome Agreement Grant. WG had funded £35m to protect education and £21m to protect social care on an all Wales basis which equated to £2.1m and £1.3m respectively for Carmarthenshire. It was still unclear what the protection of school budgets entailed. Eleven grants had not yet been confirmed however the reduction in the Waste Grant (now the Single Environment Grant) was far less than anticipated at 6% rather than the 25-50% which was previously indicated by the Minister. In summary, the deficit in efficiency savings identified for 2016/17 would not now be needed, however delivery of the £13.6m identified savings was required.

The following issues were discussed during consideration of the report:

Concern was expressed about the timing of the WG announcement of the final settlement in early March, given the need to set the level of Council Tax by 11th of March. It was asked what might be the impact of any variations in the final settlement. The Director of Corporate Services advised that this was difficult to answer. A means of accommodating minor adjustments were being planned for and WG officers had previously indicated that they were not anticipating much movement. The picture would be clearer in early February following the end of the consultation period on 20th of January. The overall timescales and the lateness of the announcements were linked to the Westminster Comprehensive Spending Review.

Disappointment was expressed that the protection of education was unclear. The Director of Corporate Services stated that our Strategy is to plan to passport the £2.1m onto schools which would reduce the efficiency savings they were expected to deliver in 2016/17 to £3.4m. The Chief Executive advised that he was representing Local Government in dialogue with WG about the protection of education. It was his understanding that all local authorities were planning to pass their share of the £35m onto schools. There was also ongoing dialogue about potentially including £90m specific education grants in the Revenue Support Grant (RSG) which would mean £5.4m more for Carmarthenshire. He added that 4 rural authorities had suffered the highest cuts under the provisional settlement and WG was proposing a rural deprivation grant of £5m to assist them.

It was noted that the benchmarking of support services across Wales had been referred to in the member budget seminars. An update was requested. The Director of Corporate Services stated that the Regional Treasurers Group of 6 local authorities was working through the KPMG report commissioned by WG to consider the reasons for any variations. It was however some months from conclusion.

The Charging Digest was referred to and it was asked why some fees had not increased. The ACE Regeneration & Policy advised that generally increases were based on inflation however some within her remit were statutory fees, whilst others were set on a market basis. The Director of Corporate Services added that the general policy was that fees should be increased at a minimum in line with inflation unless there was a justified reason not to, for example, the level of inflation was sometimes so low that the administrative cost of implementing an increase outweighed the benefit.

Further information was requested in relation to the new charge for payroll overpayment invoicing of external organisations. The Interim Head of Financial Services advised that that the charge would be applied where organisations had not notified payroll of transfers or terminations.

RESOLVED to:

6.1 Accept the report.

6.2 Endorse the Charging Digest.

7. FIVE YEAR CAPITAL PROGRAMME – 2016/17 - 2020/21

The Committee considered the 5 year capital programme which had been approved by the Executive Board for consultation on the 4th of January. It was advised that the timing of the provisional settlement had meant that this Scrutiny Committee was the only one being consulted however it was also planned to present the programme to a members' seminar. The overall programme was more than £221m capital investment and was strongly linked to regeneration and job creation in the county. The EBM Resources added that he was keen to hear the Committee's views.

The following issues were discussed during consideration of the report:

It was asked whether or not it was intended to complete the Carmarthen West new school within the 5 year span of the programme and also if the external funding was the “roof tax” from the housing development. The Director of Corporate Services advised that the completion of the school was subject to the timing of the housing development build although the funding model provided the school within the 21st Century Band A programme timeline. The infrastructure needs would utilise the first tranche of the roof tax however subsequently the funds would be used for the school.

Recent press reports about the utilisation of an additional £20m of earmarked reserves to support the new capital programme were referred to and clarification requested about WG’s position in light of these. The Director of Corporate Services stated that reserves earmarked for the capital programme had been set aside for a number of years. A review of all earmarked reserves had been carried out, as had been undertaken in previous years and some, such as the reserve for job evaluation and single status, could now be released. The WG Minister might bring in legislation following the Assembly elections requiring his approval to use reserves, however this Council would have a long term supported capital programme linked with regeneration and job creation and would be able to demonstrate the prudent and planned use of reserves.

It was asked if the £2m set aside each year for Disabled Facilities Grants was adequate to meet demand. The Director of Corporate Services advised that the overall programme was developed with departments input. Historical demand data showed that £2m was adequate however the situation would be monitored.

A question was asked whether or not the £300k budget for coastal erosion was sufficient given recent climatic events and flooding. The Director of Corporate Services stated that the bids from departments were assessed by the Strategic Asset Steering Group which also monitored the programme and would respond to any changes in demand.

Further information was requested in relation to the Tywi Valley Transport Corridor Concept. The Director of Corporate Services advised that this was a cycleway proposed from Carmarthen to Llandeilo planned over a number of years utilising the WG Local Transport Grant (LTG). The ACE Regeneration & Policy added that the project had huge links with tourism and other external funding sources were being investigated.

It was asked why the Ammanford Valley Distributor Road Phase 2 had not been considered a priority in the draft capital programme given the links with regeneration in the area, particularly in light of some of the projects included in the programme. The Director of Corporate Services stated that priority was given to projects with external funding. The Phase 2 project was linked with WG LTG and dependent on the timing of that being available. He added that the Wind Street/Tirydail Junction project in Ammanford was included and fully funded. The Chief Executive noted that Phase 2 was not high on the WG priority list and the Executive Board continued to lobby WG Transport Minister to place it higher up the list and provide the funding. A motion was proposed and seconded to ask the Executive Board to re-consider including the Ammanford Valley Distributor Road Phase 2 in the new capital programme. An amendment was proposed and seconded to add a request to the Executive Board to continue to lobby the WG for funding for the Phase 2 project.

UNANIMOUSLY RESOLVED

- 7.1 That the draft Five Year Capital Programme 2016/17 – 2020/21 be endorsed subject to 7.2.
- 7.2 To request that the Executive Board re-consider including the Ammanford Valley Distributor Road Phase 2 in the new capital programme and continue to lobby the Welsh Government for Local Transport Grant funding for the project.

8. EXPLANATION FOR NON-SUBMISSION OF SCRUTINY REPORT

The Committee received an explanation for the non-submission of the Well-Being of Future Generations (Wales) Act 2015. The change to the date of the re-submission under minute 5 was noted

UNANIMOUSLY RESOLVED that the explanation be noted, subject to minute 5.

9. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COMMITTEE HELD ON THE 25TH NOVEMBER 2015

RESOLVED that the minutes of the previous meeting held on 25TH of November 2015, be signed as a correct record.

CHAIR

DATE