

## Policy & Resources Scrutiny Committee

Wednesday, 3 February 2021

**PRESENT:** Councillor A.G. Morgan (Chair);

**Councillors:**

S.M. Allen, K.V. Broom, D.M. Cundy, T.A.J. Davies, W.T. Evans (In place of H.L. Davies), G.H. John, J.K. Howell, C. Jones, K. Madge, J.G. Prosser, D.E. Williams and J.S. Edmunds;

**Also in attendance:**

Councillor D.M. Jenkins, Executive Board Member for Resources;  
Councillor L.M. Stephens, Deputy Leader of the Council;

**The following Officers were in attendance:**

C. Moore, Director of Corporate Services;  
N. Daniel, Head of I.C.T. and Corporate Policy;  
R. Hemingway, Head of Financial Services;  
L.R. Jones, Head of Administration and Law;  
H. Pugh, Head of Revenues and Financial Compliance;  
P.R. Thomas, Assistant Chief Executive (People Management & Performance);  
S Burford, Project Manager;  
R. Edgecombe, Legal Services Manager;  
G. Ayers, Corporate Policy and Partnership Manager;  
M. Evans Thomas, Principal Democratic Services Officer;  
S. Rees, Simultaneous Translator;  
J. Corner, Technical Officer;  
E. Bryer, Democratic Services Officer;  
R. Lloyd, Democratic Services Officer;  
M.S. Davies, Democratic Services Officer.

**Virtual Meeting: 10.00 am - 1.20 pm**

**1. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor H.L. Davies.

**2. DECLARATIONS OF PERSONAL INTEREST INCLUDING ANY PARTY WHIPS ISSUED IN RELATION TO ANY AGENDA ITEM**

Councillor	Minute Number	Nature of Interest
A. Davies	9 – 2020/21 Departmental Half Year Performance Report (1st April to 30th September 2020);	Sister-in-Law is Head of Revenues and Financial Compliance;
G. Morgan	4 - Revenue Budget Strategy Consultation 2021/22 to 2023/24;	Tenant at Delta Lakes, Llanelli.

**3. PUBLIC QUESTIONS**

No public questions had been received.

#### 4. REVENUE BUDGET STRATEGY CONSULTATION 2021/22 TO 2023/24

The Executive Board Member for Resources presented the Revenue Budget Strategy 2021/22 to 2023/24 which had been endorsed by the Executive Board for consultation purposes at its meeting on 18<sup>th</sup> January 2021. The report, which provided Members with the current view of the Revenue Budget for 2021/2022 together with indicative figures for the 2022/2023 and 2023/2024 financial years, was based on officers' projections of spending requirements and took account of the provisional settlement issued by Welsh Government on 22<sup>nd</sup> December 2020. It also reflected the current departmental submissions for savings proposals. The impact on departmental spending would be dependent upon the final settlement from Welsh Government and the resultant final Budget adopted by County Council.

The budget proposals, as presented in the report, assumed the full delivery of all of the savings proposals submitted, together with the identification and delivery of the shortfall in savings proposals 2022-23 and 2023-24. Further cost reductions would need to be identified for years 2022/23 and 2023/24 to be able to maintain the current Budget Strategy and level of council tax.

It was highlighted that the critical importance of minimising the Council Tax increase for residents whilst maintaining a balanced budget in these unprecedented and challenging times was recognised.

Given the scale of the pressures and forecasted budget gap, Council Tax increases had been maintained at the previous MTFP levels of 4.89% in each of the three financial years which, it was considered, provided at least some mitigation to the savings proposals which the council needed to consider.

Amongst the issues raised during consideration of the report were the following:

- In response to a question as to how, when considering the budget proposals, the compromising of the ability of future generations to meet their own needs could be avoided when settlements were received so late the Director of Corporate Services acknowledged that it was a challenge which was why the Council itself formulated a 3-year budget so that the likely situation could be reasonably predicted within available parameters as to how Welsh and national government allocated funds;
- Concern was expressed the effect of the pandemic on school reserves. The Committee was advised that the Authority continued to work with the 30% of schools which were currently in deficit but it was clarified that most of the additional expenditure by schools associated with the pandemic had been funded by the hardship claims made to Welsh Government and it was anticipated that this would continue to be the case for the foreseeable future;
- In terms of general reserves, which provided a 'safety net' for unexpected variations in expenditure in any year [e.g. floods, covid] and enabled the Council to respond, the Committee was advised that it had always been deemed that 3% of net expenditure was a prudent level and it was recommended that this be retained;
- In response to a suggestion that the proposed Council Tax be reduced further than what was being recommended utilising reserves to help ratepayers at this difficult time the Director of Corporate Services advised

that this would be an imprudent use of reserves for the reasons outlined earlier - the need to retain them for *unexpected* variations – and also the likely impact on residents the following year in terms of having to recover the lost tax. The Committee was advised that, in line with the budget consultation process, if it did wish to recommend a reduction of the Council Tax which did not impact on reserves it should consider the proposed budget and those areas where it would recommend spending could be reduced. Alternatively, substantial efficiency savings, presented in the report, had already been deferred to the following year and the Committee could express the view that some of these be brought forward.

**RESOLVED to accept the report and endorse the Charging Digest.**

**5. FIVE YEAR CAPITAL PROGRAMME - 2021/22 TO 2025/26**

The Executive Board Member for Resources presented the 5-year capital programme which provided an initial view of the 5-year Capital Programme from 2021/22 to 2025/26. The report formed the basis of the budget consultation process with Scrutiny Committee and other relevant parties and any feedback, along with the final settlement, would inform the final budget report which would be presented to members in March 2021. The proposed capital programme was a capital spend of some £242m over the next 5 years and current funding proposals included external funding of £119m. The report highlighted the provisional settlement received from the Welsh Government which indicated capital funding of £11.866m for the Authority in 2021-22. The funding was made up of Unhypothecated Supported Borrowing of £5.925m and General Capital Grant of £5.941m. In summary, the overall position of the capital programme was funded for the 5 years from 2021/22 to 2025/26.

Amongst the issues raised during consideration of the report were the following:

- In response to a query relating to the availability of expenditure to address road repairs the Committee was advised that £600k was available in the capital programme for highways and Welsh Government had allocated a further £1.5m from its road refurbishment fund set up last year. In addition the Council could also bid for road resilience funding from the Welsh Government;
- In response to a concern over the delay in respect of the proposed new Ammanford School as part of the 21<sup>st</sup> Century Schools programme it was understood that the delay related to issues relating to the proposed site but an assurance was given that it remained in the capital programme;
- In response to a question it was stated that works in connection with County Hall, Carmarthen, and Ty Elwyn, Llanelli, could not be delayed due to health and safety and property maintenance issues. This included updating the fire alarm systems;
- In respect of the Tywi Valley Path it was considered that Welsh Government support would be required to secure its completion due to the likely substantial cost of the land acquisition necessary. However, at present the Welsh Government was focussing on its active travel initiative and therefore any further progress on the path was likely to be delayed;
- With regard to spending allocated in 2021/22 for the new Llanelli Leisure Centre it was pointed out that this was dependent on the commencement of work on the new Wellness Village, Pentre Awel;

- It was noted that borrowing limits were set out in the Treasury Management Policy. The Authority worked on the basis of managing internal borrowing to keep the limit down [Minute 7 below]. The Director of Corporate Services advised that there was a duty on him to report that any borrowing was affordable, sustainable and prudent before the Council made a decision on its budget.

**RESOLVED that the Five-Year Capital Programme 2021/22 – 2025/26 be endorsed.**

**6. REVENUE & CAPITAL BUDGET MONITORING REPORT 2020/21**

The Executive Board Member for Resources presented the Authority's Corporate Budget Monitoring Report and the Chief Executive's and Corporate Services departmental reports as at 31st October 2020 in respect of the 2020/21 financial year. The report also included an appendix detailing Savings Monitoring 2020-21. Reference was made to the likely continuing increase in demand for assistance under the Council Tax Reduction scheme which, to date, the Welsh Government had assessed on a quarterly basis. The situation was being monitored closely as it was unclear to what extent Welsh Government would continue its support in this regard. It was, therefore, acknowledged as a risk area in terms of the budget but one which, it was considered, the Authority had under control.

**UNANIMOUSLY RESOLVED to receive the report.**

**7. TREASURY MANAGEMENT POLICY AND STRATEGY 2021-22**

The Executive Board Member for Resources presented the proposed Treasury Management Policy and Strategy 2021/22 which would be considered by the Executive Board on the 22<sup>nd</sup> February, 2021, and was reminded that, as part of the requirements of the revised CIPFA Code of Practice on Treasury Management, the Council was required to maintain a Treasury Management Policy detailing the policies and objectives of its treasury management activities, and to approve a Treasury Management Strategy annually prior to the commencement of the financial year to which it related. Additionally, under the provisions of the Local Government Act 2003, the Council was required to approve its Treasury Management Prudential Indicators for the coming year. In response to a query the Director of Corporate Services agreed to look into the issue of arranging a refresher training session on treasury functions for members.

**UNANIMOUSLY RESOLVED that the Treasury Management Policy and Strategy for 2021/22 and associated appendices be endorsed.**

**8. 2020/21 CORPORATE HALF YEAR PERFORMANCE REPORT (1ST APRIL TO 30TH SEPTEMBER 2020) THAT SPANS ACROSS ALL DEPARTMENTS**

The Deputy Leader presented the 2020/21 Corporate Half Year Performance Report for the period 1st April - 30th September 2020 which focused on the performance measures included in the Corporate Strategy for all departments and enabled the Authority to demonstrate to citizens, members and regulators how performance was managed, and appropriate interventions implemented.

**UNANIMOUSLY RESOLVED that the report be received.**

**9. 2020/21 DEPARTMENTAL HALF YEAR PERFORMANCE REPORT (1ST APRIL TO 30TH SEPTEMBER 2020) RELEVANT TO THIS SCRUTINY**

The Deputy Leader presented the 2020/21 Departmental Half Year Performance Report for the period 1st April - 30th September 2020 detailed the progress made against the actions and measures in the Corporate Strategy 2020/12 on the delivery of the Well-Being Objectives within the Committee's remit. It was noted that due to the covid pandemic, Departmental Action plans for 2020/21 were not being monitored to allow services to concentrate on dealing with emergencies but that a half year Covid 19 pandemic Community Impact Assessment had been produced in lieu. An annual report for 2020/21 would also be produced on the Corporate Well-being Objectives.

In terms of sickness absence, which would be the subject of a separate report at the next meeting, the Assistant Chief Executive advised the Committee that for quarter 3 there had been 5.6 fte days lost compared to 7.67 fte days lost in the same period last year which was a significant improvement.

**UNANIMOUSLY RESOLVED that the report be received.**

**10. CARMARTHENSHIRE PUBLIC SERVICES BOARD (PSB) MINUTES - SEPTEMBER 2020**

The Executive Board Member for Resources presented the minutes of the meeting of the Carmarthenshire Public Services Board [PSB] held on the 29<sup>th</sup> September 2020. The Well-being of Future Generations (Wales) Act 2015 required that a designated local government scrutiny committee was appointed to scrutinise the work of the PSB. In Carmarthenshire, the Council's Policy & Resources Scrutiny Committee had been designated as the relevant scrutiny committee.

**UNANIMOUSLY RESOLVED that the minutes of the PSB meetings held on the 29<sup>th</sup> September 2020 be received.**

**11. SWANSEA BAY CITY DEAL QUARTERLY MONITORING REPORT**

**[DURATION OF MEETING**

At 1:00 p.m. during consideration of this item, the Committee's attention was drawn to Standing Order 9 'Duration of Meeting' and the fact that the meeting had been underway for 3 hours. It was therefore

**RESOLVED to suspend Standing Orders to allow the remaining items on the agenda to be considered.]**

The Executive Board Member for Resources introduced Jonathan Burnes, Programme Director for the Swansea Bay City Deal [SBCD], who presented a Quarterly Monitoring Report for the SBCD Portfolio and its constituent programmes / projects detailing the current status of the City Deal, a summary of programme / project key activity for the last 3 months and current quarter planned activity. In particular the Committee was apprised of the progress with regard to those projects which Carmarthenshire County Council was leading on namely:

- Digital Infrastructure;
- Pentre Awel;
- Yr Egin;
- Skills and Talent.

Amongst the issues raised on the report were the following:

- In response to a concern relating to funding in the present climate members were assured that this had been ring fenced for the City Deal and that dialogue with the Welsh and UK Governments was positive as the business cases were robust. The Director of Corporate Services commented that whilst there were issues of governance which had to be addressed the projects were gathering momentum;
- The Chair expressed the hope that there would soon be more detail with regard to job creation figures so that local communities could visualise the benefits of the projects;
- The Project Manager for Pentre Awel expressed her gratitude to everyone involved in preparing for the procurement stage of the scheme;
- The Executive Board Member Resources spoke of the need to fast-track the skills and training programmes so that there were suitably qualified local people who were able to apply for the job opportunities likely to arise. The Project Manager for Pentre Awel commented that an important element of the scheme was the involvement of the local community, including schools and local groups, to ensure that people were aware of, and encouraged by, the job opportunities likely to become available.

**UNANIMOUSLY RESOLVED that the report be received.**

## **12. FORTHCOMING ITEMS**

**UNANIMOUSLY RESOLVED that the list of forthcoming items to be considered at the next scheduled meeting to be held on the 2<sup>nd</sup> March 2021 be received subject to the addition of a report on sickness absence.**

## **13. MINUTES - 2ND DECEMBER 2020**

**UNANIMOUSLY RESOLVED that the minutes of the meeting held on the 2<sup>nd</sup> December 2020 be signed as a correct record.**

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**CHAIR**

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**DATE**