

Minutes of the Meeting of HEALTHIER COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

held at the Hybrid - Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron / remotely via video conference on Thursday, 9 February 2023

PRESENT: Councillor Caryl Roberts (Chair), Councillors Ceris Jones (Vice-Chair), Amanda Edwards, Elaine Evans, Eryl Evans, Keith Evans, Wyn Evans, Gwyn James, Sian Maehrlein, Ann Bowen Morgan, John Roberts, Mark Strong and Carl Worrall. Amanda Edwards, Eryl Evans, Keith Evans, Wyn Evans, Gwyn James, Ceris Jones (Vice-Chair) and Ann Bowen Morgan

Also in attendance: Councillors Euros Davies, Elizabeth Evans, Gwyn Wigley Evans, Rhodri Evans, Hugh Hughes and Gareth Lloyd.

Cabinet Members present: Councillor Bryan Davies, Leader of the Council, Councillors Catrin M S. Davies, Clive Davies, Gareth Davies, Keith Henson, Wyn Thomas, Matthew Vaux and Alun Williams.

Officers in attendance: Eifion Evans, Chief Executive; Barry Rees, Corporate Director; James Starbuck, Corporate Director; Duncan Hall, Corporate Lead Officer- Finance and Procurement; Lowri Edwards, Corporate Lead Officer- Democratic Services; Elen James, Corporate Lead Officer- Porth Cymorth Cynnar; Donna Pritchard, Corporate Lead Officer- Porth Gofal; Audrey Somerton-Edwards, Corporate Lead Officer- Porth Cynnal; Alun Williams, Corporate Lead Officer- Policy, Performance and Public Protection; Justin Davies, Corporate Manager- Core Finance; Kirsty Dawson, Service Accountant; Ann James, Assistant Accountant; Carys Fowles, Assistant Accountant; Veronica Evans, Assistant Accountant; Carwen Evans, Corporate Manager- Public Protection; Anne-Louise Davies, Trading Standards and Licensing Manager; Carwyn Young, Corporate Manager- Wellbeing Centres; Wendy Cushley, Business Solutions Officer; Nia Jones, Corporate Manager- Democratic Services; Dwynwen Jones, Overview and Scrutiny Officer and Neris Morgans, Democratic Services Officer.

(9.30 am - 12.25 pm)

1 Apologies

No apologies received.

2 Disclosures of personal interest (including whipping declarations)

Members are reminded of their personal responsibility to declare any personal and prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Council's Constitution and the Members Code of Conduct. In addition, Members must declare any prohibited party whip which the Member has been given in relation to the meeting as per the Local Government (Wales) Measure 2011.

Councillors Gwyn James, Wyn Evans, Eryl Evans, Catrin M S Davies and Bryan Davies declared a personal interest under agenda item, Budget Saving Proposals 2023/24, Policy, Performance & Public Protection (Public Protection element only).

3 Report on the draft Budget for 2023/24

Councillor Caryl Roberts, Committee Chair, outlined the meeting procedure and welcomed the Leader of the Council, Councillor Bryan Davies, Councillor Gareth Davies, Cabinet Member for Finance and Procurement Services, Committee Members, the remaining Cabinet Members, non-Committee Members and Officers to the meeting.

The Leader of the Council, Councillor Bryan Davies, presented the report on the draft budget for 2023/2024 including an updated multi-year capital programme, outlining that this is based on the WG provisional settlement, and that the WG final settlement is due on the 28 February 2023.

The Leader advised the Committee Members that the higher than expected Provisional settlement increase from Welsh Government for 2023/2024 of 8.1% (on a cash basis) is welcomed. This should ensure that for the 2023/2024 financial year, services to residents in Ceredigion can be protected as much as possible, whilst acknowledging this is still an extremely challenging Budget. Key points from this report are as follows:

- The cost pressures being faced by the Council total an unprecedented £22m, equivalent to a Ceredigion specific inflation factor of over 13%. This compares with general inflation running at 10.5% (December 2022 CPI figure). A budget shortfall of £12m therefore needs to be found from a combination of Budget Savings and Council Tax increase considerations.
- He said that the areas where cost pressures are being seen are generally not unique to Ceredigion. There are recurring themes similar to those referenced in the national press, which are affecting a range of public and private sector organisations, as well as individual household finances. They range from energy and fuel costs, to higher than projected Staff Pay awards, to contracts with inflation linked clauses.
- There is also a proposed increase from the Mid & West Wales Fire Authority on their levy, which is at a level not seen before. A 13% proposed increase in their Budget is leading in turn to a significant cost pressure, in relative terms, on the Council's own budget.
- Demands on Social Care related budgets continue to increase, plus there is over £1.7m of funding within the Provisional Settlement (1.5% of the 8.1% increase) that needs to be

passported to Externally Commissioned services in Ceredigion to ensure registered Social Care workers continue to be paid at least the Real Living Wage (which has risen from £9.90 to £10.90 per hour – a 10.1% increase).

- Despite operational challenges at times in some Services, Ceredigion County Council continues to deliver high quality services that has been recognised by external regulators. The Council is assessed by Audit Wales as remaining financially stable, albeit recognising that financial challenges do lie ahead creating ongoing financial risks, which is not unique to Ceredigion.
- The current 2022/2023 Band D Council Tax level in Ceredigion (for all components) is £1,777.27 which is in line with on the average Band D Council Tax in Wales at £1,777.18. Average Council Tax levels in Wales are also considerably lower than the equivalent average for English Unitary Authorities of £2,034 for 2022/2023. The County Council element of the current 2022/2023 Band D Council Tax is currently £1,447.90.
- The Leader stated that he, and the Cabinet are, as are all Councillors, acutely aware of the impact that the Cost of Living is having on household personal finances. It is proposed that Council Tax increases for 2023/2024 are kept below the current rate of inflation and limited to no more than an additional £10.02 per month for the County Council element.
- The Leader and the Cabinet's preferred Council Tax increase option is a 7.3% proposed Council Tax increase, which includes a 1.3% element in relation to the proposed Fire Authority levy increase and which equates to an additional £8.81 per month for the County Council element.

The Leader stressed that there are challenging and difficult times ahead - with an indicative Welsh Government Settlement average increase for 2024/2025 of only +3.1%. The extent of the challenge will be focussed on as part of presenting an updated Medium Term Financial Strategy in due course. One of the initial guiding principles from the new political administration was (as far as possible) to avoid cuts in Service provision, to minimise Redundancies and to not go down a salami slicing savings route and to continue to take a corporate and transformational approach to medium term savings.

Given the scale of the financial challenge there is a limit to how far all aspects of this approach can be achieved in full and on Delegated School Budgets proactive decisions will be needed by individual Schools as their level of School Balances and available grant funding declines.

Councillor Gareth Davies, Cabinet Member for Finance and Procurement Services, referred to the key outcomes for Ceredigion from the 23/24 Provisional Settlement shown on page 3 of 42 of the report, stating that the WG Aggregate External Finance (AEF) allocated to Ceredigion is £129.050m for 2023/24 compared with £119.419m for 2022/23. This is a cash increase of £9.6m (8.1%) with Ceredigion ranked 9th.

He also referred to the Fire Authority Levy stating that following dialogue with Mid & West Wales Fire Authority, the relevant sum for Ceredigion would be an increase of £519k under their 13% Budget Option, which equates to a 1.3% Council Tax increase on a Band D property. There is also an additional Fire related grant of £143k that is to be transferred into the WG Final Settlement and this sum is therefore built into the Budget workings and will need to be passported through to the Fire Levy budget heading to ensure this element remains cost neutral. It is disappointing that this change is being done late in the Budget process with no prior consultation.

Ceredigion's Settlement outcome reflects a range of factors, but the main driver is the overall level of additional funding that Welsh Government have put into the Settlement. Other pertinent factors to note relate to Population data changes which account for a £54k increase and Pupil Numbers data changes which account for a £70k decrease.

Councillor Davies stated that the gain on Population could have been higher (c£350k) as the 2021 Census recorded the Ceredigion population as 71,468, whereas the population dataset used for the 2023/2024 Settlement was a combined average of the 2021 Census population data and the 2018 based population projections for 2023 which is 71,188. In addition, at least the previous 2 Settlements (2021/2022 & 2022/2023) have used understated population data.

On pupil numbers, Nursery & Primary numbers have declined by 2.7% to 4,951, whereas Secondary numbers (years 7-11) have increased by 2.5% to 3,599. This reflects a national trend of increasing Secondary pupil numbers and decreasing Nursery & Primary pupil numbers, when comparing data used for 2022/2023 and 2023/2024 Settlements.

£70m across Wales was included in the Settlement for the continuation of WG's commitment to ensure registered Social Care Workers in Wales are paid at least the level of the Real Living Wage which is now rising to £10.90 per hour.

Duncan Hall, Corporate Lead Officer, Finance and Procurement, then provided a brief update on the current situation and in particular the Authority's Cost pressures. Detailed iterative work has been carried out to identify and assess the unavoidable cost pressures faced by all Services, plus the aspects considered as corporate items. This work has identified c£22m of cost pressures, which equates to 13.4% of the 2022/2023 Budget. This level of cost pressures is extraordinary and exceeds the £13m seen in the 2022/2023 budget. Prior to COVID and the current high levels of inflation

in the UK economy, cost pressures were typically around £8m and c.6% of net budget. He proceeded to give an overview of the Cost Pressures that are affecting all services as well as the items that are treated as Corporate in nature and the saving in the Employers Pension Fund Contribution rate which benefits all Services.

The relevant Cabinet Member presented the information relevant to their Service Area.

Committee Members considered the Cost Pressures for those service areas that are within the Committee's remit; namely:

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- Porth Cynnal;
- Porth Gofal;
- Policy, Performance and Public Protection (Public Protection element only); and;
- Porth Cymorth Cynnar.

And:

Committee Members considered the proposed Fees and Charges under the Committee's remit in Enclosure C, Appendix 1, pages 1 to 15 of 57, of the agenda papers.

Members were then given an opportunity to ask questions which were answered in turn by the Leader, the Cabinet Member or the relevant Officer. Main points arising as follows:

- In response to a question regarding how much money to date (including that proposed in the budget) has been allocated to pump prime the Pwrth Service, it was confirmed that the information is available on page 2, Appendix 3 of Enclosure A.
- Responding to a question regarding the number and associated cost of agency staff working in Children and Adults Services, it was confirmed that this information is commercially sensitive and could be added to the Committee's Forward Work Programme for further consideration, including the steps being taken to recruit staff
- In response to a question regarding whether sufficient funding is allocated to the Pwrth services, it was confirmed that current performance of the services suggests that this is the case. It was acknowledged, however, that an increase in the number of referrals, a growing ageing population and increased poverty in the County, will place increasing demand on these services, albeit assurance was given that the Pwrth's budgets are closely monitored throughout the year.
- A question was raised regarding out of county placements and the plans in place to ensure that there are in-County placements for children. Councillor Alun Williams outlined the benefits of ensuring that, where possible children can stay in their own communities, with

their friends etc. The financial savings for this model was also outlined.

- Members were concerned to learn that 2 grant funding schemes will end, which will impact on the Public Protection Service. In addition concern was raised regarding the loss of funding for a part time Natural Resources & Well-being Coordinator due the project shortly coming to a planned closure.
- It was agreed that resources allocated to food standard inspections and farm inspections, will be considered at a future meeting to ensure that relevant statutory requirements are satisfactorily being met.
- Reference was made to the fees and charges linked to the Wellbeing Centres. It was noted that the aim was to keep prices low to attract service users, but that there was a need to reflect increased costs. The Committee discussed the delegation currently in place to allow the service to run short term / time limited promotional offers and voted to recommend to Cabinet that this is extended to 2023/24.
- Members of the committee also requested that a future workshop be held for all Members to provide an update on the progress and latest plans under the Through Age & Wellbeing Strategy.

Recommendations:

The Committee agreed that:

1. It had considered the overall Budget position as shown in the Budget report in Enclosure A.
2. It had considered the relevant elements of the Budget Cost pressures falling under this Scrutiny Committee.
3. It had considered the relevant elements of the Budget Savings proposals falling under this Scrutiny Committee.
4. It had considered the relevant elements of the Fees & Charges proposals falling under this Scrutiny Committee, save that the Scrutiny Committee recommended that Cabinet agree to extend the previous Cabinet decision of 22nd February 2022, for another year for the 2023/2024 period, as follows:
 - ***To delegate authority to the CLO Porth Cymorth Cynnar, in consultation with the Cabinet Member with responsibility for the Leisure and Wellbeing Centres, to vary the Fees & Charges for the Wellbeing Centres for 2023/2024, to run short term/time limited promotional offers.***
5. The majority of Committee Members voted in favour of a 7.3% increase for Council Tax levels. The Committee is therefore recommending an increase of 7.3% in Council Tax for 2023/2024, which is option 3b) of the recommendations, as follows:
 - ***3b) A 7.3% Council Tax increase (including 1.3% in relation to the proposed Fire Authority Levy increase) and a 23/24 Budget requirement of £180.101m).***
6. No further feedback was made by the Committee on the draft 2023/24 budget.

4 To confirm the Minutes of the previous Meeting and to consider any matters arising from those Minutes

It was agreed to confirm the minutes of the meeting held on 23 January 2023.

Confirmed at the Meeting of the Healthier Communities Overview and Scrutiny Committee held on 13 April 2023

Chairman: _____

Date: _____