

**Minutes of a Meeting of the Co-ordinating Overview and Scrutiny Committee
held remotely by video-conferencing on Thursday, 11th February 2021**

PRESENT: Councillor Elizabeth Evans (Chair), Euros Davies, Marc Davies, Endaf Edwards, Keith Evans, Lyndon Lloyd MBE, Rowland Rees-Evans, Mark Strong, Wyn Thomas and Ivor Williams.

ALSO IN ATTENDANCE: Councillor Ellen ap Gwynn, Leader of the Council and Cabinet Member for Policy, Performance and Partnerships; Councillor Catherine Hughes, Cabinet Member for Porth Ceredigion, Early Intervention, Wellbeing Hubs and Culture; Councillor Ray Quant, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organization and Democratic Services; Councillor Alun Williams, Cabinet Member for Porth Cynnal and Councillor Ceredig Davies (Observer).

OFFICERS PRESENT: Eifion Evans, Chief Executive; Barry Rees Corporate Director; Caroline Lewis Corporate Director; Stephen Johnson, Corporate Lead Officer, Finance and Procurement; Lowri Edwards, Corporate Lead Officer, Democratic Services; Elin Prysor, Corporate Lead Officer Legal and Governance; Justin Davies, Corporate Manager - Core Finance, Finance and Procurement; Duncan Hall Corporate Manager Service Finance & Accounts, Finance and Procurement; Lisa Evans, Standards and Scrutiny Officer and Nia Jones, Corporate Manager Democratic Services.

(10:00am –11.40am)

1 Apologies

Councillor Paul Hinge apologised for his inability to attend the meeting.

2 Disclosure of Personal / Prejudicial Interests

There were no disclosures of personal or prejudicial interests

3 Report on the draft budget for next year including the three year capital programme

Councillor Elizabeth Evans, Committee Chair, outlined the meeting procedure and welcomed the Leader of the Council, Councillor Ellen ap Gwynn, Cabinet Members and Officers to the meeting.

The Leader of the Council, Councillor Ellen ap Gwynn, presented the report on the draft budget for 2021/2022 including the three year capital programme, outlining that this is a provisional settlement, and that the final settlement is due on the 2nd March 2021. Councillor ap Gwynn noted that the total revenue settlement allocated to Ceredigion reflects an increase of 2% as compared to 2020/21 which is the lowest settlement in Wales. The settlement reflects a range of less financially favourable re-distributional movements including a reduction in the population projected figures as well as nursery/primary school pupil numbers.

Councillor Ellen ap Gwynn noted that the Standard Spending Assessments for 2021/22, denote a costing at £154,802k which is a 3.1% increase. Any adjustments arising from the final settlement will require consideration in order to be incorporated into the budget. During a Members' Budget Workshop, it had been agreed that £1.3m of savings would be shared between services identifying savings of 1% each, whilst the remaining £2.1m of savings would be held as a corporate target under the Leadership Group budget.

She advised Members that the most significant cost pressures related to Porth Cynnal and Porth Gofal with Social Care related budgets continuing to come under significant strain due to the impacts of the pandemic, and increased demands on the services. It is anticipated that the benefits from the transformation of services would probably be seen from the end of the next financial year.

Members were also advised that the Fire Authority Levy was subject to formal consultation and that the final figures will be less than anticipated.

In addition, the financial impact arising from the COVID19 pandemic for the current year is projected to result in an additional cost to the Council, as well as some loss of income. It is anticipated that this will continue to the next financial year, although Welsh Government have yet to provide formal confirmation of any detailed funding, therefore a corporate budget is required in the Leadership Group budget as well as utilising an earmarked contingency including COVID19 Reserve as necessary. Other pressure include the cost of managing Ash Die-back and match-funding for the schools programmes and coastal defence schemes.

Cabinet recommended a 3.5% increase to Council Tax, as compared to 5% in Pembrokeshire, 4% in Carmarthenshire, and 3.9% in Powys. It was also noted that additional funding has been provided to assist those in hardship via the Council Tax reduction scheme.

Councillor Ellen ap Gwynn noted that she had written to the Julie James, the Minister for Housing and Local Government before Christmas but has yet to received a response. She has also written to the Senedd Constituency Member, who has also canvassed support, and that the WLGA have also made representations regarding the need for a funding floor.

She thanked Officers for delivering the reports during an extremely challenging time, with the additional pressures of processing COVID-19 relating grant funding.

There followed a discussion regarding re-allocation of savings if a funding floor was introduced, and it was noted that Cabinet would review any amendments that came to light. Members also noted their concerns regarding potential job losses and the impact upon school pupils if the formula funding is reduced as a result of lower pupil numbers, and asked for further information regarding joint purchasing and the capital funding programme for county farms resulting from

the new Nitrate Vulnerable Zones legislation. It was also noted that due to COVID-19 and furlough, this is an extremely challenging time for the residents of Ceredigion.

The discussion concluded with an explanation of why there was a need for a Council Tax rise of 3.5% when general inflation is currently running lower than this and many residents are struggling. It was explained that the Councils Band D Council Tax is below the average of the All Wales level and when the detailed cost pressures being faced by Services are looked at, the Council is typically facing inflationary pressures of 5% to 6%pa - which has been a recurring level for several years. Whilst an element of this relates to Pay award, the greater part relates to pressures on front line service (e.g. Social Care) part driven by volumes and part driven by external factors such as the Living Wage.

With this 5% to 6% level of annual inflation, the level of funding from WG is not keeping pace with inflation and therefore a greater burden is falling on the Council Tax payer. Within this backdrop the Council is still consistently delivering a full range of services which are either rated Excellent, Very Good or Good and Audit Wales have commended the Council on its approach to financial management and overall financial resilience.

Members were advised to raise concerns regarding specific service areas at the relevant Scrutiny committees.

Following discussion, Members **AGREED** to note the report.

4 Minutes of the meeting held on the 20 January 2021 and any matters arising from the minutes.

The following amendment was noted:

- To include Councillor Endaf Edwards' apologies.

It was **AGREED** to confirm the minutes of the 20 January 2021 Committee meeting as a true record.

9 Any other matter which the Chairman decided is for urgent attention of the Committee

There were no other matters raised.

Chairman:_____

Date:_____