Minutes of the Meeting of OVERVIEW AND SCRUTINY CO-ORDINATING COMMITTEE held at the held remotely via video-conference onThursday, 10 February 2022

PRESENT; Councillor Rowland Rees-Evans (Chair), Councillors Bryan Davies, Lyndon Lloyd MBE, Ivor Williams, Wyn Thomas and Marc Davies.
(Councillor Elizabeth Evans – Observer in her role as Audit Chair).

Also in attendance: Councillor Ellen ap Gwynn, (Leader of the Council), Councillors Catherine Hughes, Ray Quant, (Deputy Leader of the Council) Alun Williams, Dafydd Edwards, Rhodri Evans, Gareth Lloyd, Catrin Miles. (Cabinet Members).

Councillor Ceredig Davies (non-Committee Member).

Officers in attendance: Eifion Evans, Chief Executive; Barry Rees Corporate Director; James Starbuck, Corporate Director; Stephen Johnson, Corporate Lead Officer; Finance and Procurement; Elin Prysor, Monitoring Officer and Corporate Lead Officer; Justin Davies, Corporate Manager, Core Finance, Finance and Procurement; Duncan Hall, Corporate Manager Service Finance & Accounts, Finance and Procurement; Geraint Edwards, Corporate Lead Officer, People and Organisation; Nia Jones, Corporate Manager, Democratic Services, Lisa Evans, Standards and Scrutiny Officer and Dwynwen Jones, Overview and Scrutiny Officer; Carwyn Williams and Rhidian Jones, Translators.

(2.00 - 3.17 pm)

48 Apologies

Councillors Elaine Evans, Dan Potter and Mark Strong apologised for their inability to attend the meeting.

Lowri Edwards, Corporate Lead Officer, Democratic Services, apologised for her inability to attend the meeting.

49 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

There were no disclosures of personal or prejudicial interests.

50 Draft budget for 2022/23

Councillor Rowland Rees-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 2022/2023 including the three year capital programme, explaining that this is a provisional settlement, and that the final settlement is due on the 1st March, 2022. The total revenue settlement, known as the Aggregate External Finance (AEF) allocated to Ceredigion for 2022/23 is £119.419m. This compares with 2021/22 allocation of £110.006m (adjusted for transfers),and is an increase of 8.6%. Wales as a whole has seen an average increase of 9.4% with Ceredigion ranked at 19th. The Leader advised Committee Members that since her appointment in 2012, £50 million savings had been made.

Ceredigion's Settlement reflects a range of less financially favourable re-distributional movements seen in population and Secondary School pupil number indicators. Standard Spending Assessments (SSA) are notional calculations of what each Council needs to spend to provide a standard level of service. The SSA for 2022/23 is £166.372m which is a 7.2% increase from the previous year (2021/22 £155.153m). The most significant service increase being personal social services at 12.2%.

The budget model has been drafted to include the adjustments with regard to the provisional settlement. Any adjustments required that arise in the final settlement will require consideration and appropriate incorporation into the budget.

The detailed assessment work carried out to identify the unavoidable cost pressures faced by Services has been finalised and identified a net total amount of £13.1m, which is summarised in Appendix 1 of the agenda papers. This amount is almost double the previous years and is £3.8m more than the increased sum available in the settlement and this would equate to the need to increase Council Tax by close to 8%, however some savings are available to the budget setting process.

The Rising costs of Care alone totals £7m, including:

- UK £9.90 Real Living Wage and 1.25% Employers National Insurance – impacts on most if not all Care related Commissioned Services (results in provisional inflation factors of 8.87% for Domiciliary Care / Supported Living, 9.13% for Residential Care and 11.15% for Direct Payments);
- Residential Homes – Fees setting review currently in progress;
- Direct Payments;
- Looked after Children; and;
- Domiciliary Care.

The Leader also advised the Committee that the provision for pay inflation is a significant factor estimated at £3.4m and that there is no formal agreement yet on the main 2021/22 pay award. After taking into account the potential funding available, a balanced budget is achievable.

A Corporate approach has been taken to dealing with the Covid-19 net costs and losses, as opposed to each service having to incur sums attributable to relevant services. This approach has ensured that financial management of the 2021/22 budgets and business as usual activity remained strong. Total hardship costs and lost income are currently forecast at a gross total of just under £7m with as much as possible being recovered and reclaimed through Welsh Government (WG) grants/funding.

Additional Covid-19 costs and some lost income will continue into the 2022/23 year and beyond. A corporate budget of £750k is therefore required in the Leadership Group budget, as well as utilising the earmarked contingency including Covid-19 Reserve estimated at £1.25m. No grant claims are due next year as the Hardship Fund will close and the Settlement now allows for this. WG have also committed to continue to supply free PPE for Health and Social Care for as long as it is required and to continue to provide funding for Test, Trace & Protect.

Council Tax needs to increase to fund fully the Budget position and a 6% increase would be ideal. An extra 4.75% of Council Tax raises a gross £2.1m, which equates to a net £1.8m after allowing for the additional budget requirement placed on the Council Tax Reduction scheme. The Council's income and cost recovery policy means that services are continuing to recover their inflationary costs relevant to chargeable services from service users, although the current issue in the near term is ensuring the recovery of income streams to pre Covid-19 levels.

Members were advised to raise concerns regarding specific service areas at the relevant Scrutiny Committee meetings next week.

The Leader explained that as this is a draft budget proposal, based on the Provisional settlement, and subject to any adjustments that may be required once the Final Settlement is known. Any necessary adjustments would be made in accordance with the following:
1. the value of any specific grants transferred into RSG will be passported through to the relevant Service's budget;
2. any other specific changes to be directly targeted to the affected Service(s), if appropriate; and;
3. any other change to the RSG will be dealt with by an adjustment to the Leadership Group Corporate revenue budget.

The Fire Authority Levy is subject to formal confirmation and is anticipated to result in a £104k cost pressure, which will require top slice funding.

The Leader concluded her presentation with a summary of cost pressures across all/most services and re-iterated that this budget report deals with the provisional settlement announcement with a recommendation to Council on the level of Council Tax for 2022/23. Council is due to consider the final budget on the 3rd March 2022 following scrutiny of the budget papers and draft proposals.

Committee Members were then given the opportunity to ask questions which were answered in turn by the Leader and/or Officers. Main points which arose are:

1. In response to a question regarding the rising cost of National Insurance and whether the Local Authority need to cover these costs, it was confirmed that they would be covered nationally;
2. That the new WG Social Care staff payment for care just announced would not impact on the budget setting process for next year and should be covered via grant funding;
3. In response to a question regarding funding Corporate Joint Committees, it was confirmed that the funding has not been finalised between Powys and Ceredigion as yet;
4. In response to a question whether Growing Mid Wales are part of the Corporate Joint Committee it was confirmed that it is currently separate;
5. A question was asked regarding Cost Pressures, whether they are included within the balanced Budget? It was confirmed that if a 5% increase of Council Tax is agreed then this would cover the existing cost pressures. If, 4.75% is agreed, then further funds would need to be allocated;
6. It was confirmed that the Leadership Group Budget has responsibility for the emergency Covid-19 fund, the cost of Out of County Care Placements and a contingency for potential Pay awards being higher than the 2.5% being allocated to Services;
7. A question was raised regarding costs associated with the temporary morgues, which were established during the first wave of the pandemic. It was confirmed that 100% of the costs have been recovered;
8. A question was raised regarding empty properties in villages, particularly schools and when these will be sold. It was confirmed that the Assets Panel have a process to follow in such cases and only offer surplus properties on the open market when it is deemed appropriate to do so. It was confirmed that all empty School sales monies are ring-fenced to support the 21st Century School Programme;
9. In response to a question in relation to the sale of the former Bodlondeb Residential Home, Penparcau, Aberystwyth, it was confirmed that the property will be available for purchase on the open market in the next few weeks; and;
10. It was suggested that sales of Social Care assets should be treated the same way as School assets, the receipts of which are ring-fenced for the 21st Century School Programme. It was agreed this would be discussed and considered further post-election.

Following discussion, Members agreed to consider the overall budget position as shown in the budget report to Cabinet, to assist with the preparation of a balanced budget for next year.

The Chairman thanked the Leader of the Council for presenting the information and thanked Stephen Johnson, Duncan Hall and Justin Davies

and their team of Officers for their hard work in preparing the reports for the Committee's consideration at this afternoon's meeting.

51 CONTEST - The UK Government's Counter Terrorism Strategy

The Chairman advised the Committee that the report would no longer be considered due to Officers availability. It was agreed that this would be considered during the next term of office.

52 Report on Covid-19 Gold Command Decisions log

Elin Prysor attended to present a report on Covid-19 Gold Command decisions log. The previous reports were presented on 20th January 2021, 16th June 2021 and 1st December 2021. The Decision Log for decisions made between 1st September 2021 and 31st December 2021 were included in this report and had been published on the Council Website.

Following discussion, Members agreed to note the content of the Gold Command Covid-19 Leadership Group Meetings Decisions Log to monitor the governance for the Council's adapting decision-making arrangements. The Chairman thanked Elin Prysor for the report.

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53 To confirm minutes of the Coordinating meeting held on 1 December 2021 and to consider any matters arising from those minutes

The minutes of the Coordinating meeting held on the 1st December 2021 were confirmed as a true record of proceedings and there were no matters arising from those minutes.

Councillor Rowland Rees-Evans, Chair, advised Members that this was the last Coordinating Committee meeting for this term of office. He took the opportunity to thank the Committee Members for their support during the past 2 years whilst he has been Chair. He thanked the Leader of the Council and Cabinet Members. He also thanked Lisa Evans, Standards and Scrutiny Officer and Dwynwen Jones, Overview and Scrutiny Officer, for their support during this period. He also thanked the Monitoring Officer, Elin Prysor, Carwyn Williams and Rhidian Jones, Translators, and all Officers involved for ensuring the smooth running of the meetings during this period.

Confirmed at the Meeting of the Overview and Scrutiny Co-ordinating Committee held on 15 June 2022

Chairman:_____

Date:_____