



Learning and Skills Scrutiny Committee – 25-01-2021
Health and Care Scrutiny Committee – 28-01-2021
Economy, Residents, Communities and Governance Scrutiny
Committee – 28-01-2021
Finance Panel – 29-01-2021

Scrutiny Observations to Cabinet on:
Draft Budget 2021 - 2022

The Learning and Skills, Health and Care, and Economy, Residents, Communities and Governance Scrutiny Committees and the Finance Panel met between 25th and 29th January 2021 and considered the following documents:

- Draft 2021 – 2022 Budget

The Scrutiny Committees and the Finance Panel thank the Portfolio Holders and officers for attending scrutiny.

Learning and Skills Scrutiny Committee – 25-01-2021.

Scrutiny made the following observations:

- The Committee congratulated the Schools Service for adopting new methods of working such as virtual meetings with headteachers and governors and virtual training sessions and officer contact with schools. Members commented that virtual meetings were beneficial in terms of lessening time for headteachers away from school and the high numbers attending governor meetings, and had been a helpful development during the pandemic which has improved the communication between the Service and schools. The Committee was also pleased to note that it was the Service's intention to continue working in this virtual way in the future although there would be some face to face meetings as appropriate.
- Members asked if any work had been undertaken to calculate the reduction in the Council's carbon footprint and impact on school budgets due to a reduction in travelling being undertaken. It was recommended that at the end of the financial year a report be prepared for the Finance Panel on the efficiency saving due to a reduction in travelling and the impact on the Council's carbon footprint as a result.
- The Committee welcomed the proposal that there would be a review of copyright and other licences to see whether costs could be reduced by the purchase of bulk licensing agreements which included the requirements of all schools instead of individual schools purchasing separate licences.
- The Committee expressed concern regarding:
 - The transfer of costs from the Service to school budgets. It was explained that in 2021-22 the current contingency fund would be transferred to schools so that there would be no additional costs falling on school budgets. By 2022 a review of the Funding formula would have been completed and these additional costs would be included within the formula.

- The affordability of the capital programme, whether projects were financially viable and whether the Cabinet should be considering setting a cost per pupil for any new capital projects as costs had escalated for some recent projects. It was explained that every proposal for transformation included a financial appraisal and all projects had to be affordable before the consultation exercise was undertaken.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1 that at the end of the financial year a report be prepared for the Finance Panel on the efficiency saving due to a reduction in travelling and the impact on the Council's carbon footprint as a result	This will be included within the Revenue Budget outturn report at year end.		

Membership of the Learning and Skills Scrutiny Committee on 25-01-2021:

County Councillors:

P. Roberts, G. Thomas, L. Roberts, K. Roberts-Jones, B. Davies, M. Weale, S. Davies and J. Jones.

S Davies, G. Robson, M. Evitts and A. Davies (Co-opted Members)

Health and Care Scrutiny Committee – 28-01-2021

Scrutiny made the following observations:

The Committee were concerned about the amount of allocated time to provide effective level of scrutiny to both budgets. They acknowledged that this had been exacerbated by the need to stand down meetings of the working groups due to the pressures on the service of the pandemic.

Whilst individual proposals appeared reasonable, the Committee urged caution regarding the figures attached to the proposals given that the current year's savings have not all been achieved.

Where savings have not been achieved over a period of years these should not be continually rolled forward to the next financial year – the Committee particularly noted the difficulty of predicting the savings which may result from negotiations over Continuing Health Care.

Response Savings are not continually rolled forward the budget proposal assesses the proposals that have not been achieved and the writing out of these is included in the budget plan. Service Leads provide assurance around delivery but also highlight any the potential risk. The Risk budget and assessment of reserves consider past delivery levels.

The Committee were assured that proposed Children's Services cost efficiencies represented changes to the way in which services were delivered rather than cuts to services.

Response This is the same for the Adults proposals.

The Committee asked if it was considered that there was a direct correlation between in the increase in Children Looked After and the pandemic and officers gave the view that it was due to schools being closed and additional pressures that families are under. Members were informed that the service had not received any monies through Welsh Government Hardship Fund specifically for this.

Further concern was raised regarding an additional £5M included for pressures within Adult Services over and above the £5M that has been drawn down from the Welsh Government through the Hardship Fund.

Response The pressure for ASC in 2021/22 is circa 9 million not 5. The pressures for next year's budget has no correlation to the monies drawn down from the hardship fund for this financial year in relation to Covid19. The majority of the money from the hardship fund has been passported to the market.

The Committee questioned whether an incident such as a pandemic should be included within the Council's risk register, or whether included in emergency contingency planning such as incidents of "*force majeure*."

Response All Services have business continuity plans. Within these services will consider a number of scenarios such as loss of staff due to pandemic or other, loss of power, access to buildings etc and contingency plans are developed from this. The real benefit of having these plans is to ensure that for example if the Heads of Service were not available someone would be able to pick up these plans be clear about priorities and minimum resources required to deliver these. 2020 has been a real test of the business continuity plans across the LA.

It is recognised that the budget is the largest in the Council, but attention was drawn to previous comments by the Finance Panel and Scrutiny that the level was unsustainable. It had been accepted that additional funding was required to improve the service, but it had been anticipated that the budget would subside at a future date – there is no reference to this in the MTFs and the increased level of budget seems to be the norm. Officers commented that some of the ongoing work does take time and would not happen overnight e.g. bringing children back closer to home and growing our own workforce.

Response There is no proposed increase in the Children's budget for 2021/22. There have been clear statements previously that Children's Services have been

underfunded and the budget set for 2020/21 was a realistic budget for the service and this is being maintained by the service absorbing pressures of over 3 Million.

Financial planning across the Council clearly considers the financial pressures facing services, it does however recognise the cost reductions being made by services and considerable reductions are proposed for specific elements of both Adult and Childrens services, with £5.1 and £3.2 million being removed from these services.

The Committee had been advised of the pressures on the Service of an additional 20 Children Looked After and expressed concern whether proposed cost reductions in this area were achievable. The Impact Assessment provided little detail of impacts and only generic comments. No additional funding had been made available from the Hardship fund to deal with these additional costs.

Response The number of Children Looked after spiked to 257 towards the end of 2020. This was an increase of 20 Children. This has now started to stabilise, and the current number is 246. Children's Services is a demand led services and has a statutory duty to respond to the need of Children and Young People in Powys. The early intervention and prevention service developed over the last few years has enabled us to prevent significant numbers of Children requiring statutory intervention. We have also got good performance in supporting Children and Young people to step down from the care of the LA. However, 2020 has been a significantly challenging time for families.

Concern was expressed regarding the closure of Welshpool Day Centre and the impact on residents given Welshpool Town Council's decision to stop providing this. Whilst it is noted this may come with a saving, scrutiny would like to see the future proposals on this in order to consider impact to residents. An Impact Assessment had not been provided because it was wholly a decision of Welshpool Town Council and so it is their impact to assess.

Response Welshpool Town Council gave notice to close the day centre during 2020. This was a decision outside of the services control. Due to the length of the notice given the impact was not able to be assessed and mitigated. The impact of that is now a reality and any impact would be retrospective.

ASC teams are working with people who had previously used this centre (32) to ensure that we discuss with them as individuals what matters to them and subject to lockdown restrictions ensure appropriate support is in place to enable them to engage with meaningful day time activity.

Members were given information on the cost savings involving recommissioning of some services – this was discussed in private session due to its commercial nature.

Where savings for 2020/21 may not be achieved this will impinge on the 2021/22 budget.

Response Undelivered savings for any financial year are reviewed as part of budget setting and any that are then considered to be unachievable are realigned and removed from the base budget.

The Committee have requested regular updates, as the year progresses, tracking the progress of achieving the cost efficiencies

Response Cost reductions are reported routinely within the Councils budget monitoring reports.

The pressure on unpaid carers was noted together with the concerns of increasing pressure on the budget if these carers were unable to continue their caring role. This should be included in the Risk Register.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
<p>Scenario planning regarding the future impact and cost of the increased number of Children Looked After should be provided.</p>	<p>Can be provided to Scrutiny in Q1.</p> <p>Benchmarking data will also be provided. When data is available, Covid has impacted on the collection of data this year.</p>		
<p>The reasons for the perceived imbalance in the pro rata cost per head within Powys should be explained clearly to Members and the public.</p>			<p>The service can not explain other's perceptions. However, we can continue to provide information in an open and transparent way. We can share unit cost data with Scrutiny and explain what Powys includes in these unit costs and the distance travelled in Powys.</p>
<p>Quarterly updates on progress against cost reductions should be provided to Committee</p>		<p>The delivery of cost reductions are routinely reported through the budget monitoring reports. Committee can review these.</p>	

Membership of the Health and Care Scrutiny Committee on 28-01-2021:

County Councillors: A Jenner (Chair), J Gibson-Watt, S Hayes, S McNicholas, G Morgan, L Rijenbergh, K Roberts-Jones, D Rowlands, A Williams, R Williams and J M Williams

Economy, Residents, Communities and Governance Scrutiny Committee – 28-01-2021

Scrutiny made the following observations:

Legal and Democratic Services

- The Committee was pleased that the opportunity to learn and reduce Member travelling costs has been undertaken during the pandemic, but some concern was expressed at the probable use of hybrid meetings in future as opposed to remote meetings.

Response This will be considered as the Council reviews how it will undertake its meetings post pandemic.

The Committee asked for details of savings in the member travelling budget to be circulated to Members. **(Action – information Request)**

Response A report showing the saving against members travel has been provided to committee members.

Finance

- A Member questioned why has the £54k savings on switching card providers not been undertaken previously. The head of Finance explained that the number of card transactions had increased and this was the first opportunity to revisit the contract since it was let.

Workforce and OD

- The Committee expressed concern regarding the reduction in the leadership development budget by £10k but received assurances that it was hoped that the same or more training could be achieved with the same budget, with an opportunity to seek grant funding from Welsh Government through the apprenticeships programme.
- The Committee was pleased that the Council had introduced several layers of leadership training rather than the 2 originally provided which would make it more accessible for individuals. The Head of workforce and OD suggested that the Equalities Group, recently established could consider how this training was promoted to attract more individuals accessing it.
- The Committee asked that a briefing be provided to a future meeting on apprenticeships and the leadership programme. **(Action – Work Programme)**

Response The briefing will be provided for the Committee when the date is set.

Transformation and Communications

- The Committee was concerned that with a reduction in Welsh Language translation staff there could be delays in work being completed for departments and also that any documents translated using automated software was checked before being issued. The Committee received assurances that the post being deleted was currently vacant and would not impact on service delivery and any external information would be translated by the translation staff rather than by automated processes.

Digital Services

- The Committee received an assurance that with the changes in digital access to services, traditional methods of contacting the council would remain for those who were digitally excluded. The improvement in digital access would provide a range of digital services for people who wished to use them to self-serve and the intention was to also provide services to a wider target audience.
- The Committee asked whether the Council had undertaken any modelling on the potential numbers of jobs that could be lost in future due to automation. The Committee was advised that the Council was working with other Councils who were further advanced than Powys in their automation of services and that any current jobs lost were due to staff leaving. Opportunities were also being taken where work was automated to retrain staff to undertake other work. The Committee suggested a briefing on automation and the retraining of staff in future. **(Action – Member Development)**

Response A briefing will be provided.

Highways, Transport and Recycling.

- Members expressed concern regarding the proposal to close highways depots such as at Ystradgynlais following the need for a rapid response to recent flooding issues. The Committee received assurances that local highways depots were not being closed, and the proposal was to centralise waste recycling at 3 depots in the County.
- The Committee received clarification that there was no proposal to move to 4 weekly black bin collections in 2021-22, and the savings target was an indicator for future years once a full review of waste collection had been undertaken during the forthcoming financial year. The Impact Assessment would be amended to reflect this.

Response The impact Assessment and description in the cost reductions summary has now been amended. The update versions are included with the papers for Council.

- The Committee expressed concern regarding what was considered to be the disproportionate level of cuts falling on the Highways, Transport and Recycling budget by comparison to other services as these services affected all residents. The Leader explained that the Council had little choice over preceding years about funding other services and there were also Wales wide changes being proposed which could affect the Council in relation to transport and recycling. Powys also invests significantly in the HAMP to improve roads. It was suggested that a briefing to members on the Highways, Transport and recycling Service would be beneficial for Members. **(Action – Work Programme)**

Response The briefing will be provided for the Committee when the date is set.

- The Committee asked what work was being undertaken to educate the public to assist in increasing recycling and reducing residual waste. The Head of Service advised that the Council had been offered assistance in communicating with the public regarding recycling.
- The Committee received an assurance that the Service was reviewing the numbers using public and school transport to see whether efficiency savings could be made.

- Concern was expressed regarding any possible further closure of public conveniences as it could affect those travelling through Powys and tourism in the County. It was noted that discussion were ongoing with two Town Councils regarding public conveniences next to bus terminals. The Head of Service agreed to provide the Committee with information regarding the level of grant funding to Town and Community Councils for public conveniences. **(Action – Information Request)** The Leader suggested that the Cabinet have a further discussion regarding public conveniences.

Response To note that there is some confusion on this note as there is no grant funding at present. Further information will be provided.

Property, Planning and Public Protection.

- The Committee was surprised that only a few fees and charges were being increased. However it was explained that a number of fees and charges were set nationally and beyond the control of the Council.
- Concern was expressed regarding the saving for Environmental Health and if that would lead to a reduction in enforcement activity. The Head of Service assured the Committee that there would not be a reduction of staff except for some reduced hours in the contaminated land team and that enforcement activity would be undertaken although this was reactive rather than proactive.
- The Committee was concerned about the impact of last year's changes to the Planning Service on the delivery of the service. The Head of Service clarified that there had been a change in some staff, as well as staff being redeployed during the pandemic. However staffing levels were now as required but it would take some months for the team to return to the previous level of service. The Committee suggested that it reviews the position regarding the planning service and enforcement in the future. **(Action – Work Programme)**.
- In response to a question regarding Minerals, the Committee was advised that this services was provided to the Council through a service level agreement with other Councils. Members asked if the Head of Service would provide information regarding how the cost of this service level agreement was determined. **(Action – Information Request)**

Housing and Community Development.

- The Committee expressed concern regarding the saving in respects of Commissioned Arts Centres although the centres had known that this reduction would be forthcoming. The Committee asked that the Cabinet lobby Welsh Government for additional Cultural Support Funding to be made available. The Portfolio Holder and Head of Service advised that the Service was seeking opportunities for income generation such as preventative funding and information was being provided to centres on possible opportunities for additional funding.
- The Committee welcomed that work was ongoing to develop library hubs and a continuation of the Call and collect system for book lending. In addition the Committee welcomed that additional means of income generation were being explored.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1 That the Committee welcomes the Leader's suggestion of a further Cabinet discussion on public conveniences.			Cabinet have discussed public conveniences further and have tasked the HTR service to consider the options available for supporting public convenience across the entire authority rather than in just to the two locations of the bus stations at Brecon and Ystradgynlais.
2 That the Cabinet lobby Welsh Government for additional Cultural Support funding to be made available.	The service will continue to lobby Welsh Government and associated bodies such as the Arts Council for Wales for future funding.		

Membership of the Economy, Residents, Communities and Governance Scrutiny Committee on 28-01-2021:
 County Councillors:
 M. Dorrance, G. Jones. D. Selby, L. Skilton, J. Charlton, S. Williams, D. Evans, K. Laurie-Parry, K. Lewis and K. Curry.

Finance Panel – 29-01-2021

Scrutiny made the following observations:

The Panel had hoped that the Integrated Business Planning would have had more influence on budget setting but acknowledging the difficulties of achieving this during the pandemic.

Response Integrated Business Planning continues to be used across all services and this is now beginning to embed in service planning, ensuring that the delivery of statutory services, Vision 2025 objectives and service improvement is considered and reflected in the services financial, workforce and other specific action plans. Consistent application of the approach particularly around benchmarking needs further development as does the development of Outcome Based Budgeting and when capacity allows these elements of our work will be progressed.

The relevance of limited public engagement was questioned. It was suggested that the percentage of responses be included in the report in addition to actual numbers.

Response The number of responses to the recent engagement exercise was disappointing with only 205 responses, 0.15% of the total population, this is not representative of the overall population but it is important to recognise the opinions of those that have responded.

Only two services were showing savings through changed business processes. The past year has necessarily seen a change in practice, for example, electronic meetings. The Panel hoped that more service areas would be able to demonstrate additional cost reductions through improved business processes.

Response A list of the services that have undergone redesign will be provided.

The bias towards social care funding has been discussed for several years. Members were of the opinion that this is being addressed but should be subject to ongoing monitoring.

Response The service cannot explain other's perceptions. However, we can continue to provide information in an open and transparent way. We can share unit cost data with Scrutiny and explain what Powys includes in these unit costs and the distance travelled in Powys.

There were significant concerns regarding the impact of the Capital Programme on future revenue budgets. Costs often seem to spiral out of control. There is an ambitious schools' transformation programme in place and there remains concern that basic designs for new schools may be more appropriate than bespoke designs. Discussions around schools' transformation should be distinct from those around the costs of transformation.

Response The design of our schools is being considered as part of our ongoing Transforming Educations Programme.

The affordability of the proposed Council Tax rise remains a concern. Council tax rates are higher than average in the County against below average wages. It is anticipated that unemployment will rise when furlough schemes end, exacerbating the situation. The proposed budget includes an increase in funds set aside for the Council Tax Reduction Scheme, but the Panel were of the opinion that the greatest impact would be on those just above the threshold to claim relief.

Response Cabinet have carefully considered the impact on our Residents of raising Council Tax particularly in light of the impact of the pandemic. The Impact Assessment provides more information in this regard. The budget proposed has reduced the level of increase from 5% which was originally modelled in our Medium Term Financial Strategy to the 3.9% now proposed. In coming to this decision Cabinet have considered the balance of this increase, against further reductions in the services our residents rely on, not only in next year but also in future years where the financial resilience of the Council must be maintained.

Previous cost reductions approved allowed for a phased reduction to facilitate arts venues developing new business models. This has not been practicable during the pandemic and yet the phased reductions will continue. A more strategic approach to such issues is needed.

Response The phasing of this change has been taking place over three years.

Some members of the Panel felt that the budget should have recognised and more closely reflected the impact caused by Covid, for example the arts sector.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
<p>The Capital Programme should be subject to external assessment for viability by either SWAP or Audit Wales</p>			<p>Our own assessment identifies that funding solutions need to be confirmed. The various options will be developed and considered in our planning. An external assessment is therefore considered unnecessary and will only tell us what we already know.</p>

of the Finance Panel on 29-01-2021:

Mr J Brautigam (Chair), County Councillors A W Davies, M Dorrance, J Gibson-Watt, A Jenner, J G Morris, P Roberts, D A Thomas, G Thomas. Councillors A Williams and R Williams in attendance.