

## **CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE**

Minutes of a meeting held on 19<sup>th</sup> December, 2019.

Present: Councillor M.R. Wilson (Chairman); Councillor O. Griffiths (Vice-Chairman); Councillors G.D.D. Carroll, G.A. Cox, R. Crowley, G. John and Dr. I.J. Johnson.

Also present: Councillor N. Moore.

### 564 APOLOGIES FOR ABSENCE –

These were received from Councillors V.P. Driscoll, Ms. S. Sivagnanam and J.W. Thomas.

### 565 MINUTES –

RECOMMENDED – T H A T the minutes of the meetings held on 27<sup>th</sup> November, 2019 be approved as a correct record.

### 566 DECLARATIONS OF INTEREST –

The following Councillors declared an interest in Agenda Item No. 4 – Reshaping Services: Update on Implementation in that they had a dispensation from the Standards Committee to speak and vote on matters in relation to Reshaping Services in view of the fact they were Members of the Vale of Glamorgan Council and also Town and Community Councillors:

M.R. Wilson (Chairman);  
G.A. Cox;  
R. Crowley;  
G. John; and  
Dr. I.J. Johnson.

Councillor G.A. Cox also declared an interest in Agenda Item Nos. 6 and 7 – Initial Capital Programme Proposals 2020/21 to 2024/25 and Capital Monitoring 2019/20 and Initial Revenue Budget Proposals 2020/21 and Revised Budget 2019/20 in that he had a dispensation from Standards Committee to speak and vote at meetings of the Vale of Glamorgan Council in relation to the Local Development Plan, save for the Evans Jenkins Charity Candidate Site, as well as being a School Governor for Cowbridge Comprehensive and Y Bont Faen Primary Schools.

### 567 RESHAPING SERVICES: UPDATE ON IMPLEMENTATION (REF) –

Cabinet had, on 2<sup>nd</sup> December, 2019, referred the report to the Corporate Resources and Performance Scrutiny Committee for its consideration with a particular emphasis on the administration and implementation of the programme.

The report was outlined by the Head of Policy and Business Transformation who reiterated that this report was in order to provide both this Committee and all Elected Members a quarterly overview on the progress being made on the Reshaping Services Programme with a particular emphasis on administration and implementation of the Reshaping Programme. He highlighted Appendix A of the report which provided an all-project summary, looking at financial summaries, activity reports, the programme's risk and issue log and contained corporate workstream projects savings allocations as appendices. Against each project there was an update/summary of progress to date, and RAG statues denoting progress in-year.

The Head of Policy and Business Transformation stated that the ultimate aim of the Reshaping strategy was to meet the future needs of citizens of the Vale within the context of financial and other challenges that the Council would face in the future.

The Head of Policy and Business Transformation explained that this was overseen by the Programme Board which reviewed the progress made through various projects that formed part of the programme in order to further transform the organisation, deliver savings/income targets and protect priority services. He then referred to three objectives surrounding the reshaping of services which were still relevant and reasonable for these purposes. The objectives were:

- To identify alternative ways of delivering services which provide better outcomes for citizens and / or efficient means of delivery;
- To meet the future financial challenges while mitigating impact of cuts on service users; and
- To develop the Council and its partners to ensure they are able to meet future challenges.

The Head of Policy and Business Transformation then invited Members to ask questions around the report.

A Committee Member referred to a section in the Appendix around environment and housing projects, specifically passenger transport and questioned where the projected saving of £180,000 would come from. He also referred to Neighbourhood Services Reshaping which currently had a Red RAG status and had a target saving of £600,000 – his question being what did this involve and what work was required from Town and Community Councils with regard to this. The Head of Policy and Business Transformation responded that the latter part of the Appendix provided some more details regarding these areas for example with regard to passenger transport although £180,000 saving would be made there was still projected to be £170,000 overspend within school transport which would have a knock-on effect for future years' savings.

With regard to the Neighbourhood Services the RAG status was Red as savings of £377,000 were not made in the last year and it was believed that around half of the total savings required in the year would be delivered with proposals being developed to meet the shortfall. However, at this time, this remained dependent on decisions being taken with regard to service proposals. The Head of Policy and Business Transformation further stated that he would provide more information to Committee

Members as soon as possible on this matter. The Committee Member stated that part of this was for Town and Community Councils and their need to do more around these areas.

Another Committee Member queried a section of the Appendix concerning communications and engagement, seeking clarification on the new approach being undertaken with regard to this area. The Head of Policy and Business Transformation replied that due to the relatively low level of public understanding of the budget set for the Council, such as what Council Tax was used for, etc., the Council has this year looked to redress this knowledge gap by communicating this information in a more interesting and engaging way. It had run an extended financial consultation – how Council Tax impacted and the various models and scenarios to be used in terms of implementing Council Tax. The Council had also run face to face consultations on this area as well as engaging within social media. The Head of Policy and Business Transformation noted that as a result of this campaign the Council had approximately three times the number of public engagements with it as compared to last year.

The key aim was ensuring that the Communications Team and the other service area teams continued to engage with the public and to do so in the most effective manner possible.

The Chairman sought more detail on several areas within the Appendix around Older Person Day Services, Catering Project, Neighbourhood Services – Update on Bus Shelter Sponsorship, progress on drainage services and on the digital programme. The Head of Policy and Business Transformation responded as follows:

- Older Persons' Day Services – this had now been reported back to Cabinet; the Head of Policy and Business Transformation would disseminate this report onto Committee Members;
- Catering Services – the Big Fresh Catering Company would officially be launched from 1<sup>st</sup> January, 2020. Initially this would be concentrating on its core market - for example, schools. This service would be managed by the Head of Strategy and Community Learning and Resources. Furthermore, a catering vehicle has been acquired to trade the Big Fresh Catering Company at Council events.

The Head of Policy and Business Transformation stated with regard to Neighbourhood Services and the delayed progress concerning the drainage restructure, he would get more information concerning this and provide that to Committee Members once available. With regard to the bus shelters, the Head of Policy and Business Transformation indicated that the Council was working closely with Clear Channel who have indicated which bus shelters they are willing to maintain and use for advertising. In addition, the Neighbourhood Services and Transport are seeking opportunities for increased sponsorship on roundabouts, verges etc. and this was happening as the current contract comes to an end in February 2020. The Chairman pointed out there was a need to seek sponsorship of Vale of Glamorgan owned bus shelters through various sources and the Council could look at community groups to adopt them, for example. Finally, in terms of digital services, the Head of Policy and Business Transformation would be providing

an update in the New Year and – despite its current Red status – the programme was making progress, but the RAG status indicated progress against savings targets associated with one project. He went on to add that he would speak to the Democratic Services Officer in relation to providing an update within this area to a future meeting of the Committee.

It was subsequently

RECOMMENDED – T H A T the report, including Appendix A, in particular the administration and implementation of the programme, be noted.

#### Reason for recommendation

To provide the Committee with an opportunity to consider the progress being made on the programme, as the lead Committee for the programme.

#### 568 QUARTER 2 2019/20 PERFORMANCE REPORT – CORPORATE HEALTH (MD) –

The Head of Policy and Business Transformation outlined the report, with a particular focus on Appendix A.

He went on to say that the Council had made good progress in terms of integrated planning actions aligned with the Corporate Plan and this had contributed to an overall Green status for the quarter, with 92% of activities aligned with the Corporate Health priorities being attributed a Green performance status. It was also noted that there was a performance indicator attributed an Amber status as well as six others attributed a Red performance status and these exceptions would be the ones he would be focusing on as part of the presentation of the report:

- PD/IT077 – The Council's Digital Strategy. The Head of Policy and Business Transformation stated that there had been slower than anticipated progress in the digital customer objective, but work was ongoing to establish the functional requirements and business case for a digital customer platform which would help to implement the Council's Digital Strategy;
- SL/W044 – To identify opportunities to work collaboratively across the region in order to develop capacity in specialist services/critical posts. This was encountering limitations in terms of back office systems with limited scope. However, the service continued to explore opportunities to work collaboratively but none had been identified for this quarter;
- NS/AM011 – Work towards operating from one depot at the Alps, with satellite parking areas. This was still a work in progress with work being done in terms of producing a marketing plan to assist developing the commercial waste service;
- HS/C048 – To look at the potential for collaboration with Cardiff and Vale College regarding joint apprentice training programme for construction. Work remained ongoing to identify opportunities for collaboration;
- AS/AM041 – Review the quality of existing assets including identifying options for the way forward for the delivery of an Integrated Health and Social Care

Service. The Council continued to work in partnership with Health colleagues in relation to assets and identifying opportunities for investment and renewal. This was also the same status as AS/AM044 – Considering assets in partnership with other partners to make best use of pooled resources.

A Committee Member queried action SL/W044 regarding collaborative working around capacity in specialist services/critical posts, with the commentary seemingly suggesting nothing was happening with this as yet. As a result should this action and similar actions be ‘parked’ until such progress was made on them. The Head of Policy and Business Transformation replied that the action remained in-situ because there was still potential for opportunities to be identified in the future, but he would look to take the Committee Member’s comments/suggestions back and see what could be done about similar actions.

Another Committee Member asked about action NS/AM011 – Operating from one depot at the Alps - requesting more details on actions to date on this. The Head of Policy and Business Transformation stated that he would refer this to Neighbourhood Services in order to gain further information for the Committee Member and the Committee as a whole.

The Chairman suggested that education services such as Additional Learning Needs should be considered as a separate risk priority as opposed to being grouped within another area as what currently happens. His rationale was that it was important to look at the impact on these services in order that this could be communicated upwards to ultimately the Westminster Government – given the new Education Act.

A Committee Member asked about those actions that appeared to have stalled almost permanently or had ‘slipped’ due to being less a priority and whether these should remain on the actions table at this time. He cited an example of procurement on the performance management system. The Head of Policy and Business Transformation replied that this was a carry on from last year’s Performance and Development service plan and a decision had been taken not to replace the system whilst the new performance arrangements are established to support the new Corporate Plan. However, assurances were given that in the interim, procedures were in place to back up this data, the data being secured and audited and the system would not be replaced until the complete transition to a new framework reporting, which was still being waited on and needed to be agreed with the Party Groups and Scrutiny Committee Chairmen.

The Head of Finance added that there were two issues around actions that remained on the performance reporting:

- In terms of profile spend there was an assumption of 50% spend on capital projects by the end of September, but this did not normally happen and so going forward there would need to be a review of the profile in order to improve it and to make it more accurate;
- In terms of the Capital Programme, performance could change due to new schemes, slippage etc.

It was

## RECOMMENDED –

- (1) T H A T the performance results and progress towards achieving key outcomes in line with Year 4 priorities for Corporate Health as outlined in the Corporate Plan 2016-20 be noted.
- (2) T H A T the remedial actions taken to address areas of underperformance and the challenges identified were considered with the Committee's views and recommendations being referred thereafter to Cabinet for their consideration and approval.
- (3) T H A T Additional Learning Needs and other education provisions be grouped as a separate risk priority on future reporting.

### Reasons for recommendations

- (1) To ensure the Council clearly demonstrated the progress being made towards achieving its Corporate Plan Well-being Outcomes aimed at making a positive difference to the lives of Vale of Glamorgan citizens.
- (2) To ensure the Council was effectively assessing its performance in line with the requirement to secure continuous improvement outlined in the Local Government Measure (Wales) 2009 and reflecting the requirement of the Well-being of Future Generations (Wales) Act 2015 that it maximises its contribution to achieving the well-being goals for Wales.
- (3) In order that Additional Learning Needs and other education provisions be considered separately and to assess the impact on these services.

## 569 INITIAL CAPITAL PROGRAMME PROPOSALS 2020/21 TO 2024/25 AND CAPITAL MONITORING 2019/20 (MD) –

The Head of Finance explained the purpose of the report as well as referring to the supplementary information provided concerning the reference from the Environment and Regeneration Scrutiny Committee.

She firstly asked the Committee Members to consider changes to the 2019/20 Capital Programme such as the Band B 21<sup>st</sup> Century Schools Programme, and the Housing Programme/Spending where there would be some slippage into the next year.

The Head of Finance went on to explain that as the provisional settlement was received later this year it had not been possible to include this in the provisional estimate report. Due to this a provisional capital programme which included new schemes for 2020/21 and onwards was not presented within the report.

The Head of Finance referred to Appendix 3 of the report concerning the capital bids received for 2020/21 to 2024/25. She explained that the process involved all

Directorates being asked to determine what they needed and then to submit a bid. The total number of bids received were 41 from the various Directorates – this was less than in previous years and represented Directorates prioritising and assessing their needs against the relevant criteria. She explained the criteria and questions which Directorates had to consider around the bid such as the nature of the bid, the reason why - for example legislation, facilities, look at the risk of what happens if it was not approved, look at corporate priorities and also whether the proposal would meet the requirements of the Future Generations and Wellbeing Act. The Council's Insight Board, which comprised the Managing Director and Senior Officers, was also used as a challenge forum for Directorates in terms of assessing the needs of a particular bid.

The Head of Finance referred to the provisional settlement from Welsh Government, which provided £500,000 additional capital funding. The final capital estimate report including this new funding would be considered by Cabinet in early February 2020. In terms of the reference from the Environment and Regeneration Scrutiny Committee concerning road resurfacing, some of the Government grant money would also be involved in potentially funding such projects.

The Operational Manager for Regeneration referred to Appendix 3 of the report in order to go through some of the examples for capital bids that had been received already:

- BSC2 – the bid was for the creation of a public car park to service BSC2 and the wider Innovation Quarter as well as the reconfiguration and refurbishment of the entire BCS2 building to enable occupation by businesses. The Operational Manager described this as an opportunity to build space for the growing businesses within Barry and the Vale. He went on to say that this was a great location and could be converted for business use as well as provide excellent car parking access. He noted that businesses had made enquiries about office space within the Vale and this development would be an opportunity to accommodate new businesses coming into the area - although there had been no active marketing of the development as yet. This would also help to prevent businesses from relocating outside of the Vale of Glamorgan.

The Chairman asked about the cost of development to which the Operational Manager replied that they were in the process of fully costing this as well as looking at Barry Regeneration funding.

- Cosmeston Community Lodge – the Operational Manager described this as the provision of a unique, sustainable, multi-use community building overlooking the lake at Cosmeston Lakes Country Park, which would be available to a wide range of user groups and provide a wide range of activities while extending tourism opportunities and highlighting the site's cultural/natural heritage. He described the play area as run down but, with investment, it had the potential to attract more visitors. Another proposed project included improvements around the gateway to the park. The development of the facilities would also attract more private sector bookings such as filming and also be a useful community space for school visits. He

also described the need to provide more parking spaces in the area and the use of safer, more durable, recycled composite decking materials within areas such as Cosmeston Board Walk.

- The Operational Manager for Regeneration also referred to Nightingale Cottage in Porthkerry Park where there was an opportunity to convert the cottage into holiday accommodation. A new facility would be needed for the rangers and it is likely that this would be located near the existing lodge, making rangers more accessible to the public.

A Committee Member asked about the BSC2 project regarding how many businesses could be accommodated within the development as well as whether businesses were interested in it or would they need incentivising in order to use the facilities. The Operational Manager for Regeneration replied that there had been some interest already from businesses – for example, small workshops due to the ‘flexible’ nature of the BSC2 spaces which would allow for their growth and development and he reiterated that a key reason for businesses not relocating to the Vale was due to space. The Vale of Glamorgan Council was also working with agents/property developers in order to attract or gauge interest in the development from businesses.

Another Committee Member asked about the bids concerning urgent repairs such as boiler and heating repairs at various Leisure Centres throughout the Vale, and in particular how urgent these were and were they more important than some other bids mentioned further on in the list, as it was important to be able to assess where the Council could spend money and how much it could spend. The Head of Finance replied that the bids were grouped and prioritised by each Directorate, therefore these bids were not necessarily more or less important than those from other Directorates. She also added they were looking to establish a plan for boilers in order to manage their replacement within the Leisure Centres.

A Committee Member asked about the reprofiling of 21<sup>st</sup> Century Schools. These appeared to be all slipping and he queried whether the slippage of capital was affecting schools operationally. The Head of Finance replied that reprofiling was just around spending and would not impact on the operational side nor on other areas such as the completion date with the original opening dates for schools still valid.

A Committee Member asked about the new Household Waste Recycling Centre bid for the Western Vale to replace the existing rented facility at Llandow Trading Site. He queried whether it would be possible to extend the lease on the old site until the new site was completed. The Head of Finance replied that there was money available in order to extend the lease and thereby ensure there was no break in continuity between the old or new facilities.

A Committee Member referred to the Environment and Regeneration Scrutiny Committee's reference for this report regarding resurfacing (bid NST1 - Carriageway resurfacing/Surface treatments). There was a need for this Committee to help push Welsh Government for more funding within this area as it was essential the state of the roads around the Vale were improved. The Head of Finance replied that there were grants available for this year and next which could help make a significant



improvement to roads but there was no guarantee of additional funding after that from Welsh Government.

The Chairman queried whether this report would be referred back to the Committee, to which the Head of Finance replied that the report would be going back to Cabinet in the early New Year and would then come back to this Committee prior to going to full Council.

It was

#### RECOMMENDED –

(1) T H A T the Initial Capital Programme Proposals for 2020/21 to 2024/25 were considered along with recommendations from other Scrutiny Committees and the recommendations be forwarded to Cabinet.

(2) T H A T the following changes to the 2019/20 Capital Programme be noted:

- Flying Start Gibbonsdown Children Centre Soft Play – Include a new scheme of £25k in the 2019/20 Capital Programme to be funded from WG grant;
- Ashpath Footpath Improvements – Remove this £72k scheme from the 2019/20 Capital Programme;
- Bus Stop Upgrades – Vire £10k to the A48 Strategic Corridor and Other Primary Bus Stops scheme in the 2019/20 Capital Programme;
- Replacement Jenner Park Stadium Roof – Increase budget by £12k funded from revenue.

(3) T H A T the following use of Delegated Authority to amend the 2019/20 Capital Programme be noted:

- Improvement works to the footpath infrastructure on Old Port Road, Wenvoe – Include a new £138k scheme into the 2019/20 Capital Programme to be funded by S106 Monies.

(4) T H A T the following changes to the 2019/20 and future years Capital Programme be noted:

- Band B 21<sup>st</sup> Century School Programme – Re-profile as detailed in this report;
- HRA Internal Works – Carry forward £200k into the 2020/21 Capital Programme;
- HRA External Works – Carry forward £580k into the 2020/21 Capital Programme;
- Housing Improvement Programme Common Parts – Carry forward £603k into the 2020/21 Capital Programme;
- Housing Improvement Programme Environmental Works – Carry forward £213k into the 2020/21 Capital Programme;

- Housing Improvement Programme New Build – Carry forward £600k into the 2020/21 Capital Programme;
- Penarth Heights Public Art – Vire £40k from this scheme to the North Penarth Open Space Improvements Scheme in the 2019/20 Capital Programme and carry forward £309k to the 2020/21 Capital Programme;
- Skills Training Centre – Carry forward £118k to the 2020/21 Capital Programme;
- City Deal – Amend the 2019/20 and 2020/21 budgets to £544k and £769k respectively in the Capital Programme;
- Disabled Facility Grants – Carry forward £152k into the 2020/21 Capital Programme.

(5) T H A T the Committee recommend to Cabinet that priority be given to those capital bids that fall within the criteria for Health and Safety legislation (Priority Level A) and those of Economic Sense/Invest to Save (Priority Level Ci).

(6) T H A T the Committee recommend to Cabinet for emphasis to be given to bid NST1 – Carriageway resurfacing/Surface treatments, which should be successful in order to maintain roads to an acceptable standard and because resurfacing is recognised as a major challenge as standards could deteriorate very quickly.

#### Reasons for recommendations

- (1) In order to gain the view of Scrutiny Committees.
- (2) To note amendments to the 2019/20 Capital Programme.
- (3) To note the use of Delegated Authority.
- (4) To note amendments to the 2019/20 and future years Capital Programme.
- (5) To ensure that priority is given to those bids within the Capital Programme that fall within the criteria for 'Health and Safety' and 'Economic Sense/Invest to Save'.
- (6) Having regard to the impact of a reduction in Welsh Government funding for Carriageway resurfacing/Surface treatments and the importance to maintain road surface standards.

#### 570 INITIAL REVENUE BUDGET PROPOSALS 2020/21 AND REVISED BUDGET 2019/20 (MD) –

The Head of Finance outlined the report stating this was an update on the current amended revenue budget for 2019/20 and the provisional budget proposals for 2020/21. She stated that within the amended revenue budget for 2019/20 there had been several instances of overspends and highlighted these including: in Learning and Skills, £563,000; Social Services, £1.7m; and Environment and Housing (Neighbourhood Services & Transport), £1.520m against the 2019/20 budget. As a

result, there will need to be unplanned use of relevant reserves to balance the budget. The report detailed a projected favourable variance of £6.5m for Policy and proposed that £2.5m be utilised to fund the adverse variances within Learning and Skills and Neighbourhood and Environment Services and that £4m be transferred to the Council Fund for consideration as part of the final budget proposals for 2020/2021.

The Head of Finance went on to outline the basis on which the initial Revenue Estimates 2020/2021 had been drafted. At the time of drafting the report the provisional settlement had not been received from Welsh Government and therefore the draft estimates were based on the funding scenarios previously outlined in the Medium Term Financial Plan. The draft estimates had not made any allowances for price inflation, therefore services would have to meet this pressure within their existing budgets. Further, a 2% pay award had been assumed. All Directorates had also identified cost pressures for the new financial year and these totalled £10m.

The Head of Finance referred to the recent announcement of the provisional settlement from Welsh Government, which worked out on average to be around 4.3% across Wales. The Vale of Glamorgan had received a settlement which was an increase of 4.9% over the current year, which was the second highest increase in Wales. This additional funding would be considered as part of the final budget proposals.

A Committee Member stated that the Vale of Glamorgan had received a good settlement but felt the Council should have anticipated this potential increase and needed to factor this and other circumstances in before increasing Council Tax. He also asked about the position on teachers' pensions as well as Reshaping Services and whether the Council had further areas where it could make savings. He also stated that half the savings were within Education due to budget delegation and queried whether it belonged to this Committee or Audit or Learning and Culture as Education was a large spending area and therefore needed extensive scrutiny. He finally added that the Council needed further information from schools when requesting additional funding. The Head of Finance replied that all Local Authorities had a plan for a minimal change in funding from Welsh Government as that had been the prudent approach required when no indication has been received that the increase would be as high as that included in the provisional settlement. With regard to the impact of the settlement on budget planning, it was clarified that further work would be undertaken in relation to the funding of cost pressures and the level of savings required, which would include a review of the savings required from schools. In terms of teachers' pensions, it was confirmed that several Local Authorities had taken the decision to finance the cost from their base budget, as the Vale had done.

The Chairman raised the issue of schools and the importance of knowing about funding as soon as possible as a lack of certainty could cause issues within the school, for example, concerns about possible redundancies or other cut backs. He also mentioned the need for caution that the 4.9% increase from the Welsh Government settlement would not necessarily solve all issues and there were numerous potential cost pressures to consider - for example, Special Educational Needs (SEN). As part of this there was a need to look at reprofiling education costs in terms of the Central Consortium. The Chairman and another Committee Member

also mentioned the costs and challenges potentially with recycling. They also asked the Head of Finance whether there had been conversations already with the Welsh Government concerning the provisional settlement to which she replied it was still early days but internal discussions had already started. Finally, the Head of Finance also stated that regional options or solutions might be useful in areas such as SEN and that discussions had already started in this area.

The reference/recommendation from the Environment and Regeneration Scrutiny Committee was also raised concerning the need to note the continued cost pressures for Environment and Housing and that this would need to be considered in light of the budget settlement. The Committee accepted this recommendation as well as suggesting that SEN be included.

It was

#### RECOMMENDED –

- (1) T H A T the amended revenue budget for 2019/20 as set out in Appendix 1 to the report be noted.
- (2) T H A T, having considered the Initial Revenue Budget Proposals for 2019/20 together with the recommendations from other Scrutiny Committees, the Committee's recommendations be forwarded to Cabinet.
- (3) T H A T the setting aside of a sum of £4m in the Council Fund, with its use being considered as part of the final budget proposals for 2020/21 be noted.
- (4) T H A T the setting aside of a sum of £0.5m in the Education Pressures reserve to be utilised to offset adverse variances in this area following consultation with the Head of Finance/Section 151 Officer and Cabinet Member for Performance and Resources be noted.
- (5) T H A T the setting aside of a sum of £2m be set aside in the Neighbourhood Services reserve to be utilised to offset adverse variances in this area following consultation with the Head of Finance/Section 151 Officer and Cabinet Member for Performance and Resources be noted.
- (6) T H A T the Committee recommend to Cabinet that despite the indicative budget increase of 4.9% for 2020/21 from Welsh Government, it be noted that the cost pressures for Environment and Housing and Special Educational Needs (SEN) would still remain and therefore need to be fully considered.

#### Reasons for recommendations

- (1) To note changes to the 2019/20 budget.
- (2) To enable Cabinet to consider the comments of Scrutiny Committees and other consultees before making a final proposal on the budget.
- (3) To note the setting aside of funding in 2019/20.

(4) To note the setting aside of funding to mitigate additional costs associated with Education pressures in 2019/20.

(5) To note the setting aside of funding to mitigate additional costs associated with Neighbourhood and Transport Services in 2019/20.

(6) To highlight the significant cost pressures for Environment and Housing as well as Special Educational Needs (SEN).

#### 571 INITIAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2020/21 AND REVISED BUDGET 2019/20 (DEH) –

The Head of Finance outlined the report, stating that the 2019/20 operational budgetary position had changed as the previous surplus of £21k had now become a deficit of £1.795m. It was proposed to fund more of the Capital Programme from the Housing Revenue Account (HRA) budget to reduce the requirement to borrow money. The deficit would be funded from the HRA reserve which would reduce the balance on the reserve to the level required in the Housing Business Plan.

An average rent increase of 3% had been included in the 2020/21 Initial Budget Proposals. The Head of Finance stated that the level of rent increase would be based on the rent policy requirement from Welsh Government however, at the time of writing the report, this had not been received from Welsh Government. The 3% increase was in line with the Housing Business Plan.

The Head of Finance referred to the next stages of the process where the Budget Working Group would hold a series of meetings and then the final budget proposals for 2020/2021 would be considered by Cabinet in February 2020. The Cabinet's final budget proposals would then be considered by Council at a meeting to be held in February 2020.

A Committee Member asked how the provisions for bad debt figures were calculated within the HRA estimates, to which the Head of Finance advised that she did not have the details to hand but would send these out to all Committee Members once available.

It was

#### RECOMMENDED –

(1) T H A T the amended Housing Revenue Account (HRA) budget for 2019/20 as set out in Appendix 1 of the report be approved.

(2) T H A T the Head of Finance provide details on how the provision for bad debt figures were calculated in the Housing Revenue Account estimates.

Reasons for recommendations

- (1) To facilitate monitoring of the amended HRA budget.
- (2) In order that the Committee are aware of how the bad debt figures for HRA are calculated.