

No.

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE

Minutes of a remote meeting held on 21st October, 2021.

The Committee agenda is available [here](#).

The Meeting recording is available [here](#).

Present: Councillor M.R. Wilson (Chair); Councillor P. Drake (Vice-Chair); Councillors G.D.D. Carroll, R. Crowley, V.P. Driscoll, G. John, Dr. I.J. Johnson, S. Sivagnanam and J.W. Thomas.

Also present: Councillors P.G. King and N. Moore.

495 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Principal Democratic and Scrutiny Services Officer read the following statement: “May I remind everyone present that the meeting will be live streamed as well as recorded via the internet and this recording archived for future viewing.”

496 APOLOGY FOR ABSENCE –

This was received from Councillor G.A. Cox.

497 MINUTES –

RECOMMENDED – T H A T the minutes of the meeting held on 22nd September, 2021 be approved as a correct record.

498 DECLARATIONS OF INTEREST –

Councillor M.R. Wilson (Chair) declared an interest in Agenda Item 5 – Capital Monitoring for the Period 1st April to 31st August, 2021 advising that he was a Trustee of a Community Centre in Penarth and would leave the room if the matter was discussed.

499 REVENUE MONITORING FOR THE PERIOD 1ST APRIL TO 31ST AUGUST 2021 (REF) –

The Head of Service/Section 151 Officer in presenting the report drew attention to the challenges for the Council both operationally and financially due to the ongoing implications of the Covid-19 pandemic and also to the anticipated overspend by Social Services of £1.15 million and Environment and Housing of £1.5m.

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Appendix 1 to the report detailed the saving targets for 2021/22 with each savings target being given a RAG status. Services were currently working on schemes to achieve the targets however, it was anticipated there could be a £170k shortfall. Committee would be provided with further updates in the next monitoring report.

Councillor Dr. I.J. Johnson in referring to overspends enquired as to whether the pressures in respect of Social Services were Wales wide pressures and that with regard to the local overspends i.e. Waste Transfer station and CCTV contract funding, what the end target for resolving these would be. In response the Head of Service advised that a considerable amount of lobbying with Welsh Government and the WLGA was continuing to be undertaken in relation to Social Services. Having regard to Waste Management, the service had recently finalised a 10-year business plan with a report on the issues to be presented to Cabinet before Christmas. For CCTV discussions were ongoing with the Police and Crime Commissioner with the hope to report more positively in the future.

Councillor G.D.D. Carroll enquired whether any assessment had been made on the potential impact of inflation on revenue expenditure in the current financial year to which the Head of Service advised that this was currently being monitored.

The Chairman enquired as to the impact on the availability of agency staff for the Council and whether the cost of hiring was rising. The Head of Service in response informed Committee that agency staff were being employed in various service areas and that a number of agency staff had also been taken on permanently. However in some service areas there were recruitment pressure points both for permanent positions and agency staff and HR were working closely with departments where these issues prevailed. The Chair suggested that further awareness raising of the benefits of working in Local Government may be beneficial as well as redeployment opportunities for staff who may wish to change direction in their careers.

Having regard to discussions at the meeting it was subsequently

RECOMMENDED – T H A T the position with regard to the Authority's 2021/22 Revenue Budget be noted.

Reason for recommendation

Having regard to the contents of the report and discussions at the meeting.

500 CAPITAL MONITORING FOR THE PERIOD 1ST APRIL TO 31ST AUGUST 2021 (REF) –

The reference from Cabinet of 11th October, 2021 provided an update on the progress of the Capital Programme for the period 1st April to 31st August 2021 with the details of schemes being outlined in Appendix 1 to the report.

The report also set out any requested changes to the 2021/22 and future years Capital Programme.

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The Head of Service/Section 151 Officer highlighted that Brexit and Covid 19 had also impacted on the Council's housing programme which would continue to be monitored.

Councillor Dr. I.J Johnson drew attention to the doubling of costs in relation to the Waste Transfer Station and enquired as to whether there was a way of claiming further grants. With regard to paragraph 2.32 and compliance issues in relation to Community Centres he asked if the Council had a policy for CC's to make contributions for such issues. The Head of Service advised that there were a considerable number of issues that had impacted on the provision of the Waste Transfer scheme and although significant WG funding had been received previously the Council was continually seeking additional support from Welsh Government as the costs were out of the Council's control. The scheme was also being closely managed and monitored to ensure that the contractor could evidence the increased costs.

With regard to compliance issues at Community Centres the Head of Service agreed to look into the issue of contributions and report back to the Member.

At this point in the meeting the Chair declared an interest in the subject matter as a Trustee of a Community Centre in Penarth advising that he would leave the room when and if further discussions took place.

Councillor G John in referring to a grant from WG for allotments enquired as to the Council's current position recollecting that previously the Council had been negotiating with Town and Community Council's for TCC's to take over such provision under the reshaping programme. The Head of Service advised that she would look into the current proposals for allotments and report back to the Member.

Councillor G. Carroll enquired as to the figure of £75k for Residential Parking Schemes and was advised that this related to schemes that had not yet commenced.

Having considered the report, it was subsequently

RECOMMENDED – T H A T the progress made on the 2021/22 Capital Programme be noted.

Reason for recommendation

Having regard to the contents of the report and discussions at the meeting.

501 AUDIT WALES: FINANCIAL SUSTAINABILITY ASSESSMENT OF THE VALE OF GLAMORGAN COUNCIL 2021 (MD) –

S. Wyndham and I. Phillips (representatives from Audit Wales) jointly presented the report to Committee which advised of the findings of the Auditor General for Wales' assessment of the Vale of Glamorgan's financial sustainability and the Council's response to its findings. Audit Wales' assessment of the Council's financial

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sustainability in 2020-21 had been undertaken in two phases. Phase 1 being a baseline assessment of the initial impact of COVID-19 on the financial position was undertaken earlier in the year alongside all Welsh Local Authorities. The findings informed the national summary report – [Financial Sustainability of Local Government as a result of the COVID-19 Pandemic](#) published in October 2020. The report highlighted that Councils and the Welsh Government had worked well together to mitigate the impact of the pandemic to date, but the future sustainability of the sector remained an ongoing challenge.

The appended local report (Appendix A) concluded phase 2 of Audit Wales' financial sustainability assessment work undertaken during 2020-21 which concluded that the Vale of Glamorgan Council was well-placed to maintain its financial resilience with a healthy level of reserves and sustainable plans for their use.

The report however, identified one Proposal for Improvement being PFI 1: Given the anticipated funding gaps in 2022-23 and 2023-24, the Council needed to determine how it would meet those gaps, including the extent to which savings would contribute to that.

In response to the findings, the report detailed that the ongoing funding gap would be considered as part of the budget setting process for 2022/2023 and this action would be incorporated within the Insight tracker and progressed by the Council. Progress would also be monitored by Audit Wales as part of the Council's annual audit work programme.

Committee Members were asked to consider the contents of both the national and local Financial Sustainability reports including the Council's response (proposed action above and detailed in 2.6 in the report) with any recommendations / comments being referred to Governance and Audit Committee and thereafter, onto Cabinet for their consideration and endorsement of the proposed action to address the Proposal for Improvement.

Councillor Dr. Johnson stated that there had been no surprises for him in the report and that it was a refreshing and transparent report. A number of the issues he said had also been identified and discussed at previous meetings that he had attended within the Council. His concerns however, related to the Council's reserves being consistently high and that in his view he considered the Council was setting itself complicated savings targets which may not be necessary as funding may come from other sources. In referring to page 15 of the Auditors report he also enquired as to the Auditor's view with regard to the substantial increase in its assets and liabilities for 2021 and whether the changes had been taken in as a result of the Council's housing building programme.

Councillor G. D.D. Carroll enquired as to the Auditors view of the Council having levels of reserves of £10 million.

The Chair in referring to the acid test ratio enquired, as to what data was available in this regard as he considered this to be a truer reflection of liquidity than the working capital ratio, the remit of the Auditor and why they had looked at some indicators as opposed to others.

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In response to the above queries the Auditor stated that the basis used with regard to liquidity had been the one that had been selected by the project team who had wanted to ensure a consistent approach across Wales with all 22 local authorities. He would however, speak to the team to consider whether any further work on liquidity would be undertaken. With regard to the reserves he stated that in his view the Vale reserves were acceptable and although Audit Wales did not prescribe a minimum level of reserves they would consider the level of reserves in the context of the assets and liabilities of each Council. He further advised that the assets and liabilities reported upon related to a snapshot in time based on the balance sheet information as at 31st March, 2021 to which he added the Auditor had had no concerns in respect of liquidity. In fact, he stated the Vale was ranked as one of the highest in Wales.

In further commenting on Council reserves the Auditor advised that the Vale was not an outlier in respect of future projections and that it was indeed a prudent approach as further funding support such as that that had been received in previous years may not be forthcoming.

The Head of Finance/Section 151 Officer also commented that the funding previously received from Welsh Government had indeed been a surprise in the first instance and had been provided based on an increase in population. In summation the Head of Service added that the Council tended to be prudent in its forward planning.

In conclusion, the Chair advised that he was glad the Council had been prudent and that it had been right to be sensible. The Chair also took the opportunity to thank the Head of Service and her team for all the hard work undertaken throughout the pandemic.

RECOMMENDED –

(1) T H A T the contents of both the national and local financial sustainability reports including the key findings arising from Audit Wales' assessment of the Vale of Glamorgan's financial sustainability (Appendix A to the report) and the Council's response to the assessment findings and Audit Wales' Proposal for Improvement, be noted.

(2) T H A T the reports be referred to Governance and Audit Committee for their oversight and thereon to Cabinet for consideration and endorsement of the proposed actions to address the proposals for improvement.

Reasons for recommendations

(1) Having regard to the Committee's scrutiny and review of the findings of Audit Wales' assessment of the Vale of Glamorgan Council's financial sustainability and future local government financial sustainability challenges.

(2) To ensure the Council responds appropriately and implements areas of improvement as identified by Audit Wales.

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502 2ND QUARTER SCRUTINY DECISION TRACKING OF
RECOMMENDATIONS AND UPDATED WORK PROGRAMME SCHEDULE (MD) –

The Principal Democratic and Scrutiny Services Officer in presenting the report drew Members' attention to the action and progress in respect of the Scrutiny Committees recommendations as contained within the report with the request that the Scrutiny Committee also considers the updated Forward Work Programme having regard to any slippage for 2021/22.

In referring to the Work Programme the officer further referred to some of the commentary that suggested that certain reports be removed from the list with it subsequently being

RECOMMENDED –

- (1) T H A T the status of the actions listed in Appendices A and B to the report be agreed.
- (2) T H A T the updated Committee Forward Work Programme Schedule attached at Appendix C be approved and uploaded to the Council's website subject to the following:
 - Universal Credit report be removed from the list
 - Report on further benchmarking in relation to Chief Officer and Senior Officer salaries be removed from the list
 - Report on further analysis and consideration of local authority reserves be removed from the list
 - That the report on comparison of income derived from football over recent years and a number of teams, remain on the list and be reported as indicated retrospectively.

Reasons for recommendations

- (1) To maintain effective tracking of the Committee's recommendations.
- (2) For consideration and information.