

# Minutes



## Overview and Scrutiny Management Committee

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Date: 29 January 2021

Time: 10.00 am

Present: Councillors L Lacey (Chair), G Berry, P Hourahine, M Al-Nuaimi, Y Forsey, C Ferris, M Evans, C Evans and J Hughes

Rhys Cornwall (Strategic Director - Transformation and Corporate Centre), Meirion Rushworth (Head of Finance), Amie Garwood-Pask (Senior Finance Business Partner (Budget Strategy)), Gareth Price (Head of Law & Regulation) and Neil Barnett (Scrutiny Adviser)

In Attendance:

Apologies: Councillors

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### 1 **Declarations of Interest**

None

### 2 **Minutes of the previous meeting held on 30 October 2020**

The minutes of the previous meeting held on 30 October 2020 were accepted as a true and accurate record.

### 3 **2021-22 Budget and Medium Term Financial Projections**

#### **2021-22 Budget and Medium Term Financial Projections (MTFP)**

Invitees

- Meirion Rushworth – Head of Finance
- Amie Garwood-Pask – Senior Finance Business Partner (Budget Strategy)
- Rhys Cornwall – Head of People and Business Change

The Head of Finance gave an overview of the budget position, which had followed a similar process to previous years. The budget gap was £4.1 million in September of last year. Officers had then looked at planning savings down to half a million by the time the settlement was brought forward, and so the budget was almost balanced at this point. Grant funding received just before Christmas was £9 million better than expected. Population numbers were used as a large part of this calculation and the numbers being used for Newport historically had been too low. This had now been corrected and so we had received more money this year. Also, rather than it being phased in, the grant was made in full which had made it significantly better for the council this year. The final budget would be set in February following feedback received and considered.

Members asked the following:

- Members were pleased with the optimistic report and thanked the team for preparing the Budget through the ongoing pandemic. They also welcomed the Welsh Government settlement. It was then asked in terms of the settlement, how does it differ from last year?

The Head of Finance advised that he did not have that level of detail to hand, but advised we were planning on a 1% general increase and a proportion of the population increase. The Senior Finance Business Partner explained that in terms of the profile, the list that was assumed, based on the phased approach, it was £1.6 million in 2021-22, which was £3.8 million over the three years. However, the decision was made for the entire population correction to be paid in one financial year without any other uplifts in the settlement.

The Head of Finance added that the average settle across Wales was just over 3%, we were planning on 1%. However, the additional payment from the population correction was much more than was expected and caught everyone by surprise. This made Newport's settlement the best in Wales.

- Members made comment that the increase due to the population correction is deserved due to the growth of the city, and it would be unfair not to have an increase in line of the increased population.

The Head of Service agreed that the increased payment is deserved and is what the city needs.

- Do we know how often these population corrections are going to occur in the future?

It was explained that the Welsh Government uses data to forecast the population number across each council area, one being population data, which is updated each year. Every 10 years we have a Census, in which a real figure can be given at that point. The Office for National Statistics forecasts by using births and deaths figures. The population is an estimate between Census periods. This will be the last Census before a new methodology will be used, to produce more accurate figures.

The Head of Finance then advised that another important figure used to decide distribution was school and pupil numbers. This data is collected annually via surveys completed by the schools. Another element is information from the Department of Work and Pensions, around benefit levels and the number of people that are claiming benefits.

- Members queried the uncertainty of specific grants, on page 29 of the report. Members appreciated that it does not make a difference to the budget figures; however, it makes a difference to specific grant receivers such as Education, as currently there is no indication from Welsh Government what the grants will be. This could have a large effect on individual schools in terms of teacher numbers and support. Members also asked if future reports could have a little more explanation on how these grants will affect individual organisations as well as staff who are directly or indirectly appointed by the Council.

The Head of Finance shared the frustrations from colleagues, and advised that specific grants are an integral part of the budget as they support important functions and base services, but specific grants are not known at this point. Context was given that within the draft settlements, there is a grants section, specific grants and there

are a lot of gaps. What makes this difficult is that a number of cases are significant cases affecting Social Services and Education in particular, who also have the highest level of specific grants. Each year we will say that specific grants where there are outstanding services will need to adjust their expenditure budgets in line with those grants. Members were then advised to

- Members felt that future reports should include more explanation on how grants will impact individual organizations, as impact on staff who are directly or indirectly appointed by the council.

Members were advised that if this cannot be included into February's Budget report, then it will be incorporated into the consultation report next year.

### **Engagement**

The Head of People and Business Change gave an overview to the Committee about the public engagement for the Budget, and explained that it had been a challenge with the current Covid levels in Newport and with the restrictions that are currently in place. Due to this, we have not been able to undertake a number of activities that we would ordinarily do. Currently, we are undertaking consultation via electronic means, our partner online facilities as well as bus Wi-Fi. Public transport is not being used as much normal so responses from bus Wi-Fi are lower than normally seen.

The consultation process included a specific question around the rate of council tax, which we will gather views on and report to Cabinet in February. Information was given about the Fairness and Equality Impact Assessments (FEIA's) and Members were advised that these will be updated as a result of the consultation responses to each of the proposals we have required and where necessary. The FEIA's should be in their final versions by the Cabinet meeting. A summary of the cumulative impact of all of the proposals in the budget will be undertaken, which will then produce a statement of which will pull together a lot of the impacts that we see within the industry called the impact assessment.

The Head of People and Business Change lastly advised Members that although there has been a lot of work on engagement and consultation, the service areas are not quite to the point where they want to be. However, they have a number of years' worth of data and intelligence that need to be relied on, as well as part of our consultation process this year.

Members asked the following –

- What are the current number of responses, and how large of an impact as Covid and the restrictions had on the public consultation?

Members were advised that it has had a big impact. Last year, there were over 3000 responses, which were made up of response from the bus WiFi, electronic surveys and the series of public engagements events that were held prior to the budget being put in place. There were over 1000 responses to the bus Wi-Fi last year, this year we are in the hundreds so far. We will have other responses in from certain areas and from some of the some of the specific groups that have been specifically targeted as well. The Head of People and Business Change advised that around seven years ago, public engagement was taken into his service area and it became something that the council wanted to put a focus on. He felt a lot of progress has been made since then, as that year only saw around 17 responses to the budget consultation. It was then advised that there is going to be more to do. There was a plan put in place around that engagement, which is which is off the back of comments and

discussions they had received from this scrutiny committee over the last few years, much of that has not been able to take place was due to Covid.

- Members appreciated this public engagement would be difficult and challenging this year due to the pandemic and the restrictions in place. Last year, the Committee raised the issue on how we can consult with people before decisions are made, and how it is important to undertake preliminary investigations. This would also ensure that Members and the public have an idea before recommendations are taken forward. Comment was also made that this would also avoid a repeat of having proposals taken off from public consultation.
- Members were advised that there is a mechanism in place for this, however given the current circumstances it can be difficult, depending on some of the proposals. The Head of People and Business Change then made reference to the Socio-Economic Duty, and explained that this is a new duty starting from March, which requires us to also consider the socio-economic impacts of any for the decisions that are made. It was advised there is more leverage there in order to ensure that we have done the preliminary work prior to writing the business cases in the first place.
- Members hoped the service area would be looking at innovative and exciting ways to engage with the public and partners. With more people online and on social media, it could be chance to capitalise. Members then requested a short overview on how we are discussing the implications of what we are asking schools to do, especially in relation to their budget deficits and also how we are consulting with headmasters and head teachers about how what the implications of that policy are for them.

The Head of People and Business Change advised that the last year has shown us that working closely with communities, individuals and service users and listening to what their needs and wants are is incredibly important. Although this year has been a challenge to do this, it is important that different ways to engage are looked at. We need to continue to make progress over the preceding years, but also learning the lessons because the world is going to look different in the future. Next month, the New Way of Working report will be coming to this scrutiny committee for Members to discuss and express views.

The Head of Finance advised that consultation with schools happen by speaking to the School Forums and sub-groups regarding the general budget proposals. In regards to schools in deficit, we keep in touch with all of our major deficit schools to talk through their recovery plans at least once per term. The Headteacher, Chair, the School's Resources Manager and Finance Manager will meet with teams from both the Head of Education and Finance. A joint team from the Council also try to work with the schools to see where they could find savings to help with their deficits. This has mainly been with the Secondary schools at this point as they are the ones with the major deficits.

- Members suggested that social media could be used more effectively during the consultation period, such as advertising on the Council's Facebook and Twitter pages and possibly creating a pop-up on the Council website to see if people would like to get involved in the consultation. It was also queried if there was enough time before the end of consultation to meet with hard to reach communities such as the LGBTQ, BAME, Older People's Groups to get their views.

The Head of People and Business Change advised he would contact the Communication Team to make sure we are pushing those messages out to remind people. Members were then advised that the Quality Team is funded through our Community, Risk and Connected Communities Team. We have Home Office and Welsh Government funding for a range of different activities. It was also advised that specific consultation had also been undertaken with BAME, Disability and Carers groups, and will be continued.

- Last year, the Committee suggested sending the consultation links to schools to send out to parents. As a lot of work has been undertaken online throughout the pandemic there might have been a good uptake. Has this been done?

The Head of People and Business Change was not sure whether this had been carried out this year, but will find out and make the Committee aware.

- Members were advised that last year, the Council received 3000 responses to the public consultation, which was made up of responses from bus Wi-Fi, electronic surveys and the series of engagement events that were held prior to the budget being put in place. This year has seen a big impact on numbers. Although there has been an impact due to the pandemic, the Head of People and Business Change advised the Committee that the service area took over public engagement for the Budget around 7 years ago, and that year saw 17 responses to the consultation so there has been a lot of progress since then.  
Members were then advised that there was a plan put in place around engagement, which is off the back of comments and discussions had with this committee over the last few years. But much of that has not been able to take place was due to Covid.
- Would we ever consider using an independent market research body for public engagement, is it known if any other local authorities have ever gone down that road and

Other authorities probably have, however, we do look closely at other authorities and they mainly do the same as us. Officers from the Council have gone out on previous Budget consultations with clipboards and conducted our own market research.

Members were told that the value of having somebody with a Council badge and a clipboard having a conversation with a member of public about how they feel about things cannot be underestimated.

In regards to “fishing in the same pond”, we get certain responses from the Citizens Panel, Fairness Commission and the Youth Council. The challenge with bringing all that together is trying to get to a point where you have got a considered view as a result of all of that response. We will go through a normal process this year and look to see what can be improved for next year. The Head of People and Business changed then advised the Committee that he is open to trying anything to make the process better.

- The Committee recommend that further work should be undertaken in regards to pre consultation, for example consulting earlier next year with user groups and stakeholders prior to making any recommendations. This would also ensure that Members and the public have an opportunity to comment before recommendations are taken forward.

The Head of People and Business Change agreed that having conversations prior to making any recommendations is logically the best way. perfectly legitimate recommendation to go to Cabinet because essentially you are then developing the proposal with the users. There may be some challenges, but there are mechanisms in place to enable us to do so with the Fairness and Equality Assessments.

- Last year, the Committee felt that the bus surveys were socially and economically skewed towards residents who either do not pay council tax or pay into the lower tiers of council tax. Do we have the resources to look back compare the feedback received? Members also asked if the service area could look at the idea of preloading Consultations in terms of the database of services provided by the council and the things the public value?

Members were advised that in regards to the bus WiFi surveys, the service area we do take some demographic data as a result of that so we can do some comparisons this year compared to last year, however this year will probably show a different demographic to previous years so it will be interesting to analyse.

It was then advised that for the engagement process previously, the service area looked at council services that were most prioritised by the public, similar to a ranking exercise. This was difficult, but it got responses. Members were then advised that this is something that could be worth picking back up to look at what the public think should be prioritised. The service area could take a look through the archives to see if an older report could be found and circulated to the Committee.

The Chair thanked the officers for attending.

### **Conclusions:**

The Committee wished to make the following comments and recommendations to the Cabinet:

- The Committee praised the officers for their hard work in challenging circumstances, especially regarding public engagement. The Committee suggested that social media could be used more effectively during the consultation period, such as advertising on the Council's Facebook and Twitter pages and possibly creating a pop-up on the Council website to see if people would like to get involved in the consultation.
- The Committee wished to highlight their disappointment that some of the comments that Members made back last year, such as sending the consultation links to schools to send out to parents, may not have been carried forward and have been missed out again this year. If it has been missed, the Committee wish for this to be included in next year's Budget consultation.
- The Committee recommended that further work should be undertaken in regards to pre consultation, for example consulting earlier next year with user groups and stakeholders prior to making any recommendations. This would also ensure that Members and the public have an opportunity to comment before recommendations are taken forward. This would also avoid a repeat of having proposals taken off the list of savings for public consultation at the Cabinet meeting.

- The Committee requested that Cabinet look deeper into the proposed increase of Council Tax. The Committee appreciated that this is a difficult issue to discuss with the Covid pandemic, but noted that there are a lot of residents on furlough, reduced wages and are self-employed who could struggle to pay the increased charge. If the increase cannot be avoided, the Committee asks if any increase could be as small as possible.
- The Committee would like to know more about how the consultation is analysed and how the answers from the public influence the actual decision making. The Committee also wanted to find out how we feedback the consultation results to the public so they know what we are doing is being used and influences decision making positively.
- The Committee queried if there would be enough time before the end of consultation to meet with hard to reach communities such as the LGBTQ, BAME, Older People's Groups to get their views. The Committee also would like to see if the consultation could be sent out to businesses in Newport to get their view.
- The Committee commented that, rather than having a limited number of items in the consultation, it would be better to consult the public more widely about Council services. It was queried if a model could be revisited from previous years, which asks residents about which services that the Council deliver are most meaningful to them.

#### 4 **Scrutiny Adviser Reports**

Attendees:

- Neil Barnett (Scrutiny Adviser)

##### **a) Forward Work Programme Update**

The Scrutiny Adviser presented the Forward Work Programme, and informed the Committee of the topics due to be discussed at the next committee meeting:

**Friday 19 February 2021**, the agenda items;

- Responding to the New Normal

The meeting terminated at 11.34 am