

THE VALE OF GLAMORGAN COUNCIL

CABINET: 29TH FEBRUARY, 2024

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE: 15TH FEBRUARY, 2024

“ INITIAL BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024/25
TO 2028/29 PROPOSALS FOR CONSULTATION (REF) –

Cabinet had, on 18th January, 2024, referred the budget proposals to all Scrutiny Committees for their consideration, with all Committees' views being referred to Corporate Performance and Resources Scrutiny Committee, as the Lead Scrutiny Committee in order for a composite response to be developed and referred to Cabinet on 29th February, 2024.

In presenting the report to the Scrutiny Committee, the Director of Corporate Resources and the Section 151 Officer provided a PowerPoint presentation highlighting the underlying principles as referred to in paragraph 1.2 of the report to Cabinet which underpinned the budget proposals. Focus remained on supporting the Social Care and Education arms of the Authority to support the most vulnerable residents in the Vale of Glamorgan, it being noted that fees and charges would continue to be subsidised where matters aligned with corporate objectives whereas in terms of discretionary services full cost recovery would be sought. It was also important they said that there was collective responsibility managing the finances and that those finances were accessible and transparent. The Section 151 Officer commented that it was a challenging process and many of the pressures were being seen equally across the rest of Wales and the UK. £38m worth of cost pressures were reported for the Council with it being important he said that the Council considered and developed ways to mitigate those pressures. The proposed Council Tax increase of 6.7% would allow for some reduction in savings, for example protection for supported buses. The savings requirement of £7.8m was indeed an unprecedented level with significant pressures being focused for future years for example £9.4m for 2025/26 which needed to be considered in relation to the need to transform services and having particular regard to how the organisation would look like in 2030 and how it would get there.

The Section 151 Officer referred to the “Let’s Talk About Life in the Vale” survey in August 2023 being a genuine attempt to understand what life was like for people living in the Vale and how public services affected their lives, it being acknowledged that the cost of living was a significant issue for residents. The Council was aware that over 60% of those living in the area had purposely not put their heating on in the last six months and only 44% said they could pay an unexpected but necessary payment of £850. Residents were also asked in the survey about their priorities and rank their importance. The top priority for 42% of the population was for easily

accessible care and health care services when they were needed, and secondly to buy or rent a good quality home.

The Section 151 Officer drew attention to the budget planning cycle for the Council, presenting a table detailing a summary of the five year position. Reference was made to the cost pressures that had been awarded which were noted as the joint Coroner Service, Microsoft licences, Members' remuneration, fire levy and City Deal. The savings proposals were also highlighted within the report and the presentation with both the Section 151 Officer and the Director of Corporate Resources taking the Committee through the descriptions of the proposals. Reference was made to some particular areas which included the use of reserves with £2.7m being provided for homelessness and energy provision, there were some risk based reserves e.g. example pay pressures, Legal reserve, corporate landlord together with reserves to support the Council's transformation programme. Other areas requiring further review related to additional reserves for proposals such as Social Services and budgeting for risk.

In concluding, the presentation the Section 151 Officer referred to the next steps in the process advising that following the Scrutiny Committee meetings any comments were requested to be referred to Cabinet for consideration at its meeting on 29th February following which final proposals would be presented to Full Council on 6th March, 2024 with the Statutory deadline being 11th March, 2024. He further advised committee that the Welsh Government final settlement was expected on 27th February which would be after the Cabinet report had been published with the UK Government settlement being a few days later again.

The Chair took the opportunity to thank the officers for their comprehensive presentation and that she was aware that a lot of work had been undertaken in preparing the draft budget and aware that a number of briefings and meetings had been held with regard to such proposals.

Councillor Dr. Johnson referred to the Council facing a perfect storm with regard to resources and in referring to the additional £25m monies announced for Councils enquired as to how much the Vale was likely to receive as part of the formula and what was the plan for this funding. With regard to the £500k for late payments he asked was this based on anything in particular and was there an expectation for additional income expected from anywhere else e.g. green recycling and the Dock Office and whether the targets had been met. The Section 151 Officer stated that the UK Government had announced a further £600m for Councils most of which being new money, with £25m for Wales, to reinstate in part, the cut to the social care workers grant with the rest to be routed via a Welsh grant £14.4m across all Welsh Councils. Council Tax debt recovery was difficult to estimate with the £500k being a figure he was comfortable with and a prudent amount. He had no figures at hand in relation to the green recycling rates income but would obtain this information for Members. The Director of Resources in responding to the Dock Office query said that the saving had not been made in full to date and although some saving had been realised underspends elsewhere would be utilised to achieve the saving in full, in due course.

Councillor Dr. Johnson, following the responses, raised a few further queries referring to the higher than expected Fire Service increase levy being requested bearing in mind that the Fire Service had recently provided a presentation to Members and was now requesting further funding. He also enquired with regard to the appointment of the position of the Head of Digital whether any further digital savings could be possible within the next year and asked also whether the Director could share any further information in relation to the changes to the Procurement service that had been made. In response the Section 151 Officer advised that the level of the levy requested by the Fire Service was higher than had originally been estimated, noting that the Fire Service was facing similar pressures to the Local Authority and that an under-estimation had initially been made. However, he further commented that it was consistent with the provisional settlement from Welsh Government. Having regard to the position of the Head of Digital the Director said that the officer was currently working through challenges and options however, there was one major piece of work being undertaken in relation to removing hard wired telephones and replacing it with the provision of telephony through Microsoft TEAMS, looking at the Council's digital estate and duplication of systems as well as looking at moving from on premises server based systems to cloud based systems. For the first couple of months the Head of Digital had been looking at what systems were in place and how to maximise their use with the intention that a report be presented to Cabinet and Scrutiny detailing a programme of activities as soon as possible.

In referring to the query relating to procurement, the Section 151 Officer stated that some of the work planned had taken longer than had previously been anticipated with the main piece of work being to pull together a comprehensive contract register and forward plan however, some benefits were being seen with working together in particular efficiencies had been seen and additional resilience provided.

Councillor Carroll enquired as to whether the Administration supported the proposed cuts in relation to National Insurance contributions as these would he said ease the burden for residents. In referring to proposals for savings at Cosmeston he enquired as to how the savings figures at Appendix B had been calculated and in his view, in respect of the highway and carriageway repairs being noted as cost pressures for 2025/26 onwards, he suggested the best approach would have been to invest in the Capital Programme to carry out such repairs. Referring to the New Head of Project Management position proposed he sought confirmation as to whether that post would as projected be self-financing after a year and enquired as to other highly paid positions that had been created over recent years as to whether they too were self-financing. In conclusion, Councillor Carroll enquired as to where the loss of the eleven parttime school crossing patrols were located and referring to the number of potential savings proposed in respect of a number of front line services, he said drew a comparison that the diversity and exclusion schemes had had no proposed savings in respect of some of those schemes. The Section 151 Officer in response advised that a number of the questions fell within the remit of other Scrutiny Committee meetings and that, particularly in relation to Cosmeston, school crossing patrol positions, front line service reductions and highway repairs he would seek the detailed information from the relevant department and advise Members accordingly. However, he could advise that it had been recognised that when considering the Capital Programme a fair amount of reprioritising had had to take place and that it

was the intention that the Project Management role be self-financing after a year but that the other positions referred to had not been advertised in the same way due to capacity and delivery requirements.

Councillor Franks, addressing his concerns to the Cabinet Member, focused on the teachers' pay award and wanted to know where the 25% for the teachers' pay award was to come from. He also did not understand the budget comment of £760k for the budget programme mentioned in the report and with regard to the Bed and Breakfast and Homelessness figure of £1.4m, he was aware of which related to NOLO (No One Left Out) and he understood this had been cut by Welsh Government. He also considered the Council should challenge further the £400k required by the Fire Service as to whether it was a realistic situation and asked for clarity on global amount proposed for highway repairs.

Following the Chair advising that some of the questions at the meeting related to the remit of other Scrutiny Committees with officers being requested to forward the information to Members, Councillor Dr. Johnson suggested that it would be useful going forward when budget revenue proposals were to be considered that the relevant officers from each Directorate be requested to be present to respond to specific questions.

The Leader of the Council, with permission to speak, advised that with the teachers' pay award the Council had no choice in relation to this, it was hoped that the UK Government would provide more funding but at the moment this was not expected. NOLO was COVID funding which had been finished and was now something the Council had to manage itself going forward.

Councillor Haines commenced by asking what figure inflation had been calculated on and what level of savings had been achieved by productivity increases. In referring to the proposals in respect of the Strengthen Communities element of the Reshaping Programme, in his view, he said this was passing the Council's role onto the third sector and indirectly onto the residents in each Town and Community Council area. The Section 151 Officer said inflation had been difficult to forecast in the last 12 months with it increasing significantly and taking longer than expected to ease back. With regard to pay awards, the negotiations were only starting in March and unfortunately had to deal with the budget position once known. In many years previously these were set in the Autumn each year but lately they had been left later and later which impacted greatly on the timing of presenting the budget proposals. As for productivity measures the Director advised that there were a range of measures in place to measure the impact and that with regard to strengthening communities, the theme was in relation to the transformation programme and to generate savings, it being appreciated that in a few years' time the Council may not be able to provide some of the services it currently did and therefore the opportunity was being taken now to speak with the third sector in this regard. Further work would also be undertaken around community focused schools and the support that they could provide to the community.

Councillor Dr. Johnson, advised that at the meeting of the Environment and Regeneration Scrutiny Committee that same week he had supported the Chair of this Committee in respect of a recommendation to review the proposed charges for

coastal toilets and for an Equalities Impact Assessment to be undertaken in terms of any potential impact in relation to gender and people with disabilities, requesting that this Committee also agreed to that recommendation being put forward. He also raised concern regarding the proposals for parking permit fees, stating by way of an example residents who parked in street locations differed from those in “better off” areas who had driveways and garages. Following discussions at the Learning and Culture Scrutiny Committee that he had also attended he said that he would like to learn more about the impact for fees for student transport for over 18’s, faith and Welsh Language schools. He also wished to understand the impact of the loss of the school crossing patrol staff outside of schools and the impact for schools. In referring to a recent meeting of the Cabinet some months previously where it had been mentioned about protecting public buses by increasing Council Tax by 0.5%, he said Cabinet appeared to asking people to pay for a service which would mean that any Council could provide what they wanted if they asked people to pay for it. He said this was not appropriate as the service was part of the revenue grant that the Council received. Although he was aware that he had made a number of comments, he said he was not expecting answers to all of them that evening.

Councillor Goodjohn, in seconding Councillor Dr. Johnson’s proposal that Cabinet review the charges proposed for coastal toilets, also commented that with regard to the discussion at the Environment and Scrutiny Committee in respect of post 16 transport, he thought that very good points had been made at that Scrutiny Committee and that he hoped Cabinet would consider these when finalising the proposals. He acknowledged the reserve that was available for the pay award which he said was a reasonably healthy reserve, however he wished to receive some more information in relation to the reduction in resources and what kind of restructurings would be put forward, in particular with regard to the realigning of the telephone system and the cost saving proposed with the suggestion that those savings be put forward to offset charging for coastal public toilets. The Director however, advised that the telephony savings had been a business case put forward a few years previously for which the monies had already been accounted for. In referring to restructuring proposals, he advised that in relation to the headcount of the Council the approach taken over previous years had been to remove vacant posts and to consider restructuring roles as required in particular the structures that would be required to meet the savings proposals. The Director concluded by stating that the Council would always seek to avoid redundancy as best as it could and look to redeploy staff where possible however there was also the possibility of potential redundancies in any event.

Having considered the Cabinet reference, the report and the references from the Environment and Regeneration and Learning and Culture Scrutiny Committees that had been circulated prior to the meeting it was subsequently

RECOMMENDED – T H A T the comments of the Environment and Regeneration and Learning and Culture Scrutiny Committees together with the comments of this Committee be forwarded to Cabinet for consideration at its meeting on 29th February, 2024, and that Cabinet be requested to review the proposals for charges for coastal public toilets.

Reason for recommendation

Having regard to the references received from the Environment and Regeneration and Learning and Culture Scrutiny Committees, discussions at the meeting and noting that the responses were to be considered by Cabinet on 29th February and Full Council on 6th March, 2024.”

Attached as Appendix: Reference from Learning and Culture Scrutiny Committee (8th February, 2024) and reference from Environment and Regeneration Scrutiny Committee (13th February, 2024)

THE VALE OF GLAMORGAN COUNCIL

EXTRAORDINARY CORPORATE PERFORMANCE AND RESOURCES
SCRUTINY COMMITTEE: 15TH FEBRUARY, 2024

REFERENCE FROM LEARNING AND CULTURE SCRUTINY COMMITTEE:
8TH FEBRUARY, 2024

“ INITIAL BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024/25
TO 2028/29 PROPOSALS FOR CONSULTATION (REF) –

Cabinet had referred the proposals to the Committee on 18th January, 2024 for consideration. The Operational Manager for Accountancy provided the Committee with an overview of the report via a PowerPoint presentation.

The report provided Members with an updated financial position for the Council following the UK Government Autumn Statement and Welsh Government Budget. The report set out the Council's proposed budget for 2024/25, including initial savings proposals and use of reserves to deliver a balanced budget for 2024/25. For context the report contained a summary of the principles set out in the Financial Strategy that had helped shape the proposals.

The purpose of the report was to provide Members with the opportunity to oversee and scrutinise the proposals and included details of future transformation and reshaping proposals to support the Council's finances in the medium term. The report also described the approach taken to developing the budget proposals, and of the process for consultation ahead of formal consideration of final budget proposals by Cabinet and Council in the coming weeks.

The report emphasised the challenge the Council had in maintaining sustainable finances and services in an environment of greatly rationed funding alongside ever increasing social care pressures. It being noted that delivering Social Services potentially took up 31% of the Council's resources, up from 29% in 2023/24 and 25% in 2015/16.

Following the presentation Councillor Hennessy enquired as to whether the Operational Manager could advise the Committee how much over budget the Council was at the current time with regard to School Transport. In response, the Manager advised that the home to school transport service was projecting an overspend of approximately £600,000. There had been some additional funding but this related to demographics in special schools and the budget did not reflect inflationary pressure. She was aware that the Education and Neighbourhood Services departments had held meetings recently to consider how the pressures could be mitigated going forward, and would be happy to follow this up with the relevant officers and advise Members of the Committee accordingly.

In response, Councillor Hennessy stated that in his view parents needed assistance in supporting getting their children to school and that further funding would benefit parents in supporting them in this regard. The Director of Learning and Skills however, advised that having regard to the transport policy if pupils were outside of the catchment area they would not be entitled to free school transport it being noted that parents would be advised of this when applying for places. Councillor Hennessy further enquired as to whether in the officers opinion schools were likely to receive any extra funding and if not would the Council be expecting to make redundancies.

The Operational Manager advised that the Council was working with schools to address budget pressures, some areas for example, being around agency costs and procurement with suggestions having been made that such areas be managed collectively. There had previously been redundancy proposals put forward to address budgetary issues it being noted that redundancies would just part of proposals being considered. The Director also advised that that day a ministerial announcement had been made regarding additional funding for Wales in relation to Social Care and to support the teachers' pay award, however, having regard to the fact that the Social Care element of it was considerable, it left little funding to support the pay award. The Director further commented that further to the Operational Manager for Accountancy's comments she was aware that some schools having regard to budget issues may very well have to consider redundancies. This the Director reiterated had also been seen during the current financial year noting that the position would be even tighter in the forthcoming year. However as previously mentioned the Council was considering a number of initiatives to support schools, acknowledging that it was a very difficult situation.

R. Goodjohn, Vale Youth Forum representative, referred to the Post 16 proposals with regard to transport, commenting that this was one of the highest priorities for young people advising that the Youth Forum were against the proposal. The increase would more than likely, he said, mean that young people would either take the car or not actually go to school at all. He felt that the proposal was targeted against rural areas acknowledging that most people in Barry could possibly walk to school. There was also the feeling that school bus services were unreliable and that increasing the charges would be, in his words, "kicking them when they were down" and he put forward a recommendation that when considering the budget the Council be requested to put school transport as a priority for Post 16 pupils.

T. Williams, Vale Youth Council, representative, enquired as to notwithstanding the use of ICT equipment, what other ways were the Council planning to reduce energy within schools. The Operational Manager advised that there were a number of decarbonisation proposals set out in the budget as contained within the next item on the agenda relating to the Capital Programme which included for example looking at the use of PV panels and heat pumps.

J. Clement, Vale Youth Council echoed R. Goodjohn's comments reaffirming that the Vale Youth Forum were opposed to the proposals relating to Post 16 transport. The Operational Manager advised that she would be more than happy to feedback the comments to the service area advising that Post 16 transport was something that the Council had been considering for some time, advising that the reason that the proposal had been put forward was because it was a non-statutory service and as

part of all the budget proposals all non-statutory services were being reviewed given the weight of the cost pressures for the Council.

Councillor Hodges highlighted that it was important for young people to be aware that the actual issue was in the failure of Welsh Government to provide the funding and drew comparisons with Scotland where transport funding was free for under 22s.

Councillor Payne queried the cost pressures relating to the demand for school places noting that there was more demand for English school places and queried what the plan would be in this regard. The Director of Learning and Skills in response advised that this was referred to in the Capital Programme report with the intention to be addressed in more detail in a future Cabinet report detailing proposals relating to a rolling programme for sustainable communities for learning.

Councillor Marshallsea enquired as to whether the ALN school in the western Vale would reduce the requirement for school transport. The Director stated that currently no land had been identified for an ALN school, but it was clear provision was required. Again, the Director referred to a future report to be presented to Cabinet in respect of a rolling programme for schools which would refer to the requirement for a second ALN school.

Following a query from Councillor Lynch-Wilson regarding the provision of an autistic spectrum facility, the Head of Additional Learning Needs and Wellbeing advised this was a growing area and it was hoped that the proposals would meet the current need recognising that it may also be a question around future need.

Councillor Gilligan asked whether the Council had received more demands for free school meal places. The Head of Service for Community Learning and Resources in response, advised that all children in primary schools were entitled to free school meals and there had been a huge uptake in families wanting to access free school meals.

Councillor Goodjohn, not a member of the Committee, with permission to speak took the opportunity to advise that school funding would be increased from 4.5% although noting a large part of the increase would be taken up by the teachers' pay rise.

The Chair subsequently enquired as to whether the Director had been advised of the funding timescales and when that funding for Education was to be received by the Council. The Operational Manager stated that she had had varying figures from Welsh Government with much of the money being proposed to be ringfenced for Social Care with other amounts coming via the Council's RSG but for schools she advised the figure would not be able to support the differential for the teachers' pay award. With regard to any further support in respect of payments for the teachers' pay award, the Director of Learning and Skills confirmed that both the Ministers for Education and Welsh Language and Finance Minister had been lobbied by most Local Authorities in Wales which had included lobbying for having regard to the potential consequences of not receiving further funding. It also being accepted that should any further money become available that the teachers' pay award and pensions be prioritised although early indications were there would be no further additional funding for the coming year.

Following consideration of the report it was subsequently.

RECOMMENDED – T H A T the revised funding and spend assumptions, along with the draft savings proposals be noted, and this Committee’s views be referred for scrutiny at the Corporate Performance and Resources Scrutiny Committee, and for a composite response to be developed and referred back to a Special Cabinet on 29th February, 2024.

Reason for recommendation

Having regard to the contents of the report, and to discussions at the meeting, and to ensure that Cabinet are aware of the views of this Committee.”

THE VALE OF GLAMORGAN COUNCIL

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE:
15TH FEBRUARY, 2024

SUPPLEMENTARY INFORMATION A - IN RELATION TO AGENDA ITEM 3 -
INITIAL BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024/25 TO
2028/29 PROPOSALS FOR CONSULTATION.

Recommendations from the Environment and Regeneration Scrutiny Committee
meeting – 13th February 2024;

- (1) T H A T the updated financial position as set out in the report be noted.
- (2) T H A T the Corporate Performance and Resources Scrutiny Committee be advised of the concern of the Environment and Regeneration Scrutiny Committee in relation to the proposed £5k savings for the review of charges for coastal toilets, and for that savings to be reviewed and for an Equalities Impact Assessment to be undertaken in terms of any potential impacts in relation to gender and people with a disability.

Reasons for recommendations

- (1) Having regard to the contents of the report and discussions at the meeting.
- (2) To advise the Corporate Performance and Resources Scrutiny Committee of the concerns in relation to the savings proposed for the charges for the use of coastal toilets.