

THE VALE OF GLAMORGAN COUNCIL

CABINET: 16<sup>TH</sup> DECEMBER, 2019

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES  
SCRUTINY COMMITTEE: 24<sup>TH</sup> OCTOBER, 2019

“414 MEDIUM TERM FINANCIAL PLAN 2019/20 TO 2022/23 (REF) –

Cabinet had considered the report on 7<sup>th</sup> October, 2019 and had resolved that the Plan be referred to the Corporate Performance and Resources Scrutiny Committee for consideration with any comments made by the Committee to be taken into account as part of the final budget proposals for 2020/21. The purpose of the Medium Term Financial Plan was to link the Council’s strategic planning process with the budget process and to ensure consistency between them. It was a mechanism that attempted to match future predicted resources and expenditure, identify potential shortfalls and provide the financial framework for the next three years.

The Section 151 Officer, in presenting the report, advised that there was currently no indication as to what the allocation from Welsh Government was likely to be and as a result of the uncertainty the Plan had been modelled on a range of Welsh Government settlements and Council Tax increases. The matching exercise indicated that if there was a cash neutral or 1% reduction in the settlement from Welsh Government and if there was a 4.9% increase in Council Tax for each year of the Plan, there remained between 10.470m and £14.986m of savings to be identified for the three years of the Plan. If the Council Tax was to be increased to and maintained at the Welsh average, with a cash neutral or 1% reduction in the settlement from Welsh Government, there remained between £3.747m and £8.263m of savings to be identified for the three years of the Plan. It being noted that this was after the Council had already planned for £748k of savings (excluding schools) for the same period.

In commenting on the report, a Member queried whether the new developments that were taking place across the Vale had been taken into account for Council Tax purposes, with the Head of Service advising that the Council Tax figures were based on current numbers.

Having regard to the discussions in relation to Council Tax, the Head of Service advised that the Department had devised a spreadsheet comparing how a percentage change in Council Tax would impact on the Council Tax due from homes in different Bands in the Vale. The Chairman requested that copies of the information be emailed to all Members of the Council.

A Member queried how the predicted cost pressures had been arrived at, particularly if a Council Tax increase would not be required to be as high as had been

calculated. The Head of Service, in response, advised that the school demographic growth was based on funding levels per pupil and the placement budget for Learning and Skills was looking at the cohort of children going through the system now. Cost pressures were updated on an annual basis. The Member was also concerned about the potential of increasing Council Tax having regard to the significant number of reserves available as the Council Tax rise would increase the pressure on rate payers. It was however noted that all the figures referred to had been discussed by the Scrutiny Committees with all departments having had to justify their cost pressure requests. The Council was also currently looking at all its services and realigning them or restructuring where appropriate. Consideration was being given to non-statutory and statutory services which was undertaken on an annual basis, it being noted that it was not practical to get rid of all non-statutory services due to the knock on effect they had, for example referring to leisure services, although not a statutory service it assisted with the Health and Wellbeing agenda.

The Chairman also considered that the Council should be looking at other investment strategy opportunities, recognising that value for money was important for Council Tax payers and also noting that the demographics were having an effect on the whole of the Vale of Glamorgan. In referring to the Digital Strategy, he queried what progress the Council was currently making, being subsequently advised that Microsoft Office 365 was currently being rolled out within the Council. The Department was also focusing on space with desk occupancy sensors having been purchased to provide data in order that informed decisions could be made. The sensors had been used within the Dock Offices and the data so far received was due to be analysed shortly. The initiative was currently being rolled out on the third floor of the Civic Offices.

Having regard to discussions at the meeting and the contents of the report, it was subsequently

**RECOMMENDED – T H A T** Cabinet be requested to consider the demographic growth within the Vale of Glamorgan and its impact on resources and to consider further investment opportunities for the future of the Council.

#### Reason for recommendation

Having regard to the discussions at the meeting and the contents contained within the report.”