

THE VALE OF GLAMORGAN COUNCIL

CABINET: 30TH APRIL, 2026

REFERENCE FROM RESOURCES SCRUTINY COMMITTEE: 25TH MARCH, 2026

“774 QUARTER 3 REVENUE MONITORING 2025/26 (REF) –

The Head of Finance / Section 151 Officer presented an update on the Council’s Quarter 3 Revenue Monitoring position for 2025/26, covering expenditure to 31st December and projections to year-end. Members were advised that the Council was forecasting an unplanned use of reserves of £3.1m, with £2m of this being met from the Budget Risk Reserve. Significant financial pressures continued within Children’s and Adult Services, including the Council’s own care homes, as well as within school transport, highways maintenance, and areas where savings delivery remained challenging.

The position on school budgets had improved slightly, though overall deficits remained high. The Committee noted that the projected cumulative school deficit had reduced from earlier levels, although the final outturn was still subject to year-end adjustments and any final Welsh Government grants. Members were reminded that work was ongoing with schools – particularly those in significant deficit – to support recovery planning.

It was further reported that reserves were projected to reduce significantly during the year, partly due to the requirement to underwrite school deficits on the Council’s balance sheet. An update was also provided on highways pressures, including overspends driven by road maintenance costs. Councillor Carroll requested an appraisal comparing the cost-effectiveness of insourcing versus the Council’s current position of contracting out road maintenance activities.

RECOMMENDED – T H A T the reference and appended report be noted, and that the following recommendation be referred back to Cabinet:

- That an appraisal of insourcing versus outsourcing pothole repair services be provided to the Resources Scrutiny Committee.

Reason for recommendation

To advise Cabinet of the views of this Committee regarding the year end Revenue Monitoring position, and to enable Scrutiny to compare the status quo with bringing the relevant activities in-house.”