

THE VALE OF GLAMORGAN COUNCIL

CABINET: 6<sup>TH</sup> MARCH, 2025

REFERENCE FROM CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE: 19<sup>TH</sup> FEBRUARY, 2025

INITIAL BUDGET 2025/26 AND MEDIUM TERM FINANCIAL PLAN 2025/26 TO 2029/30 PROPOSALS FOR CONSULTATION (REF) –

Cabinet on 16<sup>th</sup> January 2025 had referred the report to all Scrutiny Committees for their consideration and debate, with all the Scrutiny Committees' views being referred for scrutiny by the Corporate Performance and Resources Scrutiny Committee and for a composite response to be developed and referred back to Cabinet on 27<sup>th</sup> February 2025. The Head of Finance/section 151 Officer provided a presentation to the Committee highlighting a number of areas including the provisional settlement from Welsh Government which showed a slight increase to previous forecasts. In presenting the report the section 151 Officer also highlighted a number of cost pressures facing the council in particular having regard to the impact on budgets relating to the increase in demand relating to Looked After Children, Additional Learning Needs in schools, Home to School transport and the growing adult population which were all having an impact on the Council's budget.

The Chair queried the funding formula that local authorities received for services and asked how this worked. The Head of Service in response said that the formulas had been in place for a number of years and attempted to assess need for the provision of services for the Vale of Glamorgan. The Council was continuing to lobby Welsh Government with regard to the way funding was allocated as the formulas did not reflect the needs of residents of the Vale in particular having regard to the demographics of the Vale of Glamorgan for adult services and the budgetary and complex needs issues facing schools.

The Chair in referring to the references that had been received from other Scrutiny Committees, for the Committee's consideration as lead committee, suggested that the references be forwarded to cabinet for further consideration with the Committee's approval.

Councillor Franks endorsing the comments regarding how funding was allocated enquired if the Head of Service could provide more detail in relation to the cost pressures referred to in the report. The Chair advising that some of the cost pressures related to the remit of other scrutiny committees where officers would have been in attendance advised Councillor Franks to raise his concerns with the

relevant Directors outside of the Committee meeting In response to Councillor Franks query relating to unplanned reserves for 2024/25 the Head of Service said this was also of concern to himself advising that the finance team were working closely with all directorates, in particular in relation to forecasting demand as well as work being undertaken with regard to Children's Services where there had been an unprecedented demand for services for Looked After Children.

The Chair in noting the predictions for the reserves sought clarity as to how the Council managed its reserves at a safe level. The Head of service said that the Council held a general fund to cover unknown risks, specific reserves for risks such as pay pressures, legal challenges, non delivery of any savings proposals and also reserves to enable investment in the future transformation of services. It was important he said to ensure a very clear remit of why the Council held reserves was developed.

Councillor Franks queried the reference in the report to a commitment of monies to be paid in compensation to the City Deal being advised by the Head of service that he was unable to provide any information in regard to this matter owing to its confidential nature.

Councillor Caroll in referring to the proposed Council Tax increase of 6.9% asked whether this was solely related to the demand for services which the Head of Service confirmed this to be the case reiterating the impacts on the Council budget in relation to the looked after children service, additional learning needs in schools, home to school transport, and the demands on service with regard to the growing adult population in the Vale. Councillor Carroll also queried what the Council was doing to measure productivity with the Head of Finance commenting that the reshaping transformation programme was about doing things differently and more efficiently with resources having to be moved around year on year.

In response to a further query from Councillor Caroll regarding whether a home working assessment for employees had been undertaken and whether home working had impacted budgets, the Head of service said that no specific work to assess the impact of homeworking had been done. The Council he said relied on its managers and senior officers to look at the mix of hybrid and homeworking and presence in the office.

Councillor Johnson having regard to the report said that the main issue was the shortfall of funding from both the Welsh and UK Governments together with the fact that the Council had so much demand on its services. In referring to the reference to five staffing positions being deleted and the restructuring of the ICT service he sought clarification as to whether five posts were additional to the report that had recently been presented to Cabinet on the service area and also with regard to future Welsh language translation services proposed to be undertaken via Amazon as opposed to the SLA with Cardiff Council asked for further information on this

proposal. The Director of Corporate Resources in response said that the five posts identified in the report were additional to the information outlined in the recent Cabinet report for the service area and that he would provide the detailed information to Councillor Johnson outside of the meeting. With regard to the use of Amazon for translation purposes this related to the need to be more cost effective when translating social media posts and press releases as opposed to other translation services covered within the SLA with Cardiff. There being no further discussion it was agreed

#### RECOMMENDED –

- (1) T H A T the references from the Scrutiny Committees Environment and Regeneration, Homes and Safe Communities and Learning and Skills be referred to Cabinet for consideration with the Committees approval.
- (2) T H A T the comments of the Committee be referred to Cabinet in particular having regard to the need to ensure continued lobbying of the Welsh and UK Governments with regard to the disproportionate funding allocation via funding formulas to the Vale of Glamorgan.

#### Reasons for recommendations

- (1) For Cabinet's consideration.
- (2) In order that further consideration could be given to the use of the current formulas for funding which were disproportionate to the needs of residents of the Vale.

**NB - The references from the Scrutiny Committees Environment and Regeneration, Homes and Safe Communities and Learning and Skills are attached as appendices to this reference for Cabinets consideration.**