

No.

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE

Minutes of an Extraordinary Hybrid meeting held on 15th February, 2024.

The Committee agenda is available [here](#).

The recording of the meeting is available [here](#).

Present: Councillor J. Protheroe (Chair); Councillor E. Goodjohn (Vice-Chair); Councillors G.D.D. Carroll, P. Drake, C.P. Franks, S.J. Haines, H.C. Hamilton, S.M. Hanks, Dr. I.J. Johnson, B. Loveluck-Edwards and N.J. Wood.

Also present: Councillors A. Asbrey, L. Burnett (Executive Leader and Cabinet Member for Performance and Resources), W.A. Hennessy, S. Sivagnanam (Cabinet Member for Community Engagement, Equalities and Regulatory Services) and E. Williams (Cabinet Member for Social Care and Health).

813 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Chair read the following statement: “May I remind everyone present that the meeting will be live streamed as well as recorded via the internet and this recording archived for future viewing”.

814 DECLARATIONS OF INTEREST –

No declarations of interest were received.

815 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

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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

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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 bases 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.

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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

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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

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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.

816 DRAFT CAPITAL PROGRAMME PROPOSALS 2024/25 TO 2028/29 (REF) –

Cabinet, on 18th January, 2024, had referred the draft Capital Programme proposals to all Scrutiny Committees for consideration, with any feedback to be reported to Corporate Performance and Resources Scrutiny Committee, as the Lead Scrutiny Committee, to report back to a Special Cabinet meeting to be held on 29th February, 2024. The report set out for Members the current five year Capital Programme for the period 2024/25 to 2028/29. The capital bids that had been submitted for the period were outlined at Appendices 1 and 2 to the report. A reference from the Learning and Culture Scrutiny Committee of 8th February had also been circulated prior to the meeting.

It was noted within the report that the Council was facing significant pressures in relation to price inflation and the cost of living crisis which had seen increases in the cost of materials and labour. This had had an impact on the current schemes within the Capital Programme and also the funding available to fund new schemes within the Capital Programme. The total value of Capital Programme schemes over the next five years was reported as £376.618m which included £22.349m for the Band B sustainable communities for learning programme, £78.565m for education pipeline schemes and £205.775m for the Housing Improvement Programme.

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In presenting to Committee, the Section 151 Officer stated that having regard to the schemes that had been taken out of the Programme at this stage, the Llanmaes Flood Alleviation Scheme although not finalised as yet, was to be brought back in to be funded 85/15 by Welsh Government. In total £18m worth of schemes were going back in and had been reprioritised with additional funding for resurfacing and an ongoing commitment in relation to Penarth Leisure Scheme which had cost more than initially thought. The works would be profiled over 2024/25 and 2025/26. Tree planting was to be further accommodated and a number of smaller schemes were also to be included. Consultation had been undertaken with all Scrutiny Committees with the view to reporting to Cabinet on 29th February and Full Council on 6th March, 2024.

Councillor Haines enquired as to the terminology in respect of bridge structures and queried the £100k to be utilised to improve the Llandow site. The Section 151 Officer in response advised that with regard to bridge structures, this referred to general bridge structures not any specific bridge and monies for the Llandow site, were to improve access to the site. Councillor Haines requested that further details in relation to the Llandow project be forwarded to Members.

Councillor Goodjohn enquiring about the £376k monies for the decarbonisation scheme requested that further details be provided to Members. The Director of Corporate Resources advised that £250k had been put in for the next year, however he would obtain further information from the Energy Team with regard to the proposal, it being noted that it was one of a range of initiatives that would promote the Project Zero programme.

In referencing the work of the City Deal Councillor Franks said he would welcome some further information in relation to the work of this Committee. Having regard to pipeline schemes, he said £28m was a significant sum to ask the Council to agree to and in referring to the £200k proposed for the retaining wall repair work on Windsor Road, he had heard that this sum was not an appropriate figure.

The Section 151 Officer responded advising that some of these issues had also been picked up at the Environment and Regeneration Scrutiny Committee and that his understanding was that there was going to be a presentation from the City Deal Team to that Scrutiny Committee. The detail in respect of the pipeline schemes he said was contained within Appendices to the report being primarily for sustainability for learning schemes such as for example St. Richard Gwyn with funding to be received in due course following the working up of business cases. In relation to the £200k that was being provided for Windsor Road, he said this was the relevant Directors initial estimate prior to tenders being received. Members commented that it would be helpful to consider the wider implications in relation to the Windsor Road landslip as the £200k was an additional pressure and the concern of the Committee was that the £200k may not be enough. As far as they were concerned it looked a far bigger job than that that was being proposed seeking further clarification on the work that was required.

Following a further query from Councillor Franks relating to the small sum of money proposed for traffic signals as he considered a number of the Council's traffic signals were dated, he sought clarity as to what assessment had been made as he

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considered the sum proposed may be inadequate. He was also concerned that it looked like only one playground would be replaced in the next financial year. The Section 151 Officer said that the proposals within the Programme had been undertaken having regard to a significant rationing of resources and with regard to the concern relating to traffic signals offered to obtain a detailed response for Members from the relevant Director.

Councillor Dr. Johnson, in echoing Councillor Franks' comment regarding the significant amount of money proposed for the pipeline scheme, he sought further clarification in relation to this and Edge switching scheme and also enquired as to what a non-investment strategy meant. He further commented on the obvious demand for capital plans and spend and with the Council being unable to respond to the mounting demands asked how would the Council resolve this and get more income in and indeed attract grants for such schemes.

The Section 151 Officer advised that pipeline schemes were schemes that were not yet fully advanced but the Council was expecting them to go forward with potential borrowing where required having been built into the revenue proposals and which would form part of the Capital Programme going forward. The Non-Treasury investment Strategy had been brought forward to invest in economic development where it was signalling that investment was available but the Council had no schemes ready as yet to be put forward.

In response to the query in respect of Edge Switching, the Director of Corporate Resources explained that the ICT Department was reviewing whether to continue to invest further in this. Edge Switches were infrastructure issues on the edge of the Council's network that allowed connections from the Council to the wider world to facilitate for example home working, the connection of buildings to other buildings and to other organisations.

Following the detailed discussion of the reference, the report and having regard to the reference from the Learning and Culture Scrutiny Committee, it was subsequently

RECOMMENDED – T H A T the Capital reference received from the Learning and Culture Scrutiny Committee and the views / comments of this Committee be forwarded to Cabinet for their consideration.

Reason for recommendation

Having regard to the comments made at the meeting and in particular to the need for other officers to be present when capital proposal discussions were taking place in order that the detail of the proposed schemes could be presented to Committee Members.

817 CALL-IN – RETENDERING OF INSURANCE 2023/24 –

Councillor C.P. Franks had called in the above item which had been considered and approved by Cabinet on 11th January, 2024 (Minute No. C202 refers).

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The report to Cabinet advised that the Council's insurance policies would need to be retendered during 2023/24 due to the expiry of the existing long term agreements with it being necessary to outline and agree the process that would be followed in carrying out the tenders and contract award. Paragraph 1.1 of the Part I report listed the Council's external policies where risks were larger and could not be maintained in-house. Tendering would look at a range of alternative models and outcomes, using a variety of different excesses, as well as reviewing the Council's claim history and appetite for risk.

In presenting his call-in, Councillor Franks considered that it was important that Members of the Scrutiny Committee fully considered and understood the issues surrounding insurance aspects, risk and value for money.

Having recently responded to questions from Councillor Franks by email he commenced by advising the Committee that the Council's insurance policies, other than property, had been tendered for the 2018/19 financial year and placed on a five year long term programme. All insurance policies were required to be retendered during the current financial year with a decision having to be made based upon the renewal premium offered by the incumbent insurer. It was proposed that the award criteria used for all the lots be weighted at 60% on price and 40% on quality. The insurance team were currently working diligently to reduce expenses amidst external pressures that were driving up public sector insurance costs and several alternative solutions would be explored.

The report outlined that considering a number of factors as identified within the report at paragraphs 2.4 to 2.10 that the only option currently was to direct award the leasehold coverage to the current supplier and align the contract period with the Council's other policies procured through the tender. The Council was using Marsh as a Broker. There were no Welsh brokerage firms equipped to handle the size and extent of the public sector insurance needs the Council had and the ones that would exist only to serve members of the public and small companies etc. Marsh was a market leader in this field and their track record made them the best choice in the Council's aim to achieve value for money without compromising the coverage necessary to safeguard the Council's interests. There were only three companies in the field with the expertise necessary to conduct brokerage for the public sector. These were reported as AON, Gallagher Heath and Marsh with all Welsh Authorities working with one of these companies. The Council had been with Marsh since the creation of the Authority and very happy with the service provided. As referred to in the report the Council would be seeking bids with varying deductibles with the aim of maximising value for money whilst ensuring it maintained the necessary coverage to protect the Council's interests. The Council's Public and Employers' Liability was £175k and bids had been requested based on the existing excess of £175k along with a further bid based on a potential excess of £250k. If there was clearly a saving to be made by placing the policy under the higher excess that strike a good balance with the risk then it was probable the £250k excess would be chosen. Based on the Council's favourable claim history over the last decade it was likely this would be the best option but as mentioned previously would depend on the level of savings that could be achieved.

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For Property based on the current market conditions it was expected that premiums would increase significantly for financial year 2024/25. A bid had been requested on an existing excess of £75k with two further bids based off potential deductibles of £150k and £250k. If there were significant savings to be made by placing the cover as per the £150k excess, or potentially the £250k, then the higher excess would be chosen again based on the Council's favourable claim history over the last decade this would likely be the best option.

In referring to the Council's motoring policy the Section 151 Officer advised that there was no deductible on third party damage and £2.5k on the Council's own damage. Due to the size of the fleet, increasing the deductibles on the motor policy had little to no bearing on the premiums offered. Committee was informed that there have been several incidents over the last decade which had breached the £2.5k own damage excess therefore remaining at this figure would be the best option. The Council had not requested bids based on increased deductibles. The Council was also not looking to alter deductibles on the smaller policies (crime, computer, leasehold and engineering) as these were relatively small premiums when compared to the others and altering them would not lead to extensive savings.

Having considered the response, Councillor Franks took the opportunity to thank the Section 151 Officer for the information and also hoped that the Scrutiny Committee had found the call-in and responses received both informative and interesting.

There being no further comments, it was subsequently.

RECOMMENDED – T H A T the responses be noted.

Reason for recommendation

Having regard to the information presented at the meeting.

818 EXCLUSION OF PRESS AND PUBLIC –

RESOLVED – T H A T under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 4 of Schedule 12A (as amended) of the Act, the relevant paragraphs of the Schedule being referred to in brackets after the minute heading.

819 CALL-IN – RETENDERING OF INSURANCE 2023/24 (EXEMPT INFORMATION – PARAGRAPH 4) –

Councillor C.P. Franks had called in the above item which had been discussed at Cabinet on 11th January, 2024 (Minute No. C202 refers).

It being noted that full commercial detail was contained within the report it had been determined a confidential item, Councillor Franks advised that having had the

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response under Part I to his questions, he therefore had no further questions to raise under Part II.

Councillor Dr. Johnson enquired as to what the insurance premium tax cost for the Council would be with the Section 151 Officer advising that he would seek the information from the insurance officer and provide an update to all Committee Members.

Following a further query as to whether insurance was one of the targeted savings and whether the Council was likely to meet that target, the Section 151 Officer stated that it was too early in the process to tell.

RECOMMENDED – T H A T the report be noted.

Reason for recommendation

Having regard to the discussions at the meeting and the information provided under Part I of the agenda.