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County Hall  
Rhadyr  
Usk  
NP15 1GA

Tuesday, 26 November 2024

## Notice of Reports Received following Publication of Agenda.

### Cabinet

Wednesday, 4th December, 2024 at 4.30 pm,  
Steve Greenslade Room, County Hall, Usk

Attached are reports that the committee will consider as part of the original agenda but were submitted to democratic services following publication of the agenda.

Item No	Item	Pages
4.	<b>2024/25 REVENUE BUDGET - FINANCIAL UPDATE</b>  <u>Division/Wards Affected:</u> All  <u>Purpose:</u> To provide Cabinet with an update of the progress against the Councils revenue budget for the 2024/25 financial year.  <u>Author:</u> Jonathan Davies, Head of Finance (Acting Section 151 officer)  <u>Contact Details:</u> <a href="mailto:jonathandavies2@monmouthshire.gov.uk">jonathandavies2@monmouthshire.gov.uk</a>	1 - 2
8.	<b>Strategic Risk Assessment</b>  <u>Division/Wards Affected:</u> All  <u>Purpose:</u> To provide Cabinet with an overview of the current strategic risks facing the authority.  <u>Authors:</u> Richard Jones, Performance and Data Insight Manager Hannah Carter, Performance Analyst  <u>Contact Details:</u> <a href="mailto:richardjones@monmouthshire.gov.uk">richardjones@monmouthshire.gov.uk</a> <a href="mailto:hannahcarter@monmouthshire.gov.uk">hannahcarter@monmouthshire.gov.uk</a>	3 - 4

Paul Matthews

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## Chief Executive

## Monmouthshire Scrutiny

### Performance and Overview Scrutiny Committee ~ Feedback to Cabinet of Meeting held on 3<sup>rd</sup> December 2024

#### Report Item 4: Financial Update

The Cabinet Member introduced the report, together with Jonathon Davies, Head of Finance/Section 151 Officer.

#### Key points raised by the Committee Members:

Discussion took place, the following questions and key points raised by the Committee for consideration by the Cabinet Member:

- A member asked about steps to prevent further financial deterioration and ensure sustainable recovery, addressing issues like schools' growing deficits and underfunded services. The Cabinet Member responded that the deficit is about 2% of the revenue budget, and they are working with schools through recovery plans to manage the situation gradually. They are also looking to other areas of the authority to support increased demand in health and social care. Measures include implementing a programme of change for service delivery, focusing on cost mitigation, and enhancing financial scrutiny.
- The Committee asked for clarification on financial risk and measures to address the budget deficit. The Cabinet Member explained that financial risk is secondary to the risk of harm, and the Council is spending the necessary money to provide care, leading to an overspend in social care. Measures include controlling the front door of services and managing care packages effectively.
- A member enquired about the number of schools close to deficit and why Pembroke Primary has quite a high surplus when compared to other schools. Officers advised that the deficits of all schools are outlined in Appendix 3 of the report, and Pembroke Primary's higher surplus is due to recent staffing changes and additional learning needs income allocated to support pupils.
- A member asked about being creative with resources, mentioning Castle Park School. The Cabinet Member responded that while the Council maximizes resource use, some funding is specifically allocated for certain projects, such as active travel, and cannot be redirected.
- A question was asked about the performance of leisure centres, specifically membership relative to each town and the situation with Newport Leisure Park and Castle Gate. The Cabinet Member acknowledged that MonLife is performing well, with membership data available for all centres. Caldicot has the lowest membership, and efforts are ongoing to improve facilities. Newport Leisure Park is performing adequately, while Castle Gate remains challenging, but efforts are ongoing to increase occupancy.
- Another question was asked about measures to mitigate supply teaching costs in schools. The Cabinet Member responded that supply teaching costs are a significant pressure on school

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budgets, and the Council is focusing on this area, with the auditor conducting work to help manage these costs.

- The committee enquired about the increase in domiciliary care costs and whether it is related to improvements in the health board reducing bed blocking. The explanation given was that there has been a 10% increase in externally commissioned domiciliary care packages, resulting in an additional cost of £500k. The Cabinet Member added that improving pathways of care to get people out of hospitals transfers the financial burden to local authorities, and discussions with the Welsh Government are ongoing.
- A question was asked about the breakdown of children's placements and measures to review and prevent future breakdowns. The response was that each case of placement breakdown is reviewed to understand the reasons, which can include changes in the child's needs or the foster placement's circumstances. The Council aims to place children in the best possible environment and continuously reviews and learns from each case.
- A member asked for clarification on the status of the Castle Park Primary School project, specifically regarding the allocation of Section 106 money and issues delaying the project. The Cabinet Member for Education clarified that plans are being drawn up and will be completed by the end of December. Delays were due to the discovery of asbestos panels, but the project is now back on schedule.
- The committee enquired about the £2.3m in social care debt payments that have not been recovered, asking for details on the expected recovery amount, processes for collecting this debt, and measures to prevent future accrual. The Cabinet Member explained that the Council has increased the bad debt provision by £20k, reflecting the amount they do not expect to recover. Officers commented that the finance team works closely with families and representatives to ensure financial assessments are done upfront and takes legal advice when necessary, focusing on improving the collection process.
- A member asked about the additional learning needs (ALN) overspend of £510k, specifically the £256k overspend on new starters in independent schools. Officers explained that the overspend is due to pupils who were expected to leave school but continued their education, and new starters requiring bespoke support packages. The £256k overspend is due to new pupils coming into the county that were not anticipated.
- The Chair asked how the Council plans to manage the rising overspend, given the budget principle against using reserves to balance the budget, and whether external support will be required. The Cabinet Member responded that the Council plans to manage the rising overspend by offsetting it with outperformance in other services, seen as effective budget management. The use of Treasury gains is considered a valid tool to protect services, even if short-term. The Council aims to avoid using reserves for recurrent expenditure. The overspend has increased by just under £1m from Update 1 to Update 2 but is expected to decrease towards the end of the year. There is a possibility of an in-year injection of funding from the government's budget in October, and the Council is pursuing in-year budget recovery measures to further reduce the overspend.

### Performance and Overview Scrutiny Committee ~ Feedback to Cabinet of Meeting held on 3<sup>rd</sup> December 2024

#### Report Item 4: Risk Register Update

The Cabinet Member introduced the report, together with Richard Jones, Performance and Data Insight Manager.

#### Key points raised by the Committee Members:

Discussion took place, with the following questions and key points raised by the Committee for consideration by the Cabinet Member:

- Members asked about the high number of risks rated as high and whether the mitigations are effective or overly cautious. They also inquired about unforeseen risks and their management in departmental risk registers. The officer explained that risk levels are assessed pre-mitigation, and post-mitigation scores reflect the anticipated impact of mitigation actions. While some risks remain high, the Council is cautious and bases its assessments on evidence, with Directorate Risk Registers introduced for detailed risk management.
- Members also asked if unforeseen risks would be added to each directorate's risk register. Officers confirmed that foreseeable and evidenced risks would be included, emphasizing that risk is ever-changing, and the Council aims to stay updated.
- The committee questioned financial sustainability and service delivery amid financial pressures, overspending in social care, and educational deficits. Officers referred to a medium-term financial strategy, a new budget monitoring process, and a programme of change as key mitigating actions. Questions about workforce challenges and retention, particularly in social care and education, were raised. Officers mentioned a new people strategy focused on recruitment and retention, including a new recruitment portal and proactive approaches in social care to recruit qualified social workers.
- Members raised concerns about the rising demand and complexity of social care cases for children and adults. The Cabinet Member detailed initiatives like a new strategy for children's placements, investment in recruiting foster carers, and a new commissioning strategy for domiciliary care. The challenges of an aging demographic and the need for long-term projects to extend healthy life expectancy were also discussed.
- A member asked if children in care are always managed to stay in their area and school. The Cabinet Member responded that while the aspiration is to keep children local, it is not always possible due to a lack of placements and foster carers. Each case is assessed independently to determine the best interest of the child, sometimes necessitating relocation.
- The Chair asked if the Welsh Government's policy to eliminate profit from the care of looked-after children resulted in market instability, as predicted. The Cabinet Member responded that the policy is being embedded in the new Health and Social Care bill, with extended implementation timelines

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to ensure market stability. The Council is establishing in-house children's homes and post-16 supported accommodations and recruiting more in-house foster carers by reviewing fees and allowances. The situation is continuously monitored with no major impacts observed.

- The Chair also asked how risk levels can be lower despite the Council's deteriorating financial situation. The Cabinet Member explained that ongoing changes to high-risk services take time to implement. The risk level has been reduced from 16 to 12 due to factors like the autumn budget's positive outlook for public service spending and ongoing budget recovery measures. The risk assessment considers current and future mitigation actions, with continuous monitoring and review.
- The committee questioned the capacity within the Social Care department to manage service delivery model reorganization while handling daily tasks. The Cabinet Member responded that management capacity has been squeezed, but a new service manager for the children's placement program has been recruited, providing additional capacity and freeing up the management team.
- A member raised concerns about the increased risk and sophistication of cyber-attacks, particularly in the social care supply chain. Officers responded that the Council employs a head of cybersecurity who supports other public bodies in Southeast Wales. When entering contracts with new suppliers, their information governance arrangements are assessed. The Council provides support and guidance for suppliers and has information governance groups and backup systems to minimize cyber-attack risks.