

Monmouthshire Select Committee Minutes

Meeting of Performance and Overview Scrutiny Committee held at The Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Tuesday, 21st April, 2026 at 10.00 am

Councillors Present

County Councillor Alistair Neill (Chair)

County Councillors: Jill Bond, Rachel Buckler, John Crook, Steven Garratt, Meirion Howells, M. Newell, Paul Pavia, Peter Strong, and Ben Callard

C. Werrett

Officers in Attendance

Hazel Ilett, Scrutiny Manager
Robert McGowan, Policy and Scrutiny Officer
Scott Hereford, Service Manager Residential and Resource Management
Nicholas Keyse, Head of Landlord Services
Jane Rodgers, Chief Officer for Social Care, Safeguarding and Health
Peter Davies, Deputy Chief Executive and Chief Officer for Resources

1. Apologies for Absence

None.

2. Declarations of Interest

Councillor Pavia declared an interest due to his employment with Practice Solutions Limited, involving work with ADSS Cymru on implementation of legislation relating to the removal of profit from the care of looked-after children.

3. Public Open Forum

None.

4. Development of Children's Placements - 12 month update - To update the committee following scrutiny in April 2025

Jane Rodgers introduced the report and answered the members' questions with Scott Hereford.

Do you foresee the remaining elements of the programme being delivered on time, and what are the main blockers, aside from difficulties in finding suitable premises?

Yes, we are confident that the remaining two schemes will be delivered in line with the timescales set out in the report, with both due for completion in October 2026. Previous delays have largely been caused by the amount of time required to tender and commission contractors. Once contractors are on site, projects have tended to progress to schedule, and so far we have not encountered unexpected structural issues that might otherwise cause further delay. We meet monthly with contractors to monitor

progress, and we have strong, well-established working relationships with our Registered Social Landlords, which gives us further confidence that both schemes will be delivered on time.

In terms of wider blockers, identifying suitable properties has been a significant challenge. It is not straightforward to find properties that meet all operational requirements and also satisfy the necessary legal and due-diligence checks. We have learned from earlier experiences and now carry out detailed checks, including land registry and covenant reviews, much earlier in the process to avoid issues arising at a later stage. While this does add time to transactions, it is essential to ensure we do not encounter problems after purchase. We remain actively engaged in identifying opportunities, with officers working closely together to progress the final acquisition.

What difficulties can arise from having a mix of ages, for example five to sixteen year olds, within one residential setting, and how are potential problems identified and managed?

Having a mix of ages within a residential setting can work very well, but it does require careful consideration. We manage this primarily through detailed and thoughtful matching, drawing on our in-depth knowledge of each child. Because this is our own in-house provision, we are able to place children together where we believe their needs, personalities and circumstances will align appropriately. While this is not an exact science, knowing the children well allows us to judge where age differences can be beneficial and where greater separation may be needed.

Where challenges do arise, we manage them through strong daily practice within the homes. Each child or young person is allocated a key worker, and staff teams work closely together to address issues as part of normal residential life. There is close collaboration with social workers and other professionals involved in the child's care, ensuring that emerging concerns are identified early and addressed consistently. Continuity of staff is a key factor in reducing difficulties, and regular oversight visits help to ensure children are safe, well cared for and supported to achieve positive outcomes.

Does getting the residential homes "just right" relate only to the structure and design of the property, or does it also include the location, such as whether a home is in a town or a more rural setting?

It includes both. We always start from the statement of purpose for each home and what we are trying to achieve for the children placed there. In some cases, such as Teach Tudor, we deliberately wanted a location close to local amenities so that children could develop independence and experience living within a community. In other cases, we provide homes in more rural locations where children may need greater levels of support to access amenities. The design of the property itself is also critical: we need good communal spaces to encourage positive interaction, alongside quieter, private areas where children can withdraw when they need to. Alongside the property and location, the workforce is absolutely key. Well-trained, consistent staff who are properly supported by strong leadership make a fundamental difference to whether a home works well.

Given the importance of helping children develop independence, doesn't that generally point towards town-based locations rather than highly rural settings, where access to services and amenities may be more difficult?

Not necessarily, as it depends very much on the individual needs of the children. Some children, because of the trauma and adversity they have experienced, are not yet at a stage where they can safely or confidently access community amenities independently. For those children, a quieter or more rural setting can be more appropriate, where they can receive higher levels of support in a calmer environment. While every child has the right to access their community, the key difference is the level of support required to do so. Rural homes often cater for fewer children, have higher staffing ratios, and provide more space, which can better meet the needs of children requiring intensive support. There is no single right or wrong approach – it is always about matching the setting to the needs of the children concerned.

Given that the balance in a home inevitably changes over time – for example, when the eldest child moves on and a new child moves in – how do you manage those changes so that the dynamic within the home remains stable?

Transitions are an inevitable and challenging part of residential care, and we manage them through very careful planning and communication. When a place becomes available, we take time to understand not only the needs of the child who may be moving in, but also the needs, personalities, aims and aspirations of the children already living in the home. Compatibility and matching are again central to that decision-making. A new placement represents a transition not just for the incoming child but also for the existing children, so we plan for that collectively. While it is not always straightforward and there can be periods of adjustment, our staff teams are experienced in managing these changes. This approach mirrors challenges seen in other care settings, such as foster care, and is part of the everyday professional practice of our social workers and residential staff.

What evidence do we have that children placed in in-house residential and supported accommodation achieve better outcomes – such as education, emotional wellbeing and placement stability – than when they were placed externally, and how are we tracking this over time?

Outcomes are monitored through a combination of qualitative and ongoing indicators rather than a single performance metric. These include observations of children's behaviour and interactions, school attendance and engagement in education, emotional regulation and wellbeing, participation in hobbies and leisure activities, ability to form and maintain relationships, and the quality of contact with birth families where appropriate. These matters are routinely considered at statutory Looked After Children reviews, through social worker visits, and via regular key-worker engagement. Over time, outcomes will also be assessed as children progress into young adulthood, including their education, training and employment pathways.

Why have targets been reduced – does this reflect reduced demand, or constraints on capacity and delivery?

The reduction reflects a combination of factors rather than a single constraint. Since the strategy was agreed, the number of children in care and the demand for residential placements have stabilised rather than increased. In addition, a more suitable service delivery model has been developed for unaccompanied asylum-seeking children, with placements often being made outside the county in areas where young people prefer to be located, such as Newport and Cardiff. This has reduced the immediate need for additional supported accommodation within Monmouthshire. The position remains under review and may change in future.

How do we know that these in-house placements represent better long-term value for money, and what is the overall goal – cost control or best outcomes for children?

In-house provision supports improved outcomes by allowing greater control over placement quality, matching and stability. Children can remain closer to their communities and care teams, and placements can be tailored to their specific needs. Reduced reliance on external placements contributes to better value for money over time, while the primary focus remains on achieving positive, stable and healthy outcomes for children as corporate parents. Continuous monitoring of both outcomes and costs informs future planning and decision-making.

When the placement strategy was endorsed in April 2024, it appeared to be driven primarily by the need to get costs under control rather than by outcomes for children. Has the approach since moved on from that position, or that cost control and improved outcomes were always intended to go hand in hand?

We would disagree with the suggestion that the strategy was ever primarily about cost control. From the outset, the intention has always been to achieve better outcomes for children and young people while also delivering good value for money for the Council. That has been the clear priority throughout. The focus has consistently been on improving outcomes first, with cost control sitting alongside that as a necessary and responsible consideration. By developing our own in-house provision, we are better able to ensure children are placed in settings that meet their needs, closer to home and with greater stability, while also taking greater control of costs that were previously driven by the external market.

What is the current average weekly cost of external residential placements and independent fostering agency placements, and how does this compare with projected in-house costs? Would a performance dashboard setting out cost, demand and capacity be helpful for Members?

The average weekly cost of an external residential placement was reported to be between £7,000 and £8,000, noting that costs have continued to escalate. In comparison, the average unit cost for an in-house residential placement was cited at approximately £4,000 per child per week, incorporating staffing, building costs and operational overheads. This was identified as a significant saving. It was acknowledged that illustrating cost savings more clearly, potentially through a performance dashboard, would be useful as the programme progresses.

With changes to how children's homes will operate by 2030, how confident are we that the scale of planned in-house provision will be sufficient over the next 3-4 years? Do we

have intelligence on whether existing providers intend to exit, convert or remain in the market?

The future landscape is uncertain at both a local and national level. Ongoing engagement is taking place with private providers and commissioning teams to understand their intentions in relation to the 2030 reforms, including whether providers plan to exit, convert or continue operating. Some providers have begun sharing their plans, but the situation remains evolving. The Council continues to review sufficiency regularly and works collaboratively with providers to understand future capacity, while recognising that no local authority can be fully assured at this stage.

The refurbishment costs for the homes appear high. What are the main reasons for these costs, what caused slippage in delivery, and have we considered building purpose-built new homes rather than refurbishing existing properties?

The refurbishment costs reflect the fact that these properties must meet stringent regulatory standards. This includes significant fire safety requirements, such as sprinkler systems, as well as design changes to ensure the homes are suitable for children's needs, including appropriate communal areas, private spaces and accommodation for staff. Some properties, particularly older ones, require more extensive work, which drives costs up.

All costs funded through the Housing with Care Fund are subject to technical scrutiny and oversight by Welsh Government, and we are required to demonstrate that they represent good value for money. In terms of delivery slippage, the main causes have been delays in tendering processes, appointing contractors and, in some cases, unforeseen issues once building work commenced. These challenges have been actively managed, with regular engagement through the regional partnership board and ongoing communication with funders.

We have considered the option of new-build provision, and it remains something we would look at where appropriate. However, new builds bring additional challenges, including land acquisition, planning processes and longer lead-in times. As a result, we consider each opportunity on its own merits and take a measured approach rather than rushing decisions.

Once the current schemes planned for this year are completed, will the Council have reached what it considers to be the appropriate level of capacity, or is there further development planned beyond that?

Once the schemes currently in progress are completed, we expect to reach what we believe is the appropriate level of capacity at this point in time. Our intention is to pause further development at that stage rather than proceed immediately with additional schemes. However, this is not a fixed endpoint. Capacity and demand will continue to be kept under review, and any future decisions will be informed by changes in need, market conditions and wider policy developments.

The report notes that some children's care plans were adjusted as a result of project slippage. Can you clarify how many children were affected and in what way?

Only a small number of children were affected due to the limited scale of the placements. Where slippage occurred, care plans progressed in alternative ways, including children moving to different placements or remaining longer in existing arrangements. Adjustments did not result in negative outcomes and, in some cases, enabled smoother transitions through additional preparation and relationship-building with staff prior to admission.

Given the statutory requirement for ongoing sufficiency planning, what formal review mechanisms are in place to ensure the committee is alerted if demand projections change materially?

Although we have reached a key stage in the delivery of the current strategy, this does not represent an endpoint. There are several formal mechanisms in place to ensure ongoing oversight. We expect to return to Performance and Overview Scrutiny with a further update once the remaining schemes – such as the Abergavenny supported accommodation and the second children's home – are operational, likely within the next year.

In addition, we produce commissioning and sufficiency plans on an annual basis, which under new legislation will be formally overseen by Welsh Government. Placement sufficiency is also covered through the annual Director's Report and through regular submission of checkpoint data, which includes information on looked-after children numbers, placements and unmet need. These processes provide multiple opportunities for emerging pressures or changes in demand to be identified and reported through both internal governance and formal scrutiny channels.

The report describes the private provider market as being significantly destabilised by legislative change. What is the current financial impact of this on the children's services budget, and is this reflected in the medium-term financial plan?

We are already experiencing higher costs in the external placement market, and where children remain placed with private providers, those costs are projected directly into the budget. We therefore account for current expenditure levels, alongside anticipated inflationary pressures, in our financial planning processes. At the same time, we factor in expected savings linked to the delivery of new in-house provision, which helps offset market volatility.

These pressures and projections are built into both year-on-year budget planning and the medium-term financial plan. There is close working between Children's Services and finance colleagues to ensure that baseline costs, projected placement demand and market conditions are properly reflected. This allows us to plan realistically for ongoing instability in the external market while continuing to bring costs under greater local control.

How are we communicating these significant changes in placement strategy to looked-after children and young people themselves, given the potential for uncertainty and upheaval?

Communication is tailored to the age and needs of individual children. Older care-experienced young people are engaged through corporate parenting arrangements

and are involved in strategic discussions. For younger children, information is provided in a child-friendly way, focusing on their day-to-day care, relationships and placements. Preparation work, visual materials and relationship-building with staff are used to support transitions, alongside life-story work to help children understand changes.

What engagement has taken place with neighbouring residents in relation to the new children's home in Caldicot, and how are we ensuring that communication and engagement continue once the home is open?

We place a strong emphasis on early, open and transparent engagement with local communities, particularly with immediate neighbours. In the case of the Caldicot property, we held engagement events prior to refurbishment works beginning, where neighbours were invited to meet us, ask questions and understand the purpose and ethos of the home. These events were designed to provide clear information, address concerns and help avoid misunderstandings that might otherwise escalate, including on social media.

Engagement does not stop once the home opens. We continue to maintain regular contact with neighbours through newsletters and updates, and we recognise the importance of including local councillors in these communications so that they are well informed and able to respond to queries. We want neighbours to feel comfortable approaching staff directly with any concerns, and we actively encourage informal, early conversations so that minor issues can be resolved quickly without escalation. Our aim is for the homes to be a positive and valued part of the local community.

What arrangements are in place to ensure neighbours feel able to raise concerns without fear of repercussions, and how are those relationships managed on an ongoing basis?

We want neighbouring residents to feel confident that raising concerns will be welcomed and addressed constructively. Each home will have a designated manager who acts as a clear and accessible point of contact for neighbours and the wider community. Prior to children moving in, we intend to host an opening event so neighbours can visit the home, meet staff and see that the environment is homely and non-institutional, as we had outlined during earlier engagement.

Beyond that, there are robust and clearly defined processes in place. The home manager is responsible for maintaining ongoing, friendly communication, and there are escalation routes through service managers and the responsible individual if needed. As responsible individual, regular statutory visits are undertaken and reports produced, which include feedback from professional stakeholders and the community. There is also a formal complaints procedure should issues arise. Overall, our intention is to be more than just a good neighbour: we want these homes to be well integrated into their communities, with open channels of communication and a culture of early resolution.

The service now uses a mix of local authority-delivered provision and third-sector provision. How and why was that mix chosen, and what is the process for deciding whether a service should be delivered in-house or by the third sector?

When we developed the placement strategy, we were very clear about where different delivery models were most effective. For supported accommodation, particularly for 16- and 17-year-olds, we already had strong and well-established relationships with third-sector organisations that had the right values, experience and expertise. That market is relatively well developed, and when we tender for supported accommodation support, we receive good responses from providers who align closely with the outcomes we want to achieve for young people.

In contrast, the market for externally provided residential children's homes is much less well developed and significantly more expensive. For that reason, it made sense for us to focus our efforts on building a skilled in-house workforce for residential provision, where we can directly control quality, practice and outcomes. This split approach has allowed us to concentrate internal capacity where it is most needed, while still benefiting from the strengths and flexibility of the third sector in supported accommodation. We are satisfied that this balance has worked well and have replicated the same model for newer supported accommodation schemes.

Does this approach still allow third-sector providers to be involved going forward, rather than excluding them as provision develops?

Yes, absolutely. Third-sector providers are not being excluded, and we continue to work closely with them through open and transparent procurement processes. Where services are tendered, providers are able to bid, and decisions are made based on quality, value and alignment with our values and objectives. This approach ensures that we do not put all our eggs in one basket and that we retain a diverse and resilient care system.

We see this as a partnership approach. The third sector continues to play an important role alongside our in-house residential provision, and contracts are kept under review as they come up for renewal. At present, we are very pleased with the quality of care being delivered across both local authority and third-sector provision, and we believe this mixed economy strengthens overall placement sufficiency and outcomes for young people.

Given that the Council directly manages its own children's homes but does not control private residential provision, is there a risk that problems arising from private homes could affect community perceptions of all children's homes, including our own? Is there more that the Council can do to mitigate this?

There are clear limits to what we can control, but we are not without influence. While private residential homes operate independently, they are required to notify us when children from other local authorities are placed within our area, and we maintain ongoing working relationships with the appropriate inspectors and regulatory bodies. Where issues arise, our role is to ensure that the right information is shared with placing authorities, responsible individuals for those homes and inspectors, so that concerns can be addressed appropriately.

If community cohesion issues emerge, we can also engage internal teams such as community safety or local policing, depending on the nature of the concern. Where private providers are open to it, we will offer advice and share learning based on our

own experience of managing homes and engaging positively with communities. Our focus is on coordination, communication and ensuring that safeguarding thresholds are applied correctly where there is a risk to a child or the wider community.

Do we know how many private children's residential homes currently operate within the county, and how well sighted are we on that landscape?

We do hold information on the number of private residential children's homes operating within the county, though the figure can change over time. The most recent confirmed figure was nine, but we believe the number has increased since then. We can provide an updated figure to the committee outside the meeting. **ACTION: to provide the precise number of private facilities**

Whilst we do not oversee these homes in the same way as our own provision, we remain sighted on the sector through regulatory notifications, liaison with inspectors and contact with placing authorities. This enables us to monitor trends and identify potential risks, even though direct operational control does not sit with the Council.

Is there anything further the Council can practically do to work with private providers to reduce community issues and avoid negative spill-over effects onto perceptions of Council-run homes?

There are practical limits, but we do take our role seriously. Where concerns arise about private provision, we ensure that they are escalated appropriately and shared with the regulatory and placing authorities who have the power to intervene. We also maintain dialogue with inspectors and, where relevant, contribute local intelligence that can support oversight and enforcement.

We see our role as one of coordination and facilitation rather than control. Where homes are receptive, we will work constructively with them and offer guidance based on our own experience of community engagement and good practice. Ultimately, while we cannot manage private providers directly, we do what we can to ensure issues are identified early, information is shared transparently and safeguarding responsibilities are met.

Chair's Summary:

Thank you for the report, and the officer's responses today. The committee extends its thanks to the team for their hard work. The report was moved.

5. Investment and Commercial Interests Update - 12 month update - To update the committee following scrutiny in April 2025

Cabinet Member Ben Callard and Nick Keyse introduced the report and answered the members' questions with Peter Davies.

As part of the introduction, Nick Keyse advised the Committee that, since publication of the report, a lease renewal has been successfully completed at Castlegate Business Park. The report had highlighted a risk associated with a major tenant whose lease was due to expire during the year, and that this had been included to illustrate the potential

consequences if the space became vacant. He confirmed that this risk has now been mitigated, as the tenant – identified as the third-largest occupier at Castlegate Business Park – has signed a lease renewal, committing to remain on site for a minimum further period of five years.

How strategic is the Council being in its approach to assets such as Castlegate Business Park, and at what point do we stop considering it a strategic asset and instead recognise it as an under-performing one? Is it genuinely the right fit for the Council?

We recognise that Castlegate Business Park is a challenging asset and that it does not currently perform in the way originally intended. The format and configuration of the space can feel dated, particularly in a post-pandemic office market that has changed significantly. However, we also see strong strategic value in the asset, particularly because of its location and its potential role in future development, including its relationship to wider regeneration and planning ambitions.

Occupancy levels, while not yet where we want them to be, are moving in a positive direction. We must also balance pure financial performance with wider economic and community benefits, including employment and business support. Any long-term decisions about the future of Castlegate must be taken carefully, particularly in respect of existing tenants who provide local jobs and economic stability. For those reasons, we continue to treat it as a strategic asset while actively reviewing how best to maximise its value.

Are we confident that the benefits we are deriving from this investment could not be achieved more effectively by deploying that investment differently elsewhere, or by managing it in a different way? In essence, are we getting the best overall return – financial and otherwise – from this asset?

What distinguishes Council ownership is the ability to derive benefits that a purely private landlord might not prioritise or achieve in the same way. While our core objective remains to maximise occupancy and income, we are also able to use the asset more flexibly to support wider council and community objectives. For example, initiatives such as Monmouthshire's flexible workspace offer have been delivered successfully at Castlegate and would be harder to sustain under a purely commercial model.

We have also been able to support temporary and community-focused uses of the site, provide more flexible tenancy arrangements, and align the asset with broader economic development objectives. While it is always right to ask whether investment could be redeployed elsewhere, we are confident that Council stewardship allows us to extract a broader range of benefits from Castlegate than would otherwise be possible, alongside a steadily improving financial trajectory.

How often are Council investments such as Castlegate formally reviewed, and how frequently are alternative or innovative approaches considered?

In practice, assets such as Castlegate are kept under very regular review. At an operational level, we hold monthly meetings with our managing agents, which focus not only on day-to-day performance, occupancy and enquiries, but also on market

intelligence and comparable sites along the M4 corridor. This helps us understand whether performance issues are asset-specific or reflect wider market conditions.

Beyond that, we ensure assets are represented in the appropriate regional and strategic forums, including engagement with the Cardiff Capital Region, where opportunities for future uses, sector clustering and inward investment are explored. We have also tested our approach by engaging multiple commercial agents to review our terms and market positioning, and the consistent feedback has been that our offer remains competitive for an out-of-town business park. Taken together, this ensures that performance, strategy and future options are kept under continual review rather than being assessed on an infrequent or reactive basis.

What criteria would trigger a decision to dispose of an investment asset such as Castlegate Business Park rather than retain it for long-term income, and has the Council assessed whether releasing capital through disposal could better support core services than continued income generation?

We continually review investment assets, but any decision to dispose would be taken very carefully and would depend on whether we believe we have maximised the asset's potential and whether disposal would genuinely result in a better overall outcome for the Council. In practice, assets are generally more attractive for disposal when they are performing strongly, rather than when they are under pressure, which is why our focus remains on improving performance rather than exiting prematurely.

In the case of Castlegate Business Park, it was originally acquired as a long-term investment, and we continue to see strategic, economic and employment benefits that extend beyond simple income generation. Disposing of the asset at this stage would also remove a revenue stream and could create additional pressures elsewhere in the Council's finances. While capital release is always something we are mindful of, at present the recommendation remains to retain the asset while continuing to improve occupancy and performance and to reassess options once that position strengthens further.

On solar energy generation, has the Council expanded this approach elsewhere in the estate, for example through solar canopies or integration with electric vehicle charging, and is this reflected in improved returns?

Yes, we are actively expanding renewable energy generation across the Council's estate. The solar canopy installation at Innovation House is part of a wider decarbonisation programme aimed at maximising renewable technology, future-proofing our assets and improving their attractiveness to occupiers. Integrating renewable energy, including solar generation and electric vehicle charging infrastructure, supports both environmental objectives and commercial appeal.

The financial uplift referenced in the report primarily relates to the Council's solar farm, but all renewable installations across the estate contribute to long-term resilience and value. These initiatives are closely linked to broader sustainability goals and are increasingly relevant to tenants when considering occupation, particularly in terms of operating costs and corporate environmental commitments.

My understanding is that the current return on investment at Newport Leisure Park is around 1.8%, rather than the 2% originally planned. Are we therefore still below target, and should we be cautious about presenting this as a strong-performing asset?

Yes, the current reported return is around 1.8%, and we do acknowledge that this is below the original 2% target. However, it does represent a significant improvement compared with previous years, and it reflects a positive trajectory rather than a static position. Importantly, since the report was finalised, further leasing changes have occurred which mean that the projected return for 2026–27 is now closer to 2.4%, exceeding the original target.

While we are not complacent, we are confident that Newport Leisure Park is increasingly performing as intended, delivering a reliable income stream that contributes directly to funding Council services. Any assessment of performance needs to take account of market conditions, particularly in the leisure and retail sectors, and the fact that performance is improving rather than declining.

What additional opportunities are being considered for Castlegate Business Park, including potential uses such as expanded solar generation, transport or depot uses, or alignment with the Replacement Local Development Plan, and are local businesses being excluded from occupying space there?

Castlegate Business Park is a protected employment site, and there are specific planning use classes that determine what activities can and cannot take place there. Where businesses have not been able to locate at Castlegate, this has usually been because their proposed use did not align with those planning restrictions, rather than because we were unwilling to accommodate local businesses. We are also mindful of not drawing businesses out of town centres where that would undermine high-street vitality.

That said, we are actively exploring additional opportunities to maximise the value and utility of the site. These include potential renewable energy uses such as solar installations, consideration of electric vehicle charging infrastructure, and more flexible uses of existing space, including Council functions, training, and conference activity. Castlegate is also being considered within the context of wider planning and economic development ambitions, including links to the Replacement Local Development Plan, to ensure it remains strategically relevant.

Can you confirm that proper checks and balances are now in place to avoid previous issues around large-scale investment decisions, particularly the use of significant public funds, including investments made outside the county?

Yes, we can give that assurance. The Council's approach to investment has changed significantly. Large-scale acquisitions, particularly those outside the county, are no longer being pursued. Oversight arrangements have also shifted, with the Performance and Overview Scrutiny Committee now playing a key role in scrutinising the performance and management of existing investment assets.

Decisions on investment, retention or disposal are now subject to clearer governance, stronger financial controls and transparent reporting. There is no active programme of

comparable acquisitions, and any future proposals of that nature would require explicit, robust Member consideration and approval through the Council's formal decision-making processes.

How are rental income and arrears monitored across the portfolio, and how long do we tolerate ongoing arrears before taking action or seeking a new occupier?

We have clear and structured processes in place to monitor rental income and arrears across the entire portfolio. Automated financial triggers are in place so that missed or late payments are identified quickly, prompting engagement with tenants to understand the reasons behind the arrears. This applies across all asset types, including commercial estates, county farms and major investments such as Newport Leisure Park and Castlegate Business Park.

Where arrears persist, decisions are taken on a case-by-case basis, taking into account the size of the tenant, the nature of the business and the wider economic context. In some instances, particularly where recovery is not possible, we will move to enforce lease terms and regain possession, as has previously happened at Newport Leisure Park. The overall approach balances commercial discipline with proportionality, but we do not allow unresolved arrears to continue indefinitely.

To what extent does returning Castlegate Business Park to profitability depend on existing tenants remaining in place, given that new tenants are often offered incentives such as rent-free periods or reduced rents? Does tenant turnover risk delaying a return to profitability?

The return on investment projections for Castlegate Business Park are based primarily on existing leases and known contractual positions. They do not assume any immediate rent increases from current tenants, nor do they assume that tenants without a contractual mechanism to leave will vacate. Where tenants do have break clauses or impending lease expiries, those risks are explicitly factored into our assessment.

It is correct that attracting new tenants can sometimes involve incentives, such as rent-free periods, and this can temporarily affect income. However, this is a normal part of commercial property management and is balanced against the longer-term benefit of securing stable occupancy. At present, the amount of vacant space—around 31,000 square feet—is significant but manageable, and it can be let either to a small number of larger occupiers or broken down for multiple tenants. Importantly, if we can reduce running costs through efficiency and decarbonisation measures, then even vacant space becomes less of a financial burden, improving the overall return profile while letting activity continues.

Paragraph 3.26 refers to Cardiff Capital Region (CCR) involvement and decarbonisation work, but the terminology is unclear. Can you explain in practical terms what this means for Castlegate Business Park and the Council?

Through Cardiff Capital Region, Castlegate Business Park has been selected as one of a small number of pilot sites for a decarbonisation initiative. The first phase involved feasibility work to understand how a large, 1980s-era office building like Castlegate could be decarbonised, recognising that it was not originally designed with renewable

technology or energy efficiency in mind. We are now moving into a second phase that focuses on identifying an investment strategy to deliver those improvements. This includes measures such as improved building management systems, LED lighting and other energy-efficiency interventions. These works align directly with Council decarbonisation objectives, but they also have a clear financial benefit. Reducing energy and operating costs lowers our exposure where space is vacant and makes the building more attractive and affordable for tenants. While CCR is supporting the strategic and technical work, the aim is to deliver tangible outcomes that improve both sustainability and the financial performance of the asset over time.

Can we expect more concrete outcomes from the Cardiff Capital Region work to be reported back to the committee in future?

Yes. At present, much of the work has focused on feasibility and scoping, but as we move through the next stages we expect to be in a position to report more tangible progress. This will include clearer detail on what interventions are being taken forward, how they are funded and the practical impact on running costs and asset performance. We fully expect to bring that information back to Members as the programme develops.

Turning to the north of the county, the report notes positive developments at the Market Hall in Monmouth. With two new tenants moving in and museum storage still occupying part of the building, what is the longer-term vision for the remaining space once the museum vacates?

At present, part of the Market Hall continues to be used by the museum while refurbishment works to Shire Hall are underway. Alongside that, the vacant areas of the Market Hall are now being let, with tenants moving forward through change-of-use applications and fit-out preparation for new exhibition and commercial activity. This is already helping to re-energise the building and increase footfall.

Once the museum storage relocates back to Shire Hall – currently anticipated towards the end of the calendar year – we will have an opportunity to consider the Market Hall more holistically. The building is unique in its layout and potential flexibility, and our focus will be on identifying uses that both complement the existing occupiers and help drive activity into that part of the town. We intend to begin marketing the remaining space in advance of the museum vacating, to minimise vacancy periods and ensure we secure appropriate, high-quality uses that align with regeneration and town-centre objectives.

Chair's Summary:

Thank you to the Cabinet Member and officers for the report and their responses today. It has been a very helpful discussion. The report was moved.

6. Council and Cabinet Work Planner

Noted.

7. Performance and Overview Scrutiny Committee Work Programme and Action List

The first meeting of the Task & Finish Group that was established after the last meeting will take place after the Senedd election. Members will be invited to Governance & Audit Committee on 4th June for the Panel Performance Assessment item. There will also be an invitation to People Committee for the WESP item in the coming months.

8. To confirm the minutes of the previous meeting

The minutes were agreed.

9. Next Meeting

9th June 2026 at 10.00am.

The meeting ended at 12.19 pm.