

Monmouthshire Scrutiny

Performance and Overview Scrutiny Committee ~ Feedback to Cabinet of Meeting held on 11th February 2025

Report Item 4: Revenue and Capital Budget Proposals

The Committee undertook thorough scrutiny of the report, highlighting the following important issues for the Cabinet Member's consideration:

- Are there any other frontline services being considered for curtailing or closure, especially in light of the proposed changes to Monmouth Library?

There are no proposals to move Monmouth Library or close any hubs. The proposal is to adjust the hub's opening hours to generate revenue savings while minimizing disruption to services.

- How do you expect to fill the gap in the budget, considering the expected additional funding from the Welsh Government?

The budget gap is expected to be partially filled by additional funding from the Welsh Government. However, there is ongoing negotiation, and the final budget will reflect any changes. The council is optimistic that the funding will cover a significant portion of the remaining gap.

- Are there going to be redundancies, especially in frontline services like teaching staff, given the budget pressures?

While the council has been managing vacancies to minimise the need for redundancies, it cannot be explicitly stated that there will be no redundancies. The number of potential redundancies is expected to be very low, and efforts are being made to manage this through natural turnover.

- Are there any effects on teaching staff due to the education budget pressures, such as reductions in foreign language offerings in the sixth form?

The council is fully funding the Teachers' pay award, pension costs, National Insurance contributions, and adding an additional £1m to support schools. Decisions on staffing within schools are made by individual governing bodies, so specific impacts on teaching staff cannot be detailed at this time.

- Why is there uncertainty about the impact of National Insurance changes on indirect employees in social care?

The uncertainty arises because the impact on commissioned services depends on how much of the increased National Insurance contributions will be passed on to the council by service providers. This varies based on the providers' business

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models, size, and structure. The council has modelled a pressure for this but will need to consider the risk as part of the final budget.

- Are we in a position to give some an approximate figure as to how many hours in total we might need to reduce the hub opening hours?

The proposal is to reduce hub opening hours by approximately 35 hours per week across the four hubs. This equates to roughly one day of provision per week.

- There will be a £2.9 million shortfall in the budget. What happens if we don't get the grant from the Welsh Government, and what will that mean for our residents and their Council tax bills? Are there criteria that we need to meet to get these extra grants?

Negotiations with the Welsh Government are ongoing, and the council is optimistic about a positive outcome. If the grant from the Welsh Government does not fully cover the shortfall, the council will look at other income streams, including additional grant income. The eligibility for these grants is not dependent on having a funding gap. The council is not expecting to increase Council tax further to close the gap, but it cannot be completely ruled out.

- If we were to get the full £2.9m that we need, could we still utilise those extra income streams?

Yes, the council can still apply for and utilise additional grants regardless of whether the full funding gap is closed by the Welsh Government grant. The eligibility for these grants is not dependent on the funding gap.

- Will the £300k investment in the foster care service be a direct payment to the families as an increase to what's already paid to them on a weekly or monthly basis? Will the investment see savings in payments to foster care agencies with successful recruitment, and what would those savings be per individual in the difference between annual cost of an agency and a foster family?

The investment will be used to increase both the allowances and fees paid to foster carers. The fees could be doubled in some cases. This increase aims to make the payments comparable to those from independent agencies, leading to potential savings as more foster carers are recruited directly by the council. The exact savings will depend on the number of foster carers transitioning from agencies to the council.

- Do we have an update on how successful the budget consultation has been so far, and can councillors do more to promote it? How will the feedback influence the final budget proposals?

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The budget consultation has been going well with good engagement. Councillors can help promote the consultation by sharing information and encouraging participation. The feedback from the consultation will be considered in finalizing the budget proposals.

- Is it correct that there is no Cabinet Member attendance at engagement sessions?

The engagement sessions are being conducted as drop-in sessions across various council hubs, lasting for several hours each. These sessions are primarily led by officers who have the necessary information to answer residents' questions. If officers are unable to provide answers, they will take contact details and follow up. Unfortunately, the cabinet member isn't able to attend all sessions due to a busy schedule filled with budget consultation events and other commitments.

- How do we focus on prevention and demand management in our budget, and what are we doing to invest in early intervention to stem the demand for our services?

The council is working on a project to develop a whole authority approach to prevention, aligning various services to focus on promoting independence, well-being, and community connections. This includes tackling inequality, increasing spending on frailty, and transitioning to reablement in social care. Although there is no specific budget line for prevention, it is a thread running through various activities.

- How do we ensure value for money in our commissioning and procurement processes, especially for services provided to schools?

Schools are encouraged to bring forward contractors to be added to the approved contractors list to improve value for money. Schools can also obtain multiple quotations for work and present them for approval. The council supports schools in managing these processes, although it acknowledges the challenges schools face in doing so.

- With nearly 70% of our schools in deficit, what are we doing to ensure their financial sustainability?

We acknowledge the concerning situation with nearly 70% of schools in deficit. The authority is working with schools to support them with their budgets and provide advice on becoming more financially sustainable. As part of the budget, an additional £1m is being allocated to support schools, although it is recognised that this will not eliminate their deficits overnight. Some schools will need to make changes to achieve financial sustainability. It is also important to build

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bridges between schools to share best practices, which is an ongoing effort within the education portfolio.

- What is the plan to deal with the significant number of surplus places across school clusters?

The issue of surplus places is under constant review, with some areas in Monmouthshire experiencing more acute problems than others. Proposals are being developed to address these issues, but it is not a quick fix. The consultation processes required for any changes are lengthy, and none of the schools are eligible for a speedy closure route from the Welsh government, meaning they would all undergo the full consultation process. A longer-term strategy involves increasing the number of younger people in the authority by providing affordable housing for younger families. This is expected to bolster school populations and have positive outcomes for communities.

- Are difficult decisions regarding the school estate and asset base, as well as changes to leadership structures, such as the Federation of schools, being considered to deal with these problems?

It is important to recognise the different types of schools in the community, including religious and community schools, and how they operate under different legal frameworks. Moving forward, there will be a need to look at the leadership structures of schools. There are already two federations in Monmouthshire, which have proven to be positive developments by supporting smaller schools and providing access to more improvement resources and varied experiences for children. It is vital that we try to attract the best headteachers to Monmouthshire. Other local authorities in Gwent have larger primary schools, which correlate with higher salaries and attract a different group of headteachers and applicants. This is something that will be considered moving forward, with the aim of addressing these issues in the coming year.

- Has any thought been given to looking at the model used in the Savoy in Monmouth, where a trust runs it successfully, for the Borough Theatre?

The Borough Theatre has previously explored a trust model, which had relative success for a period but ultimately did not work. The current model involves strong partnerships, including with the Town Council, and there are no immediate plans to change this. However, future exploration of different operating models is possible.

- What plans are there for increasing income in leisure centres, and has there been any thought given to introducing family memberships?

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The council is confident in the growth of income from leisure centres and is always looking at new options. The idea of a family membership is a good suggestion and will be explored further. The leisure centres have seen significant growth in income recently, and various membership options are already in place.

- Residents are facing a 23% increase over three years, which is significantly higher than inflation. How will the council respond to residents who are concerned about this increase and how it aligns with the council's claim of being financially responsible?
- *Most of the cost pressure is due to increasing demand and complexity of services. The council emphasises the importance of protecting valuable public services and question would be which services residents would prefer to see reduced if the council tax increase were to be lowered? Funding primarily comes from taxpayers' money, and the council is making £5.1 million worth of changes, including efficiency savings and income increases, to balance the budget. We would underscore the council's commitment to maintaining essential services that residents rely on, despite the challenging decision to raise council tax.*
- The council has a track record of not meeting its savings targets, which raises doubts about the credibility of projecting significant savings in the coming year. What reassurance can be given to residents that the financial plan is based on solid foundations?

This is a valid concern. In the 2024-25 financial year, about 80% of the projected savings were realised, leaving a shortfall in the budget. This year, the council aims to make £5m worth of savings. There is a challenging financial situation faced by local authorities and Monmouthshire has managed well under pressure in recent years. The council uses the best available data to forecast demand for the following financial year, although there have been overspends, particularly in social care and health. These overspends have been offset by better outcomes in other areas. While there is always risk, the council aims to balance the budget by the end of the year, even though exact figures may not be met. The goal is to get as close as possible with the available forecasting.

- How is the business community supported, and has any consideration been given to engaging with business leaders to explore ways to manage and reduce costs within the council, given that business leaders are experienced in managing costs?

The council frequently engages with the business community through the Chambers of Commerce, which are part of the budget consultation process. The council aims to hear their voices and support them with policies. Additionally, the

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council uses the private sector to deliver services, contracting out to private organisations. While some private organisations provide good value for money, others do not, leading to proposals in the budget to bring services back in-house to provide better service and value for money.

- Is the increasing trend in the needs of older adults within the county a straight line upwards, or is there any sign of it levelling off or accelerating?

The trend in the needs of older adults within the county is difficult to predict precisely. While there has been a steady increase, particularly after the pandemic, there are variations in specific areas. For example, there has been a rapid rise in the highest level of need around residential care homes, while care at home hours have stabilised. Overall, the trend is expected to continue increasing due to the ageing population, but it is not a straightforward linear increase.

Chair's Conclusion:

The Chair thanked the officers and Cabinet Member for the report and their responses to the committee's questions.