

THE VALE OF GLAMORGAN COUNCIL

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE:
22ND DECEMBER, 2021

REFERENCE FROM ENVIRONMENT AND REGENERATION SCRUTINY
COMMITTEE: 14TH DECEMBER, 2021

“ INITIAL REVENUE BUDGET PROPOSALS 2022/23 (DEH) -

The purpose of the report was to submit for consultation, the initial revenue budget proposals for 2022/23.

The Accountant advised that the Council was required under statute to fix the level of Council Tax for 2022/23 by 11th March, 2022 and in order to do so, would have to agree a balanced revenue budget by that date.

The Council's provisional settlement had not yet been announced by Welsh Government and was expected this year on 21st December, 2021 with the final settlement due to be published on 1st March, 2022. Even though this crucial information had not yet been received, the budget setting and consultation process had to commence to meet statutory deadlines.

The Officer drew Members' attention to the table of shortfalls in funding, at paragraph 2.8 of the report, that were substantially higher than had been identified in previous years. He advised that due to the considerable uncertainty and the financial pressures on government, the financial plan had been based on three different scenarios with regards to funding from Welsh Government for the coming three financial years – a cash neutral settlement, a 1% reduction each year for the period of the Plan and a 1% increase each year. The Officer added that it could be the case that grant funding was provided going forward targeting specific service areas or initiatives. As the Council had seen positive settlements in the past year that in part reflected the increasing population of the County, a fourth scenario had been included that considered a scenario where the settlement for 2022/23 was at the same level as the 2021/22 settlement (4.42%).

Appendix 1 to the report set out the cost pressures within the remit of the Committee to the total of £2.882m. For context, the Officer added that the total amount of cost pressures across the whole of the Council was £22.5m.

Councillor G. John stated that this was the most challenging time financially for a long time, adding that the Committee could not do much until the settlement from Welsh Government was known. Therefore, all the cost pressures needed to be referred to Corporate Performance and Resources Scrutiny Committee for consideration.

Councillor L. Burnett (Deputy Leader and Cabinet Member for Education and Regeneration), with permission to speak, stated that Education and Social Services were a large percentage of the Council's overall budget. That left just over 26% for all other services including Waste and Highways. It was also important to recognise that costs had gone up with inflation currently at 4%. That was on top of the National Insurance increase which represented an extra £1m cost to the Council from April next year. The Cabinet Member explained that there was a reality of the Council in not responding to the financial challenges, as the £27m budget short fall for next year was very real. The Council had experienced austerity measures for over 11 years and services could no longer be cut to the bone. That was why the Council had been innovative and ambitious around the way some services were delivered, referring to the Big Fresh Catering Company as a successful example which turned a budget deficit into an operating surplus.

Councillor N. Moore (Executive Leader and Cabinet Member for Performance & Resources), with permission to speak, reiterated the comments of Councillor Burnett and that this was the most challenging financial time he had ever witnessed. In referring to the £2.8m cost pressures within the remit of this Scrutiny Committee he asked Members to remember that Neighbourhood Services and Transport had already used reserves of £1.5m to cover a budget shortfall for this year. Reserves were therefore already being used to balance the budget, and so the key for this process was to consider which services should the Council keep providing. With regards to Council Tax, the Executive Leader stated that Consumer Price Inflation (CPI) was currently just over 4%. Therefore, a rise in Council Tax at this level would not increase spending up to the Standard Spending Assessment for the Vale of Glamorgan. This would require a Council Tax increase of around 13%. The Executive Leader stated that he was not suggesting such a rise, but that highlighted the position of the Council, which had to achieve a balanced budget.

Councillor A.R. Robertson stated that he appreciated the amount of pressure that the Council was under and queried the success of the Reshaping Services Programme and the decision to appoint two new Directors. In reply and in relation to Reshaping Services, the Executive Leader referred to the success of the Big Fresh Catering Company and the transfer of community libraries. Both were part of Reshaping Services. Other ways of working would've been implemented but the Council had seen continued financial reductions. With regard to the two extra Director positions, the Executive Leader stated that they would have an important role in taking on and tackling big issues facing the Council.

Councillor P. King (Cabinet Members for Neighbourhood Services and Transport), with permission to speak, referred to his service area which had been affected by circumstances outside of the Council's control. Not just Covid-19 or Brexit, but challenges such as the rise in energy costs. This rise had directly impacted on the financial savings achieved from the Council's roll out of LED street lights. In addition, the service had been affected by the rise in inflation which meant that cost of materials had also increased, as had the cost of fuel.

With regard to the LED street lighting project, Councillor L.R. Rowlands stated that reports had indicated that 70% of lamps had been converted, but if the original target of 90% had been achieved then the Council would've likely achieved more savings.

In reply, the Head of Neighbourhood Services and Transport confirmed that the current completion rate was around 90%, but there had been a delay which had not just been caused by Covid-19. The Officer added that if the lights had not been converted to LED, then costs to the service would've been a lot more. Therefore, it was the right decision to move to LED lighting. The remaining 10% were for the ornamental fixtures which were more difficult to replace.

The Chair referred to the cost pressure relating to Coastal Resorts and asked whether alternative ways could be explored to keep the resorts clean and to a high standard. For example, this could be through the greater use of volunteers. The Executive Leader suggested that one area he would look at was the possibility of introducing an ANPR car parking monitoring system at the car parks at Nells Point and Harbour Road. This would help to increase footfall and be an invest to save opportunity. The Committee agreed with the Chair's recommendation and the recommendation of the Executive Leader.

Councillor G. John then highlighted the importance to fund cost pressures relating to statutory services including, Sustainable Drainage, Waste and Highway Maintenance. The Chair stated that it was important for the Council to also explore alternative ways that all cost pressures could be provided. This was agreed by the Scrutiny Committee.

There being no further comments or queries, it was

RECOMMENDED –

(1) T H A T within the area of Neighbourhood Services, the Corporate Performance and Resources Scrutiny Committee be advised of the importance to fund cost pressure 5 – £100k relating to Coastal Resorts in order to keep them open and attractive to visitors. In addition, the Council should explore alternative ways, such as the use of volunteers, to help maintain cleanliness and standards at our Coastal Resorts.

(2) T H A T the Corporate Performance and Resources Scrutiny Committee considers the recommendation of the Environment and Regeneration Scrutiny Committee for an ANPR car parking monitoring system to be introduced at Nells Point and Harbour Road car parks.

(3) T H A T within the area of Neighbourhood Services, the Corporate Performance and Resources Scrutiny Committee be advised of the importance to fund cost pressures relating to statutory services such as Waste, SUDS (Sustainable Drainage) and Highway Maintenance.

(4) T H A T the Corporate Performance and Resources Scrutiny Committee considers the recommendation of the Environment and Regeneration Scrutiny Committee for the Council to explore alternative ways that services and the related cost pressures are delivered.

Reason for recommendations

- (1) In order to maintain standards at Coastal Resorts in order to attract visitors.
- (2) In order explore the possibility of introducing an ANPR car parking monitoring system to encourage more visitors and as an invest to save opportunity.
- (3) In order to maintain funding for statutory services.
- (4) To explore alternative ways that services can be delivered.”