

Budget Research and Evaluation Panel (BREP) and Overview and Scrutiny Committees' Recommendations, Comments and Requests on the Medium Term Financial Strategy 2025-26 to 2028-29

Budget Research and Evaluation Panel (BREP)

Schools / Education Recommendations:

1. Any opportunity to reduce the proposed 2% cut should be explored and any savings identified to achieve the reduction should be put towards schools delegated budgets not towards central services.
2. Whilst noting that schools in a deficit budget position of over £50,000 must prepare a Deficit Recovery Plan that is carefully monitored, the Panel recommended that consideration be given to implementation of a similar plan to allow for schools who have a significant surplus to be similarly monitored.
3. A Member Briefing be provided on how the funding formula for schools is calculated, including detail regarding aspects over which the Authority has control and the process to be followed for any potential changes.
4. The Panel discussed the possibility of changing the schools funding formula in order to try and balance the schools' deficit and surplus positions and recommended that the Chair and Vice Chair of the School Budget Forum who are invited to the January meeting of SOSC 1 be asked for Headteacher views on the topic.
5. The Panel recommended that there be clear direction to School Governing Bodies on how they may be able to make efficiency savings, e.g. shared senior leadership teams, federated arrangements, etc. and that such direction needed to demonstrate clear figures on the savings that could be achieved.
6. The Panel referred to the amalgamation of the Education Engagement Team and Educational Welfare Service which had resulted in significant savings being made and front loaded into this financial year and recommended that this be used for learning as an example of best practice, to ensure that back office services run efficiently and that the delegation of funding to schools is optimal.

Requests for Additional Information:

Following detailed discussions, the Panel requested the following information be made available to them and Members of the Subject Overview and Scrutiny Committee 1 (SOSC 1) as soon as available, to inform their consideration and discussion of the Medium-Term Financial Strategy 2025-26 to 2028-29 Report within the remit of that Committee, at their meeting on 16 January 2025:

- a. For all 59 schools in the county borough, the forecasted deficit or surplus budget position with and without the indicative 2% cut in schools delegated budgets for 2025-26.

- b. What percentage of the overall delegated schools budget constitutes each schools' budget deficit or surplus.
- c. As far as possible, a list of reasons/themes why such a high number of schools are in a deficit budget position; to include information regarding how much of the deficit is as a result of efficiency savings made by the Council, how much is as a result of a fall in pupil roll numbers and how much is as a result of the loss of grants.
- d. The pupil roll numbers for all 59 county borough schools from the 2019/2020 academic year to date and their future roll number projections, to provide an understanding whether fall in pupil numbers is attributable to particular geographical areas, parental choice or any other factors and demonstrates any trends.
- e. For each school, the uptake of eFSM (eligible for Free School meals) before and since the introduction of Universal Primary Free School Meals, and the Chair and Vice Chair of Schools Budget Forum be requested to provide Headteachers' views on the potential numbers of eFSM pupils no longer applying and whether they feel there should be more publicity regarding the impact of not applying on the level of Pupil Deprivation Grant funding received.
- f. Whilst discussing the matter of school maintenance and the possibility of rationalising the estate, the Panel requested that the confidential response to Recommendation 6 from SOSC 1 on 16 September 2024 be shared with the Panel and recirculated to SOSC 1 Members.
- g. Written clarification regarding the difference between the delegation of 80% funding referred to at the beginning of the presentation and 87.7% schools budget delegation referred to later in the presentation.
- h. Further information regarding the impact of the reduction of funding on central support for Additional Learning Needs and the likely trend if further cuts are considered in this service area.
- i. An impact assessment of central Education Directorate cuts/efficiency savings on central services if the proposed cuts to schools delegated budgets were reduced or kept to a minimum.

The additional information in requests a. to i. above was circulated to BREP Members and Members of SOSC 1, ahead of consideration of the Draft Medium Term Financial Strategy, in the SOSC 1 meeting on Thursday, 16 January 2025.

Social Services and Wellbeing Recommendations:

- 1. The Panel discussed the different approaches of reporting between the Education, Early Years and Young People and the Social services and Wellbeing Directorates (and a different approach to Adult and Children Social Care within the Directorate. The Panel recommended that there needed to be

consistency in the reporting style from each Directorate and that a Corporate Template might assist the Panel and members of the public in understanding the financial position of each Directorate and the Council as a whole.

2. The Panel referred to potential future large scale housing developments being an opportunity to provide specialist housing in a different way via Section 106 agreement contributions. The Panel recommended that consideration be given to entering into S.106 agreements to provide an Extra Care style accommodation model or equivalent, recognising that the model is cost effective for the Authority and provides good outcomes for residents to live more independently for longer and those eligible can claim housing benefit.
3. The Panel referred to the specialist social worker with the relevant expertise that takes the lead in supporting the team in relation to the Continuing Healthcare (CHC) process. The Panel recommended that consideration be given to allocating additional resource to Adult Social Care to recruit an additional specialist social worker in order to accelerate savings associated with CHC.
4. The Panel expressed concern regarding the Directorate's significant overspend projection at the end of Quarter 1, soon after the setting of the 2024/25 budget. The Panel were concerned that the Directorate's demand projection framework, utilising the Population Needs Assessment and demographic growth, was insufficient and recommended that the Directorate consider a more robust, forward-looking demand forecast framework and statistical models to provide a more strategic look when setting the budget.
5. The Panel expressed concerns regarding the effectiveness and late commencing of the BREP process and that their concerns are expressed year on year without change. The Panel therefore recommended that there be a meeting of Group Leaders and Scrutiny Chairs, before the start of the next financial year, to discuss the future BREP process and consider the following:
 - a. that BREP commence immediately following the budget setting and that accurate forecasts be provided to the Panel allowing Members to understand the pressures and to start deep dives into particular areas of concern/risk at an early stage;
 - b. that BREP be a standing Panel, meeting on a monthly or bimonthly basis and that they have a Forward Work Programme allowing Members to own the process and request the information they want to see, negating the need to request and arrange meetings on an ad hoc basis; and
 - c. the different approaches of reporting, the need for consistency in the reporting style from each Directorate the proposal for a Corporate Template to assist the Panel and members of the public in understanding the financial position of each Directorate and the Council as a whole, as referred to in Recommendation 1 above.

Request for Additional Information:

Following the presentation and detailed discussions, the Panel requested the following information be made available to them and Members of the Subject Overview and Scrutiny Committee 2 (SOSC 2) as soon as available, to inform their consideration and discussion of the Medium-Term Financial Strategy 2025-26 to 2028-29 Report within the remit of that Committee, at their meeting on 17 January 2025:

- a. The Panel requested a list of savings made for Children's Social Care illustrating their BRAYG status, similarly to those provided in the report for Adult Social Care.

The additional information requested in a. above was circulated to BREP Members and Members of SOSC 2, ahead of consideration of the Draft Medium Term Financial Strategy, in the SOSC 2 meeting on Friday, 17 January 2025.

Corporate Overview and Scrutiny Committee (COSC) **Chief Executive's Directorate and Corporate / Council Wide**

Recommendations:

1. The Committee **recommended**:
 - a. that all financial reports be accompanied by a glossary which is also made available on the Council's website in order to assist residents in their reading and understanding of the reports;
 - b. that when reductions are referenced in the report that there is clarity about whether they are in net or real terms;
 - c. that charts/graphics be included showing:
 - i. the percentage increase in Council Tax over the period referred to;
 - ii. the demographic growth in the borough;
 - iii. the demographic growth compared to other Welsh local authorities and nationally; and
 - iv. the reduction in use of agency staff.
 - d. that comparison data be provided demonstrating the difference between the proposed increase to Council Tax and the average staff wage increase across the authority.
2. The Committee **recommended** piloting zero-based budgeting in a select area of Directorate to be determined by senior Officers.
3. The Committee **recommended** that a letter be sent on behalf of the Committee to Welsh Government and the UK Government regarding the following:
 - a. expressing that national policy commitments resulting from legislative changes should be fully funded both in terms of capital funding and ongoing revenue funding including a commitment to fund employer national insurance

payments for individuals employed by agencies who provide services to the Council which currently results in a £1.5m cost pressure; and

- b. expressing concern regarding the repeated lateness of the settlement and requesting a commitment to bring forward the settlement date and to request that consideration be given to providing indicative multi-year settlements.
4. The Committee **recommended** consideration be given to how invest to save models and further collaborative working and sharing of best practice across local authorities regarding ICT and use of artificial intelligence could expedite savings.
5. The Committee **recommended** that a letter be sent on behalf of the Committee to Welsh Government and the Department for Work and Pensions strongly recommend that they implement auto-enrolment of individuals to all benefits to which they are eligible/entitled when they apply for another benefit.
6. The Committee recognised that the funding to the Council and schools was being disadvantaged by individuals not claiming all benefits to which they are entitled and **recommended** that Council-wide external communications be issued encouraging residents to claim all benefits to which they are entitled including Pension Credit, Housing Benefit and Eligible Free School Meals and promoting the Council's auto-enrolment process.
7. With reference to the budget reduction proposal, CEX 6, the Committee **recommended** that a letter be sent on behalf of the Committee to the Police and Crime Commissioner to ascertain her reliance on the CCTV service created and managed by the Council and whether the Police and Crime Commission's contribution to CCTV has been cut and requesting a response prior to the next meeting of the Committee on 28 January 2025.
8. The Committee **recommended** that detailed discussions are held with town and community councils before suggestions are made in meetings that town and community councils may be able to assist when discussing funding gaps.
9. While the Committee recognised that there was a budget growth proposal for a Procurement Assistant (CEX 5) in central Procurement, they reflected that there appeared to be insufficient capacity, at times, within Directorates to provide timely contributions to the Procurement process and **recommended** that more urgency needed to be placed on procurement highlighting it was critical to a one-council approach.
10. The Committee expressed concern that all budget savings proposals within the Chief Executives Directorate and Council Wide were red and possibly difficult to achieve. The Committee were advised that the vast majority of the spend in these areas is on staffing and the savings would be subject to consultation and therefore would remain red until these were complete and were then likely achievable. The Committee **recommended** that the narrative in the budget savings proposals to reflect that position and its red status.

Additional Information

11. The Committee **requested** Officer responses as to whether the population growth in the county borough was creating more demand in specific areas, e.g. whether families with children with special needs were moving into the area to take up the offer of in-county special schools offer or whether older people were relocating to the area.
12. The Committee **requested** a copy of the report being presented to the Shared Regulatory Services Joint Committee at the end of January 2025 to assist the Committee in identifying statutory and non-statutory services provided by Regulatory and Corporate Services.
13. The Committee **requested** a written response setting out:
 - a. the value of the Council's borrowing liability benchmark;
 - b. the Council's current level of borrowing;
 - c. whether the Council can increase its borrowing to support capital projects; and
 - d. clarification as to whether external borrowing below the liability benchmark indicates a borrowing requirement and whether external borrowing above the liability benchmark indicates an over-borrowed position.

14. Budget Reduction Proposals - CEX 6

The Committee **requested**:

- a. a map of the CCTV locations;
- b. information regarding which service areas benefit from the CCTV, i.e. does it cover out of hours, alarm monitoring for Council buildings, RSLs, etc.;
- c. confirmation of other service areas who could benefit from use of the CCTV but do not yet do so;
- d. granular detail setting out what the sum of the saving of £444k entails;
- e. clarity on the Crime and Disorder Act 1998 as to where the statutory responsibility for the CCTV lies and who are mandated partners including whether Town and Community Councils are considered statutory partners under the Act;
- f. that the narrative in the budget reduction proposal be amended to reflect whether the saving related to removal of the service or a review seeking contributions from statutory partners in order to maintain the CCTV service.

Subject Overview and Scrutiny Committee 1 (SOSC 1)

Education and Early Years and Young People Directorate and Schools

Recommendations:

1. Members discussed in depth the efficiency savings against School Delegated Budgets – 1% for 2025-26 and 1% thereafter.

Members expressed concern over School Deficit budgets in that between 50% and 75% of schools are reporting deficit budgets for 2024-25 and this will only be further exacerbated by further budget reductions. Some schools were even reporting in their recovery plans that were simply not going to recover, meaning the Local Authority (LA), after 5 years, would have to cover the deficit.

Members also expressed concern over the fact that this reduction went against the Council's own priority to protect vulnerable children and young people and could result in cuts to key supportive services to these individuals.

Members noted that whilst Welsh Government funding would be provided for pay and price increases this year, this was one-off funding that could not be guaranteed for next year and would not resolve the ongoing deficit budget issue for schools. Linked to this and for the future, just as areas such as homelessness is being considered for growth proposals due to reductions in Welsh Government grant funding, so should schools and education be considered for potential growth and solutions to replace and help mitigate against their reductions in Welsh Government grant funding in various areas. Alternatively, the Local Authority needed to push back with Welsh Government in relation to the pressure on local authorities to administer new schemes and implement new legislation without the continued supporting funding behind it.

Based on their concerns, the Committee were in consensus and strongly **recommended** that Cabinet are asked to do all they can to remove the 1% budget saving proposed for schools.

2. Members discussed in detail the importance to maintain both the Counselling and Bridgend Music Service.

Members highlighted that both services were vital in supporting pupils who experience mental health issues, as whilst this was obvious with Counselling services, evidence was heard about how Music services also helps children and young people who have difficulties with their mental health. Members therefore pointed out that these proposals to reduce or remove these services was against the LA's priority to protect vulnerable individuals.

It was further highlighted by both Headteachers and Members, that Music provision now formed a significant part of the new curriculum and provided valuable enrichment to pupils.

Concerns were raised that schools might not be able to afford to fund Counselling or Music services going forward and provide valuable opportunities to their pupils.

The Committee **recommended** that opportunities be explored further to find alternative delivery models such as not-for-profit or commercial partnerships, in order to continue providing these important services.

3. Members asked for clarification on whether the underspend now projected for 2024 as reported under Q3 meant there was any capacity to reduce any proposed budget cuts. If this was the case the Committee **recommended** that School Delegated Budgets, Music Services and Counselling Services be prioritised for reduction in saving, if not full removal of saving if possible, in the proposed budget for 2025-26.
4. Subject to the Directorate response to the Committee on Base Budget Pressures above, Members wished to support the budget pressure proposals

Additional information:

Following detailed consideration and discussion with the Cabinet Member, Officers and Invitees, the Committee made the following requests for information:

5. Members **requested** more information on what other local authorities were doing to set a balanced budget which Officers advised once they had the wider Wales view they would be content to share with the Committee.
6. Members discussed the implications of Legal Services for schools expressing their concerns with more complex casework involving behaviour, attendance, health, and safety legislation. Headteachers advised they have external arrangements with legal services who are knowledgeable and are able to turn things around in a timely manner to support schools. Headteachers stated that the conflict came where the Local Authorities' legal team may not agree with the external legal advice which could be a challenge for the schools. The Committee **requested** that this is investigated further as to whether the external legal support was sustainable, manageable, affordable and whether the support was sufficient for today's demands on schools.
7. The Committee **requested** more information with regards to the Welsh Governments revenue support grant and other grants that might be forthcoming.

Subject Overview and Scrutiny Committee 2 (SOSC 2)

Social Services and Wellbeing Directorate

Recommendation:

1. The Committee expressed grave concerns regarding budget reduction proposals SSW 12 and 13, highlighting the widespread ramifications that would follow from redundancies and impact on the caseloads and wellbeing of remaining staff and the reputational risk they would create. The Committee therefore **recommended** that budget reduction proposals SSW 12 and 13 be removed and not pursued as savings.

SOSC 2 Forward Work Programme

1. The Committee **recommended** that there be an all Member briefing on the use of artificial intelligence within the Social Services and Wellbeing Directorate and how it is envisaged it could safely aid a reduction in staff numbers.
2. The Committee **requested** that the following reports be added to their Forward Work Programme:
 - a. Placement Commissioning Strategy;
 - b. Implementation of the Home Remodelling Programme across Adult Services;
 - c. Policy Revision to include case studies from across the demographic; and
 - d. Assisted Transport Policy.

Subject Overview and Scrutiny Committee 3 (SOSC 3)

Communities Directorate

Recommendations:

Budget Pressures

1. Members discussed in detail the additional revenue funding required, over and above the current budget, to operate the waste service as an in-house service from 2026-27, as agreed by Cabinet in November 2024. Following consideration of the Future Waste report on the 30 September 2024 by the Committee, Members had felt that more investigation was needed to provide further analysis on whether the service should be brought in-house or not, and also recommended that a potential extension of the existing contract be considered.

There was disappointment from Members that the previous recommendations made by the Committee had not appeared to have been considered and that there was now a £1.2 million budget pressure sooner than it was necessarily needed.

The Committee **recommended** that the insourcing of the service be looked at again, that modelling and further analysis be done and that the current contract be deferred for a further year to get a better understanding of the situation. Members were concerned that the costs predicted and associated budget pressure for this set for 2026-27 could potentially manifest itself during 2025-26 and also, whether there then could potentially be further recurring pressures for next year.

2. Members discussed the recurrent budget pressure associated with the closure of Bridgend Market and the recurring 300k per annum that was still being paid on the lease, as well as holding costs and covering the cost of the small market hall which was opened in the Rhiw centre where 5 traders currently operate. Members were informed that the future of Bridgend Market Hall itself was still being determined.

Members expressed concern that with the hundred-year lease that was taken out initially in 1971; the authority could potentially be paying out 300k for the next 47 years which would accumulate into millions.

The Committee **recommended** that this agreement be explored further to find a long-term resolution and address this funding pressure.

Budget Reduction Proposals

3. Members discussed the ongoing reduction in income across parking services and the specifics on the general downturn in car park income.

Officers explained that since the pandemic the Authority had seen a drop in its entirety across all the car parks with the exception of Porthcawl, in Salt Lake and Rest Bay car parks where the number of visitors has increased.

Members expressed that in their own experience, the car parks in Bridgend were very often full and considering the regeneration plans for Bridgend Town Centre, more car parking provision would be vital. The Committee **recommended** that further exploration be undertaken and evidence examined and reported to the Committee with regard to the car parking offer in the town centre and the budget pressure as a whole.

4. Members discussed at length the reduction in staff who undertake enforcement activities relating to waste. The Committee were concerned with the failure to issue enforcement notices at present and feared what the outcome would be should the enforcement team be cut by such a significant amount.

Recognising the difficulty there was with the burden of proof, Members were greatly concerned there was a risk that the ability to react to these issues would be reduced if the cut was made and therefore the Committee urged and **recommended** the Cabinet revisit the reduction with a view to removing or reducing the proposal.

5. Members expressed concern over the budget reductions relating to increasing fees on Bereavement services, i.e. burial charges by 20%, and stopping the bi-annual supply of blue refuse sacks to all residents. The Committee felt that these proposals, particularly the increase in burial fees, could have a significant impact on the public and **recommended** that if there is any leeway or additional funding potentially available, or changes to budget proposals, that these reductions be prioritised for reconsideration and either removed, or, in the instance of the 20% proposed increase in burial fees, at least reduced.

Supplementary Recommendations

6. Members discussed the Porthcawl Metrolink Station and the justification behind having to pay ongoing revenue costs. They expressed their frustration that when first scrutinising the Metrolink Station they were not informed of the ongoing costs of £100,000 a year until the other redevelopment went ahead.

The Committee **recommended** that any potential revenue liabilities associated with future capital programmes and projects be looked into and predicted as far as possible and fully disclosed when the decisions are made, especially in this time of austerity.

7. Members expressed concerns over the current conditions of highways within the County Borough and the time taken to action any reported issues. Members questioned whether the proposed approximate £1M increase for Capital funding was sufficient to cover the work needed in the forthcoming year. The Committee **recommended** that consideration be given to whether there is any additional funding that could be allocated to this budget to ensure Highways are maintained to an optimal standard.

Additional information:

The Committee made the following requests for information:

- a. Members requested figures to show the income, expenditure and overall cost to Bridgend County Borough Council for burial services.
- b. Members asked Officers for clarification on what other Local Authorities provide with regard to the supply of blue refuse sacks to residents.
- c. Further to the appointment of the 2 x S.106 Officers, to facilitate a S.106 & Infrastructure Delivery Team within the Planning & Development Services the Corporate Director agreed that these Officers could potentially come along to a SOSC 3 to explain their roles.

Corporate Overview and Scrutiny Committee (COSC) – 30 January 2024
Final Consideration of all BREP and Overview and Scrutiny Committee MTFS
Recommendations

Recommendations:

1. Bridgend Music Service

The Committee discussed the overwhelming number of representations they had each received from headteachers, parents and learners regarding the powerful impact the Bridgend Music Service has had on the lives and wellbeing of all who use it and also highlighted its importance for those learners who find academia or sport difficult.

The Committee **strongly recommended** that Bridgend Music Service be retained as a fully subsidised service.

However, whilst recognising that it was a significant budget pressure, the Committee considered that the value provided by the Service was such that they **recommended** that the budget reduction proposal EEYYP 12, at least, be deferred pending exploration of all possible alternative delivery models to ensure that the Service can continue long term.

The Committee further **recommended** that any alternative delivery model, whether or not involving other stakeholders or parental contribution models, should maintain the free provision of the Service, at the very least, for learners from low income families.

2. Counselling Services

In addition to the comments made by SOSC 1 regarding Budget Reduction Proposal EEYYP 3: *that opportunities be explored further to find alternative delivery models such as not-for-profit or commercial partnerships, in order to continue providing these important services*, COSC stressed the importance of working with partners and **recommended** that the Authority work closely with Cwm Taf Morgannwg University Health Board in providing support for the mental health and wellbeing of children and young people across the county borough.

3. EEYYP and Schools Budget Pressures

Further to SOSC 1's support for the budget pressure proposals, the Committee specifically wished to support the budget growth for Additional Learning Needs (ALN). However, the Committee **recommended** that the budget growth proposal of providing additional support for those with ALN needed to be carefully balanced with the demand and impact that the budget reductions proposals regarding ALN would have on staffing and support for learners.

4. School Delegated Budgets – SCH 1

The Members discussed representations received from headteachers regarding the detrimental impact that the further 1% cut would have on their ability to deliver a wide range of service and on their already significant deficit budgets including the significant impact on staffing and their wellbeing, potentially larger class sizes, the narrowing of the curriculum and potential impact on additional

provisions such as, extracurricular activities. Therefore, the Committee **recommended** that SOSC 1's recommendation *that the Cabinet are asked to do all they can to remove the 1% budget saving proposed for schools* be wholly endorsed by COSC, and that Cabinet reconsider this significant proposed budget reduction for the reasons above.

5. Grant funding

The Committee requested a breakdown of value of the grant funding which the Council could expect to receive from the UK and Welsh Government in 2025/26 including the expected timeline for receipt and whether this represented an increase or decrease from previous years.

The Committee were advised that although some headline figures had been received on an all-Wales basis, it was, as yet, unknown what Bridgend's allocation from these would be. The Committee **recommended** that should this information be available prior to the setting of the budget, that Cabinet consider it as part of the full financial outline during the budget setting process.

Additional Information:

6. The Committee expressed concern regarding the perceived discrepancy between the Welsh Government promoting a 4% investment in education and Bridgend proposing a 1% cut to school budgets. The Committee were advised that Bridgend's allocation from the additional Welsh Government funding for education in Wales equated to around £10.8m. The Committee **requested** a copy of the letter from the Cabinet Secretary for Education detailing the breakdown of this allocation referred to by the Corporate Director – Education, Early Years and Young People.
7. The Committee expressed concern regarding the impact of falling pupil roll numbers on funding for schools and **requested** the pupil numbers on roll for past years and a projection of future numbers including the Pupil Admission Number (PAN) for each school.
8. The Committee **requested** a written response providing an estimated value of the revenue lost, at the Rhiw Car Park, as a result of the car park barrier remaining up all day.
9. The Committee were advised that the Council's charging regime for car parking, including the free parking offers, were being reviewed. The Committee **requested** that the Subject Overview and Scrutiny Committee 3 consider requesting a report detailing the outcome of the exercise referred to above and that such report demonstrates the difference in revenue between the free parking period and a full charging model.