

**Minutes of the Meeting of OVERVIEW AND SCRUTINY CO-ORDINATING COMMITTEE  
held at the Hybrid - Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron / remotely via  
video conference on Monday, 3 February 2025**

**PRESENT:** Councillor Wyn Evans (Chairman), Councillors Keith Evans, Marc Davies, Chris James, Elaine Evans, Caryl Roberts, Rhodri Evans, Amanda Edwards.

**OFFICERS PRESENT:** Eifion Evans, Chief Executive, Barry Rees, Corporate Director, Duncan Hall, Corporate Lead Officer and Section 151 Officer, Lowri Edwards, Corporate Lead Officer, Democratic Services, Nia Jones, Corporate Manager, Democratic Services, Elin Prysor, Corporate Lead Officer Legal and Governance and Monitoring Officer, Debbie Evans, Corporate Manager, Finance, Lisa Evans, Standards and Scrutiny Officer, Dwywnwen Jones, Overview and Scrutiny Officer and Translators.

**ALSO PRESENT:**

Cabinet Members: The Leader of the Council, Councillor Bryan Davies and Councillors Alun Williams, Deputy Leader, Gareth Davies, Keith Henson, Matthew Vaux, Clive Davies, Catrin M S Davies, Wyn Thomas.

Councillors Gareth Lloyd, Elizabeth Evans, Gethin Davies, Hugh Hughes, Meirion Davies and Eryl Evans.

(10am -1.00 pm)

**43 Welcome and Apologies**

The Chair welcomed everyone to the meeting.

1. Councillors Ceris Jones and Gwyn Wigley Evans apologised for their inability to attend the meeting.

**44 Disclosures of personal interest (including whipping declarations)**

**Members are reminded of their personal responsibility to declare any personal and prejudicial interest in respect of matters contained in this agenda in accordance with the provisions of the Local Government Act 2000, the Council's Constitution and the Members Code of Conduct. In addition, Members must declare any prohibited party whip which the Member has been given in relation to the meeting as per the Local Government (Wales) Measure 2011.**

The Leader of the Council, Councillor Bryan Davies declared a personal interest with regards to any discussion relating to the Authority's Education Staff.

Councillor Gareth Davies, Cabinet Member, declared a personal interest with regards to any discussion relating to the Fire Authority.

Councillor Rhodri Evans declared a personal interest with regards to any discussion relating to the Authority's Education Staff.

Mr Barry Rees, Corporate Director, declared a personal interest on behalf of all Officers present in the meeting with regards to any discussion relating to

the workforce, in accordance with the Code of Conduct for Local Government Employees.

**45 Chair Announcements**

The Chair highlighted the importance of having an open and honest discussion whilst considering the budget at this morning's meeting.

**46 To consider the draft 25/26 Budget as considered by Cabinet on 21/01/25**

The Overview and Scrutiny Co-ordinating Committee was asked to consider the Budget report presented to Cabinet on 21/01/25. Cabinet considered and agreed 9 recommendations in relation to the draft 25/26 Budget report.

The Leader of the Council, Councillor Bryan Davies, presented the report on the draft budget for 2025/2026. The Cabinet Member for Finance and Procurement, Councillor Gareth Davies, presented the remaining information. Duncan Hall, Corporate Lead Officer, Finance and Procurement, then provided a brief verbal update on the latest Budget situation. Key points were as follows:

- The latest estimated revenue cost pressures being faced by the Council total £11.8m for 2025/26 (excluding the Council Tax Reduction Scheme element which varies proportionate to Council Tax considerations). This is equivalent to a Ceredigion specific inflation factor of 6.1%. This compares with general inflation running at 2.6% (November 2024 CPI figure).
- The Chancellor's changes to Employers National Insurance (NI) from April 2025 is a considerable burden and a key budget variable within the Council's Cost pressures. The increase will cost the Council in the region of £3m for costs deemed to be 'Direct' (Employed staff falling under the ONS Public Sector definition) and in the region of £1m for costs deemed to be 'Indirect' (the cost burden falling on Social Care commissioned providers) – in total some £4m. At present the definitive funding is not confirmed and the position is not likely to be clear until the first quarter of 2025/26. Therefore an 80% assumed level of funding towards 'Direct' costs has been factored into the 2025/26 Budget estimates.
- The combination of the Employers NI changes and continuing to fulfil WG's policy of ensuring the Real Living Wage (5.0% increase to £12.60 per hour) is paid to registered Social Care staff are the main factors which are leading to an additional £2.4m cost in relation to externally commissioned Social Care services. This relates to the estimated cost of fee uplift considerations for 2025/26 for key sectors such as Domiciliary Care, Direct Payments, Supported Living settings and Older Persons residential placements.
- There are wider demands and pressures on Social Care related budgets - totalling £1.4m over and above Employee Pay awards, Employers NI and uplift provisions for externally commissioned services. However, the largest area of concern remains the Out of County Children's Placements Budget, where a cost pressure of just under £2.0m needs to be recognised due to the increase in both volume and average value of placements.

- The Cabinet propose to provide a base budget investment in 2 Services to recognise the need for both service stability and targeted investment to achieve results. Just under £0.5m is proposed for the Waste (Refuse) Collection service and the option of either £230k or £346k is being considered for the Planning Enforcement service.
- The UK Government continues to increase the National Living Wage (6.7% increase to £12.21 per hour). Employees pay awards are always a key budget variable, but they are not determined by Ceredigion County Council. For 2025/26 pay awards are assumed to fall back and are estimated to cost c£2.9m. At the assumed level of pay award, the Council's lowest pay point would rise from £12.26 (April 2024) to £12.63 (April 2025) and therefore, be slightly above the Real Living Wage.
- The details of many Specific grants are still to be confirmed. With the combination of Employers NI and Pay awards, it will be a challenge for Services if any grant(s) remain cash flat. One grant that has been confirmed is the UK Shared Prosperity Fund (UKSPF) allocation for Ceredigion for 2025/26 of £5.0m. However, this is a 43% cut from the 2024/25 level of funding of £8.8m, with there being a combination of a change in allocation methodology as well as an overall decrease in UK wide funding during this transitional year.
- The Cabinet propose to ensure the overall Delegated Schools Budget has sufficient funding to cover the known impact of 2024/25 Pay awards, the estimated impact of 2025/26 Pay awards, the impact of the Employers NI changes from April 2025 and the full funding of the April 2024 Employers Pension contribution rate increase. The resulting impact is a 5.1% increase in the Delegated Schools budget (excluding funding transferred into the Provisional Settlement) which rises to 8.3% once funding transferred into the Provisional Settlement and passported across is included (for Sept 2024 Pay + Pensions). At an individual School level, the position will be impacted by Pupil numbers.
- The increase proposed by the Mid & West Wales Fire Authority for the Fire levy which forms part of Ceredigion County Council's Budget is lower than in recent years. The current proposal would result in an increase of 7.3% on the Council's current Fire levy cost of £5.4m and would be the equivalent of c0.6% on Council Tax.
- Competing demands on the Capital Programme will be helped in a small way by a 10.5% increase in core Capital funding from WG - worth an additional £612k. However, the level of core capital funding (now £6.5m for 25/26) is still lower in cash terms than that received over 15 years ago. A further sum of c£2.3m is expected from WG for investment in Highways improvements in Ceredigion.
- In December 2023, the Council agreed to a stepped approach to Council Tax premiums chargeable on Second Homes, with the second step to 150% becoming effect from April 2025. This decision provides an estimated £1.1m benefit to the 2025/26 Budget which will lower an otherwise higher Council Tax increase, with the caveat that each year £2.0m of funding will remain available for the [Community Housing Shared Equity Scheme](#).
- The current draft 2025/26 Budget Requirement is either £209.109m or £209.234m, depending on the level of investment in the Planning Enforcement Service.

- The current 24/25 Band D Council Tax level in Ceredigion (for all components) is £2,103.89 which is 3.9% above the average Band D Council Tax in Wales at £2,024.31. Average Council Tax levels in Wales are still lower than the equivalent English Unitary Authorities average (£2,248 for 24/25). The County Council element (just over 80% of the total bill) of the current 2024/25 Band D Council Tax is £1,726.05.
- Cabinet is mindful that c85% of all chargeable dwellings in Ceredigion fall into Bands A to E. The current draft 25/26 Budget figures indicate a potential Council Tax increase (for the Ceredigion County Council component) of around £14 per month for a Band D property.
- Considerable lobbying is being done to make the case with the WLGA and WG that there should be a Funding Floor in the 2025/26 Local Government Final Settlement of no less than 4.3%. At this level the benefit for Ceredigion would be the ability to lower the potential Council Tax increase by c2%.

Each of the 4 individual thematic Overview and Scrutiny Committees will have the opportunity to consider the impact on the Services within their remits when they meet later in the week on the 06/02/25 and 07/02/25.

Members were then given the opportunity to ask questions which were answered in turn by the Leader, Cabinet Member and/or Officers.

Main points raised during discussion were:

- Councillor Rhodri Evans, Leader of the Independent Group, referred to a letter which he on behalf of the Group had sent to Councillor Bryan Davies, Leader of the Council, for consideration by Cabinet. The letter proposed that staff rationalisation should be identified as savings for the budget setting process. He stated that Ceredigion County Council has a controllable budget of close to £200 million, of which around 64% of this spend is on employment costs. This equates to circa £120 million. The Group stated that it is not acceptable that Ceredigion residents are facing yet again another year, where the council tax rise currently forecasted at near to 10%. Councillor Rhodri Evans stated that the group felt strongly that the council tax, if set at the suggested 9.7% to 9.9% level, is unsustainable, unpalatable and needs to be reduced and are of the view that if the Group's proposal is agreed then there would be a significant reduction in the proposed Council Tax. As a group, he said that they feel strongly that the council tax should not be set higher than the Ceredigion specific inflation factor as quoted by the section 151 officer of 6.1%. Councillor Rhodri Evans stated that the Group have consistently suggested that the authority needs to identify a reduction in staffing costs and that these should be identified from employees that earn more than £45k per annum. Determining where these reductions come from, needs to be identified by departments as this is an operational function. He also stated that the Group believe that collaborative working with other Local Authorities should be explored to its full potential to generate mutual savings. He stated that

the independent group are adamant that school staffing and their budgets are not to be identified for savings, and neither should any frontline Council employees.

In response to this letter, Officers made the following comments:

- The current top estimate for the Council Tax increase is 9.9%, including a continuation of waste service investment which will add 0.9% onto Council Tax, Fire Levy @0.6% and platinum planning enforcement option @0.6% as recommended by Thriving Communities Scrutiny Committee). The three areas noted account for 2.1% of the increase, meaning the core Council Tax increase proposed is really 7.8%.
- The impact of reducing the Council Tax increase from 9.9% to 6.1% as suggested in the letter would require a saving of £2.038m. The proposal states that these savings should be met by a reduction in staffing costs for employees earning more than £45k per annum. This equates to employees on Grade 12 or above. Across all Services (including Schools), there are 663 FTEs earning over £45k (excluding oncosts) at a total cost of £49m for 25/26. For convenience of our analysis, we have used a £46k threshold as this equates to Grade 12 employees and above.

This consists of:

- i) 2% of posts are Leadership Group = 15 FTEs (£1.9m), a 32% reduction in the Senior Management Team since 2012/13.
- ii) 6% of posts are Corporate Managers = 38 FTEs (£3.0m)
- 72% of posts are Staff on Teachers / Soulbury grades = 477 FTEs (£36.4m).
- iii) Of these, 443.46FTEs are school-based teachers and leaders, costing £34.5m and 33.89FTE are on the Soulbury Scale for School Support Staff (Corporate Managers within the schools service / School Support Advisors / Advisory Teachers / Educational Psychologists, etc.), costing £1.9m.

Of those on Grade 12 + or equivalent, 95% of these are school-based and 5% are staff within the schools services, whose salaries are met from the non-delegated budget.

- iv) Remaining 20% (i.e. GR12/13/14s) = 133 FTEs (£7.7m)
  1. At least 84 FTEs (13% / £5.0m) would be out of scope due to being frontline staff (incs School Business Managers / Social Care Team Leaders / Senior Practitioners etc)
  2. There are 9 FTEs (1%) relating to regional posts such as Growing Mid Wales – nearly all of which are externally funded
  3. That then leaves 40 FTEs (6% / £2.6m) that might be deemed as non-frontline – mainly Finance, HR, ICT, Legal, Corporate Business Support – i.e. Support Services with Professional / Senior officers on >£46k but below Corporate Manager Level.
- The impact of the proposal is very significant since school-based staff make up the large majority of those paid at Grade 12 equivalent or above. For example, if savings are to come from non-frontline staff at

Grade 12 and above but below Corporate Manager level, a £2m saving in employee costs would be equivalent to a 75% reduction in support services staff (as per final bullet point).

- The Chief Executive referred to the Local Authorities (Standing Orders) (Wales) regulations 2006 and highlighted the following “the function of appointment and dismissal of, and taking disciplinary action against, a member of staff of the relevant authority must be discharged, on behalf of the relevant authority, by the person appointed as the authority’s chief executive or by an officer nominated by the authority’s chief executive” (excluding chief officers).
- The Chief Executive, therefore advised the Independent Group Members that with the point above in mind, it would be more appropriate if suggestions were put forward as to which Services they wished to investigate to achieve the necessary savings.
- Following a request, it was agreed that information is re-circulated to all Members prior to the Overview and Scrutiny Committees to be held on the 6<sup>th</sup> and 7<sup>th</sup> of February 2025 listing all Services referring to whether they are statutory or non-statutory. The Section 151 Officer agreed to re-circulate this information.
- Committee Members and Cabinet Members agreed that all Staff are appreciated and an important asset to the Local Authority.
- The Leader of the Council advised the Committee that the workforce has reduced during the past few years and that recruitment is a current issue. As all are aware there are the costs attributed to agency staff and it was noted that these costs are decreasing.
  
- A Member raised a concern regarding the Pwrth Services, in that costs are increasing. It was confirmed that since the covid pandemic, services are experiencing increased pressure and referrals in these services, as is regularly reported to the Committee.
- Committee Members agreed that the proposed investment in 2 service areas i.e. Platinum standard for the Planning Enforcement service and the reinstatement of investment in waste collection service is essential. The Planning enforcement service should be looked upon as an invest to save, with the service being self-funded by income generated through additional planning application fees and other unquantifiable savings.
- A Committee Member requested financial information regarding existing Leisure Centres and the newly established Wellbeing Centres, including any swimming pools. The Section 151 Officer agreed to circulate this information.

Following a lengthy discussion, Committee Members were asked to consider the following recommendations:

**RECOMMENDATIONS:**

1. To consider the overall Budget position as shown in the Budget report in Enclosure A.
2. To note that individual Overview and Scrutiny Committees will consider the impact on the Services within their remits on 06/02/25 and 07/02/25.
3. To make any recommendation(s) for Cabinet to consider on 18/02/25 that the Committee deems appropriate in relation to the Budget.

Committee Members agreed:

1. They had considered the over Budget position shown in the Budget report in Enclosure A.
2. To note that individual Overview and Scrutiny Committees will consider the impact on the services within their remits on the 6<sup>th</sup> of February 2025 and the 7<sup>th</sup> of February 2025.

It was requested and agreed that Cabinet consider the contents of the letter received from Councillor Rhodri Evans, Leader of the Independent Group on behalf of the Independent Group.

**REASON FOR RECOMMENDATIONS:** To assist with the preparation of a balanced budget and ensure appropriate scrutiny of the overall Budget being proposed.

The Chair thanked the Leader of the Council, Councillor Bryan Davies and Cabinet Member, Councillor Gareth Davies for their presentations this morning and for their continued work in lobbying the Welsh Government on behalf of Members.

The Chair also thanked Duncan Hall, Corporate Lead Officer and Section 151 Officer, the Chief Executive and Corporate Director and all other Officers involved in the preparation of the 2025/26 budget.

The Chair also thanked everyone involved in the meeting for having an open and honest discussion whilst considering the budget.

**47 To confirm Minutes of the previous meeting and to consider any matters arising from those Minutes**

It was **AGREED** to confirm the minutes of the 16<sup>th</sup> of January 2025 Committee meeting as a true record. There were no matters arising from those minutes.

The Chair thanked Members for attending, Translators, and Lisa Evans and Dwynwen Jones for their support during the meeting.

**Confirmed at the Meeting of the Overview and Scrutiny Co-ordinating  
Committee held on 27 March 2025**

**Chairman:** \_\_\_\_\_

**Date:** \_\_\_\_\_