

Meeting of:	Cabinet
Date of Meeting:	Monday, 27 February 2023
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Final Budget 2023/24 and Medium Term Financial Plan (MTFP) 2023/24 to 2028/29
Purpose of Report:	To present final proposals to Cabinet for the revenue budget for 2023/24 and an update to the Medium Term Financial Plan 2023/24 to 2028/29.
Report Owner:	Leader of the Council
Responsible Officer:	Director of Corporate Resources
Elected Member and Officer Consultation:	Leader of the Council, Cabinet Members, Chief Executive and Directors, Head of Finance/s151, Head of Legal/Monitoring Officer, Head of HR, Operations Manager Accountancy
Policy Framework:	Consideration and approval of the budget and increase in Council Tax are matters for decision by Council.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The Council is facing significant demographic and inflationary pressures in 2023/24 and into the medium term. • Cabinet approved the Financial Strategy and update of the Medium Term Financial Plan in October, at which time there was a funding gap of £28M in 2023/24 and £50M across the Medium Term. • Officers reviewed those pressures and funding assumptions in light of the Chancellor’s Budget in November and the Welsh Government Settlement announcement on Tuesday 13 December. • Pressures had been managed downwards with few of the Investment proposals from October taken forwards which then stood at £1.010m but managing the inflationary pressures down was more challenging and it was determined appropriate to support the utility based ones through the temporary use of reserves in the expectation that prices do reduce over the longer term. • There was better than expected news in the Settlement. £227M was made available across Wales over and above the 3.5% commitment in last year’s settlement. • Consequently the Council faced a reduced funding gap of £9.255M and following the approval of Cabinet on 19 January 2023 consulted on a savings package of £6.055M after the one off use of reserves of £3.2M. 	

- Pressures and funding have continued to be reviewed alongside comments from the Scrutiny Committees and public and wider consultation. There have been further grants received to support Homelessness alongside a recognition of the need to make greater provision for pay awards.
- Table A below summarises the final position for 2023/24 and across the medium term.

	2023/24	2024/25	2025/26	2026/27	2027/28
	£K	£K	£K	£K	£K
Total Additional Funding	-21,864	- 9,386	- 10,181	- 10,396	-10,619
Use of Reserves	- 2,300	-1,204	0	0	0
Pressures	31,542	17,020	11,484	13,196	11,480
Funding Gap	7,378	6,430	1,303	2,800	861
Savings/ Efficiencies	- 7,378	- 397	590	0	0
Overall Gap	0	6,033	1,893	2,800	861

- Table B sets out the Budget by Directorate.

	Base Budget 2022/23	Transfers	Cost Pressures	Savings/ Efficiencies	Use of Reserves	Base Budget 2023/24
	£K	£K	£K	£K	£K	£K
Learning and Skills	121,032	120	14,073	- 3,314	- 1,200	130,711
Social Services	80,869	- 161	8,750	- 600	-	88,858
Environment and Housing	31,737	- 62	3,585	- 1,000	-	34,260
Place	4,132	- 38	433	- 265	-	4,262
Corporate Resources	1,675	691	3,265	- 584	-	5,047
Policy	34,109	- 550	1,436	- 1,615	-	33,380
Use of Reserves	- 996	-	-	-	- 1,100	- 2,096
Total	272,558	0	31,542	- 7,378	- 2,300	294,422

- There is a proposed increase in Council Tax of 4.9%. For a Band D property this is the equivalent of £1.32 per week and maintains Council Tax at the mean of Welsh authorities.
- There is a £7.378M savings and efficiencies programme for which Equality Impact Assessments have been undertaken and tracking and management arrangements have already been put in place to ensure delivery.

- As part of the budget deliberations there has been a fundamental review of the Council's reserves. The reserves have been realigned with the Council's overall objectives and risks and have been streamlined to provide greater transparency and ease of management.
- The comments from the public consultation and scrutiny review of the January Budget for Consultation have been considered in formulating the final proposals.
- The s151 has assessed the robustness of estimates and adequacy of reserves and is satisfied with both. The budget is now recommended for approval by Council on 6 March.

Recommendations

1. That Cabinet notes the updated financial position as detailed in this Report.
2. That Cabinet recommends to Council to approve a Council Tax increase of 4.9%
3. That Cabinet recommends to Council to approve the budget for 2023/24.
4. That Cabinet notes the forecasts across the medium term to 2027/28.
5. That Cabinet notes there are no changes to the proposed fees & charges approved for Consultation in January following review by Scrutiny.
6. That Cabinet notes the realigned reserves to match the risks the Council now faces.
7. That Cabinet notes the comments of the s151 Officer on the adequacy of reserves and robustness of estimates in paragraphs 2.91 to 2.97.
8. That Cabinet notes the arrangements in place to ensure the delivery of the £7.378M savings programme.

Reasons for Recommendations

1. It is important for Cabinet to be regularly apprised of the Council's medium term financial position.
2. Setting the annual rate of Council Tax is a key policy decision for Council.
3. Setting a balanced budget is a statutory responsibility and decision for Council.
4. Sustainability is one of the fundamental principles of the Financial Strategy.
5. To confirm fees & charges for 2023/24.
6. The review of the reserves was one of the fundamental principles of the Financial Strategy.
7. The s151 Officer has a statutory duty to comment on the adequacy of reserves and robustness of estimates.
8. To ensure all savings can be delivered in full for 2023/24.

1. Background

- 1.1. Cabinet approved the Financial Strategy and refreshed Five Year Medium Term Financial Strategy at its meeting on 6 October 2022. The key elements of that paper are set out below.

Financial Strategy

- 1.2. Cabinet approved the following nine principles in the way it manages its finances and delivers a balanced budget for 2023/24.
 - i. Delivering the Corporate Plan

- ii. Focussing on Supporting the Most Vulnerable
- iii. Sustainable Finances
- iv. Appropriate Level of Reserves
- v. Generating Local Tax Revenue
- vi. Fees & Charges
- vii. Collective Responsibility to Manage the Finances
- viii. Access & Transparent Finance
- ix. Delivering Best Value

1.3. These principles have been at the heart of the work on the budget across the autumn and into the new year.

Economic Position

1.4. The UK economy was almost unrecognisable from just twelve months earlier which emphasized the uncertain times in which the Council is operating and the difficult this would present to both the UK and Welsh Government in the resources they could direct to local government.

1.5. Inflation has been broadly under control for more than a decade but had been climbing at the end of 2021 hitting 5.5% in January and rising to 9.9% at the end of August giving rise to a hard felt cost of living crisis. The Bank of England had initially stalled in its response to control what is largely imported inflation but started to increase rates in December 2021 to 0.25% with a series of further increases in the following months up to 1.75% in September 2022.

1.6. There was a Fiscal event on 22 September 2022 targeting supporting support for fuel bills and tax reductions but not independently validated by the Officer of Budget Responsibility which had caused significant turbulence at the time of writing of the October report and naturally gave rise to pessimistic prospects for a more favourable than previously committed settlement for Welsh councils.

Financial Assumptions

1.7. As at 6 October 2022, the Council was faced with a £28.2M gap assuming the 3.5% increase in Aggregate External Finance in the Welsh Government's existing three year settlement and a Council Tax increase of 3.9% which was still subject to a policy decision.

1.8. The main pressures impacting at this time were inflationary which were already building at the start of the calendar year but very much driven in the spring and remainder of the year by the war in the Ukraine. These have come through in the magnitude of pay awards, utility costs, pressures from suppliers, especially from the care sector and in transport costs. Further there are continuing demographic pressures with a growing school population and increase numbers of older people. There were aspirations for investment to deliver service improvement which it was recognised would be difficult to fund given the size of the overall gap.

Savings Framework

1.9. The October report set out three broad strategies for addressing the £28M gap reported at that time – lobbying for greater funding and assessing the level of Council Tax increase, reviewing and managing down spending pressures and bringing forward savings proposals A framework was put in place to facilitate the identification of savings proposals across nine themes:

- i. Demand Management/Invest in Early Intervention
- ii. Generating Income
- iii. Service Review
- iv. Invest to Save (omitted from the October report)
- v. Use of the Wider Community to Deliver Services
- vi. Digital Strategy
- vii. Corporate Asset Management Plan
- viii. Workforce Review
- ix. Contract Review/Procurement

1.10. These themes were similar to the earlier Reshaping Programme but undoubtedly the primary focus would be more on financial savings and efficiency than transformation.

1.11. Officers continued to review the pressures across the autumn, and they were also subject to review by the Council’s Budget Working Groups.

1.12. The Chancellor’s Autumn Statement on 17 November 2022 brought positive news for the local government sector with a commitment to the existing three year settlement and additional funding for Health & Social Care, Schools and Business which flowed £644M through to Wales as a consequence of the Barnett formula. The Welsh Settlement on 13 December was, therefore, significantly better than anticipated, an uplift of 8.9% in Aggregate External Finance for the Vale of Glamorgan.

1.13. The overall funding gap was £6.055M after the one of use of £3.2M of reserves as summarised in Table 1 below.

1.14. Table 1: Funding Gap as at January 2023

	2023/24	2024/25	2025/26	2026/27	2027/28
	£K	£K	£K	£K	£K
Additional Funding					
Government Grant	16,604	5,597	6,244	6,306	6,369
Council Tax	5,311	3,829	3,978	4,134	4,295

Reversal of 2022/23 use of reserves	-500	-500	0	0	0
Use of smoothing Reserves	3,200	1,500	0	0	0
Total Additional Funding	24,615	10,426	10,222	10,440	10,664
Investment	1,010	1,471	1,470	1,154	0
Demography	1,150	2,493	2,493	2,493	2,493
Inflation	23,455	10,939	7,265	8,688	8,800
Capital Financing	0	47	293	147	282
Other Pressures	5,055	-113	166	637	0
Total Pressures	30,670	14,837	11,687	13,119	11,575
Overall Gap	6,055	4,411	1,465	2,679	911

1.15. The Budget for Consultation was published on 19 January 2023. Public Consultation was launched on 20 January and Scrutiny Committees were asked to consider the funding and cost assumptions along with the savings programme and refer any comments back to Cabinet.

2. Key Issues for Consideration

2.1. The report now considers funding, managing pressures and bringing forward the final savings proposals for approval.

The Economy: UK and Welsh Finances

2.2. This section provides an update on the economy, UK and Welsh finance across the entire budget setting process.

2.3. There were a series of important financial announcements across October and November 2022 and a fair measure of confidence restored in the UK's finances since the extreme turbulence caused by the Chancellor's (Kwasi Kwarteng) mini fiscal Event of September. Much of the Chancellor's 22 September Fiscal Event actions were quickly undone following the election of new Prime Minister and appointment of a new Cabinet and especially Chancellor of Exchequer in early October and a commitment to a budget fully validated by the OBR.

Autumn Statement

2.4. The Chancellor, Jeremy Hunt presented the Autumn Statement on 17 November 2022.

- 2.5.** The OBR presented a far more gloomy forecast than back in March. The squeeze on real incomes, rise in interest rates and fall in house prices tipping the economy into recession in the immediate future. Unemployment is forecast to rise by 505,000 and increase from 3.5% to 4.9%. GDP is expected to return to growth in 2024 with output not expected to recover to pre pandemic levels until Quarter 4 of 2024. CPI was 10.1% in September with forecasts that it would peak later in the year before easing in the new year. [it peaked in October at 11.1% and has fallen slowly month on month since and for January was 10.1%]
- 2.6.** Government borrowing is forecast to increase significantly, on average £54Bn for the next five years. This is driven by the high cost of debt interest and for 2022/23 and 2023/24 by the Energy Price Guarantee. Tax policy and spending cuts in the final three years of the settlement will lower the borrowing by an average of £36.9Bn per year.
- 2.7.** The announcement honoured the October 2021 Spending Review commitments of a 3.5% increase in Aggregate External Finance in 2024/24 and 2.4% in 2024/25
- 2.8.** As part of the Autumn Statement the Chancellor also announced additional departmental spending on NHS, social care and schools in England along with business support measures through the Business Rates system. This has triggered Barnett Consequential funding for the Welsh Government of £1.2Bn across 2023/24 and 2024/25 as detailed in the table below.
- 2.9.** Table 2 Barnett Consequentials £1.2Bn

	2023/24	2024/25
	£M	£M
Health & Social Care	253	294
Schools	137	137
Business Rates	266	123
Other	-12	-83
	644	471

- 2.10.** The settlement also implied a 1% per annum real terms increase in departmental spending after 2024/25 but given underlying service pressures this may still feel like austerity for some areas of spending.

Welsh Government Settlement

- 2.11.** There has been a positive settlement for Wales as a result of the Barnett Consequentials. £227M of the £644M has been directed to local government which means the AEF increase for 2023/24 is 7.9%, a significant increase on the 3.5% anticipated. The consequentials have also had a positive impact on the 2024/25 which is now at 3.0%, a marginal increase on the 2.4% for 2024/25 in last year's three year Settlement.

2.12. The AEF is driven by the overall resources available including estimated Council Tax levels and the underlying need to spend on services, the Standard Spending Assessment (SSA) Overall SSA has increased by 6.2% across Wales and the key components School Services by 5.0% and Social Services 6.7%. The Schools Service increase takes into account the cost of the 2023/24 pay award but not the shortfall in the 2022/23 awards. The Social Services figure is higher due to the payment of the Real Living Wage to the care sector being factored in. The Vale of Glamorgan has done better than the Wales level figures and these are set out in the funding section below.

2.13. The Settlement has included notification of the majority of grants, either with the continuing sum or nil where it is discontinued. There are quite a number marked as to be confirmed and also the Council is still awaiting details some of its specific shares, updates on the latest position will continue after approval of the budget. Of note at this stage though are the increases in Homelessness Grant as well as Universal Free School Meals grant and Retail, Hospitality and Leisure Rate Relief.

Updated Financial Assumptions

2.14. There have been a number of changes to funding and cost assumptions since the Budget was published for Consultation, these are set out in Table 3 below and then the paragraphs following set out the full picture.

2.15. Table 3: Key changes between Budget for Consultation and Final Budget

	2023/24	2024/25	2025/26	2026/27	2027/28
	£K	£K	£K	£K	£K
Use of Reserves	400	-204	0	0	0
Council Tax	51	40	42	43	45
Other Savings/Efficiencies	-23	0	500	0	0
Schools Efficiencies	-750	0	0	0	0
Investment income	-550	250	250	0	0
Housing Spend/ Grant	-1,750	2,250	0	0	0
Pay Awards Central	307	0	0	0	0
Pay Award Increase Schools	737	0	0	0	0
Pay Award Increase 1.5%	958	0	0	0	0
Service Growth	-180	-67	-203	77	-95
Schools	800	0	0	0	0
Net Position	0	2,269	589	120	-50

2.16. The increases in the Bank of England base lending rate over the past year have meant that the Council has increased returns on its investments as report in the Third Quarter Revenue Monitoring Report to Cabinet in January. This is forecast to be £0.775M (an increase of £550K) in 2023/24 but will reduce in line with the

forecast reduction in reserves over the medium term, and possible reductions in the base rate in 2024/25 when inflation is deemed to be under control.

- 2.17.** The Council has been notified of further grant to support Homelessness in both 2022/23 and 2023/24, the 2022/23 allocation is permitted to be used for forward purchase of provision in 2023/24. This negates the use of the smoothing reserve for 2023/24 but some smoothing will be necessary over the medium term as the Council develops additional capacity.
- 2.18.** The draft budget had provision for a 5% Local Government pay award. The prolonged pay disputes and persistent inflation suggest that this would have been insufficient and extra provision has been made to an overall level of 6%.
- 2.19.** There are three areas of service growth built into the final budget proposals. A pressure for additional Resource Base capacity for Additional Learning Needs had been considered but not built into the Budget for Consultation. After further assessment £150K is made available. It has also been recognised that further resource (£30K) is required in the Procurement Function in order to drive contract and procurement efficiencies to feature in future years of the Medium Term Financial Plan. Finally, provision has been made to strengthen Empty Homes enforcement (£60K) alongside charging premiums for Long Term Empty Properties covered below.
- 2.20.** There are a number of adjustments in respect of schools. There has been a re-evaluation of the provision for the Teachers’ pay award as well as for school staff on Local Government terms and conditions increasing the provision for Teachers’ Pay in September 2023 from 3.5% to 5% and making further allocation for 2022/23 teaching pay award at an additional 1.5% to reflect the recent Welsh Government pay offer. The provision for the Non Teaching pay award in 2023/24 was increased from 5% to 6% which reflects the projections for inflation to remain at around 6% in 2023/24.
- 2.21.** Table 4 below summarises the current financial forecast for the Council across the medium term. The full details of all of the pressures are set out in Appendix A and the movement between the £38.008M assumed in October and the £31.542M most up to date forecast is summarised in Appendix B. An increased funding settlement from Welsh Government alongside the work undertaken by services to manage pressures means the level of savings required to balance the budget is less than forecast earlier in the autumn.
- 2.22.** Table 4: Budget Position at February 2023

	2023/24	2024/25	2025/26	2026/27	2027/28
	£K	£K	£K	£K	£K
Additional Funding					
Government Grant	16,604	5,597	6,244	6,306	6,369
Council Tax	5,260	3,789	3,937	4,090	4,250

Reversal of 2022/23 use of reserves	-500	-496	0	0	0
Use of smoothing Reserves	2,800	1,700	0	0	0
Total Additional Funding	24,164	10,590	10,181	10,396	10,619
Investment	1,100	1,471	1,470	1,154	0
Demography	1,150	2,493	2,493	2,493	2,493
Inflation	25,792	10,939	7265	8,688	8,800
Capital Financing	0	80	190	224	187
Other Pressures	3,500	2,037	66	637	0
Total Pressures	31,542	17,020	11,484	13,196	11,480
Overall Gap	-7,378	-6,430	-1,303	-2,800	-861

Funding

Grant

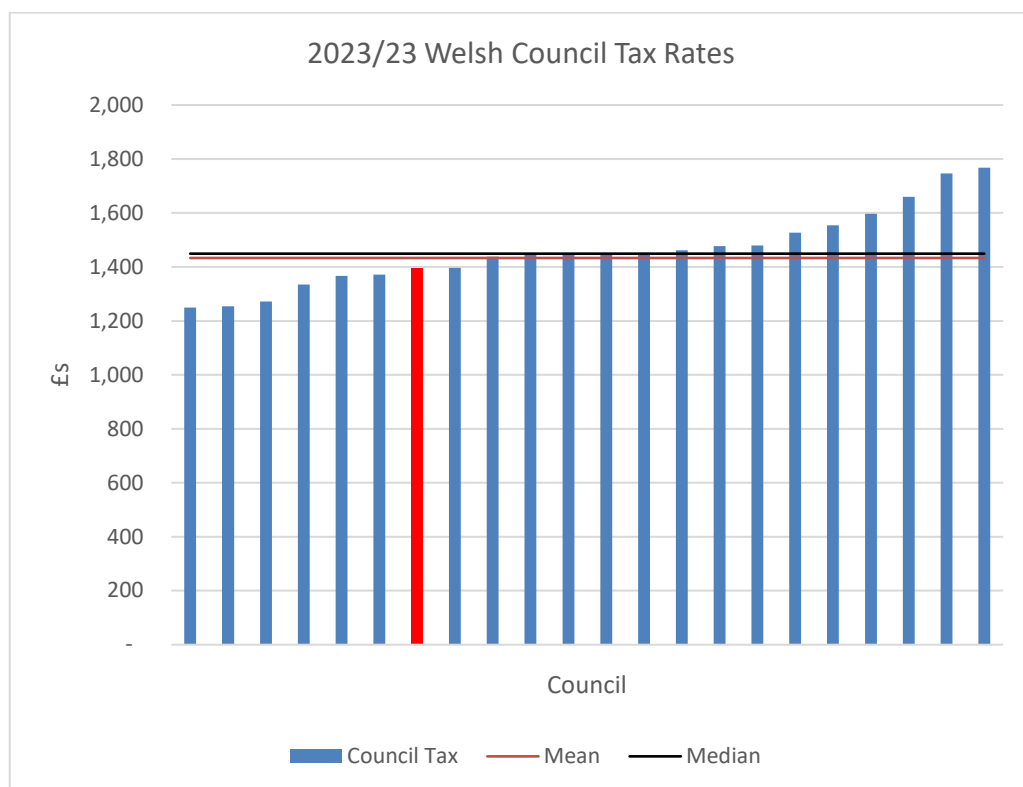
- 2.23.** Aggregate External Financing (AEF). The Council has fared well from the Welsh Government Settlement and the additional £2bn set aside for Wales in the Chancellor's Autumn Statement on 17 November. The Vale of Glamorgan's AEF will increase by 8.9% £16.6M which is a £10M improvement on the £6.5M (3.5%) anticipated in the Financial Strategy in October which was the year two commitment in the Government's three year settlement in November 2021. The 8.9% increase is better than the 7.9% Wales increase due to relative population growth. There is also a 3% increase for 2024/25, which is line with the average increase for Wales in the Settlement, the Council is likely to do slightly better than this.
- 2.24.** The Vale of Glamorgan Standard Spending Assessment (SSA) increases are also better than the Wales equivalents, again due to relative population growth. The overall SSA increase is 6.4% with the increases for Schools Service and Social Services 5.1% and 7.0% respectively.

Council Tax

- 2.25.** A Council Tax increase of 4.9% has been proposed. The Vale of Glamorgan Council currently charges £54 below the median Council Tax rate for Welsh Counties, at £1,396.35 for a Band D equivalent property for the county element. The total estimated Council tax income for 2023/24 is £91.304M which is an increase of

£4.761M (£521K of this is associated with the increase in Council Tax Base for 2023/24). A further increase of £500K is associated with a proposed change in Policy regarding Council Tax charges on empty and second homes.

2.26. Chart 1: Council Tax Rates for Wales



2.27. The 4.9% increase is equivalent to £68.40 for Band D property bringing the county element of the charge up to £1,464.75. This is an increase of £1.32 per week. The Council Tax rate for each of the nine bands is set out below.

2.28. Table 5: Council Tax by Band

Band	Rate £s
A	976.50
B	1,139.25
C	1,302.00
D	1,464.75
E	1,790.25
F	2,115.75
G	2,441.25
H	2,929.50
I	3,417.75

- 2.29.** The population of the Vale of Glamorgan continues to rise which sees an increase in the tax base supporting the additional burden this places on services. A detailed report on the Council Tax Base was presented to Cabinet on 15 December. The level of growth has slowed compared to the most recent years but there is still forecast to be an additional 356 Band D equivalent properties in 2023/24. The Council Tax collection rate has been held at 97.1% which is consistent with performance in 2022/23 as it continues to return to pre pandemic levels.
- 2.30.** A consultation was launched in December 2022 on charging a premium on Council Tax for empty and second homes. The outcome of the Consultation was reported to Cabinet 16 February 2023 recommending premiums to be charged for long term empty properties in 2023/24 and second homes from 2024/25. Some of the additional revenue from charging a premium for second homes has enabled resources to be set aside to support further enforcement work.

One off Use of Reserves

- 2.31.** It is proposed to use earmarked reserves to smooth the impact of three specific pressures which are considered further below, utility costs where there is a likelihood of the current pressure reducing over the medium term £2.4M in 2023/24 and £1.1M in 2024/25; Homelessness costs where strategies are in place to provide more council provision to ease the pressure from the Government grant dropping away £200K in 2023/24 and £500K in 2023/24; and Free School Meals where transitional protection is due to fall away from December 2024 and Welsh Government and the WLGA is currently undertaking a review of the price of a Free School Meal £200K in 2023/24 and £100K in 2024/25.

Cost Pressures

- 2.32.** There has been an extensive review of the Council's financial pressures and as set out in the October Strategy and Budget for Consultation reports to Cabinet this has very much been a continuous process. This has been supported by in year revenue monitoring presenting a small in year surplus.

Investment

- 2.33.** As anticipated, there is insufficient resource available to take forward extensive investment in services for 2023/24 and beyond. Investment pressures included in the final budget total £1.100M and the main elements are provision of further Additional Learning Needs places, social services staffing and capacity building in the recently formed Resources and Place directorates.

Demography

- 2.34.** There is limited demographic growth built in to the final budget proposals for 2023/24. The general schools population is stable but there is continued growth in demand for special school places at Ysgol Y Deri for which additional funding £1M is included. The impact of this demographic growth is also reflected in the School Transport cost pressures with £150K included for the additional transport costs associated with these pupils. There is also an underlying demographic

pressure in Adult Social Care but the service will manage this within the overall budget uplift of £9M set out below.

Inflation

- 2.35.** This remains the primary cost driver for the Council in 2023/24 and amounts to £25.792M in total. Pay is a significant pressure of £12.743M with a need to correct the base budget to account for the 2022/23 awards which were greater than initially budgeted for as well as to reflect the pay awards for 2023/24. Welsh Government had initially advised councils that for the 2023/24 awards that 5% should be used for planning purposes but this is unlikely to be sufficient. School Teachers' pay is forecast at 5.0% from September 2023 which is in excess of the 3.5% recommendation of the Independent Pay Body. A similar flat rate settlement is anticipated for the local government pay settlement and this has been forecast to have a 6% impact. The pay inflation also incorporates the 10.1% increase in the Real living wage (RLW) from 1 April 2023 which the Council has agreed to be implement from 1 December 2022. Further provision has also been made for the additional costs associated with the increased 2022/23 Teachers' pay offer which in 1.5% on a recurring basis although it is noted that this has been rejected by Teaching Unions and negotiations continue.
- 2.36.** Utilities costs have increased significantly for 2023/24. Projections from the Council's energy supplier show increases for gas of around 230%. Provision has been made of approximately £1.076m. Electricity increases range from 2% to 151% but account for a more significant proportion of energy usage for the Council's estate at an estimated additional cost of £2.724M. Whilst some of these costs are starting to reduce when compared with the estimates provided in October 2022, it is important that the Council continues to decarbonise its estate and makes use of renewable energy to reduce the reliance on energy which is an area that could continue to be volatile in the future. It is a commitment as part of the Climate Emergency and the drive to meet Net Zero by 2030. To assist in implementing decarbonisation initiatives the Council is proposing to commit an additional £500K in the Capital Programme proposals which are included on this agenda to install PV panels, LED lighting and other decarbonisation and renewable energy initiatives. This funding can be utilised alongside Salix funding, the Council's Project Zero reserve and any further decarbonisation Capital funding that is available from Welsh Government to maximise the impact of the schemes undertaken.
- 2.37.** Pay and utility cost inflation are impacting on the Council's third party providers. The Council's leisure centres utilise significant levels of energy and the Council has a contractual obligation to contribute towards these additional costs, and £200k has been included towards this pressure.
- 2.38.** In the Social Care sector third party providers have been impacted by a myriad of inflationary pressures alongside significant recruitment pressures. The shortage of staff in Adult Social Care impacts the Council's ability to commission care which therefore understates the cost pressures in this budgetary area. As part of the 2022/23 budget proposals the Welsh Government made a commitment to fund third party care staff at the RLW and funding towards this has been included in

the Welsh Government settlement and is included in the inflationary funding allocated to Adult Social Care. To address the commissioning issues around domiciliary care it is proposed that additional funding is provided for travel time and travel costs which is intended to enhance recruitment opportunities in this area.

- 2.39.** The third party providers Home to School Transport sector has also been impacted by significant inflationary pressures in respect of fuel costs and recruitment shortages and a number of providers in this area have also left the market in recent years. In addition, the Council is required to provide increased amounts of specialist transport to support pupils with Additional Learning Needs.
- 2.40.** Across other services inflationary pressures for pay energy costs are reflected in the increase in Fire Levy for 2023/24 which is £860K. Inflationary pressures are also included across other Council contracts particularly ICT contracts and the Council's Waste contracts that are linked to RPI.

Capital Financing

- 2.41.** The budget provides for the capital financing costs to meet the borrowing commitments in the Council's Capital Programme. This includes an additional £681K required as part of the pipeline schemes included as part of the proposals for Sustainable Communities for Learning, St Richard Gwyn and Cowbridge Phase 2. These schemes are included but are subject to a business case and a further Cabinet report. No additional costs are included as part of the Buttrills scheme as it is intended that this scheme would be funded as part of an appropriation to the Housing Revenue Account.

Other Pressures

- 2.42.** In Homelessness, the Council has additional obligations in respect of the changes made by the Welsh Government for the point at which temporary housing must be provided for those that are classified as homelessness. This is effectively a continuation of the approach to remove rough sleeping during Covid and requires the Council to maintain an increased number of temporary accommodation beds. Whilst additional forward funding was received from Welsh Government during Covid and the Council has been advised of the availability of some additional funding for 2023/24 in this area emerging pressures regarding move on arrangements for Ukrainian placements must also be considered. A Rapid Rehousing Strategy has been developed by the service and strategies around modular provision, acquisition of suitable temporary housing sites and use of existing Council sites identified as part of the corporate asset review will be prioritised to ensure that this additional need can be supported with suitable accommodation.
- 2.43.** There have been some areas of reduction in Other Pressures. Most notable are the historical unrealised savings in the Corporate Resources directorate which amounted to £0.426M. The pressure has been removed and proposals developed to address this are being developed separately.

Savings Proposals

2.44. The full details of the savings proposals are set out in Appendix C and are summarised in the table below.

2.45. Table 6: Summary of Savings Proposals

	2023/24	2024/25	2025/26	2026/27	2027/28
	£K	£K	£K	£K	£K
Demand Management/Invest in Early Intervention	0	0	0	0	0
Generating Income	1,709	223	0	0	0
Service Review	2,246	316	60	0	0
Invest to Save	200	250	50	0	0
Digital Strategy	27	0	0	0	0
Corporate Asset Management Plan	310	288	50	0	0
Workforce Review	59	0	0	0	0
Contract Management/Procurement	77	70	0	0	0
Community Engagement & Participation	0	0	0	0	0
Total Savings	4,628	1,147	160	0	0
Efficiencies	2,750	0	0	0	0
Reversal of Temporary Savings	0	-750	-750	0	0
Total Savings & Efficiencies	7,378	397	-590	0	0

2.46. The savings are primarily being generated through additional income and service review. There is an efficiency target across the Delegated Schools Budget and the nature of these efficiencies will be a school level decision. The Financial Strategy has stated the importance of sustainable finances and there are proposals included for 2024/25 and 2025/26 but these are indicative only at this stage and will be subject to review and further development across the spring and summer.

Directorate summary

2.47. The table below summarises the funding and efficiency position by directorate.

2.48. Table 7: Directorate Summary of Net Funding Increases

	Learning & Skills	Schools	Social Services	Others	Total Pressures
	£K	£K	£K	£K	£K
Pressures					
Investment	0	400	340	360	1,100
Demography	0	1,000	0	150	1,150
Inflation	565	10,258	8,130	6,839	25,792
Other Pressures	650	1,200	280	1,370	3,500
Total Pressures	1,215	12,858	8,750	8,719	31,542
Transfers	- 258	378	-161	41	- 0
Use of Reserves	0	-1,200	0	- 1,100	- 2,300
Savings	-564	0	- 600	- 3,464	- 4,628
Efficiencies	0	-2,750	0	0	-2,750
Net Funding Increase	393	9,286	7,989	4,196	21,864

2.49. The overriding principles of the Financial Strategy have been to support delivery of the Corporate Plan objectives and to protect services supporting the most vulnerable in the community. The recognition of cost pressures and composition of the savings programme evidences that this approach has been followed.

2.50. Whilst the budget settlement has not met all the Council's needs it has directed resources to Social Services and Schools in excess of the notional increase in funding for these services in the settlement.

2.51. The Vale of Glamorgan has historically spent more than Standard Spending Assessments (SSA) for the Schools Services and Personal Social Services blocks and the proposals in this report increase that spend still further. The overall Council budget however is expected to be £2M below the SSA set for the Council by Welsh Government.

2.52. For central Learning and Skills, the other pressures represent additional funding for pupils with Additional Learning Needs requiring external placements £250k, with Social and Emotional difficulties £150K and pupils attending the Derw Newydd provision £500K, there is also additional funding for secondary resource bases for Autism £300K included in the proposals. Also included is funding to correct the budget to reflect the reduced out of county income the Council receives (£350K) reflecting the increased need for placements with the Council's Resource Bases and Special Schools to be utilised for Vale of Glamorgan pupils.

2.53. For Schools, there is a net increase in resources of £8.908M (an additional £378K of transfers), this is after an assumed contribution of £1M from the energy reserve to reflect the expectation that some of the £2.3M inflationary pressure relating to utilities will be temporary. A contribution of £200K is also assumed towards the £400K Free School Meals pressure this assumes that the increase in

Free School Meals costs is in part temporary and may be addressed following a review that is currently being undertaken by Welsh Local Government Association and Welsh Government. Funding for pressures includes an allocation towards the additional costs associated with an increased number of pupils attending Special Schools and Specialist Resource Bases. A significant proportion (60%) of the total pressures shown is also allocated towards the additional cost of the 2022/23 teaching (including an additional award from Welsh Government of 1.5% that has recently been rejected by Unions), and non teaching pay awards and an allocation towards an estimated pay award for 2023/24. In the context of these significant inflationary pressures the budget whilst improved represents a real terms cut and therefore £2.75M of efficiencies (which represents 2.62% of the 2022/23 Schools budget) are reflected demonstrating that the not all these pressures have been able to be funded in full as part of this budget proposal.

- 2.54.** A significant element of the Social Services pressures is associated with inflationary pressures for arrangements with third party providers including additional funding for domiciliary care to address some of the recruitment issues in the sector. Inflationary funding is also included for placements in Children's services. Included within other pressures is additional funding to support special guardianship and residence orders allowances and arrangements for family contact time. Following further discussions, funding has also been set aside to invest in additional capacity in the support function in Children and Young People's services, as well as funding for a dedicated Social Worker to support an emerging pressure around unaccompanied asylum seeker children. The Council will also invest to ensure improved capacity around the commissioning of arrangements for children's placements and additional hospital social worker capacity.
- 2.55.** The Other services additional funding includes £1M towards inflationary costs and additional ALN pupils requiring school transport as the service is managed in the Environment and Housing Directorate. Other pressures include £610K towards additional costs associated with homelessness temporary accommodation with additional pressures shown in 2024/25 although this is projected to reduce in 2025/26 through investment in alternative temporary accommodation. Inflationary pressures also include £860K set aside towards the increased cost of the fire levy, £5.035M towards the increased pay costs associated with both the 2022/23 and 2023/24 pay awards and £1.5M towards energy cost for all non schools Council assets including street lighting.

Fees & Charges

- 2.56.** There are no changes to the Fees & Charges proposed to Cabinet on 19 January 2023. There was some challenge by Scrutiny Committees on a couple of the proposed fees most notably Hygiene caddies and Café style licences to trade on the highway. It is essential that the Council recovers the full cost on delivering discretionary activities and the £10 charge for the Food Hygiene Caddies will just cover the purchase, storage and delivery costs. The Café style licences were reduced to nil charge during the pandemic as businesses were unable to use their interior areas and were reliant on outdoor spaces for their trade. The outdoor spaces now very much constitute additional trading capacity for these traders and

as well as being due for review the licence charges are competitive and compare favourably with neighbouring authorities.

Reserves

- 2.57.** The Council has benefited from a history of sound financial management and does have a robust level of reserves. However, the risks of the Council have very much changed across the past twelve months and the Council’s reserves need to reflect these risks and it has also been necessary to ensure that they are managed more tightly and transparently than ever given the heightened level of financial uncertainty.
- 2.58.** The focused risks are inflation especially on utility costs and potentially redundancy and other exit costs given the magnitude of the savings ask and the likelihood of service reduction. Further, the Council needs to have reserves in place to deliver future efficiencies through rational of its physical and digital estates and also to deliver digital transformation.
- 2.59.** Table 8 summarises the position on the Council’s reserves with the full detail set out in Appendix D. There have been some minor adjustments to the forecasts presented in January. The paragraphs following the table provide further information to hold reserves at this level.
- 2.60.** Table 8: Summary of Reserves

As at	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
	£M	£M	£M	£M	£M
General Fund	11.014	11.014	11.014	11.014	11.014
Insurance	4.530	4.530	4.530	4.530	4.530
Service Reserves					
Learning and Skills	1.171	0.605	0.129	0.117	0.117
Social Services	7.798	6.732	5.952	5.459	5.459
Neighbourhood Services	0.944	0.944	0.944	0.944	0.944
Corporate Resources	0.422	0.344	0.264	0.264	0.264
Place	0.438	0.287	0.275	0.263	0.263
Other Service Reserves	1.198	1.234	1.232	1.267	1.031
Other Corporate	0.404	0.272	0.136	0.029	0.029
Risk and Smoothing Reserves					

Homelessness and Housing Reserve	2.904	1.204	1.204	1.204	1.204
Cost of Living	0.619	0.519	0.519	0.519	0.519
Pay Pressures	4.046	4.046	4.046	4.046	4.046
Energy Pressures	1.234	0.034	0.034	0.034	0.034
Legal	1.906	1.810	1.712	1.712	1.712
Project Zero	2.051	2.021	2.015	2.006	2.096
Investment and Growth Fund	2.233	2.233	2.233	2.233	2.233
Reshaping Risk and Investment	1.708	1.008	0.970	0.970	0.970
Corporate Landlord	1.418	1.418	1.418	1.418	1.418
Digital Reshaping	1.524	1.524	1.524	1.524	1.524
Capital Reserves					
Capital	1.759	1.779	1.799	1.812	1.812
Sub Total	49.321	43.558	41.950	41.365	41.219
Ring Fenced Reserves					
School Reserves	3.106	1.106	1.106	1.106	1.106
Housing Revenue Account	0.949	1.025	1.067	1.099	1.132
Total Reserves	53.376	45.689	44.123	43.570	43.457

General Fund

- 2.61.** This is a notional reserve to cover all unknown risks which a Council faces. Its level is a policy decision and were it ever to be depleted in year, it would be the first priority in budget setting for it to be replenished. Local authorities typically have a General Fund reserve of between three and five percent of the net annual budget. £11M is four per cent of the Council's £273M net budget.

Insurance

- 2.62.** This is actuarially assessed.

Service Reserves

- 2.63.** There are £12M of service based reserves to meet existing commitments and risks. Some of these reserves have been built up through Government Grant and will have conditions set on their usage.

Risk & Smoothing Reserves

- 2.64.** These have been at the heart of the Council’s review of reserves as part of the 2024/24 Budget setting process. There is a rapidly changing economic landscape and it has been necessary to set reserves aside for pay and energy pressures in particular and also cost of living.
- 2.65.** Homelessness is a major challenge for the Council with Covid led regulations remaining in place but the grant funding falling away. Reserve have been set aside to smooth the transition as more Council capacity is built.
- 2.66.** The Council has a number of initiatives in place that will need one off resources to proceed effectively, two of which are Project Zero and the Non Treasury Investment strategy to support regeneration across the County.
- 2.67.** There are then three reserves to support the future MTFP and delivery of savings in future years – Reshaping, Corporate Landlord and Digital Reshaping. Some of these have existing commitments which is reflected in the drawn down in the table. Others are subject to further development in terms of plans for how the reserves will be used and by how much over the period.

Capital

- 2.68.** The Council’s Capital Programme is funded through a number of sources – grant, capital receipts, s106, borrowing and in a limited capacity reserves held on the balance sheet. Currently £18.3M down to £1.8M, this is dependent on the delivery of the Capital Programme and £862k of this sum is ringfenced for telecare improvements.

Ring Fenced Reserves

- 2.69.** There are two ring fenced reserves - Schools and Housing Revenue Account.
- 2.70.** The Schools Reserves are the responsibility of the individual schools under delegation. These weren’t included in the January Cabinet report and are very difficult to forecast. They were at £13.0M at 31 March 2022, largely as a consequence of £6M of grant coming through very late in the 2021/22 financial year.
- 2.71.** The HRA is a prescribed account for the Council’s Social Housing. The level of these reserves will fluctuate as they are predominantly built up at the current time to support the Housing Development Programme. It has been over its forecast level in recent times due to the challenges in delivering the capital programme but the need is there and it will be used over time, currently at £11.6M.

Adequacy of Reserves/Robustness of Estimates

- 2.72.** S25 of the Local Government Act 2003 requires the local authority’s s151 Officer to report on the robustness of estimates and the adequacy of the proposed reserves. The report is attached at Appendix E.
- 2.73.** The Council maintains strong reserves and is clear on the reasons for which they are held which has been strengthened following a thorough review across the autumn seeing them streamlined and more closely aligned to the Council’s risks. The report judges that the reserves are adequate.

- 2.74.** There has been a forensic examination of the Council's budgets during the 2023/24 budget setting process in part borne out of necessity when forecasts in the autumn based on increased Government funding indicated a gap of £28M.
- 2.75.** There has been extensive examination of the financial risks that the Council is exposed to: inflation risk across pay, energy and third party supplies; Government funding and policy; and revenue collection. Pay in particular has been subject to continuous review with the provision increased on a number of occasions during the budget setting process.
- 2.76.** The savings programme is significantly larger than in recent years but comprehensive arrangements are in place to ensure delivery.
- 2.77.** The Council has also considered pressures across the medium to ensure finance are sustainable.
- 2.78.** The report judges the Council's estimate to be robust and that there has been appropriate consideration of a wide range of risks.

Consultation

- 2.79.** The Council consults on a continuous basis with its communities and residents to inform how it best directs its resources. The key piece of work is in support of the development of the Council's Corporate Plan – Working Together for a Brighter Future.

Public Consultation

- 2.80.** A four week public consultation was launched on 20 January following approval at Cabinet of the Budget for Consultation on 19 January. It was online and sought views on the financial strategy/council objectives, council tax levels, new/existing income, service reduction, and some specific elements of the savings programme. It also sought views on the Capital Programme. The Consultation closed on 16 February to enable the output to be fed into the Draft Budget and MTFP Report.
- 2.81.** A summary report setting out the headlines and key issues is included in Appendix F and the full Consultation report is available as a background paper at:
[Budget Consultation Survey Overview \(valeofglamorgan.gov.uk\)](https://www.valeofglamorgan.gov.uk/budget-consultation-survey-overview)
- 2.82.** There has been a good response to the Consultation with 773 responses which is up on the average of 600 in recent years. There has been overwhelming support for the strategy to continually review the efficiency of Council services and to focus resources on those services supporting the most vulnerable. However, there was only 31% support for the 4.9% Council Tax increase and only similar levels of support for the inflationary increase in discretionary charges and the general approach to introduce charges for services where this had not previously been the case. Consultees were asked to identify a number of priority areas for capital investment and 80% responders highlighted road surfacing.
- 2.83.** The responses have come from a cross section of the community; fairly equal volumes from eastern and western Vale and Barry; just under 50% responses from Females with Males at 43%, Prefer Not to Say 7% and Non Binary below 1%;

86% from Welsh/English white, 8% Prefer Not to Say and 6% from Black and Minority Ethnic groups.

- 2.84.** The Budget for Consultation proposals were presented to the Trades Unions at the Joint Consultative Forum on 23 January and there was a special meeting of Schools Forum on 13 February where the overall context was presented but the focus was on the extent to which school pressures could be met and the level of efficiencies to be found at an individual school level.

Scrutiny Committees

- 2.85.** The views of Scrutiny Committees were also sought. Committees were asked to consider the funding and spending assumptions and ensure they are robust and also examine the savings programme to ensure the savings are deliverable and the impacts full understood. The Scrutiny Committees have met across the second and third weeks of February:

- i. Health Living and Social Care - 7 February
- ii. Homes & Safe Communities – 8 February
- iii. Leisure & Culture - 9 February
- iv. Environment & Regeneration - 14 February
- v. Corporate Performance and Resources - 15 February which as well as making its own observations has collated the response of all of the Scrutiny Committee to forward on to Cabinet.

- 2.86.** There has been a good level of discussion at all of the Scrutiny Committees and this has been predominantly to gain a greater understanding of the cost pressures and savings and also the justification for a number of the fees and charges increases.

- 2.87.** Healthy, Living & Social Care Scrutiny Committee was appreciative of the investment in social care despite the pressures the Council is facing in both the revenue and capital proposals and noted the recommendations of the Fees & Charges report. Homes & Safe Communities Scrutiny Committee recommended all three reports be noted, a key area of discussion had been the cost of utilities and the use of reserves to smooth the pressure. Leisure & Culture Scrutiny Committee also recommended the reports be noted. Environment & Regeneration Scrutiny Committee also had a very comprehensive presentation from the service to take members through the waste strategy changes, especially the weekly collections and charging for green waste. There was some specific questioning on the higher increases for food hygiene caddies which reflects the need to fully recover cost and street trading licences where the fees were in need of review and there is no licence application fee, but there were no recommendations back to Cabinet. Finally, Corporate Performance & Resources Scrutiny Committee noted both the budget and capital reports but for the Fees & Charges report have asked Cabinet to consider the impact of the increased charges for Hygiene Caddies and Café Style Licences.

Equality Impact Assessments

2.88. Equality Impact Assessments have been carried out for all savings proposals where it has been deemed necessary after an initial screening exercise in line with the Council’s policy.

2.89. Table 9: Equality Impact Assessments

Directorate	No. of Savings Proposals 2023/24	EQulA Not Required	EQulA completed to at least Screening level
Corporate/Policy	3	3	0
Corporate Resources	22	15	7
Environment & Housing	28	16	12
Learning & Skills	11	4	7
Social Services	4	2	2
Place	9	4	5
Total	77	44	33

2.90. The overall Equality Impact Assessment for the budget is set out in Appendix G.

2.91. The Council is required to prepare an Equality Impact Assessment as part of the Final Budget Proposals and this is particularly important when Savings and Efficiencies targets are set at such a large sum. Members are requested to note the assessment and should also note that any savings area or change in policy that may impact upon a protected characteristic will be subject to a full Equality Impact Assessment before the saving and policy change is implemented.

Next Steps

2.92. Cabinet is requested to refer the Budget for approval by Council on 6 March 2023. The 16 December Welsh Government Settlement was provisional, the final settlement is expected on 1 March 2023 and should not contain any significant changes to December’s provisional one.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

3.1. The delivery of the Council’s Corporate Plan and wellbeing objectives is significantly influenced by the available finance to deliver services. This report provides the context in which the Council will be operating in the immediate and medium term.

3.2. This report provides an immediate and medium term projection of the Council’s financial position, however the decisions to be taken on the Financial Strategy in the coming months will be influenced by the need to think about the longer term implications of decisions, including the continued lobbying of Welsh Government for genuine multi year financial settlements to enable better forecasting and

projection of budgets. It is positive at least that there is a two year Settlement covering both 2023/24 and 2024/25.

- 3.3.** The approach to setting a balanced budget described in the body of this report includes reference to collaboration and the value of this approach has been well evidenced in recent years, most notably in the response to the pandemic, where the pooling of resources (whether financial, capacity or expertise) has resulted in improved outcomes and better value for money. Consideration has been given when developing these proposals to prevention – particularly in the investment decisions proposed for Social Services and Learning & Skills. The references made throughout the report’s section regarding reserves is intrinsically linked with preventing and managing future risks to the organisation. The proposals have also sought to consider the objectives of the wider public sector, including how the decisions the Council takes has an impact in terms of other organisations meeting their objectives.
- 3.4.** The report sets out details of the wide consultation on the Council’s budget, demonstrating the importance being placed on involving people in decision making and this has been further strengthened through the use of insight gained through engaging on the Council’s Annual Self Assessment and in the production of the Annual Delivery Plan for 2023/24. In understanding the views of others through this process, decisions will be taken in an integrated way – both internally and externally.
- 3.5.** The Annual Delivery Plan for 2023/24 identifies three critical challenges: project zero, tackling the cost of living and organisational resilience. These challenges are demonstrated in the Council’s proposed budget and identifies resources to take forward work in these areas of activity.

4. Climate Change and Nature Implications

- 4.1.** The Council’s response to the declaration of Climate and Nature Emergencies (in 2019 and 2021 respectively) involves significant council wide activity to deliver. The ability to respond to these plans will be impacted by the availability of financial resources to deliver them. The Council has established this area of work as a priority through the current (and likely, future) Annual Delivery Plan and therefore will continue to resource activity as far as possible, in conjunction with other priorities.

5. Resources and Legal Considerations

Financial

- 5.1.** The financial considerations are set out in the body of the report.

Employment

- 5.2. Salaries and wages are a major element of the Council's overall spend the inflationary impact of this pressures represents a significant proportion of growth set out as part of these draft proposals.
- 5.3. Despite the increased settlement from Welsh Government and the detailed review of pressures a challenging savings and efficiencies target of £7.378M has been set for 2023/24. The full employment impact associated with these savings is not fully understood with a number of service reviews are being finalised but is expected to be in the order of six posts only due to vacancies being held but there is no information for schools in that the budget allocations for 2023/24 have only just been sent out.
- 5.4. Where there are such potential impacts, the Council will follow its existing policies and procedures and ensure that there is full engagement with staff and the Trades Unions. Further, some of the potential impact may reduce through turnover or redeployment.

Legal (Including Equalities)

- 5.5. The Council is required under statute to fix its council tax for the financial year 2023/24 by March 2023 and to do so will have to agree a balanced revenue budget by the same date.
- 5.6. The Financial Strategy and process for approving the 2023/24 Budget and MTFP at Council in March 2023 is aligned to the Council's agreed Corporate Plan – 'Working Together for a Brighter Future' 2020 and the 2023/24 Annual Development Plan.
- 5.7. The budget proposals as set out in the report have due regard to the requirements of the Council's Strategic Equality Plan including the Equalities Act 2010 and Public Sector Equality Duty for Wales, and the Socio-economic duty set out in section 1 of the Equality Act 2010 and implemented by the Equality Act 2010 (Authorities subject to a duty regarding economic Inequalities) (Wales) Regulations 2021 The subsequent development of specific proposals and strategies set out in the report will require the completion of Equality Impact Assessments. This involves systematically assessing the likely (or actual) effects of policies on individuals who have a range of protected characteristics under the Act.

6. Background Papers

Annual Self-Assessment, Cabinet, 8th September 2022

[https://www.valeofglamorgan.gov.uk/Documents/ Committee%20Reports/Cabinet/2022/22-09-08/Draft-Council-Annual-Self-Assessment.pdf](https://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2022/22-09-08/Draft-Council-Annual-Self-Assessment.pdf)

Financial Strategy & Medium Financial Plan Refresh, Cabinet 6 October 2022

[Financial Strategy and MTFP Refresh \(valeofglamorgan.gov.uk\)](https://www.valeofglamorgan.gov.uk/Financial-Strategy-and-MTFP-Refresh)

[Budget Consultation Survey Overview \(valeofglamorgan.gov.uk\)](http://www.valeofglamorgan.gov.uk)

[Budget Consultation Survey Overview CY \(valeofglamorgan.gov.uk\)](http://www.valeofglamorgan.gov.uk)

[https://www.valeofglamorgan.gov.uk/Documents/ Committee%20Reports/Cabinet/2023/23-01-19/Budget-for-Consultation-and-MTFP-Update.pdf](https://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Cabinet/2023/23-01-19/Budget-for-Consultation-and-MTFP-Update.pdf)

Appendix A

Directorate/Service	2022/23 Base Budget £'000	Transfers Recharges £'000	Budget Adjustment £'000	Pay Award £'000	Rates	Energy £'000	Other Cost Pressures £'000	Step in Social Services £'000	Savings £'000	Use of Reserves £'000	2023/24 Base Budget £'000		
Learning and Skills													
Schools	104,953	-	378	7,708		250	2,300	2,600	-	2,750	-	115,439	
Schools Use of Reserves	-									-	1,200	-	1,200
Strategy, Culture, Community Learning & Resources	8,956	130	-	195					-	235			8,911
Directors Office	242	-		10									252
Additional Learning Needs & Wellbeing Standards and Provision	3,334	-	6	11				650					4,174
	3,547	-	4	-					-	329			3,135
Total Learning and Skills (incl. Schools)	121,032	120	-	8,273		250	2,300	3,250	-	-	3,314	-	130,711
Social Services													
Children and Young People	18,577	-	55						-	200			19,507
Adult Services	53,805	-	79						8,205	-	2,000	-	60,131
Resource Management & Safeguarding	7,752	-	20						60				8,452
Youth Offending Service	735	-	7										768
Total Social Services	80,869	-	161	-		-	-	9,130	-	2,000	-	600	88,858
Environment and Housing													
Neighbourhood Services & Transport	28,190		13							-	895		29,963
Building/Cleaning Services	-	-	55										-
Regulatory Services	2,103		2							-	21		2,084
Council Fund Housing	1,444	-	22							-	84		2,213
Total Environment and Housing	31,737	-	62	-		-	-	2,180	-	-	1,000	-	34,260
Corporate Resources													
Resources	983		691						-	584			4,355
Housing Benefit	692		-										692
Total Corporate Resources	1,675	691	-	1,050		-	1,500	715	-	-	584	-	5,047
Place													
Regeneration	2,419	-	27	-				120		-	165		1,852
Sustainable Development	1,300	-	14							-	80		2,163
Private Housing	413		3	-						-	20		247
Total Place	4,132	-	39	-		-	-	120	-	-	265	-	4,261
Policy													
General Policy	34,109	-	275							-	1,615		33,381
Use of Reserves	-	996	-							-	1,100	-	2,096
Total	272,558	274	-	12,743		250	3,800	16,475	-	2,000	-	7,378	294,422

Appendix B		2023/24	2024/25	2025/26	2026/27	Category of Growth
Revised Summary Cost Pressures	Description	£000's	£000's	£000's	£000's	
Directorate: Learning and Skills						
Delegated Schools						
Learning and Skills	Additional Needs Fund - Additional funding for Mainstream schools to support the needs of more complex children requiring higher levels of support.	250	-	-	-	Investment
Learning and Skills	Autism Special Resource Base at Whitmore High School - An Autism Resource base has been established at Whitmore High School and these are the year two costs of running the provision	150	-	-	-	Pressure
Learning and Skills	The Derw Newydd provision has replaced the Pupil Referral Until and will be relocated to the new site at Court Road Depot. In accordance with Estyn recommendations the LA will provide a 5 day on-site provision which will require additional resources.	500				Pressure
Learning and Skills	Expansion of Learning and Wellbeing Class (Horizon) - pupils with anxiety - Expansion of the specialist class based at Ysgol Y Deri for pupils with significant levels of anxiety, preventing them from attending a mainstream school.	150	-	-	-	Pressure
	Additional Autism Special Resource Base Secondary	150				Investment
	Additional Cost of Free School Meals	400	-	-	-	Pressure
Learning and Skills	Demographic increase in pupils requiring placement in special school Ysgol Y Deri - Demographic increase in pupils requiring a specialist placement in Ysgol Y Deri School.	1,000	1,191	1,191	1,191	Demographic
Delegated Schools		2,600	1,191	1,191	1,191	
Central Learning and Skills						
Learning and Skills	Complex Needs Placements - Increase in pupils requiring Complex needs provision Out of County or in an independent provision.	300	140	140	140	Pressure
Learning and Skills	Reduction in Out of County Income	350	208	200	200	Pressure
Central Learning and Skills		650	348	340	340	
Directorate: Social Services						
Children Services						
Social Services	External Placements - There are continuing and considerable pressure on the children's external placements budget given the complexities of the children currently being supported and the high cost placements some of these children require to meet their needs.	400				Inflationary
Social Services	Additional Capacity Business Support	30	-	-	-	Investment
Social Services	Social Worker for Unaccompanied Asylum Children	55	-	-	-	Investment
Social Services	Special Guardianship and Residence Order Allowances	160	30	30	-	Pressure
	Additional Capacity Social Care Childrens Services	100				Investment
Social Services	Family Support Contract Price Children and Young People Support contract size - Contact/Family time. Safety and assessment of that contact and continue to support services for parents with a learning disability (ALN).	120	-	-	-	Pressure
Total Children Services		865	30	30	-	
Resource Management and Safeguarding						
Social Services	Additional Capacity - Children's Commissioning Role and Finance Officer	60	-	-	-	Investment
Total Resource Management and Safeguarding		60	-	-	-	
Adult Services						
Social Services	Hospital Social Work - Increased volume of complex discharges. Additional social worker and social care officer	95	-	-	-	Investment

Revised Summary Cost Pressures	Description	2023/24	2024/25	2025/26	2026/27	Category of Growth
		£000's	£000's	£000's	£000's	
Social Services	Provider Fees, Quality Assurance & Demographic Pressures	8,110	7,200	3,500	3,500	Inflationary
Total Adult Services		8,205	7,200	3,500	3,500	
	Total Social Services	9,130	7,230	3,530	3,500	
Neighbourhood Services and Transport						
Environment and Housing	Waste Contract Contractual Inflation - annual uplift in contract costs for the large waste disposal/recycling contracts	150	75	75	75	Inflationary
Environment and Housing	Leisure Contract - Increased energy costs associated with the Leisure Contract	200	0	0	0	Inflationary
Environment and Housing	Ground Maintenance Contract Inflation	40	0	0	0	Inflationary
Environment and Housing	Cost of B&B Homelessness Accommodation- Additional Costs associated with maintaining a "no one left out approach". The cost estimate included is net of projected Housing Benefit Receipts.	610	1000	-500	0	Pressure
Environment and Housing	Impact of Ukraine Refugee Crisis -Additional support required to support the ongoing needs of people placed as a result of the ongoing Ukrainian Refugee Crisis	0	250	0	0	Pressure
Environment and Housing	CCTV - CCTV has undergone a major upgrade to the cameras, infrastructure and systems that support CCTV. The service is now operational in Cardiff and the majority of costs are to support the monitoring of the system.	150	0	0	0	Pressure
Environment and Housing	Private Rented Coordinator Support and support for new Temporary accommodation property - Therefore additional support to identify PRS landlords would assist the LA in meeting its duties by maximising its use of the PRS.	30	0	0	0	Investment
	Total Environment and Housing	1180	1325	-425	75	
Environment and Housing - Schools Transport						
Environment and Housing	School Transport - Inflationary increase for School Transport reflecting rising fuel costs and shortage of drivers and providers in the market.	850	200	200	200	Inflationary
Environment and Housing	ALN transport - The cost of transport for the Demographic increase pupils Ysgol y Deri, the majority of pupils need to be transported by Taxi to the provision.	150	150	152	152	Demographic
	Total Environment and Housing - Schools Transport	1000	350	352	352	
Place						
Place	Service Capacity Building	120				Investment
	Total Place	120	0	0	0	
Directorate: Corporate Resources						
Corporate Resources	Service Capacity Building	120				Investment
Corporate Resources	Fournet Telephony Contract (inflation)	40	0	0	0	Inflationary
Corporate Resources	Contract Inflation on Various ICT Contracts	25	31	35	0	Inflationary
Corporate Resources	iDev Licence support costs	35	0	0	0	Pressure
Corporate Resources	Communications IT licences	40	0	0	0	Pressure
Corporate Resources	CRM System - Cost of the Licence for You Gov Granicus System	30	0	0	0	Pressure
Corporate Resources	Oracle External Support - External Support Arrangements which are required to support the Cloud Based System	120	0	0	0	Pressure
Corporate Resources	Senior Lawyer (Private Matters) This relates to funding for a Senior Lawyer post in the Community Services Legal Team, to lead on private law matters as instructed by Social Services; this is an area of work which is not part of Legal Services ordinary remit	60	0	0	0	Pressure
Corporate Resources	Assistant Information Governance Officer - Additional capacity to address increased workload in respect of FOIs	30	0	0	0	Pressure
	Additional Procurement Resource	30	0	0	0	Investment

Revised Summary Cost Pressures	Description	2023/24	2024/25	2025/26	2026/27	Category of Growth
		£000's	£000's	£000's	£000's	
Corporate Resources	Senior Lawyer (Public Matters) - supporting the Community Services team subject to grant application for funding for next two financial years.	0	0	61	0	Pressure
Corporate Resources	Coroner Shared Service Contribution Increase	40	25	25	25	Pressure
Corporate Resources	Exchequer Financial System	20	0	0	0	Pressure
Corporate Resources	Microsoft Licences	100	86	0	0	Pressure
Corporate Resources	Cloud based licence - delivery of cloud data management	0	66	0	0	Pressure
Corporate Resources	Network management & Security licence	0	0	115	0	Pressure
Corporate Resources	Land Charges	25	0	0	0	Pressure
	Total Corporate Resources	715	208	236	25	
Policy						
Policy	Members Remuneration - Independent Remuneration Panel for Wales Draft Annual Report - February 2023	50	0	0	0	Inflationary
Policy	Fire Levy	860	0	0	0	Inflationary
	Empty Homes Officer	60	0	0	0	Investment
Policy	Welsh Translation - Increased costs associated with Corporate Welsh Translation have led to budget overspend in recent years	110	0	0	0	Pressure
Policy	City Deal - Revenue Costs Associated with Prudential Borrowing for the Council's Contribution	0	50	95	272	Pressure
	Total Policy	1080	50	95	272	

Total Cost Pressures	16,475	10,702	5,319	5,755
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	Inflationary	Demographics	Pressures	Investment	Total
Schools	400	1,000	800	400	2,600
Central Learning and Skills			650	-	650
Social Services	8,510	-	280	340	9,130
Environment and Housing	390	-	760	30	1,180
Environment and Housing - School Transport	850	150			1,000
Place	-	-	-	120	120
Corporate Resources	65	-	500	150	715
Policy	910	-	110	60	1,080
Total	11,125	1,150	3,100	1,100	16,475

Appendix C

Directorate	Service	Description of Saving Proposal	Lead Officer	Equality Impact Assessment	FTE Impact 2023/24	Saving Category	Value								
							£'000	£'000	£'000	£'000	£'000	£'000			
							2023/24	2024/25	2025/26	2026/27	2027/28	Total			
Neighbourhood and Housing	Parks & Cleansing	Jenner Park alternative model	Emma Reed	2024/25		0	Corporate Asset Strategy	-	65	-	-	-	-	65	
Neighbourhood and Housing	Support	Commercial Opportunities and Business Support review	Emma Reed	Yes		0	Service Review	50	130	-	-	-	-	180	
Neighbourhood and Housing	Support	Reassess Tracking Information to rationalise fleet	Kyle Phillips	2024/25		0	Service Review	-	10	10				20	
Neighbourhood and Housing	Transportation	Charge for Post 16 Transport	Kyle Phillips	No Saving		0	Generating Income		-	-	-	-	-	-	
Neighbourhood and Housing	Waste Management	Waste Collection for Black Bags to 3 weeks	Colin Smith/Emma Reed	Yes	Agency Staff		Service Review	150	-	-	-	-	-	150	
Neighbourhood and Housing	Waste Management	Green Bag Subscription Charge	Colin Smith/Emma Reed	Yes		0	Generating Income	500	-	-	-	-	-	500	
Neighbourhood and Housing	Waste Management	Commercial Waste electric vehicles invest to save - business case	Colin Smith/Emma Reed	2024/25		0	Invest to Save	-	50	50				100	
Neighbourhood and Housing	Garage	Garage Generation of additional income	Kyle Phillips	2024/25		0	Generating Income	-	10					10	
Neighbourhood and Housing	Garage	Charging for public use of Electric vehicle chargers	Kyle Phillips	Yes		0	Generating Income	2	3					5	
Neighbourhood and Housing	Regulatory Services	Reduced Contribution Regulatory Services	Helen Picton	Budget Adjustment		0	Service Review	21							
Neighbourhood and Housing	General Fund Housing	Budget Adjustment Pre Tenancy Adviser and VATs budget	Mike Ingram	Budget Adjustment		0	Service Review	26						26	
Neighbourhood and Housing	General Fund Housing	Review Senior Officer Recharges to HRA to ensure no cross subsidisation	Mike Ingram	Budget Adjustment		0	Generating Income	33						33	
Neighbourhood and Housing	Community Safety	Review Support Function - Vacant Post	Mike Ingram	Yes		0	Service Review	25						25	
Subtotal Directorate Neighbourhood and Housing								1,000	588	160	-	-	-	1,727	
Directorate Place															
Place	Regeneration	General Efficiencies within Regeneration service	Phil Chappell	Budget Adjustment		0	Service Review	25						25	
Place	Regeneration	Review of facilities contracts	Phil Chappell	Yes		0	Corporate Asset Strategy	10	23					33	
Place	Regeneration	Administration target for Creative Communities team	Phil Chappell	Budget Adjustment		0	Generating Income	15						15	
Place	Regeneration	Review of Regeneration & Economic Development Support Services	Phil Chappell	Yes		1	Service Review	62						62	
Place	Regeneration	Reduce events grants budget	Phil Chappell	Budget Adjustment		0	Service Review	3						3	
Place	Regeneration	Review of visitor attractions in country parks	Phil Chappell	Yes		1.42	Service Review	50	22					72	
Place	Planning	Review planning and additional fee income (e.g. PPAs)	Ian Robinson	Budget Adjustment		0	Generating Income	36						36	
Place	Planning	Review of Business Support function	Ian Robinson	Yes		1.6	Service Review	44						44	
Place	Private Housing	Increased DFG provision (removal of means testing)	Phil Chappell	Yes		0	Generating Income	20						20	
Subtotal Directorate Place								265	45	-	-	-	-	310	
Directorate Corporate Resources															
Resources	Democratic	Mayor's Budget Adjustment	Jeff Rees	Budget Adjustment		0	Service Review	4						4	
Resources	Democratic	Democratic Budget Adjustment	Jeff Rees	Budget Adjustment		0	Service Review	1						1	
Resources	Democratic	Registrars Budget Adjustment	Jeff Rees	Budget Adjustment		0	Service Review	1						1	
Resources	Legal Services	Legal Services Budget Adjustment	Debbie Marles	Budget Adjustment		0	Service Review	17						17	
Resources	Performance and Business Tra	Budget Adjustment	Tom Bowring	Budget Adjustment		0	Service Review	9						9	
Resources	Property	Budget Adjustment	Lorna Cross	Budget Adjustment		0	Service Review	17						17	
Resources	Human Resources	Budget Adjustment	Tracy Dickinson	Budget Adjustment		0	Service Review	9						9	
Resources	Finance	Budget Adjustment	Matt Bowmer	Budget Adjustment		0	Service Review	20						20	
Resources	ICT	Budget Adjustment	Nick Wheeler	Budget Adjustment		0	Service Review	13						13	
Resources	Democratic	Registrars' Income	Jeff Rees	Fees and Charges		0	Generating Income	30						30	
Resources	ICT	O2 Mobile Phone Contract	Nick Wheeler	Procurement		0	Contract/Procurement Re	55						55	
Resources	ICT	Managed Print Service	Nick Wheeler	Procurement		0	Contract/Procurement Re	-	70					70	
Resources	ICT	Annual RSA Support Costs - Reduce number of users	Nick Wheeler	Procurement		0	Contract/Procurement Re	22						22	
Resources	Performance and Business Tra	Review C1V Office Accommodation	Tony Curliss/Lorna Cross	Yes		0	Corporate Asset Strategy	50						50	
Resources	Property	Review Docks Office Site	Lorna Cross	Yes		0	Corporate Asset Strategy	200	100					300	
Resources	Property	Remove Vacant Posts	Lorna Cross	Yes		0	Workforce Review	43						43	
Resources	Human Resources	Shared Cost AVCs	Tracy Dickinson	Yes		0	Generating Income	25						25	

Appendix C

Directorate	Service	Description of Saving Proposal	Lead Officer	Equality Impact Assessment	FTE Impact 2023/24	Saving Category	Value						
							£'000	£'000	£'000	£'000	£'000	£'000	
							2023/24	2024/25	2025/26	2026/27	2027/28	Total	
Resources	Finance	e-Billing in Revenues	Suzanne Jones	Yes	0	Digital Strategy	7						7
Resources	Finance	Hybrid Mail - Housing Benefits	Suzanne Jones	Yes	0	Digital Strategy	20						20
Resources	Internal Audit	Vale proportion of Vacant Post	Head of IASS	Yes	0	Workforce Review	15						15
Resources	Internal Audit	Vale proportion of miscellaneous savings from budget	Head of IASS	Budget Adjustment	0	Service Review	2						2
Resources	Internal Audit	Counter fraud budget reduction	Head of IASS	Budget Adjustment	0	Service Review	22						22
Subtotal Directorate Corporate Resources							582	170	-	-	-	-	752
Policy													
Policy	Democratic	Mayor's hospitality budget and twinning savings	Jeff Rees	Budget Adjustment	0	Service Review	40						40
Policy	Capital Financing	Appropriation of Debt to HRA - Savings against borrowing costs	Gemma Jones	Budget Adjustment	0	Service Review	25						25
Policy	Capital Financing	Temporary Capital Financing Headroom	Gemma Jones	Budget Adjustment	0	Service Review	1,000	- 500	- 500				-
Policy	Investment Income	Additional Investment Income (Temporary)	Gemma Jones	Budget Adjustment	0	Generating Income	500	- 250	- 250				
Subtotal Policy							1,565	- 500	- 500	-	-	-	65
Total Savings							4,576	647	- 340	-	-	-	4,362
Subtotal Directorate Learning and Skills							564	94	-	-	-	-	658
Subtotal Directorate Social Services							600	250	-	-	-	-	850
Subtotal Directorate Neighbourhood and Housing							1,000	588	160	-	-	-	1,748
Subtotal Directorate Place							265	45	-	-	-	-	310
Subtotal Directorate Corporate Resources							582	170	-	-	-	-	752
Subtotal Policy							1,565	- 500	- 500	-	-	-	565
Total Savings							4,576	647	- 340	-	-	-	4,883
		Service Review					2,245	316	60	-	-	-	2,621
		Corporate Asset Strategy					310	288	50	-	-	-	648
		Digital Strategy					27	-	-	-	-	-	27
		Demand Management/Early Intervention					-	-	-	-	-	-	-
		Generating Income					1,659	223	-	-	-	-	1,882
		Invest to Save					200	250	50	-	-	-	500
		Workforce Review					58	-	-	-	-	-	58
		Contract/Procurement Review					77	70	-	-	-	-	147
		Use of Wider Community					-	-	-	-	-	-	-
		Savings and Efficiencies					-	-	-	-	-	-	-
		Reversal of Temporary Saving					-	- 750	- 750	-	-	-	- 1,500
		TOTAL					4,576	397	- 590	-	-	-	4,383

Directorate	No. of Savings Proposals 2023/24
Policy	3
Resources	22
Neighbourhood and Housing	28
Learning and skills	11
Social Services	4
Place	9
Total	77

EQulA Not Required	EQulA completed
3	0
15	7
16	12
4	7
2	2
4	5
44	33

Appendix D

Reserve Category	Reserves	Purpose	Balance 31-03-2023	Balance 31-03-2024	Balance 31-03-2025	Balance 31-03-2026	Balance 31-03-2027
			£000	£000	£000	£000	£000
General Fund	General Fund	The working balance of the Authority can be used to support Council Fund expenditure or to reduce the Council Tax. The minimum recommended level in the view of the S151 Officer is £10m.	11,514	11,014	11,014	11,014	11,014
Insurance	Insurance Fund	To fund potential future claims on the Authority based upon historical evidence. This is reviewed annually. No prediction for future use has been included at present and claims can have a long lead time.	4,530	4,530	4,530	4,530	4,530
Learning and Skills	Education Pressures and Improvement	To support Education Pressures, School Organisation and Restructuring, the Implementation of the ALN act, support delivery of WESP and provision of EOTAS	2,754	1,131	601	129	117
Learning and Skills	Libraries and Communities	To support ACL, Libraries and other Cultural services	218	40	4	-	-
Social Services	Social Services Pressures	To cover additional burdens on the authority due to changes in legislation and other pressures on the service.	9,151	7,798	6,732	5,952	5,459
Neighbourhood Services	Neighbourhood Services	To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives.	1,935	47	47	47	47
Neighbourhood Services	Waste Management Contingency	Funding set aside to reduce the impact on the waste management budget of any decrease in the value of income received for recycling materials collected.	200	200	200	200	200
Neighbourhood Services	Civil Parking Enforcement	Fund which contains surpluses generated by the Civil Parking Enforcement function. Funds can be re-invested into future Highway/Environmental schemes or additional staffing resources.	127	127	127	127	127
Neighbourhood Services	Regulatory Improvements	Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.	100	100	100	100	100
Neighbourhood Services	Bad Weather	To fund necessary works during periods of severe weather conditions.	470	470	470	470	470
Corporate Resources	Corporate Resources	Set aside to mitigate project costs within the Corporate Resources directorate	494	418	340	260	260
Place	Local Development Plan	Set aside for costs relating to the production of the Local Development Plan.	363	-	-	-	-
Place	Place Reserve	Funding set aside to mitigate project costs within the Place directorate	633	347	246	234	222
Place	Private Housing/DFG	2 years funding need to try to move to sustainable model in that time	100	50	-	-	-
Place	Holton Road Surplus	Ringfenced for regeneration projects approved by Welsh Government	21	21	21	21	21
Place	Country Car Park Reserve	Ringfenced Country Car Parking Reserve to be reinvested in Country Parks	17	-	-	-	-
Place	Donations	Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast.	20	20	20	20	20
Other Ringfenced	Building Services	Monies set aside for improvements to the Building Services department.	552	552	552	552	552
Other Ringfenced	Shared Internal Audit Service	Balance held on behalf of the partners for the shared audit service.	324	-	-	-	-
Other Ringfenced	Child Burial	Ring fenced grant funding received from Welsh Government.	68	-	-	-	-
Other Ringfenced	Building Control	Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account.	114	114	114	114	114
Other Ringfenced	Election Expenses	Set aside for the Council and other elections costs.	270	276	312	310	345
Other Ringfenced	Catering Equipment	Repairs and renewal fund for catering equipment and vehicles in Schools.	256	256	256	256	256
Other Corporate	Trainee Appointments	To fund the appointment of trainees and interns to support services and the Reshaping Service programme.	521	393	261	125	18
Other Corporate	Stronger Communities Fund	To enable community groups, the voluntary sector and town and community councils to apply for revenue and capital funding that promotes initiatives within the Vale of Glamorgan consistent with the Council's vision of "Strong communities with a bright future".	191	-	-	-	-
Other Corporate	Mayors Foundation	Ringfenced funding to be issued as grants.	6	6	6	6	6
Other Corporate	Staff Employment Awards (External)	Ringfenced funding to support delivery of Staff Employment awards event.	5	5	5	5	5
Homelessness and Housing	Homelessness and Housing Resilience	This sum will be used to support homelessness prevention work.	3,781	2,806	1,106	1,106	1,106
Homelessness and Housing	Interpretation Services for Asylum Seekers	Propose this is Ringfenced	98	98	98	98	98

Other Ringfenced	Cwm Ciddy Challenge Funding	Ringfenced grant funding to be utilised within Porthkerry Country Park	4	4	4	4	4
Cost of Living	Cost of Living	To support the Council's response to the Cost of Living crisis	819	619	519	519	519
Pay Pressures	Pay Pressures	Funds to mitigate risks associated with Pay Awards and meet redundancy costs and pension costs when paid over 5 years.	4,046	4,046	4,046	4,046	4,046
Energy Pressures	Energy Pressures	Funds to mitigate risks associated with Energy costs	4,134	1,234	34	34	34
Corporate Landlord	Corporate Landlord	Fund to mitigate with risks across the Council's building assets	3,918	1,418	1,418	1,418	1,418
Investment and Growth Fund	Investment and Growth Fund	This fund is to be used to support the Non Treasury Investment Strategy Investment and Growth Fund.	2,353	2,233	2,233	2,233	2,233
Reshaping Risk and Investment	Reshaping Risk and Investment	To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme.	2,313	1,708	1,008	970	970
Digital Reshaping	Digital Reshaping	Invest to save funding to support the implementation of new digital ways of working and to update current systems.	1,513	1,524	1,524	1,524	1,524
Legal	Legal Claims	To mitigate legal costs and fund future legal cases and judicial reviews.	2,000	1,906	1,810	1,712	1,712
Project Zero	Energy Management Fund	Ringfenced recyclable funding utilised as part of Salix funded schemes	70	7	77	171	262
Project Zero	Project Zero and Green Infrastructure	This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan.	1,736	1,636	1,536	1,436	1,336
Project Zero	Social Services Electric Vehicles	Funds allocated by WG to support a pilot scheme with the independent care sector utilising electric vehicles, driving lessons and licences to enhance recruitment and retention.	408	408	408	408	408
Capital	School Investment Strategy	To be used to fund schemes identified as part of the Schools Investment Programme including the Sustainable Communities for Learning programme.	2,320	311	331	351	364
Capital	Telecare	Replacement fund for Telecare equipment and other service costs.	862	862	862	862	862
Capital	Vehicles Repair and Renewals	This fund is primarily for the replacement of plant and vehicles. Vehicles are purchased from the fund and the transfer in represents the equivalent "rental" amount reimbursing the fund.	902	-	-	-	-
Capital	Waste Transfer Station	Establishment of a Waste Transfer Station.	849	-	-	-	-
Capital	City Deal	Reserve set aside to mitigate the costs associated with City Deal to be utilised to minimise the cost of borrowing as part of agreed City Deal contributions	1,898	-	-	-	-
Capital	Capital Scheme Commitments	To fund schemes included in the Council's 5 year capital programme	6,800	586	586	586	586
Schools	Schools	Ringfenced Schools Reserves	7,106	3,106	1,106	1,106	1,106
Housing Revenue Account	HRA	The fund is ring fenced by statute for use by the Housing Revenue Account (HRA). As well as acting as a working balance for the HRA, it is also used to fund repairs and the capital programme.	11,621	949	1,025	1,067	1,099
	Total		94,505	53,376	45,689	44,123	43,570



APPENDIX E

Head of Finance/s151 Officer

Report on Robustness of Estimates and Sufficiency of Reserves

Each year as part of the budget setting process the Chief Financial Officer to report to the Authority when setting its council tax on:

- i. the robustness of the estimates included in the budget, and
- ii. the adequacy of the financial reserves in the budget.

The Council should have regard to this report in approving the budget and council tax. Whilst the focus of this statement is primarily on the risk, uncertainty and robustness of the budget for the next financial year rather than the greater uncertainties in future years. The Head of Finance has considered the Medium Term Financial plan, reserve projections and Treasury and Capital Strategy when preparing this statement over the period to 2027/28.

Robustness of Estimates in the Budget

Budget Setting Process

The Budget Setting process at the Vale of Glamorgan Council for 2023/24 is based on increasing the budgets each year included a review of pay and price inflation alongside a full review of potential cost pressures prioritised on a Directorate Level.

The initial assessment of cost pressures identified pressures in the region of £38M a significant proportion of these pressures were inflationary i.e. Pay awards and energy costs and therefore were unlikely to be mitigated significantly through further review.

Cost pressures were subject to peer challenge by the Senior Leadership Team in dedicated sessions reviewing pressures on a line by line basis.

Cost pressures were subject to further review at Service specific Budget Working Groups with attendance from key Chief Officers from the Directorates, and the Leader and relevant Cabinet Member, these pressures were also considered alongside an analysis of the budget for the service.

Identification of and Deliverability of Savings

The Medium Term Financial Plan and Budget Strategy identified a need to identify a challenging level of savings to balance the budget and outlined a framework for the categorisation of savings.

Savings were identified at Directorate level with an indicative guide in the context of the funding gap identified in the budget setting process of 10% of net revenue budget.

These savings were further reviewed by Senior Leadership Team and at the Budget Working Groups in the context of Cost Pressures and the overall budget position.

Having considered the outstanding historical savings that were already being managed within service budgets a commitment was made to target specific savings rather than setting broad targets or allocations. In the Resources Directorate where a significant sum of historical savings, work was undertaken to reduce the level of historical savings alongside the savings identified for 2023/24 and 2024/25.

Further work has been undertaken to carry out service review and Equality Impact Assessment scoping for the identified savings with some initial reports such as the Waste Strategy being submitted to Cabinet for initial discussion in January 2023.

A robust Savings Tracker will be in place to ensure the delivery of all savings. It will be an early warning system treating each saving as a project and ensuring key milestones are met and where any slippage occurs mitigations are identified in a timely fashion.

Identification and Mitigation of Risk

Cost of Living Crisis

The crisis represents a significant risk to the residents of the Vale of Glamorgan and has potential to impact on numerous Council services such as homelessness, social services, free school meals and housing benefits and council tax collection. The impact of the Cost of Living Crisis has featured in budget setting with an appreciation of demand pressures on homelessness, social services and provision of free school meals for example. Officers have also been mindful of the impact that the savings programme may have an Equality Impact Assessments have been completed for all savings lines to ensure there are no unintended consequences for the community, especially more vulnerable groups. A small reserve, set out further below, is also specifically held should there be any unidentified financial pressures.

Inflationary Risk

Pay Inflation

Pay Inflation represents a key risk for the 2023/24 Budget, it is expected that inflation will remain around 6% in 2023/24 and initial indications from Unions is that a similar flat pay offer will be requested as part of the pay negotiations. Teachers pay in 2022/23 has been subject to strike action and a revised pay offer in 2022/23. The Council has allocated additional budgetary sum to correct the base budget for the 2022/23 pay offer and has budgeted for a pay award in excess of the recommendation of the independent pay review committee to minimise the risk of additional pay pressures emerging during 2023/24 however, in the event of additional pay pressures being identified during 2023/24 the Pay Pressures reserve can be utilised to address the additional funding need if required.

Energy Inflation

It is the Council's expectation that an element of the Energy Inflation that has been projected for 2023/24 will be transitory and as a result the Council feels that it is prudent to utilise the Council's reserves to smooth the impact of energy price rises on a temporary basis. The sum utilised from reserves as part of the 2023/24 budget to offset the £4m pressure is £2.5m.

Contractual Inflation Revenue

The Council has included some pressures in respect of contractual inflation these are largely in relation to Waste contracts, Social Services residential and domiciliary care providers and School Transport. Pressures in the Social Care sector are complex and in part associated with the recruitment difficulties encountered by the sector and impacts the ability of the Council to commission care.

Capital Programme Inflationary Risk

The Council has encountered significant inflationary pressure on the delivery of schemes in recent years. This inflationary pressure will continue to be managed on a case-by-case basis through scheme redesign and re-engineering, review of scope and scale and application for additional grant funding.

Government Funding and Policy

Whilst the Council has benefited from an increase of 8.9% in Aggregate External Finance around £10m more than was allowed for in the October projections it should be noted that this increase is below the significant pressures reported by services in the region of 11% of the Council's budget. The Welsh Government settlement did not include additional funding to correct the base budget for the 2022/23 pay award and does not fully reflect the pressures reported in the Social Care and Additional Learning Needs sector.

There remains some uncertainty of funding where schemes are delivered through grant allocation, and this can expose the Council to some risk in terms of the continuation of service provision. The Council can also encounter risk in respect of whether grant funding is able to fund the full extent of pay awards that have been allocated in 2022/23 and are proposed for 2023/24.

Council Tax

Whilst the collection rate for Council Tax has reduced in recent years in the context of Covid and the Cost of Living crisis, the Council has benefitted from a number of new developments in the area and changes in allowances during financial years that have enabled the Council to benefit from a Council Tax Surplus. The level of arrears and therefore required provision for bad and doubtful debts will need to be monitored carefully during this period. A key additional risk for 2023/24 budget is the inclusion of an additional income target for the introduction of Empty Homes policy for Council Tax.

Resource Constraints

The deliverability of some of the challenging proposals in the budget strategy need to be considered against the capacity issues within the organisation. The Council experiences challenges in recruiting and retaining specialist resources across the organisation. Vacant posts in key strategic areas will need to be supplemented through a variety of external resource, this will also need to be utilised where the Council does not hold the required specialist experience such as in the identification and assessment of investment opportunities under the non treasury investment strategy.

Climate and Nature Emergency

The Council has declared a climate and nature emergency and is required working towards the delivery of Project Zero by 2030. The need to invest in decarbonisation of the Council's asset base and supply change is a key challenge, some additional investment has been included as part of the Council's 2023/24 Capital Strategy, but further investment will be required to achieve this challenging target.

Treasury Risk

The Council has extremely limited exposure to interest rate as most of the borrowing has been undertaken on a fixed basis. However, the Council has a borrowing need in the coming period due to the maturing of historic debt and the planned use of reserves required a reduction in the internal borrowing arrangements currently being utilised to minimise cost to the Council. The timing of this borrowing will need to be carefully managed in the context of projections around interest rates and the advice from the Council's Treasury Management adviser is to utilise short term borrowing in the interim until fixed term interest rates start to reduce in the medium term. This approach is likely to tie in with the forecast reduction in reserves and additional borrowing need identified associated with the pipeline schemes St Richard Gwyn, Cowbridge Phase 2 and Buttrills Changing Room.

A temporary saving has been included in the 2023/24 budget strategy to reflect the expectation that the Council will continue the internal borrowing approach to a certain extent because of projected reserve balances and analysis carried out as part on the preparation of the Treasury management strategy including the Liability benchmark.

The Council prioritises the liquidity and security of its investments as part of its Treasury Management Strategy and most of the Council's investments are held with Local Authorities, the UK (United Kingdom) Government or AAA rated Money Market Funds domiciled in the UK.

A temporary saving has been included for 2023/24 to reflect the expected increased level of investment return in associated with the Council's forecast level of reserves and the increased level of investment return being experienced in the market in the context of the increase Bank Base rate and associated cost of borrowing.

Medium Term Position

A key feature of the Financial Strategy is the principle of sustainability. Whilst the focus of the Budget report has been on 2023/24 and balancing the budget for that year there has also been continuous attention on the medium term financial prospects. The forecasts in later years of the plan are less robust and will naturally be subject to regular review but nevertheless place a marker on future cost pressures. Understanding these future pressures interplays with the Adequacy of Reserves in the next section and is especially important in assessing how short term pressures can be managed.

Included within the Medium Term projections are the Capital Financing costs for a number of Pipeline schemes namely the Sustainable Communities for Learning St Richard Gwyn and Cowbridge phase 2 schemes the additional cost for these schemes total £681K over the period. The inclusion of these schemes will be subject to a business case and further Cabinet report.

Projected cost for Social Care commissioning assumes a significant ongoing inflationary pressure in this sector which reflects the ongoing recruitments issues and inability to

commission care due to the limited market provision. Inflationary costs are included at £5.6M in 2024/25 which is around 66% of the pressures assumed for 2023/24 falling back to an assumed £4.5M for the remainder of the plan.

Pay is a significant pressure within the projections for 2023/24 and whilst there is uncertainty about the level of the pay award the Council's assumptions are informed by the projections that reflect inflation remaining around 6% in 2023/24. Looking further ahead the plan assumes pay inflation will reduce to around 3% for the duration of the plan. The Council has identified a corporate pay pressures reserve to help manage some of the uncertainty and mitigate the funding risk in this area.

Whilst there are some future savings identified particularly for 2024/25 there is also the need to plan to step down some of the temporary savings round Capital financing and Investment Income as the ability to internally borrow and general investment income reduces as reserves are utilised to support the capital programme and project delivery. The Council will need to continue to identify savings for future years looking to build on the work initiated in the run up to the budget preparation around the Corporate Landlord, refreshed Digital Strategy and the Procurement Strategy. The Council will need to work closely with the local Communities as it continues to develop the service review and working with the Community savings and monitor the impact of income generation on the delivery of services. Initiatives for Invest to save or cost avoidance should be initiated to enable any savings or cost avoidance to be generated to support a balanced budget in future years of the Medium Term Plan. As part of the preparation of the 2023/24 budget specific reserves have been identified to support these workstreams as identified in the adequacy of reserves section below.

Adequacy of Reserves

The Council hold reserves for a number of reasons which are set out in the following bullet points: General Fund set at a policy level to cover unknown risks; smoothing reserves to address pressures in a managed way; insurance reserve set at actuarially determined level; reserves to address corporate risks; reserves to invest in the future development of services; and to contribute to the Council's Capital Programme as well as ring fenced reserves for Schools and the Housing Revenue Account. These are adjudged to be held at an appropriate level and there is a five year forecast of their use in place.

- The Authority's policy on general balances is to hold a minimum prudent level which is currently set at £10m. The projected level of general fund balances will be 3.91% of net revenue budget at the beginning of 2023/24 dropping to 3.74% and it is considered that this remains a comfortable level as the percentage is in the range between 3% and 5% of new revenue budget and in excess of £10m.
- The Council has identified some use of reserves as part of the budget strategy however this is in a prudent manner to smooth costs that are expected to be temporarily high or

can be stepped down in a prudent manner following investment or identification of some savings in the area.

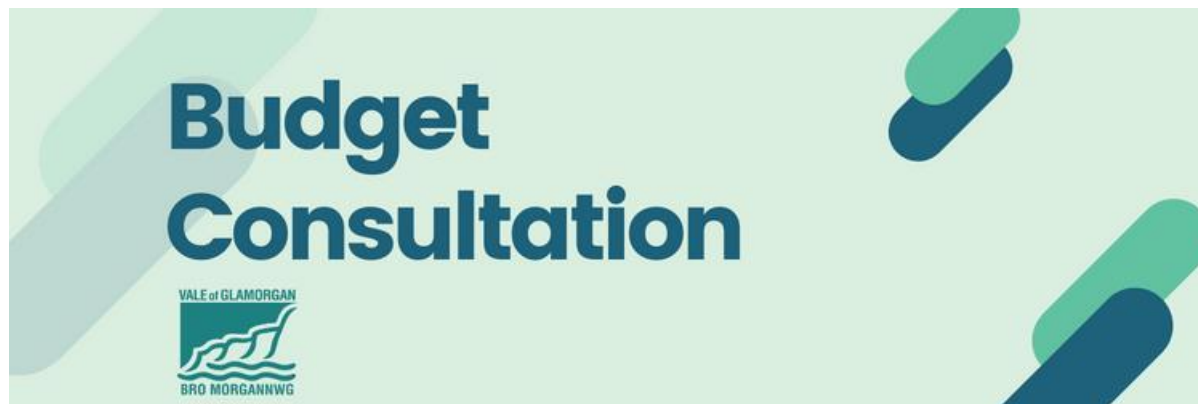
- Homelessness
 - Energy Pressures
 - Free School Meals
 - Social Services Budget Plan
- The Insurance reserve is held at £4.5m which is considered prudent for the continuation of current insurance arrangements the levels of reserves are subject to external review on a triennial basis and the next review is due in the coming months and will inform the level of funding maintained in the reserve in future years.
 - As part of the review of reserves the Council has identified corporate reserves aligned to key strategic budgetary risks as set out in the table below.

As at	31 March 2024	31 March 2025	31 March 20256	31 March 2027	31 March 2028
	£M	£M	£M	£M	£M
Homelessness and Housing Reserve	2.904	1.204	1.204	1.204	1.204
Cost of Living	0.619	0.519	0.519	0.519	0.519
Pay Pressures	4.046	4.046	4.046	4.046	4.046
Energy Pressures	1.234	0.034	0.034	0.034	0.034
Legal	1.906	1.810	1.712	1.712	1.712
Project Zero	2.051	2.021	2.015	2.006	2.096
Investment and Growth Fund	2.233	2.233	2.233	2.233	2.233
Reshaping Risk and Investment	1.708	1.008	0.970	0.970	0.970
Corporate Landlord	1.418	1.418	1.418	1.418	1.418
Digital Reshaping	1.524	1.524	1.524	1.524	1.524
Total Risk and Smoothing Reserves	19.643	15.817	15.675	15.666	15.756

- A further key element of the Council's budget strategy is to invest in areas to release savings or avoid costs in future years. Examples of reserves identified to support this approach are set out below.
 - Energy Pressures - Investment in Decarbonisation £500k
 - Digital Reshaping Reserves

– Reshaping, Risk and Investment Reserve

- Non Treasury Investment Strategy, as part of the 2022/23 budget the Council set out aspirations for a Non Treasury Investment Strategy to boost recovery and growth in the region in the response to Covid and the emerging Cost of Living crisis. Further work has been undertaken on the implementation of this approach in the wake of the current economic conditions and the Council is now in a position to progress investments identified and approved in accordance with the fund. The approach is underpinned by a specific reserve the Investment and Growth fund with provision of £2.2m for the programme to be supplemented by PWLB (Public Works Loan Board) borrowing.
- Reserve balances on 31st March 2023 are projected to stand at £13.6M at 31st March 2023 include £12m committed as part of the Capital Programme. Key budgetary Commitments include over £3m towards the Sustainable communities for Learning Programme, £4.9m over the five year programme for the Council's Vehicle Replacement Programme, £2.2m contribution towards Waste schemes, £1.9m towards City Deal and £1.2m towards the high level glazing scheme at Penarth Leisure Centre. The commitments also include £3.869m of displaced grant funding split £2.276m School Maintenance grant and £1.593m Free School Meals funding, where the grant was received in 2022/23 but the terms and conditions of the grant allows the Council to displace the grant in 2022/23 on other capital expenditure, which then releases internal money that is placed in a reserve to be spent in 2023/24 on the specific requirements of the grant.
- The Schools Reserves are ringfenced and are the responsibility of the individual schools under delegation. These are exceedingly difficult to forecast they were at £13.0M at 31 March 2022, largely because of £6M of grant coming through extremely late in the 2021/22 financial year we project that sum will increase by approx. £6m in 2022/23 dropping back to £1m by 2025/26.
- The HRA (Housing Revenue Account) is a prescribed account for the Council's Social Housing. The level of these reserves will fluctuate as they are built up at the current time to support the Housing Development Programme. It has been over its forecast level in recent times due to the challenges in delivering the capital programme, but the need is there, and it will be used over time, currently at £11.6M.



Results Report

Methodology

The budget consultation was launched on 19 January and closed on 16 February 2023. The following methods were used to inform residents of the Council's current financial position and outline budget proposals for the coming financial year.

- A dedicated budget consultation page with an introduction, video explaining the Council's current financial position, links to the Cabinet report and a survey to capture residents' views was published on the Council's engagement platform, Participate Vale.
- A press release was issued ahead of the initial budget proposals being considered by cabinet referencing the upcoming consultation
- A press release was issued at the beginning of the consultation period setting out how stakeholders could respond.
- Social media posts were shared throughout consultation period, some including the video, and all signposting to the Participate Vale page.
- Officers attended events and meetings to raise awareness of the budget consultation and engage with key stakeholder groups face to face
- Emails were sent to citizens panel inviting their views on the budget consultation
- As with all consultations, non-digital methods of responding were available. Primarily through calls to C1V, face to face meetings and by writing to the Council.

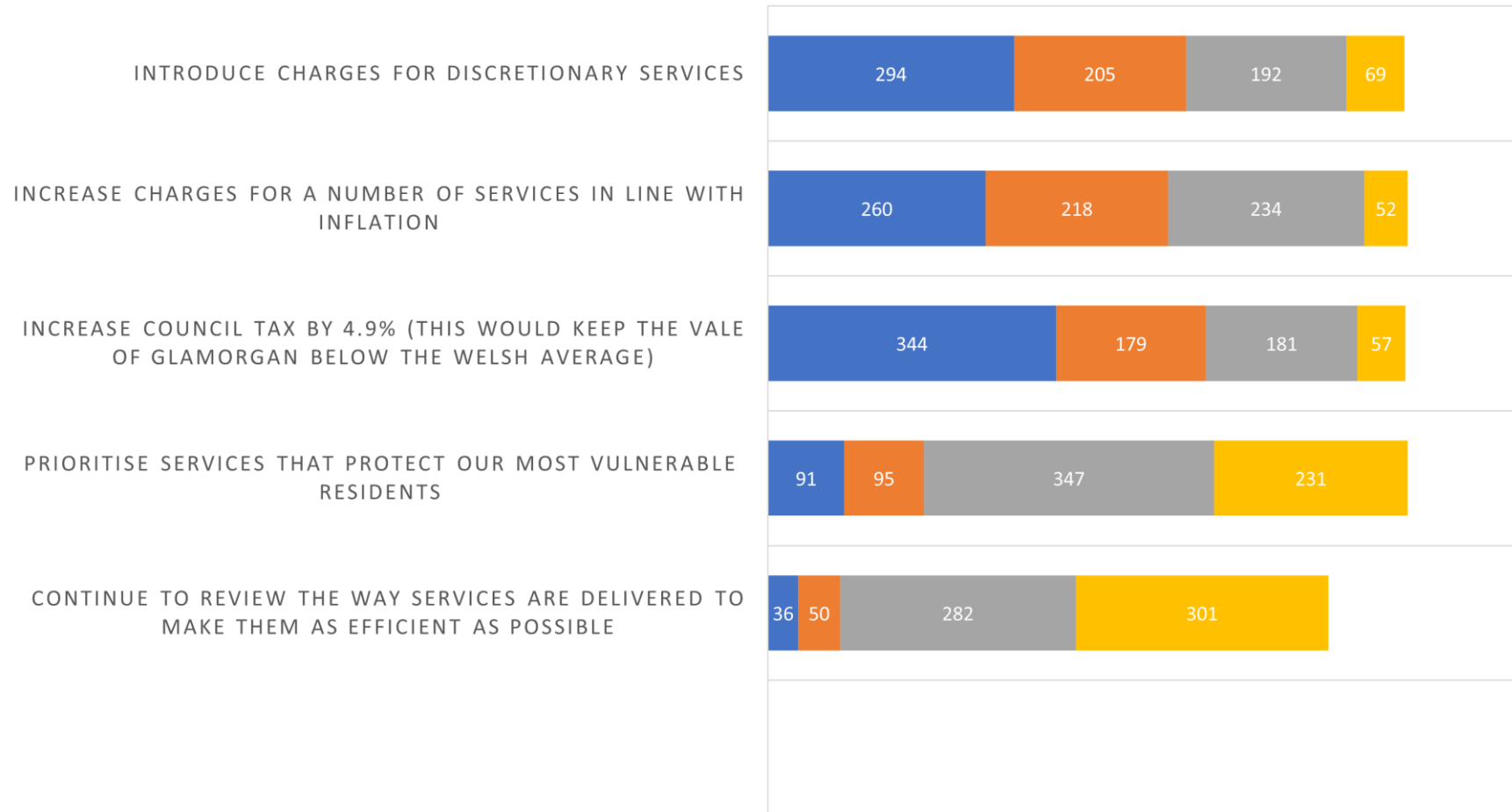
Responses to the online survey

There were 773 responses to the online survey, 768 surveys were completed in English and five surveys were completed in Welsh. This is slightly more than previous budget consultation exercises which have typically received around 600 responses.

The survey asked respondents whether they agreed or disagreed with the Council's proposals to address the budget shortfall of around £9million.

DO YOU AGREE OR DISAGREE WITH THE FOLLOWING PROPOSALS TO ADDRESS THE BUDGET SHORTFALL FOR 2023/24?

■ Strongly disagree
 ■ Disagree
 ■ Agree
 ■ Strongly agree



Whilst the majority of respondents agree that the Council should continue to review the way services are delivered to make them as efficient as possible and to prioritise services that protect our most vulnerable residents, the majority of respondents disagree with a 4.9% increase in Council tax, increasing charges to services in line with inflation and charging for discretionary services.

There were 436 comments in addition to the answers to the above question. Participate Vale, analyses the comments and suggests a sentiment value in relation to the comments.

Negative (61.9%), mixed (9.6%), neutral (26.1%) and positive (2.3%).

SENTIMENT SUMMARY

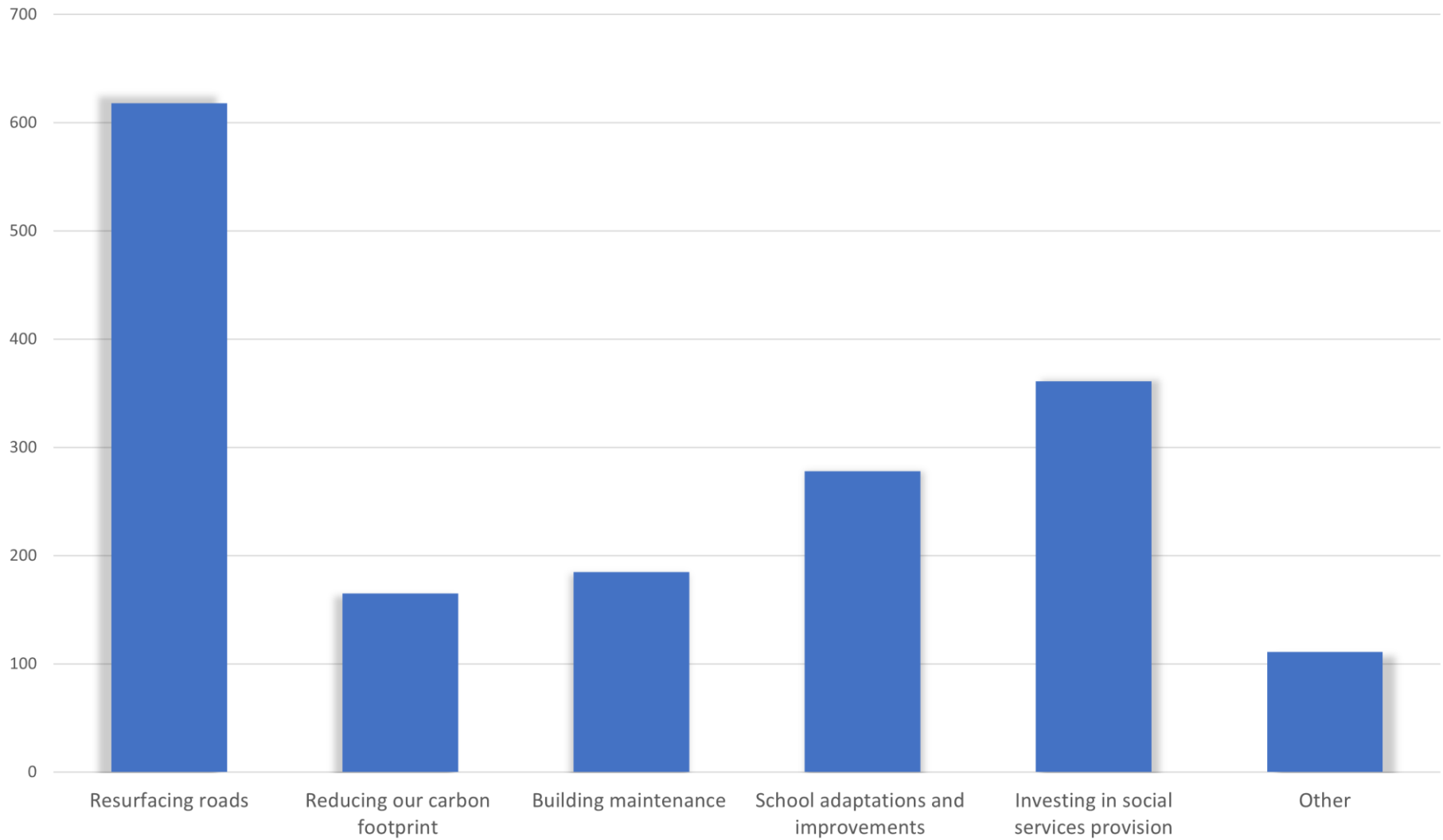


When reading the comments in relation to the above question the following themes emerged.

Subject	Number of comments
Council tax – against an increase	160
Against changes to recycling and waste services – 3 weekly refuse collection and garden waste subscription	110
Council should use its reserves	29
Cost of living crisis concerns	28

Respondents were also asked about how the Council should allocate its capital funding.

WHAT TYPES OF SCHEMES WOULD YOU LIKE TO SEE THE COUNCIL INVESTING IN FOR THE 2023-24 CAPITAL PROGRAMME? PLEASE SELECT ALL THAT APPLY.

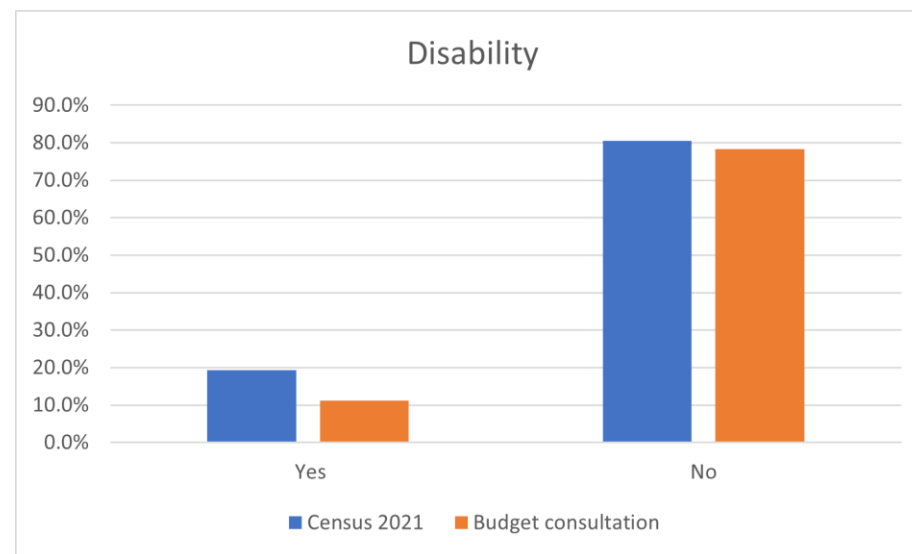
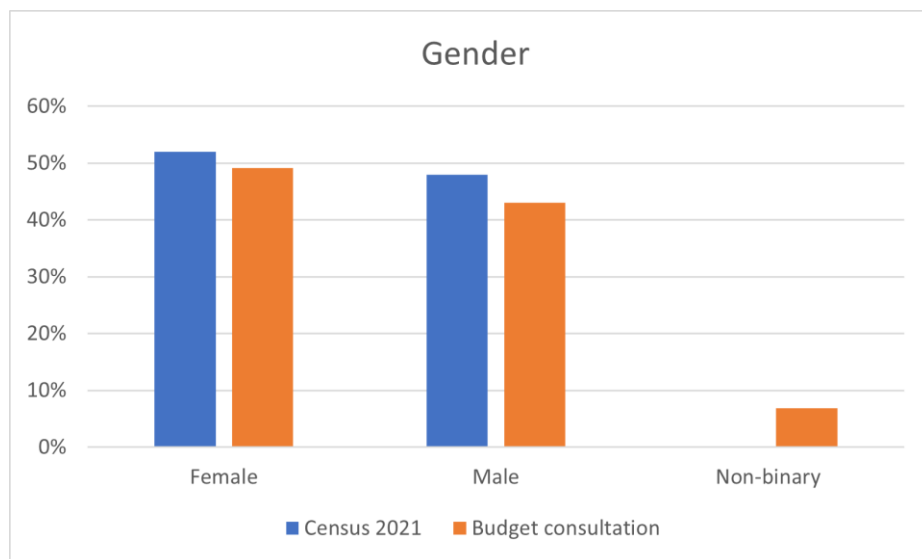


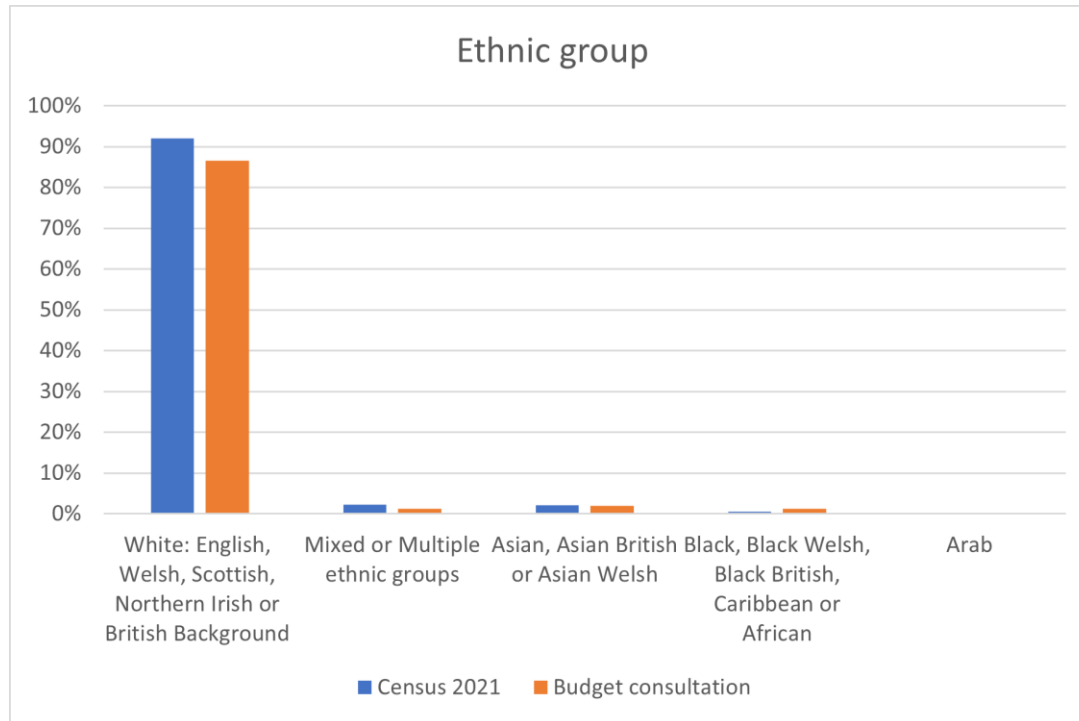
80.4% of respondents felt resurfacing roads should be a priority in the 2023-24 capital programme. It's important to note this was a multi-choice question. 47.3% of respondents also felt investing in social services provision should be prioritised, 36.3% also chose school investments and improvements. Around 20% of respondents felt the Council should be investing in reducing its carbon footprint and building maintenance.

Profile of respondents to the online survey compared with census data

96% of respondents are residents of the Vale, 28% live in the western Vale, 34% live in the eastern Vale and 36% live in Barry. 2% of respondents live outside of the Vale.

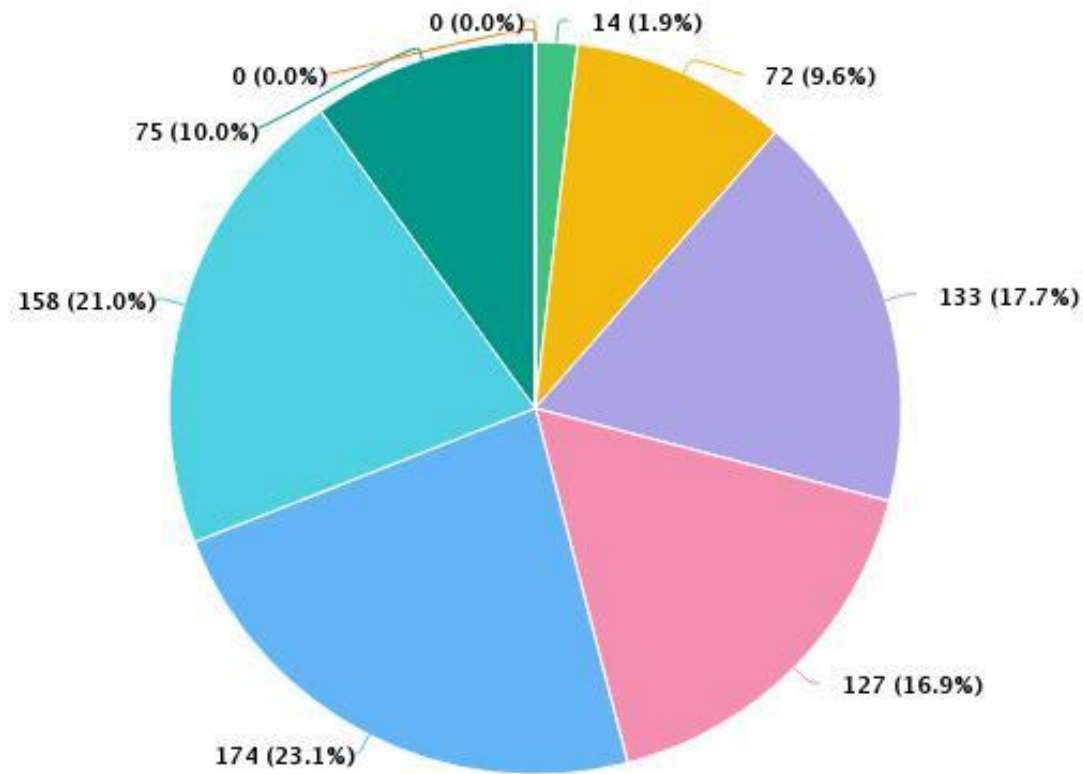
This section compares the equalities data captured through the survey with data from the 2021 census to see if the responses are representative of the community.





It's not possible to compare the age of respondents with the census data because the categories used to break down the age groups differ across the two exercises. The chart below shows the age of respondents to the budget consultation.

How old are you?



Question options

(Click items to hide)

- 12-18
- Under 12
- 75+
- 65-74
- 55-64
- 45-54
- 35-44
- 25-34
- 19-24

Responses on social media

Throughout the four-week consultation period the budget consultation exercise was shared 10 times across the Council's main social media channels, Facebook and Twitter. These posts had a combined reach of 16,944. This is the potential number of people who will have seen these posts in their Facebook or Twitter Feeds. Here's an example of one of these posts.

There were a total of 21 comments in response to these posts. The comments have been analysed as follows.

2 comments in relation to the consultation method, 13 comments (62%), feedback about this year's budget proposals and 5 comments about Council finances in general. The sentiment across all of the comments is negative.

Responses in writing

A letter was sent to the Leader from an elderly resident, outlining their strong objection to a Council tax rise in the context of a cost of living crisis.

Another resident sent an email to the Council's consultation mailbox outlining their frustration with a lack of bus services in their local area.

Conclusion



Vale Council
@VOGCouncil



Do you know where the Council's budget comes from and how its spent?



We've explained it here

We want to hear your views on our proposals to address a £9m shortfall in funding for next year.

participate.valeofglamorgan.gov.uk/budget-consult...

In 2022-23, the Council's overall budget was £273 million.

32% of this comes from **Council Tax**.

51% of this comes from **Welsh Government**.

18% of this comes from **Business Rates**.

1:39 415 views

8:58 AM · Jan 30, 2023 · 1,593 Views

View Tweet analytics

2 Retweets 2 Likes

Most respondents to the budget consultation disagreed with the proposed increase in Council tax, charges for discretionary services and increased charges in line with inflation. They outlined concerns regarding changes to recycling and waste collections, notably in relation to changes to the frequency of black bag or residual waste collections and a subscription for garden waste collections. Investing in resurfacing roads was the biggest priority identified for the capital programme.

Equality Impact Assessment

Please click on headings to find [general guidance](#) or section guidance with an example. You will find supporting information in appendices at the end of the guidance.

When you start to assess your proposal, arrange to meet Tim Greaves, Equality Co-ordinator, for specific guidance. Send the completed form to him for a final check and so that he can publish it on our Vale of Glamorgan equality web pages.

Please also contact Tim Greaves if you need this equality impact assessment form in a different format.

1. [What are you assessing?](#)

Revenue Budget Proposals for 2023/24

2. [Who is responsible?](#)

Name	Gemma Jones	Job Title	Operational Manager Accountancy
Team	Finance	Directorate	All Services

3. [When is the assessment being carried out?](#)

Date of start of assessment	September 2022
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4. [Describe the proposal?](#)

What is the purpose of the proposal?

The proposals detail the revenue budget for all services across the authority for 2023/24 and indicative budgets for 2024/25 and 2025/26..

Why do you need to put it in place?
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Equality Impact Assessment

The Council is required under statute to fix the level of Council Tax for 2023/24 by 11th March 2023. In order to achieve this a balanced revenue budget has to be produced and agreed.

Do we need to commit significant resources to it (such as money or staff time)?

The proposed net revenue budget for the authority for 2023/24 is £294.422 million. The budget has been developed by the Senior Leadership Team and Budget Working Group following discussions with Directors and appropriate Cabinet members.

What are the intended outcomes of the proposal?

To achieve a balanced budget which agrees the cost envelope for Council services for the coming financial year.

Who does the proposal affect?

Note: If the proposal affects lesbian, gay, homosexual, or transgender people, ensure you explicitly include same-sex couples and use gender neutral language.

It affects everyone who works for the Council, its customers and the residents of the Vale of Glamorgan.

Will the proposal affect how other organisations work?

This will vary according to the service and the nature of the changes that have to be made. Where these could potentially have a high impact upon other organisations (e.g. changes to service level agreements with third sector organisations), these will be subject to further consultation and analysis prior to any change in policy or approved saving being implemented. The Reshaping Services programme will explore alternative models for service delivery which could have a direct impact on other organisations.

Will the proposal affect how you deliver services?

The impact of the final revenue budget proposals for 2023/24 will vary according to the service and the nature of the changes to be made. Where these could potentially have a high impact upon clients with protected characteristics these will be subject to further consultation and analysis prior to any change in policy or approved saving being implemented.

In reviewing its cost pressures, the Council has allocated the resources available to it to meet its highest priorities. This process has regard to the impact upon different services and their client base. Additional funding has been allocated in 2023/24 across all Directorates. Savings required in 2023/24 have been reviewed to ensure that the

Equality Impact Assessment

remaining savings are achievable and sustainable, and that the potential equality impacts of implementing the savings and/or changing existing policy have been fully considered.

The savings included in the 2023/24 budget proposals total £7.278M as set out in Appendix C to the report of this sum £2.25M relates to budget adjustments or a change to procurement and therefore there will be no change to the Policy or service delivery of the Council as a result of the implementation of the saving.

A further £2.75M of the overall savings and efficiencies target relates to Schools Budget and represents the real terms cut to schools as a result of the budget proposals and the inability of the Council to fully fund the cost pressures given the significance of the inflationary pressures projected. It is not known how individual schools will implement the implications of the funding available for 2023/24 and this picture will emerge over the next few months.

The Waste savings proposals totalling £650K have been subject to a specific EIA as part of the preparation for the implementation of the 3 weekly black bag collection and green waste subscription scheme.

The full time equivalent implications of the savings proposals for 2023/24 are currently estimated to be in the region of 6 fte excluding the schools impact however the full impact cannot be properly assessed without completion of service reviews and restructuring proposals being prepared and consulted upon.

Some of the savings identified will also necessitate engagement and consultation with those affected.

Will the proposal impact on other policies or practices?

Where this is apparent appropriate regard will be made to the potential impact upon other policies or practices and their consequent implications for clients or groups meeting the protected characteristics in line with existing processes for determining equality impacts.

Can you change the proposal so that it further promotes equality of opportunity and fosters good relations?

Any alterations to policies will have due regard to the results of consultation exercises with the relevant individuals or groups affected. Wherever possible mitigating action will be taken to minimise the impact upon those displaying the protected characteristics.

How will you achieve the proposed changes?

Equality Impact Assessment

Various project boards have been or will be established in order to implement the various changes to service delivery required to meet the budget.

Who will deliver the proposal?

All Chief Officers are required to ensure that their expenditure is within the agreed budget and the necessary EIAs are completed.

How will you know whether you have achieved the proposal's purpose?

Regular monitoring will be undertaken and reported to Cabinet and Scrutiny Committees. A savings tracker has been developed and will be reported to the Senior Leadership Team.

5. What evidence are you using?

Engagement (with internal and external stakeholders)

The initial revenue budget proposals were discussed by Cabinet, all Scrutiny Committees and the Schools Budget Forum during November 2022 and February 2023.

A briefing of the budget has also been taken to the Joint Consultative Forum.

Consultation (with internal and external stakeholders)

To ensure that the budget set for 2023/24 continues to address the priorities of Vale residents and the Council's service users, the budget setting process will take into account the results of the annual budget consultation exercise which ran from 20th January 2023 until 16th February 2023.

The consultation was on line and sought views on the financial strategy/council objectives, council tax levels, new/existing income, service reduction, and some specific elements of the savings programme. It also sought views on the Capital Programme.

The full Consultation report is available as a background paper and a summary report setting out the headlines and key issues is included in Appendix F to the budget report. There has been a good reaction to the Consultation with 762 responses.

The response have come from a cross section of the community; fairly equal volumes from eastern and western Vale and Barry; just under 50% responses from Females with Males at 43%, Prefer Not to Say 7% and Non Binary below 1%; 86% from Welsh/English white, 8% Prefer Not to Say and 6% from Black and Minority Ethnic groups.

Equality Impact Assessment

The Budget for Consultation proposals were presented to the unions at the Joint Consultative Forum on 23 January and there was a special meeting of Schools Forum on 13 February where the overall context was presented but the focus was on the extent to which school pressures could be met and the level of efficiencies to be found at an individual school level.

In addition to the above the Council consults on a continuous basis with its communities and residents to inform how it best directs its resources. The key piece of work is in support of the development of the Council's Corporate Plan – Working Together for a Brighter Future.

National data and research

The funding made available from Welsh Government is key in setting the budget and the provisional settlement was received in December 2022 and the Final settlement is expected to be received on 1st March 2023. The way in which the settlement is calculated is the subject of ongoing review of both data and methodology during the preceding year

Local data and research

The funding methodology uses the detailed data that relates to the Vale of Glamorgan Council e.g. population, number of school age children etc.

6. How robust is the evidence?

Does it show what the impact will be (positive and negative)?

Each service is able to draw upon a variety of existing statistical and other data in relation to their relevant external and internal client groups (including staffing).

What are the gaps?

Up to date information with regard to individual services will be used to mitigate any gaps. The budget has been set with regard of the Corporate Service Priorities and Annual Delivery Plan.

What will you do about this?

Equality Impact Assessment

Proposals for savings and changes to policy, which may have a potentially high impact upon clients, will be subject to further consultation and analysis prior to any approved saving/policy change being implemented.

What monitoring data will you collect?

We will continue to monitor the revenue budget across all service areas to ensure compliance with the agreed final budget and the outcome of individual EIAs that are undertaken.

How often will you analyse and report on this?

Regular budget reports and quarterly Performance Indicator reports are presented to Cabinet and Scrutiny Committees.

Any additional reports will be dependent upon the exact nature of the saving or policy change, the results of the equality impact assessment and the data to be collected.

Where will you publish monitoring data and reports?

All committee reports are available on the Council's website.

All changes in policy or savings proposals that require an equality impact assessment will be published on the Council's website.

7. [Impact](#)

Is there an impact?

The impact of the final revenue budget proposals for 2023/24 will vary according to the service and the nature of the changes to be made.

Areas for savings and potential changes in policy have been subject to separate impact assessment to determine whether there may be any possible equality impact. Any savings area or change in policy that may impact upon a protected characteristic will be subject to a full Equality Impact Assessment before the saving/policy change is implemented.

Equality Impact Assessment

If there is no impact, what is the justification for thinking this? Provide evidence.

If there is likely to be an impact, what is it?

Where service changes could potentially have an impact upon clients with protected characteristics these will be subject to further consultation and analysis prior to any change in policy or approved saving being implemented.

Age

As recorded through Census 2021, the population of the Vale of Glamorgan was 131,800 with the following age profile :

- Under 15 - 23,832 (17.5%)
- Between 16 and -64 - 79,935 (90.8%)
- Over 65 - 28,992 (22%)

Individual assessments will be undertaken to consider whether there is an impact on a particular age range.

Disability

As recorded through Census 2021, 26,289 (19.9%) of people in the Vale of Glamorgan were disabled under the Equality Act.

Individual assessments will be undertaken to consider whether there is an impact on these residents.

Gender reassignment, including gender identity

As recorded through Census 2021, 108 (0.1%) of people in the Vale of Glamorgan identified their gender as a 'Trans man', 107 (0.1%) people identified with a 'Gender identity different from sex registered at birth but no specific identity given, 100 (0.1%) of people identified with 'All other gender identities' and 68 (0.1%) of people identified as a 'Trans women'.

No data available. Individual assessments will be undertaken to consider whether there is an impact.

Marriage and civil partnership (discrimination only)

As recorded through Census 2021, the largest group of people in the Vale of Glamorgan, 50,928 (47.4%) were married or in a registered civil partnership.

Individual assessments will be undertaken to consider whether there is an impact

Pregnancy and Maternity

No data available. Individual assessments will be undertaken to consider whether there is an impact.

Equality Impact Assessment

Race

As recorded through Census 2021, the majority of people in the Vale of Glamorgan, 124,800 (94.6%) identified as being from a White background. In 2021, 2,987 (2.3%) identified their ethnic group within the 'Mixed or Multiple Ethnic Groups' category. 2,807 (2.1%) identified their ethnic group within the 'Asian, Asian British or Asian Welsh' category. 624 (0.5%) identified their ethnic group within the 'Black, Black Welsh, Black British, Caribbean or African' category.

Individual assessments will be undertaken to consider whether there is an impact on a particular race.

Religion and belief

As recorded through Census 2021, the highest proportion of people in the Vale of Glamorgan stated that they had 'No religion'. 63,164 (47.9%) of people answered that they had no religion. 58,237 (44.1%) answered that they were 'Christian', 1,205 (0.9%) answered that they were 'Muslim'.

Individual assessments will be undertaken to consider whether there is an impact on a particular religion.

Sex

As recorded through Census 2021, 68,345 (51.8%) of people in the Vale of Glamorgan were Female and 63,594 (48.2%) were Male.

The workforce of the Vale of Glamorgan Council is 68.9% female and 31.1% male.

Individual assessments will be undertaken to consider whether there is an impact on the gender of the residents and the workforce as appropriate.

Sexual orientation

Voluntary question on sexual orientation were asked for the first time through Census 2021. Of those who chose to answer the question on sexual orientation in the Vale of Glamorgan, 97,072 (90.3%) answered that they were 'Straight or Heterosexual', 1,803 (1.7%) that they were 'Gay or Lesbian', 1,213 (1.1%) that they were 'Bisexual' and 278 (0.3%) that they identified with 'All other sexual orientations'

Individual assessments will be undertaken to consider whether there is an impact.

Welsh language

As recorded through Census 2021, 17,047 (13.3%) of people in the Vale of Glamorgan aged 3 and over were able to speak, read or write Welsh. The Vale of Glamorgan is one of the four Local Authority areas that have seen an increase in the percentage of people aged 3 and over able to speak, read or write Welsh.

Equality Impact Assessment

Individual assessments will be undertaken to consider whether there is an impact on the use of the Welsh language.

Human rights Individual assessments will be undertaken to consider whether there is an impact on an individual's human rights.

How do you know?

Further consultation and analysis will be undertaken prior to any change in policy or approved saving being implemented.

What can be done to promote a positive impact?

Any alterations to policies will have due regard to the results of consultation exercises with the relevant individuals or groups affected. Wherever possible mitigating action will be taken to minimise the impact upon those displaying the protected characteristics above.

What can be done to lessen the risk of a negative impact?

Mitigating action will be taken to minimise any negative impact. The nature of this intervention will vary depending on the service and the changes proposed.

Is there a need for more favourable treatment to achieve equal outcomes? (Disability only)

This will be considered as part of any implementation process

Will the impact be positive, negative or neutral?

Any savings area or change in policy that may impact upon a protected characteristic will be subject to a full Equality Impact Assessment before the saving/policy change is implemented.

Equality Impact Assessment

8. Monitoring ongoing impact

<p>Date you will monitor progress</p> <p>Ongoing throughout the financial year</p>
<p>Measures that you will monitor</p> <p>We will continue to monitoring the revenue budget across all service areas to ensure compliance with the agreed final budget and the outcome of individual EIAs that are undertaken in order to deliver the agreed final budget.</p>
<p>Date you will review implemented proposal and its impact</p> <p>As part of the 2023/24 Revenue Monitoring and initial revenue budget proposals for 2024/25 ad Medium Term Financial Plan.</p>

9. Further action as a result of this equality impact assessment

Possible Outcomes	Say which applies
No major change	Mitigating measures will be taken for any adverse impact that is identified as a result of these proposals
Adjust the policy	Policy changes will be made as a result of any adverse impact that is identified as a result of these proposals
Continue the policy	N/A
Stop and remove the policy	N/A

10. Outcomes and Actions

<p>Recommend actions to senior management team</p> <p>It is recommended that the revenue budget is considered by Cabinet and full Council and outcomes and impacts will be monitored throughout the year.</p>
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Equality Impact Assessment

Outcome following formal consideration of proposal by senior management team

Budget has been discussed at Corporate Management Team.

11. Important Note

Where you have identified impacts, you must detail this in your Cabinet report when seeking approval for your proposal.

Impacts will be recorded in the individual Cabinet reports associated with the proposals.

12. Publication

Where will you publish your approved proposal and equality impact assessment?

In addition to anywhere you intend to publish your approved proposal and equality impact assessment, you must send a copy to Tim Greaves, Equality Co-ordinator, to publish on the equality pages of the Vale of Glamorgan website.

13. Authorisation

Approved by (name)	Matt Bowmer	
Job Title (senior manager)	Head of Finance	
Date of approval	20 th February 2023	
Date of review	October 2022.	