

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 07 September 2023</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Quarter 1 Revenue Monitoring 2023/24
Purpose of Report:	To advise Cabinet of the Quarter 1 Revenue Monitoring position for 2023/24
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 Officer
Policy Framework	This is a matter for Executive decision by Cabinet

Executive Summary:

- The table below sets out the Original Budget and Virement requests for approval by Directorate.

Directorate	Original Budget 2023/24	Virement Request 2023/24	Amended Budget 2023/24	Projected Outturn	Variance
	£000's	£000's	£000's	£000's	£000's
Learning and Skills	130,711	-33	130,678	130,678	0
Social Services	88,858	33	88,891	89,891	1,000
Environment and Housing	34,260	700	34,960	35,960	1,000
Corporate Resources	5,047	-667	4,380	4,380	0
Place	4,261	60	4,321	4,321	0
Policy	33,381	-93	33,288	31,288	-2,000
Use of Reserves	-2,096	0	-2,096	-2,096	0
<b>Total</b>	<b>294,422</b>	<b>0</b>	<b>294,422</b>	<b>294,422</b>	<b>0</b>
Public Sector Housing (HRA)	<b>10,672</b>	<b>0</b>	<b>10,672</b>	<b>10,672</b>	<b>0</b>
<b>Total</b>	<b>305,094</b>	<b>0</b>	<b>305,094</b>	<b>305,094</b>	<b>0</b>

- The revenue position for 2023/24 continues to reflect challenging demand and inflationary pressures, with increasing demand in respect of Children’s and Adults Social Care and significant increases in the cost of placements and care packages, Support for Additional Learning Needs continues to be an area of significant pressure within Learning and Skills. The Council is also experiencing continued inflationary pressures in respect of School Transport. Across the services inflationary pressures are also being experienced in respect of pay most notably where market forces are being utilised and for the funding gap between provision for the 2023/24 pay award and the likely pay award for 2023/24.
- Challenging savings and efficiency targets have been set out for 2023/24 this includes a target of £2.75M for schools and £4.628M Corporate savings. The progress against these savings targets are reflected in the Appendix and summarised in the table below.

Directorate	Target	Projected	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s	%	£'000s	%	£'000s	£'000s
Policy	1,565	1,565	100	-	0	-	0%
Resources	582	308	53	73	47	1	0%
Neighbourhood and Housing	1,000	883	88	40	4	77	8%
Learning and skills	564	405	72	-	0	159	28%
Social Services	681	681	100	-	0	-	0%
Place	265	133	50	-	0	132	50%
<b>Total</b>	<b>4,657</b>	<b>3,975</b>	<b>85</b>	<b>313</b>	<b>7</b>	<b>369</b>	<b>8%</b>

- Projected transfers to and from reserves are set out in the table below.

As at	Balance 01/04/2023	Capital Funding	Planned Transfer (from) reserves	Planned Transfer to reserves	Unplanned Drawdown from Reserves	Estimated Balance 31/03/2024
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523	0	-496	0	0	11,027
Insurance	4,877	0	0	0	0	4,877
Service Reserves	22,521	-646	-6,426	42	-3,246	12,246
Risk and Smoothing Reserves	29,802	-4,404	-4,022	165	0	21,541
Capital	17,726	-14,885	-477	823		3,187
Schools	7,254	0	-6,500	0		754
Housing Revenue Account	16,486	-15,537	0	0		949
<b>Total</b>	<b>110,190</b>	<b>-35,472</b>	<b>-17,921</b>	<b>1,030</b>	<b>-3,246</b>	<b>54,581</b>

## Recommendations

1. That the position with regard to the Authority's 2023/24 Revenue Budget be noted and the report be referred to Corporate Performance and Resources Scrutiny Committee for review.
2. That Members approve the virements requested as part of this report as set out in Table 1.

## Reasons for Recommendations

1. To inform Cabinet and Scrutiny Committee of the projected revenue outturn for 2023/24.
2. To update the original budget for 2023/24 for virement requests.

## 1. Background

- 1.1 Council on 6th March, 2023 approved the revenue budget for 2023/24 (minute no 779) and earlier in the year Council on 11th January, 2023 approved the Housing Revenue Account budget for 2023/24 (minute number 607). There is an approved drawdown from the Council Fund of £496K during 2023/24 and £2.8M from other specific reserves.

## 2. Key Issues for Consideration

### Emerging Corporate Pressures

- 2.1 The revenue position for 2023/24 continues to be challenging for the Council both operationally and financially due to the ongoing implications of the Cost of Living Crisis, support for Ukrainian refugee, inflationary pressures and the continuing impact of the Covid 19 pandemic. The Council has continued to see additional pressures as a result of these factors particularly across Education, Leisure, Housing and Social Services.

### Revenue Financial Position

- 2.2 Table 1 below details the original budget and reflects any requested virements. The use of reserves will be necessary to address emerging inflationary pressures and deliver projects across the service. Officers are closely monitoring the position and exploring mitigating actions to address the financial pressures and will potentially bring forward savings proposals for 2024/25 into the current financial year.

**Table 1. Council Summary**

Directorate/Service	Original Budget	Virements Requested	Adjusted Original Budget	Projected Outturn	Variance	Use of Reserves
	£000	£000	£000	£000	£000	£000
<b>Learning and Skills</b>						
Schools	115,439	0	115,439	115,439	0	7,550
Use of Reserves (Schools)	-1,200	0	-1,200	-1,200	0	1,200
Strategy, Culture, Community Learning & Resources	8,911	0	8,911	8,911	0	692
Directors Office	252	0	252	252	0	0
Additional Learning Needs & Wellbeing	4,174	-61	4,113	4,113	0	443
Standards and Provision	3,135	28	3,163	3,163	0	40
<b>Total Learning and Skills (incl. Schools)</b>	<b>130,711</b>	<b>-33</b>	<b>130,678</b>	<b>130,678</b>	<b>0</b>	<b>9,925</b>
<b>Social Services</b>						
Children and Young People	19,507	138	19,645	20,562	917	1,362
Adult Services	60,131	-105	60,026	62,958	2,932	2,408
Resource Management & Safeguarding	8,452	0	8,452	8,849	397	257
Youth Offending Service	768	0	768	768	0	0
Unplanned Use of Reserves	0	0	0	-3,246	-3,246	3,246
<b>Total Social Services</b>	<b>88,858</b>	<b>33</b>	<b>88,891</b>	<b>89,891</b>	<b>1,000</b>	<b>7,273</b>
<b>Environment and Housing</b>						
Neighbourhood Services & Transport	29,963	700	30,663	31,663	1,000	200
Building/Cleaning Services	0	0	0	0	0	50
Regulatory Services	2,084		2,084	2,084	0	0
Council Fund Housing	2,213		2,213	2,213	0	45
Public Sector Housing (HRA)	10,672		10,672	10,672	0	0
<b>Total Environment and Housing</b>	<b>44,932</b>	<b>700</b>	<b>45,632</b>	<b>46,632</b>	<b>1,000</b>	<b>295</b>
<b>Corporate Resources</b>						
Resources	4,355	-667	3,688	3,688	0	636
Housing Benefit	692	0	692	692	0	0
<b>Total Corporate Resources</b>	<b>5,047</b>	<b>-667</b>	<b>4,380</b>	<b>4,380</b>	<b>0</b>	<b>636</b>
<b>Place</b>						
Regeneration	1,852	80	1,932	1,932	0	145

Development Management	2,162	0	2,162	2,162	0	30
Private Housing	247	-20	227	337	110	58
Unplanned Use of Reserves	0	0	0	-110	-110	110
<b>Total Place</b>	<b>4,261</b>	<b>60</b>	<b>4,321</b>	<b>4,321</b>	<b>0</b>	<b>343</b>
<b>Policy</b>						
General Policy	33,381	-93	33,288	31,288	-2,000	-42
<b>Total Policy</b>	<b>33,381</b>	<b>-93</b>	<b>33,288</b>	<b>31,288</b>	<b>-2,000</b>	<b>-42</b>
Use of Reserves	-2,096	0	-2,096	-2,096	0	-2,096
<b>Grand Total</b>	<b>305,094</b>	<b>0</b>	<b>305,094</b>	<b>305,094</b>	<b>0</b>	<b>16,334</b>

### Learning and Skills

- 2.3 The Learning and Skills budget was set at £130.711M for 2023/24 and included use of reserves of £1.2M to support the Schools budget. The Budget assumed £2.75M efficiencies for schools and £564K corporately.
- 2.4 A virement of £33K to Social Services is requested as part of this report. The budget position is detailed in Appendix A.
- 2.5 The projected outturn for Learning and Skills in 2023/24 is breakeven position after a drawdown of approximately £10m of reserves including £6.5m ringfenced for schools and this is further detailed in Appendix A.
- 2.6 Key pressures within the directorate include the following:
- Retirement and Redundancy costs in schools
  - Reduction in Out of County Income for pupils from other Local Authorities attending Special Schools and Resource Bases.
  - Children’s Placement Costs - due to increasing numbers of placements and the increasing cost of those placements.
  - Additional Welsh Medium Provision – establishment of new Welsh Medium Resource Base is being set up at Gwaun Y Nant from September 2023 and the existing provision at Whitmore Resource Base and Hafan Resource Base (Gladstone school) is being increased.
  - Shortfall against Arts Provision savings target in 2023/24 budget.
- 2.7 Likely use of reserves includes the following:
- £850K transferred to reserves from the 2022/23 surplus to support pupils with Additional Learning Needs in Schools.
  - £200K transferred to reserves from the 2022/23 surplus to support schools in Special Measures.
  - £336K from the Pay Pressures reserve to fund the costs of Early Retirement and Redundancy in Schools.
  - Other transfers detailed in the appendix.

### Social Services

- 2.8 The Social Services budget was set at £88.858M for 2023/24 a virement of £33k from Learning and Skills is requested as part of this report. The Budget assumed £600K efficiencies which are currently on track to be achieved in year. The budget position is detailed in Appendix B.
- 2.9 Social Services Budget programme continues in 2023/24 and will utilise a contribution of £1.338M of funding and additional efficiency savings of £81K to reduce the use of reserves as part of the agreed 5 year period.

Table 2 – Social Services Budget Programme

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000	£000
Children’s Services	- 673	-536	- 384	-232	-80	-1,905
Adult Services	- 408	-325	-242	-159	-76	-1,208
Resource Management and Safeguarding	- 257	-206	-154	-103	-51	-771
<b>Total</b>	<b>-1,338</b>	<b>-1,067</b>	<b>-780</b>	<b>-494</b>	<b>-207</b>	<b>-3,884</b>
Saving Target	81	271	287	286	287	1,212

- 2.10 The Social Services budget is also expected to utilise £2M of step in funding from the Social Services reserve as commissioning of Social Services care hours has increased in excess of the initial projections for 2023/24. The potential for this had been recognised when the budget was approved in March.
- 2.11 The projected outturn for Social Services in 2023/24 after this use of reserves is an adverse variance of £4.246M and is further detailed in Appendix B.
- 2.12 The planned drawdown from reserves for 2023/24 is £4.027M with a further £3.246M projected to offset the additional adverse variance this poses significant additional budgetary pressures that will need to be addressed as part of the 2024/25 budget proposals.
- 2.13 Key pressures in addition to the reserves funding set out below within the directorate include the following:
- Rising cost associated with placements for Children and Young People.
  - Additional legal costs associated with increased complexity and incidence of care proceedings.
  - Increase in care hours required for Adults which can in part be explained by a return to care following Covid and also Demographic pressures.
  - The service is also reporting an increase in residential and nursing placements, an increase in direct care placements and respite.

- 2.14 Likely use of reserves includes the following:
- £2M use of reserves to reflect increased take up of commissioned hours at a more rapid pace than the budget has allowed for, the base budget will be corrected as part of the planning for 2024/25.
  - £1.163M use of reserves for Children's Services to support additional costs associated with Market forces payments, adoption allowances and legal costs and the budget programme.
  - A further £200K of reserves to develop a financial strategy for Children's Services.
  - £257K for Resource Management and Safeguarding as part of the Social Services budget programme.
  - £408K for Adult Services as part of the Social Services budget programme.
  - Additional use of reserves to offset the additional costs of placements and care hours is likely to be required to reflect the increased need £2.329M.
  - Additional use of reserves to offset additional costs of Children's placements and legal costs £917K.

### **Environment and Housing**

- 2.15 The Environment and Housing budget was set at £34.260M for 2023/24 with a further £10.672M for the Housing Revenue Account. The Budget assumed £1M of efficiencies some of which are on track to be achieved, some are delayed and some have been mitigated by projected additional income generated in year. The budget position is detailed in Appendix C.
- 2.16 A virement of £700k is requested from Corporate Resources to offset the additional energy costs for street lighting in 2023/24.
- 2.17 The projected outturn for Environment and Housing in 2023/24 is an adverse variance of £1m and further detailed in Appendix C.
- 2.18 Key pressures within the directorate include the following:
- Highways patching and pot holes.
  - Energy costs – particularly Street Lighting Energy.
  - Staffing budgets – market forces payments to HGV drivers.
  - Transport budgets – increased costs of fuel/parts and setting aside funding for renewal.
  - Ash die back – work continues however no specific allocated budget.
  - Staff pay award if greater than 6% estimated within budget for 2023/24.
  - Animal Welfare investigations within Regulatory Services.
  - Accommodation to meet the need of homeless people and families currently based at the Copthorne Hotel.
  - Cost of providing support to assist Ukrainian families moving into the Eagleswell school site.

2.19 Likely use of reserves includes the following:

- £200k for Ash die Back
- £696k from Neighbourhood Services and Transport reserve to fund capital schemes within the current capital programme.
- £1,404k from Neighbourhood Services and Transport reserve ringfenced for further capital schemes not yet approved .
- £50k from the Building Services Improvement fund to meet the cost of apprenticeships within the service.
- £45k from the Homelessness & Policy reserve to contribute to the cost of the Rural Housing Enabler post and running costs of Cadoxton House.

2.20 Trading Estate - The Building Maintenance and Building Cleaning and Security Trading Accounts are currently projected to outturn on budget. There is a planned drawdown on reserves of £50k to fund the cost of apprenticeship posts.

2.21 Public Sector Housing (HRA) - The HRA is expected to outturn on target and any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the drawdown from the Housing Revenue Account reserve.

### **Corporate Resources**

2.22 The Corporate Resources budget was set at £5.047M for 2023/24. The Budget assumed £582K efficiencies which are currently on track to be achieved in year. The budget position is detailed in Appendix D.

2.23 A virement from the Policy budget is requested to fund additional resource in the Finance team to support the collection of Council Tax income, a virement of £700k to Environment and Housing is requested to offset the additional costs associated with Street Lighting in 2023/24.

2.24 The projected outturn for Corporate Resources in 2023/24 is a favourable variance of £10k and further detailed in Appendix D.

2.25 Key pressures within the directorate include the following;

- Delays to the implementation of 2023/24 savings initiatives such as the reorganisation of Council Office space which impacts savings proposals for Docks Office and Contact OneVale.
- Coroner Services Overspend £70k.
- Legal Services Income Shortfall
- Annual Microsoft Licencing Cost

2.26 Likely use of reserves includes the following; £558k from reserves for staffing costs and a further £70k to support the additional Pay Award costs for the Internal Audit Shared Service.



### Place

- 2.27 The Place budget was set at £4.261M for 2023/24. There are budget virements to be made for the following purposes:
- A £20k virement request relates to central support budgets allocated to Private Housing rather than Regeneration in error.
  - A £60k virement covers a transfer from Policy for the new Empty Property Enforcement funding.
- 2.28 The Budget assumed £265K efficiencies which are currently on track to be achieved in year with the exception of £20k against private housing which is delayed due to the delayed review of the provision of Disabled Facilities Grants. The budget position is detailed in Appendix E.
- 2.29 The projected outturn for Place in 2023/24 is an adverse variance of £110K after planned use of reserves of £243k. This overspend will need to be offset by a contribution of £110k from Place reserves and further detailed in Appendix D.
- 2.30 Key pressures within the directorate include the following:
- Vale Enterprise Centre – closure of buildings
  - Planning Fee income
  - Private Housing fee income
- 2.31 Likely use of reserves includes the following:
- £100k for costs associated with the Local Development Plan
  - £40k towards Project Manager's fees on Barry Regeneration projects
  - £58k for Occupational Therapist post
  - Additional £110k from Place reserves to offset a projected overspend in the Private Housing budget.

### Policy

- 2.32 Policy – The Policy Budget was set at £33.381M for 2023/24 and assumed £1.565M of savings. It is currently projected that all savings targets as set out in Appendix F will be achieved in 2023/24.
- 2.33 A virement from the Policy budget is requested to fund additional resource in the Corporate Resources Finance team to support the collection of Council Tax income a virement to the Place budget of £60k is also requested for the new Empty Homes Property Enforcement approach.
- 2.34 The projected outturn for Policy in 2023/24 is a favourable variance of £2M as detailed below.
- 2.35 Projected Favourable Variances - Due to the improved performance on the Council's Treasury Management Investment during 2023/24 as a result of the base rate rises throughout the period there is projected to be a surplus on investment income of approximately £1M. As in previous years the Council

continues to utilise an approach of maximising internal borrowing. As this approach reduces the external borrowing costs that are met by the Authority it is currently projected that a surplus will be reported against this budget in 2023/24 of £1M.

- 2.36 Likely transfer to reserves include the following:
- Planned transfer to reserves £42k towards the cost of future Local Elections.
- 2.37 Council Tax – The current projection is that the Council Tax will breakeven at year end. A significant increase in provision for arrears was made as part of the closure in accounts for 2022/23 and if arrears are reduced this should have a positive impact on income balances in 2023/24. At the end of July the collection rate position was 38.9% compared to 39.3% at the end of July 2022. Whilst on the face of it, this would seem a worsening position, the majority of all recovery action that has so far taken place has been on pre 2023/24 debts due to the hiatus in recovery action last year. This is borne out by the fact that during the first four months of this financial year there has been a reduction in the overall arrears position (pre in-year Council Tax) by £800,000 more than the arrears had been reduced by in the same period of 2022/23. Also despite the slight dip in collection, at the end of the first quarter of 2023/24 the Vale of Glamorgan was were position 6th out of the Welsh Authorities in terms of our collection rate for this year and were in the top quartile for collection rate (30.0% and the top quartile started at 29.8%). In year recovery is now in flight and as such the team is expecting to see the in year collection improve over the coming months.

**Efficiency Targets**

- 2.38 As part of the Final Revenue Budget Proposals for 2023/24, an efficiency target of £7.378m was set for the Council, this is a far higher level of savings than has been set for a number of years.
- 2.39 Of this sum £2.75M has been delegated to schools and the schools budgets and budget recovery plans are in the process of being compiled by schools with the support of colleagues in HR and the Education Finance team.
- 2.40 The current position in respect of the 2023/24 savings is detailed in Table 3 below.

Table 3 – Efficiency Targets

Directorate	Target	Amount Projected	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s	%	£'000s	%	£'000s	£'000s
Learning and skills	564	405	72	-	0	159	28%

Social Services	681	681	100	-	0	-	0%
Environment and Housing	1,000	883	88	40	4	77	8%
Corporate Resources	582	308	53	273	47	1	0%
Place	265	133	50%	-	0%	132	50%
Policy	1,565	1,565	100	-	0	-	0%
<b>Total</b>	<b>4,657</b>	<b>3,975</b>	<b>85%</b>	<b>313</b>	<b>7%</b>	<b>369</b>	<b>8%</b>

2.41 Attached at Appendix F is a statement detailing all savings targets for 2023/24 and the current progress against them.

### Use of Reserves

2.42 Reserves are a way of setting aside funds from budgets in order to provide security against future levels of expenditure and to manage the burden across financial years. The Council has always taken a prudent approach with regard to Specific Reserves and uses them to mitigate known risks (financial and service) and contingent items, e.g., Insurance Fund. Other reserves have been established to fund Council priorities and in particular the Capital Programme. The Housing Revenue Account Reserve is ring-fenced to Housing and the majority will be used to fund improvements to the Council’s housing stock.

2.43 Table 4 below sets out the use of reserves for a variety of purposes including planned usage to fund Capital Expenditure, planned revenue usage in accordance with the earmarked purpose of the reserve, unplanned usage to fund emerging overspends during 2023/24 and planned transfers to reserves to set aside fund for specific purposes.

Table 4 – Use of Reserves

As at	Estimated Balance 31/03/2023	Capital Funding	Budget Transfer	Planned Transfer (from) reserves	Planned Transfer to reserves	Unplanned Transfer (from) reserves	Estimated Balance 31/03/2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>	<b>11,523</b>		<b>-496</b>				<b>11,027</b>
<b>Insurance</b>	<b>4,877</b>						<b>4,877</b>
<b>Service Reserves</b>							
Learning and Skills	4,131			-1,967			2,164
Social Services	10,012			-3,891		-3,246	2,875
Neighbourhood Services	3,076	-646		0			2,430

Corporate Resources	733			-182			551
Place	2,100			-220			1,880
Other Service Reserves	1,629				42		1,671
Other Corporate	841			-166			675
<b>Risk and Smoothing Reserves</b>							
Homelessness and Housing Reserve	4,456		-200	-45			4,211
Cost of Living	854		-200				654
Pay Pressures	4,168			-336			3,832
Energy Pressures	3,885	-500	-2,400		60		1,045
Legal	2,000			-92			1,908
Project Zero	2,325	-185		-284	105		1,961
Investment and Growth Fund	2,353	-115					2,238
Reshaping Risk and Investment	2,523	-490		-417			1,616
Corporate Landlord	5,708	-3,069					2,639
Digital Reshaping	1,531	-45		-48			1,438
<b>Capital Reserves</b>							
Capital	17,726	-14,885		-477	823		3,187
<b>Sub Total</b>	<b>86,450</b>	<b>-19,935</b>	<b>-3,296</b>	<b>-8,125</b>	<b>1,030</b>	<b>-3,246</b>	<b>52,878</b>
<b>Ring Fenced Reserves</b>							
Schools	7,254			-6,500			754
Housing Revenue Account	16,486	-15,537					949
<b>Total Reserves</b>	<b>110,189</b>	<b>-35,472</b>	<b>-3,296</b>	<b>-14,625</b>	<b>1,030</b>	<b>-3,246</b>	<b>54,581</b>

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

- 3.1 The revenue budget has been set in order to support services in the delivery of the Council's Well-being objectives. It is therefore important for expenditure to be monitored to ensure that these objectives are being delivered.
- 3.2 The revenue budget has been set and is monitored to reflect the 5 ways of working.
- 3.3 Looking to the long term - The setting of the revenue budget requires planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services is understood.

- 3.4 Taking an integrated approach - The revenue budgets include services which work with partners to deliver services e.g. Health via ICF.
- 3.5 Involving the population in decisions – As part of the revenue budget setting process there has been engagement with residents, customers and partners.
- 3.6 Working in a collaborative way – The revenue budgets include services which operate on a collaborative basis e.g. Shared Regulatory Service, Vale Valleys and Cardiff Adoption Service.
- 3.7 Understanding the root cause of issues and preventing them – Monitoring the revenue budget is a proactive way of understanding the financial position of services in order to tackle issue at the source as soon as they arise.

#### **4. Climate Change and Nature Implications**

- 4.1 The Council has identified dedicated funding in the 2023/24 reserves projections to support the delivery of Project Zero. Additional funding is ringfenced in the Capital Programme to support schemes.
- 4.2 All savings and cost pressures will be reviewed for Climate Change and Nature Implications prior to implementation.

#### **5. Resources and Legal Considerations**

##### **Financial**

- 5.1 As detailed in the body of the report.

##### **Employment**

- 5.2 As detailed in the body of the report.

##### **Legal (Including Equalities)**

- 5.3 There are no legal implications.

#### **6. Background Papers**

None.

## Appendix A

### Directorate Monitoring: Learning and Skills

The Delegated Schools Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Delegated Schools	114,239	0	114,239	114,239	0	7,550

The delegated schools budget for 2023/24 is projected to outturn on target after transferring £7.55M from reserves.

The projected outturn for the delegated schools budget for 2023/24 assumes a drawdown of £6.5M from school reserves according to budgets submitted by schools for the 2023/24 financial year. Schools have submitted three year budgets in line with the statutory deadline of 30<sup>th</sup> June 2023. There are 21 schools that have submitted a deficit budget for the 2023/24 financial year, with total deficits estimated at £2.7M. The regulations require that schools that find themselves in a deficit position should submit a balanced recovery plan showing how the deficit will be eradicated over the next few years, this is also referenced in the Councils Fair Funding scheme for schools which dictates that the period for a balanced recovery plan should be three to five financial years. Currently only two of the schools in a deficit position have provided a balanced recovery plan, and the other 19 schools have submitted non-recoverable budget deficits.

Schools are being challenged where appropriate and work is ongoing to support schools in reducing deficits where possible.

#### Key Pressures for 2023/24 in the delegated schools budget.

- £2.3M ringfenced funding for Energy costs has been set aside as part of the 2023/24 budget proposals and will be allocated based on actuals.
- Additional funding for Additional Learning Needs support in mainstream schools of £850k has been identified as part of the 2022/23 outturn and has been added to the Education Pressure Reserve.
- Additional funding for schools in special measures of £200k was also identified as part of the 2022/23 outturn. The funding has been allocated to Pencoedtre and Ysgol Pen Y Garth to support the schools with additional staff and training

- Schools were allocated an efficiency savings target of £2.75M within the 2023/24 delegated budget, which was cut from school budgets via the schools funding formula.

The Central Learning and Skills Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Director	252	0	252	252	0	0
ALN & Wellbeing	4,174	-£61	4,113	4,113	0	443
Standards & Provision	3,135	£28	3,163	3,163	0	40
Strategy, Resources, Culture & Community Learning	6,973	0	6,973	6,973	0	292
Schools Non Delegated	1,938	0	1,938	1,938	0	380
Catering	0	0	0	0	0	20
<b>Total</b>	<b>16,472</b>	<b>-33</b>	<b>16,439</b>	<b>16,439</b>	<b>0</b>	<b>1,175</b>

The Central Learning and Skills budget for 2023/24 is projected to outturn on target after transferring £1,175k from reserves.

#### **Key Pressures for 2023/24 in the Central Learning and Skills budget**

- Schools Non-Delegated: Early Retirement/Voluntary Retirement (ER/VR) budget - It is a statutory requirement that redundancy costs in schools are funded centrally. The ERVR budget is currently projected to overspend by £275k due to increased redundancy costs in schools this year. Schools are responsible for paying the early retirement costs for any staff that leave but a scheme has been in place for a number of years where the ER/VR budget pays the one-off costs related to a teacher leaving and then the cost is recharged to the school over an agreed number of years. The additional net costs for this year will be in the region of £61k. A total of £336k will therefore be transferred from the Corporate Pay Pressures Reserve to offset these

additional costs. The situation will change as more voluntary redundancy and early retirement costs are received from schools.

- ALN & Wellbeing: Out of County Income – Due to the increase in Vale of Glamorgan pupils requiring specialist placements at Ysgol Y Deri, there is no capacity to admit new pupils from other Local Authorities. As a result, the projected income is dropping significantly each year as out of county pupils leave the school. The cost pressure requested for 23/24 was £545k but due to budget pressures across the council only £350k was awarded. This £195k shortfall will be met from reserves unless any in-year savings are found however, this is not sustainable.
- ALN & Wellbeing: The Children’s Placements budget - This budget pays for provision at out of county and independent schools and was projected to overspend by £69k at the beginning of the financial year even though the budget had been increased by £300k. Due to increasing numbers of placements and the increasing cost of those placements this figure is likely to increase by year end. The position for 23/24 is currently being updated and a more accurate outturn should be available in September. The shortfall will be met from reserves unless any in-year savings are found
- ALN & Wellbeing: Due to increased need a new Welsh Medium Resource Base is being set up at Gwaun Y Nant from January 24 and the existing provision at Whitmore Resource Base and Hafan Resource Base (Gladstone school) is being increased from September 24. At the moment the estimated costs from Sept to March 24 are in the region of £300k. These costs and any other cost relating to new provision or supporting existing provision for additional learning needs (ALN) will be funded from the ALN Implementation Grant (£393k) and/or reserves. This will be an ongoing pressure for future years.
- Strategy, Resources, Culture & Community Learning: As part of the efficiency savings for the Directorate the Arts Service was set an income target of £65k. A number of options are being considered and external funding avenues are being explored. Should this not be fully achieved then the Department will look at funding from reserves.

### **Savings Tracker Update**

The progress against the 2023/24 savings for the Directorate is detailed in Appendix F.



## Planned Drawdown on Reserves in Year

### Central Learning & Skills

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown £000's
Education Pressures & Improvement Reserve	Additional lump sum allocation for Breakfast Clubs at St Helens and Dinas Powys due to split sites - will be included in the formula from 24/25	20
Education Pressures & Improvement Reserve	Additional costs for temporary demountables at Ysgol y Deri which have been put in place whilst the expansion of the school takes place.	180
Education Pressures & Improvement Reserve	Strategy & Resources additional temporary staff costs	156
Education Pressures & Improvement Reserve	Shortfall in income received for out of county pupils placed at Ysgol Y Deri	195
Education Pressures & Improvement Reserve	Projected increase in child placements at out of county schools and independent provision	69
Education Pressures & Improvement Reserve	ALN & Wellbeing additional temporary staff costs	179
Education Pressures & Improvement Reserve	Temporary Liaison and Engagement Officer (LEO) posts will be funded from reserves until they finish in August 23. Earmarked funding within the reserve will then be used to continue to fund a full time LEO post for a further two years. The transfer required in 23/24 has reduced from £89k to £11k due to projected underspends elsewhere within Standards and Provision. The position will be updated as the year progresses	11
Education Pressures & Improvement Reserve	The Education Other than at School (EOTAS), Engagement and Alternative Curriculum budget is projected to overspend by £29k due to increased provision from September plus a new post from September to March.	29
Corporate Pay Pressure Reserve	Redundancy costs for schools plus actuarial costs related to early retirements	336

	<b>Total Projected Reserve Transfer for Central Learning &amp; Skills</b>	<b>1,175</b>
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**Note:** Should there be any underspends across the Directorate by year end then the planned drawdown of reserves outlined above may reduce

**Schools**

<b>Reserve Name</b>	<b>Brief Description of purpose of drawdown</b>	<b>Planned 2023/24 Drawdown £000's</b>
School Reserves	Draw down to balance school budgets	6,500
Education Pressures & Improvement Reserve	Additional funding for Additional Learning Needs support in mainstream	850
Education Pressures & Improvement Reserve	Additional funding for schools in special measures	200
	<b>Total Projected Reserve Transfer for Schools</b>	<b>7,550</b>

## Appendix B

### Directorate Monitoring: Social Services

The Social Services Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Children and Young People	19,507	138	19,645	20,562	917	1,362
Adult Services	60,131	-105	60,026	62,958	2,932	2,408
Resource Management & Safeguarding	8,452	0	8,452	8,849	397	257
Youth Offending Service	768	0	768	768	0	0
<b>Total</b>	<b>88,858</b>	<b>33</b>	<b>88,891</b>	<b>93,137</b>	<b>4,246</b>	<b>4,027</b>
Unplanned Use of Reserves	0	0	0	-3,246	-3,246	3,246
<b>Adjusted Total</b>	<b>88,858</b>	<b>33</b>	<b>88,891</b>	<b>89,891</b>	<b>1,000</b>	<b>7,273</b>

The projected outturn for the Social Services budget for 2023/24 is an overspend of £4.246M after a planned drawdown of £4.027M including £2M as part of the approach to step in the uplift for 2023/24 for external providers, with the remaining sum being utilised as part of the Social Services Budget Programme, additional costs associated with market forces for social services and an additional contribution of £200k from the Investment and Risk Reserve towards developing a financial strategy for Children's Services.

Whilst steps will be taken within the service to mitigate this overall overspend it is likely that a significant contribution to the £4.246m additional projected overspend will need to be funded from Social Services reserves (a contribution of £3.246m is assumed as part of this report) and a contribution of £1m from the Policy Underspend is assumed.

The current projected drawdown from reserves for 2023/24 is £7.273M whilst the £2m step in is included in current cost pressures the balance poses significant additional budgetary pressures that will need to be addressed as part of the 2024/25 budget proposals and the

Social services budget programme will need to be revised to reflect this reduction in available funding.

**Key Pressures for 2023/24 in the Social Services budget.**

**Children and Young People Services Overspend of approximately £917k**

- Rising cost associated with placements for Children and Young People projected overspend £764k and emergency duty team £35k.
- Additional legal costs associated with increased complexity and incidence of care proceedings projected overspend £118k.

**Adult Services projected overspend £2.932m**

- Increase in care hours required for Adults which can in part be explained by a return to care following Covid and also Demographic pressures. The service is also reporting an increase in residential and nursing placements, an increase in direct care placements and respite. Total projected overspend for Community Care Finance is approximately £4.1m, overspend projections usually peak around this time of year and it is possible that these projections will reduce as the year progress and additional grant income may be identified.
- These overspends are offset by staff vacancies within the service, additional grant income this includes projected underspends against Vale Community Reablement Service due to a number of vacancies in the team (VCRS) £432k and staff vacancies in the Day Service, Teams at Llandough Hospital, New Horizons, Contact One Vale and Long Term Care £564k there is also unbudgeted income of £172k.

**Resource Management and Safeguarding projected overspend £397k.**

- Staffing cost pressures within Vale Council owned residential care homes in the region of £650k. The pressure on staffing budgets is due to the level of relief staff and agency staff required within the homes to manage sickness levels as part of arrangements implemented during the pandemic, there is also pressure in respect of recruitment gaps and vacant posts within the service.
- This overspend has been offset by staffing vacancies and additional grant income within the service.

**Savings Tracker Update**

The Social Services Savings targets for 2023/24 are currently projected to be achieved in full in 2023/24.

**Planned Drawdown on Reserves in Year.**

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown £000's
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Social Services Reserve	£2m step in funding to cover the increased cost and take up of Community Care Packages	2,000
Social Services Reserve	Children's Services to support additional costs associated with Market forces payment to staff, adoption allowances and Legal Costs	1,162
Reshaping Risk and Investment Reserve	Project to develop financial strategy for Children's services	200
Social Services Reserve	Contribution towards additional staffing capacity in Resource Management & Safeguarding	257
Social Services Reserve	Contribution towards additional staffing capacity in Adults Services	408
Social Services Reserve	Projected amount required to cover additional spend in Community Care due to an increase in number of care hours and uplifts in cost	2,329
Social Services Reserve	Projected amount required to cover additional spend in Children's Services	917
Total Use of Reserves		7,273

## Appendix C

### Directorate Monitoring: Environment & Housing

#### Neighbourhood & Transport Services

The Neighbourhood & Transport Services Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Revenue Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Neighbourhood Services & Transportation	29,963	700	30,663	31,663	1,000	200

The projected outturn for the Neighbourhood Services and Transportation budget for 2023/24 is an overspend of £1M which reflects the projected overspend against Highways patching and potholes and the additional costs associated with the continuation of market forces payments for HGV drivers. The Neighbourhood Services reserve is fully committed for capital schemes and therefore this overspend will need to be offset by the projected additional investment income in the Policy budget.

A virement is requested to Neighbourhood Services of £700k from Corporate Resources to offset the additional costs of electricity for Street Lighting in 2023/24.

#### **Key Pressures for 2023/24 in the Neighbourhood Services & Transportation budget.**

- One of the main pressures within the Neighbourhood services budget is again likely to be the budget for highway patching and potholes. The budget overspent by around £700k in 2022/23 and is likely to be under similar pressure in 2023/24
- Another key pressure is due to the increased costs of Energy for this financial year. Neighbourhood Services & Transport is a particularly high user of Electricity especially within Street Lighting. Even though the amount of energy being utilised has decreased over a number of years, due to continued changeover to LED, the unit price has increased significantly. The resources budget was increased by £1.5m in 23/24 for anticipated increases in Energy costs and it is proposed that £700k of that is transferred to the Neighbourhood Service & Transport budget to cover this increased cost.
- Pressure also still remains on staffing budgets within Waste Management with the continuation of the market forces payment for HGV drivers. The annual cost of this uplift is around £300k.

- There is also still pressure on transport budgets within NS&T due to the increased cost of fuel, parts and depreciation costs of newer vehicles.
- Work on Ash die Back continues for which there is no specific budget within NS&T therefore it is proposed that this is again funded from reserves.

### Savings Tracker Update

The table below shows the 23/24 savings targets for Neighbourhood Services and Transport and the current projected value for this year.

Description of Saving Proposal	Target 2023/24 £000	RAG Status	Comments	Projected 2023/24 saving £000
Increase in fees and charges	30	Green	Fees & Charges increased for 23/24	30
Parking Charging Review	20	Amber	Residents permits - Cabinet Report due to be taken delayed due to 20mph work	0
Review Car Park Provision	50	Amber	Court Road Car Park- Public Consultation plan in progress.	0
Stop provision of sandbags	5	Green	Need to do some Comms and Community Resilience Work	5
Do not apply for Green Flag and Coastal Awards	5	Amber	Review to be undertaken	0
Allotment Charging	3	Green	Charges increased for 23/24 to reflect cost recovery and letters have now gone out.	3
Double Shift Mechanical sweepers (2 vehicles plus one spare)	40	Amber	Further review required potential to mitigate	0

Reduce Grass cutting schedule to 5 cuts a year	40	Red but mitigated	Tender price higher than anticipated therefore savings not achieved. Mitigated by Enforcement Income	0
Enforcement Income	0	Green	Enforcement used to mitigate the above	40
Commercial Opportunities and Business Support review	50	Green	Reception at Alps closed. Posts to be kept vacant within support	50
Waste Collection for Black Bags to 3 weeks	150	Amber	Due to commence from 1st July 2023 Shortfall due to delayed start and could be mitigated by green bag income and dropped vehicle.	100
Green Bag Subscription Charge	500	Amber	Due to commence from 17th July 2023. Over 10,000 households signed up to date.	550
Charging for public use of Electric vehicle chargers	2	Amber	Chargers currently being used for Council owned vehicles. Plans to rollout to staff and general public.	0
	<b>895</b>			<b>778</b>

#### **Planned Drawdown on Reserves in Year.**

<b>Reserve Name</b>	<b>Brief Description of purpose of drawdown</b>	<b>Planned 2023/24 Drawdown £000's</b>
Ash Die Back	Ash Die Back	200
Neighbourhood Services & Transport	Capital Schemes	696
Neighbourhood Services & Transport	Further Ringfenced Sums for Capital Schemes not yet approved	1,404

#### **Building Services**



The Building Services Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Building Services	0	0	0	0	0	50

The projected outturn for the Building Services budget for 2023/24 is a breakeven position.

#### **Key Pressures for 2023/24 in the Building Services budget.**

- The main pressure within the Building Services budget is likely to be the pay award for 2023/24. Charges to Building Cleaning clients have increased in 23/24 however the pay award has not yet been agreed for the current financial year, therefore if the agreed figure is greater than the estimated 6%, this is likely to put pressure on the Building Cleaning & Security Trading Account

#### **Savings Tracker Update**

There were no savings targets for Building Services in 2023/24.

#### **Planned Drawdown on Reserves in Year.**

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown £000's
Building Services Improvement Fund	Funding of Apprenticeships within service	50

#### **Regulatory Services**

The Regulatory Services Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Regulatory Services	2,084	0	2,084	2,084	0	0

The projected outturn for the Regulatory Services budget for 2023/24 is currently projected to be on budget however there may be additional pressures associated with the pay award and animal welfare investigations as outlined below.

#### Key Pressures for 2023/24 in the Regulatory Services budget.

- The SRS 2023-24 budget is based on an assumption that the annual pay award will be 5%. In reality, the award could be considerably higher, resulting in a budget shortfall for staff salaries.
- The Service is dealing with a number of animal welfare investigations (linked to illegal dog breeding) in which the seizure of dogs and puppies has been necessary. The animals are now being cared for, pending resolution in court, at significant cost to the Service (circa £12k per month)

#### Savings Tracker Update

- £21,000 reduction in Vale base contribution – this was achieved at the start of the financial year as part of the agreed SRS budget for 23-24. As a result, there are no on-going savings to track through the year.

The Housing (General Fund) Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Community Safety	465	0	465	465	0	0
Homelessness & Strategy	1,519	0	1,519	1,519	0	45

Supporting People	229	0	229	229	0	0
<b>Total</b>	<b>2,213</b>	<b>0</b>	<b>2,213</b>	<b>2,213</b>	<b>0</b>	<b>45</b>

The projected outturn for the General Fund Housing budget for 2023/24 is a breakeven position however there are significant homelessness and resettlement pressures that will need be kept under review as we progress through the financial year, but in the first incidence would require additional drawdown from the homelessness reserve.

### **Key Pressures for 2023/24 in the Housing (General Fund)**

- Hotel accommodation for homeless people (possible need to extend use of hotel beyond March 24 or book more hotel rooms in 23/24)
- Temp accommodation for Afghans at Copthorne. Hotel closing at end of August 23, need to identify accommodation solutions for remaining families.
- Housing Solutions team staffing levels to provide assistance to homeless households and Afghan nationals.
- Ukraine support to assist 90 families moving into Eagleswell school site Jan 24
- ICT technical support to assist implementation of NEC Northgate system
- Deliver volunteering support to tenants and extend Value in Vale scheme from April 24 when Public Health Wales funding ends/

### **Savings Tracker Update**

- Pre Tenancy Adviser and VATs budget – The 2023/24 budgets have been reduced by £26k and are on target
- Senior Officer Recharges to HRA to ensure no cross subsidisation - The 2023/24 budgets have been reduced by £33k and are on target.
- Community Safety Support Function Vacant post - The 2023/24 budget have been reduced by £25k and are on target.

### **Planned Drawdown on Reserves in Year.**

<b>Reserve Name</b>	<b>Brief Description of purpose of drawdown</b>	<b>Planned 2023/24 Drawdown £000's</b>
Homelessness & policy	Contribution to Rural Housing Enabler	25
Homelessness & policy	Cadoxton House running costs exceeds budget due to decreased rental income	20
<b>Total</b>		<b>45</b>

The Public Sector Housing (HRA) Budget for 2023/24 is set out in the table below.

	<b>2023/24 Budget</b>	<b>Virements</b>	<b>Adjusted 2023/24 Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>	<b>Use of Reserves Revenue</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Public Sector Housing (HRA)	10,672	0	10,672	10,672	0	0
<b>Total</b>	10,672	0	10,672	10,5672	0	0

The HRA is expected to outturn on target and any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the reliance on Unsupported Borrowing

## Appendix D

### Directorate Monitoring: Corporate Resources

The Resources Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Finance	431	33	464	444	-20	105
Corporate ICT	1,389	0	1,389	1,389	0	20
Property Services	123	0	123	53	-70	0
Facilities	1,225	-700	525	525	0	0
Legal & Democratic Services	696	0	696	766	70	155
Policy & Business Transformation	175	0	175	175	0	356
Human Resources (inc. SCWWDP)	316	0	316	326	10	0
<b>Total</b>	<b>4,355</b>	<b>-667</b>	<b>3,688</b>	<b>3,678</b>	<b>-10</b>	<b>636</b>

The projected outturn for the Corporate Resources budget for 2023/24 is a favourable variance of £10k.

- A Virement of £700k is requested to reallocate the additional energy pressure to Neighbourhood Services to reflect additional costs associated with Street Lighting and other Neighbourhood Services assets.
- A Virement of £33k is requested from Policy to Corporate Resources to reflect the additional costs associated with collection of Council Tax Income.

#### **Key Pressures for 2023/24 in the Resources budget**

- Solution to achieve savings in respect of Revenues e-billing and Housing Benefits Hybrid Mail is ongoing.
- Annual Microsoft Licensing Cost. Funding of increased annual cost is dependent on achieving savings on corporate telephony.

- Ringfenced funding for Energy costs has been set aside as part of the 2023/24 budget proposals and will be allocated based on actuals.
- Delayed disposal of the Dock Offices.
- Legal Services income shortfall, agency staff costs and consultancy services.
- Annual contribution of the Joint Coroner Service.
- Review of C1V office accommodation is ongoing and is part of a wider review of office space.
- Delayed implementation of the Shared Cost Additional Voluntary Contribution (AVC) – Employee LGPS Benefit. Achieving target saving will depend on take-up.

### **Savings Tracker Update**

Resources (Supplies & Services Savings). Target of £82k achieved although need to consider impact of OD refreshments cut.

- Registrars Income. Target of £30k achieved.
- O2 Mobile Phone Contract. Target of £55k achieved. Saving has been achieved although there are issues in terms of the cash position i.e. savings accruing to the SRS & HRA were not subject to budget transfers (approx. £18k).
- ICT RSA Support Costs. Target of £22k achieved.
- Review of C1V Office Accommodation – Ongoing and part of wider review of office space. Target Saving is £50k
- Review Docks Office Site – Ongoing and part of wider review of office space. Target saving is £200k.
- Shared Cost AVC – To be implemented from Aug 23. Target saving of £25k is dependent on staff take-up.
- E-billing in Revenues – Ongoing but solution has been identified to achieve target saving of £7k.
- Hybrid Mail Housing Benefits – Ongoing review to achieve target saving of £20k.
- IASS – Target saving of £17k has been achieved.
- Counter Fraud – Budget reduction of £22k has been achieved. There is however a high annual income target of £125k for fraud reduction.

### **Planned Drawdown on Reserves in Year.**

<b>Reserve Name</b>	<b>Brief Description of purpose of drawdown</b>	<b>Planned 2023/24 Drawdown £000's</b>
Graduate Trainee Reserve	Trainee Accountant x 1 & Communications & Engagement Intern x 2	96

IASS Reserve	Annual Salary Increase (shortfall)	70
Corporate Resources	Temporary Staff Engagements (ICT, Legal Services, Communications & Improvement & Development )	182
Social Services Reserve	Temporary Engagement to undertake work for Deprivation of Liberty Safeguards (DoLS)	63
Legal Reserve	Graduate Trainee Post Legal	30
Reshaping Reserve	Temporary Engagements (BPR Team)	217
<b>Total</b>		<b>636</b>

The Housing Benefit Budget for 2023/24 is set out in the table below.

	<b>2023/24 Budget</b>	<b>Virements</b>	<b>Adjusted 2023/24 Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>	<b>Use of Reserves</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Housing Benefit	692	0	692	692	0	0
<b>Total</b>	<b>692</b>	<b>0</b>	<b>692</b>	<b>692</b>	<b>0</b>	<b>0</b>

The projected outturn for the Housing Benefit budget for 2023/24 is a breakeven position.

**Key Pressures for 2023/24 in the Housing Benefit budget**

- Migration of benefit claims to Universal Credit that will impact on the subsidy the Council receives on its overpayments.
- The collection of overpaid Housing Benefit.
- Reduced administration subsidy.

## Appendix E

### Directorate Monitoring: Place

The Place Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Sustainable Development	2,163	0	2,163	2,163	0	30
Regeneration	1,851	80	1,931	1,931	0	145
Private Housing	247	-20	227	337	110	58
Unplanned Use of Reserves	0	0	0	-110	-110	110
<b>Total</b>	<b>4,261</b>	<b>60</b>	<b>4,321</b>	<b>4,321</b>	<b>0</b>	<b>343</b>

The projected outturn for the Place budget for 2023/24 is an overspend of £110k after planned use of reserves of £243k. This overspend will need to be offset by a contribution of £110k from Place reserves.

- A £20k virement request within the Directorate relates to central support budgets allocated to Private Housing rather than Regeneration in error.
- A £60k virement covers a transfer from Policy for the new Empty Property Enforcement funding.

#### **Key Pressures for 2023/24 in the Place budget**

- Regeneration - Vale Enterprise Centre – there is likely to be demand on the budget due to increased costs of empty property rates, coupled with reduced rental income from mothballing phase 3 which was no longer fit for purpose.
- Planning fees are currently on target but concerns over the economy and inflation could affect this position by year-end.
- Private Housing fee income on Disabled Facility Grants is currently behind profile. This is due to the lack of available contractors to carry out the works. In addition, potential applicants are also delaying submitting applications until the Council adopts a new Independent Living Policy. This position, coupled with the inability to meet the savings target agreed for the service this year, means that the service is projecting to be over budget by some £90,000 this year. This position will however be monitored closely.



## Savings Tracker Update

- Planning saving for reorganisation is on track.
- Increased Planning Performance Agreements (PPA) income – developers are being offered the opportunity to enter agreements with the Council to ensure that applications are processed as quickly and efficiently as possible.
- Fees for Building Control applications have been raised this year. This will assist in achieving savings targets for Sustainable Development.
- Review of Regeneration structure is delayed but hoping that savings can be covered by alternative sources.
- Review of country parks attractions – delayed due to the need to undertake a feasibility report to allow a review to be undertaken.
- Private Housing (DFG) –extensive work has been undertaken on the Reshaping project, and it has become clear that the removal of means testing alone will not achieve a saving. However, the creation of a single Independent Living function within the Council will create economies of scale, once established.

## Planned Drawdown on Reserves in Year.

<b>Reserve Name</b>	<b>Brief Description of purpose of drawdown</b>	<b>Planned 2023/24 Drawdown £000's</b>
Place Reserve	Local Development Plan Expenditure which exceeds the base revenue budget of £45k will be drawn down	100
Place Reserve	Project Managers' fees on Barry Regeneration revenue projects	40
Project Zero and Green Infrastructure	Electric Vehicle Charging points at Airport	5
Place Reserve	Funding for Occupational Therapist	58
Project Zero and Green Infrastructure	Works on country parks diseased ash trees	30
Place Reserve	Offset overspend DFG income and savings	110
<b>Total Use of Reserves</b>		<b>343</b>

## Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved 2023/24	Percentage Achieved %	Mitigation Value Achieved 2023/24
					£'000	£'000					
<b>Directorate Learning and Skills</b>											
Learning and Skills	L&S-SCL&R ND1	Payments to Non Maintained Nursery Providers	0	Service Review	20	14	Green	Notice given to St Donats	20	100%	
Learning and Skills	L&S-SCL&R ND2	Removal of schools emergency repairs budget	0	Service Review	90		Amber	Even though the budget has been cut there is an ongoing pressure relating to emergency repairs in schools. Whilst this is relatively small at the moment it is likely to increase during the winter months. This area will be kept under review	90	100%	
Learning and skills	L&S-SCL&R ACL1	Move to cost recovery position for ACL	0	Generating Income	-	80				n/a	
Learning and skills	L&S-SCL&R LIB1	Makerspace income generation for letting out of makerspace rooms in barry and penarth libraries	0	Generating Income	20		Amber as unable to predict income generation	Budget has been set including new income target. Unable to predict at this early stage whether the income target will be achieved		0%	
Learning and skills	L&S-SCL&R LIB2	External income -income generation for letting to external organisations for filming and events	0	Generating Income	20		Amber as unable to predict income generation	Budget has been set including new income target. Unable to predict at this early stage whether the income target will be achieved		0%	
Learning and skills	L&S-SCL&R LIB3	Stop providing newspapers and DVDs in libraries	0	Service Review	15		Green	Budget has been cut, service will no longer purchase DVDS	15	100%	
Learning and skills	L&S-SCL&R LIB4	Increase libraries fees and charges by 12%	0	Generating Income	5		Green	fees have been increased in the budget	5	100%	
Learning and skills	L&S-SCL&R ART1	Review Arts Provision	2	Service Review	65		Red options appraisal under consideration but consider external funding to mitigate	Re -evaluation of options proposals developed following extensive consultation to be reconsidered in light of current financial situation and savings required. This process is underway and costed proposals will follow.		0%	
Learning and Skills	L&S-S&P OOST1	Reshaping of Out of School Tuition	0	Service Review	89		Green	The way in which OOST is delivered has been altered so that most tuition is delivered online rather than face to face. This is not ideal but is not out of sync with many other LAs. Budget saving will be achieved but service affected	89	100%	
Learning and Skills	L&S-SCL&R GR1	Increase in retained element of Post 16 WG grant for school improvement administration	0	Service Review	50		Green	Post 16 grant for schools has been top-sliced to contribute towards the central costs of the Learning and Skills Directorate. £50k has been included as an ongoing budgeted income	50	100%	

## Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Learning and skills	L&S-SCL&R GR2	Review use of alternative funding sources to support service delivery	0	Service Review	190		Green	Shared Prosperity Fund grant has increased not decreased as anticipated. Staff roles within the Youth Service have been reassigned to work on the shared prosperity grant funded project	136	72%	
<b>Subtotal Directorate Learning and Skills</b>			<b>2</b>		<b>564</b>	<b>94</b>			<b>405</b>	<b>72%</b>	<b>-</b>
<b>Directorate Social Services</b>											
Social Services	SS-CYPS-C2H1	Closer to Home Residential Care (C&YPs)	0	Invest to Save	200	100		Delays on Building Programme and Recruitment of Staff, need to go through CIW registration process- Likely to be utilised in Autumn of 2023.	200	100%	
Social Services	SS-AS-ASSET1	Reduced building rental	0	Corporate Asset Strategy	-	50		Part of wider asset reorganisation review overall costs and savings position.	0	0%	
Social Services	SS-AS-C2H2	Closer to Home Supported Living (LD)	0	Invest to Save	-	100		Further smart houses planned, additional work required to review potential for savings.	0	0%	
Social Services	SS-SS-BP	Budget Programme Savings 2023-24	?	Invest to Save	81			Potential to identify 2023/24 target from review of high cost packages of care and commitments and health funding further review work to be undertaken.	81	0%	
Social Services	SS-SS-BP	Budget Programme Savings 2024-25 to 2027/28	?	Invest to Save		286		Savings/Efficiencies need to be identified RAG rating dependent on above.	0	0%	
Social Services	SS-RM&S-DI1	Additional Income	0	Generating Income	400			Budget Adjustment	400	100%	
<b>Subtotal Directorate Social Services</b>			<b>-</b>		<b>681</b>	<b>536</b>			<b>681</b>	<b>100%</b>	<b>-</b>
<b>Directorate Neighbourhood and Housing</b>											
Neighbourhood and Housing	N&H-FEE1	Increase in fees and charges	0	Generating Income	30		Green	Fees & Charges increased for 23/24	30	100%	
Neighbourhood and Housing	N&H-HIGH-CPARK1	Parking Charging Review	0	Generating Income	20	100	Amber	Residents permits - Cabinet Report due to be taken delayed due to 20mph work		0%	
Neighbourhood and Housing	N&H-HIGH-CPARK2	Review Car Park Provison	0	Corporate Asset Strategy	50	-	Amber	Court Road Car Park- Public Consultation plan in progress.		0%	
Neighbourhood and Housing	N&H-HIGH-ENG1	Stop provision of sandbags	0	Service Review	5	-	Green	Need to do some Comms and Community Resilien	5	100%	
Neighbourhood and Housing	N&H-HIGH-ENG2	Expand Construction and Design Team	0	Generating Income	-	25				n/a	
Neighbourhood and Housing	N&H-P&C-PC1	Rationalisation of Public Conveniences	0	Corporate Asset Strategy	-	50				n/a	
Neighbourhood and Housing	N&H-P&C-PC2	Review Charges for Coastal Toilets	0	Generating Income	-	5				n/a	

## Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25					
Neighbourhood and H	N&H-P&C-CL1	Mobile Cleansing Service	0	Service Review	-	50				n/a	
Neighbourhood and H	N&H-P&C-PARK1	Mobile Parks Service	0	Service Review	-	50				n/a	
Neighbourhood and H	N&H-P&C-PARK2	Review Planting in Parks consider use of shrubs/drought resitant planting and sponsorship	0	Service Review	-	15				n/a	
Neighbourhood and H	N&H-P&C-PARK3	Do not apply for Green Flag and Coastal Awards	0	Service Review	5	-	Amber	Review to be undertaken	-	0%	
Neighbourhood and H	N&H-P&C-PARK4	Allotment Charging	0	Generating Income	3	-	Green	Charges increased for 23/24 to reflect cost recovery and letters have now gone out.	3	100%	
Neighbourhood and H	N&H-P&C-PARK5	Double Shift Mechanical sweepers (2 vehicles plus one spare)	0	Service Review	40	-	Amber	Further review required potential to mitigate through Recycling Income	-	0%	
Neighbourhood and H	N&H-P&C-PARK6	Review use of external suppliers	0	Service Review	-	25				n/a	
Neighbourhood and H	N&H-P&C-PARK7	Reduce Grass cutting schedule to 5 cuts a year	0	Service Review	40	-	Red but mitigated	Tender price higher than anticipated therefore savings not achieved. Mitigated by Enforcement Income	-	0%	40
Neighbourhood and H	N&H-P&C-MIT ENF	Enforcement Income		Income Generation			Green	Enforcement used to mitigate the above	40	N/A	
Neighbourhood and H	N&H-P&C-PARK8	Jenner Park alternative model	0	Corporate Asset Stra	-	65				n/a	
Neighbourhood and H	N&H-SUPP-CO1	Commercial Opportunities and Business Support review	0	Service Review	50	130	Green	Reception at Alps closed. Posts to be kept vacant within support	50	100%	
Neighbourhood and H	N&H-SUPP-CO2	Reassess Tracking Information to rationalise fleet	0	Service Review	-	10				n/a	
Neighbourhood and H	N&H-SUPP-TRANS1	Charge for Post 16 Transport	0	Generating Income		-				n/a	
Neighbourhood and H	N&H-SUPP-WM1	Waste Collection for Black Bags to 3 weeks	Agency Staff	Service Review	150	-	Amber	Commenced in July Shortfall due to delayed start and could be mitigated by green bag income and dropped vehicle. Staff no. not yet reduced.	100	67%	
Neighbourhood and H	N&H-SUPP-WM2	Green Bag Subscription Charge	0	Generating Income	500	-	Amber	Commenced July 2023	550	110%	
Neighbourhood and H	N&H-SUPP-WM3	Commercial Waste electric vehicles invest to save - business case	0	Invest to Save	-	50				n/a	
Neighbourhood and H	N&H-GAR1	Garage Generation of additional income	0	Generating Income	-	10				n/a	

## Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Neighbourhood and Housing	N&H-GAR2	Charging for public use of Electric vehicle chargers	0	Generating Income	2	3	Amber		-	0%	
Neighbourhood and Housing	N&H-REG1	Reduced Contribution Regulatory Services	0	Service Review	21		Budget Adjustment	Budget Adjustment	21	100%	
Neighbourhood and Housing	N&H-GFHOUS1	Budget Adjustment Pre Tenancy Adviser and VATs budget	0	Service Review	26		Achieved - budget ad	Budget Adjustment	26	100%	
Neighbourhood and Housing	N&H-GFHOUS2	Review Senior Officer Recharges to HRA to ensure no cross subsidisation	0	Generating Income	33		Achieved - budget ad	Budget Adjustment	33	100%	
Neighbourhood and Housing	N&H-GFHOUS3	Review Support Function - Vacant Po	0	Service Review	25		Achieved - budget ad	Budget Adjustment	25	100%	
<b>Subtotal Directorate Neighbourhood and Housing</b>			-		<b>1,000</b>	<b>588</b>			<b>883</b>	<b>88%</b>	<b>40</b>
<b>Directorate Place</b>											
Place	PLA-REG1	General Efficiencies within Regeneration service	0	Service Review	25		Budget Adjustment		25	100%	
Place	PLA-REG2	Review of facilities contracts	0	Corporate Asset Stra	10	23	Amber	Negotiations are underway regarding termination of the lease at VEC, this is an Invest to Save scheme that is subject to a business case.	-	0%	
Place	PLA-REG3	Administration target for Creative Communities team	0	Generating Income	15		Budget Adjustment		15	100%	
Place	PLA-REG4	Review of Regeneration & Economic Development Support Services	1	Service Review	62		Amber	Review of Regeneration structure is delayed but hoping that savings target can be coevered this year by alternative income sources	10	16%	
Place	PLA-REG5	Reduce events grants budget	0	Service Review	3		Budget Adjustment		3	100%	
Place	PLA-REG6	Review of visitor attractions in country parks	1.42	Service Review	50	22	Amber	Review of country parks attractions – delayed due to the need to undertake a feasibility report to allow a review to be undertaken.		0%	
Place	PLA-SD1	Review planning and additional fee income (e.g. PPAs)	0	Generating Income	36		Budget Adjustment	Developers are being offered the opportunity to enter agreements with the Council to ensure that applications are processed as quickly and efficiently as possible.	36	100%	
Place	PLA-SD2	Review of Business Support function	1.6	Service Review	44		Green	staff savings achievable	44	100%	
Place	PLA-PRIHOUS	Increased DFG provision (removal of means testing)	0	Generating Income	20		Red	Unlikely due to the delay in the establishment of one Independant Living Function team.	-	0%	
<b>Subtotal Directorate Place</b>			<b>4</b>		<b>265</b>	<b>45</b>			<b>133</b>	<b>50%</b>	<b>-</b>
<b>Directorate Corporate Resources</b>											

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25					
Resources	RES-DEM1	Mayor's Supplies and Services Budget	0	Service Review	4		Achieved - budget adjusted.	4	100%		
Resources	RES-DEM2	Democratic Supplies and Services Budget	0	Service Review	1		Achieved - budget adjusted.	1	100%		
Resources	RES-DEM3	Registrars Supplies and Services Budget	0	Service Review	1		Achieved - budget adjusted.	1	100%		
Resources	RES-LS1	Legal Services Supplies and Services Budget	0	Service Review	17		Achieved - budget adjusted.	17	100%		
Resources	RES-P&BT1	Budget Supplies and Services Adjustments	0	Service Review	9		Achieved - budget adjusted.	9	100%		
Resources	RES-PROP1	Supplies and Services Budget Adjustments	0	Service Review	17		Achieved - budget adjusted.	17	100%		
Resources	RES-HR1	Supplies and Services Budget Adjustments	0	Service Review	9		Achieved - budget adjusted.	9	100%		
Resources	RES-FIN1	Supplies and Services Budget Adjustments	0	Service Review	20		Achieved - budget adjusted.	20	100%		
Resources	RES-ICT1	Supplies and Services Budget Adjustments	0	Service Review	13		Amber Need to consider impact of OD refreshments cut	12	92%		
Resources	RES-DEM4	Registrars' Income	0	Generating Income	30		Green Budget has been adjusted. Additional target should be achieved based on annual trends.	30	100%		
Resources	RES-ICT2	O2 Mobile Phone Contract	0	Contract/Procurement	55		Green Achieved - budget adjusted to reflect lower tariff.	32	58%		
Resources	RES-MIT-PRIN	Temporary Print Saving					Green			23	
Resources	RES-ICT3	Managed Print Service	0	Contract/Procurement	-	70			n/a		
Resources	RES-ICT4	Annual RSA Support Costs - Reduction	0	Contract/Procurement	22		Green Saving is predicated on the reduced use of RSA due to greater VPN usage.	22	100%		
Resources	RES-P&BT2-C	Review C1V Office Accommodation	0	Corporate Asset Strategy	50		Amber Full saving will not be achieved during 23/24 as review is ongoing and this is part of a wider review of office space.		0%		
Resources	RES-MIT C1V	Mitigation Staff Vacancies					Green Vacant OM Posts		N/A	50	
Resources	RES-PROP2-O	Review Docks Office Site	0	Corporate Asset Strategy	200	100	Amber Full saving will not be achieved during 23/24 as review is ongoing and this is part of a wider review of office space. A Rateable Value reduction has realised part of the saving earlier than anticipated.		0%		
Resources	RES-MIT-DOC	Temporary savings other Office Accommodation							n/a	200	
Resources	RES-PROP3	Remove Vacant Posts	0	Workforce Review	43		Green Achieved - posts removed from establishment.	43	100%		

## Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Resources	RES-HR2	Shared Cost AVCs	0	Generating Income	25		Green	The Shared Cost AVC process will commence June/ July 23. It is anticipated the target of £25k will be achieved as it was a conservative estimate. Nature of the saving also fragmented as relates to all services.	25	100%	
Resources	RES-FIN1	e-Billing in Revenues	0	Digital Strategy	7		Green	Team are engaging with business improvement team about what we can do with the ongoing daily mailings through Datagraphic (hybrid mail). Plan to introduce text messaging for CTax pre reminders/finals/summons and we will be able to use the same solution for promoting e-billing	7	100%	
Resources	RES-FIN2	Hybrid Mail - Housing Benefits	0	Digital Strategy	20		Green	Project has been kicked off and team have engaged with Business Improvement.	20	100%	
Resources	RES-IASS1	Vale proportion of Vacant Post	0	Workforce Review	15		Achieved - Vale share of post removed from establishment.		15	100%	
Resources	RES-IASS2	Vale proportion of miscellaneous supplies and services savings from budget	0	Service Review	2		Achieved - Vale share of budget adjusted		2	100%	
Resources	RES-FRAUD1	Counter fraud budget reduction	0	Service Review	22		Achieved - budget adjusted	Service includes a high target for fraud reduction. Annual income target is £125k.	22	100%	
<b>Subtotal Directorate Corporate Resources</b>			-		<b>582</b>	<b>170</b>			<b>308</b>	53%	<b>273</b>
<b>Policy</b>											
Policy	POL-DEM1	Mayor's hospitality budget and twinning	0	Service Review	40		Achieved Budget Adjustment		40	100%	
Policy	POL-CFIN1	Appropriation of Debt to HRA - Savings against borrowing costs	0	Service Review	25		Achieved Budget Adjustment		25	100%	
Policy	POL-CFIN2	Temporary Capital Financing Headroom	0	Service Review	1,000	- 500	Achieved Budget Adjustment		1,000	100%	
Policy	POL-CFIN3	Additional Investment Income (Temporary)	0	Generating Income	500	- 250	Dependent on Income Generation	On Target to Achieve in full	500	100%	
<b>Subtotal Policy</b>			-		<b>1,565</b>	<b>- 500</b>			<b>1,565</b>	100%	-
<b>Total Savings</b>			<b>6</b>		<b>4,657</b>	<b>933</b>			<b>3,975</b>	85%	<b>313</b>
<b>Subtotal Directorate Learning and Skills</b>					<b>564</b>	<b>94</b>			<b>405</b>	72%	-
<b>Subtotal Directorate Social Services</b>					<b>681</b>	<b>536</b>			<b>681</b>	100%	-
<b>Subtotal Directorate Neighbourhood and Housing</b>					<b>1,000</b>	<b>588</b>			<b>883</b>	88%	<b>40</b>
<b>Subtotal Directorate Place</b>					<b>265</b>	<b>45</b>			<b>133</b>	50%	-
<b>Subtotal Directorate Corporate Resources</b>					<b>582</b>	<b>170</b>			<b>308</b>	53%	<b>273</b>

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
<b>Subtotal Policy</b>					1,565	- 500			1,565	100%	-
<b>Total Savings</b>					4,657	933			3,975	85%	313



Directorate	Target	Amount Achieved/Expected to be achieved to date	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s		£'000s		£'000s	£'000s
Policy	1,565	1,565	100%	-	0%	-	0%
Resources	582	308	53%	273	47%	1	0%
Neighbourhood and Housing	1,000	883	88%	40	4%	77	8%
Learning and skills	564	405	72%	-	0%	159	28%
Social Services	681	681	100%	-	0%	-	0%
Place	265	133	50%	-	0%	132	50%
<b>Total</b>	<b>4,657</b>	<b>3,975</b>	<b>85%</b>	<b>313</b>	<b>7%</b>	<b>369</b>	<b>8%</b>
	4657	3975				- 722	-

