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| Meeting of: | Corporate Performance and Resources Scrutiny Committee |
| Date of Meeting: | Thursday, 19 December 2019 |
| Relevant Scrutiny Committee: | Corporate Performance and Resources |
| Report Title: | Initial Revenue Budget Proposals 2020/21 and Revised Budget 2019/20 |
| Purpose of Report: | To inform Scrutiny Committee of the amended revenue budget for 2019/20 and to submit for consultation the initial revenue budget proposals for 2020/21. |
| Report Owner: | Report of the Managing Director |
| Responsible Officer: | Carys Lord, Head of Finance / Section 151 Officer |
| Elected Member and Officer Consultation: | Each Scrutiny Committee will receive a monitoring report on their respective areas. This report does not require Ward Member consultation. |
| Policy Framework: | This report is for executive decision by the Cabinet |
| <p>Executive Summary:</p> <ul style="list-style-type: none"> • The 2019/20 budget has been amended for internal transfers and technical adjustments. The overall total budget for the authority has not changed from £226.098m. • The Council is required under statute to fix the level of council tax for 2020/21 by 11th March 2020 and in order to do so, will have to agree a balanced revenue budget by that date. • The Council's provisional settlement has not yet been announced by Welsh Government and is expected this year in mid-December with the final settlement being received in February 2020. Even though this crucial information has not been received, the budget setting and consultation process has to commence in order to meet statutory deadlines. | |

Recommendations

It is recommended that:

1. The amended revenue budget for 2019/20 as set out in Appendix 1 be noted.
2. Scrutiny Committee considers the Initial Revenue Budget Proposals for 2019/20 and recommendations from other Scrutiny Committees and forwards its recommendations to Cabinet.
3. The setting aside of a sum of £4m in the Council Fund, with its use being considered as part of the final budget proposals for 2020/21 be noted.
4. The setting aside of a sum of £0.5m in the Education Pressures reserve to be utilised to offset adverse variances in this area following consultation with the Head of Finance/Section 151 Officer and Cabinet Member for Performance and Resources be noted.
5. The setting aside of a sum of £2m be set aside in the Neighbourhood Services reserve to be utilised to offset adverse variances in this area following consultation with the Head of Finance/Section 151 Officer and Cabinet Member for Performance and Resources be noted.

Reasons for Recommendations

1. To note changes to the 2019/20 budget
2. To enable Cabinet to consider the comments of Scrutiny Committees and other consultees before making a final proposal on the budget.
3. To note the setting aside of funding in 2019/20.
4. To note the setting aside of funding to mitigate additional costs associated with Education pressures in 2019/20.
5. To note the setting aside of funding to mitigate additional costs associated with Neighbourhood and Transport Services in 2019/20.

1. Background

- 1.1 The Council's budget is determined largely by the Revenue Support Grant (RSG) settlement set by the Welsh Government (WG). The provisional RSG settlement is expected to be received from WG in December 2019, with the final settlement due to be received in February 2020.
- 1.2 The Council is required under statute to fix the level of council tax for 2020/21 by 11th March 2020 and in order to do so, will have to agree a balanced revenue

budget by the same date. To be in a position to meet the statutory deadlines and the requirements for consultation set out in the Council's Constitution, much of the work on quantifying the resource requirements of individual services needs to be carried out before the RSG settlement is notified to the Council.

2. Key Issues for Consideration

Revised Budget 2019/20

- 2.1** Appendix 1 to this report sets out the amended budget for 2019/20, together with the necessary adjustments to be made to the original budget.
- 2.2** Asset Rents, International Accounting Standard (IAS) 19, Transfers and Recharges - These adjustments have no overall effect on the net budget of the Council. These are accounting adjustments largely outside the control of services. They reflect charges for the use of capital assets, changes to inter-service recharges and transfers and pensions adjustments to comply with accounting standards.
- 2.3** The following table compares the amended budget with the projected outturn for 2019/20. Services are anticipating drawing down from reserves this year with the main areas outlined in the following table.

| | 2019/20 | 2019/20 | 2019/20 | Variance |
|---|----------------|----------------|----------------|---------------|
| | Original | Amended | Projected | (+)Favourable |
| Directorate/Service | Budget | Budget | Outturn | (-) Adverse |
| | £'000 | £'000 | £'000 | £'000 |
| Learning and Skills | | | | |
| Schools | 87,806 | 87,806 | 87,806 | 0 |
| Strategy, Culture, Community Learning & Resources | 11,128 | 11,299 | 11,373 | -74 |
| Directors Office | 225 | 225 | 225 | 0 |
| Additional Learning Needs and Wellbeing | 2,380 | 2,409 | 2,988 | -579 |
| Standards and Provision | 4,070 | 4,070 | 3,980 | +90 |
| Unplanned use of reserves to fund overspend | 0 | 0 | (500) | +500 |
| Additional Saving to be Found | 0 | 0 | (63) | +63 |
| Social Services | | | | |
| Children and Young People | 16,098 | 16,195 | 17,195 | -1,000 |
| Adult Services | 47,957 | 47,903 | 48,603 | -700 |
| Resource Management & Safeguarding | 272 | 281 | 281 | 0 |
| Youth Offending Service | 741 | 742 | 742 | 0 |
| Unplanned use of reserves to fund overspend | 0 | 0 | (1,700) | +1,700 |
| Environment and Housing | | | | |
| Neighbourhood & Transport Services | 26,792 | 26,658 | 28,178 | -1,520 |
| Unplanned use of reserves to fund overspend | 0 | 0 | (1,520) | +1,520 |
| Building Services | 0 | 0 | 0 | 0 |
| Regulatory Services | 2,041 | 2,022 | 2,022 | 0 |
| Council Fund Housing | 1,309 | 1,326 | 1,326 | 0 |
| Managing Director & Resources | | | | |
| Resources | 14 | 259 | 259 | 0 |
| Regeneration | 2,057 | 2,022 | 2,022 | 0 |
| Development Management | 967 | 963 | 963 | 0 |
| Private Housing | 1,209 | 1,008 | 1,008 | 0 |
| General Policy | 23,032 | 22,910 | 16,410 | +6,500 |
| Transfer to Reserves | 0 | 0 | 6,500 | -6,500 |
| Planned Use of Council Fund | (2,000) | (2,000) | (2,000) | |
| Total | 226,098 | 226,098 | 226,098 | 0 |

Learning and Skills

- 2.4** The forecast for Learning and Skills is an overspend of £563k after a planned use of reserves of £136k. The Learning and Skills Directorate is being requested to look at ways of mitigating the projected overspend this year. Currently, there is a proposed unplanned transfer of £500k from reserves to cover the potential shortfall, as detailed later in this report, with a further £63k of savings to be identified.
- 2.5** Schools - The delegated budget relating to schools is expected to balance as any under/over spend is carried forward by schools.
- 2.6** Strategy, Culture, Community Learning & Resources - There is an adverse variance of £74k anticipated for this area after a planned transfer from reserves of £136k. The Schools Non Delegated budget is projected to overspend by £147k. £136k of this variance is due to the need to fund on going safeguarding and salary protection costs in relation to the transformation of secondary schools in Barry, however, it had been planned to transfer £136k from the Schools Rationalisation reserve for this purpose. There are other small adverse variances of £11k. There is a projected overspend of £177k relating to School Transport. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond walking distance to the nearest appropriate school in addition to a statutory duty to provide transport for pupils with Additional Learning Needs (ALN) who require access to specialist provision. The Council also provides discretionary support towards pupils in further education above the age of 16. Currently there are projected overspends against ALN (£153k), Secondary (£52k) and further education (£7k) and a projected underspend against primary of £35k. Additional work needs to be carried out in relation to the ALN contracts and it is envisaged that further information will be available in October 2019. This is offset by the £114k net favourable variance projected by the Strategy and Resources section. The largest variance being due to the delay in the new finance system for secondary schools being implemented which has resulted in savings this year of £77k.
- 2.7** Directors Office - It is anticipated that this area will outturn on target.
- 2.8** Additional Learning Needs & Wellbeing - A net adverse variance of £579k is currently projected for this service. The Non Delegated Resource Units are projecting an overspend of £234k. The key emerging challenge for schools is the increasing number of children and young people who are displaying very complex social, emotional and mental health difficulties. In order to meet this need two specialist resource bases have been developed at Gladstone Primary School in partnership with Ysgol Y Deri. These resource bases are developing a trauma informed approach which recognises the impact of Adverse Childhood Experiences (ACEs) on the development of young people. The Children's Placements and educational needs of Looked After Children's budgets are

currently projecting an overspend of £319k. It is difficult to predict the outturn on this budget as there could be changes in placements between now and the year end and costs for individual cases can be expensive. There is currently an adverse variance of £54k on the recoupment income budget and there are other small favourable variances of £28k projected.

- 2.9** Standards and Provision - A net favourable variance of £90k is projected for this service. There is a £66k favourable variance mainly relating to staffing in the Youth Engagement and Progression service. The EOTAS and Alternative Curriculum service is projected an adverse variance of £93k due to a significant increase in the number of pupils accessing education provision other than at school. This has been partially offset by additional income of £38k from the Youth Support Homelessness grant and £10k from Cardiff Council CLA. Behaviour and Attendance has a projected favourable variance of £33k mainly against staffing budgets. There is also a favourable variance of £36k under School Improvements also relating to the staffing budgets.

Social Services

- 2.10** The forecast for Social Services is shown as a balanced budget however this is after a potential unplanned transfer from reserves of £1.7m.
- 2.11** Children and Young People Services - The major concern for this service is the continuing pressure on the children's 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. Work continues to ensure that children are placed in the most appropriate and cost effective placements, however in the context of the complexity of need and the national challenges in identifying placements this is challenging, however, some progress has been made and it is now projected that this budget could overspend by around £1.0m this year. It should be noted that due to the potential high cost of each placement, the outturn position could fluctuate with a change in the number of children looked after and/or the complexity of need. It should be noted that this position includes the utilisation of £500k grant funding from Welsh Government which has currently been provided on a one off basis in 2019/20, however, this cannot be guaranteed and relied upon for future years and it is anticipated that further information will be provided as part of the 2020/21 settlement. The service holds a reserve that could be accessed at year end to fund high cost placements if required.
- 2.12** Adult Services - The pressure on the Community Care Packages budget has been reassessed and it may have a net overspend at year end of around £700k. The outturn position is difficult to predict as the budget is extremely volatile. The service also continues to be affected by the pressures of continued demographic growth, an increase in the cost of service provision and the Community Care Packages budget will have to achieve further savings this year. The service will strive to manage growing demand and will develop savings initiatives which may be funded via regional grants. Welsh Government has continued to provide

Intermediate Care Fund (ICF) grant to Cardiff and Vale University Health Board to allow collaborative working between Health and Cardiff and the Vale Councils however the level of grant funding is not guaranteed on an ongoing basis. The service holds a reserve that could be accessed at year end to fund any eventual overspend if required.

Environment and Housing

- 2.13** Neighbourhood Services & Transport - This service is currently projected to have an adverse variance of £1.520m against the 2019/20 budget. The savings target for 2019/20 is £932k. Plans for saving this amount are underway and being continually monitored however several of the proposed savings have a long lead in time therefore it is currently projected that £470k of the savings target will not be achieved in 2019/20. This savings shortfall is included within the £1.520m adverse variance. Currently, there is a proposed unplanned transfer of £1.520m from reserves to cover this potential shortfall. As detailed later in this report, with efforts continuing to identify further savings.
- 2.14** Within the Waste Collection Service it is anticipated that there will be an adverse variance of around £650k. There is still pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste. Cowbridge is currently being used as a temporary transfer station for elements of recycling material with the aim of reducing this downtime however additional resource is still being utilised. There is also pressure on the budget due to the high price currently being paid to treat our co-mingled recycling. The price has increased steadily over the last couple of years since China banned elements of recycling such as plastic into the country. This has been compounded by a high % of dry recycling collected since May 2019 being rejected by the new contractor. The rejected material has had to be sent for more expensive treatment or landfill which has cost an additional £150k from May to August 2019. Changes have been made to the collection process with the aim of ensuring the correct containers are placed on the kerbside for dry recycling therefore it is anticipated that considerably less recycling will be rejected going forward. The current service changes to enable a source separated recycling collection service are likely to require further resource in the initial period of service change however it is anticipated that this will reduce the costs currently being spent on treating recycling in the long term due to the reduced cost of treating the recycling. The rollout is being phased across the Vale from Autumn 2019 therefore the full benefit will not be achieved in 2019/20.
- 2.15** There is also currently a pressure of around £100k on the staffing budget at Barry Island. Due to the popularity of the resort additional resources have been utilised to maintain the expected cleanliness standards of the beach and promenade.
- 2.16** In addition there is a projected adverse variance against the street lighting energy budget. Although efforts have been made over previous years to turn a high % of street lighting to LED there have been significant increases to the cost of energy. The cost has increased by 13% in 2018/19 and now a further 9.5% in

2019/20. There is therefore a projected adverse variance of £150k against this budget.

- 2.17** The Directorate is being requested to look at ways of mitigating a projected overspend.
- 2.18** Regulatory Services - The allocation represents the Vale of Glamorgan's budget for its share of the Shared Regulatory Service (SRS). A separate set of accounts is maintained for the SRS and periodically reported to the Shared Regulatory Service Joint Committee. It is anticipated that the SRS will outturn on target.
- 2.19** Council Fund Housing - A savings target of £75k for CCTV will not be achieved this year. If underspends do not materialise elsewhere within the service by year end, funding will be drawn down from reserves to cover the shortfall.
- 2.20** Public Sector Housing (HRA) - The HRA is expected to outturn on target and any underspends in year will be offset by additional contributions to Capital Expenditure thus reducing the reliance on Unsupported Borrowing.

Managing Director and Resources

- 2.21** It is projected that Managing Director and Resources will outturn on target at year end.
- 2.22** Resources - It is currently anticipated that services under this heading will outturn within budget at year end.
- 2.23** Regeneration - This budget covers the Countryside, Economic Development and Tourism & Events functions. Although the forecast is again shown as a balanced budget at year-end, there remains concern over the long-established income targets for car parking charges and commercial opportunities within the Countryside Division, as these historic savings targets will be difficult to achieve this year if charges are not implemented. Efforts will once again be made to achieve a balanced budget at year-end, but the situation will be closely monitored.
- 2.24** Development Management - Fee income remains on track to achieve its target as a number of major applications have been received to date. Staff changes and short term vacancies whilst the recruitment process takes place has resulted in an under spend on staff costs. In addition, the Division is also continuing to pursue the use of Planning Performance Agreements and some consultancy work along with other streams of income generation such as pre-planning application advice to help support the regulatory process, in line with 2019/20 savings targets.
- 2.25** Private Housing - The slippage on capital spend for Disabled Facility Grants (DFG's) has a knock-on effect to the agency fee income so it is anticipated that this may be below target at year-end. This is anticipated to be covered by staff

vacancy savings within the team so it is still expected that the Division will achieve a balanced budget at year-end.

General Policy

- 2.26** The projected outturn for Policy is a favourable variance of £6.5m when compared to the amended budget. £3m of this is the result of one off issues that have materialised in 2019/20 and the details of which are outlined below at paragraphs 2.30 and 2.31.
- 2.27** It is projected that there will be a favourable variance of £2.1m relating to capital charges.
- 2.28** Current estimates project that the Council Tax budget will outturn with a surplus on collection of £1.5m due to collection of Council Tax being above the rate budgeted for and also due to an increase in the number of properties in year within the Vale.
- 2.29** There is a projected overspend on the Council Tax Reduction Scheme due to an increase in the level of Council Tax and the number of properties of £100k.
- 2.30** This year the Council will benefit from a one off surplus from the changes to the Empty Homes policy for Council Tax which is projected to be in the region of £1m. From 2020/21, this additional revenue will be reflected in the Council Tax base and therefore is in the Council Tax base budget.
- 2.31** A further one off surplus of £2m has been created in 2019/20 as a result of grant funding received from WG in respect of Teachers Pensions and Pay which was notified after the 2019/20 budget was approved. The Council had however already increased and provided funding in full to the Learning and Skills base budget for these cost increases.
- 2.32** In response to the projected adverse variance reported by Neighbourhood and Environment Services, it is proposed that £2m of the projected positive variance in the General Policy budget is transferred to the Neighbourhood Services Reserve to fund any potential adverse variances. The use of this reserve should be agreed following consultation with the Head of Finance/Section 151 Officer and Cabinet Member for Performance and Resources.
- 2.33** It is also proposed that in the context of the projected overspends in Learning and Skills in 2019/20 and anticipated pressures in 2020/21, £0.5m is set aside into an Education Pressures reserve to be utilised to offset any adverse variances in this area on a case by case basis. The use of this reserve should be agreed following consultation with the Head of Finance/Section 151 Officer and Cabinet Member for Performance and Resources.

- 2.34** Due to the uncertainty around the level of the settlement and the savings required in 2020/21 onwards, it is proposed that the remaining sum of £4m is transferred into the Council Fund and its use will be considered by the Budget Working Group when it is taking into account all factors in formulating a balanced revenue and capital budget for the final proposals which will be presented to Cabinet and Council in February 2020.

Savings 2019/20

- 2.35** As part of the Final Revenue Budget Proposals for 2019/20, a savings target of £3.020m was set for the Authority. Attached at Appendix 2 is a statement detailing the projected progress against savings targets for 2019/20. It is currently projected that there will be a shortfall against the savings target of £586k.
- 2.36** Each savings target has been given a RAG status. Green indicates that it is anticipated that the target will be achieved in full within the year, amber indicates that it is considered that the saving in the year will be within 20% of the target and red indicates that the saving to be achieved in year will be less than 80% of the target.
- 2.37** Social Services - Older Persons Day Services. The achievement of this savings target is contingent on the outcome of the consultation on proposed future provision of day services for older people which was agreed by Cabinet on 29th July 2019. Given the timescales, it is unlikely that the full saving will now be achieved in 2019/20. If this saving is not achieved in year the service's reserves will be utilised at year end to fund any overspend if required.
- 2.38** Neighbourhood and Transport Services - There is a savings target this year of £932k however, it is currently anticipated that £462k will be achieved leaving a shortfall of £470k to be identified. Work is continuing to identify schemes to close this gap. Any shortfall in 2019/20 will be offset by an amount set aside in the Neighbourhood Services reserve.
- 2.39** General Fund Housing - It is projected that the CCTV savings will not be achieved in 2019/20 which equates to a shortfall of £76k in 2019/20. There are ongoing discussions with South Wales Police and officers from the Police & Crime Commissioners office to address future CCTV provision in the Vale. The Council has committed a capital budget of £350k to support a new CCTV strategy with ongoing revenue commitment falling to partner agencies if agreement can be reached on a spend to save basis.
- 2.40** Further updates on progress against the savings targets will be provided to members during the year.

Budget Strategy 2020/21

- 2.41** Cabinet approved the Budget Strategy for 2020/21 on the 15th July 2019, min no.C37.
- 2.42** The Budget Strategy for 2020/21 outlines that in order to establish a baseline, services should prepare initial revenue budgets based on the cost of providing the current level of service and approved policy decisions and including the existing savings target.
- 2.43** Increases to budgets approved during the course of a financial year can restrict the freedom the Council has to allocate its resources to priorities during the following budget cycle when it is aware of all the competing demands. Consequently:
- Supplementary estimates will only increase the base budget if Council has given specific approval to this effect. Increases met by virement within a year will not be treated as committed growth.
 - Directors should find the cost of increments and staff changes from their base budget unless the relevant specific approval has been given for additional funding.
 - The effect of replacing grant from outside bodies that has discontinued will not be treated as committed growth. In addition, before any project or initiative that is to be met either wholly or partly by way of grant may proceed, the exit strategy must be approved.
 - Certain items of unavoidable committed growth will continue and these include the effect of interest changes and the financing cost of the capital programme, increases in taxes, increases in levies and precepts charged by outside bodies and changes to housing benefits net expenditure.
 - Services will be expected to achieve savings already approved by Cabinet as part of the 2019/20 final budget proposals and Directors are asked to continue work on achieving their Reshaping Services savings targets.
 - It is envisaged that the costs of service development will need to be met from within the respective directorates.
- 2.44** Having regard to the above, it is therefore proposed in respect of the 2020/21 Budget Process that Directors be instructed to prepare initial revenue budgets in accordance with a timetable agreed by the Head of Finance. Preparation should be on the following basis:
- Capital charges, central accommodation costs and central support costs to be estimated centrally.
 - Services to prepare baseline budgets on current service levels as set out in the 2019/20 Final Revenue Budget report.

- Budgets to be broken down subjectively and objectively in as much detail as deemed appropriate by the Head of Finance.
- Budget reports to include revised estimates for 2019/20.
- Full account to be taken of the revenue costs, other than debt charges, of new capital schemes coming into use.
- Minimum savings targets to be met initially as detailed in the 2019/20 Final Revenue Budget report. Any savings made directly by services over and above individual service targets to count towards future saving targets or to meet unavoidable service cost pressures.
- Directors will continue to draw up Service Plans that set out the aims and objectives for the service and any possible future developments and efficiencies.
- As stated previously, it is expected that the revenue costs of service development will need to be met from within the respective services (in particular, from the savings made). As such, no revenue bids are initially to be made. However, services may still be asked to identify and prioritise any burgeoning revenue cost pressures for consideration.

Medium Term Financial Plan

- 2.45** The Medium Term Financial Plan (MTFP) 2019/20 to 2022/23 was presented to Cabinet on 7th October 2019 min no.C103. It considered the impact of different WG settlement scenarios and different increases in Council Tax.
- 2.46** The latest Plan factored in a managed level of cost pressures and pay awards at the same level as in 2019/20.
- 2.47** It modelled a council tax increase of 4.9%, being the increase agreed for 2019/20 and the possibility of increasing the level to the Welsh average which would be a possible increase of 10.4% in 2020/21, followed by a 6.2% increase in the next two consecutive years.
- 2.48** It also considered a scenario where the settlement from WG was a 1% reduction for the years 2020/21, 2021/22 and 2022/23 and also a cash neutral settlement.
- 2.49** The outcome of these scenarios was that if there is a cash neutral or 1% reduction in the settlement from Welsh Government and if there is a 4.9% increase in council tax for each year of this Plan, there remains between £10.470m and £14.986m of savings to be identified for the 3 years of the Plan. If the council tax was to be increased to and maintained at the Welsh average, with a cash neutral or 1% reduction in the settlement from Welsh Government, there remains between £3.747m and £8.263m of savings to be identified for the 3 years of the Plan. This is after already planning for £748k of savings (excluding schools) for the same period.

Budget Consultation with Stakeholders

2.50 To ensure that the budget set for 2020/21 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 a consultation exercise. The Council's annual budget consultation exercise began on Monday 30th September and will close on Monday 11th November 2019. For the first time the Council has invited residents to have their say on the level at which Council tax is set for the next financial year. A video has been published explaining the Council's current financial position including where our money comes from, how it is currently spent across service areas, the savings we have achieved to date and the savings we need to achieve in the next three years. The video also provides a context as to how Council tax in the Vale compares to other local authority areas in Wales. This video sits on the dedicated budget consultation page on the Council's website. It has also been shared on the Council's social media channels. Subscribers to the Council's consultation email distribution list, of which there are over 4,000, have been invited to respond to the consultation. Council officers have been attending local events to engage face to face with residents and have run a series of roadshow drop-in events at Libraries throughout the Vale of Glamorgan.

Provisional Settlement 2020/21

- 2.51** The Council's provisional settlement has not yet been announced by WG. In previous years, the provisional RSG settlement was received from WG during October with the final settlement being received in December. The provisional settlement is expected this year in mid-December with the final settlement being received in February 2020.
- 2.52** Given the timescales set out in the budget strategy this means a significant amount of the preparation for the budget will need to be completed prior to receiving the final settlement.
- 2.53** The late timescale for the settlement also delays the notifications that the Council receives regarding continuation of grant funding. In line with the budget strategy the withdrawal or reduction in grant funding should not give rise to committed growth within the budget. The service area should give consideration to the exit strategy that has been put in place in respect of the funding stream.

2020/21 Initial Budget Proposals

2.54 As part of these initial proposals, it has been necessary to revisit the cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council. An updated list is shown in Appendix 3. These are not shown in any order of priority. Since the production of the MTFP the impact of additional pressures has been reviewed and are now included in the appendix. This has resulted in an increased level of cost pressures which will need to be assessed by the Budget Working Group as part of the final proposals.

- 2.55** There is still uncertainty regarding some of the assumptions made regarding pay costs. Pay awards for 2020/21 have not been agreed and have been included in these projections as a 2% increase. On 22nd October 2019, the Minister for Education announced £12.8m of funding for the 2019/20 Teachers pay award which was to be backdated to 1st September 2019, however, the statement advised that the future impact of this pay award would be part of the government's consideration of the Local Government Settlement and therefore an assessment of the funding to be received in 2020/21 is currently not known. Any of this additional one off grant funding received in 2019/2020 relation to teachers pay award will be allocated to Learning and Skills
- 2.56** The Council's employer pension contributions are reviewed every 3 years and are currently being reassessed to commence from 1st April 2020. The final budget proposals will be amended accordingly when further clarification is received from the actuaries.
- 2.57** From 1st September 2019 there was an increase in the employers contribution into the Teacher's Pension scheme which increased from 16.48% to 23.6%. It was projected that this would cost an additional £3.1m with part of the additional costs falling in 2019/20 and the full year affect being included in 2020/21. The Council fully funded this pressure in 2019/20 with an increase in the Education based budget. One off funding has been received from WG in 2019/20 however confirmation that the full costs over the 2 year period will be funded on a recurring basis has not been received. The South Wales Fire and Rescue Service also have an increase in the level of employer's contribution into their pension fund and are currently anticipating a cost pressure in 2020/21.
- 2.58** Details of the proposed areas for savings for 2020/21 to 2021/22 are attached at Appendix 4. The savings do not include the cost of any potential redundancies. Further work is ongoing to identify future projects that will realise savings for the Council via the Reshaping Service process.
- 2.59** A summary of the overall base budget for 2020/21 is attached at Appendix 5. This has been derived by adjusting the 2019/20 budget for items such as pay inflation and unavoidable growth, but does not include identified cost pressures or savings. These are shown as a note to the table and are further detailed in Appendix 3 and 4 respectively. Adjustments shown include the following :
- Asset Rents, International Accounting Standard (IAS) 19 - Relates to accounting items outside the control of services. They reflect charges to services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards.
 - Recharges/Transfers - Relates to changes in inter-service and inter Directorate recharges
 - Pay Inflation - This figure relates to pay awards for 2020/21.
 - Committed Growth - This relates to the reduced use of the Council Fund Reserve.

- 2.60** Once the base budget for 2020/21 has been established, it must then be compared to the funding available to identify the extent of any shortfall.
- 2.61** Although the Council has not received its provisional settlement it has considered a number of scenarios as part of its MTFP which will now be updated in the context of the revised cost pressures submitted by service departments.
- 2.62** In scenario 1 with a cash neutral or flat settlement, which would provide the same funding to the Council as in 2019/20 and a projected AEF of £152.07m and Council Tax reflecting a 4.9% increase and standing at £77.655m, total available funding would be £229.725m. When compared to a base budget of £230.148m, this would result in a funding shortfall for 2020/21 of £0.423m.
- 2.63** If all identified cost pressures were funded, this would increase the shortfall to £10.481m. If all proposed savings were achieved, the shortfall would be reduced to £8.968m.
- 2.64** If the Council tax assumptions are further revised to take the Band D Council tax in line with the Welsh Average, which reflects a 10.4% increase, the shortfall would be £4.896m.

| Scenario 1 Projected Budget Shortfall Cash Neutral Settlement from WG | 2020/21 |
|--|-----------------|
| Funding Available | £000 |
| Provisional AEF | 152,070 |
| Council Tax (incl 4.9% Increase) | 77,655 |
| Projected Funding Available | 229,725 |
| | |
| Base Budget | 231,148 |
| Use of Reserves | (1,000) |
| Total Base Budget | 230,148 |
| | |
| Projected Shortfall Against Base Budget | (423) |
| | |
| Assume all Cost Pressures Funded | (10,058) |
| | |
| Projected Shortfall with Cost Pressures Funded | (10,481) |
| | |
| Assume all Savings Achieved (including Schools) | 1,513 |
| | |
| Projected Shortfall | (8,968) |
| | |
| Increase Council Tax to Welsh Average (increase to 10.4%) | 4,072 |
| | |
| Projected Shortfall | (4,896) |

- 2.65** In scenario 2 with a 1 % reduction in WG funding settlement and a projected AEF of £150.549m and Council Tax reflecting a 4.9% increase and standing at £77.655m, total available funding would be £228.204m. When compared to a base budget of £230.148m, this would result in a funding shortfall for 2020/21 of £1.944m.
- 2.66** If all identified cost pressures were funded, this would increase the shortfall to £12.002m. If all proposed savings were achieved, the shortfall would be reduced to £10.489m.
- 2.67** If the Council tax assumptions are further revised to take the Band D Council tax in line with the Welsh Average which reflects a 10.4% increase, the shortfall would be £6.417m.

| Scenario 2 | 2020/21 |
|---|-----------------|
| Projected Budget Shortfall | |
| 1% Reduction in WG Settlement | |
| | £000 |
| Funding Available | |
| Provisional AEF | 150,549 |
| Council Tax (4.9% Increase) | 77,655 |
| Projected Funding Available | 228,204 |
| | |
| Base Budget | 231,148 |
| Use of Reserves | (1,000) |
| Total Base Budget | 230,148 |
| | |
| Projected Shortfall Against Base Budget | (1,944) |
| | |
| Assume all Cost Pressures Funded | (10,058) |
| | |
| Projected Shortfall with Cost Pressures Funded | (12,002) |
| | |
| Assume all Savings Achieved (including Schools) | 1,513 |
| | |
| Projected Shortfall | (10,489) |
| | |
| Increase Council Tax to Welsh Average (increase to 10.4%) | 4,072 |
| | |
| Projected Shortfall | (6,417) |

- 2.68** A 1% increase in Council Tax at the 2019/20 Council Tax base equates to £740k. The level of increase in Council Tax will need to be carefully considered in parallel with the other options available to the Council in order to reduce the funding gap and to consider the impact on the residents of the Vale. As the population in the

Vale of Glamorgan has increased from the previous year there may also be additional funding from the change in the Council Tax base.

- 2.69** The shortfall above is also based on the assumption that the savings target of £1.513m set for 2020/21 will be achieved in full. While all services are working towards achieving their 2020/21 targets, not all savings will be achieved in full for 2019/20. The potential for re-profiling savings will need to be assessed when setting the budget for 2020/21.
- 2.70** Further work will be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2020/21. This will include a review of the use of reserves, a review around an increase in council tax, a review of all cost pressures, possible changes to the approved saving targets, a review of the inflation assumptions and the current financial strategies. In order to provide options for balancing the 2020/21 budget, a sum of £4m from the projected underspend in 2019/20 will be transferred into the Council Fund, the use of which will be considered as part of the final budget proposals but may in part be used to balance the 2020/21 budget.
- 2.71** The BWG will consider the results of the budget engagement process in determining priorities for future savings and service delivery and the possible increase in Council Tax.

Next Steps

- 2.72** The next stage is for the estimates to be submitted to Scrutiny Committees for consultation. Committees are asked to review the level of cost pressures with a view to suggesting ways in which these could be managed downwards and/or mitigated and to consider proposals for savings. Corporate Performance and Resources Scrutiny Committee is the lead Scrutiny Committee and will consider both the Initial Revenue Budget Proposals and any recommendations that other Scrutiny Committees have made. The responses of Scrutiny Committee must be made no later than the 19th December 2020.
- 2.73** The BWG will hold a series of meetings in November and December 2019 with the relevant Cabinet Members and officers to consider the budget proposals and they will submit their recommendations so that the Cabinet may make its final budget proposal. Before making its recommendation, the BWG will consider the comments made by Scrutiny, together with the results of consultation. The final proposals to Cabinet will include a review of the financial strategies required to achieve a balanced budget, which is sustainable in future years. Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than 3rd February 2020 and that Cabinet's final budget proposals will be considered by Council at a meeting to be held 24th February 2020 to enable the Council Tax to be set by 11th March 2020.

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

3.1 The BWG will ensure that budget proposals consider the requirements of the Well-being of Future Generations Act and the Council's 4 well-being outcomes as detailed in the Corporate Plan.

3.2 The Budget Working Group will also ensure that the budget proposals reflect the 5 ways of working which are;

o Looking to the long term - The budget proposals are a means of planning for the future and take a strategic approach to ensure services are sustainable and that future need and demand for services is understood.

o Taking an integrated approach - The budget proposals highlight and encourages ways of working with partners.

o Involving the population in decisions – As part of the budget proposal process there has been engagement with residents, customers and partners.

o Working in a collaborative way – The budget proposals recognises that more can be achieved and better services can be provided by collaboration and it encourages this as a way of working in the future.

o Understanding the root cause of issues and preventing them – The budget process is proactive and allows an understanding of the financial position so that issues can be tackled at the source.

4. Resources and Legal Considerations

Financial

4.1 Based on the assumption that all cost pressures will be funded in full, the estimated funding shortfall for 2020/21 will be £8.968m assuming a cash neutral settlement from WG and a 4.9% increase in Council Tax. If Council Tax is further increased in line with the Welsh average to shortfall for 2020/21 will be £4.896m.

4.2 If the settlement from WG reflects a 1% reduction in AEF, with all cost pressures being funded in full and the Council proceed with a 4.9% increase in Council Tax the estimated funding shortfall will be £10.489m. If Council Tax is further increased in line with the Welsh average to shortfall for 2020/21 will be £6.417m

- 4.3** WG has not issued details regarding the level of funding post 2020/21, however, it is anticipated that there will be further reductions in funding for Local Government going forward. It is therefore important that Directors achieve approved savings and look to mitigate further cost pressures through alternative means of service delivery and collaborative ventures.
- 4.4** 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. Funds no longer required may be transferred to the Council Fund and then set aside for other purposes or used to reduce council tax.
- 4.5** 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, e.g. Neighbourhood Services and in particular the Capital Programme, e.g. School Investment Strategy Reserve, Project Fund. This is important as the Council has limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums have also been set aside to assist in budget management, e.g. Early Retirement Fund. The Housing Revenue Account Reserve is ring-fenced to Housing and will be used to fund improvements to the Council's housing stock.
- 4.6** The Council Fund Reserve as at 31st March 2020 is projected to stand at £15.636m, after the £4m transfer in and following a £2m contribution to the 2019/20 budget. There is also a £1m approved use of this reserve in 2020/21. This contribution will be further considered by the BWG when setting the 2020/21 budget, however, use of this reserve to balance the revenue budget will result in a higher level of savings being required in future years. The Section 151 Officer currently believes that the minimum balance on the Council Fund Reserve should be no less than £7m. This is considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure can be substantial and several instances can occur in a year. Whilst there is no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale this is around £11m. However, in view of the prudent approach the Council takes with regard to specific reserves, £7m is considered a reasonable minimum.
- 4.7** The Council presently benefits from a reasonable level of reserves, however, they are not inexhaustible and have taken years of careful financial management to develop to their current level. As part of the usual Budget process, an examination of the level of reserves is undertaken to ascertain their adequacy and strategy for use. A view to their level (i.e. whether the amount held in the fund is sufficient to requirements) and purpose (i.e. whether the need to hold the fund is still relevant) has been taken. The requirement for each specific reserve has also been considered in light of the Council's priorities and at this stage of the budget process no transfers between reserves are proposed.

- 4.8** Appendix 6 sets out the Authority's actual reserves as at 31st March 2019 and shows the estimated reserves balance for each year up to 31st March 2023. The Council is forecasting the use of general and specific reserves, excluding HRA and schools, totalling around £31m from 1st April 2019 onwards, which represents approximately 40% of the balance as at 31st March 2019. These levels of reserves are still deemed to be adequate as known risks are largely covered and the Council Fund Reserve does not fall below £7m.
- 4.9** The Council is planning to use a considerable amount of its specific reserves over the coming years, however, as reserves are a non-recurring means of funding, they can only be used as part of a specific financial strategy. The use of all reserves will be reviewed further, by the BWG, as part of the final budget setting process.

Employment

- 4.10** Not all the savings required to meet the shortfall in funding will result in a reduction in staffing. Although the impact on individuals is likely to be mitigated as a result of natural wastage and the deletion of vacant posts, it is, nevertheless, expected that there will be a number of redundancies. The trade unions will be consulted on the details of any possible redundancies once known. Staffing implications relating to budget pressures within schools will need to be considered by individual governing bodies.

Legal (Including Equalities)

- 4.11** The Council is required under statute to fix its council tax by 11th March 2020 and in order to do so will have to agree a balanced revenue budget by the same date.
- 4.12** These initial budget proposals 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. The subsequent development of individual strategies for achieving savings 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.

5. Background Papers

- 5.1** Medium Term Financial Plan 2019/20 to 2022/23
- 5.2** Budget Strategy 2020/21

AMENDED BUDGET 2019/20

APPENDIX 1

| | 2019/20 ORIGINAL AMENDED BUDGET | ASSET RENTS, IAS19, TRANSFERS & RECHARGES | 2019/20 AMENDED BUDGET |
|---|--|--|------------------------------|
| | £,000 | £,000 | £,000 |
| Learning and Skills | | | |
| Schools | 87,806 | 0 | 87,806 |
| Strategy, Culture, Community Learning & Resources | 11,128 | 171 | 11,299 |
| Directors Office | 225 | 0 | 225 |
| Additional Learning Needs and Wellbeing | 2,380 | 29 | 2,409 |
| Standards and Provision | 4,070 | 0 | 4,070 |
| Social Services | | | |
| Children and Young People | 16,098 | 97 | 16,195 |
| Adult Services | 47,957 | (54) | 47,903 |
| Resource Management & Safeguarding | 272 | 9 | 281 |
| Youth Offending Service | 741 | 1 | 742 |
| Environment & Housing | | | |
| Neighbourhood and Transport Services | 26,792 | (134) | 26,658 |
| Building Services | 0 | 0 | 0 |
| Regulatory Services | 2,041 | (19) | 2,022 |
| Council Fund Housing | 1,309 | 17 | 1,326 |
| Managing Director & Resources | | | |
| Resources | 14 | 245 | 259 |
| Regeneration | 2,057 | (35) | 2,022 |
| Development Management | 967 | (4) | 963 |
| Private Housing | 1,209 | (201) | 1,008 |
| General Policy | 23,032 | (122) | 22,910 |
| Met from Reserves | (2,000) | 0 | (2,000) |
| TOTAL AMENDED BUDGET 2019/20 | 226,098 | 0 | 226,098 |

| Title of Saving | Description of Saving | Total Saving £000 | Projected Saving £000 | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|--|---|----------------------|--------------------------|--------------|---|------------------------------|-----------------|
| LEARNING AND SKILLS | | | | | | | |
| Strategy, Culture, Community Learning & Resources | | | | | | | |
| Third Party Spend | Savings from external procurement | 103 | 103 | Green | Savings allocated and budgets reduced accordingly | Learning & Culture | Trevor Baker |
| Total Strategy, Culture, Community Learning & Resources | | 103 | 103 | | | | |
| Achievement for All | | | | | | | |
| Third Party Spend | Savings from external procurement | 30 | 30 | Green | Savings allocated and budgets reduced accordingly | Learning & Culture | Trevor Baker |
| Total Achievement for All | | 30 | 30 | | | | |
| School Improvement | | | | | | | |
| Consortium | Saving from contribution to Central South | 29 | 29 | Green | Saving achieved | Learning & Culture | Trevor Baker |
| Total School Improvement | | 29 | 29 | | | | |
| TOTAL LEARNING AND SKILLS | | 162 | 162 | Green | 100% | | |
| SOCIAL SERVICES | | | | | | | |
| Childrens Services | | | | | | | |
| Psychology Support for Foster Carers | Savings from the commissioning of psychology support to offer a therapeutic service to foster carers | 60 | 60 | Green | Saving will be achieved | Healthy Living & Social Care | Rachel Evans |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 1 | 1 | Green | Savings allocated and budgets reduced accordingly | Healthy Living & Social Care | Rachel Evans |
| Third Party Spend | Savings from external procurement | 88 | 88 | Green | Savings allocated and budgets reduced accordingly | Healthy Living & Social Care | Rachel Evans |
| Total Childrens Services | | 149 | 149 | Green | 100% | | |
| Adults Services | | | | | | | |
| Older Persons Day Services | Review of service provision | 40 | 0 | Red | Consultation on proposed future provision of day services for older people agreed by Cabinet on 29th July 2019, dependent on outcome of consultation. | Healthy Living & Social Care | Suzanne Clifton |
| Maximising Reablement | Savings resulted from decreased on-going cost of packages of domiciliary care for people accessing services | 100 | 100 | Green | Achieved through robust review of packages and reducing the ongoing level of care and support required. | Healthy Living & Social Care | Suzanne Clifton |
| Direct Payments | Converting existing clients to direct payments | 50 | 50 | Green | Conversion of packages of care to Direct Payments arrangements continue to achieving the planned saving in this area. | Healthy Living & Social Care | Suzanne Clifton |
| Charging & Income Generation/Debt Recovery | Income from introducing charges for services as allowed by legislation | 50 | 50 | Green | Review of financial processes within VCRS and introduction of WCCIS finance module will seek to achieve this savings target | Healthy Living & Social Care | Suzanne Clifton |
| Review of Complex Cases | | 30 | 30 | Green | Savings achieved through robust review and securing alternative funding e.g. CHC/Joint funded Packages Of Care | Healthy Living & Social Care | Suzanne Clifton |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 1 | 1 | Green | Savings achieved | Healthy Living & Social Care | Suzanne Clifton |
| Third Party Spend | Savings from external procurement | 107 | 107 | Green | Savings achieved | Healthy Living & Social Care | Suzanne Clifton |

| Title of Saving | Description of Saving | Total Saving | Projected Saving | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|---|--|--------------|------------------|--------------|---|------------------------------|-----------------|
| Total Adults Services | | 378 | 338 | Amber | 89% | | |
| Resource Management & Safeguarding | | | | | | | |
| Third Party Spend | Savings from external procurement | 18 | 18 | Green | Savings allocated and budgets reduced accordingly | Healthy Living & Social Care | Amanda Phillips |
| Total Resource Management & Safeguarding | | 18 | 18 | Green | 100% | | |
| TOTAL SOCIAL SERVICES | | 545 | 505 | Amber | 93% | | |
| ENVIRONMENT AND HOUSING | | | | | | | |
| Neighbourhood Services and Transport | | | | | | | |
| Internal Waste | Review of arrangements for the internal disposal of residual waste | 50 | 50 | Green | Saving to be split across all directorates within the Council | Environment & Regeneration | Emma Reed |
| Passenger Transport | Review of service provision | 36 | 36 | Green | The £36k is anticipated to be met from underspend on public transport due to better links with commercial services and operators. Dynamic purchasing has been recently implemented and it is unsure whether this will result in any savings because the demand for school transport services is increasing. | Environment & Regeneration | Emma Reed |
| Reshaping Services | Grass Cutting contract | 120 | 120 | Green | Service outsourced | Environment & Regeneration | Emma Reed |
| Reshaping Services | Concession income | 50 | 5 | Red | Delayed due to need for permissions for Romilly Park, Barry Island, South Lodge | Environment & Regeneration | Emma Reed |
| Reshaping Services | Bus Shelter Sponsorship | 25 | 10 | Red | Agreement advanced with Clear Channel for this income although implementation delayed until Autumn 2019. | Environment & Regeneration | Emma Reed |
| Reshaping Services | NS Management review | 70 | 70 | Green | Staff savings of £60k. Further 10k required to involve further review of Neighbourhood Services Management | Environment & Regeneration | Emma Reed |
| Reshaping Services | Toilet strategy | 45 | 5 | Red | Cabinet approved on 29/7/19. Toilets at Thompson Street and Court Road closed due to repairs needed and inappropriate use | Environment & Regeneration | Emma Reed |
| Reshaping Services | School Crossing Patrol | 40 | 40 | Green | Budget reduced to match current workforce | Environment & Regeneration | Emma Reed |
| Reshaping Services | Traffic Management standards | 40 | 0 | Red | Traffic Management Standards to be reviewed | Environment & Regeneration | Emma Reed |
| Reshaping Services | Post 16 transport | 150 | 0 | Red | Cabinet report due later this year. Anticipated implementation in 2021/22. | Environment & Regeneration | Emma Reed |
| Reshaping Services | Review Drainage Service | 28 | 0 | Red | Reduction in staffing budget delayed until 20/21. | Environment & Regeneration | Emma Reed |
| Reshaping Services | Single Use Sports facilities | 32 | 16 | Red | Bowling Clubs due to transfer 1st October 2019 | Healthy Living & Social Care | Emma Reed |
| Business Support | Review of service provision | 50 | 50 | Green | Staff reorganisation and reception area being closed at Court Road. | Environment & Regeneration | Emma Reed |
| Community Buildings | Review of service provision | 19 | 19 | Green | This has been met by the reduction of hours of posts within the Healthy Living area. | Environment & Regeneration | Emma Reed |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 1 | 1 | Green | Achieved | Environment & Regeneration | Emma Reed |

| Title of Saving | Description of Saving | Total Saving | Projected Saving | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|---|--|--------------|------------------|--------------|--|-----------------------------------|-----------------|
| Third Party Spend | Savings from external procurement | 176 | 40 | Red | Reduction of agency and vehicle within Highways. | Environment & Regeneration | Emma Reed |
| Total Neighbourhood Services and Transport | | 932 | 462 | Red | 50% | | |
| Regulatory Services | | | | | | | |
| Shared Regulatory Service | Savings from collaborative service | 102 | 102 | Green | Reduced contribution to shared service agreed for year | Homes and Safe Communities | Miles Punter |
| Total Regulatory Services | | 102 | 102 | Green | 100% | | |
| Housing | | | | | | | |
| CCTV | Review of service provision | 76 | 0 | Red | There are ongoing discussions with South Wales Police and officers from the Police & Crime Commissioners office to address future CCTV provision in the Vale. The Council has committed a capital budget of £350k to support a new CCTV strategy with ongoing revenue commitment falling to partner agencies if agreement can be reached on a spend to save basis. | Homes and Safe Communities | Mike Ingram |
| Third Party Spend | Savings from external procurement | 30 | 30 | Green | Savings allocated and budgets reduced accordingly | Homes and Safe Communities | Mike Ingram |
| Total Housing | | 106 | 30 | Red | 28% | | |
| TOTAL ENVIRONMENT AND HOUSING | | 1,140 | 594 | Red | 52% | | |
| MANAGING DIRECTOR AND RESOURCES | | | | | | | |
| Finance, ICT and Property | | | | | | | |
| Accountancy | Review of staffing structure | 25 | 25 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Internal Audit | Review of staffing structure | 30 | 30 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Fraud & Income Recovery | Reduction in fraud and recovery of income | 75 | 75 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Carys Lord |
| Rental Income | Rent of office facilities | 32 | 32 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Discretionary Payments | Reduction in budget provision for discretionary payments | 200 | 200 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 7 | 7 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Third Party Spend | Savings from external procurement | 119 | 119 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Carys Lord |

| Title of Saving | Description of Saving | Total Saving | Projected Saving | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|--|---|--------------|------------------|--------------|--|-----------------------------------|-----------------|
| Compliance | Review of Compliance arrangements | 35 | 35 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Carys Lord |
| Universal Credit | Review of service provision following the rollout of Universal credit | 20 | 20 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Carys Lord |
| Total Finance and ICT | | 543 | 543 | Green | 100% | | |
| HR | | | | | | | |
| Staffing Savings | Restructure of senior management | 84 | 84 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Carys Lord |
| Digital Sickness Reporting/E Recruitment | Change of working practice | 23 | 23 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Carys Lord |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 1 | 1 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Third Party Spend | Savings from external procurement | 6 | 6 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Carys Lord |
| Total HR | | 114 | 114 | Green | 100% | | |
| Legal and Democratic Services | | | | | | | |
| Software Savings | Savings from the introduction of new software | 5 | 5 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Debbie Marles |
| Members Printing | Reduction in printing | 2 | 2 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Debbie Marles |
| Legal Income | Generation of additional income | 5 | 5 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Debbie Marles |
| Records Management Unit | Digitisation of records and savings from office accommodation | 7 | 7 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Debbie Marles |
| Lease | Review of lease | 3 | 3 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Debbie Marles |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 6 | 6 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Debbie Marles |
| Third Party Spend | Savings from external procurement | 12 | 12 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Debbie Marles |
| Fees and Charges | Inflationary uplift across appropriate fees and charges | 8 | 8 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Debbie Marles |
| Total Legal and Democratic Services | | 48 | 48 | Green | 100% | | |

| Title of Saving | Description of Saving | Total Saving | Projected Saving | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|--|--|--------------|------------------|--------------|--|-----------------------------------|--------------------|
| Performance and Development | | | | | | | |
| Digital Customer - e-Form Integration | Integration of e-forms with Oracle CRM for customer self-service | 44 | 44 | Green | Saving has been allocated and the budget reduced accordingly | Corporate Performance & Resources | Tom Bowring |
| Third Party Spend | Savings from external procurement | 22 | 22 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Tom Bowring |
| Fees and Charges | Inflationary uplift across appropriate fees and charges | 3 | 3 | Green | Saving has been allocated and achieved | Corporate Performance & Resources | Tom Bowring |
| Total Performance and Development | | 69 | 69 | Green | 100% | | |
| Regeneration | | | | | | | |
| Third Party Spend | Savings from external procurement | 25 | 25 | Green | Saving will be achieved but through a general budget review | Environment & Regeneration | Marcus Goldsworthy |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 1 | 1 | Green | Savings allocated and budgets reduced accordingly | Environment & Regeneration | Marcus Goldsworthy |
| Fees and Charges | Inflationary uplift across appropriate fees and charges | 3 | 3 | Green | Anticipating full achievement | Environment & Regeneration | Marcus Goldsworthy |
| Total Regeneration | | 29 | 29 | Green | 100% | | |
| Development Management | | | | | | | |
| Planning Income | Income from various initiatives in Planning department | 44 | 44 | Green | Anticipating full achievement | Environment & Regeneration | Marcus Goldsworthy |
| General Efficiencies | General budget review | 60 | 60 | Green | Savings allocated and budgets reduced accordingly | Environment & Regeneration | Marcus Goldsworthy |
| Third Party Spend | Savings from external procurement | 11 | 11 | Green | Savings allocated and budgets reduced accordingly | Environment & Regeneration | Marcus Goldsworthy |
| Total Development Management | | 115 | 115 | Green | 100% | | |
| Private Housing | | | | | | | |
| Third Party Spend | Savings from external procurement | 3 | 3 | Green | Savings allocated and budgets reduced accordingly | Homes and Safe Communities | Marcus Goldsworthy |
| Total Private Housing | | 3 | 3 | Green | 100% | | |
| TOTAL MANAGING DIRECTOR AND RESOURCES | | 921 | 921 | Green | 100% | | |
| Policy | | | | | | | |
| Digital Employee - Hybrid Mail | Savings from reduced postage due to hybrid mail | 2 | 2 | Green | Savings allocated and budgets reduced accordingly | Corporate Performance & Resources | Carys Lord |
| Third Party Spend | Insurance saving | 250 | 250 | Green | Saving achieved | Corporate Performance & Resources | Carys Lord |
| Total Policy | | 252 | 252 | Green | 100% | | |
| TOTAL | | 3,020 | 2,434 | Amber | 81% | | |

| Title of Saving | Description of Saving | Total Saving | Projected Saving | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|---|-----------------------|--------------|------------------|------------|-----------------------------------|-----------------------------|-----------------|
| Green = on target to achieve in full Amber = forecast within 20% of target Red = forecast less than 80% of target | | Shortfall | 586 | | | | |

| No. | Service | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 |
|---|--|------------------|------------------|------------------|
| Directorate: Learning and Skills | | | | |
| | Schools | | | |
| L1 | Demographic increase in mainstream schools | 1,001 | 1,000 | 1,000 |
| L2 | Demographic increase in special school Ysgol Y Deri - There is a demographic increase in the number of Vale pupils requiring specialist school placements each year over those leaving the provision at school leaving age. | 810 | 567 | 405 |
| L3 | Teachers Superannuation increase 16.48% to 23.68% - The increase came into force in September 2019 with an annual cost of £3.1m. This is the full year affect of the increase. | 1,124 | 0 | 0 |
| | Total Schools | 2,935 | 1,567 | 1,405 |
| | Non Schools | | | |
| L4 | Complex Needs and Provision for Pupils with severe social and emotional behavioural needs - The service is experiencing pressures associated with the provision for pupils with complex needs and social and emotional behavioural needs. | 594 | 140 | 160 |
| L5 | Looked After Children Pooled Budget Residential - There is increased demand on the LAC residential budget which is a shared budget with Social Services directorate. | 100 | 0 | 0 |
| L6 | Non School Staff Teachers Superannuation increase 16.48% to 23.68% - As shown in L3 above. | 88 | 0 | 0 |
| L7 | Education Transport - There has been pressure on this provision of service due to an increase in cost and number of pupils. | 135 | 0 | 0 |
| | Total Non Schools | 917 | 140 | 160 |

| | | | | |
|----------------------------------|--|--------------|--------------|--------------|
| TOTAL LEARNING AND SKILLS | | 3,852 | 1,707 | 1,565 |
|----------------------------------|--|--------------|--------------|--------------|

| | | | | |
|-------------------------------------|---|--------------|-----------|-----------|
| Directorate: Social Services | | | | |
| | Children & Young People | | | |
| S1 | External Placements: This remains the area of greatest pressure where both complexity, increasing demands and unpredictability impact. This also includes a small amount of social work capacity to manage this increase in growth. The Division is continuing its programme of work to reduce the number of children looked after and the use of high cost placements, but this will not be able to bring the spend within budget within the short or medium term. | 1,305 | 0 | 0 |
| S2 | Recruitment and Retention of Foster Carers - The Council needs to recruit and retain more foster carers to support its ability to place children looked after in house in local placements and reduce its reliance on costly external placements. The Council is out of step with other parts of Wales in not having increased its payments to carers for over 10 years. | 308 | 90 | 90 |
| | Total for Children & Young People | 1,613 | 90 | 90 |
| | Adults Services | | | |
| S3 | Provider Fees and Quality Assurance - There is continuing challenge by providers to increase fees to meet their costs. Additional capacity is required to manage contract monitoring arrangements as a result of a number of significant quality assurance issues with providers. Numerous historical pressures continue to impact the committed spend for commissioned services, including National Living Wage, Sleep - Ins, HMRC regulations re travel time, auto enrolment of pensions and now the increased burden of registration costs for domiciliary care workers under Regulation and Inspection of Social Care (RISC) (Wales) Act 2016. | 1,446 | 1,446 | 1,446 |
| S4 | Demographic changes and increased demand - Our aging population continues to grow across the Vale of Glamorgan, with an ongoing planned increase in the over 85s. The waiting list is increasing although all cases are risk assessed and prioritised. Changes in legislation have also seen a direct correlation in significant increased activity within Safeguarding and also Mental Health services and therefore the workforce needs to be increased. | 825 | 825 | 825 |
| S5 | Increase to the Capital Limit - This relates to the effects of the increasing the capital limit to £40k for residential services. In previous years WG funding of £260k has mitigated some of this pressure but there remains a deficit of £53k. | 53 | 0 | 0 |

| No. | Service | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 |
|-----|--|------------------|------------------|------------------|
| S6 | Supported Living Contract - Additional investment to sustain supported living accommodation contract and costs following procurement of the service in 2020/21. | 158 | 0 | 0 |
| S7 | Joint Equipment Store - A review has been completed by the Joint Project Board so that partner contributions are based on activity instead of historic allocations. The Council's contribution will increase by £48k. | 48 | 0 | 0 |
| | Total for Adults Services | 2,530 | 2,271 | 2,271 |
| | Resource Management & Safeguarding | | | |
| S8 | Independent Reviewing Officers (IRO) - With the introduction of the 2014 Act there are specific duties of the IRO that requires them to monitor the care plan between reviews through active engagement with the child. Recent practice guides have detailed IRO visiting between reviews should take place and also highlighting the role's duty to engage in QA functions. Further capacity is required to enable the team to fulfil all its duties and requirements. | 60 | 0 | 0 |
| | Total for Resource Management & Safeguarding | 60 | 0 | 0 |

| | | | |
|------------------------------|--------------|--------------|--------------|
| TOTAL SOCIAL SERVICES | 4,203 | 2,361 | 2,361 |
|------------------------------|--------------|--------------|--------------|

| Directorate: Environment and Housing | | | | |
|---|---|--------------|----------|----------|
| | Neighbourhood and Transport Services | | | |
| N1 | Waste - Cost of refuse collection for new housing developments - The continual increase in new housing developments within the Vale of Glamorgan has led to increased waste collection and disposal cost. | 400 | 0 | 0 |
| N2 | Highways - Maintain Highway and footway Network - Due to the reduction in the level of resurfacing anticipated on the carriageway and footway for 2020/21 onwards it is anticipated that the amount of patching required will increase. | 350 | 0 | 0 |
| N3 | Street Lighting Energy Costs - Even though energy usage has decreased due to installation of LED lanterns overall costs are going up as a result of the increase in energy costs. | 200 | 0 | 0 |
| N4 | Increase in software maintenance fees due to new asset management software - The current asset management software is due to be upgraded to increase the number of services for which data is held. This will in turn increase the number of users and therefore the annual software licence fee. Services such as tree inspections, playground inspections and drainage/gully inspections will be added to the database to ensure that the authority has improved asset management information. | 60 | 0 | 0 |
| N5 | Highways Structures - Periodic Inspections - There is currently a backlog of inspections. | 100 | 0 | 0 |
| N6 | Waste - Maintenance of new facilities located on the Eastern Shelter, Barry Island - Maintenance of toilets and water feature at the Eastern Shelter, Barry Island. | 50 | 0 | 0 |
| | Total for Neighbourhood and Transport Service | 1,160 | 0 | 0 |

| | | | |
|---|--------------|----------|----------|
| TOTAL ENVIRONMENT AND HOUSING SERVICES | 1,160 | 0 | 0 |
|---|--------------|----------|----------|

| Directorate: Managing Director & Resources | | | | |
|---|--|------------|----------|----------|
| | ICT | | | |
| R1 | Microsoft Licences (including move to Office 365) - Additional cost due to Microsoft changing their server licence costing model. | 48 | 0 | 0 |
| | Total for ICT | 48 | 0 | 0 |
| | Office Accommodation | | | |
| R2 | Facilities Building and Cleaning - Additional pay costs due to the introduction of the National Living Wage has had a severe impact on the cost of cleaning and security over the past few years. | 130 | 0 | 0 |
| | Total for ICT | 130 | 0 | 0 |

| No. | Service | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 |
|--|--|------------------|------------------|------------------|
| | Legal and Democratic | | | |
| R3 | Democratic Services Restructure - Additional costs to accommodate restructure. | 19 | 0 | 0 |
| R4 | Coroner Service - Increased contribution is required towards the cost of the Joint Coroner Service. The additional costs are attributable to the number of long jury inquest cases and the associated juror expenses. There has also been an increase in charges from the Cardiff and Vale Health Board in relation to pathologist fees. The joint service is currently in negotiations with the Health Board regarding future increases. | 20 | 0 | 0 |
| | Total for Legal and Democratic | 39 | 0 | 0 |
| | Regeneration | | | |
| R5 | Regeneration (Economic Development Team including Stronger Communities) - The three year pilot for this team ends in March 2020 and has been considered beneficial. The team during the pilot has been funded from reserves. | 73 | 0 | 0 |
| | Total for Regeneration | 73 | 0 | 0 |
| | | | | |
| TOTAL MANAGING DIRECTOR AND RESOURCES | | 290 | 0 | 0 |

| Directorate: Council Wide | | | | |
|----------------------------------|---|------------|------------|-----------|
| P1 | City Deal - Monies required to finance loans that will be raised to fund capital expenditure. | 0 | 416 | 55 |
| P2 | 21st Century Schools Prudential Borrowing - Monies required to finance loans that will be raised to fund capital expenditure. | 0 | 430 | 0 |
| P3 | Welsh Language Standard - Additional costs in the Corporate Welsh Language Translation budget due to additional requirements for translation. | 20 | 0 | 0 |
| P4 | Energy Costs excl schools excl Street Lighting - Increase in energy costs | 258 | 0 | 0 |
| P5 | Fire Authority Levy - Based on the Fire Authority MTFP an increase in cost pressure is projected as a result of an increase in pension costs. Assuming no increased contribution from WG to address these pension costs the increase is likely to be around 4.5%. If WG withdraw the existing pension grant the increase would be around 8.7% (£529k). | 275 | 0 | 0 |
| | | | | |
| | Total for Council Wide | 553 | 846 | 55 |

| | | | |
|-------------------------------------|---------------|--------------|--------------|
| TOTAL COST PRESSURES 2020/21 | 10,058 | 4,914 | 3,981 |
|-------------------------------------|---------------|--------------|--------------|

| Service | Title & Description | 2020/21 | 2021/22 |
|--|--|------------|------------|
| LEARNING AND SKILLS | | | |
| Schools | | 881 | 919 |
| | | | |
| Strategy, Culture, Community Learning & Resources | | | |
| General Efficiencies | General review of budget | 45 | 0 |
| Third Party Spend | Savings from external procurement | 0 | 0 |
| Total Strategy, Culture, Community Learning & Resources | | 45 | 0 |
| | | | |
| TOTAL LEARNING AND SKILLS | | 926 | 919 |
| | | | |
| SOCIAL SERVICES | | | |
| | | | |
| Childrens Services | | | |
| Psychology Support for Foster Carers | Savings from the commissioning of psychology support to offer a therapeutic service to foster carers | 8 | 0 |
| Total Childrens Services | | 8 | 0 |
| | | | |
| Adults Services | | | |
| Review of Complex Cases | | 100 | 0 |
| Total Adults Services | | 100 | 0 |
| | | | |
| TOTAL SOCIAL SERVICES | | 108 | 0 |
| | | | |
| ENVIRONMENT AND HOUSING | | | |
| | | | |
| Neighbourhood Services and Transport | | | |
| Traffic Surveys | Review of number of ad hoc, non-statutory traffic surveys | 10 | 10 |
| Passenger Transport | Review of service provision | 144 | 0 |
| Sports Development | Review of service provision | 0 | 56 |
| Community Buildings | Review of service provision | 19 | 0 |
| Total Neighbourhood Services and Transport | | 173 | 66 |
| | | | |
| Regulatory Services | | | |
| Shared Regulatory Service | Savings from collaborative service | 34 | 0 |
| Total Regulatory Services | | 34 | 0 |
| | | | |

| Service | Title & Description | 2020/21 | 2021/22 |
|--|---|--------------|--------------|
| TOTAL ENVIRONMENT AND HOUSING | | 207 | 66 |
| | | | |
| MANAGING DIRECTOR AND RESOURCES | | | |
| | | | |
| Finance, ICT and Property | | | |
| Fraud & Income Recovery | Reduction in fraud and recovery of income | 25 | 50 |
| Universal Credit | Review of service provision following the rollout of Universal credit | 187 | 0 |
| Total Finance and ICT | | 212 | 50 |
| | | | |
| HR | | | |
| Staffing Savings | Restructure of senior management | 4 | 0 |
| Total HR | | 4 | 0 |
| | | | |
| Legal and Democratic Services | | | |
| Members Printing | Reduction in printing | 1 | 0 |
| Lease | Review of lease | 3 | 0 |
| Total Legal and Democratic Services | | 4 | 0 |
| | | | |
| Performance and Development | | | |
| Digital Customer - Bulky Items | Review of the bulky item service and move to customer self-service | 22 | 0 |
| Total Performance and Development | | 22 | 0 |
| | | | |
| Development Management | | | |
| Planning Income | Income from various initiatives in Planning department | 7 | 0 |
| Gen Efficiencies and Advertising | General budget review | 8 | 0 |
| Total Development Management | | 15 | 0 |
| | | | |
| TOTAL MANAGING DIRECTOR AND RESOURCES | | 257 | 50 |
| | | | |
| Council Wide | | | |
| Compliance | Review of Compliance arrangements | 15 | 0 |
| TOTAL COUNCIL WIDE | | 15 | 0 |
| | | | |
| TOTAL | | 1,513 | 1,035 |

BASE BUDGET 2020/21

APPENDIX 5

| | Original Budget 2019/20 £'000 | Asset Rents/ IAS 19 £'000 | Original Budget 2019/20 £'000 | Rechgs/ Transfs £'000 | Budget Adjustment £'000 | Pay Inflation £'000 | Committed Growth £'000 | Base Estimate 2020/21 £'000 |
|---|--|------------------------------------|--|-----------------------------|-------------------------------|---------------------------|------------------------------|--------------------------------------|
| Learning and Skills | | | | | | | | |
| Schools | 87,896 | 0 | 87,896 | 205 | (90) | 1,834 | 0 | 89,845 |
| Strategy, Culture, Community Learning and Resources | 11,110 | (2,998) | 8,112 | 187 | 18 | 75 | 0 | 8,392 |
| Achievement for All | 5,339 | 2 | 5,341 | 0 | (5,339) | 0 | 0 | 2 |
| School Improvement | 1,030 | 0 | 1,030 | 0 | (1,030) | 0 | 0 | 0 |
| Additional Learning Needs | 0 | 0 | 0 | 2 | 2,380 | 53 | 0 | 2,435 |
| Standards & Provision | 0 | 0 | 0 | (205) | 4,070 | 78 | 0 | 3,943 |
| Directors Office | 234 | 0 | 234 | 0 | (9) | 5 | 0 | 230 |
| Social Services | | | | | | | | |
| Children and Young People | 16,098 | (26) | 16,072 | 61 | 72 | 84 | 0 | 16,289 |
| Adult Services | 47,957 | (180) | 47,777 | 140 | (81) | 141 | 0 | 47,977 |
| Resource Management & Safeguarding | 272 | 88 | 360 | (138) | 9 | 124 | 0 | 355 |
| Youth Offending Services | 741 | (16) | 725 | (21) | 0 | 13 | 0 | 717 |
| Environment and Housing | | | | | | | | |
| Neighbourhood and Transport Services | 26,792 | (3,936) | 22,856 | (90) | 0 | 201 | 0 | 22,967 |
| Building Services | 0 | 46 | 46 | (17) | 0 | 17 | 0 | 46 |
| Regulatory Services | 2,041 | 1 | 2,042 | (148) | 0 | 0 | 0 | 1,894 |
| Council Fund Housing | 1,309 | (23) | 1,286 | (1) | 0 | 25 | 0 | 1,310 |
| Managing Director | | | | | | | | |
| Resources | 14 | (562) | -548 | (141) | 0 | 323 | 0 | (366) |
| Regeneration | 2,057 | (24) | 2,033 | (118) | 0 | 34 | 0 | 1,949 |
| Development Management | 967 | (7) | 960 | 22 | 0 | 34 | 0 | 1,016 |
| Private Housing | 1,209 | (8) | 1,201 | (213) | 0 | 9 | 0 | 997 |
| General Policy | 23,032 | 7,643 | 30,675 | 475 | 0 | 0 | 0 | 31,150 |
| Met from General Reserves | -2,000 | 0 | -2,000 | | 0 | 0 | 1,000 | (1,000) |
| TOTAL | 226,098 | 0 | 226,098 | 0 | 0 | 3,050 | 1,000 | 230,148 |

| Savings Applied £'000 | Cost Pressures £'000 |
|-----------------------------|----------------------------|
| 881 | 2,935 |
| 45 | 135 |
| 0 | 0 |
| 0 | 0 |
| 0 | 694 |
| 0 | 88 |
| 0 | 0 |
| 8 | 1,613 |
| 100 | 2,530 |
| 0 | 60 |
| 0 | 0 |
| 173 | 1,160 |
| 0 | 0 |
| 34 | 0 |
| 0 | 0 |
| 242 | 217 |
| 15 | 73 |
| 0 | 0 |
| 0 | 0 |
| 15 | 553 |
| 0 | 0 |
| 1,513 | 10,058 |

ANALYSIS OF RESERVES**APPENDIX 6**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--|---------------|----------|---------------|---------------|---|----------|----------|----------|
| | 31/03/19 | | | Bal | | 31/03/21 | 31/03/22 | 31/03/23 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| <u>Housing Revenue Account</u> | 2,668 | 0 | -1,795 | 873 | 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. | 890 | 919 | 936 |
| <u>General Reserves</u> | | | | | | | | |
| Council Fund | 13,636 | 4,000 | -2,000 | 15,636 | 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 £7m. An in year transfer of £4m has been included in 2019/20 | 14,636 | 14,636 | 14,636 |
| <u>Specific Reserves</u> | | | | | | | | |
| <u>Learning and Skills</u> | | | | | | | | |
| Schools Rationalisation and Improvements | 629 | 0 | -136 | 493 | This reserve will meet the costs of school restructuring and reorganisation and support schools in the improvement of their teaching and learning facilities including the transition of Barry Secondary schools. Transfers in also include reimbursement from schools for the capital loan scheme. | 360 | 180 | 0 |
| Education Pressures | 0 | 500 | -500 | 0 | This reserve has been set up in 2019/20 as a result of current pressures faced by Learning and Skills | 0 | 0 | 0 |
| School Deferred Pensions | 266 | 0 | 0 | 266 | To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years | 266 | 266 | 266 |
| Sports Facilities | 31 | 0 | 0 | 31 | Funding transferred from Pen y Garth Primary School in order to provide a budget to fund ad hoc repairs and maintenance required to sports hall. | 31 | 31 | 31 |
| Library Fund | 151 | 0 | 0 | 151 | To finance the improvement of Library services. | 10 | 10 | 10 |
| Adult Community Learning | 75 | 0 | 0 | 75 | To finance initial reshaping costs as a result of the anticipated changes in the way adult learning is funded across Wales. | 0 | 0 | 0 |
| Youth Service | 49 | 0 | 0 | 49 | To assist with the implementation of the Youth Engagement & Provision Framework in schools as well as initial costs in relation to the reshaping of the Youth service. | 0 | 0 | 0 |
| Repairs and Renewals Catering | 187 | 0 | -123 | 64 | The primary use is to fund enhancements to premises and the replacement of Catering equipment, ensuring Environmental Health Officer requirements and Health & Safety obligations within school Catering premises are met. | 64 | 64 | 64 |

ANALYSIS OF RESERVES**APPENDIX 6**

| Name | Bal 31/03/19 £000 | In £000 | Out £000 | Est Bal 31/03/20 £000 | Comments | Est Bal 31/03/21 £000 | Est Bal 31/03/22 £000 | Est Bal 31/03/23 £000 |
|--------------------------------|----------------------------------|--------------------|---------------------|--|--|--|--|--|
| Social Services | | | | | | | | |
| Legislative Changes | 6,109 | 0 | 0 | 6,109 | To cover additional burdens on the authority due to changes in legislation eg Social Services and Well-being (Wales) Act 2014 , Deprivation of Liberties Standards. | 6,109 | 6,109 | 6,109 |
| Social Services Plan | 980 | 0 | -700 | 280 | To support the approved Social Services Budget Reduction Programme. | 280 | 280 | 280 |
| Social Services Pressures | 1,913 | 0 | -1,000 | 913 | To cover short term childrens placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget. | 913 | 913 | 913 |
| Social Services Development | 350 | 0 | 0 | 350 | To cover costs of implementing service development and contingency for premises maintenance | 350 | 350 | 350 |
| Grant Exit Strategy | 630 | 0 | 0 | 630 | To pay potential redundancy costs if Welsh Government grants were discontinued. | 630 | 630 | 630 |
| Youth Offending Service | 174 | 0 | 0 | 174 | To assist with potential reductions in grant funding in future years and to carry out works at YOS building | 174 | 174 | 174 |
| Environment and Housing | | | | | | | | |
| Neighbourhood Services | 4,586 | 2,000 | -4,121 | 2,465 | To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives. £2m has been transferred in during 2019/20 to cover pressures currently being experienced in Waste Services | 1,534 | 1,216 | 897 |
| Waste Transfer Station | 1,500 | 0 | 0 | 1,500 | Establishment of a Waste Transfer Station. | 750 | 0 | 0 |
| Bad Weather | 110 | 0 | -110 | 0 | To fund necessary works during periods of severe weather conditions. | 0 | 0 | 0 |
| Building Services Improvement | 276 | 0 | -124 | 152 | Monies set aside for improvements to the Building Services department. | 82 | 22 | 0 |
| Rural Housing Needs | 56 | 0 | 0 | 56 | To be used to fund Rural Enabler post. | 46 | 36 | 26 |
| Homelessness and Housing | 592 | 0 | -26 | 566 | This sum will be used to support homelessness prevention work. | 541 | 516 | 491 |
| Housing Strategy | 10 | 0 | -10 | 0 | During 2019/20 work will commence on updating the Local Housing Strategy. This funding will be used to produce the strategy including facilitating consultation events. | 0 | 0 | 0 |
| Supporting People | 35 | 0 | -35 | 0 | To continue to provide housing support. | 0 | 0 | 0 |
| Community Safety | 69 | 0 | -29 | 40 | To fund community safety initiatives. | 40 | 40 | 40 |
| Gypsy Traveller | 1,052 | 0 | 0 | 1,052 | To support the provision of a Gypsy/Traveller site and Gypsy Liaison Officer. | 1,052 | 1,052 | 1,052 |

ANALYSIS OF RESERVES**APPENDIX 6**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--|----------|------|------|-------|--|----------|----------|----------|
| | 31/03/19 | | | Bal | | 31/03/21 | 31/03/22 | 31/03/23 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Regulatory Improvements | 282 | 0 | -75 | 207 | Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration. | 207 | 207 | 207 |
| Managing Director and Resources | | | | | | | | |
| Regeneration and Planning | | | | | | | | |
| Disabled Facilities | 14 | 0 | -14 | 0 | To fund an Occupational Therapist within Disabled Facilities Grant team. | 0 | 0 | 0 |
| Private Sector Housing | 262 | 0 | -36 | 226 | To fund initiatives for Private Sector Housing, including an Occupational Therapist within the DFG team. | 175 | 123 | 70 |
| Local Development Plan | 304 | 30 | 0 | 334 | Set aside for costs relating to the production of the Local Development Plan. | 284 | 234 | 184 |
| Regeneration & Planning | 754 | 0 | -251 | 503 | Monies set aside to cover various commitments within the service. | 336 | 234 | 131 |
| Planning Fees | 100 | 0 | 0 | 100 | To provide for reduction in planning fees income. | 100 | 100 | 100 |
| Building Control | 246 | 0 | -50 | 196 | Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account. | 146 | 96 | 66 |
| Donations | 29 | 0 | 0 | 29 | Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast. | 29 | 29 | 29 |
| Resources | | | | | | | | |
| Welfare Reforms | 756 | 0 | 0 | 756 | To fund pressures on the Authority resulting from changes to the Welfare Benefit System. The balance required in this reserve will be assessed when more information becomes available. This reserve could be used to finance any Department for Work and Pensions projects. | 756 | 756 | 756 |
| Financial IT System | 27 | 0 | -27 | 0 | To fund the costs of implementing the new Income Management system. | 0 | 0 | 0 |
| Internal Audit | 22 | 0 | 0 | 22 | To provide training and support development of Internal Audit staff. | 22 | 12 | 2 |
| Legal | 702 | 0 | -50 | 652 | To provide in house legal capacity on major projects, fund increased in house capacity which assists with income generation. | 582 | 502 | 417 |
| Trainee Appointments | 680 | 0 | -50 | 630 | To fund the appointment of trainees and interns to support services and the Reshaping Service programme. | 580 | 525 | 465 |
| Legal Claims | 1,920 | 0 | 0 | 1,920 | To fund future legal cases and judicial reviews. | 1,920 | 1,920 | 1,920 |
| Child Burial | 27 | 16 | 0 | 43 | Ring fenced grant funding received from Welsh Government. | 35 | 27 | 19 |

ANALYSIS OF RESERVES**APPENDIX 6**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--|----------|------|------|-------|--|----------|----------|----------|
| | 31/03/19 | | | Bal | | 31/03/21 | 31/03/22 | 31/03/23 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Human Resources | 141 | 0 | -20 | 121 | To fund transitional costs associated with the move to the new HR operating model/HR service centre, for spend to save projects i.e. reduce recruitment spend, reduce sickness absence etc and for a part time temporary post for work associated with the 16-24 agenda. | 71 | 61 | 51 |
| Performance and Development | 388 | 0 | -45 | 343 | To fund the purchase of hardware, software and equipment and to fund the appointment of trainees and interns to support the service. £45k relates to the grant from WG to support the Brexit process. | 293 | 263 | 238 |
| Democratic & Freedom of Information | 48 | 0 | 0 | 48 | To be used to fund IT and other equipment required to support department. | 33 | 23 | 13 |
| Corporate | | | | | | | | |
| Election Expenses | 370 | 0 | 0 | 370 | Set aside for the Council and other elections costs. | 360 | 345 | 330 |
| Corporate Governance | 338 | 0 | 0 | 338 | This reserve has been set aside in respect of local government governance and development issues e.g. collaboration, mergers. The fund is also a useful contingency provision for improvements required urgently e.g. as a result of an inspection report. | 338 | 338 | 338 |
| Early Retirement/Redundancy | 973 | 0 | 0 | 973 | Used to finance the cost of early retirement and redundancy as a result of restructuring, budget savings and the Reshaping Service Programme. | 973 | 973 | 973 |
| Events | 403 | 0 | -120 | 283 | To provide funds to promote the Vale of Glamorgan particularly in respect of tourism and economic development. | 163 | 43 | 0 |
| Insurance Fund | 3,891 | 0 | 0 | 3,891 | 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. | 3,891 | 3,891 | 3,891 |
| Energy Management Fund | 221 | 99 | -282 | 38 | Energy saving schemes initially funded from this reserve and transfers in relate to the repayments to the fund from services once savings are achieved. | 146 | 240 | 327 |
| Reshaping Services | 814 | 0 | 0 | 814 | To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme. | 814 | 814 | 814 |
| Digital Reshaping | 225 | 0 | 0 | 225 | Invest to save funding to support the implementation of new digital ways of working and to update current systems. | 225 | 225 | 225 |
| Interpretation Services for Asylum Seekers | 98 | 0 | 0 | 98 | To provide support and interpretation services for asylum seekers. | 98 | 98 | 98 |
| Stronger Communities Fund | 337 | 0 | -250 | 87 | 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". | 0 | 0 | 0 |

ANALYSIS OF RESERVES**APPENDIX 6**

| Name | Bal 31/03/19 £000 | In £000 | Out £000 | Est Bal 31/03/20 £000 | Comments | Est Bal 31/03/21 £000 | Est Bal 31/03/22 £000 | Est Bal 31/03/23 £000 |
|------------------------------|----------------------------------|--------------------|---------------------|--|---|--|--|--|
| Mayors Foundation | 2 | 0 | -2 | 0 | Ringfenced funding to be issued as grants. | 0 | 0 | 0 |
| Capital | | | | | | | | |
| City Deal | 1,898 | 0 | 0 | 1,898 | To be used to contribute towards the City Deal which will generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region. | 1,898 | 1,898 | 1,898 |
| Coastal Works | 537 | 0 | -142 | 395 | To assist in funding the ongoing liabilities that will arise following the coastal developments in the Vale, maintaining the impact of the significant investment made. | 285 | 175 | 65 |
| ICT Fund | 3,446 | 241 | -597 | 3,090 | Set aside to meet the costs of replacement and renewal of computer hardware and software, telecommunication systems and infrastructure. Transfers in include the repayment back into the fund from schools and other services relating to IT loans. | 2,801 | 2,418 | 1,833 |
| Capital Scheme Commitments | 74 | 0 | -30 | 44 | Set aside to top up Barry Regeneration schemes. | 44 | 44 | 44 |
| School Investment Strategy | 9,038 | 31 | -2,353 | 6,716 | To be used to fund schemes identified as part of the Schools Investment Programme including the Band B 21st Century School programme. | 3,491 | 2,742 | 146 |
| WG Schools Capital Grant | 1,765 | 0 | -1,765 | 0 | A £1.765m grant was received from WG and was used to displace existing capital spend in 2018/19. An equivalent sum is being carried forward through this reserve into 2019/20 to fund capital expenditure relating to schools | 0 | 0 | 0 |
| Project Fund | 2,850 | 0 | -448 | 2,402 | This fund is to be used to finance capital and revenue projects, with repayment of such advances being credited back to the fund where appropriate. | 2,402 | 2,402 | 2,402 |
| Regeneration Fund | 304 | 0 | -258 | 46 | To fund various regeneration schemes in the Vale, including committed capital schemes. | 46 | 46 | 46 |
| Council Building Fund | 5,475 | 0 | -2,961 | 2,514 | The fund is available in respect of repairs and maintenance of Council Buildings. | 2,355 | 2,151 | 1,237 |
| Repairs and Renewals Vehicle | 2,944 | 900 | -3,454 | 390 | 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. | 0 | 0 | 0 |
| Social Services Buildings | 500 | 0 | 0 | 500 | To fund the update of Social Services premises to meet the future demands of the service. | 500 | 500 | 500 |
| ICF Capital | 330 | 0 | 0 | 330 | To fund future projects in partnership with Health. | 0 | 0 | 0 |
| Telecare | 640 | 0 | 0 | 640 | Replacement fund for Telecare equipment and other service costs. | 640 | 640 | 640 |

ANALYSIS OF RESERVES

| Name | Bal 31/03/19 £000 | In £000 | Out £000 | Est Bal 31/03/20 £000 |
|---|-------------------------|--------------|----------------|--------------------------------|
| TOTAL SPECIFIC RESERVES (excl HRA) | 64,005 | 3,817 | -20,194 | 47,628 |

Comments

APPENDIX 6

| Est Bal 31/03/21 £000 | Est Bal 31/03/22 £000 | Est Bal 31/03/23 £000 |
|--------------------------------|--------------------------------|--------------------------------|
| 40,271 | 36,984 | 31,808 |