

THE VALE OF GLAMORGAN COUNCIL

CORPORATE PERFORMANCE AND RESOURCES SCRUTINY COMMITTEE:
20TH JANUARY, 2021

REFERENCE FROM CABINET: 11TH JANUARY, 2021

“C436 REVENUE MONITORING FOR THE PERIOD 1ST APRIL TO 30TH NOVEMBER 2020 (L/PR) (SCRUTINY – CORPORATE PERFORMANCE AND RESOURCES) -

The Leader presented the report the purpose of which was to advise Cabinet of the progress relating to revenue expenditure for the period 1st April to 30th November 2020.

The revenue position for 2020/21 was challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This had impacted both as a result of incurring additional expenditure but also from a loss of income. Funding had been provided by Welsh Government to cover some of the issues.

An efficiency target of £247k had been set for the year and while it was anticipated that this would be achieved, some issues remained relating to unachieved savings targets from previous years.

Adverse variances were being projected for a number of services this year and the use of reserves would be required to resolve these issues in the short term.

The Leader noted that with regards to lost income, £2.02m had been received for the first two quarters and a claim for lost income relating to Quarter 3 would be submitted on the 22nd January, 2021.

The report detailed the position Service by Service based on current projections and were subject to change as the year continued and information received from Welsh Government concerning grant funding.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

(1) T H A T the position with regard to the Authority's 2020/21 Revenue Budget be noted.

(2) T H A T the report be referred to Corporate Performance and Resources Scrutiny Committee for consideration.

Reasons for decisions

- (1) To inform Cabinet of the projected revenue outturn for 2020/21.
- (2) To advise Members of financial position.”

Attached as Appendix – Report to Cabinet: 11th January, 2021

Meeting of:	Cabinet
Date of Meeting:	Monday, 11 January 2021
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Revenue Monitoring for the Period 1st April to 30th November 2020
Purpose of Report:	To advise Cabinet of the progress relating to revenue expenditure for the period 1st April to 30th November 2020
Report Owner:	Report of the Executive Leader and Cabinet Member for Performance and Resources
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 revenue position for 2020/21 is challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This has impacted both as a result of incurring additional expenditure but also from a loss of income. Funding has been provided by Welsh Government to cover some of the issues. • An efficiency target of £247k has been set for the year and while it is anticipated that this will be achieved, some issues remain relating to unachieved savings targets from previous years. • Adverse variances are being projected for a number of services this year and the use of reserves will be required to resolve these issues in the short term issue. 	

Recommendations

1. That the position with regard to the Authority's 2020/21 Revenue Budget be noted.
2. That this report be referred to Corporate Performance and Resources Scrutiny Committee for consideration.

Reasons for Recommendations

1. To inform Cabinet of the projected revenue outturn for 2020/21.
2. To advise Members of financial position.

1. Background

- 1.1 Cabinet on 16th November 2020 approved the revised revenue budget for 2020/21 (minute no c372) and Cabinet on 30th November 2020 approved the revised Housing Revenue Account budget for 2020/21 (minute number c398). There is an approved drawdown from the Council Fund during 2020/21 of £1m.

2. Key Issues for Consideration

Impact of COVID-19

- 2.1 The revenue position for 2020/21 is challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This has impacted both as a result of incurring additional expenditure but also from a loss of income.
- 2.2 Since March 2020, Welsh Government (WG) has provided financial support to cover additional expenditure incurred via the Local Authority Emergency Hardship Grant. For the period March to October 2020 the Council will receive over £7m. The table below shows the value of the grant claimed to date, the value of items that WG have advised are ineligible for the grant, the value of items that are awaiting confirmation from WG and also actual grant received. Funding in some form will continue during this financial year, however, the basis on which funding will be released may change over the months as circumstances change.

Month	Grant Claimed £000	Items Disallowed £000	50% Paid £000	Grant Due £000	On Hold £000	Grant Received to Date £000
March	108	0	-27	81	0	81
April	1,349	-110	0	1,239	0	1,239
May	2,003	-491	-268	1,244	0	1,244
June	1,496	-20	-62	1,414	0	1,414
July	1,271	0	0	1,271	0	1,271
Aug	427	-4	0	423	0	423
Sept	542	-2	0	540	0	540
Oct	1,126	-2	0	1,124	-2	1,122
Total	8,322	-629	-357	7,336	-2	7,334

- 2.3** The main area of expenditure which has been disallowed relates to the additional 10% payment made to frontline staff in Social Service, both internally and to external providers and in Neighbourhood Services to acknowledge the risk they have been undertaking during the pandemic. This expenditure was disallowed by WG as it was a local decision and WG are providing funding for areas which are consistent across all authorities. A claim for the 10% payment to staff was therefore not included in the June, July or August claim to WG and is not included in the table above. They have also rejected any claims that relate to the Housing Revenue Account, again on the basis of consistency, as not all authorities have housing stock. WG has provided 50% funding for IT related expenditure up to the end of June and the figures in the above table relate to both revenue and capital costs. From 1st July, no further claims can be made for IT related expenditure and 100% of the costs have to be met by the Council.
- 2.4** In addition, WG are also providing grant support to cover the loss of income and £2.02m has been received for the first 2 quarters of the year. WG have now provided further clarity as to what income will not be eligible. They consider that the reduction of income relating to Planning Fees, Building Control Fees, Land Charges, Registrars and Licensing are delays in income rather than a loss therefore grant funding will not be provided and the situation will be reviewed during February 2021. However 50% of the Licensing and Registrars lost income claim was paid for quarter 1. The income losses going forward are again uncertain due to the new lockdown restriction however claims will be made to WG as appropriate.
- 2.5** The Council has also received other specific grant funding from WG to cover additional costs relating to COVID-19 as shown in the table below.

Grant	£000
Business Support Grant	27,150
Business Support Grant (2nd Tranche - October 2020)	6,735
Retail Leisure Hospitality Rates Relief	8,100
Start Up Business Grant	207
Business Restrictions Fund (December 2020)	5,042
Freelancer Grant (including increase November 2020)	486
Schools - Cleaning Products	32
Schools - Accelerated Learning Programme	717
School Face Covering Grant (via WLGA)	94
Care Leavers COVID-19 Hardship Fund	35
Relieving court backlogs and supporting exits from care	87
Family Group Conferencing	77
Intervention fund for supporting child and family well-being	56
Covid-19 Homelessness and Housing Related Support Services	74
	48,892

- 2.6** The Council is also issuing payments on behalf of WG under the Statutory Sick Pay scheme. The scheme has been open since 1 November and provides additional financial support to eligible social care workers when they are required to stay off work due to actual or potential exposure to COVID-19. The Council has also been issuing the £500 payment for care workers which was announced by WG earlier in the year.
- 2.7** The impact of the COVID-19 pandemic will be discussed in further detail throughout this report.

Revenue Financial Position

- 2.8** This year it is difficult to project the potential outturn position for the Council at year end, particularly with the prospect of varying lockdown restrictions between now and the end of the financial year. However, the table below details the amended budget and shows the position by service area based on current projections which will change as the year develops and further clarification on grant funding is received from WG. The unplanned use of reserves will be necessary in the short term and is currently projected to be around £3.4m. This is in addition to the already approved drawdown from the Council Fund during 2020/21 of £1m.

	2020/21	2020/21	2020/21	Variance
Directorate/Service	Original Budget	Amended Budget	Projected	(+)Favourable (-) Adverse
	£000	£000	£000	£000
Learning and Skills				
Schools	93,950	93,850	93,850	0
Strategy, Culture, Community Learning & Resources	11,344	8,146	8,396	-250
Directors Office	231	231	231	0
Additional Learning Needs & Wellbeing	2,921	2,731	2,680	+51
Standards and Provision	4,080	4,364	4,165	+199
Social Services				
Children and Young People	17,255	17,220	17,220	0
Adult Services	50,526	50,461	51,961	-1,500
Unplanned use of Reserves	0	0	(1,500)	+1,500
Resource Management & Safeguarding	371	284	284	0
Youth Offending Service	737	718	718	0
Environment and Housing				
Neighbourhood Services & Transport	28,309	24,262	25,012	-750
Unplanned use of Reserves	0	0	(750)	+750
Building/Cleaning Services	0	0	815	-815
Unplanned use of Reserves	0	0	(815)	+815
Regulatory Services	1,894	1,900	1,900	0
Council Fund Housing	1,339	1,317	1,317	0
Public Sector Housing (HRA)	(17)	7,058	7,058	0
Managing Director & Resources				
Resources	651	55	348	-293
Unplanned use of Reserves	0	0	(293)	+293
Regeneration	2,024	2,003	2,003	0
Development Management	1,016	1,017	1,017	0
Private Housing	848	854	854	0
General Policy	23,942	32,025	32,025	0
Planned Use of Council Fund	(1,000)	(1,000)	(1,000)	0
Total	240,421	247,496	247,496	0

Learning and Skills

- 2.9** The forecast for Learning and Skills is a breakeven position. The Education Pressures reserve has a current balance of £452k and therefore if this position deteriorates between now and the end of the financial year, funding will be transferred from the reserve.

Schools - The delegated budget relating to schools is expected to balance as any under/over spend is carried forward by schools. As at 1st April 2020 schools reserve balances stood at £839k. However this year it is possible that total school deficit balances may exceed total school positive balances and the school's balances may fall into an overall deficit position. This will be closely monitored and reported on further as the year progresses.

Additional expenditure has been incurred in schools in respect of COVID-19, however, most of this expenditure to date will be grant funded. Hubs have been set up in schools over the past months to provide childcare for key workers during the lockdown period. Funding for this provision has been received from WG through the Hardship grant. Where possible, grant funding has been claimed from WG to cover additional expenditure incurred by Schools since their reopening in September.

- 2.10** Strategy, Culture, Community Learning & Resources - An adverse variance of £250k is projected at year end after a transfer of £125k from reserves.

School Transport is currently projecting an overspend of £392k. 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 who require access to specialist provision. The Council also provides discretionary support towards pupils in further education above the age of 16. The Learning and Skills Directorate is responsible for meeting the cost of any adverse variance against this budget even though the service is procured through the Environment and Housing Directorate. The following overspends are currently projected: Primary £17k, Secondary £122k, Further Education £40k and Additional Learning Needs (ALN) £213k.

Contract prices rose following the tendering of all school transport services in September 2019. From September 2020, additional mainstream routes have been required due to safety concerns and no transport provided in certain areas which has resulted in an increase in costs. Additional services are running as pupils are unable to attend their catchment school. There has been another significant increase in cost following the decision of one of the operators to hand back all the services that they were carrying out and there has been a need to set up additional ALN routes for September 2020. Transport costs to Ysgol Y Deri have increased while others have remained consistent with transport to some schools ceasing, such as St Illtyds Primary and Ysgol Bryn Derw and new transport

requirements to schools such as Riverbank and Cowbridge Comprehensive. Some pupils with ALN have extremely complex needs and can require, at short notice, a change of transport, either because they have issues with other pupils, they have a change in their behaviour or a minor issue on transport means they can no longer travel on a certain route. There have only been an additional six pupils added to Ysgol Y Deri services since September 2019 but the addresses of the pupils are as far reaching as Llantwit and Ogmore, which in itself increases costs.

When schools were closed during the period April to June, the Council continued to pay school transport providers 75% of their contract to ensure that the service would be available when schools reopened, however, WG has offset this saving by reducing the funding they have provided for lost income.

Libraries are projecting an underspend of £47k. There are staffing underspends of £87k as a result of vacancies. It had been anticipated that £18k of the underspend would be used to offset the cost of implementing Openplus at Cowbridge and Llantwit Libraries and the provision of card payment machines in Libraries and software purchases of £12k. However, due to the COVID 19 pandemic Openplus will not be installed this financial year and it is therefore proposed that £30k is transferred into the Libraries reserves to fund this project during 2021/22. £10k will also be spent on the transformation of Penarth Library.

Adult Community Learning –The service is currently projecting that it will outturn with an underspend of £75k after transferring £37k to reserves. Vale Courses are projecting a £44k deficit. WG have provided funding for loss of income for quarter 1 and 2. The Get Back On Track programme is currently projecting a favourable variance of £76k due to staffing underspends and additional Cardiff and Vale College (CAVC) funding for skills@work. The CAVC Franchise is projecting a £13k underspend from the staffing budget. The CAVC Skills Development programme will also underspend by £30k. Welsh for Adults is due to underspend by £37k and it is proposed that this is transferred into reserves at year end. The reserve will be used to cover increasing costs and any potential future redundancy costs in light of the static/reduced grant over the 3 year contract and any possible grant claw back due to reduced enrolment numbers.

Schools Non Delegated expenditure – This budget is projected to underspend by £20k. Regular annual pension payments are made to Cardiff County Council and the Teachers Pension Agency in respect of teachers and support staff who were allowed to retire early during local government reorganisation in 1996. Some of these costs are reducing year on year and savings of £20k are currently projected for this year. There is currently an underspend of £65k against the Early Retirement/Voluntary Redundancy (ER/VR) budget. The intention is that this will be transferred to the Schools Invest to Save reserve at year end. It is a statutory requirement that redundancy costs are funded centrally. There is also a planned

transfer of £125k from the School Rationalisation Reserve to fund transitional costs in relation to the 21st Century Schools programme.

- 2.11** Directors Office - It is anticipated that this area will outturn on target.
- 2.12** Additional Learning Needs & Wellbeing - This service continues to face significant pressures due to the increasing needs of pupils within the Vale. However, a favourable variance of £51k is currently projected. Children's Placements is currently projected to underspend by £49k based on current information, however this will be reviewed based on any changes in placements. There is a favourable variance of £20k in the Prevention & Partnership budget and also a favourable £20k variance on the Complex Needs budget, both relating to staffing budgets. There is currently an adverse variance of £33k relating to Recoupment income and a £5k adverse variance against Additional Learning Needs.
- 2.13** Standards and Provision - A net favourable variance of £199k is anticipated across the Standards and Provision Service due to savings on employee costs in both the Youth Engagement and Progression service of £74k and in the Schools Improvements budget of £22k. There is currently a favourable variance of £91k projected in the budget which provides support for out of school tuition (OOST) for pupils whose medical needs mean they are unable to attend which is as a result of a reduction in the number of pupils receiving the service. The Inclusion & Wellbeing budget is projected to outturn with a £12k underspend mainly as a result of savings on staff costs.

Social Services

- 2.14** It is anticipated that Social Services will overspend by £1.5m this year.

Children and Young People Services – In recent months there has been growing pressure on the Division due to an increased demand for the service, partly as a result of the COVID 19 pandemic. It will therefore be necessary over the coming months to try to increase staff capacity to manage this demand. Further information will be provided as the situation develops. There still remains 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. This is further impacted by the COVID-19 pandemic and the significantly higher demand for placements. Work continues to ensure that children are placed in the most appropriate and cost effective placements. There is also pressure due to legal costs being incurred as a result of complex court cases that require Counsel's involvement. In addition this year there have been greater costs incurred in relation to children being placed for adoption outside the Vale Valleys and Cardiff Adoption partnership area. This does not reflect more children being placed in agency placements, rather that the staggered payments made for these placements have fallen more significantly in this financial year. £500k of the 2020/21 WG Social Care Workforce and Sustainability Pressures Grant has been allocated to this service

which has been received for a second year and with additional funding provided by the Council as part of the budget setting process for 2020/21, the overall Children and Young People Services budget is currently projected to breakeven. The outturn position could fluctuate as the year progresses if the number of children looked after and/or complexity of needs change, particularly with the potential high cost of each placement.

Adult Services - The service is now projecting an overspend at year end of around £1.5m. This is after Social Care Workforce and Sustainability Pressures Grant funding has been received from WG for a second year and this year £1.1m of this grant has been allocated to Adults Services. Of the overspend, £1m is due to the pressures on the Community Care Packages budget which is extremely volatile and therefore difficult to predict. Work is ongoing to review this position, particularly in light of the current circumstances. As part of the Council's commitment to acknowledge and support the work Council staff are undertaking in the care sector during the COVID-19 pandemic, a temporary pay increase of 10% has been provided. There has also been a similar payment totalling around £500k to staff working for external domiciliary providers and residential and nursing home providers. WG is not prepared to fund this additional payment to Council or external provider's staff via the Hardship grant as it is a local decision and therefore the costs have to be financed by the Council. Other support provided to external care providers such as the provision of PPE and additional staffing hours due to sickness/shielding etc will be funded by WG. Payments made to care home providers for void beds and for void beds in the Council's own care homes for the 6 months ending 30th September 2020 has been claimed from WG and will continue to be claimed in future quarters. The service has needed to purchase large quantities of PPE over the past months and funding for these costs has been received from the WG Hardship grant. Figures could fluctuate during the remainder of the year however any overspend at year end will be funded from the Social Services Legislative Changes reserve.

- 2.15** Youth Offending Service - It is currently anticipated that this service will breakeven at year end.

Environment and Housing

- 2.16** Neighbourhood Services & Transport is currently projected to have an adverse variance of £750k against the 2020/21 budget. Funding for budget pressures of £1.25m has been provided as part of the 2020/21 budget setting process, however, there remains considerable pressure on the budget.

Waste Collection Service - The service is anticipating an adverse variance of around £1m by year end. There still remains continued pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste. However this will reduce once the waste transfer station is operational which is due to take place during 2021/22. Staffing numbers have been increased to enable the maintenance of the service through the COVID 19

pandemic and to be able to observe social distancing. This increased cost is, however, being claimed against the WG Hardship grant. A temporary additional 10% uplift in salary was paid to frontline staff in this area to acknowledge the difficulties they face and as previously stated this is not being funded by WG. This uplift had been approved for the period from April to the end of August 2020 and will cost the service around £175k. There was also a decrease in the Waste Grant from WG for 2020/21 which funds part of the recycling collection service. The next phase of the recycling rollout commenced in Barry during October 2020. This will ensure that the majority of recycling is delivered to UK markets rather than being sent abroad and will further reduce the costs currently being spent on treating recycling as the Council should get an income for the majority of recycling it collects rather than paying for the treatment of our co-mingled recycling. Currently, there remains pressure on the budget due to the high price being paid for the year to date to treat co-mingled recycling. It is estimated that these factors have added an additional £200k pressure to the budget, however, this should improve in future years as a result of the full rollout of a kerbside sort method of recycling. To offset the pressures above there are savings on vacant posts elsewhere in the service of around £450k. The additional costs of £175k relating to the additional 10% paid to frontline staff will be funded centrally from monies set aside at the end of 2019/20 in the Council Fund in order to meet any potential additional costs relating to the COVID 19 pandemic. The remaining £575k will be funded from the Neighbourhood Services reserve.

- 2.17** The COVID 19 pandemic has created a number of budget pressures including the loss of income from car parking, commercial waste, leisure centres, concessions, environmental enforcement and civil parking enforcement income. Grant funding has been received from WG for the first 2 quarters of the year and it is currently anticipated that further funding will be available until the end of the financial year.
- 2.18** Building Services - The Building Maintenance service is currently running at a significant deficit due to the decrease in level of work being undertaken as a result of the COVID 19 pandemic. The majority of work undertaken by Building Maintenance is within public buildings or Council houses and therefore the level of work has reduced significantly. It is estimated that the trading unit has been losing on average around £17.5k per week for the first 8 months of the year as the Building Maintenance operatives are unable to recover all of their costs from undertaking work. Around 1,000 chargeable hours were undertaken per week in 2019/20, this has reduced to around 500 hours per week on average in the first 8 months of 2020/21. The net impact is a current deficit for April – November of £400k on work that would have been undertaken on Housing properties and £200k from public buildings which is a total of £600k. Due to new lockdown measures it is extremely unlikely that the adverse position will be recovered, and any year end adverse variance will need to be funded from the Council Fund and the Housing Revenue Account. A year end overspend of £750k is being reported however this position could deteriorate by the end of March 2021 as a result of further lockdowns.

- 2.19** Building Cleaning - It is anticipated that the income for Building Cleaning will not decrease to the same level as Building Maintenance as client budgets will be charged their annual sum agreed as part of the Service Level Agreement even though some buildings may not have been fully operational through the COVID 19 pandemic. There will however be a pressure on the trading account due to the additional 10% paid to the frontline cleaning staff. It is estimated that this will be a value of £65k that cannot be recharged on to clients and will be funded centrally from monies set aside at the end of 2019/20 in the Council Fund in order to meet any potential additional costs relating to the COVID 19 pandemic.
- 2.20** 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.
- 2.21** Council Fund Housing - In response to the WG guidance on managing homelessness during the COVID-19 pandemic, the Housing Solutions Team is still working hard to secure additional emergency temporary accommodation for the Vale's homeless clients. The team has successfully housed 348 clients in 116 bed and breakfast rooms acquired in three local hotels. This is in addition to the clients placed in the Council's normal stock of 147 units of temporary accommodation (Ty Iolo hostel, council, leased and shared properties in the private rented sector). Since April the additional costs of this increased accommodation has been funded by WG and in order to maintain sufficient options for temporary accommodation, WG has agreed that the Council block book all 116 hotel rooms until 31st March 2021, and that the costs will be covered by the Hardship grant. Should this funding reduce or cease beyond March 2021, the on-going costs of temporary accommodation for the homeless will be significant and the service will not be able to contain the costs within its existing budget. As Members are aware, discussions are still on-going regarding the future monitoring of the CCTV output. The Police and Crime Commissioner for South Wales has put in place a working group to review the CCTV services across all local authorities in an attempt to come up with a consistent approach to service delivery going forward across the region. In addition, a local working group in the Vale of Glamorgan has been convened, made up of Officers from the Council's Community Safety Team and the Police to ensure the local context is also considered. Therefore, as with last year, a 2019/20 revenue savings target of £75k for the CCTV service will once again not be achieved this year, so it is anticipated that unless this saving can be covered by underspends elsewhere within the service, funding will need to be drawn down from reserves to cover this shortfall.
- 2.22** Public Sector Housing (HRA) - The HRA is expected to outturn on target and any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the reliance on Unsupported Borrowing. No grant funding has been made available by Welsh Government (WG) to support any

additional expenditure incurred as a result of COVID-19. This is on the basis that not all authorities have a HRA and WG is trying to be consistent in its provision of funding across all Welsh authorities.

Managing Director and Resources

- 2.23** Resources - As a result of the COVID-19 pandemic the Council has had to invest a considerable sum to upgrade its network infrastructure and security arrangements to enable the move to home working. WG has agreed to pay 50% of such costs from the Hardship grant up to the end of June. Any further expenditure past this date will have to be 100% funded by the Council. This means that the Council will need to find funding of around £293k to cover the shortfall in the investment it has undertaken to facilitate homeworking from revenue and it is proposed that the ICT Fund will be used to cover this gap. Due to the COVID-19 pandemic there has been a loss of income from the Registrars Service and land charges of around £100k. WG has considered that this income has been delayed rather than lost and therefore has only provided funding for 50% of the claim for Registrars for quarter 1. They have also advised that the situation will be reviewed during February 2021 and therefore it is not clear at this stage of the level of any year end adverse variance.
- 2.24** Regeneration - Income receipts within this Division remain below target due to the pandemic, but loss of income claims submitted to the Welsh Government during quarters 1 and 2 have greatly assisted the position. Losses included Q1 rent from some commercial tenants' rent holidays as well as countryside parks takings for activities, car parking fees and venue hire for the year to date. If such losses continue to be funded by WG through to the end of the year it is anticipated that this budget should outturn within budget.
- 2.25** Development Management - Despite early concerns, planning fees and building regulation fees have been largely unaffected by the pandemic and income levels are broadly in line with profiled targets. This has likely been assisted, in the case of planning fees, by the Welsh Government's announcement of an increase in planning application fee rates as of 1st August 2020. Hence, at this point we are forecasting a breakeven budget this year.
- 2.26** Private Housing - The pandemic has badly affected the Disabled Facility Grants activity as clients, often vulnerable by the very nature of the grants, have understandably been anxious about having officers and contractors enter their properties since March. Actual fee income to November is currently £29k against a profiled income of £95k for the period. The Authority has however been successful in claiming lost fees back as part of the lost income claims to the WG, based upon equivalent income for the same period in 2019/20. Should this WG funding continue to year-end it is anticipated that this service will break even.
- 2.27** Rent Allowances - It is anticipated that based on existing trends the overspend at year end could be around £230k. This is due to the migration of Housing Benefit

claims over to universal credit, impacting on the subsidy the Council receives on its overpayments. If required at year end funding will need to be transferred from the Welfare Reform reserve.

General Policy and Council Tax

- 2.28** General Policy - Council Tax collection rates are down 1.2% at the end of November 2020, which in cash terms equates to around £1.1m, however, this is in part due to some customers deferring payments from April/May this year to February/March next year. The recovery process had been recommenced with the first court date scheduled for mid-January 2021. Information is being provided to WG on a regular basis regarding this issue.

2020/21 Efficiency Targets

- 2.29** As part of the Final Revenue Budget Proposals for 2020/21, an efficiency target of £247k was set for the Council, which as a result of a positive settlement from WG, was greatly reduced from targets set in recent years. No efficiency target was set for schools. Attached at Appendix 1 is a statement detailing all efficiency targets for 2020/21.
- 2.30** Each efficiency 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.
- 2.31** Services are anticipating achieving their efficiency target this year.
- 2.32** Further updates on progress against the efficiency targets will be provided to members during the year.

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

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

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

4. Resources and Legal Considerations

Financial

- 4.1** As detailed in the body of the report.

Legal (Including Equalities)

- 4.2** There are no legal implications

5. Background Papers

None

PROGRESS ON APPROVED EFFICIENCIES 2020/21

APPENDIX 1

Title of Saving	Total Efficiency	Projected Efficiency	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
	£000	£000				
LEARNING AND SKILLS						
Strategy, Culture, Community Learning & Resources						
General Efficiencies	45	45	Green	General reduction in budgets	Learning & Culture	Trevor Baker
Total Strategy, Culture, Community Learning & Resources	45	45				
TOTAL LEARNING AND SKILLS	45	45				
SOCIAL SERVICES						
Adults Services						
Review of Complex Cases	100	100	Green	Cases in the process of being reviewed	Health Living & Social Care	Suzanne Clifton
Total Adults Services	100	100				
TOTAL SOCIAL SERVICES	100	100				
ENVIRONMENT AND HOUSING						
Neighbourhood Services and Transport						
General Efficiencies	28	28	Green	General reduction in budgets	Environment & Regeneration	Emma Reed
Total Neighbourhood Services and Transport	28	28				
TOTAL ENVIRONMENT AND HOUSING	28	28				
MANAGING DIRECTOR AND RESOURCES						
Legal and Democratic Services						
Members Printing	1	1	Green	Budget reduction made	Corporate Performance & Resources	Debbie Marles
Lease	3	3	Green	Budget reduction made	Corporate Performance & Resources	Debbie Marles
Total Legal and Democratic Services	4	4				
Regeneration						
Staff Restructure	40	40	Green	Staff restructure complete	Environment & Regeneration	Marcus Goldsworthy
Total Regeneration	40	40				

PROGRESS ON APPROVED EFFICIENCIES 2020/21

APPENDIX 1

Title of Saving	Total Efficiency	Projected Efficiency	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
	£000	£000				
Development Management						
Planning Income	7	7	Green	Anticipated by year end	Environment & Regeneration	Marcus Goldsworthy
Gen Efficiencies and Advertising	8	8	Green	General reduction in budgets	Environment & Regeneration	Marcus Goldsworthy
Total Development Management	15	15				
TOTAL MANAGING DIRECTOR AND RESOURCES	59	59				
Policy						
Compliance	15	15	Green	General reduction in accommodation budgets	Corporate Performance & Resources	Carys Lord
TOTAL POLICY	15	15				
TOTAL	247	247	Green			

Green = on target to achieve in full
 Amber = forecast within 20% of target
 Red = forecast less than 80% of target