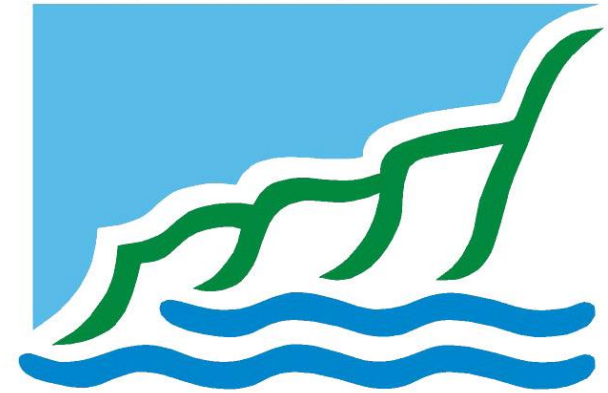


Budget Briefing
Healthy Living and Social Care
Scrutiny

VALE of GLAMORGAN



BRO MORGANNWG

- Revenue Budget for Consultation
- Capital Strategy Budget Proposals
- Fees and Charges
- Revenue Monitoring
- Capital Monitoring

Revenue Budget for Consultation

Provisional Settlement - All Wales

- Local Government Settlement
- There has been a positive settlement for Wales as a result of the Barnett consequential. £227M of the £644M has been directed to local government which means the AEF increase for 2023/24 is 7.9%, a significant increase on the 3.5% anticipated.
- Overall SSA has increased by 6.2% across Wales and the key components School Services by 5.0% and Social Services 6.7%. The Schools Service increase takes into account the cost of the 2023/24 pay award but not the shortfall in the 2022/23 awards. The Social Services figure is higher due to the payment of the Real Living Wage to the care sector being factored in.
- The Vale of Glamorgan's AEF will increase by 8.9% £16.6M which is a £10M improvement on the £6.5M 3.5% anticipated in the Financial Strategy in October.
- The overall Vale SSA increase is 6.4% and the increases for Schools Service and Social Services 5.1% and 7.0% respectively.

Vale of Glamorgan Position

- At 8.9% AEF =£16.604m and 4.9% Council Tax = £4.284m, Total increased funding £20.888m or 7.66%
- £30.67m of pressures on a base budget of £273m is approx. 11%
- The Council has worked as a SLT to revise cost pressures down across Directorates
- Pay and Energy pressures total £15m across the Council.
- Significant Pressures around Residential/Domiciliary care providers and inability to commission care requiring significant growth to address as well as commitment to meet Real Living Wage.
- Homelessness continued pressure also pressures around placement of Ukrainian refugees.
- Continued growth in demand for special school places at Ysgol Y Deri for which additional funding £1M is included also funding for support in Mainstream settings, resource bases, additional provision required as part of Centre for Learning and Wellbeing and pupils requiring Social and Emotional support.
- School Transport – very few providers and shortage of drivers, increased need and inflationary pressures. £1m additional funding.

Cost Pressures

	Delegated Schools		Central		Total	
	£K		£K		£K	
Cabinet Oct 2022	9,271		28,836		38,107	
Unrealised Savings Identified		-	426	-	426	
RLW Proposal and Amend Pay Calculations	45	-	2,425	-	2,380	
Revision Social Services and Energy Pressures	1,347		1,460		2,807	
Reduction in Pressures SLT and Budget Working Groups	-	1,100	-	5,022	-	6,122
Additional Investment	250		384		634	
Inclusion of Fire Levy Pressure			549		549	
Step in Social Services Cost Pressures		-	2,000	-	2,000	
Use of Reserves move to funding		-	500	-	500	
Adjusted Cost Pressures Jan 23	9,813		20,856		30,670	

- Following review carried out by SLT and additional work carried out by Service Areas to further review and refine cost pressures the overall cost pressures have been reduced by £7.437m to £30.67m from £38.107m.

Scrutiny Specific Cost Pressures

Description	2023/24	2024/25	2025/26	2026/27	Category of Growth
	£000's	£000's	£000's	£000's	
Children Services					
External Placements - There are continuing and considerable pressure on the children's external placements budget given the complexities of the children currently being supported and the high cost placements some of these children require to meet their needs.	400				Inflationary
Additional Capacity Business Support	30	-	-	-	-Investment
Social Worker for Unaccompanied Asylum Children	55	-	-	-	-Investment
Allowances Social Care Officer and Responsible - Special Guardianship and Residence Order Allowances	160	30	30	-	-Pressure
Family Support Contract Price Children and Young People Support contract size - Contact/Family time.	120	-	-	-	-Pressure
Total Children Services	765	30	30	-	
Resource Management and Safeguarding					
Additional Capacity - Children's Commissioning Role and Finance Officer	60	-	-	-	-Investment
Total Resource Management and Safeguarding	60	-	-	-	
Adult Services					
Hospital Social Work- Increased volume of complex discharges. Additional social worker and social care officer	95	-	-	-	-Investment
Provider Fees, Quality Assurance & Demographic Pressures	8,100	7,200	3,500	3,500	Inflationary
Total Adult Services	8,195	7,200	3,500	3,500	
Total Social Services	9,020	7,230	3,530	3,500	
Step in Social Services	(2,000)	2,000	0	0	
Growth Social Services	7,020	9,230	3,530	3,500	

Scrutiny Specific Cost Pressures

Revised Summary Cost Pressures	Description	2023/24	2024/25	2025/26	2026/27	Category of Growth
		£000's	£000's	£000's	£000's	
Environment and Housing	Leisure Contract - Increased energy costs associated with the Leisure Contract	250	0	0	0	Inflationary

Updated Funding Gap

	2023/24 £K	2024/25 £K	2025/26 £K	2026/27 £K	2027/28 £K
Additional Funding					
Government Grant	16,604	5,597	6,244	6,306	6,369
Council Tax	5,311	3,829	3,978	4,134	4,295
Reversal of 2022/23 use of reserves	-500	-500	0	0	0
Use of smoothing Reserves	3,200	1,500	0	0	0
Total Additional Funding	24,615	10,426	10,222	10,440	10,664
Investment	1,010	1,518	1,763	1,301	282
Demography	1,150	2,493	2,493	2,493	2,493
Inflation	23,455	10,939	7,265	8,688	8,800
Other Pressures	5,055	(113)	166	637	0
Total Pressures	30,670	14,837	11,687	13,119	11,575
Overall Gap	6,055	4,411	1,465	2,679	911

Savings Proposals

- The October Report set out a framework was put in place to facilitate the identification of savings proposals across ten themes
- Demand Management/Invest in Early Intervention
- Generating Income
- Service Review
- Invest to Save (omitted from the October report) Use of the Wider Community to Deliver Services
- Digital Strategy
- Corporate Asset Management Plan
- Workforce Review
- Contract Review/Procurement
- Community Engagement & Participation

Savings proposals were developed at service level and reviewed by SLT and Budget Working Groups

Scrutiny Specific Savings Proposals

			£'000	£'000	£'000	£'000	£'000	£'000
Directorate Social Services			2023/24	2024/25	2025/26	2026/27	2027/28	Total
Childrens and Young People	Closer to Home Residential Care (C&YPs)	Invest to Save	200	100				300
Adult Services	Reduced building rental	Corporate Asset Strategy	-	50				50
Adult Services	Closer to Home Supported Living (LD)	Invest to Save	-	100				100
Resource Management and Safeguarding	Additional Income	Generating Income	400					400
Subtotal Directorate Social Services			600	250				850

- There are proposals for some small scale service review, the majority of proposals will cut vacant posts however the full impact will be dependent on outcome of the reviews undertaken by service areas in the period to March

Reserves Proposals

- Total Reserves excluding Schools £114m and projected to reduce to £83m by 31st March 23.
- Fewer Reserves but greater alignment to key risks of the Council.
- More formal approach to approving the specific use of reserves.
- Aligned with detail on use of reserves in monitoring.
- Identified corporate for specific risk reserves for instance Pay Pressures, Energy Pressures, Corporate Landlord, General Investment and Digital Strategy this includes centralising Directorate specific funds relating to these areas.
- SLT have fully reviewed Reserve proposals to consider the implication on committed expenditure and internal processes.
- Reserves have been used to smooth the impact of homelessness and energy costs stepped down over two years. The reserves will also be used to support the step in approach to Social Services cost pressures.

Next Steps and Timetable

- Cabinet 19th January 2023
- Public Consultation 20th January 2023-15th February 2023
- Scrutiny Consultation February 2023
- Final Proposals Cabinet 27th February 2023
- Final Settlement 3rd March 2023
- Final Proposals Council 6th March 2023

Discussion and Questions

- Members Questions
- Recommendations

Capital Strategy

Capital Strategy – Provisional Settlement

- On 14th December 2022, the Welsh Government (WG) announced the provisional 2023/24 General Capital Funding (GCF) settlement for 2023/24.
- The amount awarded to the Council is £6.997m, being made up of £3.545m grant and £3.452m of supported borrowing.
- This is an increase of £1.168m from the 2022/23 general capital funding of £5.829m (2021/22 General Capital Funding was £6.867m)
- WG have also been advised that £20 million capital across Wales in each year is being provided to enable authorities to respond to the joint priority of decarbonisation. The Council is awaiting further information from WG in relation to this to understand what it means for us as a Council.
- WG have confirmed that the general capital funding will remain at the same level for 2024/25. No further projections beyond this point have been given.
- The table below represents the capital funding from the WG assumed as part of the 5 year programme:-

WG Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Supported Borrowing General Fund	3,452	3,452	3,451	3,451	3,451
General Capital Grant	3,545	3,545	2,378	2,378	2,378
TOTAL	6,997	6,997	5,829	5,829	5,829

5 Year Capital Programme

The total value of capital schemes over the next 5 years is £265m and this is summarised in the table below. This includes £40m for the Band B Sustainable Communities for Learning Programme and £167m for the Housing Improvement Programme.

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Learning and Skills	33,190	7,471	1,000	2,750	3,435
Social Services	618	1,067	725	100	100
Environment and Housing	57,662	45,790	37,517	26,006	24,294
Place	3,977	1,691	1,605	1,605	1,605
Corporate Resources	980	766	1,419	1,919	1,819
City Deal	1,949	1,835	2,594	0	0
Total	98,376	58,620	44,860	32,380	31,253

Capital Programme Funding

Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
General Capital Grant	3,545	3,545	2,378	2,378	2,378
General Fund (GF) Reserves/Revenue	14,140	930	900	900	800
HRA Revenue/Reserves	17,187	7,104	6,715	6,802	7,628
Capital Receipts	6,408	368	280	155	155
Grants	27,651	9,715	4,762	4,773	4,773
S106	5,736	1,006	600	2,350	3,035
Total	74,667	22,668	15,635	17,358	18,769
Borrowing Requirement					
Supported Borrowing	3,452	3,452	3,451	3,451	3,451
Unsupported Borrowing GF	3,064	5,178	2,594	0	0
Unsupported Borrowing HRA	17,193	27,322	23,180	11,571	9,033
Total Borrowing Requirement	23,709	35,952	29,225	15,022	12,484
Total Capital Programme	98,376	58,620	44,860	32,380	31,253

Capital Programme New Schemes 2023/24

As the provisional capital settlement from Welsh Government has now been received, it is proposed that new schemes are now included in the capital programme. The schemes are detailed in the appendix but for 2023/24 include:-

- An additional £700k for resurfacing.
- £500k for bridge structures.
- **£250k for Social Services invest to save schemes.**
- **£230k for drainage repairs and underpinning works to Cartref Porthceri Residential Home.**
- £275k for the safeguarding and security of external School boundaries.
- £415k Ysgol Bro Morgannwg cladding works.
- £292k for health and safety priority items identified in School condition surveys.
- £85k match funding for the Empty Homes Scheme Grant.
- £500k for decarbonisation schemes.

Next Steps and Timetable

- Cabinet 19th January 2023
- Public Consultation 20th January 2023-15th February 2023
- Scrutiny Consultation February 2023
- Final Proposals Cabinet 27th February 2023
- Final Settlement 3rd March 2023
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Fees and Charges

Fees and Charges

- Consolidated Fees and Charges report includes fees across Neighbourhood Services, Resources, Place, Learning and Skills and Social Services.
- The majority of the proposed fees and charges reflect an increase of between 5% and 11% which has been rounded in some cases to the nearest 5p or 10p. Some fees and charges have increased higher than this percentage; remained the same; or decreased to reflect the take up of services and the cost of delivery and rationale for doing so is outlined in the body of this report.
- Some key links to the Budget Report – savings from additional income in Registrars (Corporate Resources) , Neighbourhood Services and Learning and Skills – cost recovery ACL and Libraries are all referenced in the savings listings.

Fees and Charges

Leisure Fees and Charges

- **Sports: Football and Rugby; and Cricket (without attendant)**

- Sporting related fees - rugby/ football and cricket in particular – are mostly proposed to increase by between 5 to 5.5% which is lower than the current rate of CPI to try to promote health and wellbeing and maintain the availability of services to the residents of the Vale of Glamorgan. An increase in these fees is still recommended due to the rising cost of maintenance of these premises and to further the work with regard single use sports pitches.

- **Jenner Park**

- Charges at Jenner Park have mainly increased by 11% to reflect the rate of inflation. However, charges to schools for sports days have only increased by around 5%. Charges that include a charge for floodlighting have had to increase by between 35% and 100% to reflect the large increases in electricity costs that will be experienced in 2023/24.

Social Services Fees and Charges

- To ensure that current costs reflect the cost of services it is proposed to uplift day service fees by the amalgamated estimated inflation assumption of 11%.
- Telecare Services are introducing a new series of services to help simplify and meet the needs of the community. This will involve four levels of service: Essential, Bronze, Silver and Gold. The base level (Essential) that these services provide is a smart digital alarm unit with falls detector and also the newly introduced falls response service in partnership with St John's Ambulance. Customer can select the appropriate level of service they require. Each level increases by 2-3 additional monitor devices and then the final Gold level involves a bespoke assessment to help determine the most suitable available technology for the customer. The costs of these new service categories are proposed to be of similar price to the current services, ranging between £1.30 to £7.80 per week. These proposed fees will cover the estimated costs of these new services as well as providing extra income that can then be used towards the further development of these services and contribute to the full cost recovery aim. It is proposed that the installation of these services for new and existing customers is provided free of charge to encourage the uptake by residents.

Fees and Charges

Some delegations and additional reviews are being undertaken.

- Delegation to Neighbourhood Services to amend prices.
- Telecare pricing strategy is set out in the report but subject to a further review and therefore a delegation has been requested.

Next Steps

- Scrutiny Committee Consultation currently being undertaken
- Comments to Corporate Performance and Resources
- Final Proposals to Cabinet on 27th February 2023

Discussion and Questions

- Members Questions
- Recommendations

Revenue Monitoring

Revenue Monitoring

- The report includes the revised budget for transfers – changes very limited. Transfers for Insurance and ICT Licences. Virement from Policy to Resources for Project Zero and Budget Transfers within Place to reflect some restructuring.
- There is generally a reduced need from services of a contribution from the Policy underspend to offset additional pay costs and this is due to one off underspends in service areas such as vacant posts/social services deferred income adjustment.
- It is currently anticipated that the service will outturn with a £1.3m overspend which reflects a surplus of £1.8m in Adult Services offsetting adverse variances in Resource Management and Safeguarding and Children and Young Peoples Services. This position reflects a one off accounting adjustment in the way social care deferred income is shown in the accounts in 2022/23 to reflect the recommendations of Audit Wales, under this amended approach income will be recognised in the accounts at the point it is incurred rather than when it is able to be collected. Following this adjustment there is currently projected to be a net transfer into reserves at year end which is estimated to be in the region of £1.3m but may increase if additional grant is allocated to the service.
- Within Leisure Services an adverse variance of approximately £500k is being incurred additional payments that are still being made to the Council's leisure centre partner while they recover from the impact of Covid 19. This support is due to cease from 31st Dec 2022 and will be funded by a transfer from the Neighbourhood Services Reserve.

Revenue Monitoring

- Policy Underspend
 - £2m capital financing – continuing to internally borrow.
 - £250k CTRS reduction scheme take up
 - £500k investment income.
 - After use for Pay award and Oracle £1.487m available for School transport and additional Oracle costs
- Use of reserves
 - Planned drawdown from reserves as part of budget
 - Significant planned use of reserves for Capital £25m – this could be impacted by grant displacement or slippage.
 - Some planned use of reserves for Social Services budget programme Sustainable Communities for Learning schemes.
 - Unplanned use Oracle, HGV Drivers, Parkwood contribution, Building Services.

Discussion and Questions

- Members Questions
- Recommendations

Capital Monitoring

Capital Monitoring – At 30th November 2022

Approved Programme at final proposals £'000	Slippage Approved 21/22 to 22/23 £'000	Directorate	Additions £'000	Slippage Approved 2022/23 £'000	Approved Programme 2022/23 £'000	Slippage Requests In this report £'000	Other movement In this report £'000	Revised Programme 2022/23 £'000
20,381	3,314	Learning & Skills	13,876	(6,077)	31,494	(1,183)	39	30,350
180	725	Social Services	179	0	1,084	(15)	0	1,069
57,715	5,898	Environment & Housing	10,822	(25,043)	49,392	(780)	0	48,612
5,801	1,049	Place	877	(2,406)	5,321	(391)	62	4,992
856	509	Corporate Resources	1,200	0	2,565	0	104	2,669
273	0	City Deal	284	0	557	0	0	557
85,206	11,495	TOTAL	27,238	(33,526)	90,413	(2,369)	205	88,249

Capital Monitoring Recommendations – changes to 2022/23 and future years Capital Programme

There are six requests within the remit of this Scrutiny Committee and there are highlighted below:

Carry forward into the 2023/24 Capital Programme:

- Salisbury Road No 91 (YOS) External Repairs Phase 2 - £15k
- Knap Skate Park - £240k

Additions & Increases & Movements in the 2023/24 Capital Programme:

- Neighbourhood Services Community and Leisure Centre scheme – **Vire** £7k to the Neighbourhood Services Buildings for compliance issues and Community Centres scheme.
- Barry Leisure Centre Boiler Renewal scheme – **Vire** £70k to the Contingency budget for Leisure Centres.
- Leisure Centre Works scheme – **Vire** £5k to the Penarth Leisure Centre Boiler scheme and **vire** £6k to the Barry Leisure Centre Flume scheme.

Discussion and Questions

- Members Questions
- Recommendations

Progress on Significant Capital Schemes

Detailed below are paragraphs highlighting progress on significant capital schemes this financial year.

- **Housing Improvement Programme – New Builds** - During 2023/23 there will be 138 new Council homes under construction including single persons, older persons and family housing, on sites at the former Colcot Health Clinic, Barry (12 units); Hayeswood Road, Barry (53 units); Clos Holm View Phase 2, Barry (31 units); Coldbrook Road East, Barry (20 units); St Cyres Road, Penarth (14 units) and Maes y Ffynnon, Bonvilston (8 units).
- **Sustainable Communities for Learning Programme**- Considerable progress has been made to date, five schools within the Band B Programme are now operational. Cowbridge Primary School and the Centre for Learning and Wellbeing (known as Dderw Newydd) are both under construction and progressing well with both projects on track. Barry Waterfront Primary School is also under construction with works starting on the scheme in January 2022. It is anticipated the outline planning proposal for Ysgol Y Deri will be determined by February 2023 and St Nicholas CiW Primary School has received planning consent to redevelop the school to provide 126 primary school places and 24 part-time nursery places and the scheme started on site on 7th November 2022.
- **Waste Transfer Station & Reuse Shop** - Phase 1 is mainly complete and Phase 2 is underway with majority of the scheduled works on target or finished. The Waste Transfer construction contractor is due to hand the site over to the Council in February 2023 and the site is expecting to start receiving recycling and waste from March 2023. Construction of the reuse shop and all the utility connections is now complete and the service area is expected to start diverting reusable and saleable goods to the reuse shop and be operational by Spring 2023.

Diolch

Thank you

