



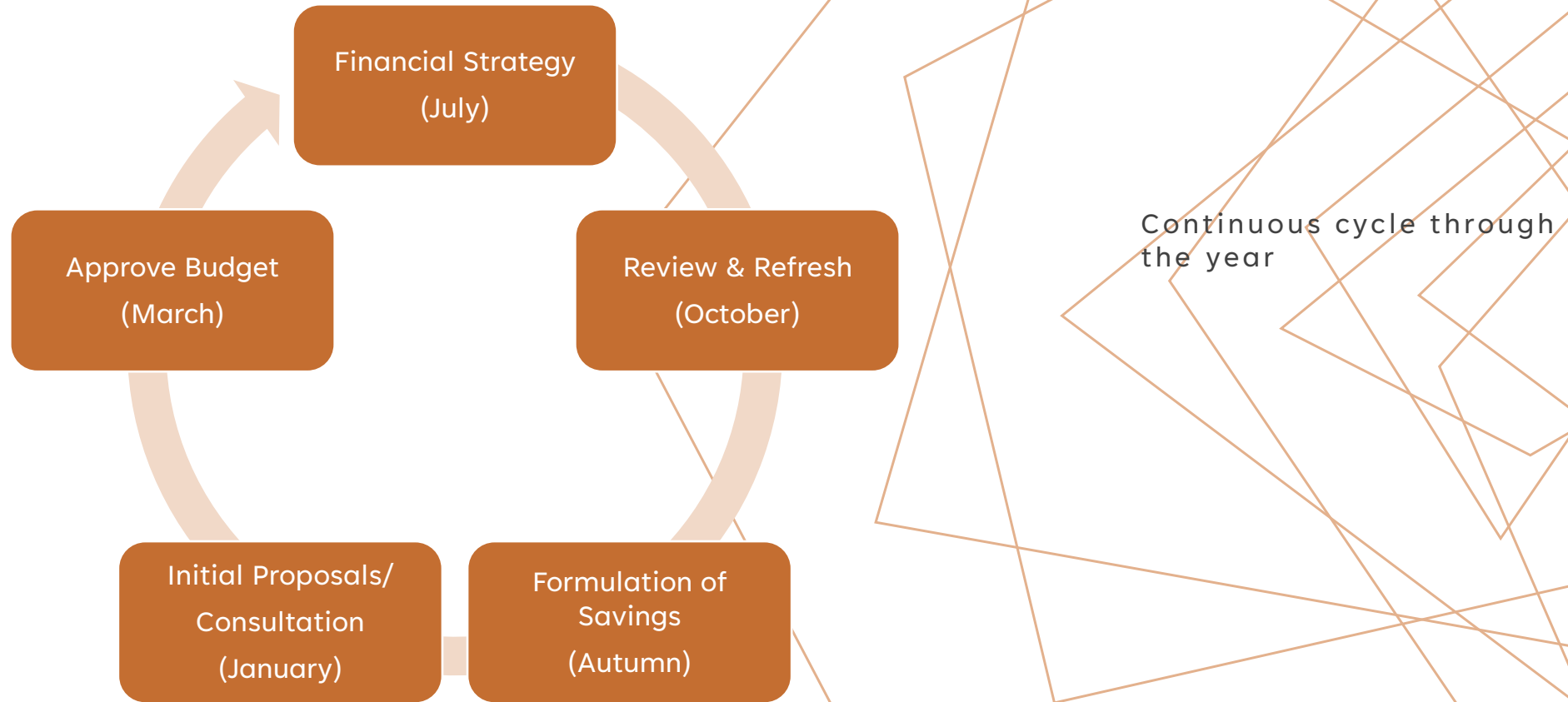
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HEALTHY LIVING AND SOCIAL CARE SCRUTINY COMMITTEE DECEMBER 2023



2024/25 BUDGET AND MTFP

BUDGET PLANNING CYCLE



FINANCIAL STRATEGY

- **Delivering Corporate Plan**
- Focus on supporting the most vulnerable
- Sustainable finances
- Appropriate level of reserves
- Generating local tax revenue
- Fees & charges
- Collective responsibility to manage the finances
- Accessible & transparent finances
- Deliver best value

	2024/25	2025/26	2026/27	2027/28	2028/29
	£K	£K	£K	£K	£K
Additional Funding					
Government Grant	6,084	2,089	2,110	2,131	2,152
Council Tax	4,761	3,937	4,090	4,250	4,416
Reversal of 2022/23 use of reserves	-496	0	0	0	0
Use of smoothing Reserves	-155	-1,700	-500	-445	0
Total Additional Funding	10,194	4,326	5,700	5,936	6,568
Investment	255	1,262	1,000	0	0
Demography	5,165	2,635	2,543	2,543	2,543
Inflation Pay	4,834	5,110	5,075	5,075	5,075
Inflation Non Pay	5,104	3,341	3,408	3,476	3,545
Capital Financing	0	190	224	187	0
Other Pressures	5,409	881	637	252	623
Total Pressures	20,767	13,419	12,887	11,533	11,786
Overall Gap	10,573	9,093	7,187	5,597	5,218

REVIEW AND REFRESH

Very
challenging
financial
Position
Raw pressures
totalled £38m

Significant
review
necessary
before 16
November
Cabinet Paper

NEXT STEPS

Action	Date
UK Government Budget	22 November 2023
Welsh Government Settlement	19 December 2023
Budget for Consultation (both Revenue and Capital)	January 2024
Draft/Final Budget	February/March 2024

January/February – Key period for members to scrutinise the proposals – not just savings but also the funding and spending assumptions

REVENUE 2023-24 Q2 MONITORING

KEY HEADLINES

- Continuing to see a challenging Revenue position for the period to Q2 Monitoring.
- This report sets out an overall unplanned use of reserves of £6.768m and a further £6.5m for schools.
- The report sets out a revised budget which strips out Corporate Recharges for Office Accommodation and services such as HR, Legal, Finance and the Contact Centre.
- The report also sets out some steps that have been taken to mitigate the emerging overspends in year.

Directorate	Amended Budget 2023/24	Projected Outturn 2023/24	Variance	Unplanned Use of Reserves	Residual Variance 2023/24	Use of Reserves 2023/24
	£000's	£000's	£000's	£000's	£000's	£000's
Schools	114,239	114,410	171	171	0	8,921
Learning and Skills	14,050	14,671	621	621	0	1,718
Social Services	85,260	93,529	8,269	5,884	2,385	9,912
Environment and Housing	31,809	33,009	1,200	0	1,200	295
Corporate Resources	17,081	16,781	-300	0	-300	519
Place	3,401	3,493	92	92	0	485
Policy	30,678	27,393	-3,285	0	-3,285	-42
Use of Reserves	-2,096	-2,096	0	0	0	-2,096
Total	294,422	301,190	6,768	6,768	0	19,712
Housing Revenue Account	15,538	15,538	0	0	0	0
Adjusted Total	309,960	316,728	6,768	6,768	0	19,712

KEY HEADLINES

- Across Council have a significant emerging overspend position in Social Services across Adults and Childrens and Young People Sectors, this will be funded in year from Reserves.
- School Transport and highways maintenance also contribute to overspends.
- Some mitigation from Policy underspends against borrowing and additional Council Tax Surplus.

COMMITTEE SPECIFIC POSITION

Social Services

- The Social Services Budget programme continues in 2023/24 and will utilise a contribution of £1.828M of funding and additional efficiency savings of £81K. It is proposed that, in the context of the significant cost pressures being reported by the service during the 2023/24 financial year and also in future years, these funding requirements should be consolidated with the other Directorate cost pressures to enable a single and more strategic programme of transformation to be developed for future years.
- The Social Services budget is also expected to utilise £2M of step in funding from the Social Services reserve
- The projected outturn for Social Services in 2023/24 is an adverse variance of £8.269M which will need to be mitigated by additional savings identified in year or the unplanned use of reserves
- The planned drawdown from reserves for 2023/24 is £4.028M with a further £5.884M required to offset the additional adverse variance this poses significant additional budgetary pressures that will need to be addressed as part of the 2024/25 budget proposals and will leave the balance in the Social Services reserve at nil.

COMMITTEE SPECIFIC POSITION

Social Services

Key pressures in addition to the reserves funding set out below within the directorate include the following;

- Rising cost associated with placements for Children and Young People.
- Additional legal costs associated with increased complexity and incidence of care proceedings.
- Increase in care hours required for adults which can in part be explained by a return to care following Covid, an increase in the incidence of double handed care and also Demographic pressures.
- The service is also reporting an increase in residential and nursing placements, an increase in direct care placements and respite.
- The cost of placements can sometimes peak in October and we have seen some reductions in the cost of Adult care at the latest monitoring position.

COMMITTEE SPECIFIC POSITION

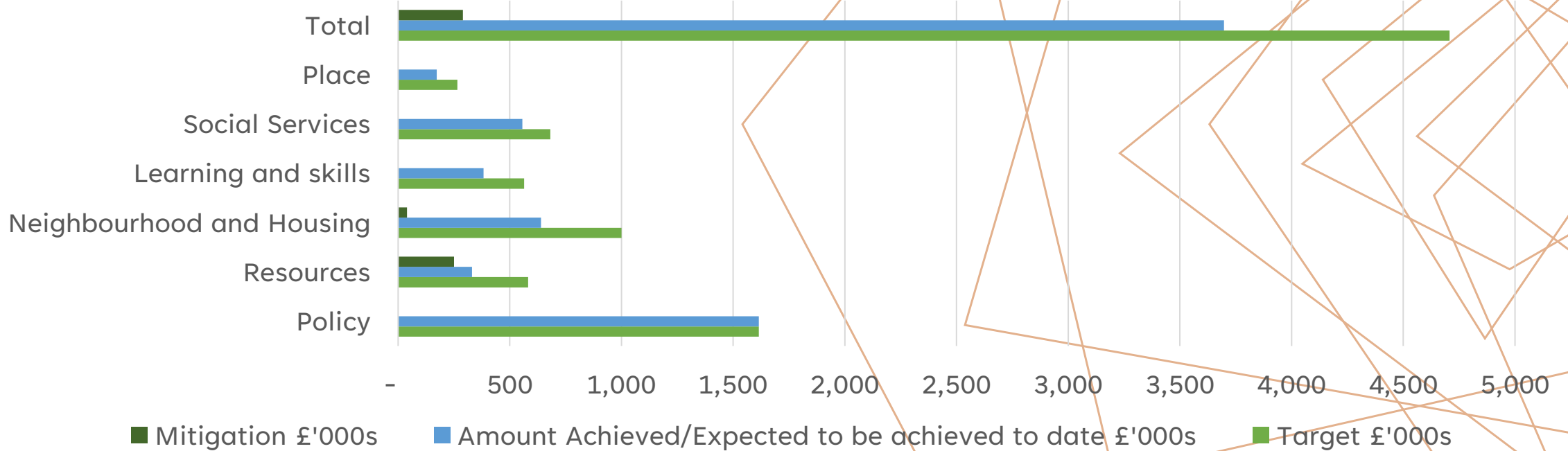
Leisure

No specific pressures being reported at this stage

Possible Energy pressures may emerge as we progress through the Winter.

EFFICIENCIES

Projected Achievement of Savings by Directorate £000's



RESERVES

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As at	Balance 01/04/2023	Capital Funding	Planned Transfer (from) reserves	Planned Transfer to reserves	Unplanned Drawdown from Reserves	Estimated Balance 31/03/2024
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523	-	- 496	0	- 171	10,856
Insurance	4,877	-	0	0	0	4,877
Service Reserves	22,521	- 672	- 6,329	42	- 6,666	8,896
Risk and Smoothing Reserves	29,802	- 3,276	- 3,966	0	-	22,560
Capital	17,726	- 10,331	0	403	-	7,798
Schools	7,254	-	-	0	- 6,500	754
Housing Revenue Account	16,486	- 15,537	0	0	0	949
Total	110,190	- 29,816	- 10,791	445	- 13,337	56,690

Significant planned use of reserves for Capital and HRA

The Council uses Reserves for three things....

1. To fund Council Priorities such as the Capital Programme
2. To manage known Risk
3. To manage ringfenced budgets such as HRA

CAPITAL PROGRAMME Q2 MONITORING

Q2 CAPITAL MONITORING

- Details progress of the Capital Programme from 1st April to 30th September 2023.
- Approved programme - £129.298M
- Revised forecast outturn projected - £107.653M.
- Spend to end of September 2023 - £25.666M.

Actual Spend to September 2023	Directorate	Approved Programme 2023/24	Forecast Outturn 2023/24	Variance	Slippage Requested
£000		£000	£000	£000	£000
6,549	Learning & Skills	34,725	26,880	(7,845)	7,490
104	Social Services	937	928	(9)	0
13,425	Housing	53,727	49,927	(3,800)	3,800
4,649	Environment	26,269	21,582	(4,687)	4,520
710	Place	7,698	4,886	(2,812)	746
106	Corporate Resources	2,231	1,944	(287)	40
0	City Deal	2,506	301	(2,205)	2,205
123	Pipeline Schemes	1,205	1,205	0	0
25,666	Total	129,298	107,653	(21,645)	18,801

CAPITAL REVIEW

- Capital Programme Review undertaken which will release £5.545M funding back into reserves.

Funding Source	£'000
Reserves	2,174
Capital Receipts	500
General Capital Funding	2,450
Borrowing	400
Revenue Contribution to Capital	21
Total	5,545

- Further proposals removed uncommitted schemes and vired money to help mitigate future years revenue pressures.
- 2 requests under the Capital Programme review section - removal of WCCIS Implementation and IT Developments from the 2023/24 Capital Programme relevant to this Scrutiny Committee.

Within the remit of the Scrutiny Committee

- 5 requests under the main body of the report which including adding new schemes for Social Services Electric Bike Scheme, Air Handling Unit at Llantwit Leisure Centre and new flooring at Colcot Sports Hall. Increase existing scheme budget for Community and Leisure Centre and Belle Vue.
- 1 request under the Environment and Housing slippage section for Celtic Walk Park and Play Area at Rhoose.
- 1 Delegated Authority to add the UK Government Shared Prosperity Funding which included funding for Knap Skate Park.

VALE of GLAMORGAN



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Agored • Open

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