

Meeting of:	Healthy Living and Social Care
Date of Meeting:	Tuesday, 05 December 2023
Relevant Scrutiny Committee:	Healthy Living and Social Care
Report Title:	Quarter 2 Revenue Monitoring 2023/24
Purpose of Report:	To advise Committee of the Quarter 2 Revenue Monitoring position for 2023/24
Report Owner:	Director of Social Services
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 officer

Executive Summary:

The table below sets out the Revised Budget by Directorate.

Directorate	Amended Budget 2023/24 £000's	Projected Outturn 2023/24 £000's	Variance £000's	Unplanned Use of Reserves £000's	Residual Variance 2023/24 £000's	Use of Reserves 2023/24 £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

The revenue position for 2023/24 continues to reflect challenging demand and inflationary pressures, with increasing demand in respect of Children's and Adults Social Care and significant increases in the cost of placements and care packages, Support for Additional Learning Needs

continues to be an area of significant pressure within Learning and Skills. The Council is also experiencing continued inflationary pressures in respect of School Transport. Across services inflationary pressures are also being experienced in respect of pay, most notably where market forces are being utilised and for the funding gap between provision for the 2023/24 pay award and the likely pay award for 2023/24.

The Council has identified a number of steps to be taken in year to help mitigate this emerging overspend and safeguard reserves, this includes tighter controls on expenditure and recruitment and a review of the Capital programme. The Corporate Resources Directorate has identified a potential underspend of £300k to be offset against emerging overspends and there is a projected underspend of £1m against Council tax income due to the projected collection of arrears, new properties, changes in allowances and premiums on empty homes.

Challenging savings and efficiency targets have been set for 2023/24 this includes a target of £2.75M for schools and £4.628M of Corporate savings. The progress against these savings targets is reflected in the Appendix and summarised in the table below.

Directorate	Target	Projected	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s		£'000s		£'000s	£'000s
Policy	1,615	1,615	100%	-	0%	-	0%
Resources	582	331	57%	250	43%	1	0%
Neighbourhood and Housing	1,000	640	64%	40	4%	320	32%
Learning and skills	564	383	68%	-	0%	181	32%
Social Services	681	556	82%	-	0%	125	18%
Place	265	173	65%	-	0%	92	35%
Total	4,707	3,698	79%	290	6%	719	15%

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

As at	Balance 01/04/2023	Capital Funding	Planned Transfer (from) reserves	Planned Transfer to reserves	Unplanned Drawdown from Reserves	Estimated Balance 31/03/2024
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523	-	- 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

Recommendations

1. That the position with regard the Authority's 2023/24 Revenue Budget be noted.

Reasons for Recommendations

1. To inform Committee of the projected revenue outturn for 2023/24.

1. Background

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

2. Key Issues for Consideration

Emerging Corporate Pressures

- 2.1 The revenue position for 2023/24 continues to be challenging for the Council both operationally and financially due to the ongoing implications of the Cost of Living Crisis, support for Ukrainian refugee, inflationary pressures and the continuing impact of the COVID-19 pandemic. The Council has continued to see additional pressures as a result of these factors particularly across Education, Housing and Social Services.
- 2.2 Welsh Government issued a statement on its own financial position on 17 October following a written statement by the First Minister in August that the Welsh budget was worth £900M less than when initially set in 2021. A package of measures was put together and is detailed in the Cabinet report. There is no further detail available at this time and the potential impact on the Vale of Glamorgan is not clear.

Revenue Financial Position

- 2.3 The table below details the original budget and reflects any requested virements. The use of reserves will be necessary to address emerging inflationary pressures and deliver projects across the service.
- 2.4 In recognition of the deterioration of the in year revenue monitoring position based on Quarter 2 full year projections and the need to identify in year savings, safeguard reserves for future volatility and maximise the accuracy of the projections a number of steps have been taken by the Senior Leadership Team and managers across the Council in recent months as set out below.

- Tighter controls around non essential expenditure and recruitment.
- Senior Leadership Team review of **capital programme**
- Senior Leadership Team review of **use of reserves**, with all requests for use routed via Section 151 Officer and Chief Executive
- Senior Leadership Team to determine savings to **bring forward into 2023/24**

2.5 The Council is fortunate to have sizable reserves that will help it manage some of this emergent in year volatility and implement initiatives to enable transformational change to adapt services and utilise opportunities around the use of digital solutions and alternative ways of working to continue to deliver the Annual Delivery Plan objectives and safeguard services for the vulnerable. The scale of pressures in the Social Care, Education and Housing sectors are significant and pose a challenge both in year and over the medium term financial plan and this is explored further later in this report.

Table 2 – Forecast Outturn 2023/24

Directorate/Service	Original Budget	Budget Adjustments	Revised Budget	Projected Outturn	Variance	Use of Reserves
	£000	£000	£000	£000	£000	£000
Learning and Skills						
Schools	115,439	-	115,439	115,610	171	7,550
Use of Reserves (Schools)	-1,200	-	-1,200	-1,371	-171	1,371
Strategy, Culture, Community Learning and Resources	8,911	-2,197	6,714	7,252	538	687
Directors Office	252	-	252	252	0	0
Additional Learning Needs and Wellbeing	4,113		4,113	4,208	95	382
Standards and Provision	3,163	- 192	2,971	2,959	-12	28
Additional Savings/Unplanned Use of Reserves	0	-	0	-621	-621	621
Total Learning and Skills (incl. Schools)	130,678	-2,389	128,289	128,289	0	10,638
Social Services						
Children and Young People	19,645	- 1,131	18,514	22,509	3,995	1,363
Adult Services	60,026	-1,725	58,301	62,150	3,849	2,408
Resource Management and Safeguarding	8,452	- 723	7,729	8,246	517	257
Youth Offending Service	768	- 52	716	624	- 92	0
Additional Savings/Unplanned Use of Reserves	0	-	0	-5,884	- 5,884	5,884
Total Social Services	88,891	-3,631	85,260	87,645	2,385	9,912
Environment and Housing						
Neighbourhood Services and Transport	30,663	-2,456	28,207	29,407	1,200	200

Building/Cleaning Services	0	-	0	0	0	50
Regulatory Services	2,084	-416	1,668	1,668	0	0
Council Fund Housing	2,213	-279	1,934	1,934	0	45
Public Sector Housing (HRA)	10,672	4,866	15,538	15,538	0	0
Total Environment and Housing	45,632	1,715	47,347	48,547	1,200	295
Corporate Resources						
Resources	3,688	12,701	16,389	16,089	-300	519
Housing Benefit	692	-	692	692	0	0
Total Corporate Resources	4,380	12,701	17,081	16,781	-300	519
Place						
Regeneration	1,932	- 438	1,494	1,494	0	221
Development Management	2,162	- 436	1,726	1,726	0	130
Private Housing	227	- 46	181	273	92	42
Additional Savings/Unplanned Use of Reserves	0	-	0	-92	-92	92
Total Place	4,321	- 920	3,401	3,401	0	485
Policy						
General Policy	33,288	- 2,610	30,678	27,393	-3,285	-42
Total Policy	33,288	- 2,610	30,678	27,393	-3,285	-42
Use of Reserves	-2,096	-	-2,096	-2,096	0	-2,096
Grand Total	305,094	4,866	309,960	309,960	0	19,724

Revised Budget 2023/24

2.6 Table 2 reflects the proposed 2023/24 Revised Budget and this includes a budget adjustment transferring expenditure of £12.7m to Corporate Resources to remove internal recharges for central services such as the Contact Centre, Communications, Human Resources, ICT, Finance, Property and Office Accommodation, Legal and Democratic Services as well as the administration of NNDR and Council Tax.

2.7 The Council is proposing to remove these allocations for a number of reasons set out below:

- The allocation of these charges to Corporate Resources improves transparency and more clearly shows the lines of control and reporting for these services areas which is particularly important for the accurate consideration of any potential savings in this area.
- The allocations are arbitrary and time consuming and are often based on outdated or misleading data. The Council is also required to strip corporate recharges out of the financial data in the accounts when preparing the Council's statement of accounts.

- Having reviewed the practice across Wales it is considered that the majority of Welsh Authorities do not prepare their management accounts with corporate services recharged and therefore we are an outlier in this area.
- Some Corporate recharges are maintained within the budget where they are required for ringfenced accounts this include, licensing, Building Control, the Housing Revenue Account and the trading accounts for Building Services and Building Cleaning and Security.

Learning and Skills

- 2.8 The Learning and Skills budget was set at £130.711M for 2023/24 and included use of reserves of £1.2M to support the Schools budget. The Budget assumed £2.75M efficiencies for schools and £564K corporately.
- 2.9 Budget Adjustments of £2.389m are requested as part of this report to remove the impact of corporate central recharges on the budget and more accurately reflect the controllable budget of the Directorate. This gives a revised budget for 2023/24 of £128.289m.
- 2.10 It is currently projects that schools will outturn with a net £171k shortfall which will necessitate a contribution from the Council's General Fund. Work will continue with schools to try and achieve balanced budgets and schools are being challenged where appropriate and work is ongoing to support schools in reducing deficits where possible.
- 2.11 The projected outturn for Learning and Skills in 2023/24 is an adverse position of £621k which will need to be mitigated by additional savings identified in year or a draw down from the services' reserves and is further detailed in the Cabinet Report.
- 2.12 Key pressures within the directorate include the following:
- Retirement and Redundancy costs in schools
 - Reduction in Out of County Income for pupils from other Local Authorities attending Special Schools and Resource Bases.
 - Children's Placement Costs - Due to increasing numbers of placements and the increasing cost of those placements.
 - Additional Welsh Medium Provision – establishment of a new Welsh Medium Resource Base is being set up at Gwaun Y Nant from September 23 and the existing provision at Whitmore Resource Base and Hafan Resource Base (Gladstone school) is being increased.

Social Services

- 2.13 The Social Services budget was adjusted to £88.891M for 2023/24 at Q1 Monitoring. The Budget assumed £600K efficiencies which are currently on track to be achieved in year.

- 2.14 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 to reduce the use of reserves as part of the agreed five year programme period. 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.
- 2.15 The Social Services budget is also expected to utilise £2M of step in funding from the Social Services reserve as commissioning of Social Services care hours has increased in excess of the initial projections for 2023/24.
- 2.16 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 and further detailed in Appendix A.
- 2.17 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. To safeguard reserves additional in year savings will continue to be explored and reserve allocations reviewed.
- 2.18 Key pressures in addition to the reserves funding set out below within the directorate include the following;
- Rising cost associated with placements for Children and Young People.
 - Additional legal costs associated with increased complexity and incidence of care proceedings.
 - Increase in care hours required for adults which can in part be explained by a return to care following Covid and also Demographic pressures.
 - The service is also reporting an increase in residential and nursing placements, an increase in direct care placements and respite.

Environment and Housing

- 2.19 The Environment and Housing budget was set at £34.960M for 2023/24 with a further £10.672M for the Housing Revenue Account as part of the Q1 Revenue Monitoring Report. It is proposed that the revised budget is set at £31.809M after a transfer for Corporate Recharges of £3.151M.
- 2.20 The Budget assumed £1M efficiencies some of which are on track to be achieved, some are delayed and some have been mitigated by projected additional income generated in year.
- 2.21 The projected outturn for Environment and Housing in 2023/24 is an adverse variance of £1.2M and this is further detailed in the Cabinet Report.

- 2.22 Key pressures within the directorate include the following:
- Highways patching and pot holes projected overspend £850k
 - Staffing budgets – market forces payments to HGV drivers approximate costs £350K.
 - Transport budgets – increased costs of fuel/parts/depreciation
 - Ash die back – work continues and £200K drawdown from reserves is assumed for this.
 - Animal Welfare investigations within Regulatory Services
 - Accommodation to meet the need of homeless people and families currently based at the Copthorne Hotel.
 - Cost of providing support to assist Ukranian families moving into the Eagleswell school site.
- 2.23 Public Sector Housing (HRA) - The HRA is expected to outturn on target and any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the drawdown from the Housing Revenue Account reserve. The Revised Budget reflects the amended 2023/24 budget which is further detailed in the specific HRA report included on the Cabinet agenda for 16th November, 2023.

Corporate Resources

- 2.24 The Corporate Resources budget was amended to £4.380M for 2023/24 as part of the Q1 Revenue Monitoring Report. It is now proposed that the revised 2023/24M budget is set at £17.081M after a transfer for Corporate Recharges of £12.701M.
- 2.25 The Budget assumed £582K efficiencies which whilst some are delayed in year will be mitigated by underspends elsewhere in the service so the savings target will be achieved in year. The budget position is detailed in the Cabinet Report.
- 2.26 The projected outturn for Corporate Resources in 2023/24 is a favourable variance of £300M and largely relates to the Office Accommodation budget.
- 2.27 Key pressures within the directorate include the following:
- Delays to the implementation of 2023/24 savings initiatives such as the reorganisation of Council Office space which impacts savings proposals for Docks Office and Contact OneVale.
 - Coroner Services Overspend £70K.
 - Legal Services Income Shortfall
 - Annual Microsoft Licencing Cost

Place

- 2.28 The Place budget was amended to £4.321M for 2023/24 as part of Q1 Monitoring it is now proposed that the revised budget is set at £3.401M after a transfer of £785M for Corporate Recharges and £135M to correct a depreciation budget.
- 2.29 The Budget assumed £265K efficiencies which are currently on track to be achieved in year with the exception of £20K against private housing which is delayed due to the delayed review of the provision of Disabled Facilities Grants. The budget position is detailed in the Cabinet Report.
- 2.30 The projected outturn for Place in 2023/24 is an adverse variance of £92k after planned use of reserves of £243K. This overspend will need to be offset by a contribution of £92K from Place reserves and further detailed in the Cabinet Report.
- 2.31 Key pressures within the directorate include the following:
- Vale Enterprise Centre – closure of buildings.
 - Planning Fee income.
 - Private Housing fee income.

Policy

- 2.32 Policy – The Policy Budget was amended to £33.288M for 2023/24 as part of the Q1 Revenue monitoring and assumed £1.565M of savings. It is now proposed that the revised budget is set at £30.678M reflecting a £2.610M transfer of corporate recharges to the Corporate Resources budget line. It is currently projected that all savings targets as set out in Appendix B will be achieved in 2023/24.
- 2.33 The projected outturn for Policy in 2023/24 is a favourable variance of £3.385M as detailed below. Of this a sum of £2.9M will be utilised to offset the costs of emerging overspends in year, and £385K is allocated to offset the additional costs associated with additional permanent capacity in Children’s Services that will be progressed as a priority cost pressure as part of the 2024-25 budget proposals.
- 2.34 Projected Favourable Variances - Due to the improved performance on the Council’s Treasury Management Investment during 2023/24 as a result of the base rate rises throughout the period there is projected to be a surplus on investment income of approximately £1M. As in previous years the Council continues to utilise an approach of maximising internal borrowing. As this approach reduces the external borrowing costs that are met by the Authority it is currently projected that a surplus will be reported against this budget in 2023/24 of £1.385M.

- 2.35 Council Tax – The current projection is that the Council Tax will report a £1m surplus at year end which takes in to accounts projected reduced arrears, empty homes premiums and new properties and changes in allowances.
- 2.36 A significant increase in provision for arrears was made as part of the closure in accounts for 2022/23 and if arrears are reduced this should have a positive impact on income balances in 2023/24. At the end of September our collection rate position was 57.2% compared to 57.3% at the end of September 2022. Whilst this does remain down on the equivalent 2022/23 position, that difference has narrowed from 0.4% in July to only 0.1% in September. Whilst some in year recovery had taken place prior to the end of September, the majority of recovery action has still been on pre 2023/24 debts due to the hiatus in recovery action last year. However, in year recovery has now begun in earnest from October 2023 so expect this position to improve further going forwards. During the first 6 months of this financial year we have continued to improve reducing our overall arrears position (pre in-year Council Tax) by now having reduced these by over £1,200,000 more than we had reduced our arrears by in the same period of 2022/23. As such we have now actually reduced our overall arrears position by £500,000 more in the first 6 months of this financial year, compared with the whole of 2022/23. Quarter 2 of the Welsh Authorities collection position has yet to be published, however we will update our position once this information is available.

Efficiency Targets

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

Table 3 – Progress against 2023/24 Savings

Directorate	Target	Amount Projected	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s		£'000s		£'000s	£'000s
Policy	1,615	1,615	100%	-	0%	-	0%
Resources	582	331	57%	250	43%	1	0%

Neighbourhood and Housing	1,000	640	64%	40	4%	320	32%
Learning and skills	564	383	68%	-	0%	181	32%
Social Services	681	556	82%	-	0%	125	18%
Place	265	173	65%	-	0%	92	35%
Total	4,707	3,698	79%	290	6%	719	15%

2.40 Whilst Social Services may not achieve the savings target in full during 2023/24 this is due to the need to handle any placement moves very carefully and the savings are expected to be achieved for 2024/25.

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

Use of Reserves

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

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

2.44 The below analysis reflects the capital review that is further outlined in the Q2 Capital Monitoring report also on this agenda. It also includes the unplanned use of reserves outlined in this report, the Council will continue to seek to mitigate emerging overspends in year as outlined in this report to safeguard reserves to help mitigate the emerging challenging funding position for the Council outlined in the Medium Term Financial Plan.

Table 4 – Use of Reserves

As at	Estimated Balance 31/03/23	Capital Funding	Planned Transfer (from) reserves	Un Planned Transfer to/(from) reserves	Budget Use of Reserve	Transfer into Reserves	Estimate d Balance 31/03/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523	-	-	-171	-496		10,856

Insurance	4,878	-	-	-	-		4,878
Service Reserves							
Learning and Skills	4,131	-	-1,820	-691	-		1,620
Social Services	10,015	-	-4,028	-5,884	-		103
Neighbourhood Services	3,078	-646	-	-	-		2,432
Corporate Resources	733	-	-93	-	-		640
Place	2,096	-26	-224	-92	-		1,754
Other Service Reserves	1,625	-	-64	-	-	42	1,603
Other Corporate	842	-	-100	-	-		742
Risk and Smoothing Reserves							
Homelessness and Housing Reserve	4,456	-	-45	-	-200		4,211
Cost of Living	854	-	-329	-	-200		325
Pay Pressures	4,168	-	-299	-	-		3,869
Energy Pressures	3,885	-150	-	-	-2,400		1,335
Legal	2,000	-	-129	-	-		1,871
Project Zero	2,325	-288	-215	-	-		1,822
Investment and Growth Fund	2,353	-	-	-	-		2,353
Reshaping Risk and Investment	2,523	-490	-160	-	-		1,873
Corporate Landlord	5,707	-2,171	-	-	-		3,536
Digital Reshaping	1,531	-177	11	-	-		1,365
Capital Reserves		-	-	-	-		0
Capital	17,726	-10,331	-	-	-	403	7,798
Sub Total	86,450	-14,279	-7,495	-6,838	-3,296	445	54,987
Ring Fenced Reserves							
Schools	7,254	-	-	-6,500	-	0	754
Housing Revenue Account	16,486	-15,537	-	-	-	0	949
Total Reserves	110,190	-29,816	-7,495	-13,338	-3,296	445	56,690

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

- 3.1 The revenue budget has been set in order to support services in the delivery of the Council's Well-being objectives. It is therefore important for expenditure to be monitored to ensure that these objectives are being delivered.

- 3.2 The revenue budget has been set and is monitored to reflect the 5 ways of working.
- 3.3 **Looking to the long term** - The setting of the revenue budget requires planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
- 3.4 **Taking an integrated approach** - The revenue budgets include services which work with partners to deliver services e.g. Health via ICF.
- 3.5 **Involving the population in decisions** – As part of the revenue budget setting process there has been engagement with residents, customers and partners.
- 3.6 **Working in a collaborative way** – The revenue budgets include services which operate on a collaborative basis e.g. Shared Regulatory Service, Vale Valleys and Cardiff Adoption Service.
- 3.7 **Understanding the root cause of issues and preventing them** – Monitoring the revenue budget is a proactive way of understanding the financial position of services in order to tackle issue at the source as soon as they arise.

4. Climate Change and Nature Implications

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

5. Resources and Legal Considerations

Financial

- 5.1 As detailed in the body of the report.

Employment

- 5.2 As detailed in the body of the report.

Legal (Including Equalities)

- 5.3 There are no legal implications.

6. Background Papers

None.

Appendix A

Directorate Monitoring: Social Services

The Social Services Budget for 2023/24 is set out in the table below and reflects the removal of Corporate Recharges £3.631m and a virement of £160k between Children and Young People Services and Adults Services.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Children and Young People	19,645	-1,131	18,514	22,509	3,995	1,363
Adult Services	60,026	-1,725	58,301	62,150	3,849	2,408
Resource Management & Safeguarding	8,452	-723	7,729	8,246	517	257
Youth Justice and Early Support Service (nee Youth Offending Service)	768	-52	716	624	-92	0
Total	88,891	-3,631	85,260	93,529	8,269	4,028
Unplanned Use of Reserves	0	0	0	-5,884	-5,884	5,884
Adjusted Total	88,891	0	85,260	87,645	2,385	9,912

The projected outturn for the Social Services budget for 2023/24 is an overspend of £8.269m with a planned drawdown from Reserves of £4.028m including £2m as part of the approach to step in the uplift for 2023/24 for external providers. The remaining sum being utilised as part of the Social Services Budget Programme, additional costs associated with market forces for Social Services.

Whilst steps will be taken within the service to mitigate this overall overspend it is likely that a significant contribution to the £8.269m additional projected overspend will need to be funded from Social Services reserves (a contribution of £5.884m is assumed as part of this report) and a contribution of £2.385m from the Policy Underspend is assumed.

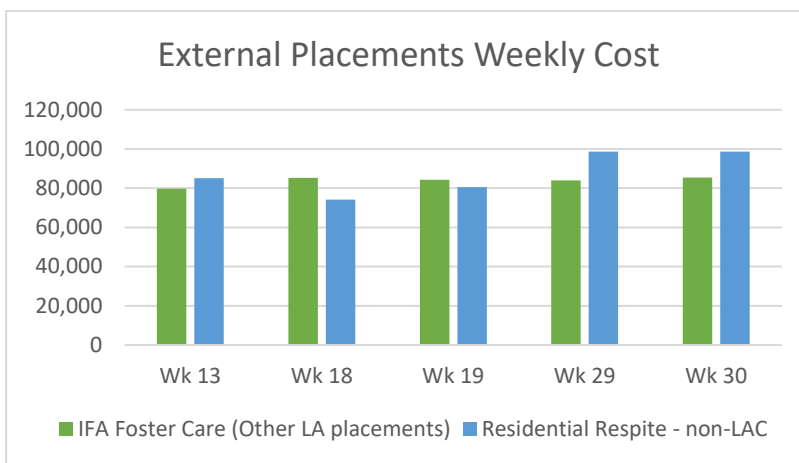
The current projected drawdown from reserves for 2023/24 is £9.912m whilst the £2m step in is included in current cost pressures the balance poses significant additional budgetary pressures that will need to be addressed as part of the 2024/25 budget proposals and the

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

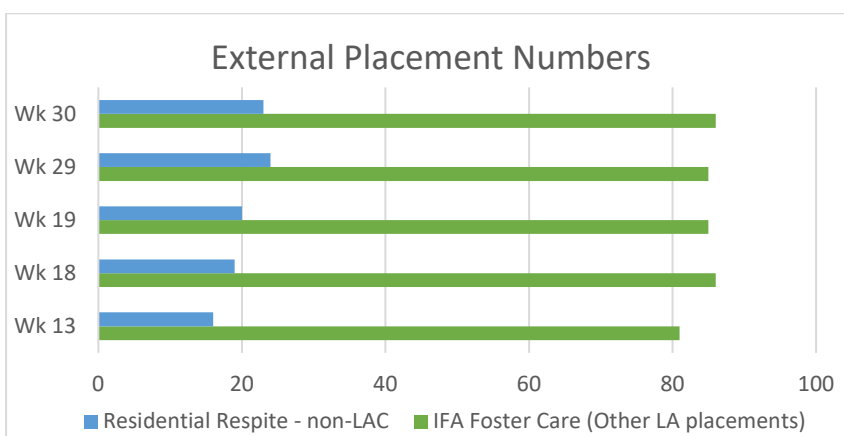
Key Pressures for 2023/24 in the Social Services budget.

Children and Young People Services Overspend of approximately £4.155k

- Rising costs associated with placements for Children and Young People means a projected overspend of £1,929k. The weekly cost of External Placements increased from £79,806 to £85,424 for Independent Fostering Arrangements (IFA) Fostering Care and from £85,105 to £98,757 for Residential Care between Qtr. 1 (Week 13) and Qtr. 2 (Week 30).



- External Placement numbers increased by 5 for Independent Fostering Arrangements (IFA) Foster Care and by 7 for Residential Care between Qtr. 1 (Week 13) and Qtr. 2 (Week 30).



- The cost for the Emergency Duty Team, which provides an emergency out of hours service for children and adults, is projecting a cost pressure of £35k.

- Additional Legal costs associated with increased complexity and incidence of care proceedings projected overspend £406k.
- There are significant pressures with Conveyancing costs £253k, Accommodation Payments for Housing £658k, Fostering Payments £366k and Assessment Services of £225k, all contributing to the overall overspend.

Adult Services projected overspend £3.849m

- Increase in care hours required for adults which can in part be explained by a return to care following Covid and Demographic pressures. The service is also reporting an increase in residential and nursing placements, an increase in direct care placements and respite. Total projected overspend for Community Care Finance is approximately £5.1m, overspend projections usually peak around this time of year and it is possible that these projections will reduce as the year progresses and additional grant income may be identified.
- These overspends are offset by staff vacancies within the service, additional grant income this includes projected underspends against Vale Community Reablement Service due to a number of vacancies in the team (VCRS) £432k and staff vacancies in the Day Service, Teams at Llandough Hospital, New Horizons, Contact One Vale and Long Term Care £564k there is also unbudgeted income of £172k and other surpluses of £83k.

Resource Management and Safeguarding projected overspend £517k.

- Staffing cost pressures within Vale Council owned residential care homes in the region of £637k. The pressure on staffing budgets is due to the level of relief staff and agency staff required within the homes to manage sickness levels as part of arrangements implemented during the pandemic, there is also pressure in respect of recruitment gaps and vacant posts within the service.
- Increased cost of food and fuel at the residential homes is also having an impact.
- This overspend has been offset by staffing vacancies, additional grant income and underspends elsewhere within the service.

Savings Tracker Update

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

Planned Drawdown on Reserves in Year.

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown
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		£000's
Social Services Reserve	£2m step in funding to cover the increased cost and take up of Community Care Packages	2,000
Social Services Reserve	Children's Services to support additional costs associated with Market Forces payment to staff, Adoption Allowances and Legal Costs	1,163
Reshaping Risk and Investment Reserve	Project to develop financial strategy for Children's services	200
Social Services Reserve	Contribution towards additional staffing capacity in Resource Management & Safeguarding	257
Social Services Reserve	Contribution towards additional staffing capacity in Adults Services	408
Social Services Reserve	Projected amount required to cover additional spend in Community Care due to an increase in number of care hours and uplifts in cost	3,114
Social Services Reserve	Projected amount required to cover additional spend in Children and Young People Services	2,770
Total Use of Reserves		9,912

Appendix B Savings Tracker

Directorate	Description of Saving Proposal	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value	Percentage Achieved
			£'000	£'000			Achieved/ Expected to be Achieved	
			2023/24	2024/25			2023/24	
Directorate Learning and Skills								
Learning and Skills	Payments to Non Maintained Nursery Providers	Service Review	20	14	Green	Notice given to St Donats	20	100%
Learning and Skills	Removal of schools emergency repairs budget	Service Review	90		Amber	Even though the budget has been cut there is an ongoing pressure relating to emergency repairs in schools. Whilst this is relatively small at the moment it is likely to increase during the winter months. This area will be kept under review	68	76%
Learning and skills	Move to cost recovery position for ACL	Generating Income	-	80				n/a
Learning and skills	Makerspace income generation for letting out of makerspace rooms in barry and penarth libraries	Generating Income	20		Amber as unable to predict income generation	Budget has been set including new income target. Unable to predict at this early stage whether the income target will be achieved		0%
Learning and skills	External income -income generation for letting to external organisations for filming and events	Generating Income	20		Amber as unable to predict income generation	Budget has been set including new income target. Unable to predict at this early stage whether the income target will be achieved		0%
Learning and skills	Stop providing newspapers and DVDs in libraries	Service Review	15		Green	Budget has been cut, service will no longer purchase DVDS	15	100%
Learning and skills	Increase libraries fees and charges by 12%	Generating Income	5		Green	fees have been increased in the budget	5	100%
Learning and skills	Review Arts Provision	Service Review	65		Amber dependent on options appraisal.	Re -evaluation of options proposals developed following extensive consultation to be reconsidered in light of current financial situation and savings required. This process is underway and costed proposals will follow.		0%
Learning and Skills	Reshaping of Out of School Tuition	Service Review	89		Green	The way in which OOST is delivered has been altered so that most tuition is delivered online rather than face to face. This is not ideal but is not out of sync with many other LAs. Budget saving will be achieved but service affected	89	100%
Learning and Skills	Increase in retained element of Post 16 WG grant for school improvement administration	Service Review	50		Green	Post 16 grant for schools has been top-sliced to contribute towards the central costs of the Learning and Skills Directorate. £50k has been included as an ongoing budgeted income	50	100%
Learning and skills	Review use of alternative funding sources to support service delivery	Service Review	190		Green	Shared Prosperity Fund grant has increased not decreased as anticipated. Staff roles within the Youth Service have been reassigned to work on the shared prosperity grant funded project	136	72%
Subtotal Directorate Learning and Skills			564	94			383	68%
Directorate Social Services								

Appendix B Savings Tracker

Directorate	Description of Saving Proposal	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value	Percentage Achieved
			£'000	£'000			Achieved/ Expected to be Achieved	
			2023/24	2024/25			2023/24	
Social Services	Closer to Home Residential Care (C&YPs)	Invest to Save	200	100		Delays on Building Programme and Recruitment of Staff, need to go through registration process- Likely to be utilised in Autumn of 2023 with first placement currently being reviewed. Likely to be between £65k and £85k	75	38%
Social Services	Reduced building rental	Corporate Asset Strategy	-	50		Part of wider asset reorganisation review overall costs and savings position.	0	0%
Social Services	Closer to Home Supported Living (LD)	Invest to Save	-	100		Further smart houses planned, additional work required to review potential for savings.	0	0%
Social Services	Budget Programme Savings 2023-24	Invest to Save	81			Potential to identify 2023/24 target from review of high cost packages of care and commitments and health funding further review work to be undertaken.	81	0%
Social Services	Additional Income	Generating Income	400			Budget Adjustment	400	100%
Subtotal Directorate Social Services			681	250			556	82%
Directorate Neighbourhood and Housing								
Neighbourhood and Housing	Increase in fees and charges	Generating Income	30		Green	Fees & Charges increased for 23/24	30	100%
Neighbourhood and Housing	Parking Charging Review	Generating Income	20	100	Amber	Residents permits - Cabinet Report due to be taken delayed due to 20mph work		0%
Neighbourhood and Housing	Review Car Park Provision	Corporate Asset Strategy	50	-	Amber	Court Road Car Park- Awaiting the result of the Public Consultation plan before this can		0%
Neighbourhood and Housing	Stop provision of sandbags	Service Review	5	-	Green	Achieved	5	100%
Neighbourhood and Housing	Expand Construction and Design Team	Generating Income	-	25				n/a
Neighbourhood and Housing	Rationalisation of Public Conveniences	Corporate Asset Strategy	-	50				n/a
Neighbourhood and Housing	Review Charges for Coastal Toilets	Generating Income	-	5				n/a
Neighbourhood and Housing	Mobile Cleansing Service	Service Review	-	50				n/a
Neighbourhood and Housing	Mobile Parks Service	Service Review	-	50				n/a
Neighbourhood and Housing	Review Planting in Parks consider use of shrubs/drought resistant planting and sponsorship	Service Review	-	15				n/a
Neighbourhood and Housing	Do not apply for Green Flag and Coastal Awards	Service Review	5	-	Red	Senior Management instructed that Green Flag & Coastal Awards should continue. N		0%
Neighbourhood and Housing	Allotment Charging	Generating Income	3	-	Green	Charges increased for 23/24 to reflect cost recovery and letters have now gone out.		0%

Appendix B Savings Tracker

Directorate	Description of Saving Proposal	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value	Percentage Achieved
			£'000	£'000			Achieved/ Expected to be Achieved	
			2023/24	2024/25			2023/24	
Neighbourhood and Housing	Double Shift Mechanical sweepers (2 vehicles plus one spare)	Service Review	40	-	Green	Has been achieved by transferring 2 members of staff to vacant posts within cleansing		0%
Neighbourhood and Housing	Review use of external suppliers	Service Review	-	25				n/a
Neighbourhood and Housing	Reduce Grass cutting schedule to 5 cuts a year	Service Review	40	-	Red but mitigated	Tender price higher than anticipated therefore savings not achieved	-	0%
Neighbourhood and Housing	Enforcement Income	Income Generation			Green	Enforcement used to mitigate the above	-	N/A
Neighbourhood and Housing	Jenner Park alternative model	Corporate Asset Strategy	-	65				n/a
Neighbourhood and Housing	Commercial Opportunities and Business Support review	Service Review	50	130	Green	Reception at Alps closed. 2 x posts vacant within support	50	100%
Neighbourhood and Housing	Reassess Tracking Information to rationalise fleet	Service Review	-	10				n/a
Neighbourhood and Housing	Charge for Post 16 Transport	Generating Income		-				n/a
Neighbourhood and Housing	Waste Collection for Black Bags to 3 weeks	Service Review	150	-	Amber	Due to commence from 1st July 2023 Shortfall due to delayed	100	67%
Neighbourhood and Housing	Green Bag Subscription Charge	Generating Income	500	-	Amber	Commenced in July £350k collected to date opportunity to increase	350	70%
Neighbourhood and Housing	Commercial Waste electric vehicles invest to save - business case	Invest to Save	-	50				n/a
Neighbourhood and Housing	Garage Generation of additional income	Generating Income	-	10				n/a
Neighbourhood and Housing	Charging for public use of Electric vehicle chargers	Generating Income	2	3	Amber	Not able to move forward with this in 23/24	-	0%
Neighbourhood and Housing	Reduced Contribution Regulatory Services	Service Review	21		Budget Adjustment	Budget Adjustment	21	100%
Neighbourhood and Housing	Budget Adjustment Pre Tenancy Adviser and VATs budget	Service Review	26		Achieved - budget adjusted.	Budget Adjustment	26	100%
Neighbourhood and Housing	Review Senior Officer Recharges to HRA to ensure no cross subsidisation	Generating Income	33		Achieved - budget	Budget Adjustment	33	100%
Neighbourhood and Housing	Review Support Function - Vacant Posts	Service Review	25		Achieved - budget	Budget Adjustment	25	100%
Subtotal Directorate Neighbourhood and Housing			1,000	588			640	64%
Directorate Place								
Place	General Efficiencies within Regeneration service	Service Review	25		Budget Adjustment		25	100%
Place	Review of facilities contracts	Corporate Asset Strategy	10	23	Amber	Negotiations are underway regarding termination of the lease at VEC, this is an Invest		0%

Appendix B Savings Tracker

Directorate	Description of Saving Proposal	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved/ Expected to be Achieved	Percentage Achieved
			£'000	£'000				
			2023/24	2024/25				
Place	Administration target for Creative Communities team	Generating Income	15		Budget Adjustment		15	100%
Place	Review of Regeneration & Economic Development Support Services	Service Review	62		Amber	Review of Regeneration structure is underway, but delayed, a	50	80%
Place	Reduce events grants budget	Service Review	3		Budget Adjustment		3	100%
Place	Review of visitor attractions in country parks	Service Review	50	22	Amber	Review of country parks attractions – delayed due to the need to undertake a feasibil		0%
Place	Review planning and additional fee income (e.g. PPAs)	Generating Income	36		Budget Adjustment	Developers are being offered the opportunity to enter agreeen	36	100%
Place	Review of Business Support function	Service Review	44		Green	staff savings achievable	44	100%
Place	Increased DFG provision (removal of means testing)	Generating Income	20		Unlikely due to the delay in the establishment of a single adaptations team. Early stages of reshaping work indicate that whilst a new team will create better systems and provide better services it is unlikely that any substantial cost savings will be made	Unlikely to be achieved	-	0%
Subtotal Directorate Place			265	45			173	65%
Directorate Corporate Resources								
Resources	Mayor's Supplies and Services Budget	Service Review	4		Achieved - budget adjusted.		4	100%
Resources	Democratic Supplies and Services Bud	Service Review	1		Achieved - budget adjusted.		1	100%
Resources	Registrars Supplies and Services Budg	Service Review	1		Achieved - budget adjusted.		1	100%

Appendix B Savings Tracker

Directorate	Description of Saving Proposal	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved/ Expected to be Achieved	Percentage Achieved
			£'000	£'000				
			2023/24	2024/25				
Resources	Legal Services Supplies and Services Budget	Service Review	17		Achieved - budget adjusted.		17	100%
Resources	Budget Supplies and Services Adjustments	Service Review	9		Achieved - budget adjusted.		9	100%
Resources	Supplies and Services Budget Adjustments	Service Review	17		Achieved - budget adjusted.		17	100%
Resources	Supplies and Services Budget Adjustments	Service Review	9		Achieved - budget adjusted.		9	100%
Resources	Supplies and Services Budget Adjustments	Service Review	20		Achieved - budget adjusted.		20	100%
Resources	Supplies and Services Budget Adjustments	Service Review	13		Amber	Need to consider impact of OD refreshments cut	12	92%
Resources	Registrars' Income	Generating Income	30		Green	Budget has been adjusted. Additional target should be achieved	30	100%
Resources	O2 Mobile Phone Contract	Contract/Procurement	55		Green	Achieved - budget adjusted to reflect lower tariff however applied	55	100%
Resources	Managed Print Service	Contract/Procurement	-	70				n/a
Resources	Annual RSA Support Costs - Reduction	Contract/Procurement	22		Green	Saving is predicated on the reduced use of RSA due to greater	22	100%
Resources	Review C1V Office Accommodation	Corporate Asset Strategy	50		Amber	Full saving will not be achieved during 23/24 as review is ongoing and this is part of a		0%
Resources	Review Docks Office Site	Corporate Asset Strategy	200	100	Amber	Full saving will not be achieved during 23/24 as review is ongoing and this is part of a		0%
Resources	Remove Vacant Posts	Workforce Review	43		Green	Achieved - posts removed from establishment.	43	100%
Resources	Shared Cost AVCs	Generating Income	25		Green	The Shared Cost AVC deductions process commenced in August	25	100%
Resources	e-Billing in Revenues	Digital Strategy	7		Green	#####	7	100%
Resources	Hybrid Mail - Housing Benefits	Digital Strategy	20		Green	Project has been kicked off and team have engaged with Business	20	100%
Resources	Vale proportion of Vacant Post	Workforce Review	15		Achieved - Vale share of post removed from establishment.		15	100%
Resources	Vale proportion of miscellaneous supplies and services savings from budget	Service Review	2		Achieved - Vale share of budget adjusted		2	100%
Resources	Counter fraud budget reduction	Service Review	22		Achieved - budget adjusted	Service includes a high target for fraud reduction. Annual income	22	100%
Subtotal Directorate Corporate Resources			582	170			331	57%
Policy								
Policy	Mayor's hospitality budget and twinning	Service Review	40		Achieved Budget Adjustment		40	100%
Policy	Appropriation of Debt to HRA - Savings against borrowing costs	Service Review	25		Achieved Budget Adjustment		25	100%

Appendix B Savings Tracker

Directorate	Description of Saving Proposal	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value	Percentage Achieved
			£'000	£'000			Achieved/ Expected to be Achieved	
			2023/24	2024/25			2023/24	
Policy	Temporary Capital Financing Headro	Service Review	1,000	- 500	Achieved Budget Adjustment	1,000	100%	
Policy	Additional Investment Income (Temp	Generating Income	550	- 300	Dependent on Income Generation	550	100%	
Subtotal Policy			1,615	- 500		1,615	100%	
Total Savings			4,707	647		3,698	79%	
Subtotal Directorate Learning and Skills			564	94		383	68%	
Subtotal Directorate Social Services			681	250		556	82%	
Subtotal Directorate Neighbourhood and Housing			1,000	588		640	64%	
Subtotal Directorate Place			265	45		173	65%	
Subtotal Directorate Corporate Resources			582	170		331	57%	
Subtotal Policy			1,615	- 500		1,615	100%	
Total Savings			4,707	647		3,698	79%	

Directorate	Target	Amount Achieved/ Expected to be achieved to date	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s		£'000s		£'000s	£'000s
Policy	1,615	1,615	100%	-	0%	-	0%
Resources	582	331	57%	250	43%	1	0%
Neighbourhood and Housing	1,000	640	64%	40	4%	320	32%
Learning and skills	564	383	68%	-	0%	181	32%
Social Services	681	556	82%	-	0%	125	18%
Place	265	173	65%	-	0%	92	35%
Total	4,707	3,698	79%	290	6%	719	15%
	4707	3697.6				- 1,009	-

