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| Meeting of: | Homes and Safe Communities Scrutiny Committee |
| Date of Meeting: | Wednesday, 09 March 2022 |
| Relevant Scrutiny Committee: | Homes and Safe Communities |
| Report Title: | Revenue and Capital Monitoring for the Period 1st April 2021 to 31st January 2022 |
| Purpose of Report: | To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April 2021 to 31st January 2022 |
| Report Owner: | Report of the Director of Environment and Housing |
| Responsible Officer: | Carolyn Michael Interim Head of Finance/S151 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 2021/22 will be challenging with the continuing pressure for the service both operationally and financially as a result of the COVID 19 pandemic. This will impact 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. • A savings target for the year has been set at £6k. • The capital budget for this Committee has been set at £21.175m. | |

Recommendations

1. That Scrutiny Committee consider the position with regard to the 2021/22 revenue and capital budgets.

Reasons for Recommendations

1. That Members are aware of the projected revenue and capital outturn for 2021/22.

1. Background

- 1.1 Cabinet on 22nd November 2021 approved the amended revenue budget and HRA budget for 2021/22 (minute no c733 and c737 respectively).

2. Key Issues for Consideration

Revenue

- 2.1 It is anticipated that services within this Committee's remit will outturn within budget at year end, with a projected underspend for the Youth Offending Service. A breakdown of this year's budget is shown in the table below.

| Directorate/Service | 2021/22 Original Budget | 2021/22 Amended Budget | 2021/22 Projected | Variance (+)Favourable (-) Adverse |
|-----------------------------|-------------------------------|------------------------------|----------------------|--|
| | £000 | £000 | £000 | £000 |
| Youth Offending Service | 707 | 707 | 607 | +100 |
| Regulatory Services | 1,825 | 1,825 | 1,825 | 0 |
| Council Fund Housing | 1,420 | 1,439 | 1,439 | 0 |
| Public Sector Housing (HRA) | (25) | 11,085 | 11,085 | 0 |
| Private Housing | 980 | 1,044 | 1,044 | 0 |
| Total | 4,907 | 16,100 | 16,000 | +100 |

- 2.2 Youth Offending Service - The Youth Offending Service is currently projecting a favourable variance of £100k due to staff vacancies and also the impact of Covid on the activities normally undertaken by the service. This surplus will be

transferred into the Youth Offending Service reserve at year end which is held in order to mitigate any potential future fluctuations in grant funding.

- 2.3** 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. Income, particularly Licensing income, has been affected by the pandemic however as with other services, WG has funded such losses.
- 2.4** Council Fund Housing - The position with regards the housing of the Vale's homeless during the pandemic remains unchanged, ie. as well as the provision at Ty Lolo hostel, bed and breakfast accommodation and council, leased and shared properties in the private rented sector, 3 local hotels have been block booked through to March 2022 in order to accommodate the on-going need. Costs of these block bookings are being funded by WG until March 2022. WG has advised that they will fund accommodation in hotels into the next financial year. The team are looking at a longer term strategy to provide the necessary accommodation. The main pressure on the Council Fund Housing budget this year remains the CCTV provision in Community Safety where a previous savings target cannot be achieved due to on-going negotiations with the police service and the Police and Crime Commissioner regarding the future monitoring of CCTV output. Capital funding set aside by this Council for upgrading its CCTV equipment remains available. As such, it is anticipated that unless this saving can be covered by underspends elsewhere within the service, the funding for CCTV shall be drawn down from reserves to cover this shortfall.
- 2.5** Public Sector Housing (HRA) - The HRA is expected to breakeven at year end. Due to further slippage on the capital programme in 2021/22 into 2022/23 which requires a reduced revenue contribution to capital (CERA) and as a consequence no drawdown from the HRA reserve will be required in 2021/22. The Housing Business Plan assumes a drawdown of £11.077m from reserves in 2022/23 to fund the Housing Improvement Programme.
- 2.6** Private Housing - Disabled Facility Grants fee income is showing signs of recovery since the restrictions have eased, but it still remains behind profile. It is anticipated that any shortfall in fees to the end of the financial year will again be claimed back from the WG.

2021/22 Efficiency Targets

- 2.7** As part of the Final Revenue Budget Proposals for 2021/22 an efficiency target of £6k has been set for services under this Committee and a breakdown is shown in Appendix 1. It is anticipated that this target will be achieved this year.

Capital

- 2.8** Appendix 2 details financial progress on the Capital Programme as at 31st January 2022. The following changes have been made to the Capital Programme since the last report to Committee.
- 2.9** Salisbury Road No. 91 (YOS) External Repairs Phase 2 - Further work is being undertaken to confirm the details of the required works, therefore this budget will not be spent this financial year. It has been requested that £15k is carried forward into the 2022/23 Capital Programme.
- 2.10** Ty lolo Hostel - Lift installation - Following routine maintenance of the lift at Ty lolo Hostel there were major repairs identified which resulted in the lift being beyond economical repair. An emergency replacement lift was installed. It has therefore been requested to vire £20k from the Emergency works scheme to this new scheme in the 2021/22 Capital Programme.
- 2.11** HRA New Build - Due to delays in acquisitions the schemes have been reprofiled. It has therefore been requested that £1.250m be carried forward into the 2022/23 Capital Programme.
- 2.12** HRA Internal Works - Accessing properties has caused delays along with the procurement of the framework. The schemes have been reprofiled. It has therefore been requested that £250k be carried forward into the 2022/23 Capital Programme.
- 2.13** HRA External Works - Due to delays with the contractor starting on site, which is now March 2022, the delivery of the schemes have been reprofiled. It has therefore been requested that £354k be carried forward into the 2022/23 Capital Programme.
- 2.14** Individual Schemes - Increases in the contract price, contractor's timescale to mobilise and issues with obtaining a bat licence led to delays with the contractor starting on site, which is now March 2022, thus the schemes have been reprofiled. It has therefore been requested that £124k be carried forward into the 2022/23 Capital Programme.
- 2.15** Common Parts - Due to staff turnover, there are delays in delivery and the contractor is expected to start on site in April 2022 therefore the schemes have been reprofiled. It has therefore been requested that £641k be carried forward into the 2022/23 Capital Programme.
- 2.16** Emergency Works - Due to the level of works required and the estimated cost, this project has been put on hold pending a viability assessment and therefore the scheme has been reprofiled. It has therefore been requested that £81k be carried forward into the 2022/23 Capital Programme.
- 2.17** IHP- Heating retrofit - Due to properties that have been identified as no longer being appropriate and access issues, there are delays in delivery. This scheme has

been reprofiled. It has therefore been requested that £100k be carried forward into the 2022/23 Capital Programme.

- 2.18** Environmental Works - Due to staff turnover the delivery of Williams Irving and Owen scheme has been delayed and will now start on site March 2022. Due to delay in contractors not bidding for the Awbery House scheme the works will now commence June 2022. Buttrills environmental works are due to commence in February 2022 with the majority of works being completed in 2022/23. These schemes have now been reprofiled. It has therefore been requested that £1.397m be carried forward into the 2022/23 Capital Programme.
- 2.19** Energy Efficiency - Due to staff turnover and delays in the contractor starting on site the start date is now March 2022, thus the schemes have been reprofiled. It has therefore been requested that £965k be carried forward into the 2022/23 Capital Programme.

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** Included in this report is a request to carry forward budget of £5.162m into 2022/23 relating to the Housing Improvement Programme which is ringfenced within the Housing Revenue Account (HRA). This is a result, in part, due to problems in the supply chain and an increase in the cost of materials. This will result in the budget being reduced to £14.643m. The implications of this are that there will no longer be a requirement to raise unsupported loans to fund capital expenditure this financial year and the level of revenue contributions to capital will reduce from £14.723m to £7.526m.

Employment

- 4.2** There are no employment implications.

Legal (Including Equalities)

- 4.3** There are no legal implications.

5. Background Papers

None

PROGRESS ON APPROVED EFFICIENCIES 2021/22

| Service | Total Efficiency £000 | Projected Efficiency £000 | RAG Status | Update Comments, Issues & Actions | Relevant Scrutiny Committee | Project Manager |
|---|----------------------------------|--------------------------------------|-------------------|--|------------------------------------|------------------------|
| General Fund Housing | | | | | | |
| Corporate Recovery and Efficiency Savings 21/22 | 4 | 4 | Green | Savings achieved | Homes & Safe Communities | Mike Ingram |
| Private Housing | | | | | | |
| Corporate Recovery and Efficiency Savings 21/22 | 2 | 2 | Green | Savings achieved | Homes & Safe Communities | Marcus Goldsworthy |
| COMMITTEE TOTAL | 6 | 6 | 100% | Green | | |

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

| PROFILE TO DATE | ACTUAL SPEND 2021/22 | | APPROVED PROGRAMME 2021/22 | PROJECTED OUTTURN 2021/22 | VARIANCE AT OUTTURN 2021/22 | PROJECT SPONSOR | COMMENTS |
|-----------------|----------------------|--|----------------------------|---------------------------|-----------------------------|-----------------|---|
| £000 | £000 | | £000 | £000 | £000 | | |
| | | <u>Youth Offending Service</u> | | | | | |
| 0 | 0 | Salisbury Road No. 91 (YOS) External Repairs Phase 2 | 15 | 0 | 15 | R Evans | Request to carry forward £15k into the 2022/23 Capital Programme as part of this report. |
| 0 | 0 | | 15 | 0 | 15 | | |
| | | <u>Housing Improvement Programme</u> | | | | | |
| 253 | 253 | HRA Internal Works | 812 | 562 | 250 | M Punter | Maintenance of WHQS e.g. Kitchens, bathrooms, rewires and heating systems. Slippage of £250k requested as part of this report. |
| 758 | 758 | HRA External Works | 1,664 | 1,310 | 354 | M Punter | Continuation of installation of windows & doors, roof replacements, wall repairs, sewage treatment works and Airey properties refurbishment. Slippage of £354k requested as part of this report. |
| 5 | 5 | Individual Schemes | 841 | 717 | 124 | M Punter | Delivery of individual schemes and External Wall insulation on 17 Leaseholder blocks. Slippage of £124k requested as part of this report. |
| 327 | 327 | Energy Efficiency | 2,206 | 1,241 | 965 | M Punter | Continuation of External Wall Insulation and Energy efficiency. Slippage of £965k requested as part of this report. |
| 226 | 226 | Emergency Works | 497 | 396 | 101 | M Punter | Emergency works schemes i.e. Building works to resolve property structural and damp issues. £20k Virement re Ty lolo Lift installation and Slippage of £81k requested as part of this report. |
| 166 | 166 | Aids and Adaptations | 350 | 350 | 0 | M Punter | Delivery of major adaptations. |
| 63 | 63 | Common Parts | 1,151 | 510 | 641 | M Punter | Delivery of the fire safety management upgrade works and communal area improvements. Slippage of £641k requested as part of this report. |
| 625 | 625 | Environmental Improvements | 2,961 | 1,564 | 1,397 | M Punter | On-going works to the Buttrills Estate, Williams/Irving and Owen scheme and Highway Maintenance Schemes. Slippage of £1.397m requested as part of this report. |
| 3,787 | 3,787 | New Build | 8,274 | 7,024 | 1,250 | M Punter | Holm View Phase 1 and Court Road completed. Continuation of schemes at Hayes Road (Completion March 2022), St Cyres Road (start on site delayed to March 2022), Hayeswood Road (Contract Pending). Schemes at Holm View Phase 2, Maes y Ffynnon (Planning re-submission) and the Colcot Clinic (Out to tender Feb 2022) will be slipped into 2022/23. Also includes feasibility works for new schemes and acquisition of properties/land. Slippage of £1.250m requested as part of this report. |
| 0 | 20 | Ty lolo Hostel - Lift installation | 0 | 20 | -20 | M Punter | Request to vire £20k from the Emergency Works scheme as part of this report. |
| 424 | 424 | IHP- Heating retrofit | 695 | 595 | 100 | M Punter | Continuation of heating retrofit scheme. Slippage of £100k requested as part of this report. |
| 0 | 0 | ICF - Penarth Older Persons Village | 300 | 300 | 0 | M Punter | Continuation of previous years scheme. |
| 35 | 35 | Penarth Food Pod | 48 | 48 | 0 | M Punter | Scheme progressing well. |
| 5 | 6 | Everyone Garden Education Centre | 5 | 6 | -1 | M Punter | Scheme complete. Overspend to be funded from revenue. |
| 6,674 | 6,695 | | 19,804 | 14,643 | 5,161 | | |
| | | <u>Community Safety</u> | | | | | |
| 3 | 3 | Upgrade of CCTV system | 348 | 348 | 0 | M Punter | Order to be placed imminently. |
| 0 | 0 | Target Hardening Grant | 21 | 21 | 0 | M Punter | Welsh Government grant to purchase target hardening equipment. Scheme will be complete by the end of the financial year. |
| 3 | 3 | | 369 | 369 | 0 | | |
| | | <u>Private Housing</u> | | | | | |
| 559 | 559 | Disabled Facilities Grant | 800 | 800 | 0 | P Chappell | In the process of issuing grants. |
| 10 | 10 | Barry Island and Cosmeston Toilets | 10 | 10 | 0 | P Chappell | Scheme complete. |
| 38 | 113 | ENABLE Grant | 177 | 177 | 0 | P Chappell | WG grant funded scheme, scheme progressing. |
| 607 | 682 | | 987 | 987 | 0 | | |
| 7,284 | 7,380 | COMMITTEE TOTAL | 21,175 | 15,999 | 5,176 | | |