

Meeting of:	<b>Homes and Safe Communities Scrutiny Committee</b>
Date of Meeting:	<b>Wednesday, 07 September 2022</b>
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	<b>Revenue Closure of Accounts 2021/22</b>
Purpose of Report:	The accounts are complete, and this report is to inform Committee of the provisional financial position of the Council for the 2021/22 financial year.
Report Owner:	<b>Report of the Director of Environment and Housing</b>
Responsible Officer:	<b>Head of Finance/Section 151 Officer</b>
Elected Member and Officer Consultation:	This report does not require Ward Member consultation
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The year end revenue position was an adverse variance of £13K after net transfers to reserves of £18.151M, made up of £642K transferred into the Council Fund, £18.818M transferred into specific reserves from revenue, £118K drawn down from the Insurance Fund and £1.191M drawdown from reserves to fund the capital programme. The Council Fund now stands at £12.510M as at 31st March, 2022.</li> <li>• A revenue savings target of £500K was set for 2021/22 and there was a shortfall of £120K against this target in the year, the delivery of these savings will continue to be monitored during 2022/23 the General Fund Housing and Private Housing Savings were fully achieved in year.</li> <li>• The Housing Revenue Account was also able to increase the level of its ringfenced reserve to £17.439M after achieving a £5.439M surplus.</li> </ul>	

## **Recommendations**

1. That the report and the financial measures taken and proposed be noted.
2. That Members note the Final amended 2021/22 budget as shown in Appendix 1.

## **Reasons for Recommendations**

1. To approve the report and the financial measures taken and proposed.
2. That Scrutiny Committee are aware of the amended budget for 2021/22 which reflects an increase in Revenue Support Grant awarded by Welsh Government during 2021/22

## **1. Background**

- 1.1 Following the end of the financial year, Cabinet is provided with provisional outturn figures for the Council. It is anticipated that the Statement of Accounts will be approved by Council in the early part of November 2022, which will follow the audit by Audit Wales.

## **2. Key Issues for Consideration**

### **Impact of COVID-19**

- 2.1 The revenue position for 2021/22 was challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This was pressure as a result of incurring additional expenditure and also from a loss of income.
- 2.2 Since March 2020, Welsh Government (WG) has provided financial support to cover additional expenditure incurred through the Local Authority Emergency Hardship Grant. For the period April 2021 to March 2022 the Council received £15.184M.
- 2.3 In addition, WG also provided grant support to cover the loss of income and just over £1.353M was received for the year. The basis of this calculation was to compare income received in 2021/22 to the income received pre pandemic in the 2019/20 financial year.
- 2.4 The Council has also received other specific grant funding from WG to cover additional costs relating to COVID-19 such as £4.7m for Covid related Homelessness and Housing Related Support. The impact of the COVID-19 pandemic will be discussed in further detail throughout this report.

## Council Fund

- 2.5** Council on 10th March, 2021 agreed the Council's budget requirement for 2021/22. This represented budgeted net expenditure for the Authority of £251.653m. Total expenditure was to be financed by Revenue Support Grant (£124.398M), National Non-Domestic Rates contribution (£43.918m) and Council Taxpayers (£83.337M). The Standard Spending Assessment (SSA) for the year was £257.077m.
- 2.6** The directorate revenue budgets have been amended and approved by Cabinet during the financial year. Due to an additional RSG allocation of £2.448M made in the last quarter of the financial year a further amendment to the budget is required. Of the additional £2.448M, additional budget of £1.5m was awarded to Neighbourhood Services & Transport, £0.540M to fund the ongoing Oracle implementation and £0.408m to fund the purchase of electric vehicles within Social Services over future financial years. A virement is requested as set out in Appendix 1 to the report which increases the budget to £254.101M.
- 2.7** At year end there was a £13K adverse variance which was drawn down from the General Fund. Total transfers to reserves of £18.151M were made up of a £642K contribution to the Council Fund and £18.818M transferred into specific reserves, £118K drawn down from the Insurance Fund and £1.191M drawdown from reserves to fund the capital programme. Appendix 1 amends the revised budgets to take account of technical accounting adjustments and changes to recharges and additional Revenue Support Grant received late in the financial year.
- 2.8** The following table compares the amended budget and the actual expenditure, including transfers to and from reserves, for the Council. The final column shows the net transfers to specific reserves for each directorate which has been included within the actual expenditure figures.

Service Year - 2021/22	Original Revenue Budget	Amended Revenue Budget	Total Provisional Actual	Variance +Favourable ( ) Adverse	Net Transfer to /(From) Reserve
	£000	£000	£000	£000	£000
<b>Social Services</b>					
Youth Offending Service	707	707	707	0	147
<b>Total</b>	<b>707</b>	<b>707</b>	<b>707</b>	<b>0</b>	<b>147</b>
<b>Environment and Housing</b>					
Regulatory Services	1,825	1,825	1,825	0	83
Council Fund Housing	1,420	1,475	1,475	0	(99)
<b>Total</b>	<b>3,245</b>	<b>3,300</b>	<b>3,300</b>	<b>0</b>	<b>(16)</b>
<b>Managing Director and Resources</b>					
Private Housing	1,043	1,044	1,044	0	303
<b>TOTAL</b>	<b>1,043</b>	<b>1,044</b>	<b>1,044</b>	<b>0</b>	<b>303</b>
<b>OVERALL TOTAL</b>	<b>4,995</b>	<b>5,051</b>	<b>5,051</b>	<b>0</b>	<b>434</b>

2.9 The main reasons for the variances are set out in the following paragraphs.

#### Social Services

##### Youth Offending Service - Breakeven

Table 1.1 Youth Offending Service Analysis of Variances

Adverse Variances	2021/22
Favourable Variances	£000s
Staffing Vacancies	(70)
Additional Grant Income	(67)
Other Underspends	(10)
<b>Total Variance</b>	<b>(147)</b>

Table 1.2 Youth Offending Service Analysis of Contributions to Reserves

Contribution to Reserves	Transfer To/(From) Reserves
	£000s
Youth Offending Reserve	147
<b>Total Contributions to Reserves</b>	<b>147</b>

2.10 There was a favourable variance of £70K on staffing mainly as a result of vacancies. The service also had a favourable variance on grant income of £67K

and other underspends totalling £10K. The favourable variance has been offset by a transfer of £147K to the Youth Offending Team Reserve.

## Environment and Housing

### Regulatory Services – Breakeven

**Table 1.3 Regulatory Service Analysis of Variances**

	<b>2021/22</b>
<b>Favourable Variances</b>	£000s
Receipt of 2020/21 Underspend Shared Regulatory Services	(44)
Other Underspends	(39)
<b>Total Variance</b>	<b>(83)</b>

**Table 1.4 Regulatory Service Analysis of Contributions to Reserves**

<b>Contribution to Reserves</b>	Transfer To/(From) Reserves
	£000s
Regulatory Services Reserve	83
<b>Total Contributions to Reserves</b>	<b>83</b>

- 2.11** The Vale of Glamorgan Council has acted as host for a Shared Regulatory Service (SRS) since May 1st, 2015. There was a favourable variance of £83K on the Regulatory Services base budget, held by the Vale of Glamorgan Council for its own share of the service. Included within this figure is £44K which relates to the repayment to the Vale of Glamorgan of its apportionment of the underspend from the SRS during 2020/21, which was allocated following approval by the Joint Committee in September 2021. This underspend allowed a £83K transfer to the Regulatory Services reserve.

### Council Fund Housing – Breakeven

**Table 1.5 Council Fund Housing Analysis of Variances**

<b>Adverse Variances</b>	<b>2021/22</b>
	£000s
CCTV Service	124
Recovery of Housing Benefit	31
Cadoxton House	14
Other Adverse Variances	30
<b>Favourable Variances</b>	
Staff Vacancies Homelessness Prevention	(52)
Staff Vacancies Community Safety Team	(33)
Use of Regional Approach	(6)

Additional Funding Domestic Abuse Service	(9)
<b>Total Variance</b>	<b>99</b>

**Table 1.6 Council Fund Housing Analysis of Contributions to/from Reserves**

<b>Contribution to/from Reserves</b>	Transfer To/(From) Reserves
	£000s
Community Safety Reserve	44
Homelessness Reserve	(3)
Supporting People Reserve	(10)
Rural Housing Enabler	(6)
Regulatory Service Reserve	(124)
<b>Total Contributions from Reserves</b>	<b>(99)</b>

**2.12** There were adverse variances totalling £193K with the majority of that figures, some £124K, due to unfunded costs of the CCTV service for the year. Recovery of housing benefit income from tenants placed in temporary accommodation was lower than anticipated by £31K during the year. There were adverse variances within the Community Safety service of £14K on Cadoxton House as running costs exceeded the rental income received on the property - officers are reviewing future capacity and opportunities for the property. There were also various smaller adverse variances totalling £30K.

**2.13** There were favourable variances totalling £100K, with £52K relating to the Homelessness Prevention team, due mostly to staff vacancies. The Community Safety Coordinator employee budget also had a £33K favourable variance due to savings from vacancies and maternity leave within the team. A £6k budget was not needed for the Pre-Tenancy Advisor post as a regional solution has been established. There was also a £9K favourable variance on the Domestic Abuse Service as the service has sourced additional funding opportunities during the year.

**2.14** This position allowed a net transfer of £93K from reserves - £44K into the Community safety reserve. £3K was needed from the Homelessness reserve and £10K was needed from the Supporting People reserve and £6k was needed as match funding for the Rural Housing Enabler Grant. £124K was also drawn down from the Regulatory reserve to cover the cost of the CCTV service for the year.

**Private Sector Housing: Grants- Breakeven**

**Table 1.7 Council Fund Housing Analysis of Variances**

<b>Adverse Variances</b>	<b>2021/22</b>
	<b>£'000s</b>
Revenue Contribution to Disabled Access Toilets at Barry Island and Cosmeston	10

Reduced Reserve funding Occupational Therapist post in the Disabled Facility Grants Team	40
<b>Favourable Variances</b>	
Reduced cost of DFG ICT Solution	(21)
Staff Vacancies	(30)
Penalty Interest on Housing Loans	(4)
Other Favourable Variances	(40)
<b>Total Variance</b>	<b>(45)</b>

**Table 1.8 Private Sector Housing Analysis of Contributions to Reserves**

<b>Contribution from Reserves</b>	Transfer To/(From) Reserves
	£000s
Private Sector Housing reserve.	45
<b>Total Contributions to Reserves</b>	<b>45</b>

**2.15** There were adverse variances totalling £50K. A revenue contribution to capital of £10K was required to cover overspends on the capital project 'Disabled Access Toilets at Barry Island and Cosmeston'. There was also an adverse variance of £40K due to a lower than budgeted drawdown from reserves to fund the cost of the Occupational Therapist post in the Disabled Facility Grants Team.

**2.16** There have been a number of favourable variances totalling £95K. Due to income from the Welsh Government Hardship Fund in 2021/22 the Disabled Facilities Grant fee income matched the 2019/20 actual receipts and this was £6K higher than the budget. There was also a favourable variance of £21K as the new IT solution for DFGs cost less than had been estimated. Staffing cost savings in the division of £30K were also realised, due to vacancies and maternity leave. Travel costs for the Division were some £5K under budget, due largely to the reduction in pool car use during the year. Administration fees and penalty fee income on Home Loans were also higher than anticipated by £4K during the year. There were also various smaller favourable variances totalling £29K.

**2.17** This favourable position allowed £45K to be transferred into the Private Sector Housing reserve.

**Private Sector Housing: Rent Allowances - Breakeven**

**Table 1.9 Private Sector Housing Analysis of Variances**

<b>Adverse Variances</b>	<b>2021/22</b>
	<b>£000's</b>
Annual Audit Fee	14
Housing Benefit Administration Subsidy	49
<b>Favourable Variance</b>	

Bad Debt Provision	(321)
<b>Total Variance</b>	<b>(258)</b>

**Table 1.10 Private Sector Housing Analysis of Contributions to Reserves**

<b>Contribution from Reserves</b>	Transfer To/(From) Reserves
	£000s
Welfare Reform Reserve	258
<b>Total Contributions to Reserves</b>	<b>258</b>

**2.18** There was an adverse variance of £14K on the annual audit fee, and £49K on Housing Benefit/Administration subsidy received from the Department for Works and Pensions. The adverse variance on DWP subsidy is mainly attributable to the effects of welfare reform in terms of migrating Housing Benefit claims over to universal credit, impacting on the subsidy the Council receives on its overpayments. There was a favourable variance of £321K on the bad debt provision. The underspend of £258K has been transferred to the Welfare Reform reserve.

#### **Housing Revenue Account**

**2.19** Council on 10th March 2021 (minute no.473) agreed the Authority's 2021/22 Housing Revenue Account (HRA) budget.

**2.20** The 2021/22 Housing Revenue Account (HRA) resulted in a surplus of £5.438m compared to the amended budget deficit of £11.085M. A breakdown is shown in Appendix 4. The HRA reserve balance opened at £12.000M and closed at £17.438M. This level is higher than the figure projected in the current Housing Business Plan, mainly due to a reduction in the required revenue contribution to capital. The level of this balance will therefore be reviewed as part of the production of the next Housing Business Plan.

**2.21** The net favourable HRA revenue budget variance of £16.523M is identified over the following areas.

**2.22** Supervision & Management General – Favourable Variance £236K

There were adverse variances on £1K to transfer to reserves.

There were favourable variances of £237K. £101K relating to vacant staff posts and apprentices, £27K on Central recharges due to a reduced contribution, £8k on premises, £90K relating to supplies and services mainly due to a reduction in leaflets, publications, surveys, hardware and software purchases for a new Housing system and £10K relating to transport due to a reduction in the use of pool cars due to COVID-19.



**2.23 Supervision and Management Special Services – Favourable Variance £90K**

This budget is split into three areas, Ty lolo Homeless Hostel, Vale Temporary Accommodation and Vale Special Services. The term 'Special Services' relates to communal costs for all housing areas throughout the Vale of Glamorgan, including sheltered accommodation, such as grass cutting, rubbish removal, communal lighting, security, warden salaries and environmental improvements.

There were adverse variances on Special Services of £1K relating to employee costs.

There were favourable variances on Special Services of £63K relating to premises cost such as Cesspit/Sewage maintenance, utilities, and fixtures & fittings.

There was also a favourable variance of £28K on supplies and services due to an underspend on Environmental improvements.

**2.24 Housing Repairs – Adverse Variance £328K**

There were adverse variances on planned and cyclical maintenance mainly as a consequence catching up on works that were not completed due to COVID-19 and an increase in costs.

**2.25 Capital Financing Costs – Favourable Variance £138K**

Interest charges were lower than originally estimated due to that no borrowing was required during the year to fund the Housing Investment Programme.

**2.26 Rents, Rates, Taxes and Other Charges – Favourable Variance £15K**

This is mainly due to rates, general legal expenses and consultant fees.

**2.27 Increase in the Provision for Bad and Doubtful Debts – Favourable Variance £69K**

This is mainly due to the tenant actual arrears being less than forecasted.

**2.28 Capital Expenditure from Revenue Account – Favourable Variance £16.110M**

It was not possible to fully spend the initial 2021/22 capital budget, mainly due to delays in procurement and staff turnover on various schemes. Slippage has been requested into 2022/23 for continuation of the Holm View phase 2, Hayes Road scheme etc. Contributions from leaseholders and additional capital grants has also reduced the level of revenue contribution required to fund capital expenditure. This has led to an increased balance on the HRA Reserve.

**2.29 Dwellings Rents – Favourable variance £21kK**

Dwelling rents collected were higher than budgeted.

**2.30** Non Dwelling Rents – Adverse variance £9K

Rents collected on garages were slightly higher than budgeted.

**2.31** Interest Received – Favourable variance £15K

The HRA reserve had a higher closing balance at year end than forecast and the interest rate during the year had increased.

**2.32** Charges for Services and Facilities – Favourable variance £31K

This is mainly due to additional income of £14K from housing repairs recharges. Other favourable variances were £6k lighting, £3K door entry, grounds maintenance £5K and £3K on lease income.

**2.33** Contribution towards expenditure – Adverse variance £39K

This adverse variance is largely due to the water commission received being less than budgeted by £41K. There was a favourable variance relating to the donations of £2K.

**2.34** Other Income – Favourable variance £174K

This favourable variance is due to additional grants from Welsh Government, ICF, DWP, WLGA and Cardiff and Vale UHB.

## **Reserves**

**2.35** A reserve is an appropriation from a revenue account and does not constitute a cost of service until the expenditure is eventually incurred. A reserve does not cover a present obligation or liability and is a voluntary means of setting aside monies for future requirements either capital or revenue.

**2.36** A provision is a charge to revenue and is included as part of the cost of the relevant service at the point the provision is created. A provision covers a present obligation or liability that has occurred due to a past event and is compulsory under accounting regulations.

**2.37** As part of the 2021/22 and 2022/23 revenue budget setting process, each specific reserve had been reviewed and considered in light of the Council's priorities. It should be noted that there are considerable commitments which will require funding from reserves in the coming years, e.g. Band B 21st Century Schools Investment Programme.

**2.38** Attached at Appendix 3 is a schedule showing the Council's reserves as at 31st March 2022. The table below shows the net movements in reserves for 2021/22

relating to the Council Fund and for specific reserves. The table excludes the HRA reserve as this is shown in Appendix 4. The value of transfers out of reserves to fund capital expenditure is £1.191M with a net transfer into reserves of £18.151M. Transfers into reserves can be used to fund future revenue or capital expenditure.

<b>Net Movement on Reserves Excluding</b>	<b>Balance as at 31st March 2021 £000s</b>	<b>Balance as at 31st March 2022 £000s</b>	<b>Net Movement £000s</b>
Council Fund	11,868	12,510	642
Social Services Reserves	11,293	13,778	2,485
Capital Reserves	34,149	38,640	4,491
Other Specific Reserves	21,055	25,510	4,455
Climate Change Reserves	1,975	1,671	(304)
<b>Total Movement</b>	<b>80,340</b>	<b>92,109</b>	<b>11,769</b>
Schools Reserves	6,639	13,139	6,500
<b>Total Incl Schools</b>	<b>86,979</b>	<b>105,248</b>	<b>18,269</b>
Insurance Fund	4,648	4,530	(118)
<b>Total Council Fund and Specific Reserves</b>	<b>91,627</b>	<b>109,778</b>	<b>18,151</b>

<b>Of which :-</b>	<b>£000s</b>
Reduction in reserves for Capital expenditure	(1,191)
Transfers into reserves from Revenue	+19,460
Insurance Fund	(118)
<b>Net Movement</b>	<b>+18,151</b>

**2.39** The transfers detailed above and highlighted in the narrative within the report have been included in Appendix 3.

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

- 3.1** The Council's revenue budget and therefore its expenditure is incurred in order to achieve its corporate priorities as set out in the Corporate Plan 2020-2025 through the 4 well-being outcomes.

### **4. Climate Change and Nature Implications**

- 4.1** At 31<sup>st</sup> March, 2022 the Council holds reserves specifically earmarked to support the Council's response to the Climate and Nature Emergency totalling £1.671m with further reserves earmarked within the Capital reserves shown.

### **5. Resources and Legal Considerations**

#### **Financial**

#### **Revenue (Including Efficiency Targets)**

- 5.1** As part of the Final Revenue Budget Proposals for 2021/22, an efficiency target of £500k was set for the Council, which as a result of a positive settlement from WG, was greatly reduced from targets set in recent years. No efficiency target was set for schools. Attached at Appendix 2 is a statement detailing all efficiency targets for 2021/22.
- 5.2** Each efficiency target has been given a RAG status. Green indicates that it is anticipated that the target will be achieved in full within the year, amber indicates that it is considered that the saving in the year will be within 20% of the target and red indicates that the saving to be achieved in year will be less than 80% of the target.
- 5.3** General Fund Housing has a savings target of £4k that were fully achieved in year. Private Housing had an efficiency saving of £2k that were fully achieved in 2021/22.

#### **Employment**

- 5.4** There are no employment implications contained in this report.

#### **Legal (Including Equalities)**

- 5.5** The provisional outturn figures for the Council have been used in the preparation of the Statements of Accounts. Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the Responsible Financial Officer to sign and date the Statement of Accounts and certify that they present a true and fair view of the financial position at the end of the year. This means

that for 2020/21 the Statement of Accounts should be certified by the Section 151 Officer by 31st May, 2022.

- 5.6** If it is not possible to meet this deadline the Council has to advertise that this has not happened and the reason why. Due to the pressures of the COVID-19 pandemic it was not possible to produce the Statement of Accounts by 31st May 2022 and the appropriate advert was placed. The Statement of Accounts was signed by the S151 Officer on 5<sup>th</sup> July, 2022.

## **6. Background Papers**

None.

	AMENDED BUDGET 2021/22 £000	Adjustments £000	FINAL AMENDED BUDGET 2021/22 £000
<b>Learning and Skills</b>			
Schools	98,509	0	98,509
Strategy, Culture, Community Learning & Resources	8,298	0	8,298
Directors Office	233	0	233
Additional Learning Needs & Wellbeing	3,068	0	3,068
Standards and Provision	3,846	0	3,846
<b>Total Learning and Skills</b>	<b>113,954</b>	<b>0</b>	<b>113,954</b>
<b>Social Services</b>			
Children and Young People	16,909	0	16,909
Adult Services	46,885	0	46,885
Resource Management & Safeguarding	6,986	0	6,986
Youth Offending Service	707	0	707
<b>Total Social Services</b>	<b>71,487</b>	<b>0</b>	<b>71,487</b>
<b>Environment and Housing</b>			
Neighbourhood & Transport Services	24,779	1,500	26,279
Building Services	0	0	0
Regulatory Services	1,825	0	1,825
Council Fund Housing	1,439	36	1,475
<b>Total Environment and Housing</b>	<b>28,043</b>	<b>1,536</b>	<b>29,579</b>
<b>Managing Director and Resources</b>			
Resources	527	540	1,067
Regeneration	1,919	143	2,062
Development Management	1,116	(143)	973
Private Housing	1,044	0	1,044
<b>Total Managing Director and Resources</b>	<b>4,606</b>	<b>540</b>	<b>5,146</b>
General Policy	<b>33,563</b>	<b>372</b>	<b>33,935</b>
Met from Reserves	0	0	0
<b>TOTAL NET BUDGET</b>	<b>251,653</b>	<b>2,448</b>	<b>254,101</b>

**PROGRESS ON APPROVED EFFICIENCIES 2021/22**

<b>Service</b>	<b>Total Efficiency</b>	<b>Projected Efficiency</b>	<b>RAG Status</b>	<b>Update Comments, Issues &amp; Actions</b>	<b>Relevant Scrutiny Committee</b>	<b>Project Manager</b>
	<b>£000</b>	<b>£000</b>				
<b>LEARNING AND SKILLS</b>						
Corporate Recovery and Efficiency Savings 21/22	48	48	Green		Learning & Culture	Trevor Baker
Pensions Adjustment	11	11	Green		Learning & Culture	Trevor Baker
<b>TOTAL LEARNING AND SKILLS</b>	<b>59</b>	<b>59</b>	<b>100%</b>	<b>Green</b>		
<b>SOCIAL SERVICES</b>						
Corporate Recovery and Efficiency Savings 21/22	76	76	Green	It is anticipated that savings can be achieved but this will need to be reviewed as the year progresses	Health Living & Social Care	Suzanne Clifton
Pensions Adjustment	3	3	Green		Health Living & Social Care	Suzanne Clifton
<b>TOTAL SOCIAL SERVICES</b>	<b>79</b>	<b>79</b>	<b>100%</b>	<b>Green</b>		
<b>ENVIRONMENT AND HOUSING</b>						
<b>Neighbourhood Services and Transport</b>						
Corporate Recovery and Efficiency Savings 21/22	133	65	Red	Savings have been made by increasing the income received from concessions and vacant posts within the service.	Environment & Regeneration	Emma Reed
Pensions Adjustment	3	3	Green		Environment & Regeneration	Emma Reed
Traffic Surveys	10	5	Red	There is still a high demand for traffic surveys however it is hoped some savings can be made	Environment & Regeneration	Emma Reed
Leisure Services	56	36	Red	A saving has been made at Holm View Leisure Centre	Health Living & Social Care	Emma Reed
<b>Total Neighbourhood Services and Transport</b>	<b>202</b>	<b>109</b>	<b>Red</b>			

**PROGRESS ON APPROVED EFFICIENCIES 2021/22**

<b>Service</b>	<b>Total Efficiency</b>	<b>Projected Efficiency</b>	<b>RAG Status</b>	<b>Update Comments, Issues &amp; Actions</b>	<b>Relevant Scrutiny Committee</b>	<b>Project Manager</b>
<b>General Fund Housing</b>						
Corporate Recovery and Efficiency Savings 21/22	4	4	Green		Homes & Safe Communities	Mike Ingram
<b>Total General Fund Housing</b>	<b>4</b>	<b>4</b>	Green			
<b>TOTAL ENVIRONMENT AND HOUSING</b>	<b>206</b>	<b>113</b>	<b>55%</b>	<b>Red</b>		
<b>MANAGING DIRECTOR AND RESOURCES</b>						
<b>Resources</b>						
Corporate Recovery and Efficiency Savings 21/22	62	35	Red	Approximately £35k of the target saving has been achieved permanently.	Corporate Performance & Resources	Carolyn Michael
Fraud & Income Recovery	50	50	Red	The additional fraud & income recovery saving has been added to the annual target (now set at £125k). To achieve the additional saving will depend on annual fraud income recovery during the year.	Corporate Performance & Resources	Mark Thomas
<b>Total Resources</b>	<b>112</b>	<b>85</b>	Red			
<b>Regeneration and Development Management</b>						
Corporate Recovery and Efficiency Savings 21/22	16	16	Green		Environment & Regeneration	Marcus Goldsworthy
<b>Total Regeneration and Development Management</b>	<b>16</b>	<b>16</b>	Green			
<b>Private Housing</b>						
Corporate Recovery and Efficiency Savings 21/22	2	2	Green		Homes & Safe Communities	Marcus Goldsworthy
<b>Total Private Housing</b>	<b>2</b>	<b>2</b>	Green			
<b>TOTAL MANAGING DIRECTOR AND RESOURCES</b>	<b>130</b>	<b>103</b>	<b>79%</b>	<b>Red</b>		



**PROGRESS ON APPROVED EFFICIENCIES 2021/22**

<b>Service</b>	<b>Total Efficiency</b>	<b>Projected Efficiency</b>	<b>RAG Status</b>	<b>Update Comments, Issues &amp; Actions</b>	<b>Relevant Scrutiny Committee</b>	<b>Project Manager</b>
<b>Policy</b>						
Corporate Recovery and Efficiency Savings 21/22	13	13	Green		Corporate Performance & Resources	Carolyn Michael
Pensions Adjustment	13	13	Green		Corporate Performance & Resources	Carolyn Michael
<b>TOTAL POLICY</b>	<b>26</b>	<b>26</b>	<b>100%</b>	<b>Green</b>		
<b>TOTAL</b>	<b>500</b>	<b>380</b>	<b>76%</b>	<b>Red</b>		

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

**ANALYSIS OF RESERVES****APPENDIX 3**

<b>Name</b>	<b>Bal 01/04/21 £000</b>	<b>In £000</b>	<b>Out £000</b>	<b>Est Bal 31/03/22 £000</b>	<b>Comments</b>
<b><u>Housing Revenue Account</u></b>	<b>12,000</b>	<b>5,439</b>	<b>0</b>	<b>17,439</b>	The fund is ring fenced by statute for use by the Housing Revenue Account (HRA). As well as acting as a working balance for the HRA, it is also used to fund repairs and the capital programme.
<b><u>General Reserves</u></b>					
Council Fund	<b>11,868</b>	<b>655</b>	<b>-13</b>	<b>12,510</b>	The working balance of the Authority can be used to support Council Fund expenditure or to reduce the Council Tax. The minimum recommended level in the view of the S151 Officer is £10m.
<b><u>Specific Reserves</u></b>					
<b><u>Learning and Skills</u></b>					
Schools Rationalisation and Improvements	<b>1,167</b>	<b>0</b>	<b>-434</b>	<b>733</b>	This reserve will meet the costs of school restructuring and reorganisation and support schools in the improvement of their teaching and learning facilities.
Education Pressures	<b>452</b>	<b>418</b>	<b>0</b>	<b>870</b>	To fund pressures faced by Learning and Skills.
Additional Learning Needs	<b>375</b>	<b>776</b>	<b>0</b>	<b>1,151</b>	Reserve established to be utilised to support the delivery of the ALN act.
Wellbeing and Family Engagement	<b>0</b>	<b>695</b>	<b>0</b>	<b>695</b>	New reserve established to support Education Other Than At Schools (EOTAS) the new centre for Learning and Wellbeing and enhanced primary provision.
Welsh Immersion	<b>0</b>	<b>80</b>	<b>0</b>	<b>80</b>	Fund to be utilised to support the expansion of Welsh Immersion provision in the Vale of Glamorgan.
School Deferred Pensions	<b>335</b>	<b>0</b>	<b>-19</b>	<b>316</b>	To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years.
Schools invest to save reserve ER/VR	<b>62</b>	<b>138</b>	<b>0</b>	<b>200</b>	To assist with the cost of redundancies in schools

Sports Facilities	6	0	0	6	Funding transferred from Pen y Garth Primary School in order to provide a budget to fund ad hoc repairs and maintenance required to sports hall.
Culture Fund	290	0	0	290	To finance the improvement of Library services. £50k required in 2020/21 to matchfund the Penarth Library MALD capital project.
Adult Community Learning	118	21	0	139	To finance initial reshaping costs as a result of the anticipated changes in the way adult learning is funded across Wales.
Kickstart	0	52	0	52	
Community For Work Exit Strategy	66	67	0	133	To pay potential redundancy costs if Welsh Government grants were discontinued.
Youth Service	51	76	0	127	To assist with the implementation of the Youth Engagement & Provision Framework in schools as well as initial costs in relation to the reshaping of the Youth service. The reserve will be used to purchase a bus for the Youth service during 20/21. The remaining balance will be required to matchfund the Inspire to Work ESF project.
Catering	117	0	0	117	To support any issues relating to the Catering trading company.
Catering Equipment Renewals	88	134	-41	181	Repairs and renewal fund for catering equipment in Schools.
<b>Social Services</b>					
Legislative Changes	8,227	2,525	0	10,752	To cover additional burdens on the authority due to changes in legislation eg Social Services and Well-being (Wales) Act 2014 , Deprivation of Liberties Standards and other pressures on the service.
Social Services Pressures	1,913	0	-186	1,727	To cover short term childrens placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget.
Social Services Development	350	0	0	350	To cover costs of implementing service development and contingency for premises maintenance
Grant Exit Strategy	630	0	0	630	To pay potential redundancy costs if Welsh Government grants were discontinued.
Youth Offending Service	173	146	0	319	To assist with potential reductions in grant funding in future years and to carry out works at YOS building

**Environment and Housing**

Neighbourhood Services	<b>3,390</b>	<b>1,147</b>	<b>-850</b>	<b>3,687</b> To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives.
Bad Weather	<b>470</b>	<b>0</b>	<b>0</b>	<b>470</b> To fund necessary works during periods of severe weather conditions.
Building Services Improvement	<b>355</b>	<b>347</b>	<b>0</b>	<b>702</b> Monies set aside for improvements to the Building Services department.
Civil Parking Enforcement	<b>0</b>	<b>127</b>	<b>0</b>	<b>127</b> Fund which contains surpluses generated by the Civil Parking Enforcement function. Funds can be re-invested into future Highway/Environmental schemes or additional staffing resources.
Waste Management Contingency	<b>0</b>	<b>250</b>	<b>0</b>	<b>250</b> Funding set aside to reduce the impact on the waste management budget of any decrease in the value of income received for recycling materials collected.
Rural Housing Needs	<b>58</b>	<b>0</b>	<b>-7</b>	<b>51</b> To be used to fund Rural Enabler post.
Homelessness and Housing	<b>725</b>	<b>0</b>	<b>-3</b>	<b>722</b> This sum will be used to support homelessness prevention work.
Housing Strategy	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b> This funding will be used to produce the Housing Strategy including facilitating consultation events.
Supporting People	<b>95</b>	<b>0</b>	<b>-9</b>	<b>86</b> To continue to provide housing support.
Community Safety	<b>5</b>	<b>45</b>	<b>0</b>	<b>50</b> To fund community safety initiatives.
Gypsy Traveller	<b>1,052</b>	<b>0</b>	<b>-3</b>	<b>1,049</b> To support the provision of a Gypsy/Traveller site and Gypsy Liaison Officer.
Regulatory Improvements	<b>298</b>	<b>83</b>	<b>-125</b>	<b>256</b> Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.

**Place****Regeneration and Planning**

Private Sector Housing	<b>225</b>	<b>45</b>	<b>0</b>	<b>270</b> To fund initiatives for Private Sector Housing, including an Occupational Therapist within the DFG team.
Local Development Plan	<b>354</b>	<b>29</b>	<b>0</b>	<b>383</b> Set aside for costs relating to the production of the Local Development Plan.
Regeneration Fund	<b>465</b>	<b>0</b>	<b>-25</b>	<b>440</b> To fund various regeneration schemes in the Vale.

Holton Road Surplus	24	12	0	36	Ringfenced sum for Holton Road regeneration.
Regeneration & Planning	996	114	0	1,110	Monies set aside to cover various commitments within the service.
Country Car Parking Porthkerry	0	33	0	33	Ringfenced car parking income to be utilised to enhance facilities at Porthkerry Country Park.
Country Car Parking Cosmeston	0	27	0	27	Ringfenced car parking income to be utilised to enhance facilities at Cosmeston Country Park.
Planning Fees	100	0	0	100	To provide for reduction in planning fees income.
Planning Legal Challenge	50	0	0	50	To provide for reduction in planning fees income.
Building Control	212	0	-48	164	Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account.
Donations	31	15	0	46	Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast.
Planning Enquiries	14	0	0	14	Funding set aside for costs associated with responding to Planning enquiries.
<b>Corporate Resources</b>					
Welfare Reforms	1,021	611	-733	899	To fund pressures on the Authority resulting from changes to the Welfare Benefit System. This reserve could be used to finance any Department for Work and Pensions projects.
Financial IT System	13	0	0	13	To fund the costs of implementing IT systems in Finance
Internal Audit	142	0	0	142	To provide training and support development of Internal Audit staff.
Shared Internal Audit Service	399	86	0	485	Balance held on behalf of the partners for the shared audit service.
Legal	415	0	-124	291	To fund the appointment of temporary posts to support the service.
Trainee Appointments	601	0	0	601	To fund the appointment of trainees and interns to support services and the Reshaping Service programme.
Legal Claims	1,870	0	0	1,870	To fund future legal cases and judicial reviews.
Child Burial	52	16	0	68	Ring fenced grant funding received from Welsh Government.
Human Resources	141	0	-37	104	Funding is used to finance the appointment of apprentices and other operational costs.

Property	0	65	0	65	Funding will be used for office accommodation improvements and other projects in Property.
Performance and Development	377	0	0	377	To fund the purchase of hardware, software and equipment and to fund the appointment of trainees and interns to support the service.
Democratic & Freedom of Information	112	7	0	119	To be used to fund IT and other equipment required to support department.
<b>Corporate</b>					
Election Expenses	453	40	0	493	Set aside for the Council and other elections costs.
Corporate Governance	338	0	-102	236	This reserve has been set aside in respect of local government governance and development issues.
Covid Response Reserve	0	1,249	0	1,249	To support the Council's ongoing response to the Covid 19 Pandemic
Early Retirement Fund	973	0	-500	473	Corporate Funding to support Early Retirement arrangements as part of reorganisation and restructures.
Cwm Ciddy Challenge Funding	16	0	0	16	Ring fenced funding for Cwm Ciddy Challenge
Discretionary Cost of Living	0	825	0	825	Ringfenced Grant Funding to support the delivery of the Discretionary Cost of Living Scheme
Socio Economic Mapping	500	0	0	500	To implement Socio Economic Mapping and Recovery
Wellbeing and Leisure	350	0	-3	347	To fund Wellbeing and Leisure initiatives
Events	180	0	-99	81	To provide funds to promote the Vale of Glamorgan particularly in respect of tourism and economic development.
Insurance Fund	4,648		-118	4,530	To fund potential future claims on the Authority based upon historical evidence. This is reviewed annually. No prediction for future use has been included at present and claims can have a long lead time.
Energy Management Fund	225	66	0	291	Energy saving schemes initially funded from this reserve and transfers in relate to the repayments to the fund from services once savings are achieved and income from renewable energy sources.
Green Infrastructure and Climate Change Reserve	1,250	0	-600	650	This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan.

Project Zero	500	298	-68	730	This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan.
Reshaping Services	517	0	-4	513	To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme.
Digital Reshaping	220	0	0	220	Invest to save funding to support the implementation of new digital ways of working and to update current systems.
Interpretation Services for Asylum Seekers	98	0	0	98	To provide support and interpretation services for asylum seekers.
Stronger Communities Fund	206	0	-15	191	To enable community groups, the voluntary sector and town and community councils to apply for revenue and capital funding that promotes initiatives within the Vale of Glamorgan consistent with the Council's vision of "Strong communities with a bright future".
Mayors Foundation	5	1	0	6	Ringfenced funding to be issued as grants.
Staff Employment Awards	0	5	0	5	Ringfenced funding to support delivery of Staff Employment awards event.
<b>Capital</b>					
City Deal	1,898	0	0	1,898	To be used to contribute towards the City Deal which will generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region.
Coastal Works	607	0	-32	575	To assist in funding the ongoing liabilities that will arise following the coastal developments in the Vale, maintaining the impact of the significant investment made.
Waste Transfer Station	1,498	849	0	2,347	Establishment of a Waste Transfer Station.
ICT Fund	3,980	76	-1,324	2,732	Set aside to meet the costs of replacement and renewal of computer hardware and software, telecommunication systems and infrastructure. Transfers in include the repayment back into the fund from schools and other services relating to IT loans.
Capital Scheme Commitments	3,076	1,384	0	4,460	Set aside for capital schemes to be undertaken
Free School Meals Adaptations	0	1,138	0	1,138	Used to carry forward displaced existing capital funding as a result of receiving WG grant and to be spent on supporting the implementation of free school meals.

School Investment Strategy	<b>8,562</b>	<b>1,323</b>	<b>-1,849</b>	<b>8,036</b> To be used to fund schemes identified as part of the Schools Investment Programme including the Sustainable Communities for Learning programme.
WG Schools Capital Grant	<b>2,313</b>	<b>2,413</b>	<b>-2,313</b>	<b>2,413</b> Used to carry forward displaced existing capital funding as a result of receiving WG grant and to be spent on capital expenditure in schools.
Resurfacing and Structural Improvements	<b>0</b>	<b>2,420</b>	<b>0</b>	<b>2,420</b> To be used to fund capital expenditure on road resurfacing and structures e.g. The Eastern Shelter
Country Park Capital Schemes	<b>0</b>	<b>276</b>	<b>0</b>	<b>276</b> To be used to fund capital expenditure in the Country Parks including refurbishment of the toilets and ANPR systems in the car parks.
Capital Economic Regeneration Fund	<b>456</b>	<b>0</b>	<b>-61</b>	<b>395</b> To finance capital economic regeneration schemes.
Investment and Growth Fund	<b>2,353</b>	<b>0</b>	<b>0</b>	<b>2,353</b> This fund is to be used to support the Non Treasury Investment Strategy Investment and Growth Fund.
Council Building Fund	<b>5,889</b>	<b>0</b>	<b>-424</b>	<b>5,465</b> The fund is available in respect of repairs and maintenance of Council Buildings.
Repairs and Renewals Vehicle	<b>1,743</b>	<b>1,282</b>	<b>-1,541</b>	<b>1,484</b> This fund is primarily for the replacement of plant and vehicles. Vehicles are purchased from the fund and the transfer in represents the equivalent "rental" amount reimbursing the fund.
Ash Die Back	<b>0</b>	<b>600</b>	<b>-39</b>	<b>561</b> To be used to tackle the Ash Die back across the Vale of Glamorgan.
Carbon Vehicles Reserve	<b>215</b>	<b>0</b>	<b>-175</b>	<b>40</b> New reserve for electric pool cars
Social Services Buildings	<b>506</b>	<b>0</b>	<b>-4</b>	<b>502</b> To fund the update of Social Services premises to meet the future demands of the service.
Social Services Electric Vehicles and Licences Pilot	<b>0</b>	<b>408</b>	<b>0</b>	<b>408</b> Funds displaced from additional RSG allocated by WG to support a pilot scheme with the independent care sector utilising electric vehicles, driving lessons and licences to enhance recruitment and retention.
ICF Capital	<b>300</b>	<b>0</b>	<b>-25</b>	<b>275</b> To be used as a contribution towards the Penarth Older Persons Village scheme.
Telecare	<b>753</b>	<b>109</b>	<b>0</b>	<b>862</b> Replacement fund for Telecare equipment and other service costs.



<b>TOTAL SPECIFIC RESERVES (excl HRA)</b>	<b>73,120</b>	<b>22,949</b>	<b>-11,940</b>	<b>84,129</b>
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Schools	<b>6,311</b>	6,460	0	<b>12,771</b>	Balances held by Schools as shown in Appendix
Additional Needs	<b>102</b>	72	0	<b>174</b>	
Ysgol Bro Morgannwg 3G Pitch				<b>50</b>	
Repairs	<b>0</b>	50			
Breakfast Club	<b>33</b>	22	0	<b>55</b>	
School Long Term Supply	<b>193</b>	0	-104	<b>89</b>	
<b>TOTAL SCHOOL RESERVES</b>	<b>6,639</b>	<b>6,604</b>	<b>-104</b>	<b>13,139</b>	

31/03/22	Est. Bal.	Net	Est. Bal.
	31/03/2021	Movement	31/03/2022
	£000's	£000's	£000's
Council Fund	11,868	642	12,510
Social Services Reserves	11,293	2,485	13,778
Capital Reserves	34,149	4,491	38,640
Climate Change	1,975	-304	1,671
Other Specific Reserves	21,055	4,455	25,510
Total Council Fund Reserves (excl. Schools and HRA)	80,340	11,769	92,109
Schools	6,639	6,500	13,139
Total Incl Schools	86,979	18,269	105,248
Insurance Fund	4,648	-118	4,530
<b>Total</b>	<b>91,627</b>	<b>18,151</b>	<b>109,778</b>

<b><u>HRA Income &amp; Expenditure</u></b>	<b>Amended Budget 2021/22</b>	<b>Actual Outturn 2021/22</b>	<b>Variance Fav +/- Adv - £000</b>	<b>%</b>
	<b>£000</b>	<b>£000</b>		
<b>Expenditure</b>				
Supervision & Management				
– General	4,043	3,807	236	6%
– Special	1,362	1,272	90	7%
Housing Repairs	3,543	3,871	-328	-9%
Capital Financing Costs	4,656	4,518	138	3%
Rent, Rates, Taxes and Other Charges	224	209	15	7%
Increase in Provision for Bad & Doubtful Debts	249	180	69	28%
Capital Expenditure from Revenue Account (CERA)	18,786	2,676	16,110	86%
	<b>32,863</b>	<b>16,533</b>	<b>16,330</b>	<b>50%</b>
<b>Income</b>				
Dwelling Rents	-20,598	-20,619	21	0%
Non Dwelling Rents	-162	-153	-9	6%
Interest	-5	-20	15	-296%
Charges for Services and Facilities	-526	-557	31	-6%
Contribution towards Expenditure	-282	-243	-39	14%
Grant Income	-205	-379	174	-85%
	<b>-21,778</b>	<b>-21,971</b>	<b>193</b>	<b>-1%</b>
<b>(Surplus)/Deficit for the year</b>	<b>11,085</b>	<b>-5,438</b>	<b>16,523</b>	<b>149%</b>

<b><u>HRA Reserve</u></b>	<b>Amended Budget 2021/22</b>	<b>Actual Outturn 2021/22</b>
	<b>£000</b>	<b>£000</b>
Balance Brought Forward as at 1st April 2021	-12,000	-12,000
(Surplus)/Deficit for the Year	11,085	-5,438
Trf in re Community Benefits -New Builds		-1
<b>Balance Carried Forward as at 31st March 2022</b>	<b>-915</b>	<b>-17,439</b>