

Meeting of:	Homes and Safer Communities Scrutiny Committee
Date of Meeting:	Wednesday, 13 September 2023
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Quarter 1 Revenue Monitoring 2023/24
Purpose of Report:	To advise Committee of the Quarter 1 Revenue Monitoring position for 2023/24
Report Owner:	Director of Environment and Housing
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 officer

Executive Summary:

- The table below sets out the Original Budget and Virement requests for approval by Directorate.

Directorate	Original Budget 2023/24	Virement Request 2023/24	Amended Budget 2023/24	Projected Outturn	Variance
	£000's	£000's	£000's	£000's	£000's
Learning and Skills	130,711	-33	130,678	130,678	0
Social Services	88,858	33	88,891	89,891	1,000
Environment and Housing	34,260	700	34,960	35,960	1,000
Corporate Resources	5,047	-667	4,380	4,380	0
Place	4,261	60	4,321	4,321	0
Policy	33,381	-93	33,288	31,288	-2,000
Use of Reserves	-2,096	0	-2,096	-2,096	0
Total	294,422	0	294,422	294,422	0
Public Sector Housing (HRA)	10,672	0	10,672	10,672	0
Total	305,094	0	305,094	305,094	0

- 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 the 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.

- Challenging savings and efficiency targets have been set out for 2023/24 this includes a target of £2.75M for schools and £4.628M Corporate savings. The progress against these savings targets are 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	1,565	1,565	100	-	0	-	0%
Resources	582	308	53	73	47	1	0%
Neighbourhood and Housing	1,000	883	88	40	4	77	8%
Learning and skills	564	405	72	-	0	159	28%
Social Services	681	681	100	-	0	-	0%
Place	265	133	50	-	0	132	50%
Total	4,657	3,975	85	313	7	369	8%

- 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	0	-496	0	0	11,027
Insurance	4,877	0	0	0	0	4,877
Service Reserves	22,521	-646	-6,426	42	-3,246	12,246
Risk and Smoothing Reserves	29,802	-4,404	-4,022	165	0	21,541
Capital	17,726	-14,885	-477	823		3,187
Schools	7,254	0	-6,500	0		754
Housing Revenue Account	16,486	-15,537	0	0		949
Total	110,190	-35,472	-17,921	1,030	-3,246	54,581

Recommendations

1. That the position with regard to the Authority's 2023/24 Revenue Budget be noted.
2. That Members note the virements included as part of this report as set out in Table 1.

Reasons for Recommendations

1. To inform Committee of the projected revenue outturn for 2023/24.
2. To update the original budget for 2023/24 for virement requests.

1. Background

- 1.1 Council on 6th March, 2023 approved the revenue budget for 2023/24 (minute number 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, Leisure, Housing and Social Services.

Revenue Financial Position

- 2.2 Table 1 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 services. Officers are closely monitoring the position and exploring mitigating actions to address the financial pressures and will potentially bring forward savings proposals for 2024/25 into the current financial year.

Table 1. Council Summary

Directorate/Service	Original Budget	Virements Requested	Adjusted Original Budget	Projected Outturn	Variance	Use of Reserves
	£000	£000	£000	£000	£000	£000
Learning and Skills						
Schools	115,439	0	115,439	115,439	0	7,550
Use of Reserves (Schools)	-1,200	0	-1,200	-1,200	0	1,200
Strategy, Culture, Community Learning & Resources	8,911	0	8,911	8,911	0	692
Directors Office	252	0	252	252	0	0
Additional Learning Needs & Wellbeing	4,174	-61	4,113	4,113	0	443
Standards and Provision	3,135	28	3,163	3,163	0	40
Total Learning and Skills (incl. Schools)	130,711	-33	130,678	130,678	0	9,925
Social Services						
Children and Young People	19,507	138	19,645	20,562	917	1,362
Adult Services	60,131	-105	60,026	62,958	2,932	2,408
Resource Management & Safeguarding	8,452	0	8,452	8,849	397	257
Youth Offending Service	768	0	768	768	0	0
Unplanned Use of Reserves	0	0	0	-3,246	-3,246	3,246
Total Social Services	88,858	33	88,891	89,891	1,000	7,273
Environment and Housing						
Neighbourhood Services & Transport	29,963	700	30,663	31,663	1,000	200
Building/Cleaning Services	0	0	0	0	0	50
Regulatory Services	2,084		2,084	2,084	0	0
Council Fund Housing	2,213		2,213	2,213	0	45
Public Sector Housing (HRA)	10,672		10,672	10,672	0	0
Total Environment and Housing	44,932	700	45,632	46,632	1,000	295
Corporate Resources						
Resources	4,355	-667	3,688	3,688	0	636
Housing Benefit	692	0	692	692	0	0
Total Corporate Resources	5,047	-667	4,380	4,380	0	636

Place						
Regeneration	1,852	80	1,932	1,932	0	145
Development Management	2,162	0	2,162	2,162	0	30
Private Housing	247	-20	227	337	110	58
Unplanned Use of Reserves	0	0	0	-110	-110	110
Total Place	4,261	60	4,321	4,321	0	343
Policy						
General Policy	33,381	-93	33,288	31,288	-2,000	-42
Total Policy	33,381	-93	33,288	31,288	-2,000	-42
Use of Reserves	-2,096	0	-2,096	-2,096	0	-2,096
Grand Total	305,094	0	305,094	305,094	0	16,334

Learning and Skills

- 2.3 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.
- 2.4 A virement of £33k to Social Services is requested as part of this report. The budget position is further detailed in the full report and appendices as reported to Cabinet on 7th September 2023.
- 2.5 The projected outturn for Learning and Skills in 2023/24 is breakeven position after a drawdown of approximately £10m of reserves including £6.5m ringfenced for schools.
- 2.6 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 new Welsh Medium Resource Base is being set up at Gwaun Y Nant from September 2023 and the existing provision at Whitmore Resource Base and Hafan Resource Base (Gladstone school) is being increased.
 - Shortfall against Arts Provision savings target in 2023/24 budget.
- 2.7 Likely use of reserves includes the following:
- £850k transferred to reserves from the 2022/23 surplus to support pupils with Additional Learning Needs in Schools.
 - £200k transferred to reserves from the 2022/23 surplus to support schools in Special Measures.

- £336k from the Pay Pressures reserve to fund the costs of Early Retirement and Redundancy in Schools.

Social Services

- 2.8 The Social Services budget was set at £88.858m for 2023/24 a virement of £33k from Learning and Skills is requested as part of this report. The Budget assumed £600k efficiencies which are currently on track to be achieved in year. The budget position is further detailed in the full report and appendices as reported to Cabinet on 7th September 2023.
- 2.9 Social Services Budget programme continues in 2023/24 and will utilise a contribution of £1.338m of funding and additional efficiency savings of £81k to reduce the use of reserves as part of the agreed 5 year period.

Table 2 – Social Services Budget Programme

Year	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000	£000
Children’s Services	- 673	-536	- 384	-232	-80	-1,905
Adult Services	- 408	-325	-242	-159	-76	-1,208
Resource Management and Safeguarding	- 257	-206	-154	-103	-51	-771
Total	-1,338	-1,067	-780	-494	-207	-3,884
Saving Target	81	271	287	286	287	1,212

- 2.10 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. The potential for this had been recognised when the budget was approved in March.
- 2.11 The projected outturn for Social Services in 2023/24 after this use of reserves is an adverse variance of £4.246m.
- 2.12 The planned drawdown from reserves for 2023/24 is £4.027m with a further £3.246m projected 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.
- 2.13 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.
- 2.14 Likely use of reserves includes the following:
- £2m use of reserves to reflect increased take up of commissioned hours at a more rapid pace than the budget has allowed for, the base budget will be corrected as part of the planning for 2024/25.
 - £1.163m use of reserves for Children’s Services to support additional costs associated with Market forces payments, adoption allowances and legal costs and the budget programme.
 - A further £200k of reserves to develop a financial strategy for Children’s Services.
 - £257k for Resource Management and Safeguarding as part of the Social Services budget programme.
 - £408k for Adult Services as part of the Social Services budget programme.
 - Additional use of reserves to offset the additional costs of placements and care hours is likely to be required to reflect the increased need £2.329m.
 - Additional use of reserves to offset additional costs of Children’s placements and legal costs £917k.

Environment and Housing

- 2.15 The Environment and Housing budget was set at £34.260m for 2023/24 with a further £10.672m for the Housing Revenue Account. The Budget assumed £1m of 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. The budget position is detailed in Appendix A.
- 2.16 A virement of £700k is requested from Corporate Resources to offset the additional energy costs for street lighting in 2023/24.
- 2.17 The projected outturn for Environment and Housing in 2023/24 is an adverse variance of £1m and further detailed in Appendix A.
- 2.18 Key pressures within the directorate include the following:
- Highways patching and pot holes
 - Energy costs – particularly Street Lighting Energy
 - Staffing budgets – market forces payments to HGV drivers
 - Transport budgets – increased costs of fuel/parts and setting aside funding for renewal.
 - Ash die back – work continues however no specific allocated budget
 - Staff pay award if greater than 6% estimated within budget for 2023/24
 - 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
- 2.19 Likely use of reserves includes the following:
- £200k for Ash die Back
 - £696k from Neighbourhood Services and Transport reserve to fund capital schemes within the current capital programme
 - £1,404k from Neighbourhood Services and Transport reserve ringfenced for further capital schemes not yet approved
 - £50k from the Building Services Improvement fund to meet the cost of apprenticeships within the service.
 - £45k from the Homelessness & Policy reserve to contribute to the cost of the Rural Housing Enabler post and running costs of Cadoxton House.
- 2.20 Trading Estate - The Building Maintenance and Building Cleaning and Security Trading Accounts are currently projected to outturn on budget. There is a planned drawdown on reserves of £50k to fund the cost of apprenticeship posts.
- 2.21 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.

Corporate Resources

- 2.22 The Corporate Resources budget was set at £5.047m for 2023/24. The Budget assumed £582k efficiencies which are currently on track to be achieved in year. The budget position is further detailed in the full report and appendices that were reported to Cabinet on 7th September 2023.
- 2.23 A virement from the Policy budget is requested to fund additional resource in the Finance team to support the collection of Council Tax income, a virement of £700k to Environment and Housing is requested to offset the additional costs associated with Street Lighting in 2023/24.
- 2.24 The projected outturn for Corporate Resources in 2023/24 is a favourable variance of £10k.
- 2.25 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

2.26 Likely use of reserves includes the following; £558k from reserves for staffing costs and a further £70k to support the additional Pay Award costs for the Internal Audit Shared Service.

Place

2.27 The Place budget was set at £4.261m for 2023/24. There are budget virements to be made for the following purposes:

- A £20k virement request relates to central support budgets allocated to Private Housing rather than Regeneration in error.
- A £60k virement covers a transfer from Policy for the new Empty Property Enforcement funding.

2.28 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 Appendix B.

2.29 The projected outturn for Place in 2023/24 is an adverse variance of £110k after planned use of reserves of £243k. This overspend will need to be offset by a contribution of £110k from Place reserves and further detailed in Appendix B.

2.30 Key pressures within the directorate include the following:

- Vale Enterprise Centre – closure of buildings
- Planning Fee income
- Private Housing fee income

2.31 Likely use of reserves includes the following:

- £100k for costs associated with the Local Development Plan
- £40k towards Project Manager's fees on Barry Regeneration projects
- £58k for Occupational Therapist post
- Additional £110k from Place reserves to offset a projected overspend in the Private Housing budget.

Policy

2.32 Policy – The Policy Budget was set at £33.381m for 2023/24 and assumed £1.565m of savings. It is currently projected that all savings targets as set out in Appendix C will be achieved in 2023/24.

2.33 A virement from the Policy budget is requested to fund additional resource in the Corporate Resources Finance team to support the collection of Council Tax income a virement to the Place budget of £60k is also requested for the new Empty Homes Property Enforcement approach.

2.34 The projected outturn for Policy in 2023/24 is a favourable variance of £2m as detailed below.

2.35 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 £1m.

2.36 Likely transfer to reserves include the following:

- Planned transfer to reserves £42k towards the cost of future Local Elections.

2.37 Council Tax – The current projection is that the Council Tax will breakeven at year end. 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 July the collection rate position was 38.9% compared to 39.3% at the end of July 2022. Whilst on the face of it, this would seem a worsening position, the majority of all recovery action that has so far taken place has been on pre 2023/24 debts due to the hiatus in recovery action last year. This is borne out by the fact that during the first four months of this financial year there has been a reduction in the overall arrears position (pre in-year Council Tax) by £800,000 more than the arrears had been reduced by in the same period of 2022/23. Also despite the slight dip in collection, at the end of the first quarter of 2023/24 the Vale of Glamorgan was position 6th out of the Welsh Authorities in terms of our collection rate for this year and were in the top quartile for collection rate (30.0% and the top quartile started at 29.8%). In year recovery is now in flight and as such the team is expecting to see the in year collection improve over the coming months.

Efficiency Targets

2.38 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.

2.39 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.

2.40 The current position in respect of the 2023/24 savings is detailed in Table 3 below.

Table 3 – Efficiency Targets

Directorate	Target	Amount Projected	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s	%	£'000s	%	£'000s	£'000s
Learning and skills	564	405	72	-	0	159	28%
Social Services	681	681	100	-	0	-	0%
Environment and Housing	1,000	883	88	40	4	77	8%
Corporate Resources	582	308	53	273	47	1	0%
Place	265	133	50%	-	0%	132	50%
Policy	1,565	1,565	100	-	0	-	0%
Total	4,657	3,975	85%	313	7%	369	8%

2.41 Attached at Appendix C 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.

Table 4 – Use of Reserves

As at	Estimated Balance 31/03/2023	Capital Funding	Budget Transfer	Planned Transfer (from) reserves	Planned Transfer to reserves	Unplanned Transfer (from) reserves	Estimated Balance 31/03/2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523		-496				11,027
Insurance	4,877						4,877
Service Reserves							
Learning and Skills	4,131			-1,967			2,164
Social Services	10,012			-3,891		-3,246	2,875
Neighbourhood Services	3,076	-646		0			2,430
Corporate Resources	733			-182			551
Place	2,100			-220			1,880
Other Service Reserves	1,629				42		1,671
Other Corporate	841			-166			675
Risk and Smoothing Reserves							
Homelessness and Housing Reserve	4,456		-200	-45			4,211
Cost of Living	854		-200				654
Pay Pressures	4,168			-336			3,832
Energy Pressures	3,885	-500	-2,400		60		1,045
Legal	2,000			-92			1,908
Project Zero	2,325	-185		-284	105		1,961
Investment and Growth Fund	2,353	-115					2,238
Reshaping Risk and Investment	2,523	-490		-417			1,616
Corporate Landlord	5,708	-3,069					2,639
Digital Reshaping	1,531	-45		-48			1,438
Capital Reserves							
Capital	17,726	-14,885		-477	823		3,187
Sub Total	86,450	-19,935	-3,296	-8,125	1,030	-3,246	52,878
Ring Fenced Reserves							
Schools	7,254			-6,500			754
Housing Revenue Account	16,486	-15,537					949
Total Reserves	110,189	-35,472	-3,296	-14,625	1,030	-3,246	54,581

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 projections 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: Environment & Housing

Building Services

The Building Services Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Building Services	0	0	0	0	0	50

The projected outturn for the Building Services budget for 2023/24 is a breakeven position.

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

- The main pressure within the Building Services budget is likely to be the pay award for 2023/24. Charges to Building Cleaning clients have increased in 23/24 however the pay award has not yet been agreed for the current financial year, therefore if the agreed figure is greater than the estimated 6%, this is likely to put pressure on the Building Cleaning & Security Trading Account

Savings Tracker Update

There were no savings targets for Building Services in 2023/24.

Planned Drawdown on Reserves in Year.

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown £000's
Building Services Improvement Fund	Funding of Apprenticeships within service	50

Regulatory Services

The Regulatory Services Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Regulatory Services	2,084	0	2,084	2,084	0	0

The projected outturn for the Regulatory Services budget for 2023/24 is currently projected to be on budget however there may be additional pressures associated with the pay award and animal welfare investigations as outlined below.

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

- The SRS 2023-24 budget is based on an assumption that the annual pay award will be 5%. In reality, the award could be considerably higher, resulting in a budget shortfall for staff salaries.
- The Service is dealing with a number of animal welfare investigations (linked to illegal dog breeding) in which the seizure of dogs and puppies has been necessary. The animals are now being cared for, pending resolution in court, at significant cost to the Service (circa £12k per month)

Savings Tracker Update

- £21,000 reduction in Vale base contribution – this was achieved at the start of the financial year as part of the agreed SRS budget for 23-24. As a result, there are no on-going savings to track through the year.

The Housing (General Fund) Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Community Safety	465	0	465	465	0	0

Homelessness & Strategy	1,519	0	1,519	1,519	0	45
Supporting People	229	0	229	229	0	0
Total	2,213	0	2,213	2,213	0	45

The projected outturn for the General Fund Housing budget for 2023/24 is a breakeven position however there are significant homelessness and resettlement pressures that will need be kept under review as we progress through the financial year, but in the first incidence would require additional drawdown from the homelessness reserve.

Key Pressures for 2023/24 in the Housing (General Fund)

- Hotel accommodation for homeless people (possible need to extend use of hotel beyond March 24 or book more hotel rooms in 23/24)
- Temp accommodation for Afghans at Copthorne. Hotel closing at end of August 23, need to identify accommodation solutions for remaining families.
- Housing Solutions team staffing levels to provide assistance to homeless households and Afghan nationals.
- Ukraine support to assist 90 families moving into Eagleswell school site Jan 24
- ICT technical support to assist implementation of NEC Northgate system
- Deliver volunteering support to tenants and extend Value in Vale scheme from April 24 when Public Health Wales funding ends/

Savings Tracker Update

- Pre Tenancy Adviser and VATs budget – The 2023/24 budgets have been reduced by £26k and are on target
- Senior Officer Recharges to HRA to ensure no cross subsidisation - The 2023/24 budgets have been reduced by £33k and are on target.
- Community Safety Support Function Vacant post - The 2023/24 budget have been reduced by £25k and are on target.

Planned Drawdown on Reserves in Year.

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown £000's
Homelessness & policy	Contribution to Rural Housing Enabler	25

Homelessness & policy	Cadoxton House running costs exceeds budget due to decreased rental income	20
Total		45

The Public Sector Housing (HRA)

The Public Sector Housing (HRA) Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves Revenue
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Public Sector Housing (HRA)	10,672	0	10,672	10,672	0	0
Total	10,672	0	10,672	10,5672	0	0

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 reliance on Unsupported Borrowing.

Appendix B

Directorate Monitoring: Place

The Place Budget for 2023/24 is set out in the table below.

	2023/24 Budget	Virements	Adjusted 2023/24 Budget	Projected Outturn	Variance	Use of Reserves
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Sustainable Development	2,163	0	2,163	2,163	0	30
Regeneration	1,851	80	1,931	1,931	0	145
Private Housing	247	-20	227	337	110	58
Unplanned Use of Reserves	0	0	0	-110	-110	110
Total	4,261	60	4,321	4,321	0	343

The projected outturn for the Place budget for 2023/24 is an overspend of £110k after planned use of reserves of £243k. This overspend will need to be offset by a contribution of £110k from Place reserves.

- A £20k virement request within the Directorate relates to central support budgets allocated to Private Housing rather than Regeneration in error.
- A £60k virement covers a transfer from Policy for the new Empty Property Enforcement funding.

Key Pressures for 2023/24 in the Place budget

- Private Housing fee income on Disabled Facility Grants is currently behind profile. This is due to the lack of available contractors to carry out the works. In addition, potential applicants are also delaying submitting applications until the Council adopts a new Independent Living Policy. This position, coupled with the inability to meet the savings target agreed for the service this year, means that the service is projecting to be over budget by some £90,000 this year. This position will however be monitored closely.

Savings Tracker Update

- Private Housing (DFG) –extensive work has been undertaken on the Reshaping project, and it has become clear that the removal of means testing alone will not achieve a saving. However, the creation of a single Independent Living function within the Council will create economies of scale, once established.

Planned Drawdown on Reserves in Year.

Reserve Name	Brief Description of purpose of drawdown	Planned 2023/24 Drawdown £000's
Place Reserve	Offset overspend DFG income and savings	110
Total Use of Reserves		343

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value	Percentage Achieved	Mitigation Value
					£'000	£'000			Achieved /Expected to be Achieved		Value Achieved
									2023/24	%	2023/24
Directorate Learning and Skills											
Learning and Skills	L&S-SCL&R ND1	Payments to Non Maintained Nursery Providers	0	Service Review	20	14	Green	Notice given to St Donats	20	100%	
Learning and Skills	L&S-SCL&R ND2	Removal of schools emergency repairs budget	0	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	90	100%	
Learning and skills	L&S-SCL&R ACL1	Move to cost recovery position for ACL	0	Generating Income	-	80				n/a	
Learning and skills	L&S-SCL&R LIB1	Makerspace income generation for letting out of makerspace rooms in barry and penarth libraries	0	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	L&S-SCL&R LIB2	External income -income generation for letting to external organisations for filming and events	0	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	L&S-SCL&R LIB3	Stop providing newspapers and DVDs in libraries	0	Service Review	15		Green	Budget has been cut, service will no longer purchase DVDS	15	100%	
Learning and skills	L&S-SCL&R LIB4	Increase libraries fees and charges by 12%	0	Generating Income	5		Green	fees have been increased in the budget	5	100%	
Learning and skills	L&S-SCL&R ART1	Review Arts Provision	2	Service Review	65		Red options appraisal under consideration but consider external funding to mitigate	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	L&S-S&P OOST1	Reshaping of Out of School Tuition	0	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	L&S-SCL&R GR1	Increase in retained element of Post 16 WG grant for school improvement administration	0	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%	

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Learning and skills	L&S-SCL&R GR2	Review use of alternative funding sources to support service delivery	0	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			2		564	94			405	72%	-
Directorate Social Services											
Social Services	SS-CYPS-C2H1	Closer to Home Residential Care (C&YPs)	0	Invest to Save	200	100		Delays on Building Programme and Recruitment of Staff, need to go through CIW registration process- Likely to be utilised in Autumn of 2023.	200	100%	
Social Services	SS-AS-ASSET1	Reduced building rental	0	Corporate Asset Strategy	-	50		Part of wider asset reorganisation review overall costs and savings position.	0	0%	
Social Services	SS-AS-C2H2	Closer to Home Supported Living (LD)	0	Invest to Save	-	100		Further smart houses planned, additional work required to review potential for savings.	0	0%	
Social Services	SS-SS-BP	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	SS-SS-BP	Budget Programme Savings 2024-25 ? to 2027/28		Invest to Save		286		Savings/Efficiencies need to be identified RAG rating dependent on above.	0	0%	
Social Services	SS-RM&S-D11	Additional Income	0	Generating Income	400			Budget Adjustment	400	100%	
Subtotal Directorate Social Services			-		681	536			681	100%	-
Directorate Neighbourhood and Housing											
Neighbourhood and Housing	N&H-FEE1	Increase in fees and charges	0	Generating Income	30		Green	Fees & Charges increased for 23/24	30	100%	
Neighbourhood and Housing	N&H-HIGH-CPARK1	Parking Charging Review	0	Generating Income	20	100	Amber	Residents permits - Cabinet Report due to be taken delayed due to 20mph work		0%	
Neighbourhood and Housing	N&H-HIGH-CPARK2	Review Car Park Provison	0	Corporate Asset Strategy	50	-	Amber	Court Road Car Park- Public Consultation plan in progress.		0%	
Neighbourhood and Housing	N&H-HIGH-ENG1	Stop provision of sandbags	0	Service Review	5	-	Green	Need to do some Comms and Community Resilience	5	100%	
Neighbourhood and Housing	N&H-HIGH-ENG2	Expand Construction and Design Team	0	Generating Income	-	25				n/a	
Neighbourhood and Housing	N&H-P&C-PC1	Rationalisation of Public Conveniences	0	Corporate Asset Strategy	-	50				n/a	

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25					
Neighbourhood and H	N&H-P&C-PC2	Review Charges for Coastal Toilets	0	Generating Income	-	5				n/a	
Neighbourhood and H	N&H-P&C-CL1	Mobile Cleansing Service	0	Service Review	-	50				n/a	
Neighbourhood and H	N&H-P&C-PARK1	Mobile Parks Service	0	Service Review	-	50				n/a	
Neighbourhood and H	N&H-P&C-PARK2	Review Planting in Parks consider use of shrubs/drought resitant planting and sponsorship	0	Service Review	-	15				n/a	
Neighbourhood and H	N&H-P&C-PARK3	Do not apply for Green Flag and Coastal Awards	0	Service Review	5	-	Amber	Review to be undertaken	-	0%	
Neighbourhood and H	N&H-P&C-PARK4	Allotment Charging	0	Generating Income	3	-	Green	Charges increased for 23/24 to reflect cost recovery and letters have now gone out.	3	100%	
Neighbourhood and H	N&H-P&C-PARK5	Double Shift Mechanical sweepers (2 vehicles plus one spare)	0	Service Review	40	-	Amber	Further review required potential to mitigate through Recycling Income	-	0%	
Neighbourhood and H	N&H-P&C-PARK6	Review use of external suppliers	0	Service Review	-	25				n/a	
Neighbourhood and H	N&H-P&C-PARK7	Reduce Grass cutting schedule to 5 cuts a year	0	Service Review	40	-	Red but mitigated	Tender price higher than anticipated therefore savings not achieved. Mitigated by Enforcement Income	-	0%	40
Neighbourhood and H	N&H-P&C-MIT ENF	Enforcement Income		Income Generation			Green	Enforcement used to mitigate the above	40	N/A	
Neighbourhood and H	N&H-P&C-PARK8	Jenner Park alternative model	0	Corporate Asset Stra	-	65				n/a	
Neighbourhood and H	N&H-SUPP-CO1	Commercial Opportunities and Business Support review	0	Service Review	50	130	Green	Reception at Alps closed. Posts to be kept vacant within support	50	100%	
Neighbourhood and H	N&H-SUPP-CO2	Reassess Tracking Information to rationalise fleet	0	Service Review	-	10				n/a	
Neighbourhood and H	N&H-SUPP-TRANS1	Charge for Post 16 Transport	0	Generating Income		-				n/a	
Neighbourhood and H	N&H-SUPP-WM1	Waste Collection for Black Bags to 3 weeks	Agency Staff	Service Review	150	-	Amber	Commenced in July Shortfall due to delayed start and could be mitigated by green bag income and dropped vehicle. Staff no. not yet reduced.	100	67%	
Neighbourhood and H	N&H-SUPP-WM2	Green Bag Subscription Charge	0	Generating Income	500	-	Amber	Commenced July 2023	550	110%	
Neighbourhood and H	N&H-SUPP-WM3	Commercial Waste electric vehicles invest to save - business case	0	Invest to Save	-	50				n/a	

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Neighbourhood and Housing	N&H-GAR1	Garage Generation of additional income	0	Generating Income	-	10				n/a	
Neighbourhood and Housing	N&H-GAR2	Charging for public use of Electric vehicle chargers	0	Generating Income	2	3	Amber		-	0%	
Neighbourhood and Housing	N&H-REG1	Reduced Contribution Regulatory Services	0	Service Review	21		Budget Adjustment	Budget Adjustment	21	100%	
Neighbourhood and Housing	N&H-GFHOUS1	Budget Adjustment Pre Tenancy Adviser and VATs budget	0	Service Review	26		Achieved - budget ad	Budget Adjustment	26	100%	
Neighbourhood and Housing	N&H-GFHOUS2	Review Senior Officer Recharges to HRA to ensure no cross subsidisation	0	Generating Income	33		Achieved - budget ad	Budget Adjustment	33	100%	
Neighbourhood and Housing	N&H-GFHOUS3	Review Support Function - Vacant Po	0	Service Review	25		Achieved - budget ad	Budget Adjustment	25	100%	
Subtotal Directorate Neighbourhood and Housing			-		1,000	588			883	88%	40
Directorate Place											
Place	PLA-REG1	General Efficiencies within Regeneration service	0	Service Review	25		Budget Adjustment		25	100%	
Place	PLA-REG2	Review of facilities contracts	0	Corporate Asset Stra	10	23	Amber	Negotiations are underway regarding termination of the lease at VEC, this is an Invest to Save scheme that is subject to a business case.	-	0%	
Place	PLA-REG3	Administration target for Creative Communities team	0	Generating Income	15		Budget Adjustment		15	100%	
Place	PLA-REG4	Review of Regeneration & Economic Development Support Services	1	Service Review	62		Amber	Review of Regeneration structure is delayed but hoping that savings target can be covered this year by alternative income sources	10	16%	
Place	PLA-REG5	Reduce events grants budget	0	Service Review	3		Budget Adjustment		3	100%	
Place	PLA-REG6	Review of visitor attractions in country parks	1.42	Service Review	50	22	Amber	Review of country parks attractions – delayed due to the need to undertake a feasibility report to allow a review to be undertaken.		0%	
Place	PLA-SD1	Review planning and additional fee income (e.g. PPAs)	0	Generating Income	36		Budget Adjustment	Developers are being offered the opportunity to enter agreements with the Council to ensure that applications are processed as quickly and efficiently as possible.	36	100%	
Place	PLA-SD2	Review of Business Support function	1.6	Service Review	44		Green	staff savings achievable	44	100%	

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Place	PLA-PRIHOUS	Increased DFG provision (removal of means testing)	0	Generating Income	20		Red	Unlikely due to the delay in the establishment of one Independant Living Function team.	-	0%	
Subtotal Directorate Place			4		265	45			133	50%	-
Directorate Corporate Resources											
Resources	RES-DEM1	Mayor's Supplies and Services Budget	0	Service Review	4		Achieved - budget adjusted.		4	100%	
Resources	RES-DEM2	Democratic Supplies and Services Budget	0	Service Review	1		Achieved - budget adjusted.		1	100%	
Resources	RES-DEM3	Registrars Supplies and Services Budget	0	Service Review	1		Achieved - budget adjusted.		1	100%	
Resources	RES-LS1	Legal Services Supplies and Services Budget	0	Service Review	17		Achieved - budget adjusted.		17	100%	
Resources	RES-P&BT1	Budget Supplies and Services Adjustments	0	Service Review	9		Achieved - budget adjusted.		9	100%	
Resources	RES-PROP1	Supplies and Services Budget Adjustments	0	Service Review	17		Achieved - budget adjusted.		17	100%	
Resources	RES-HR1	Supplies and Services Budget Adjustments	0	Service Review	9		Achieved - budget adjusted.		9	100%	
Resources	RES-FIN1	Supplies and Services Budget Adjustments	0	Service Review	20		Achieved - budget adjusted.		20	100%	
Resources	RES-ICT1	Supplies and Services Budget Adjustments	0	Service Review	13		Amber	Need to consider impact of OD refreshments cut	12	92%	
Resources	RES-DEM4	Registrars' Income	0	Generating Income	30		Green	Budget has been adjusted. Additional target should be achieved based on annual trends.	30	100%	
Resources	RES-ICT2	O2 Mobile Phone Contract	0	Contract/Procurement	55		Green	Achieved - budget adjusted to reflect lower tariff.	32	58%	
Resources	RES-MIT-PRIN	Temporary Print Saving					Green				23
Resources	RES-ICT3	Managed Print Service	0	Contract/Procurement	-	70				n/a	
Resources	RES-ICT4	Annual RSA Support Costs - Reduce n	0	Contract/Procurement	22		Green	Saving is predicated on the reduced use of RSA due to greater VPN usage.	22	100%	
Resources	RES-P&BT2-C	Review C1V Office Accommodation	0	Corporate Asset Strategy	50		Amber	Full saving will not be achieved during 23/24 as review is ongoing and this is part of a wider review of office space.		0%	
Resources	RES-MIT C1V	Mitigation Staff Vacancies					Green	Vacant OM Posts		N/A	50
Resources	RES-PROP2-O	Review Docks Office Site	0	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 wider review of office space. A Rateable Value reduction has realised part of the saving earlier than anticipated.		0%	
Resources	RES-MIT-DOC	Temporary savings other Office Accommodation								n/a	200

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Resources	RES-PROP3	Remove Vacant Posts	0	Workforce Review	43		Green	Achieved - posts removed from establishment.	43	100%	
Resources	RES-HR2	Shared Cost AVCs	0	Generating Income	25		Green	The Shared Cost AVC process will commence June/ July 23. It is anticipated the target of £25k will be achieved as it was a conservative estimate. Nature of the saving also fragmented as relates to all services.	25	100%	
Resources	RES-FIN1	e-Billing in Revenues	0	Digital Strategy	7		Green	Team are engaging with business improvement team about what we can do with the ongoing daily mailings through Datagraphic (hybrid mail). Plan to introduce text messaging for CTax pre reminders/finals/summonses and we will be able to use the same solution for promoting e-billing	7	100%	
Resources	RES-FIN2	Hybrid Mail - Housing Benefits	0	Digital Strategy	20		Green	Project has been kicked off and team have engaged with Business Improvement.	20	100%	
Resources	RES-IASS1	Vale proportion of Vacant Post	0	Workforce Review	15		Achieved - Vale share of post removed from establishment.		15	100%	
Resources	RES-IASS2	Vale proportion of miscellaneous supplies and services savings from budget	0	Service Review	2		Achieved - Vale share of budget adjusted		2	100%	
Resources	RES-FRAUD1	Counter fraud budget reduction	0	Service Review	22		Achieved - budget adjusted	Service includes a high target for fraud reduction. Annual income target is £125k.	22	100%	
Subtotal Directorate Corporate Resources			-		582	170			308	53%	273
Policy											
Policy	POL-DEM1	Mayor's hospitality budget and twinr	0	Service Review	40		Achieved Budget Adjustment		40	100%	
Policy	POL-CFIN1	Appropriation of Debt to HRA - Savings against borrowing costs	0	Service Review	25		Achieved Budget Adjustment		25	100%	
Policy	POL-CFIN2	Temporary Capital Financing Headro	0	Service Review	1,000	- 500	Achieved Budget Adjustment		1,000	100%	
Policy	POL-CFIN3	Additional Investment Income (Temp	0	Generating Income	500	- 250	Dependent on Income Generation	On Target to Achieve in full	500	100%	
Subtotal Policy			-		1,565	- 500			1,565	100%	-
Total Savings			6		4,657	933			3,975	85%	313
Subtotal Directorate Learning and Skills					564	94			405	72%	-
Subtotal Directorate Social Services					681	536			681	100%	-

Savings Tracker

Directorate	Ref	Description of Saving Proposal	FTE Impact 2023/24	Saving Category	Target Value		Overall RAG Status	Comments/Narrative	Value Achieved /Expected to be Achieved	Percentage Achieved	Mitigation Value Achieved
					£'000	£'000					
					2023/24	2024/25			2023/24	%	2023/24
Subtotal Directorate Neighbourhood and Housing					1,000	588			883	88%	40
Subtotal Directorate Place					265	45			133	50%	-
Subtotal Directorate Corporate Resources					582	170			308	53%	273
Subtotal Policy					1,565	- 500			1,565	100%	-
Total Savings					4,657	933			3,975	85%	313