

Budget Briefing Learning and Culture



- Revenue Budget for Consultation
- Capital Strategy Budget Proposals
- Fees and Charges
- Capital Monitoring
- Revenue Monitoring

Revenue Budget for Consultation

Provisional Settlement - All Wales

- Local Government Settlement
- There has been a positive settlement for Wales as a result of the Barnett consequential. £227M of the £644M has been directed to local government which means the AEF increase for 2023/24 is 7.9%, a significant increase on the 3.5% anticipated.
- Overall SSA has increased by 6.2% across Wales and the key components School Services by 5.0% and Social Services 6.7%. The Schools Service increase takes into account the cost of the 2023/24 pay award but not the shortfall in the 2022/23 awards. The Social Services figure is higher due to the payment of the Real Living Wage to the care sector being factored in.
- The Vale of Glamorgan's AEF will increase by 8.9% £16.6M which is a £10M improvement on the £6.5M 3.5% anticipated in the Financial Strategy in October.
- The overall Vale SSA increase is 6.4% and the increases for Schools Service and Social Services 5.1% and 7.0% respectively.

Vale of Glamorgan Position

- At 8.9% AEF =£16.604m and 4.9% Council Tax = £4.284m, Total increased funding £20.888m or 7.66%
- £30.67m of pressures on a base budget of £273m is approx. 11%
- The Council has worked as a SLT to revise cost pressures down across Directorates
- Pay and Energy pressures total £15m across the Council.
- Significant Pressures around Residential/Domiciliary care providers and inability to commission care requiring significant growth to address as well as commitment to meet Real Living Wage.
- Homelessness continued pressure also pressures around placement of Ukrainian refugees.
- Continued growth in demand for special school places at Ysgol Y Deri for which additional funding £1M is included also funding for support in Mainstream settings, resource bases, additional provision required as part of Centre for Learning and Wellbeing and pupils requiring Social and Emotional support.
- School Transport – very few providers and shortage of drivers, increased need and inflationary pressures. £1m additional funding.

Updated Funding Gap

| | 2023/24 £K | 2024/25 £K | 2025/26 £K | 2026/27 £K | 2027/28 £K |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Additional Funding | | | | | |
| Government Grant | 16,604 | 5,597 | 6,244 | 6,306 | 6,369 |
| Council Tax | 5,311 | 3,829 | 3,978 | 4,134 | 4,295 |
| Reversal of 2022/23 use of reserves | -500 | -500 | 0 | 0 | 0 |
| Use of smoothing Reserves | 3,200 | 1,500 | 0 | 0 | 0 |
| Total Additional Funding | 24,615 | 10,426 | 10,222 | 10,440 | 10,664 |
| Investment | 1,010 | 1,518 | 1,763 | 1,301 | 282 |
| Demography | 1,150 | 2,493 | 2,493 | 2,493 | 2,493 |
| Inflation | 23,455 | 10,939 | 7,265 | 8,688 | 8,800 |
| Other Pressures | 5,055 | (113) | 166 | 637 | 0 |
| Total Pressures | 30,670 | 14,837 | 11,687 | 13,119 | 11,575 |
| Overall Gap | 6,055 | 4,411 | 1,465 | 2,679 | 911 |

Scrutiny Specific Cost Pressures

| Description | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Category of Growth |
|---|--------------|--------------|--------------|--------------|--------------------|
| | £000's | £000's | £000's | £000's | |
| Directorate: Learning and Skills | | | | | |
| Delegated Schools | | | | | |
| Additional Needs Fund - Additional funding for Mainstream schools to support the needs of more complex children requiring higher levels of support. | 250 | - | - | - | Investment |
| Autism Special Resource Base at Whitmore High School - An Autism Resource base has been established at Whitmore High School and these are the year two costs of running the provision | 150 | - | - | - | Pressure |
| Demographic increase in pupils requiring placement in special school Ysgol Y Deri - | 1,000 | 1,191 | 1,191 | 1,191 | Demographic |
| | 1,400 | 1,191 | 1,191 | 1,191 | |
| Central Education | | | | | |
| Complex Needs Placements - Increase in pupils requiring Complex needs provision Out of County or in an independent provision. | 300 | 140 | 140 | 140 | Pressure |
| The Dderw Newydd provision has replaced the Pupil Referral Until and will be relocated to the new site at Court Road Depot. In accordance with Estyn recommendations the LA will provide a 5 day on-site provision which will require additional resources. | 500 | | | | Pressure |
| Expansion of Learning and Wellbeing Class (Horizon) - pupils with anxiety - Expansion of the specialist class based at Ysgol Y Deri for pupils with significant levels of anxiety, preventing them from attending a mainstream school. | 150 | - | - | - | Pressure |
| Reduction in Out of County Income | 350 | 208 | 200 | 200 | Pressure |
| | 1,300 | 348 | 340 | 340 | |

Scrutiny Specific Cost Pressures

| Description | 2023/24 | 2024/25 | 2025/26 | 2026/27 | Category of Growth |
|---|-------------|------------|------------|------------|--------------------|
| | £000's | £000's | £000's | £000's | |
| Directorate:Environment and Housing School Transport | | | | | |
| School Transport - Inflationary increase for School Transport reflecting rising fuel costs and shortage of drivers and providers in the market. | 850 | 200 | 200 | 200 | Inflationary |
| ALN transport - The cost of transport for the Demographic increase pupils Ysgol y Deri, the majority of pupils need to be transported by Taxi to the provision. | 150 | 150 | 152 | 152 | Demographic |
| Total Environment and Housing - Schools Transport | 1000 | 350 | 352 | 352 | |

Savings Proposals

- The October Report set out a framework was put in place to facilitate the identification of savings proposals across ten themes
- Demand Management/Invest in Early Intervention
- Generating Income
- Service Review
- Invest to Save (omitted from the October report) Use of the Wider Community to Deliver Services
- Digital Strategy
- Corporate Asset Management Plan
- Workforce Review
- Contract Review/Procurement
- Community Engagement & Participation

Savings proposals were developed at service level and reviewed by SLT and Budget Working Groups

Scrutiny Specific Savings Proposals

| Service | Description of Saving Proposal | Saving Category | Value | | | | | Total |
|--|---|------------------------------------|----------------|-----------|----------|----------|----------|------------|
| | | | £'000 | £'000 | £'000 | £'000 | £'000 | |
| | | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | |
| Directorate Learning and Skills | | | | | | | | |
| Strategy, Community Learning and Resources | Payments to Non Maintained Nursery Providers | Service Review | 20 | 14 | | | | 34 |
| | Removal of schools emergency repairs budget | Service Review | 90 | | | | | 90 |
| | Move to cost recovery position for ACL | Generating Income | - | 80 | | | | 80 |
| | Makerspace income generation for letting out of makerspace rooms in barry and penarth libraries | Generating Income | 20 | | | | | 20 |
| | External income -income generation for letting to external organisations for filming and events | Generating Income | 20 | | | | | 20 |
| | Stop providing newspapers and DVDs in libraries | Service Review | 15 | | | | | 15 |
| | Increase libraries fees and charges by 12% | Generating Income | 5 | | | | | 5 |
| | Review Arts Provision | Service Review | 65 | | | | | 65 |
| | Standards and Provision | Reshaping of Out of School Tuition | Service Review | 89 | | | | |
| Increase in retained element of Post 16 WG grant for school improvement administration | | Service Review | 50 | | | | | 50 |
| Review use of alternative funding sources to support service delivery | | Service Review | 190 | | | | | 190 |
| Total Learning and Skills | | | 564 | 94 | - | - | - | 658 |

Scrutiny Specific Savings Proposals

| Service | Description of Saving Proposal | Saving Category | Value | | | | | Total |
|--|--|-----------------|--------------|----------|----------|----------|----------|--------------|
| | | | £'000 | £'000 | £'000 | £'000 | £'000 | |
| | | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | |
| Directorate Learning and Skills | | | | | | | | |
| Delegated Schools | Shortfall in funding Efficiency Target 2023-24 | Service Review | 2,000 | | | | | 2,000 |
| Total Delegated Schools | | | 2,000 | 0 | - | - | - | 2,000 |

Reserves Proposals

- Total Reserves excluding Schools £114m and projected to reduce to £83m by 31st March 23.
- Fewer Reserves but greater alignment to key risks of the Council.
- More formal approach to approving the specific use of reserves.
- Aligned with detail on use of reserves in monitoring.
- Identified reserves for specific risk for instance Pay Pressures, Energy Pressures, Corporate Landlord, General Investment and Digital Strategy this includes centralising Directorate specific funds relating to these areas.
- SLT have fully reviewed Reserve proposals to consider the implication on committed expenditure and internal processes.
- Reserves have been used to smooth the impact of homelessness and energy costs stepped down over two years. The reserves will also be used to support the step in approach to Social Services cost pressures.

Next Steps and Timetable

- Cabinet 19th January 2023
- Public Consultation 20th January 2023-15th February 2023
- Scrutiny Consultation February 2023
- Final Proposals Cabinet 27th February 2023
- Final Settlement 3rd March 2023
- Final Proposals Council 6th March 2023

Discussion and Questions

- Members Questions
- Recommendations

Capital Strategy

Capital Strategy – Provisional Settlement

- On 14th December 2022, the Welsh Government (WG) announced the provisional 2023/24 General Capital Funding (GCF) settlement for 2023/24.
- The amount awarded to the Council is £6.997m, being made up of £3.545m grant and £3.452m of supported borrowing.
- This is an increase of £1.168m from the 2022/23 general capital funding of £5.829m (2021/22 General Capital Funding was £6.867m)
- WG have also been advised that £20 million capital across Wales in each year is being provided to enable authorities to respond to the joint priority of decarbonisation. The Council is awaiting further information from WG in relation to this to understand what it means for us as a Council.
- WG have confirmed that the general capital funding will remain at the same level for 2024/25. No further projections beyond this point have been given.
- The table below represents the capital funding from the WG assumed as part of the 5 year programme:-

| WG Funding | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|--------------|--------------|--------------|--------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Supported Borrowing General Fund | 3,452 | 3,452 | 3,451 | 3,451 | 3,451 |
| General Capital Grant | 3,545 | 3,545 | 2,378 | 2,378 | 2,378 |
| TOTAL | 6,997 | 6,997 | 5,829 | 5,829 | 5,829 |

5 Year Capital Programme

The total value of capital schemes over the next 5 years is £265m and this is summarised in the table below. This includes £40m for the Band B Sustainable Communities for Learning Programme and £167m for the Housing Improvement Programme.

| Directorate | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Learning and Skills | 33,190 | 7,471 | 1,000 | 2,750 | 3,435 |
| Social Services | 618 | 1,067 | 725 | 100 | 100 |
| Environment and Housing | 57,662 | 45,790 | 37,517 | 26,006 | 24,294 |
| Place | 3,977 | 1,691 | 1,605 | 1,605 | 1,605 |
| Corporate Resources | 980 | 766 | 1,419 | 1,919 | 1,819 |
| City Deal | 1,949 | 1,835 | 2,594 | 0 | 0 |
| Total | 98,376 | 58,620 | 44,860 | 32,380 | 31,253 |

Capital Programme Funding

| Funding | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| General Capital Grant | 3,545 | 3,545 | 2,378 | 2,378 | 2,378 |
| General Fund (GF) Reserves/Revenue | 14,140 | 930 | 900 | 900 | 800 |
| HRA Revenue/Reserves | 17,187 | 7,104 | 6,715 | 6,802 | 7,628 |
| Capital Receipts | 6,408 | 368 | 280 | 155 | 155 |
| Grants | 27,651 | 9,715 | 4,762 | 4,773 | 4,773 |
| S106 | 5,736 | 1,006 | 600 | 2,350 | 3,035 |
| Total | 74,667 | 22,668 | 15,635 | 17,358 | 18,769 |
| Borrowing Requirement | | | | | |
| Supported Borrowing | 3,452 | 3,452 | 3,451 | 3,451 | 3,451 |
| Unsupported Borrowing GF | 3,064 | 5,178 | 2,594 | 0 | 0 |
| Unsupported Borrowing HRA | 17,193 | 27,322 | 23,180 | 11,571 | 9,033 |
| Total Borrowing Requirement | 23,709 | 35,952 | 29,225 | 15,022 | 12,484 |
| | | | | | |
| Total Capital Programme | 98,376 | 58,620 | 44,860 | 32,380 | 31,253 |

Capital Programme New Schemes 2023/24

As the provisional capital settlement from Welsh Government has now been received, it is proposed that new schemes are now included in the capital programme. The schemes are detailed in the appendix but for 2023/24 include:-

- An additional £700k for resurfacing.(Additional £450k per year between 2024/25 – 2027/28)
- £500k for bridge structures. (£1,425m in 2024/25)
- £250k for Social Services invest to save schemes. (£625k per year in 2024/25 and 2025/26)
- £230k for drainage repairs and underpinning works to Cartref Porthceri Residential Home.
- **£275k for the safeguarding and security of external School boundaries.**
- **£415k Ysgol Bro Morgannwg cladding works.**
- **£290k for health and safety priority items identified in School condition surveys.**
- **£140k for Ysgol St Baruc Internal Adaptions for Ysgol Y Deri Temporary Occupation.**
- **£200k additional education asset renewal (£400k additional each year 2024/25 -2027/28)**
- £85k match funding for the Empty Homes Scheme Grant. (£85k in 2024/25)
- £500k for decarbonisation schemes. (£250k each year between2024/25-2027/28)

Next Steps and Timetable

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Fees and Charges

Fees and Charges

- Consolidated Fees and Charges report includes fees across Neighbourhood Services, Resources, Place, Learning and Skills and Social Services.
- The majority of the proposed fees and charges reflect an increase of between 5% and 11% which has been rounded in some cases to the nearest 5p or 10p. Some fees and charges have increased higher than this percentage; remained the same; or decreased to reflect the take up of services and the cost of delivery and rationale for doing so is outlined in the body of this report.
- Some key links to the Budget Report – savings from additional income in Registrars (Corporate Resources) , Neighbourhood Services and Learning and Skills – cost recovery ACL and Libraries are all referenced in the savings listings.

Fees and Charges

Adult and Community Learning (Appendix 3)

- The proposed fees for 2023/24 are set out in Appendix 3. Fees for the 10 week courses and Fitness classes are proposed to increase at 24% to work towards the full cost recovery goal. The current fees generate income that is not as large as that spent, as demonstratable by comparing the actual 2021/22 gross expenditure and the gross income: £216,990, and £282,643 (respectively). Moreover, the cost of providing these services is predicted to further increase due to the relevant resources - such as electricity – costs rising, hence an increase above the CPI is recommended to help progress towards a full cost recovery within Adult Community Learning.

Libraries (Appendix 4)

- It is proposed that all fines are reinstated (paused due to Covid pandemic), as well as reinstating the loan charge attached to talking books. Whilst this was a necessity during the Covid pandemic due to the associated restrictions and inability to visit 'non-essential premises', this fee helps to contribute to the cost recovery of the library as well as helping to deter customers from mistreating books, etc. loaned from the library.
- To help recover costs lost due to the pandemic and continue to work towards full cost recovery, it is recommended that all 2022/23 fees within the libraries are increased by 12%.

Penarth Pier Pavilion (Appendix 5)

- The services provided have been further broken down to assist the relevant employees to help potential consumers arrange the booking of Penarth pier rooms/ venues, and to help said consumers judge which service is most appropriate for themselves. The proposed fees have been provided based on the last year's performance and the surrounding tourist sites and venues, but it is still a new project and hence the fees and charges will again be reviewed later in the year to ensure they are appropriate to both upkeep demand and ensure full cost recovery is achieved with extra that could be used within another service provided by the council.

Fees and Charges

Next Steps

- Scrutiny Committee Consultation currently being undertaken
- Comments to Corporate Performance and Resources
- Final Proposals to Cabinet on 27th February 2023

Discussion and Questions

- Members Questions
- Recommendations

Capital Monitoring

Capital Monitoring – At 30th November 2022

| Approved Programme at final proposals £'000 | Slippage Approved 21/22 to 22/23 £'000 | Directorate | Additions £'000 | Slippage Approved 2022/23 £'000 | Approved Programme 2022/23 £'000 | Slippage Requests In this report £'000 | Other movement In this report £'000 | Revised Programme 2022/23 £'000 |
|--|---|-----------------------|--------------------|------------------------------------|-------------------------------------|---|--|------------------------------------|
| 20,381 | 3,314 | Learning & Skills | 13,876 | (6,077) | 31,494 | (1,183) | 39 | 30,350 |
| 180 | 725 | Social Services | 179 | 0 | 1,084 | (15) | 0 | 1,069 |
| 57,715 | 5,898 | Environment & Housing | 10,822 | (25,043) | 49,392 | (780) | 0 | 48,612 |
| 5,801 | 1,049 | Place | 877 | (2,406) | 5,321 | (391) | 62 | 4,992 |
| 856 | 509 | Corporate Resources | 1,200 | 0 | 2,565 | 0 | 104 | 2,669 |
| 273 | 0 | City Deal | 284 | 0 | 557 | 0 | 0 | 557 |
| 85,206 | 11,495 | TOTAL | 27,238 | (33,526) | 90,413 | (2,369) | 205 | 88,249 |

Capital Monitoring Recommendations – changes to 2022/23 and future years Capital Programme

There are seven requests within the remit of this Scrutiny Committee and these are highlighted below:

Carry forward into the 2023/24 Capital Programme:

- Free School Meals Grant -2022/23 – £993k
- Llansannor Primary School – Extension - £157k
- Llansannor Primary School – WC Refurbishment - £60k

Additions & Increases & Movements in the 2023/24 Capital Programme:

- St Andrew’s Major C/W Primary School Playground Re-surfacing – **Include** this scheme in the 2022/23 Capital Programme with a budget of £15k, to be funded by the school.
- Ysgol Sant Curig Primary – All Weather Football Pitch – **Increase** this scheme budget in the 2022/23 Capital Programme by £23k to be funded by the school.
- Wick & Marcross - Rewire scheme and Wick & Marcross – Internal Alterations scheme – **Combine** the schemes and rename Wick & Marcross Primary Internal Alterations & Re-wire scheme.
- St Illtyd Primary – WC Refurbishment – **Vire** £20k from the Gladstone Primary Toilet Refurbishment and £15k from the Gladstone Primary Replacement of rainwater downpipes as further work was identified at St Illtyd’s.

Progress on Significant Capital Schemes

Detailed below are paragraphs highlighting progress on significant capital schemes this financial year.

- **Housing Improvement Programme – New Builds** - During 2023/23 there will be 138 new Council homes under construction including single persons, older persons and family housing, on sites at the former Colcot Health Clinic, Barry (12 units); Hayeswood Road, Barry (53 units); Clos Holm View Phase 2, Barry (31 units); Coldbrook Road East, Barry (20 units); St Cyres Road, Penarth (14 units) and Maes y Ffynnon, Bonvilston (8 units).
- **Sustainable Communities for Learning Programme**- Considerable progress has been made to date, five schools within the Band B Programme are now operational. Cowbridge Primary School and the Centre for Learning and Wellbeing (known as Dderw Newydd) are both under construction and progressing well with both projects on track. Barry Waterfront Primary School is also under construction with works starting on the scheme in January 2022. It is anticipated the outline planning proposal for Ysgol Y Deri will be determined by February 2023 and St Nicholas CiW Primary School has received planning consent to redevelop the school to provide 126 primary school places and 24 part-time nursery places and the scheme started on site on 7th November 2022.
- **Waste Transfer Station & Reuse Shop** - Phase 1 is mainly complete and Phase 2 is underway with majority of the scheduled works on target or finished. The Waste Transfer construction contractor is due to hand the site over to the Council in February 2023 and the site is expecting to start receiving recycling and waste from March 2023. Construction of the reuse shop and all the utility connections is now complete and the service area is expected to start diverting reusable and saleable goods to the reuse shop and be operational by Spring 2023.

Discussion and Questions

- Members Questions
- Recommendations

Revenue Monitoring

Revenue Monitoring

- The report includes the revised budget for transfers – changes very limited. Transfers for Insurance and ICT Licences. Virement from Policy to Resources for Project Zero and Budget Transfers within Place to reflect some restructuring.
- There is generally a reduced need from services of a contribution from the Policy underspend to offset additional pay costs and this is due to one off underspends in service areas such as vacant posts/social services deferred income adjustment.
- Current projections indicate that the Learning and Skills Directorate will outturn with an adverse variance of £229k after transferring £1,090k in from reserves for planned additional expenditure. The £229k relates to the 2022/23 pay award and will be offset by an underspend in the Central Policy budget. An additional £601k relates to School Transport and if this cannot be mitigated by the service will be met by the projected Policy underspend.
- Schools - It is anticipated that the schools will outturn in line with the revenue budget as any variances will either be met or carried forward through school reserves. It should be noted that the cost of the 2022/23 pay awards will have a significant impact on school balances as these costs are likely to be much higher than allowed for in the budget setting process.

Revenue Monitoring

- Use of reserves
 - Planned drawdown from reserves as part of budget
 - Significant planned use of reserves for Capital £25m – this could be impacted by grant displacement or slippage.
 - Some planned use of reserves for Social Services budget programme Sustainable Communities for Learning schemes.
 - Unplanned use Oracle, HGV Drivers, Parkwood contribution, Building Services.

Discussion and Questions

- Members Questions
- Recommendations

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Thank you

