

THE VALE OF GLAMORGAN COUNCIL

LEARNING AND CULTURE SCRUTINY COMMITTEE: 9<sup>th</sup> FEBRUARY, 2023

REFERENCE FROM CABINET: 19<sup>TH</sup> JANUARY, 2023

**“C189            BUDGET 2023/24 FOR CONSULTATION AND FURTHER MTFP  
UPDATE (EL/PR) (SCRUTINY – ALL) –**

The Leader presented the report, the purpose of which was to present initial budget proposals for consultation in order to come forward with a balanced budget for approval in February.

The Leader confirmed that the report would go forward to be considered at every Scrutiny Committee and subject to much consultation and discussion over the coming month, before coming back to Cabinet and then on to Full Council for consideration in March.

There would have had to have been a 45% increase in Council Tax were the initial £38m deficit to have been met from Council Tax alone, which clearly was not a consideration, and the Report brought forward budget proposals to discuss with residents.

The size of the budget gap had much improved since it was considered in October 2022 as a result of the budget settlement announced on 14<sup>th</sup> December, 2022 but still remained at £9.3m. The Vale of Glamorgan had received a better settlement than expected partly due to demographic factors, with the Vale of Glamorgan having the third highest allocation in Wales at 8.9% with other Authorities ranging between 5.4% and 9.3%.

Previous Council Tax assumptions in October 2022 had been modelled at 3.9%, but the report proposed a Council Tax increase of 4.9%. The £9.3m budget gap was proposed to be funded by a one-off use of reserves of £3.2m partly to reduce the pressure of expected energy price increases but also to reduce the pressure of medium term homeless costs. £6.1m of savings would be achieved through various efficiencies via service review and income generation. Some increases would be passported to schools, but Education would have a £2m efficiency requirement that would be determined at an individual school level. In order to protect the most vulnerable in society, £8.4m would be invested in Social Services.

The Leader asked that everyone get involved in the consultation on the proposals. Some residents had already been in touch to share their views and people were welcome to register to speak at the various Scrutiny Committees where the matter would be discussed also, before coming back to Cabinet and Full Council in March 2023.

One minor amendment was referred to as part of Page 2 of Appendix C to the Report, where the Budget Adjustment Pre-Tenancy Adviser and VATs budget showed a '6' in the total column which should have read as '26', which was noted and would be amended going forward for consideration.

The Leader also requested that the wording to Recommendation (2) to the report be amended to refer the report and all Appendices to all Scrutiny Committees for comment and that these comments are referred to Corporate Performance and Resources as the lead Scrutiny Committee, with any recommendations being referred back to Cabinet on 27<sup>th</sup> February, 2023, which was agreed.

Cabinet also agreed to include an additional Recommendation thanking the Finance Officers and members of the Senior Leadership Team who were involved in developing the budget proposals since last summer, working collaboratively without silos to consider how to best move forward whilst facing and managing the scale of the budget deficit.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein and noting the amendment required on Page 2 to Appendix C to the report, the amendment to Recommendation (2) and inclusion of additional Recommendation (7),

RESOLVED –

- (1) T H A T the updated financial position be noted.
- (2) T H A T the revised funding and spend assumptions and saving proposals be approved and The report and all Appendices be referred to all Scrutiny Committees for comment and that these comments are referred to Corporate Performance and Resources as the lead Scrutiny Committee, with any recommendations being referred back to Cabinet on 27<sup>th</sup> February, 2023.
- (3) T H A T the realigned reserves to match the risks the Council now faced be approved.
- (4) T H A T the savings proposals to be published for consultation with Vale of Glamorgan residents and other groups impacted by the Council's budget be approved.
- (5) T H A T the early work necessary to ensure all savings were delivered in full for 2023/24 be noted.
- (6) T H A T the urgent decision procedure as set out in Section 15.14 of the Council's Constitution be used in order to begin the consultation without delay.
- (7) T H A T Cabinet extend their thanks to the Finance Officers and members of the Senior Leadership Team who were involved in developing the budget proposals

since last summer, working collaboratively without silos to consider how to best move forward whilst facing and managing the scale of the budget deficit.

### Reasons for decisions

- (1) It was important for Cabinet to be regularly appraised of the Council's medium term financial position.
- (2) Scrutiny was an essential part of the budget setting process and it was important that the funding and savings assumptions were validated and the savings proposals were realistic and deliverable and would not have any unintended impacts.
- (3) The review of the reserve was a fundamental of the Financial Strategy.
- (4) To ensure the savings proposals were included in the annual budget consultation.
- (5) To ensure all savings could be delivered in full for 2023/24.
- (6) To allow the consultation to begin without delay.
- (7) To thank Officers for the preparation of the proposals for consideration.”

Attached as Appendix – Report to Cabinet: 19<sup>th</sup> January, 2023

|  |   |
|--|---|
| Meeting of:  | <b>Cabinet</b>  |
| Date of Meeting:   | <b>Thursday, 19 January 2023</b>  |
| Relevant Scrutiny Committee:   | All Scrutiny Committees   |
| Report Title:  | Budget 2023/24 for Consultation and Further MTFP Update   |
| Purpose of Report:   | To present initial draft budget proposals for consultation in order to come forward with a balanced budget for approval in February   |
| Report Owner:  | Executive Leader and Cabinet Member for Performance and Resources   |
| Responsible Officer:   | Director of Corporate Resources   |
| Elected Member and Officer Consultation:   | Cabinet Members, Chief Executive and Directors, Head of Finance/Section151 Officer, Monitoring Officer/Head of Legal and Democratic Services , Head of HR, Operations Manager Accountancy |
| Policy Framework:  | This is a matter for Executive decision by Cabinet .  |
| <p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The Council is facing significant demographic and inflationary pressures in 2023/24 and into the medium term.</li> <li>• Cabinet approved the Financial Strategy and update of the Medium Term Financial Plan in October, at which time there was a funding gap of £28M in 2023/24 and £50M across the Medium Term.</li> <li>• Officers have been reviewing those pressures and funding assumptions in light of the Chancellor’s Budget in November and the Welsh Government Settlement announcement on Tuesday 13th December, 2022.</li> <li>• There has been better than expected news in the Settlement. £227M was made available across Wales over and above the 3.5% commitment in last year’s settlement</li> <li>• The table below summarises the current position.</li> </ul> |   |

|                          | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|--------------------------|---------|---------|---------|---------|---------|
|                          | £K      | £K      | £K      | £K      | £K      |
| Total Additional Funding | 21,915  | 9,426   | 10,222  | 10,444  | 10,664  |
| Use of Reserves          | 2,700   | 1,000   | 0       | 0       | 0       |
| Pressures                | -30,670 | -14,837 | -11,687 | -13,119 | -11,575 |
| Funding Gap              | -6,055  | -4,411  | -1,465  | -2,679  | -910    |
| Savings/<br>Efficiencies | 6,055   | 647     | 160     | 0       | 0       |
| Overall Gap              | 0       | -3,764  | -1,305  | -2,679  | -910    |

- As part of the budget deliberations there has been a fundamental review of the Council's reserves. The reserves have been realigned with the Council's overall objectives and risks and have been streamlined to provide greater transparency and ease of management.
- The budget proposals will be subject to 4 weeks of consultation commencing 19th January, 2023.
- Cabinet will then consider a draft budget on 27th February, 2023 before the report is referred to Council on 6th March, 2023 having considered the comments received from the public consultation and scrutiny of the proposals in this report.

## **Recommendations**

1. That Cabinet notes the updated financial position.
2. That Cabinet approves the revised funding and spend assumptions and saving proposals and refers this report and all appendices to Scrutiny Committee (Corporate Performance and Resources) with any recommendations being referred back to Cabinet on 27th February, 2023.
3. That Cabinet approves the realigned reserves to match the risks the Council now faces.
4. That Cabinet approves the savings proposals to be published for consultation with Vale of Glamorgan residents and other groups impacted by the Council's budget.
5. Cabinet is recommended to note the early work necessary to ensure all savings are delivered in full for 2023/24.

## **Reasons for Recommendations**

1. It is important for Cabinet to be regularly appraised of the Council's medium term financial position.
2. Scrutiny is an essential part of the budget setting process and it is important that the funding and savings assumptions are validated and the savings proposals are realistic and deliverable and won't have any unintended impacts.
3. The review of the reserve was a fundamental of the Financial Strategy.
4. To ensure the savings proposals are included in the annual budget consultation.
5. To ensure all savings can be delivered in full for 2023/24.

## **1. Background**

- 1.1. Cabinet approved the Financial Strategy and refreshed Five Year Medium Term Financial Strategy at its meeting on 6th October, 2022. The key elements of that paper are set out below.
- 1.2. Financial Strategy
- 1.3. Cabinet approved the following nine principles in the way it manages its finances and delivers a balanced budget for 2023/24.
  - i. Delivering the Corporate Plan
  - ii. Focussing on Supporting the Most Vulnerable
  - iii. Sustainable Finances
  - iv. Appropriate Level of Reserves
  - v. Generating Local Tax Revenue
  - vi. Fees & Charges
  - vii. Collective Responsibility to Manage the Finances

viii. Access & Transparent Finance

ix. Delivering Best Value

**1.4.** These principles have been at the heart of the work on the budget over the past two months and will continue to be.

**1.5.** Economic Position

**1.6.** The UK economy was almost unrecognisable from just twelve months earlier which emphasized the uncertain times in which the Council is operating and the difficulty this would present to both the UK and Welsh Government in the resources they could direct to local government.

**1.7.** Inflation has been broadly under control for more than a decade but had been climbing at the end of 2021 hitting 5.5% in January and rising to 9.9% at the end of August giving rise to a hard felt cost of living crisis. The Bank of England had initially stalled in its response to control what is largely imported inflation but started to increase rates in December 2021 to 0.25% with a series of further increases in the following months up to 1.75% in September 2022.

**1.8.** There was a Fiscal event on 22 September targeting support for fuel bills and tax reductions but not independently validated by the Officer of Budget Responsibility, which, as a result caused significant turbulence at the time of writing of the October report and naturally gave rise to pessimistic prospects for a more favourable than previously committed settlement for Welsh councils.

**1.9.** Financial assumptions

**1.10.** As at 6th October, 2022 the Council was faced with a £28.2M gap assuming the 3.5% increase in Aggregate External Finance in the Welsh Government's existing three year settlement and a Council Tax increase of 3.99% which was still subject to a policy decision.

**1.11.** Table 1: Funding Gap as at October 2022

|                                 | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                 | £K           | £K           | £K           | £K           | £K           |
| Additional Funding              |              |              |              |              |              |
| Government Grant                | 6,510        | 4,621        | 3,943        | 4,022        | 4,102        |
| Council Tax                     | 3,408        | 3,507        | 3,577        | 3,648        | 3,722        |
| <b>Total Additional Funding</b> | <b>9,918</b> | <b>8,128</b> | <b>7,520</b> | <b>7,671</b> | <b>7,824</b> |
| Investment                      | 6,595        | 650          | 227          | (227)        | (227)        |
| Demography                      | 2,418        | 2,471        | 2,471        | 2,471        | 2,471        |
| Inflation                       | 21,659       | 12,656       | 8,498        | 8,610        | 8,483        |

|                        |        |        |        |        |        |
|------------------------|--------|--------|--------|--------|--------|
| Pressures              | 7,436  | 1,971  | 918    | 670    | 670    |
| <b>Total Pressures</b> | 38,108 | 17,748 | 12,114 | 11,524 | 11,397 |
| <b>Overall Gap</b>     | 28,190 | 9,620  | 4,594  | 3,853  | 3,573  |

**1.12.** The main pressures impacting at this time were inflationary which were already building at the start of the calendar year but very much driven in the spring and remainder of the year by the war in the Ukraine. These have come through in the magnitude of pay awards, utility costs, pressures from suppliers, especially from the care sector and in transport costs. Further there are continuing demographic pressures with a growing school population and increase numbers of older people. There were aspirations for investment to deliver service improvement which it was recognised would be difficult to fund given the size of the overall gap.

Savings framework

**1.13.** The October report set out three broad strategies for addressing the £28M gap reported at that time – lobbying for greater funding and assessing the level of Council Tax increase, reviewing and managing down spending pressures and bringing forward savings proposals A framework was put in place to facilitate the identification of savings proposals across ten themes

- i. Demand Management/Invest in Early Intervention
- ii. Generating Income
- iii. Service Review
- iv. Invest to Save (omitted from the October report) Use of the Wider Community to Deliver Services
- v. Digital Strategy
- vi. Corporate Asset Management Plan
- vii. Workforce Review
- viii. Contract Review/Procurement
- ix. Community Engagement & Participation

**1.14.** These themes were similar to the earlier reshaping programme but undoubtedly the focus would be more on financial saving and efficiency than transformation.

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

**2.1.** The report now considers funding, managing pressures and bringing forward savings proposals.

Economy/UK and Welsh Finances

**2.2.** There have been a series of important financial announcements over the past two months and a fair measure of confidence restored in the UK's finances since the events of September. Much of the Chancellor's 22 September Fiscal Event



actions were quickly undone following the election of new Prime Minister and appointment of a new Cabinet and especially Chancellor of Exchequer in early October and a commitment to a budget fully validated by the OBR.

**2.3.** Autumn Statement

**2.4.** The Chancellor, Jeremy Hunt presented the Autumn Statement on 17th November, 2022.

**2.5.** The OBR presented a far more gloomy forecast than back in March. The squeeze on real incomes, rise in interest rates and fall in house prices tipping the economy into recession in the immediate future. Unemployment is forecast to rise by 505,000 and increase from 3.5% to 4.9%. GDP is expected to return to growth in 2024 with output not expected to recover to pre pandemic levels until Quarter 4 of 2024.

**2.6.** Government borrowing is forecast to increase significantly, on average £54Bn for the next five years. This is driven by the high cost of debt interest and for 2022/23 and 2023/24 by the Energy Price Guarantee. Tax policy and spending cuts in the final three years of the settlement will lower the borrowing by an average of £36.9Bn per year.

**2.7.** The announcement honoured the October 2021 Spending Review commitments of a 3.5% increase in Aggregate External Finance in 2024/24 and 2.4% in 2024/25

**2.8.** As part of the Autumn Statement the Chancellor also announced additional departmental spending on NHS, social care and schools in England along with business support measures through the Business Rates system. This has triggered Barnett Consequential funding for the Welsh Government of £1.2Bn across 2023/24 and 2024/25 as detailed in the table below.

**2.9.** Table 2 Barnett Consequentials £1.2Bn

|                      | 2023/24 | 2024/25 |
|----------------------|---------|---------|
|                      | £M      | £M      |
| Health & Social Care | 253     | 294     |
| Schools              | 137     | 137     |
| Business Rates       | 266     | 123     |
| Other                | -12     | -83     |
|                      | 644     | 471     |

**2.10.** The settlement also implied a 1% per annum real terms increase in departmental spending after 2024/25 but given underlying service pressures this may still feel like austerity for some areas of spending.

**2.11.** Welsh Government Settlement

**2.12.** There has been a positive settlement for Wales as a result of the Barnett Consequentials. £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. The consequentials have also had a positive impact on the

2024/25 which is now at 3.0%, a marginal increase on the 2.4% for 2024/25 in last year's three year Settlement.

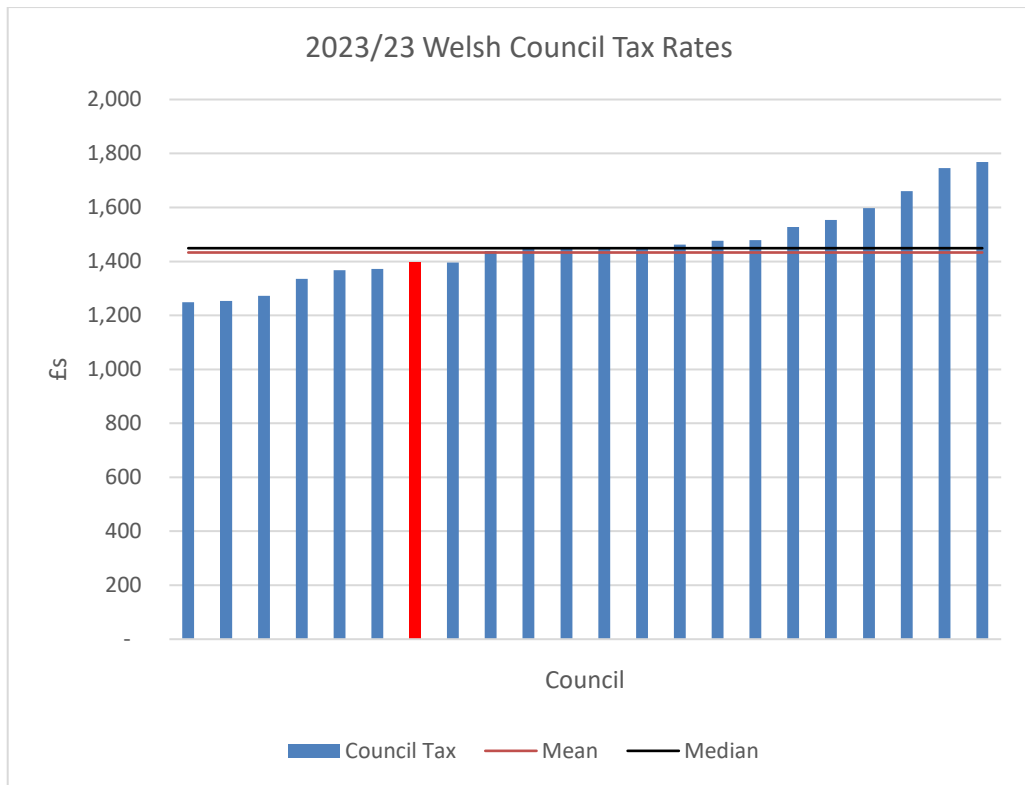
- 2.13.** The AEF is driven by the overall resources available including estimated Council Tax levels and the underlying need to spend on services, the Standard Spending Assessment (SSA) Overall SSA has increased by 6.2% across Wales and the key components School Services by 5.0% and Social Services 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 has done better than the Wales level figures and these are set out in the funding section below.
- 2.14.** The Settlement has included notification of the majority of grants, either with the continuing sum or nil where it is discontinued. There are quite a number marked as to be confirmed and also the Council is still awaiting details of its specific shares, an update on the latest position will be included in the February report. Of note at this stage though are the increases in the Universal Free School Meals grant and Retail, Hospitality and Leisure Rate Relief.
- 2.15.** Updated Financial Assumptions
- 2.16.** Table 3 below summarises the current financial forecast for the Council across the medium term. The full details of all of the pressures are set out in Appendix A and the movement between the £38.008M assumed in October and the £30,670M most up to date forecast is summarised in Appendix B. An increased funding settlement from Welsh Government alongside the work undertaken by services to manage pressures means the level of savings required to balance the budget is less than forecast earlier in the autumn.
- 2.17.** Table 3: Funding Gap as at January 2023

|                                     | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-------------------------------------|---------|---------|---------|---------|---------|
|                                     | £K      | £K      | £K      | £K      | £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       |

|                                 |               |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Additional Funding</b> | <b>24,615</b> | <b>10,426</b> | <b>10,222</b> | <b>10,440</b> | <b>10,664</b> |
| 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             |
| <b>Total Pressures</b>          | <b>30,670</b> | <b>14,837</b> | <b>11,687</b> | <b>13,119</b> | <b>11,575</b> |
| <b>Overall Gap</b>              | <b>6,055</b>  | <b>4,411</b>  | <b>1,465</b>  | <b>2,679</b>  | <b>910</b>    |

#### Funding

- 2.18.** Aggregate External Financing. The Council has fared well from the Welsh Settlement and the additional £2bn set aside for Wales in the Chancellor's Autumn Statement on 17th November, 2022. 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 which was the year two commitment in the Government's three year settlement in November 2021. The 8.9% increase is better than the 7.9% Wales increase due to relative population growth. There is also a 3% increase for 2024/25, which is line with the average increase for Wales in the Settlement, the Council is likely to do slightly better than this.
- 2.19.** The Vale of Glamorgan SSA increases are also better than the Wales equivalents, again due to relative population growth. The overall SSA increase is 6.4% and the increases for Schools Service and Social Services 5.1% and 7.0% respectively.
- 2.20.** Council Tax – increase
- 2.21.** For the purpose of modelling funding levels a Council Tax increase of 4.9% has been assumed. The Vale of Glamorgan currently charges £54 below the median Council Tax rate for Welsh Counties, at £1,396 for a Band D equivalent property for the county element.
- 2.22.** Chart 1: Council Tax Rates for Wales



- 2.23.** The 4.9% increase is equivalent to £69.12 for Band D property bringing the county element of the charge up to £1,479.06. This is an increase of £1.33 per week.
- 2.24.** The population of the Vale of Glamorgan continues to rise which sees an increase in the tax base supporting the additional burden this places on services. A detailed report on the Council Tax Base was presented to Cabinet on 15 December, the level of growth has slowed compared to the most recent years but there is still forecast to be an additional 356 Band D equivalent properties in 2023/24. The Council Tax collection rate has been held at 97.1% which is consistent with performance in 2022/23 as it continues to return to pre pandemic levels.
- 2.25.** There is a consultation underway on charging a premium on Council Tax for empty and second homes. Depending on the outcome premiums could be charges for empty properties in 2023/24 and second homes from 2024/25. Some of the additional revenue from charging a premium for second homes can enable resources to be set aside to support enforcement work.
- 2.26.** It is proposed to use earmarked reserves to smooth the impact of two specific pressures which are considered further below, utility costs where there is a likelihood of the current pressure reducing over the medium term and Homelessness costs where strategies are in place to provide more council provision to ease the pressure from the Government grant dropping away.
- 2.27.** Pressures
- 2.28.** There has been an extensive review of the Council's financial pressures and as set out in the October Strategy report to Cabinet this is very much a continuous process and there will undoubtedly be further movement before the final

budget proposals come forward in late February. This has been supported by in year revenue monitoring, the Quarter 3 Revenue Monitoring report is also on this agenda and presenting an in year surplus.

**2.29.** Investment

**2.30.** As anticipated, there is insufficient to take forward extensive investment in services for 2023/24 and beyond. Investment totals £1.010M and the main elements are provision of further Additional Learning Needs places, social services staffing and capacity building in the recently formed Resources and Place directorates.

**2.31.** Demography

**2.32.** There is limited demographic growth build in for 2023/24. The general schools population is stable but there is continued growth in demand for special school places at Ysgol Y Deri for which additional funding £1M is included. There is also an underlying demographic pressure in Adult Social Care but the service will manage this within the overall budget uplift of £9M set out below.

**2.33.** Inflation

**2.34.** This remains the primary cost driver for the Council in 2023/24 and amounts to £25.525M in total. Pay is a significant pressure of £10.801M with a need to correct the base for the 2022/23 awards which were greater than budgeted for as well as the pay awards for 2023/24 which Welsh Government have advised councils should use 5% for planning purposes. School Teachers pay is forecast at 3.5% from September 2023 in line with the recommendation of the Independent Pay Body. The pay inflation also incorporates the 10.1% increase in the Real living wage from 1st April, 2023.

**2.35.** Utilities costs have increased significantly for 2023/24, projections from the Council's energy supplier show increases for gas of around 230% which equates to approximately £1.5m, electricity increases range from 2% to 151% but account for a more significant proportion of energy usage for the Council's estate at an estimated additional cost of £2.7m. Whilst some of these costs are starting to reduce when compared with the estimates provided in October 2022 it is important that the Council tries to decarbonise its estate and makes use of renewal energy to reduce the reliance on energy which is an area that could continue to be volatile in the future. It is a commitment as part of the Climate Emergency and the drive to meet Net Zero by 2030 and to assist in implementing decarbonisation initiatives the Council is proposing to commit an additional £500k in the Capital Programme proposals which are included on this agenda to install PV panels, LED lighting and other decarbonisation and renewable energy initiatives. This funding can be utilised alongside Salix funding, the Council's Project Zero reserve and any further decarbonisation Capital funding that is available from Welsh Government to maximise the impact of the schemes undertaken.

**2.36.** Pay and utility cost inflation are impacting on the Council's third party providers, the Council's leisure centres utilise significant levels of energy and the Council

has a contractual obligation to contribute towards these additional costs, £250k has been included towards this pressure.

- 2.37.** Social Care in the care sector third party providers have been impacted by a myriad of inflationary pressures alongside significant recruitment pressures. The shortage of staff in Adult Social Care impacts the Council's ability to commission care which therefore understates the cost pressures in this budgetary area. As part of the 2022/23 budget proposals the WG made a commitment to fund third party care staff at the RLW and funding towards this has been included in the WG settlement and is included in the inflationary funding allocated to Adult Social Care. To address the commissioning issues around domiciliary care it is proposed that additional funding is provided for travel time and travel costs which is intended to enhance recruitment opportunities in this area.
- 2.38.** Home to School Transport, the third party providers in this sector have also been impacted by significant inflationary pressures in respect of fuel costs and recruitment shortages a number of providers in this area have also left the market in recent years. In addition the Council is required to provide increased amounts of specialist transport to support pupils with Additional Learning Needs.
- 2.39.** Across other services inflationary pressures for pay energy costs are reflected in the increase in Fire Levy for 2023/24. Inflationary pressures are also included across other Council contracts particularly ICT contracts and the Council's Waste contracts that are linked to RPI.
- 2.40.** Other Pressures
- 2.41.** Homelessness, the Council has additional obligations in respect of the changes made by the Welsh Government for the point at which temporary housing must be provided for those that are classified as homelessness, this is effectively a continuation of the approach to remove rough sleeping during Covid and requires the Council to maintain an increased number of temporary accommodation beds. Whilst additional forward funding was received from Welsh Government during Covid and the Council has been advised of the availability of some additional funding for 2023/24 in this area emerging pressures regarding move on arrangements for Ukrainian placements must also be considered. A Rapid Rehousing Strategy has been developed by the service and strategies around modular provision, acquisition of suitable temporary housing sites and use of existing Council sites identified as part of the corporate asset review will be prioritised to ensure that this additional need can be supported with suitable accommodation.
- 2.42.** There have been some areas of reduction in Other Pressures. Most notable are the historical unrealised savings in Resources which amounted to £0.426M. The pressure has been removed and the vacant posts within the service deleted, as the posts were vacant and there have been no redundancies as a consequence.
- 2.43.** Savings Proposals
- 2.44.** The full details of the savings proposals including FTE impact are set out in Appendix C and are summarised in the table below.

**2.45.** Table 4: Summary of Savings Proposals

|  | 2023/24      | 2024/25    | 2025/26    | 2026/27  | 2027/28  |
|--|--------------|------------|------------|----------|----------|
|  | £K           | £K         | £K         | £K       | £K       |
| Demand Management/Invest in Early Intervention | 0            | 0          | 0          | 0        | 0        |
| Generating Income                              | 1,059        | 223        | 0          | 0        | 0        |
| Service Review                                 | 2,222        | (184)      | 60         | 0        | 0        |
| Invest to Save                                 | 300          | 250        | 50         | 0        | 0        |
| Digital Strategy                               | 27           | 0          | 0          | 0        | 0        |
| Corporate Asset Management Plan                | 310          | 288        | 50         | 0        | 0        |
| Workforce Review                               | 59           | 0          | 0          | 0        | 0        |
| Contract Management/ Procurement               | 77           | 70         | 0          | 0        | 0        |
| Community Engagement & Participation           | 0            | 0          | 0          | 0        | 0        |
| <b>Total Savings</b>                           | <b>4,055</b> | <b>647</b> | <b>160</b> | <b>0</b> | <b>0</b> |
| Efficiencies                                   | 2,000        | 0          | 0          | 0        | 0        |
| <b>Total Savings &amp; Efficiencies</b>        | <b>6,055</b> | <b>647</b> | <b>160</b> | <b>0</b> | <b>0</b> |

**2.46.** The savings are primarily being generated through additional income and service review. There is an efficiency target across the Delegated Schools Budget and the nature of these efficiencies will be a school level decision. The Financial Strategy has stated the importance of sustainable finances and there are proposals included for 2024/25 and 2025/26 but these are indicative only at this stage and will be subject to review and further development across the spring and summer.

**2.47.** The council will be consulting with residents on the savings programme as set out below. However, without prejudicing that process it will be necessary to start work to ensure that savings can be delivered in full from 1st April 2023.

**2.48.** On this Cabinet agenda is a separate report on proposals for the future management of waste collection. The report highlights proposals to change the Refuse collection service from 1st July, 2023 to 3 black bags every 3 weeks from the current arrangement of 2 bags per fortnight. The savings target for this is £150,000. The report also recommends introducing a chargeable subscription service for Green Waste collections from 1st July 2023. This service is non-statutory and under the Controlled Waste (England and Wales) Regulations

(2012) a charge for the collection of green waste can be applied. The savings target is £500,000 which will be met through a combination of raising income and also a reduction in resources required when compared to the current free of charge service. The consultation on this budget report will allow the organisation to seek views and opinions on these changes, as referenced in the relevant reports on this agenda.

**2.49.** The Council’s Car Parking Strategy is also under review and a number of reports on this will be presented to Cabinet in the forthcoming months, starting in February. Members will also note that there is a fees and charges setting report on this agenda, and in that report, reference is made to the work underway on a review of the car Parking strategy. As part of this work, there is an aspiration to move towards a tiered approach to charging at coastal car parks, so that there is consistency in approach across our car parks. This will be a key part of the work of that car parking strategy review and will be reported to cabinet in due course and as suggested above.

**2.50. Directorate summary**

**2.51.** The table below summarises the funding and efficiency position by directorate.

**2.52.** Table 5: Directorate Summary of Net Funding

|                             | Learning & Skills | Schools      | Social Services | Others        | Total Pressures |
|-----------------------------|-------------------|--------------|-----------------|---------------|-----------------|
|                             | £K                | £K           | £K              | £K            | £K              |
| Pressures                   |                   |              |                 |               |                 |
| Investment                  | 0                 | 250          | 240             | 520           | 1,010           |
| Demography                  |                   | 1,000        | 0               | 150           | 1,150           |
| Inflation                   | 642               | 8,413        | 7,860           | 6,540         | 23,455          |
| Other Pressures             | 1,300             | 150          | 280             | 3,325         | 5,055           |
| <b>Total Pressures</b>      | <b>1,942</b>      | <b>9,813</b> | <b>8,380</b>    | <b>10,535</b> | <b>30,670</b>   |
| Use of Reserves             | 0                 | 700          | 0               | 2,000         | 2,700           |
| Savings                     | 564               | 0            | 600             | 2,891         | 4,055           |
| Efficiencies                | 0                 | 2,000        | 0               | 0             | 2,000           |
| <b>Net Funding Increase</b> | <b>1,378</b>      | <b>7,113</b> | <b>7,780</b>    | <b>5,644</b>  | <b>21,915</b>   |

**2.53.** The overriding principles of the Financial Strategy have been to support delivery of the Corporate Plan objectives and to protect services supporting the most vulnerable in the community. The recognition of cost pressures and composition of the savings programme evidence that this approach has been followed.

**2.54.** Whilst the budget settlement did not meet all of the Councils needs it has directed resources to Social Services and Schools in excess of the notional increase in funding for these services in the settlement.



- 2.55.** The Vale of Glamorgan has historically spent in excess of Standard Spending Assessments (SSA) for the Schools Services and Personal Social Services blocks and the proposals in this report increase that spend still further. The overall Council budget however is expected to be £2m below the SSA set for the Council by Welsh Government.
- 2.56.** For central Learning and Skills the other pressures represent additional funding for pupils with Additional Learning Needs requiring external placements £300k, with Social and Emotional difficulties £150k and pupils attending the Dderw Newydd provision £500k. Also included is funding to correct the budget to reflect the reduced out of county income the Council receives (£350k) reflecting the increased need for placements with the Council's Resource Bases and Special Schools to be utilised for Vale of Glamorgan pupils.
- 2.57.** For Schools, there is a net increase in resources of £7.113M, this is after an assumed contribution of £700k from the energy reserve to reflect the expectation that some of the £1.6m inflationary pressure relating to utilities will be temporary. Funding for pressures includes an allocation towards the additional costs associated with an increased number of pupils attending Special Schools and Specialist Resource Bases. A significant proportion (59%) of the pressures shown is also allocated towards the additional cost of the 2022/23 teaching and non teaching pay awards and an allocation towards an estimated pay award for 2023/24. In the context of these significant inflationary pressures the budget whilst improved represents a real terms cut and therefore £2M of efficiencies are reflected demonstrating that the not all these pressures have been funded in full as part of this budget proposal.
- 2.58.** A significant element of the Social Services pressures are associated with inflationary pressures for arrangements with third party providers including additional funding for domiciliary care to address some of the recruitment issues in the sector, inflationary funding is also included for placements in Children's services. Included within other pressures is additional funding to support special guardianship and residence orders allowances and arrangements for family contact time. Following further discussions funding has also been set aside to invest in additional capacity in the support function in Children and Young People's services, funding for a dedicated Social Worker to support an emerging pressure around unaccompanied asylum seeker children. The Council will also invest to ensure improved capacity around the commissioning of arrangements for children's placements and additional hospital social worker capacity.
- 2.59.** The Other services additional funding includes £1M towards inflationary costs and additional ALN pupils requiring school transport as the service is managed in the environment and housing service. Other pressures includes £2.3M towards additional costs associated with homelessness temporary accommodation although it is intended that pressure can be reduced by £1.5m between 2024/25 and 2025/26 through investment in alternative temporary accommodation. Additional funding of £250k has also been set aside towards the additional costs associated with supporting Ukrainian people settled in the area. Inflationary pressures also include £549K set aside towards the increased cost of the fire levy, £2.8m towards the increased pay costs associated with both

the 2022/23 and 2023/24 pay awards and energy cost for all non schools Council assets including street lighting.

### Reserves

- 2.60.** The Council has benefited from a history of sound financial management and does have a robust level of reserves. However, the risks of the Council have very much changed across the past twelve months and the Council’s reserves need to reflect these risks and it has also been necessary to ensure that they are managed more tightly and transparently than ever given the heightened level of financial uncertainty.
- 2.61.** The focused risks are inflation especially on utility costs and potentially redundancy and other exit costs given the magnitude of the savings ask and the likelihood of service reduction. Further, the Council needs to have reserves in place to deliver future efficiencies through rational of its physical and digital estates and also to deliver digital transformation.
- 2.62.** Table 6 summarises the position on the Council’s reserves with the full detail set out in Appendix D.
- 2.63.** Table 6: Summary of Reserves

| As at                                   | 31 March<br>2024 | 31 March<br>2025 | 31 March<br>20256 | 31 March<br>2027 | 31 March<br>2028 |
|---|------------------|------------------|-------------------|------------------|------------------|
|   | £M               | £M               | £M                | £M               | £M               |
| <b>General Fund</b>                     | 11.014           | 11.014           | 11.014            | 11.014           | 11.014           |
| <b>Learning and Skills</b>              | 1.169            | 0.603            | 0.127             | 0.115            | 0.115            |
| <b>Social Services</b>                  | 7.732            | 6.914            | 6.333             | 6.039            | 6.039            |
| <b>Neighbourhood Services</b>           | 0.944            | 0.944            | 0.944             | 0.944            | 0.944            |
| <b>Corporate Resources</b>              | 0.422            | 0.344            | 0.264             | 0.264            | 0.264            |
| <b>Place</b>                            | 0.721            | 0.645            | 0.633             | 0.621            | 0.621            |
| <b>Other Ringfenced</b>                 | 1.590            | 1.626            | 1.624             | 1.659            | 1.423            |
| <b>Insurance</b>                        | 4.530            | 4.530            | 4.530             | 4.530            | 4.530            |
| <b>Other Corporate</b>                  | 0.595            | 0.463            | 0.327             | 0.220            | 0.220            |
| <b>Homelessness and Housing Reserve</b> | 0.985            | 0.485            | 0.485             | 0.485            | 0.485            |
| <b>Cost of Living</b>                   | 0.819            | 0.819            | 0.819             | 0.819            | 0.819            |
| <b>Pay Pressures</b>                    | 4.396            | 4.396            | 4.396             | 4.396            | 4.396            |
| <b>Energy Pressures</b>                 | 1.634            | 0.634            | 0.634             | 0.634            | 0.634            |
| <b>Legal</b>                            | 1.906            | 1.810            | 1.712             | 1.712            | 1.712            |
| <b>Project Zero</b>                     | 2.289            | 2.289            | 2.289             | 2.289            | 2.289            |

|                                      |        |        |        |        |        |
|--------------------------------------|--------|--------|--------|--------|--------|
| <b>Investment and Growth Fund</b>    | 2.239  | 2.247  | 2.255  | 2.263  | 2.263  |
| <b>Reshaping Risk and Investment</b> | 1.688  | 1.520  | 1.520  | 1.520  | 1.520  |
| <b>Corporate Landlord</b>            | 1.343  | 1.343  | 1.343  | 1.343  | 1.343  |
| <b>Digital Reshaping</b>             | 0.976  | 0.976  | 0.976  | 0.976  | 0.976  |
| <b>Capital</b>                       | 4.139  | 4.162  | 4.185  | 4.198  | 4.198  |
| <b>Total Reserves</b>                | 51.131 | 47.764 | 46.410 | 46.041 | 45.805 |
| <b>Housing Revenue Account</b>       | 0.949  | 1.051  | 1.067  | 1.099  | 1.132  |
| <b>Total Reserves</b>                | 52.080 | 48.815 | 47.477 | 47.140 | 46.937 |

### **Consultation**

- 2.64.** The Council consults on a continuous basis with its communities and residents to inform how it best directs its resources. The key piece of work is in support of the development of the Council’s Corporate Plan – Working Together for a Brighter Future.
- 2.65.** A Four week public consultation will commence on approval of this report. It will be on line and seek views on the financial strategy/council objectives, council tax levels, new/existing income, service reduction, and some specific elements of the savings programme. It will also seek views on the Capital Programme which is also on this agenda. The Consultation will close on 16 February which will enable the output to be fed into the Draft Budget and MTFP Report to Cabinet on 27th February, 2023, the report being published on 20th February, 2023.
- 2.66.** The views of Scrutiny are also being sought. Scrutiny will be asked to consider the funding and spending assumptions and ensure they are robust and also examine the savings programme to ensure the savings are deliverable and the impacts full understood. The first Scrutiny Committee is Health Living and Social Care on 7th February, 2023, the final is Corporate Performance and Resources on 15th February, 2023 which as well as making its own observations will collate the response of all of the Scrutiny Committee to forward on to Cabinet.

### **Next Steps**

- 2.67.** The public consultation for these budget proposals including capital and some indicative savings proposals will be published on 19th January, 2023.
- 2.68.** Views of Scrutiny Committees will be sought during February as outlined above and will feed into Cabinet on 27th February, 2023 alongside the results of the public consultation.
- 2.69.** Consultation with Trade Unions, Voluntary groups and Schools Budget Forum will also be undertaken during this period.
- 2.70.** Feedback from these consultations will be considered alongside additional information on specific grant allocations, communication with third sector and

other public service bodies and additional detail on the settlement that is published by Welsh Government and the Welsh Local Government Association.

### Timetable

**2.71.** The key dates through to Council on 6 March are set out below:

| Date             | Activity  |
|------------------|---|
| 19 January 2023  | Public Consultation Opens                                     |
| 7 February 2023  | Healthy Living and Social Care Scrutiny Committee             |
| 8 February 2023  | Homes and Safer Communities Scrutiny Committee                |
| 9 February 2023  | Learning and Culture Scrutiny Committee                       |
| 14 February 2023 | Environment and Regeneration Scrutiny Committee               |
| 15 February 2023 | Corporate Performance and Resource Scrutiny Committee         |
| 27 February 2023 | Final Revenue Budget Proposals and Medium Term Financial Plan |
| 3 March 2023     | Final Settlement  |
| 6 March 2023     | Council   |

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

- 3.1.** The delivery of the Council’s Corporate Plan and wellbeing objectives is significantly influenced by the available finance to deliver services. This report provides the context in which the Council will be operating in the immediate and medium term.
- 3.2.** This report provides an immediate and medium term projection of the Council’s financial position, however the decisions to be taken on the Financial Strategy in the coming months will be influenced by the need to think about the longer term implications of decisions, including the continued lobbying of Welsh Government for genuine multi year financial settlements to enable better forecasting and projection of budgets. It is positive that there is a two year Settlement covering both 2023/23 and 2024/25.
- 3.3.** The approach to setting a balanced budget described in the body of this report includes reference to collaboration and the value of this approach has been well evidenced in recent years, most notably in the response to the pandemic, where the pooling of resources (whether financial, capacity or expertise) has resulted in improved outcomes and better value for money.
- 3.4.** The report sets out proposals for consulting widely on the Council’s budget, demonstrating the importance being placed on involving people in decision making and this will be further strengthened through the use of insight gained through engaging on the Council’s Annual Self Assessment and in the production

of the Annual Delivery Plan for 2023/24. In understanding the views of others through this process, decisions will be taken in an integrated way – both internally and externally.

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

- 4.1.** The Council’s response to the declaration of Climate and Nature Emergencies (in 2019 and 2021 respectively) involves significant council wide activity to deliver. The ability to respond to these plans will be impacted by the availability of financial resources to deliver them. The Council has established this area of work as a priority through the current (and likely, future) Annual Delivery Plan and therefore will continue to resource activity as far as possible, in conjunction with other priorities.

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

##### **Financial**

- 5.1.** The financial considerations are set out in the body of the report.

##### **Employment**

- 5.2.** Salaries and wages are a major element of the Council’s overall spend the inflationary impact of this pressures represents a significant proportion of growth set out as part of these draft proposals.
- 5.3.** Despite the increased settlement from Welsh Government and the detailed review of pressures a challenging savings and efficiencies target of £6M has been set for 2023/24 and there is likely to be an employment impact associated with these savings although service review and closure makes up a minimal proportion.
- 5.4.** There was also a specific theme in the savings framework to explore organisational design but this has not been taken forward at this time.
- 5.5.** The attached savings schedules indicate service reviews taking place which may have an impact on FTEs; it is encouraging at this point that any impact on the workforce is likely to be minimal. Nevertheless, the position remains, given the significant budgetary pressures that impact on FTE cannot be removed. It has not been possible at this time to assess the impact of the £2M efficiencies for schools on their workforce. Where there are such potential impacts, the Council will follow its existing policies and procedures and ensure that there is full engagement with staff and the Trades Unions. Further, some of the potential impact may reduce through turnover or redeployment.

## **Legal (Including Equalities)**

- 5.6. The Council is required under statute to fix its council tax for the financial year 2023/24 by March 2023 and to do so will have to agree a balanced revenue budget by the same date.
- 5.7. The Financial Strategy and process for approving the 2023/24 Budget and MTFP at Council in March 2023 is aligned to the Council's agreed Corporate Plan – 'Working Together for a Brighter Future' 2020 and the 2023/24 Annual Development Plan which is currently being developed.
- 5.8. The budget proposals as set out in the report has due regard to the requirements of the Council's Strategic Equality Plan including the Equalities Act 2010 and Public Sector Equality Duty for Wales. The subsequent development of specific proposals and strategies set out in the report will require the completion of Equality Impact Assessments. This involves systematically assessing the likely (or actual) effects of policies on individuals who have a range of protected characteristics under the Act.

## **6. Background Papers**

Annual Self-Assessment, Cabinet, 8th September, 2022

[https://www.valeofglamorgan.gov.uk/Documents/\\_Committee%20Reports/Cabinet/2022/22-09-08/Draft-Council-Annual-Self-Assessment.pdf](https://www.valeofglamorgan.gov.uk/Documents/_Committee%20Reports/Cabinet/2022/22-09-08/Draft-Council-Annual-Self-Assessment.pdf)

Financial Strategy & Medium Financial Plan Refresh, Cabinet 6th October, 2022

[Financial Strategy and MTFP Refresh \(valeofglamorgan.gov.uk\)](https://www.valeofglamorgan.gov.uk/Financial-Strategy-and-MTFP-Refresh)

| Appendix A  |  | 2023/24      | 2024/25      | 2025/26      | 2026/27      | Category of Growth |
|---|--|--------------|--------------|--------------|--------------|--------------------|
| Revised Summary Cost Pressures                    | Description  | £000's       | £000's       | £000's       | £000's       |                    |
| <b>Directorate: Learning and Skills</b>           |  |              |              |              |              |                    |
| <b>Delegated Schools</b>                          |  |              |              |              |              |                    |
| Learning and Skills                               | <b>Additional Needs Fund</b> - Additional funding for Mainstream schools to support the needs of more complex children requiring higher levels of support.   | 250          | -            | -            | -            | Investment         |
| Learning and Skills                               | <b>Autism Special Resource Base at Whitmore High School</b> - An Autism Resource base has been established at Whitmore High School and these are the year two costs of running the provision   | 150          | -            | -            | -            | Pressure           |
| Learning and Skills                               | <b>Demographic increase in pupils requiring placement in special school Ysgol Y Deri</b> - Demographic increase in pupils requiring a specialist placement in Ysgol Y Deri School.   | 1,000        | 1,191        | 1,191        | 1,191        | Demographic        |
| <b>Delegated Schools</b>                          |  | <b>1,400</b> | <b>1,191</b> | <b>1,191</b> | <b>1,191</b> |                    |
| <b>Central Learning and Skills</b>                |  |              |              |              |              |                    |
| Learning and Skills                               | <b>Complex Needs Placements</b> - Increase in pupils requiring Complex needs provision Out of County or in an independent provision.   | 300          | 140          | 140          | 140          | Pressure           |
| Learning and Skills                               | <b>The Dderw Newydd provision</b> 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           |
| Learning and Skills                               | <b>Expansion of Learning and Wellbeing Class (Horizon) - pupils with anxiety</b> - 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           |
| Learning and Skills                               | <b>Reduction in Out of County Income</b>   | 350          | 208          | 200          | 200          | Pressure           |
| <b>Central Learning and Skills</b>                |  | <b>1,300</b> | <b>348</b>   | <b>340</b>   | <b>340</b>   |                    |
| <b>Directorate: Social Services</b>               |  |              |              |              |              |                    |
| <b>Children Services</b>                          |  |              |              |              |              |                    |
| Social Services                                   | <b>External Placements</b> - There are continuing and considerable pressure on the children's external placements budget given the complexities of the children currently being supported and the high cost placements some of these children require to meet their needs. | 400          |              |              |              | Inflationary       |
| Social Services                                   | <b>Additional Capacity Business Support</b>  | 30           | -            | -            | -            | Investment         |
| Social Services                                   | <b>Social Worker for Unaccompanied Asylum Children</b>   | 55           | -            | -            | -            | Investment         |
| Social Services                                   | <b>Allowances Social Care Officer and Responsible</b> - Special Guardianship and Residence Order Allowances  | 160          | 30           | 30           | -            | Pressure           |
| Social Services                                   | <b>Family Support Contract Price Children and Young People Support contract size</b> - Contact/Family time. Safety and assessment of that contact and continue to support services for parents with a learning disability (ALN).   | 120          | -            | -            | -            | Pressure           |
| <b>Total Children Services</b>                    |  | <b>765</b>   | <b>30</b>    | <b>30</b>    | <b>-</b>     |                    |
| <b>Resource Management and Safeguarding</b>       |  |              |              |              |              |                    |
| Social Services                                   | <b>Additional Capacity</b> - Children's Commissioning Role and Finance Officer   | 60           | -            | -            | -            | Investment         |
| <b>Total Resource Management and Safeguarding</b> |  | <b>60</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>     |                    |
| <b>Adult Services</b>                             |  |              |              |              |              |                    |
| Social Services                                   | <b>Hospital Social Work</b> - Increased volume of complex discharges. Additional social worker and social care officer   | 95           | -            | -            | -            | Investment         |
| Social Services                                   | <b>Provider Fees, Quality Assurance &amp; Demographic Pressures</b>  | 8,100        | 7,200        | 3,500        | 3,500        | Inflationary       |
| <b>Total Adult Services</b>                       |  | <b>8,195</b> | <b>7,200</b> | <b>3,500</b> | <b>3,500</b> |                    |
| <b>Total Social Services</b>                      |  | <b>9,020</b> | <b>7,230</b> | <b>3,530</b> | <b>3,500</b> |                    |

| Revised Summary Cost Pressures                     | Description   | 2023/24     | 2024/25     | 2025/26     | 2026/27    | Category of Growth |
|--|---|-------------|-------------|-------------|------------|--------------------|
|  |   | £000's      | £000's      | £000's      | £000's     |                    |
| <b>Neighbourhood Services and Transport</b>        |   |             |             |             |            |                    |
| Environment and Housing                            | <b>Waste Contract Contractual Inflation</b> - annual uplift in contract costs for the large waste disposal/recycling contracts  | 150         | 75          | 75          | 75         | Inflationary       |
| Environment and Housing                            | <b>Leisure Contract</b> - Increased energy costs associated with the Leisure Contract   | 250         | 0           | 0           | 0          | Inflationary       |
| Environment and Housing                            | <b>Ground Maintenance Contract Inflation</b>  | 40          | 0           | 0           | 0          | Inflationary       |
| Environment and Housing                            | <b>Cost of B&amp;B Homelessness Accommodation</b> - Additional Costs associated with maintaining a "no one left out approach". The cost estimate included is net of projected Housing Benefit Receipts.   | 2300        | -1000       | -500        | 0          | Pressure           |
| Environment and Housing                            | <b>Impact of Ukraine Refugee Crisis</b> -Additional support required to support the ongoing needs of people placed as a result of the ongoing Ukrainian Refugee Crisis  | 250         | 0           | 0           | 0          | Pressure           |
| Environment and Housing                            | <b>CCTV</b> - CCTV has undergone a major upgrade to the cameras, infrastructure and systems that support CCTV. The service is now operational in Cardiff and the majority of costs are to support the monitoring of the system.   | 150         | 0           | 0           | 0          | Pressure           |
| Environment and Housing                            | <b>Private Rented Coordinator Support and support for new Temporary accommodation property</b> - Therefore additional support to identify PRS landlords would assist the LA in meeting its duties by maximising its use of the PRS.                                       | 30          | 0           | 0           | 0          | Investment         |
|  | <b>Total Environment and Housing</b>  | <b>3170</b> | <b>-925</b> | <b>-425</b> | <b>75</b>  |                    |
| <b>Environment and Housing - Schools Transport</b> |   |             |             |             |            |                    |
| Environment and Housing                            | <b>School Transport</b> - Inflationary increase for School Transport reflecting rising fuel costs and shortage of drivers and providers in the market.  | 850         | 200         | 200         | 200        | Inflationary       |
| Environment and Housing                            | <b>ALN transport</b> - 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        |
|  | <b>Total Environment and Housing - Schools Transport</b>  | <b>1000</b> | <b>350</b>  | <b>352</b>  | <b>352</b> |                    |
| <b>Place</b>                                       |   |             |             |             |            |                    |
| Place  | <b>Service Capacity Building</b>  | 120         |             |             |            | Investment         |
|  | <b>Total Place</b>  | <b>120</b>  | <b>0</b>    | <b>0</b>    | <b>0</b>   |                    |
| <b>Directorate: Corporate Resources</b>            |   |             |             |             |            |                    |
| Corporate Resources                                | <b>Service Capacity Building</b>  | 120         |             |             |            | Investment         |
| Corporate Resources                                | <b>Fournet Telephony Contract (inflation)</b>   | 40          | 0           | 0           | 0          | Inflationary       |
| Corporate Resources                                | <b>Contract Inflation on Various ICT Contracts</b>  | 25          | 31          | 35          | 0          | Inflationary       |
| Corporate Resources                                | <b>iDev Licence support costs</b>   | 35          | 0           | 0           | 0          | Pressure           |
| Corporate Resources                                | <b>Communications IT licences</b>   | 40          | 0           | 0           | 0          | Pressure           |
| Corporate Resources                                | <b>CRM System</b> - Cost of the Licence for You Gov Granicus System   | 30          | 0           | 0           | 0          | Pressure           |
| Corporate Resources                                | <b>Oracle External Support</b> - External Support Arrangements which are required to support the Cloud Based System   | 125         | 0           | 0           | 0          | Pressure           |
| Corporate Resources                                | <b>Senior Lawyer (Private Matters)</b> This relates to funding for a Senior Lawyer post in the Community Services Legal Team, to lead on private law matters as instructed by Social Services; this is an area of work which is not part of Legal Services ordinary remit | 60          | 0           | 0           | 0          | Pressure           |
| Corporate Resources                                | <b>Assistant Information Governance Officer</b> - Additional capacity to address increased workload in respect of FOIs  | 30          | 0           | 0           | 0          | Pressure           |
| Corporate Resources                                | <b>Senior Lawyer (Public Matters)</b> - supporting the Community Services team subject to grant application for funding for next two financial years.   | 0           | 0           | 61          | 0          | Pressure           |
| Corporate Resources                                | <b>Coroner Shared Service Contribution Increase</b>   | 40          | 25          | 25          | 25         | Pressure           |
| Corporate Resources                                | <b>Exchequer Financial System</b>   | 20          | 0           | 0           | 0          | Pressure           |



| Revised Summary Cost Pressures | Description  | 2023/24    | 2024/25    | 2025/26    | 2026/27    | Category of Growth |
|--------------------------------|--|------------|------------|------------|------------|--------------------|
|                                |  | £000's     | £000's     | £000's     | £000's     |                    |
| Corporate Resources            | Microsoft Licences   | 100        | 86         | 0          | 0          | Pressure           |
| Corporate Resources            | Cloud based licence - delivery of cloud data management  | 0          | 66         | 0          | 0          | Pressure           |
| Corporate Resources            | Network management & Security licence  | 0          | 0          | 115        | 0          | Pressure           |
| Corporate Resources            | Land Charges   | 25         | 0          | 0          | 0          | Pressure           |
|                                | <b>Total Corporate Resources</b>   | <b>690</b> | <b>208</b> | <b>236</b> | <b>25</b>  |                    |
| Policy                         |  |            |            |            |            |                    |
| Policy                         | Members Remuneration - Independent Remuneration Panel for Wales Draft Annual Report - February 2023                          | 50         | 0          | 0          | 0          | Inflationary       |
| Policy                         | Fire Levy  | 549        | 0          | 0          | 0          | Inflationary       |
| Policy                         | Welsh Translation - Increased costs associated with Corporate Welsh Translation have led to budget overspend in recent years | 120        | 0          | 0          | 0          | Pressure           |
| Policy                         | City Deal - Revenue Costs Associated with Prudential Borrowing for the Council's Contribution                                | 0          | 50         | 95         | 272        | Pressure           |
|                                | <b>Total Policy</b>  | <b>719</b> | <b>50</b>  | <b>95</b>  | <b>272</b> |                    |

|                             |               |              |              |              |
|-----------------------------|---------------|--------------|--------------|--------------|
| <b>Total Cost Pressures</b> | <b>17,419</b> | <b>8,452</b> | <b>5,319</b> | <b>5,755</b> |
|-----------------------------|---------------|--------------|--------------|--------------|

|  | Inflationary  | Demographics | Pressures    | Investment | Total         |
|--|---------------|--------------|--------------|------------|---------------|
| Schools                                    | -             | 1,000        | 150          | 250        | 1,400         |
| Central Learning and Skills                |               |              | 1,300        | -          | 1,300         |
| Social Services                            | 8,500         | -            | 280          | 240        | 9,020         |
| Environment and Housing                    | 440           | -            | 2,700        | 30         | 3,170         |
| Environment and Housing - School Transport | 850           | 150          |              |            | 1,000         |
| Place                                      | -             | -            | -            | 120        | 120           |
| Corporate Resources                        | 65            | -            | 505          | 120        | 690           |
| Policy                                     | 599           | -            | 120          | -          | 719           |
| <b>Total</b>                               | <b>10,454</b> | <b>1,150</b> | <b>5,055</b> | <b>760</b> | <b>17,419</b> |

|  |         |
|--|---------|
| Total Cost Pressures                   | 17,419  |
| Pay Cost Pressure                      | 11,051  |
| Energy Cost Pressure                   | 4,200   |
| Step In Social Services Cost Pressures | - 2,000 |
|  | 30,670  |

**Appendix B Movement on Pressures and Shortfall**

| <b>Opening</b>                 | <b>Cabinet Oct 2022</b> | <b>Unrealised Savings Identified</b> | <b>RLW Proposal and Amend Pay Calculations</b> | <b>Revision Social Services and Energy Pressures</b> | <b>Reduction in Pressures SLT and Budget</b> | <b>Additional Investment</b> | <b>Move School Transport</b> | <b>Fire Levy Pressure</b> | <b>Step in Social Services Cost Pressures</b> | <b>Increase AEF for Settlement and Council Tax 4.9%</b> | <b>Use of Reserves</b> | <b>Savings Proposals</b> | <b>Closing</b> |
|--------------------------------|-------------------------|--------------------------------------|--|--|--|------------------------------|------------------------------|---------------------------|---|---|------------------------|--------------------------|----------------|
|                                | £000                    | £000                                 | £000   | £000   | £000   | £000                         | £000                         | £000                      | £000  | £000  | £000                   | £000                     |                |
| <b>Delegated Schools</b>       |                         |                                      |  |  |  |                              |                              |                           |   |   |                        |                          | -              |
| Other Pressures                | 2,250                   |                                      |  |  | - 1,100                                      | 250                          |                              |                           |   |   |                        |                          | 1,400          |
| Energy Inflation               | 1,253                   |                                      |  | 1,347  |  |                              |                              |                           |   |   |                        |                          | 2,600          |
| Pay Inflation                  | 5,768                   |                                      | 45   |  |  |                              |                              |                           |   |   |                        |                          | 5,813          |
| Use of Reserves Schools        |                         |                                      |  |  |  |                              |                              |                           |   |   |                        |                          | -              |
| <b>Total Delegated Schools</b> | <b>9,271</b>            | <b>-</b>                             | <b>45</b>                                      | <b>1,347</b>   | <b>- 1,100</b>                               | <b>250</b>                   | <b>-</b>                     | <b>-</b>                  | <b>-</b>                                      | <b>-</b>  | <b>-</b>               | <b>-</b>                 | <b>9,813</b>   |
| <b>Central Pressures</b>       |                         |                                      |  |  |  |                              |                              |                           |   |   |                        |                          |                |
| Learning and Skills            | 3,611                   |                                      |  |  | - 1,311                                      |                              | -1,000                       |                           |   |   |                        |                          | 1,300          |
| Social Services                | 8,461                   |                                      |  | 1,677  | - 1,262                                      | 144                          |                              |                           |   |   |                        |                          | 9,020          |
| Environment and Housing        | 4,418                   |                                      |  |  | - 1,248                                      |                              | 1,000                        |                           |   |   |                        |                          | 4,170          |
| Place                          | 593                     |                                      |  |  | - 593  | 120                          |                              |                           |   |   |                        |                          | 120            |
| Corporate Resources            | 1,444                   | - 426                                |  |  | - 448  | 120                          |                              |                           |   |   |                        |                          | 690            |
| Policy                         | 330                     |                                      |  |  | - 160  |                              |                              | 549                       |   |   |                        |                          | 719            |
| Energy Inflation               | 1,817                   |                                      |  | - 217  |  |                              |                              |                           |   |   |                        |                          | 1,600          |
| Pay Inflation                  | 4,963                   |                                      | 25   |  |  |                              |                              |                           |   |   |                        |                          | 4,988          |
| Regrading/RLW Proposal         | 2,700                   |                                      | - 2,450  |  |  |                              |                              |                           |   |   |                        |                          | 250            |
| Cont from Reserves             | 500                     |                                      |  |  |  |                              |                              |                           |   |   | - 500                  |                          | -              |
| Step in Social Services Cost   |                         |                                      |  |  |  |                              |                              |                           | - 2,000                                       |   |                        |                          | - 2,000        |
| <b>Total Pressures</b>         | <b>38,107</b>           | <b>- 426</b>                         | <b>- 2,380</b>                                 | <b>2,807</b>   | <b>- 6,122</b>                               | <b>634</b>                   | <b>-</b>                     | <b>549</b>                | <b>- 2,000</b>                                | <b>-</b>  | <b>- 500</b>           | <b>-</b>                 | <b>30,670</b>  |

**Appendix B Movement on Pressures and Shortfall**

| <b>Opening</b>            | <b>Cabinet Oct 2022</b> | <b>Unrealised Savings Identified</b> | <b>RLW Proposal and Amend Pay Calculations</b> | <b>Revision Social Services and Energy Pressures</b> | <b>Reduction in Pressures SLT and Budget</b> | <b>Additional Investment</b> | <b>Move School Transport</b> | <b>Fire Levy Pressure</b> | <b>Step in Social Services Cost Pressures</b> | <b>Increase AEF for Settlement and Council Tax 4.9%</b> | <b>Use of Reserves</b> | <b>Savings Proposals</b> | <b>Closing</b> |
|---------------------------|-------------------------|--------------------------------------|--|--|--|------------------------------|------------------------------|---------------------------|---|---|------------------------|--------------------------|----------------|
| <b>Savings</b>            |                         |                                      |  |  |  |                              |                              |                           |   |   |                        |                          |                |
| Delegated Schools         |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 2,000                  | - 2,000        |
| Learning and Skills       |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 564                    | - 564          |
| Social Services           |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 600                    | - 600          |
| Neighbourhood Services    |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 895                    | - 895          |
| GF Housing                |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 84                     | - 84           |
| Place                     |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 265                    | - 265          |
| Corporate Resources       |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 582                    | - 582          |
| Policy                    |                         |                                      |  |  |  |                              |                              |                           |   |   |                        | - 1,065                  | - 1,065        |
| <b>Total Savings</b>      | -                       | -                                    |  | -  | -  | -                            |                              | -                         | -   | -   | -                      | - 6,055                  | - 6,055        |
| <b>Other Adjustments</b>  |                         |                                      |  |  |  |                              |                              |                           |   |   |                        |                          |                |
| Council Tax Increase Base |                         |                                      |  |  |  |                              |                              |                           |   | - 527   |                        |                          | - 527          |
| Council Tax Empty Homes   |                         |                                      |  |  |  |                              |                              |                           |   | - 500   |                        |                          | - 500          |
| Use of Reserves           |                         |                                      |  |  |  |                              |                              |                           |   |   | - 2,700                |                          | - 2,700        |
| AEF Assumption            | - 6,510                 |                                      |  |  |  |                              |                              |                           |   | - 10,094  |                        |                          | - 16,604       |
| Council Tax Assumption    | - 3,408                 |                                      |  |  |  |                              |                              |                           |   | - 876   |                        |                          | - 4,284        |
| <b>Opening Shortfall</b>  | <b>28,189</b>           | - 426                                | - 2,380  | 2,807  | - 6,122                                      | 634                          | -                            | 549                       | - 2,000                                       | - 11,997  | - 2,700                | - 6,055                  | - 0            |

## Appendix C

| Directorate                                     | Service                                    | Description of Saving Proposal  | Saving Category          | Value            |                  |                  |                  |                  |                |
|---|--|---|--------------------------|------------------|------------------|------------------|------------------|------------------|----------------|
|   |  |   |                          | £'000<br>2023/24 | £'000<br>2024/25 | £'000<br>2025/26 | £'000<br>2026/27 | £'000<br>2027/28 | £'000<br>Total |
| <b>Directorate Learning and Skills</b>          |  |   |                          |                  |                  |                  |                  |                  |                |
| Learning and Skills                             | Strategy, Community Learning and Resources | Payments to Non Maintained Nursery Providers  | Service Review           | 20               | 14               |                  |                  |                  | 34             |
| Learning and Skills                             | Strategy, Community Learning and Resources | Removal of schools emergency repairs budget   | Service Review           | 90               |                  |                  |                  |                  | 90             |
| Learning and skills                             | Strategy, Community Learning and Resources | Move to cost recovery position for ACL  | Generating Income        | -                | 80               |                  |                  |                  | 80             |
| Learning and skills                             | Strategy, Community Learning and Resources | Makerspace income generation for letting out of makerspace rooms in barry and penarth libraries | Generating Income        | 20               |                  |                  |                  |                  | 20             |
| Learning and skills                             | Strategy, Community Learning and Resources | External income -income generation for letting to external organisations for filming and events | Generating Income        | 20               |                  |                  |                  |                  | 20             |
| Learning and skills                             | Strategy, Community Learning and Resources | Stop providing newspapers and DVDs in libraries   | Service Review           | 15               |                  |                  |                  |                  | 15             |
| Learning and skills                             | Strategy, Community Learning and Resources | Increase libraries fees and charges by 12%  | Generating Income        | 5                |                  |                  |                  |                  | 5              |
| Learning and skills                             | Strategy, Community Learning and Resources | Review Arts Provision   | Service Review           | 65               |                  |                  |                  |                  | 65             |
| Learning and Skills                             | Standards and Provision                    | Reshaping of Out of School Tuition  | Service Review           | 89               |                  |                  |                  |                  | 89             |
| Learning and Skills                             | Standards and Provision                    | Increase in retained element of Post 16 WG grant for school improvement administration          | Service Review           | 50               |                  |                  |                  |                  | 50             |
| Learning and skills                             | Standards and Provision                    | Review use of alternative funding sources to support service delivery                           | Service Review           | 190              |                  |                  |                  |                  | 190            |
| <b>Subtotal Directorate Learning and Skills</b> |  |   |                          | <b>564</b>       | <b>94</b>        | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>658</b>     |
| <b>Directorate Social Services</b>              |  |   |                          |                  |                  |                  |                  |                  |                |
| Social Services                                 | Childrens and Young People                 | Closer to Home Residential Care (C&YPs)   | Invest to Save           | 200              | 100              |                  |                  |                  | 300            |
| Social Services                                 | Adult Services                             | Reduced building rental   | Corporate Asset Strategy | -                | 50               |                  |                  |                  | 50             |
| Social Services                                 | Adult Services                             | Closer to Home Supported Living (LD)  | Invest to Save           | -                | 100              |                  |                  |                  | 100            |
| Social Services                                 | Resource Management and Safeguarding       | Additional Income   | Generating Income        | 400              |                  |                  |                  |                  | 400            |
| <b>Subtotal Directorate Social Services</b>     |  |   |                          | <b>600</b>       | <b>250</b>       |                  |                  |                  | <b>850</b>     |
| <b>Directorate Neighbourhood and Housing</b>    |  |   |                          |                  |                  |                  |                  |                  |                |

## Appendix C

| Directorate               | Service              | Description of Saving Proposal  | Saving Category          | Value   |         |         |         |         |       |     |
|---------------------------|----------------------|---|--------------------------|---------|---------|---------|---------|---------|-------|-----|
|                           |                      |   |                          | £'000   | £'000   | £'000   | £'000   | £'000   | £'000 |     |
|                           |                      |   |                          | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |     |
| Environment & Housing     | All                  | Increase in fees and charges  | Generating Income        | 30      |         |         |         |         |       | 30  |
| Environment & Housing     | Highways             | Parking Charging Review   | Generating Income        | 20      | 100     |         |         |         |       | 120 |
| Environment & Housing     | Highways             | Review Car Park Provison  | Corporate Asset Strategy | 50      | -       | -       | -       | -       | -     | 50  |
| Environment & Housing     | Highways             | Stop provision of sandbags  | Service Review           | 5       | -       |         |         |         |       | 5   |
| Environment & Housing     | Highways             | Expand Construction and Design Team   | Generating Income        | -       | 25      |         | -       | -       | -     | 25  |
| Environment & Housing     | Parks & Cleansing    | Rationalisation of Public Conveniences  | Corporate Asset Strategy | -       | 50      | 50      | -       | -       | -     | 100 |
| Environment & Housing     | Parks & Cleansing    | Review Charges for Coastal Toilets  | Generating Income        | -       | 5       |         | -       | -       | -     | 5   |
| Environment & Housing     | Parks & Cleansing    | Mobile Cleansing Service  | Service Review           | -       | 50      | -       | -       | -       | -     | 50  |
| Environment & Housing     | Parks & Cleansing    | Mobile Parks Service  | Service Review           | -       | 50      | 50      | -       | -       | -     | 100 |
| Environment & Housing     | Parks & Cleansing    | Review Planting in Parks consider use of shrubs/drought resitant planting and sponsorship | Service Review           | -       | 15      | -       | -       | -       | -     | 15  |
| Environment & Housing     | Parks & Cleansing    | Do not apply for Green Flag and Coastal Awards  | Service Review           | 5       | -       | -       | -       | -       | -     | 5   |
| Environment & Housing     | Parks & Cleansing    | Allotment Charging  | Generating Income        | 3       | -       | -       | -       | -       | -     | 3   |
| Environment & Housing     | Parks & Cleansing    | Double Shift Mechanical sweepers (2 vehicles plus one spare)                              | Service Review           | 40      | -       | -       | -       | -       | -     | 40  |
| Environment & Housing     | Parks & Cleansing    | Review use of external suppliers  | Service Review           | -       | 25      |         |         |         |       | 25  |
| Environment & Housing     | Parks & Cleansing    | Reduce Grass cutting schedule to 5 cuts a year  | Service Review           | 40      | -       | -       | -       | -       | -     | 40  |
| Environment & Housing     | Parks & Cleansing    | Jenner Park alternative model   | Corporate Asset Strategy | -       | 65      | -       | -       | -       | -     | 65  |
| Environment & Housing     | Support              | Commercial Opportunities and Business Support review                                      | Service Review           | 50      | 130     | -       | -       | -       | -     | 180 |
| Environment & Housing     | Support              | Reassess Tracking Information to rationalise fleet  | Service Review           | -       | 10      | 10      |         |         |       | 20  |
| Environment & Housing     | Transportation       | Charge for Post 16 Transport  | Generating Income        |         | -       | -       | -       | -       | -     | -   |
| Environment & Housing     | Waste Management     | Waste Collection for Black Bags to 3 weeks  | Service Review           | 150     | -       | -       | -       | -       | -     | 150 |
| Environment & Housing     | Waste Management     | Green Bag Subscription Charge   | Generating Income        | 500     | -       | -       | -       | -       | -     | 500 |
| Environment & Housing     | Waste Management     | Commercial Waste electric vehicles invest to save - business case                         | Invest to Save           | -       | 50      | 50      |         |         |       | 100 |
| Environment & Housing     | Garage               | Garage Generation of additional income  | Generating Income        | -       | 10      |         |         |         |       | 10  |
| Environment & Housing     | Garage               | Charging for public use of Electric vehicle chargers                                      | Generating Income        | 2       | 3       |         |         |         |       | 5   |
| Neighbourhood and Housing | General Fund Housing | Budget Adjusment Pre Tenancy Adviser and VATs bu  | Service Review           | 26      |         |         |         |         |       | 6   |
| Neighbourhood and Housing | General Fund Housing | Review Senior Officer Recharges to HRA to ensure no cross subsidisation                   | Generating Income        | 33      |         |         |         |         |       | 33  |

## Appendix C

| Directorate   | Service                      | Description of Saving Proposal                        | Saving Category          | Value      |            |            |          |          |              |
|---|------------------------------|---|--------------------------|------------|------------|------------|----------|----------|--------------|
|   |                              |   |                          | £'000      | £'000      | £'000      | £'000    | £'000    | £'000        |
|   |                              |   |                          | 2023/24    | 2024/25    | 2025/26    | 2026/27  | 2027/28  | Total        |
| Neighbourhood and Housing                             | Community Safety             | Review Support Function - Vacant Post                 | Service Review           | 25         |            |            |          |          | 25           |
| <b>Subtotal Directorate Neighbourhood and Housing</b> |                              |   |                          | <b>979</b> | <b>588</b> | <b>160</b> | <b>-</b> | <b>-</b> | <b>1,707</b> |
| <b>Directorate Place</b>                              |                              |   |                          |            |            |            |          |          |              |
| Place   | Regeneration                 | General Efficiencies within Regeneration service      | Service Review           | 25         |            |            |          |          | 25           |
| Place   | Regeneration                 | Review of facilities contracts                        | Corporate Asset Strategy | 10         | 23         |            |          |          | 33           |
| Place   | Regeneration                 | Administration target for Creative Communities team   | Generating Income        | 15         |            |            |          |          | 15           |
| Place   | Regeneration                 | Review of Regeneration & Economic Development S       | Service Review           | 62         |            |            |          |          | 62           |
| Place   | Regeneration                 | Reduce events grants budget                           | Service Review           | 3          |            |            |          |          | 3            |
| Place   | Regeneration                 | Review of visitor attractions in country parks        | Service Review           | 50         | 22         |            |          |          | 72           |
| Place   | Planning                     | Review planning and additional fee income (e.g. PPA)  | Generating Income        | 36         |            |            |          |          | 36           |
| Place   | Planning                     | Review of Business Support function                   | Service Review           | 44         |            |            |          |          | 44           |
| Place   | Private Housing              | Increased DFG provision (removal of means testing)    | Generating Income        | 20         |            |            |          |          | 20           |
| <b>Subtotal Directorate Place</b>                     |                              |   |                          | <b>265</b> | <b>45</b>  | <b>-</b>   | <b>-</b> | <b>-</b> | <b>310</b>   |
| <b>Directorate Corporate Resources</b>                |                              |   |                          |            |            |            |          |          |              |
| Resources   | Democratic                   | Mayor's Budget Adjustment                             | Service Review           | 4          |            |            |          |          | 4            |
| Resources   | Democratic                   | Democratic Budget Adjustment                          | Service Review           | 1          |            |            |          |          | 1            |
| Resources   | Democratic                   | Registrars Budget Adjustment                          | Service Review           | 1          |            |            |          |          | 1            |
| Resources   | Legal Services               | Legal Services Budget Adjustment                      | Service Review           | 17         |            |            |          |          | 17           |
| Resources   | Performance and Business Tra | Budget Adjustment                                     | Service Review           | 9          |            |            |          |          | 9            |
| Resources   | Property                     | Budget Adjustment                                     | Service Review           | 17         |            |            |          |          | 17           |
| Resources   | Human Resources              | Budget Adjustment                                     | Service Review           | 9          |            |            |          |          | 9            |
| Resources   | Finance                      | Budget Adjustment                                     | Service Review           | 20         |            |            |          |          | 20           |
| Resources   | ICT                          | Budget Adjustment                                     | Service Review           | 13         |            |            |          |          | 13           |
| Resources   | Democratic                   | Registrars' Income                                    | Generating Income        | 30         |            |            |          |          | 30           |
| Resources   | ICT                          | O2 Mobile Phone Contract                              | Contract/Procurement Re  | 55         |            |            |          |          | 55           |
| Resources   | ICT                          | Managed Print Service                                 | Contract/Procurement Re  | -          | 70         |            |          |          | 70           |
| Resources   | ICT                          | Annual RSA Support Costs - Reduce number of users     | Contract/Procurement Re  | 22         |            |            |          |          | 22           |
| Resources   | Performance and Business Tra | Review C1V Office Accommodation                       | Corporate Asset Strategy | 50         |            |            |          |          | 50           |
| Resources   | Property                     | Review Docks Office Site                              | Corporate Asset Strategy | 200        | 100        |            |          |          | 300          |
| Resources   | Property                     | Remove Vacant Posts                                   | Workforce Review         | 43         |            |            |          |          | 43           |
| Resources   | Human Resources              | Shared Cost AVCs (NI savings, potential up to additio | Generating Income        | 25         |            |            |          |          | 25           |
| Resources   | Finance                      | e-Billing in Revenues                                 | Digital Strategy         | 7          |            |            |          |          | 7            |
| Resources   | Finance                      | Hybrid Mail - Housing Benefits                        | Digital Strategy         | 20         |            |            |          |          | 20           |
| Resources   | Internal Audit               | Vale proportion of Vacant Post                        | Workforce Review         | 15         |            |            |          |          | 15           |
| Resources   | Internal Audit               | Vale proportion of miscellaneous savings from budget  | Service Review           | 2          |            |            |          |          | 2            |
| Resources   | Internal Audit               | Counter fraud budget reduction                        | Service Review           | 22         |            |            |          |          | 22           |
| <b>Subtotal Directorate Corporate Resources</b>       |                              |   |                          | <b>582</b> | <b>170</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>752</b>   |

## Appendix C

| Directorate            | Service           | Description of Saving Proposal                                 | Saving Category | Value        |              |            |          |          |          |              |
|------------------------|-------------------|--|-----------------|--------------|--------------|------------|----------|----------|----------|--------------|
|                        |                   |  |                 | £'000        | £'000        | £'000      | £'000    | £'000    | £'000    |              |
|                        |                   |  |                 | 2023/24      | 2024/25      | 2025/26    | 2026/27  | 2027/28  | Total    |              |
| <b>Policy</b>          |                   |  |                 |              |              |            |          |          |          |              |
| Policy                 | Democratic        | Mayor's hospitality budget and twinning savings                | Service Review  | 40           |              |            |          |          |          | 40           |
| Policy                 | Capital Financing | Appropriation of Debt to HRA - Savings against borrowing costs | Service Review  | 25           |              |            |          |          |          | 25           |
| Policy                 | Capital Financing | Temporary Capital Financing Headroom                           | Service Review  | 1,000        | - 500        |            |          |          |          | 500          |
| <b>Subtotal Policy</b> |                   |  |                 | <b>1,065</b> | <b>- 500</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>565</b>   |
| <b>Total Savings</b>   |                   |  |                 | <b>4,055</b> | <b>647</b>   | <b>160</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>4,842</b> |

|   |  |  |  |              |              |            |          |          |          |              |
|---|--|--|--|--------------|--------------|------------|----------|----------|----------|--------------|
| <b>Subtotal Directorate Learning and Skills</b>       |  |  |  | <b>564</b>   | <b>94</b>    | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>658</b>   |
| <b>Subtotal Directorate Social Services</b>           |  |  |  | <b>600</b>   | <b>250</b>   | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>850</b>   |
| <b>Subtotal Directorate Neighbourhood and Housing</b> |  |  |  | <b>979</b>   | <b>588</b>   | <b>160</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>1,727</b> |
| <b>Subtotal Directorate Place</b>                     |  |  |  | <b>265</b>   | <b>45</b>    | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>310</b>   |
| <b>Subtotal Directorate Corporate Resources</b>       |  |  |  | <b>582</b>   | <b>170</b>   | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>752</b>   |
| <b>Subtotal Policy</b>                                |  |  |  | <b>1,065</b> | <b>- 500</b> | <b>-</b>   | <b>-</b> | <b>-</b> | <b>-</b> | <b>565</b>   |
| <b>Total Savings</b>                                  |  |  |  | <b>4,055</b> | <b>647</b>   | <b>160</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>4,862</b> |

|  |  |                                      |  |              |            |            |          |          |          |              |
|--|--|--------------------------------------|--|--------------|------------|------------|----------|----------|----------|--------------|
|  |  | Service Review                       |  | 2,224        | - 184      | 60         | -        | -        | -        | 2,100        |
|  |  | Corporate Asset Strategy             |  | 310          | 288        | 50         | -        | -        | -        | 648          |
|  |  | Digital Strategy                     |  | 27           | -          | -          | -        | -        | -        | 27           |
|  |  | Demand Management/Early Intervention |  | -            | -          | -          | -        | -        | -        | -            |
|  |  | Generating Income                    |  | 1,159        | 223        | -          | -        | -        | -        | 1,382        |
|  |  | Invest to Save                       |  | 200          | 250        | 50         | -        | -        | -        | 500          |
|  |  | Workforce Review                     |  | 58           | -          | -          | -        | -        | -        | 58           |
|  |  | Contract/Procurement Review          |  | 77           | 70         | -          | -        | -        | -        | 147          |
|  |  | Use of Wider Community               |  | -            | -          | -          | -        | -        | -        | -            |
|  |  | Savings and Efficiencies             |  | -            | -          | -          | -        | -        | -        | -            |
|  |  | <b>TOTAL</b>                         |  | <b>4,055</b> | <b>647</b> | <b>160</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>4,862</b> |

## Appendix D

| Reserve Category       | Reserves                         | Purpose   | Balance<br>31-03-2023 | Balance<br>31-03-2024 | Balance<br>31-03-2025 | Balance<br>31-03-2026 | Balance<br>31-03-2027 |
|------------------------|----------------------------------|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                        |                                  |   | £000                  | £000                  | £000                  | £000                  | £000                  |
| General Fund           | General Fund                     | 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. | 11,514                | 11,014                | 11,014                | 11,014                | 11,014                |
| Learning and Skills    | Education Pressures and Improvem | To support Education Pressures, School Organisation and Restructuring, the Implementation of the ALN act, support delivery of WESP and provision of                                       | 2,794                 | 1,194                 | 664                   | 192                   | 180                   |
| Learning and Skills    | Libraries and Communities        | To support ACL, Libraries and other Cultural services   | 153                   | 40                    | 4                     | -                     | -                     |
| Social Services        | Social Services Pressures        | To cover additional burdens on the authority due to changes in legislation and other pressures on the service.  | 8,787                 | 7,732                 | 6,914                 | 6,333                 | 6,039                 |
| Neighbourhood Services | Neighbourhood Services           | To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives.                                | 1,935                 | 47                    | 47                    | 47                    | 47                    |
| Neighbourhood Services | Waste Management Contingency     | 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.                                  | 200                   | 200                   | 200                   | 200                   | 200                   |
| Neighbourhood Services | Civil Parking Enforcement        | 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.   | 127                   | 127                   | 127                   | 127                   | 127                   |
| Neighbourhood Services | Regulatory Improvements          | Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.  | 100                   | 100                   | 100                   | 100                   | 100                   |
| Neighbourhood Services | Bad Weather                      | To fund necessary works during periods of severe weather conditions.  | 470                   | 470                   | 470                   | 470                   | 470                   |
| Corporate Resources    | Corporate Resources              | Set aside to mitigate project costs within the Corporate Resources directorate  | 494                   | 418                   | 340                   | 260                   | 260                   |
| Place                  | Local Development Plan           | Set aside for costs relating to the production of the Local Development Plan.   | 263                   | 263                   | 263                   | 263                   | 263                   |
| Place                  | Place Reserve                    | Funding set aside to mitigate project costs within the Place directorate  | 575                   | 317                   | 241                   | 229                   | 217                   |
| Place                  | Private Housing/DFG              | 2 years funding need to try to move to sustainable model in that time   | 100                   | 100                   | 100                   | 100                   | 100                   |
| Place                  | Holton Road Surplus              | RINGFENCED for Holton Road eed to understand how this will be used  | 21                    | 21                    | 21                    | 21                    | 21                    |
| Place                  | Country Car Park Reserve         | Ringfenced Country Car Parking Reserve to be reinvested in Country Parks  | -                     | -                     | -                     | -                     | -                     |
| Place                  | Donations                        | Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast.   | 20                    | 20                    | 20                    | 20                    | 20                    |
| Other Ringfenced       | Building Services                | Monies set aside for improvements to the Building Services department.  | 552                   | 552                   | 552                   | 552                   | 552                   |
| Other Ringfenced       | Shared Internal Audit Service    | Balance held on behalf of the partners for the shared audit service.  | 324                   | 324                   | 324                   | 324                   | 324                   |
| Other Ringfenced       | Child Burial                     | Ring fenced grant funding received from Welsh Government.   | 68                    | 68                    | 68                    | 68                    | 68                    |
| Other Ringfenced       | Building Control                 | Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account.   | 114                   | 114                   | 114                   | 114                   | 114                   |



|                                  |  |   | Balance    | Balance    | Balance    | Balance    | Balance    |
|----------------------------------|--|---|------------|------------|------------|------------|------------|
| Reserve Category                 | Reserves                                   | Purpose   | 31-03-2023 | 31-03-2024 | 31-03-2025 | 31-03-2026 | 31-03-2027 |
|                                  |  |   | £000       | £000       | £000       | £000       | £000       |
| Other Ringfenced                 | Election Expenses                          | Set aside for the Council and other elections costs.  | 270        | 276        | 312        | 310        | 345        |
| Other Ringfenced                 | Catering Equipment                         | Repairs and renewal fund for catering equipment and vehicles in Schools.  | 256        | 256        | 256        | 256        | 256        |
| Insurance                        | Insurance Fund                             | 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.   | 4,530      | 4,530      | 4,530      | 4,530      | 4,530      |
| Other Corporate                  | Trainee Appointments                       | To fund the appointment of trainees and interns to support services and the Reshaping Service programme.  | 521        | 393        | 261        | 125        | 18         |
| Other Corporate                  | Stronger Communities Fund                  | 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". | 191        | 191        | 191        | 191        | 191        |
| Other Corporate                  | Mayors Foundation                          | Ringfenced funding to be issued as grants.  | 6          | 6          | 6          | 6          | 6          |
| Other Corporate                  | Staff Employment Awards (EXTERNAL)         | Ringfenced funding to support delivery of Staff Employment awards event.  | 5          | 5          | 5          | 5          | 5          |
| Homelessness and Housing Reserve | Homelessness and Housing Reserve           | This sum will be used to support homelessness prevention work.  | 1,887      | 887        | 387        | 387        | 387        |
| Homelessness and Housing Reserve | Interpretation Services for Asylum Seekers | Propose this is Ringfenced  | 98         | 98         | 98         | 98         | 98         |
| Other Ringfenced                 | Cwm Ciddy Challenge Funding                | Ringfenced grant funding to be utilised within Porthkerry Country Park  | 4          | 4          | 4          | 4          | 4          |
| Cost of Living                   | Cost of Living                             | To support the Council's response to the Cost of Living crisis  | 819        | 819        | 819        | 819        | 819        |
| Pay Pressures                    | Pay Pressures                              | Funds to mitigate risks associated with Pay Awards and meet redundancy costs and pension costs when paid over 5 years.  | 4,396      | 4,396      | 4,396      | 4,396      | 4,396      |
| Energy Pressures                 | Energy Pressures                           | Funds to mitigate risks associated with Energy costs  | 4,334      | 1,634      | 634        | 634        | 634        |
| Corporate Landlord               | Corporate Landlord                         | Fund to mitigate with risks across the Council's building assets  | 3,776      | 1,343      | 1,343      | 1,343      | 1,343      |
| Investment and Growth Fund       | Investment and Growth Fund                 | This fund is to be used to support the Non Treasury Investment Strategy Investment and Growth Fund.   | 2,354      | 2,239      | 2,247      | 2,255      | 2,263      |
| Reshaping Risk and Investment    | Reshaping Risk and Investment              | To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme.  | 1,863      | 1,688      | 1,520      | 1,520      | 1,520      |
| Digital Reshaping                | Digital Reshaping                          | Invest to save funding to support the implementation of new digital ways of working and to update current systems.  | 976        | 976        | 976        | 976        | 976        |
| Legal                            | Legal Claims                               | To mitigate legal costs and fund future legal cases and judicial reviews.   | 2,000      | 1,906      | 1,810      | 1,712      | 1,712      |
| Project Zero                     | Energy Management Fund                     | Ringfenced recyclable funding utilised as part of Salix funded schemes  | 70         | 70         | 70         | 70         | 70         |
| Project Zero                     | Project Zero and Green Infrastructure      | This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan.   | 1,811      | 1,811      | 1,811      | 1,811      | 1,811      |
| Project Zero                     | Social Services Electric Vehicles and      | Funds 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.  | 408        | 408        | 408        | 408        | 408        |
| Capital                          | School Investment Strategy                 | To be used to fund schemes identified as part of the Schools Investment Programme including the Sustainable Communities for Learning programme.   | 4,447      | 1,470      | 1,493      | 1,516      | 1,529      |

|                         |                              |   | Balance       | Balance       | Balance       | Balance       | Balance       |
|-------------------------|------------------------------|---|---------------|---------------|---------------|---------------|---------------|
| Reserve Category        | Reserves                     | Purpose   | 31-03-2023    | 31-03-2024    | 31-03-2025    | 31-03-2026    | 31-03-2027    |
|                         |                              |   | £000          | £000          | £000          | £000          | £000          |
| Capital                 | Telecare                     | Replacement fund for Telecare equipment and other service costs.  | 862           | 862           | 862           | 862           | 862           |
| Capital                 | Vehicles Repair and Renewals | 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.      | 902           | -             | -             | -             | -             |
| Capital                 | Waste Transfer Station       | Establishment of a Waste Transfer Station.  | 849           | -             | -             | -             | -             |
| Capital                 | City Deal                    | Reserve set aside to mitigate the costs associated with City Deal to be utilised to minimise the cost of borrowing as part of agreed City Deal contributions                                    | 1,341         | -             | -             | -             | -             |
| Capital                 | Capital Scheme Commitments   | To fund schemes included in the Council's 5 year capital programme  | 3,881         | 1,807         | 1,807         | 1,807         | 1,807         |
|                         | <b>Total Excluding HRA</b>   |   | <b>71,468</b> | <b>51,196</b> | <b>47,829</b> | <b>46,475</b> | <b>46,106</b> |
| Housing Revenue Account | HRA                          | 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. | 11,621        | 949           | 1,051         | 1,067         | 1,099         |
|                         | <b>Total</b>                 |   | <b>83,089</b> | <b>52,145</b> | <b>48,880</b> | <b>47,542</b> | <b>47,205</b> |