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# BUDGET FOR CONSULTATION – LEARNING AND CULTURE SCRUTINY FEBRUARY 2024

# DRAFT REVENUE 2024/25 AND MEDIUM TERM FINANCIAL PLAN

## REVENUE BUDGET HEADLINES

- Really challenging budget process and some of the elements we are reporting as pressure points are emerging in the national picture.
- November report set out adjusted Cost Pressures circa £21m against approx. £38m unadjusted Cost Pressures
- Work undertaken assess ability to mitigate unawarded cost pressures.
- This includes only 75% funding of assumed pay pressures for 2024/25
- Priority in funding to Social Care, Schools and Homelessness – mitigating issues seen in Schools in 2023/24 budget, ALN growth, LAC growth and increased complexity, Increased complexity and growth Adults Social Care, Growth in Homelessness and Inflationary pressures.

## REVENUE BUDGET HEADLINES

- Settlement as anticipated, only 3.1% approx. £20k difference
- Council Tax increase proposed 6.7% allowing some reduction in savings e.g. protection for supported bus services.
- Savings requirement £7.8M – unprecedented level – Some Tactical and Some Transformational. Higher level of savings in discretionary services one small saving in Schools linked to energy reduction
- Significant pressures in future years too, £9.4M 2025/26 – need to think about the need to Transform – work undertaken to consider what the organisation will need to look like in 2030 and how we get there.
- Fees and charges 6.7% CPI requirement



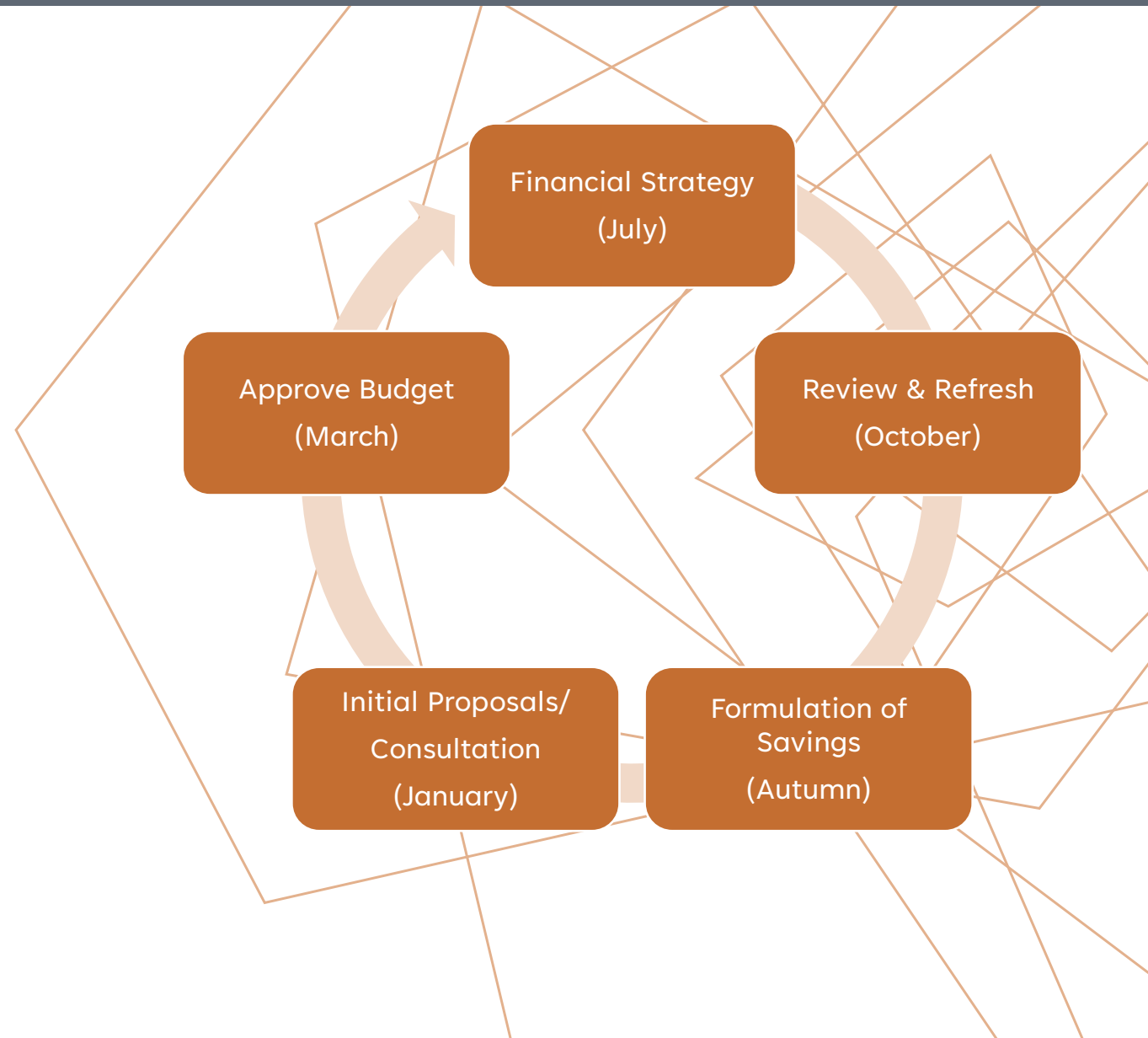
The Council launched its Let's Talk about Life in the Vale Survey in August 2023. It is being run on behalf of the Council by independent researchers at Data Cymru.

This survey is different to other Vale wide surveys that the Council has run in the past. It doesn't simply ask how satisfied people are with Council services. Instead, there is a genuine attempt to understand what life is like for people living in the Vale and how public services affect this.

Cost of Living is a significant issue for residents. Over 60% had purposely not put their heating on in the last six months and only 44% said they could pay an unexpected but necessary payment of £850. Residents were asked about their priorities and to rank their importance. The top priority for 42% of the population was 'Easily accessible care and health care services when I or my family need them' and 78.1% ranked this in their top three priorities. Second at 26.6% was 'buy or rent a good quality home' and 47.6% ranked this in their top three. It is reassuring that these are areas that the Council is focussing resources on through its Financial Strategy

# BUDGET PLANNING CYCLE

- Cost Pressures Submitted Start of September
- Initial Review by SLT
- 2 Rounds of Budget Working Groups with Finance/HR/Leader/Directors and Head of Service and Cabinet Members.
- Initial Review and refinement of cost pressures feeding into Update Cabinet Report in November.
- Budget Forum Session
- Second BWG focusing on Savings proposals and Transformation.
- Further review by SLT and Business Cabinet of Savings.
- Following receipt of Provisional Settlement update for SLT and Business Cabinet



# SUMMARY FIVE YEAR POSITION

	2024/25	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's	£000's
<b>Funding</b>					
Government Grant	6,099	2,089	2,110	2,131	2,152
Council Tax (6.7% dropping to 3.9%)	7,454	3,937	4,090	4,250	4,416
Use of General Fund Reserves	-496	0	0	0	0
Use of Smoothing Reserves	-56	-1,799	-500	-445	0
<b>Total Funding</b>	<b>13,001</b>	<b>4,227</b>	<b>5,700</b>	<b>5,936</b>	<b>6,568</b>
<b>Spending</b>					
Investment	318	1,262	1,000	0	0
Demography	5,064	2,635	2,543	2,543	2,543
Inflationary - Pay	6,150	3,658	3,731	3,805	3,882
Inflation	5,193	5,110	5,075	5,075	5,075
Capital Financing	50	285	496	187	0
Pressure	4,073	702	365	252	623
<b>Total Spending Pressures</b>	<b>20,848</b>	<b>13,652</b>	<b>13,210</b>	<b>11,862</b>	<b>12,123</b>
<b>Gap</b>	<b>7,846</b>	<b>9,425</b>	<b>7,510</b>	<b>5,926</b>	<b>5,555</b>

# COMMITTEE SPECIFIC COST PRESSURES - SCHOOLS

Description	2024/25 Adjusted	2025/26	2026/27	2027/28	2028/29	Category of Growth
	£000's	£000's	£000's	£000's	£000's	
<b>Delegated Schools</b>						
Demographic increase in Mainstream schools - To meet the net cost of the increase in pupils in mainstream school.	-	392	300	300	300	Demographic
Demographic increase in pupils requiring placement in special school Ysgol Y Deri- Demographic increase in pupils requiring a specialist placement in Ysgol Y Deri School.	896	1,241	1,241	1,241	1,241	Demographic
Secondary Autism Satellite Provision- Cost of establishing an additional Secondary Autism Satellite Provision reflecting an increased need.	165	-	-	-	-	Investment
Expansion Hafan Primary Resource base - There is an increase in demand for placements at the Hafan resource base at Gladstone primary school which accommodates pupils with complex social and emotional mental health needs.	154	-	-	-	-	Pressure
Primary Welsh Immersion Unit - This cost pressure will increase the current Welsh immersion budget to continue to fund the primary Welsh immersion unit at Ysgol Gwaun Y Nant.	64	-	-	-	-	Investment



# COMMITTEE SPECIFIC COST PRESSURES - SCHOOLS

Description	2024/25 Adjusted	2025/26	2026/27	2027/28	2028/29	Category of Growth
	£000's	£000's	£000's	£000's	£000's	
<b>Delegated Schools</b>						
Gwaun Y Nant Resource base- In order to meet the increasing demand for pupils with autism and anxiety in the primary sector, and reduce the number of pupils requiring a specialist placement in Ysgol Y Deri, it is proposed that a new Welsh medium resource base is developed.	183	162				Pressure
Holton primary school resource base- In order to meet the increasing demand for pupils with autism and anxiety in the primary sector, and reduce the number of pupils requiring a specialist placement in Ysgol Y Deri, it is proposed that a new resource base is developed in the Barry area and opened in September 2024.	90	162				Investment
Teaching Pay Award - Funding in accordance with assumed Teaching pay award 2024/25 funded at 75% and assumed awards at 2% thereafter.	2,280	1,343	1,370	1,397	1,425	Inflationary - Pay
Non Teaching Pay Award -Assumed flat award of £1,200 in 2024/25 and 2 % thereafter.	1,912	1,020	1,040	1,061	1,082	Inflationary - Pay
Energy Step Down - assumed 35% reduction in energy costs in 2024/25	-805					Pressure
Increased FSM Budget Step Down - assumed step down of FSM in settlement due to end of UC transitional arrangements and universal provision	-	-100	-100			Pressure
<b>Total Schools Cost Pressures</b>	<b>4,939</b>	<b>4,220</b>	<b>3,851</b>	<b>3,999</b>	<b>4,048</b>	

# COMMITTEE SPECIFIC COST PRESSURES –SCHOOLS ORIGINAL/ADJUSTED ANALYSIS

## Appendix A2 Cost Pressures Review Analysis

	Adjusted	Raw	Difference
	£000s	£000s	£000s
<u>Investments</u>			
Autism Satellite	124	165	-41
Welsh Immersion	64	85	-21
Resource Bases	130	90	40
<u>Demography</u>			
Mainstream Demography	0	392	-392
Special Demography	897	1,331	-434
<u>Pay Inflation</u>			
Schools Pay Award	4,192	5,906	-1,714
<u>Non Pay inflation</u>			
Schools Energy	-805	-805	0
Pressures & Capital Financing			
Resource Bases	336	598	-262
ALN Needs in schools	0	400	-400
	4,938	8,162	-3,224

# 2024/25 DRAFT REVENUE SUMMARY BY AREA

	Learning & Skills	Schools	Social Services	Others	Total Pressures
	£'000	£'000	£'000	£'000	£'000
<b>Original Budget</b>	<b>16,439</b>	<b>114,239</b>	<b>88,891</b>	<b>74,853</b>	<b>294,422</b>
Centralisation Recharges	-2,389	0	-3,631	6,020	0
<b>Adjusted Original Budget</b>	<b>14,050</b>	<b>114,239</b>	<b>85,260</b>	<b>80,873</b>	<b>294,422</b>
<b>Pressures</b>					
Investment	-	318	-	-	318
Demography	-	897	4,015	152	5,064
Inflation	231	4,192	6,077	843	11,342
Other Pressures	-	-469	2,767	1,775	4,073
Capital Financing	-	-	-	50	50
<b>Total Pressures</b>	<b>231</b>	<b>4,939</b>	<b>12,858</b>	<b>2,820</b>	<b>20,848</b>
Use of Reserves	-	900	-	-348	552
Savings	-354	-180	-1,755	-5,558	-7,847
<b>Net Funding Increase</b>	<b>-123</b>	<b>5,659</b>	<b>11,103</b>	<b>-3,086</b>	<b>13,552</b>
<b>% Increase /(Decrease)</b>	<b>-0.88%</b>	<b>4.95%</b>	<b>13.02%</b>	<b>-3.82%</b>	<b>4.60%</b>
<b>Net Budget 2024/25</b>	<b>13,927</b>	<b>119,898</b>	<b>96,363</b>	<b>77,787</b>	<b>307,974</b>

# SAVINGS PROPOSALS SUMMARY

Service Area	2024/25 £'000s
Subtotal Schools	180
Subtotal Directorate Learning and Skills	356
Subtotal Directorate Social Services	1,755
Subtotal Directorate Neighbourhood and Housing	1,903
Subtotal Directorate Place	286
Subtotal Directorate Corporate Resources	1,348
Subtotal Policy	1,969
Subtotal Corporate	50
<b>Total Savings</b>	<b>7,847</b>

Service Area	2024/25 £'000s
Transformational	1,360
Tactical	6,488
<b>Total Savings</b>	<b>7,847</b>

Energy Saving in Schools

Non Maintained Nursery Settings, Income in Adult and Community Learning and Use of Grant in Youth Services.

Review Accommodation, Service Review in Community Care, Remodelling Day Services, Introducing New Charges and Expanding Telecare.

Reduction in service levels, Expanding charging in Waste, Asset reviews, School Crossing Patrols, Parking Charges. Est 12 fte

Reduction in budgets, increase in charges and new charges in Planning space, Restructuring teams. Est 3 fte

Office Accommodation changes, Supplier Spend, Fees and Charges and £339k reduction in Headcount approx. 9.5fte

# COMMITTEE SPECIFIC COST SAVINGS - SCHOOLS

	Description of Saving Proposal	Saving	
		Category	£'000
			2024/25
Learning and Skills Schools	Energy Saving in Schools ICT switch Off	Digital innovation	180

# COMMITTEE SPECIFIC COST SAVINGS – CENTRAL LEARNING AND SKILLS

Directorate	Description of Saving Proposal	Saving	
		Category	£'000
			2024/25
Directorate Learning and Skills			
Learning and Skills	Payments to Non Maintained Nursery Providers Continuation of Service Review 23-24 Saving		14
Learning and Skills	Payments to Non Maintained Nursery Providers Additional Saving	Service Review	36
Learning and skills	Move to full cost recovery position for ACL	Generating Income	130
Learning and Skills	Old Hall - 20% loss overall in Cowbridge consider alternative funding	Target Operating Model	40
Learning and Skills	Reduced Contribution School Improvement	Service Review	34
Learning and Skills	Off set costs through targeted use of new grant funding	Service Review	102
			<b>356</b>

# USE OF RESERVES

- Use of reserves £2.7m as part of these proposals – Mainly Homelessness and Energy
- Some Risk Based Reserves e.g. Pay Pressures, Legal Reserve, Corporate Landlord
- Reserves established to support Transformation – Risk, Reshaping and Investment and Digital Reshaping have been increased
- Need further review additional reserves for Final Proposals
  - Set aside for Social Services
  - Set aside funding for Budget Risk.

## NEXT STEPS

Date	Body	Activity
<b>19 January 2024</b>	Community & Partners, including Trade Unions and Public Service Board	Consultation on budget proposals
<b>February 2024</b>	Scrutiny	Review estimates and savings proposals. First meeting 6 February Healthy Living & Social Care to last 21 February Corporate Performance & Resources.
<b>16 February 2024</b>	Community & Partners, including Trade Unions and Public Services Board	Consultation on the budget proposals closes
<b>29 February 2024</b>	Cabinet	Draft Budget
<b>Late February/Early March 2024</b>	Welsh Government	Final Grant Settlement
<b>6 March 2024</b>	Council	Agree Budget





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# DRAFT CAPITAL

# PROPOSALS 2024/25 TO 2028/29

# DRAFT CAPITAL PROPOSALS

- The report sets out the Council's proposed Draft Capital Programme for 2024/25 to 2028/29.
- On 19th December 2023, the Welsh Government (WG) announced the provisional 2024/25 General Capital Funding (GCF) settlement. The amount awarded to the Council is £6.986m, being made up of £3.540m grant and £3.446m of supported borrowing.
- This is a decrease of £11k from the 2023/24 general capital funding of £6.997m.
- As no further indication has been received from Welsh Government, it has been assumed that from 2025/26 onwards, the level of capital funding will be flatlined at £6.986m and will then remain constant for the remainder of the period of this programme.

# DRAFT CAPITAL PROPOSALS

- A summary of the five year Capital Programme is provided below:

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Learning and Skills	21,360	2,360	3,750	4,435	2,000
Social Services	1,297	975	100	100	100
Environment	9,519	5,662	3,685	3,685	3,685
Housing	38,745	38,209	41,970	39,634	47,217
Place	3,643	1,605	1,305	1,305	1,150
Corporate Resources	704	250	569	862	862
City Deal	1,069	1,117	844	0	930
Pipeline Schemes	28,108	43,750	17,057	3,000	0
<b>Total</b>	<b>104,445</b>	<b>93,928</b>	<b>69,280</b>	<b>53,021</b>	<b>55,944</b>

# DRAFT CAPITAL PROPOSALS

- Capital bids were requested to be returned by the 20<sup>th</sup> October and in total 47 bids were submitted. Gross capital bids over the five year period total £56.8m.

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Learning and Skills	4,323	3,494	2,700	2,800	2,900
Social Services	385	555	0	0	0
Environment and Housing	11,771	6,570	5,245	5,245	4,500
Place	2,054	1,900	1,695	0	0
Corporate Resources	666	0	0	0	0
<b>Total Gross Capital Bids</b>	<b>19,199</b>	<b>12,519</b>	<b>9,640</b>	<b>8,045</b>	<b>7,400</b>
Less Available s106	0	0	0	0	0
Less Specific Grant	300	0	0	0	0
<b>Total Net Capital Bids</b>	<b>18,899</b>	<b>12,519</b>	<b>9,640</b>	<b>8,045</b>	<b>7,400</b>

# DRAFT CAPITAL PROPOSALS

- Capital Bids have been considered by Insight Board and the Senior Leadership Team.
- In order to be able to fund high priority bids that have been submitted a further review of the Capital Programme has been undertaken.
- The risks associated with not progressing some of these high priority bids is significant and there will be some opportunity cost associated with identifying this level of funding. It is considered that the risk associated with not identifying this funding could be more significant than the risk associated with some high cost schemes within the programme.

# DRAFT CAPITAL PROPOSALS

- Schemes that are proposed to be removed from the Capital Programme are set out below. However Llanmaes Construction is being added back in for the final proposals:-

Schemes Removed	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£000
Bridge Structures	0	1,425	0	0	0	0	1,425
New household Waste Recycling Centre	750	1,205	0	0	0	0	1,955
Fleet Parking	0	2,569	0	0	0	0	2,569
Social Services Residual Schemes	15	0	0	0	0	0	15
Social Services Asset Renewal	15	0	0	0	0	0	15
Llanmaes Construction	518	0	0	0	0	0	518
Unallocated All Services Asset Renewal	0	366	1,369	1,257	1,257	1,257	5,506
<b>Total</b>	<b>1,298</b>	<b>5,565</b>	<b>1,369</b>	<b>1,257</b>	<b>1,257</b>	<b>1,257</b>	<b>12,003</b>

# DRAFT CAPITAL PROPOSALS

- Bids proposed to be funded which are relevant to this Scrutiny Committee are highlighted in the table below:

<b>Directorate</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>
Repairs & Maintenance Works Identified in the Condition Surveys (Added to Schools Asset Renewal Budget)	1,500	1,000	1,000	1,000	1,000
Band B Ysgol Iolo Morgannwg – Additional Match	0	286	0	0	0
<b>Total</b>	<b>1,500</b>	<b>1,286</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## NEXT STEPS

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