

The Vale of Glamorgan Council

Cabinet Meeting: 6 June, 2016

Report of the Leader

Revenue Monitoring for the Period 1st April to 30th April 2016

Purpose of the Report

1. To advise Cabinet of the progress relating to revenue expenditure for the period 1st April to 30th April 2016.

Recommendations

It is recommended that:-

1. The position with regard to the Authority's 2016/17 Revenue Budget be noted.
2. Cabinet approve the transfer of £62k from Development Management to Resources as a result of the transfer of the Drawing Office.

Reasons for the Recommendations

1. That Members are aware of the projected revenue outturn for 2016/17.
2. To align the budget with organisational changes.

Background

2. On 2nd March 2016, Council approved the Revenue and Housing Revenue Account (HRA) Budgets for 2016/17 (minute no 885 and 883 respectively).

Relevant Issues and Options

3. It is early in the financial year and the forecast for the 2016/17 Revenue and HRA budgets is for an outturn within target.

Directorate/Service	2016/17 Original Budget £'000	2016/17 Projected Outturn £'000	Variance (+) Fav (-) Adv £'000
Learning and Skills			
Education and Schools	94,346	94,346	0
Libraries	2,051	2,051	0
Adult Community Learning	277	277	0
Youth Service	1,081	1,081	0
Catering	1,489	1,489	0
Arts Development	115	115	0
Social Services			
Children and Young People	14,858	14,858	0
Adult Services	39,906	39,906	0
Business Management & Innovation	295	295	0
Youth Offending Service	696	696	0
Environment & Housing			
Visible Services	20,068	20,068	0
Transportation	4,834	4,834	0
Building Services	0	0	0
Regulatory Services	2,056	2,056	0
Council Fund Housing	744	744	0
Public Sector Housing (HRA)	(22)	(22)	0
Managing Director & Resources			
Resources	920	920	0
Regeneration	2,172	2,172	0
Development Management	958	958	0
Private Housing	11,262	11,262	0
General Policy	16,660	16,660	0
Total	214,766	214,766	0
Met from General Reserve	-1,500	-1,500	0
Grand Total	213,266	213,266	0

Learning and Skills

4. It is very early in the financial year and while the forecast is shown as a balanced budget there will be great pressure on this service in the coming year.
5. Schools - The delegated budget relating to schools is expected to balance as any under/over spend is carried forward by schools.
6. School Improvement & Inclusion - There continues to be significant pressure on the Inclusion budget with regards to Inter Authority Recoupment income. There has been an increased demand for Vale pupils requiring placements in Ysgol Y Deri, resulting in fewer placements being available for other authorities to purchase. Similarly, there is increased pressure on the budget for placements in independent schools and with other authorities as there are a number of pupils with significant needs that cannot be met by Ysgol Y Deri. There was an adverse variance in this area during 2015/16 and work is being undertaken to forecast the likely impact of these pressures on net expenditure in 2016/17, however, at this early stage of the year the level is difficult to predict. It should be noted that this is a volatile budget and the Directorate continues to review this service as part of the longer term Reshaping Services agenda.
7. Provision has been made within the budget to make unsupported borrowing debt repayments in relation to the Schools Investment Strategy of £698k per annum and any favourable variance on debt repayments will be directed into the Schools Investment Strategy.
8. Libraries - The Libraries service is projecting to outturn at budget, however, there is some pressure on this budget due to a recent application for judicial review. Any costs relating to the implementation of the Libraries Review will be funded from the Libraries Reserve.
9. Adult Community Learning (ACL) - It is anticipated that the Adult and Community Learning Service will outturn at budget after a £37k transfer from the ACL reserve. This transfer is required to assist with new Welsh for Adults contract (£20k) and a previous years funding reduction in Schedule 2/Cardiff and Vale College Franchise (£17k).
10. Other Services - At this early stage in the financial year, all other services are anticipated to outturn within budget.

Social Services

11. As it is very early in the financial year, the forecast for Social Services is shown as a balanced budget. However, there will be great pressure on this service in the coming year and this position may not be achieved.
12. Children and Young People Services - The major issue concerning this service for the coming year will be the continued pressure on the children's placements budget. Work continues to ensure that children are placed in the most appropriate and cost effective placements. However, it should be noted that due to the potential high cost of each placement, the outturn position could fluctuate with a change in the number of looked after children. This budget will be closely monitored during the year.
13. Adult Services - The major issue concerning this service for the coming year will continue to be the pressure on the Community Care Packages budget. This budget

is extremely volatile and is influenced by legislative changes such as the National Living Wage and the Social Services and Wellbeing (Wales) Act 2014, which both came into force in April 2016. It is considered that this budget will overspend by year end but, at this early stage of the year, the level is difficult to predict. Final negotiations regarding fee levels have yet to be concluded with some service providers but proposed increases are already above the level of inflation provided for within the budget. The service also continues to be affected by the pressures of continued demographic growth and the Community Care Packages budget will have to achieve further savings this year of £300k. The service will strive to manage growing demand and some of these initiatives may be funded via regional grants in the current financial year. However, the level of grant funding for the year has yet to be fully determined and it is not necessarily guaranteed on an ongoing basis. Committee will be provided with further details as they become clearer through the year.

14. The Social Services and Wellbeing (Wales) Act 2014 came into effect on 6th April 2016 and sets a whole range of new challenges and service user entitlements. With no additional resources from the Welsh Government, apart from the £425k Delivering Transformation grant for transitional/transformational funding, there will be increased financial pressure on the service. This grant is a regional grant and covers both Cardiff and the Vale of Glamorgan councils. The implications of the Act will be closely monitored during the year to assess the full financial impact of these changes.
15. The Directorate will again this year bid to receive funding for joint initiatives. Revenue funding of £6.4m and capital funding of £1.2m has been allocated to the University Health Board from the Intermediate Care Fund (ICF). Funding for individual schemes to be undertaken by the Vale of Glamorgan Council is currently being finalised. If successful, the 2016/17 funding will continue to support initiatives in relation to supporting older people to maintain their independence and remain at home, avoiding unnecessary hospital admissions and delayed discharges. In addition, Welsh Government has extended the scope of the integration agenda this year to develop integrated services for people with learning disabilities, an integrated autism service in Wales and integrated services for children with complex needs.

Environment and Housing

16. It is early in the financial year, however, it is currently projected that this service will outturn within target at year end.
17. Highways & Engineering - There are currently some vacant posts within the department, however, it is projected that the budget will out-turn on target.
18. Waste Management - There are currently adverse variances projected due to slight overspends on staffing, transportation costs and income being lower than anticipated. The 2016/17 budget included a further saving target of £253k for a review on transport. Plans are in place to shortly implement round changes within waste collections in order to reduce the resources required which should mitigate this position. In view of this, it is currently projected that the budget will outturn on target.
19. Leisure - It is anticipated that this budget will outturn on target.
20. Transportation - The Transportation Unit, covers Road Safety, School Crossing Patrols and Passenger Transport, mainly in the form of buses for Education and Supported bus routes. It is currently anticipated that this service will outturn within budget.

21. Regulatory Services - The allocation of £2.056m represents the Vale of Glamorgan's budget for its share of the Shared Regulatory Service (SRS)'s running costs as well as central overhead budgets (not directly charged to the SRS) less income directly attributable to the Council. A separate set of accounts is maintained for the SRS and periodically reported to the Shared Regulatory Service Joint Committee. At this stage in the year it is anticipated that the SRS will outturn on target.
22. Council Fund Housing - At this early stage of the year, it is anticipated that this budget will outturn on target.
23. Public Sector Housing (HRA) - The HRA is expected to outturn on target and any underspends in year will be offset by additional contributions to Capital Expenditure thus reducing the reliance on Unsupported Borrowing.

Managing Director and Resources

24. It is early in the financial year, however, it is currently projected that this service will outturn within target at year end.
25. Resources - It is anticipated that this service will outturn within budget.
26. Regeneration - This budget covers the Countryside, Economic Development and Tourism & Events functions. As it is very early in the financial year there is currently no variance to the profiled budget and it is anticipated that this service will outturn on target.
27. Development Management - As it is very early in the financial year there is currently no variance to the profiled budget and it is anticipated that this service will outturn on target. From 1st March 2016, the Drawing Office, which had formerly been included within the Development Management division, was transferred to the Performance and Development division within the Resources Directorate, in order to create an Authority-wide Graphics Unit. Cabinet is therefore requested to approve the transfer of £62k from Development Management to Resources.
28. Private Housing - As it is very early in the financial year there is currently no variance to the profiled budget.
29. General Policy - It is anticipated that this service will outturn within budget.

2016/17 Savings Targets

30. As part of the Final Revenue Budget Proposals for 2016/17, a savings target of £9.289m was set for the Authority. Attached at [Appendix 1](#) is a statement detailing all savings targets for 2016/17. At this early stage of the year, services are working towards fully achieving their savings targets however updates will be provided to members during the year.

Resource Implications (Financial and Employment)

31. As detailed in the body of the report.

Sustainability and Climate Change Implications

32. As detailed in the body of the report.

Legal Implications (to Include Human Rights Implications)

33. There are no legal implications.

Crime and Disorder Implications

34. There are no crime and disorder implications.

Equal Opportunities Implications (to include Welsh Language issues)

35. There are no equal opportunity implications.

Corporate/Service Objectives

36. Effective monitoring assists in the provision of accurate and timely information to officers and members and in particular allows services to better manage their resources.

Policy Framework and Budget

37. This is a matter for Executive decision.

Consultation (including Ward Member Consultation)

38. Each Scrutiny Committee will receive a monitoring report on their respective areas. This report does not require Ward Member consultation.

Relevant Scrutiny Committee

39. All

Background Papers - None

Contact Officer

Carolyn Michael
Operational Manager - Accountancy

Officers Consulted

All Directors

Responsible Officer:

Carys Lord
Section 151 Officer