

The Vale of Glamorgan Council

Cabinet Meeting: 3 July, 2017

Report of the Leader

Revenue Monitoring for the period 1st April to 31st May 2017

Purpose of the Report

1. To advise Cabinet of the progress relating to revenue expenditure for the period 1st April to 31st May 2017.

Recommendations

It is recommended that:-

1. The position with regard to the Authority's 2017/18 Revenue Budget be noted.
2. Cabinet approve the virement of £520k from the Achievement for All budget to the Schools budget.
3. Cabinet approve the virement of £71k to the Achievement for All budget with a reduction of £1k from the School Improvement budget, £8k reduction from the Strategy and Regulation budget and £62k from the Strategy, Culture, and Community Learning & Resources.

Reasons for the Recommendations

1. That Members are aware of the projected revenue outturn for 2017/18.
2. To align the budget with organisational changes.
3. To align the budget with organisational changes

Background

2. On 1st March 2017, Council approved the Revenue and Housing Revenue Account (HRA) Budgets for 2017/18 (minute no 864 and 862 respectively).

Relevant Issues and Options

3. It is early in the financial year and the forecast for the 2017/18 Revenue and HRA budgets is for an outturn within target, however, some services are anticipating drawing down funding from reserves.

Directorate/Service	2017/18 Budget	2017/18 Projected Outturn	Variance Fav (+) Adv (-)
	£000	£000	£000
Learning and Skills			
Schools	82,437	82,437	0
Strategy, Culture, Community Learning & Resources	11,797	11,797	0
Strategy and Regulation	243	243	0
Achievement for All	4,290	4,290	0
School Improvement	1,122	1,122	0
Social Services			
Children and Young People	15,124	15,124	0
Adult Services	41,910	41,910	0
Business Management	267	267	0
Youth Offending Service	701	701	0
Environment & Housing			
Visible Services	19,914	19,914	0
Transportation	4,841	4,841	0
Building Services	0	0	0
Regulatory Services	2,166	2,166	0
Council Fund Housing	1,126	1,126	0
Public Sector Housing (HRA)	(131)	(131)	0
Managing Director & Resources			
Resources	728	728	0
Regeneration	2,091	2,091	0
Development Management	968	968	0
Private Housing	11,003	11,003	0
General Policy	15,692	15,692	0
Total	216,289	216,289	0
Met from General Reserve	(700)	(700)	0
Authority Total	215,589	215,589	0

Learning and Skills

4. It is very early in the financial year and the forecast is shown as a balanced budget, with an anticipated use of reserves. There will be 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. Achievement for All - This service is anticipated to outturn at budget after drawing down £200k from the School Placement reserve. The recoupment income budget continues to be under significant pressure and will be monitored carefully over the coming months.
7. Other Services - At this early stage in the financial year, all other services are anticipated to outturn within budget.
8. The directorate has requested to vire budget between service headings. A virement of £520k is required from the Achievement for All budget to the overall Schools budget in respect of the transfer of the out of county income budget for enhanced placements at Ysgol Y Deri.
9. Due to the senior management restructure and the allocation of savings, there are a number of virements required within the directorate. These are summarised as follows:-

	Virement £'000
School Improvement	-1
Strategy and Regulation	-8
Strategy, Community Learning & Resources	-62
Achievement for All	+71
TOTAL	0

10. The above virements have not been included in the table at paragraph 3.
11. Provision has been made within the budget to make unsupported borrowing debt repayments in relation to the Schools Investment Strategy of £598k per annum and any favourable variance on debt repayments will be directed into the Schools Investment Strategy.

Social Services

12. 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.
13. Children and Young People Services - The major issue concerning this service for the coming year will be the pressure on the children's placements budget given the complexities of the children currently being supported. 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 and/or the complexity of need. This budget will be closely monitored during the year.

14. 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. At this early stage of the year, the outturn position is difficult to predict. Final negotiations regarding fee levels have yet to be concluded with service providers. 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. The service will strive to manage growing demand and will develop savings initiatives which may be funded via regional grants. Welsh Government has continued to provide Intermediate Care Fund (ICF) grant to Cardiff and Vale University Health Board to allow collaborative working between Health and Cardiff and the Vale Councils however the level of grant funding is not guaranteed on an ongoing basis. Additional funding has been announced by Welsh Government recently. The Social Care Workforce Grant which totalled £10m across Wales has provided additional funding of £371k to the Council. A further £20m has also been announced by Welsh Government however details as to the exact use and allocation to the Council have yet to be received.

Environment and Housing

15. It is early in the financial year, however, it is currently projected that this service will outturn within target at year end with an anticipated use of reserves.
16. Highways & Engineering - There is currently a £61k favourable variance against the profiled budget. The main reason is due to vacant posts currently within the department, however, key posts have recently been filled by Agency staff therefore it is currently projected that the budget will out-turn on target.
17. Waste Management - There is currently an adverse variance of £16k to the profiled budget. The variance to date is due to overspends on staffing and transportation costs. The Waste Management budget has been reduced in 2017/18 for further vehicle savings however the department are unlikely to be able to achieve these in the short term due to the increased distance that has to be travelled as all waste disposal points are now situated in Cardiff. Due to this, £200k was set aside in the Visible Services Reserve at the end of 2016/17 to offset these pressures in 2017/18. It is currently anticipated that the budget will out-turn on target.
18. Leisure - There is currently an adverse variance of £15k to the profiled budget. The main reason is due to the high costs for vehicles during the start of the Grounds Maintenance season. It is anticipated that this will reduce over the winter months and therefore it is currently projected that the overall budget will outturn on target.
19. Transportation - There is currently a favourable variance of £11k against the profiled budget. Staffing costs within the division are lower than budgeted to date. There is also a slight underspend within the supported buses budget which is assisting the current favourable position. As it is early in the year, it is currently anticipated that this service will outturn on budget for 2017/18.
20. Visible Services Reshaping Services Savings Target - In 2017/18 there is a savings target of £525k allocated to Visible Services from the current Reshaping Services

programme. The proposed means of achieving this saving was approved by Cabinet on 24th April 2017 and is through the introduction of a new target operating model for the service. This savings target has yet to be allocated to specific services and is being held centrally within the Visible Services budget pending the implementation of the new service model which is anticipated to commence from September 2017 onwards.

21. Regulatory Services - The allocation of £2.1666m represents the Vale of Glamorgan's budget for its share of the Shared Regulatory Service (SRS). 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. There is currently a favourable variance of £21k against the profiled budget due in the main to staff vacancy savings whilst awaiting for re-appointments to be made. At this stage it is anticipated that this service will outturn on target.
27. Development Management - There is currently a £27k favourable variance against the profiled budget for May, mostly due to staff vacancies and higher than anticipated Building Regulation fees to date. As it is early in the financial year it is anticipated that this service will outturn on target.
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.

2017/18 Savings Targets

30. As part of the Final Revenue Budget Proposals for 2017/18, a savings target of £4.017m was set for the Authority. Attached at [Appendix 1](#) is a statement detailing all savings targets for 2017/18. Some services are in the process of finalising options prior to full implementation. Updates on progress will be provided to members during the year.
31. It is anticipated that the £244k Transport Review savings for Visible Services will not be achieved in full this year. As detailed earlier in this report, funding has been ringfenced in the Visible Service Fund to cover the projected shortfall for the service, of which £144k relates to this savings target.

Resource Implications (Financial and Employment)

32. As detailed in the body of the report.

Sustainability and Climate Change Implications

33. As detailed in the body of the report.

Legal Implications (to Include Human Rights Implications)

34. There are no legal implications.

Crime and Disorder Implications

35. There are no crime and disorder implications.

Equal Opportunities Implications (to include Welsh Language issues)

36. There are no equal opportunity implications.

Corporate/Service Objectives

37. 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

38. This report is for Executive decision by the Cabinet.

Consultation (including Ward Member Consultation)

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

Relevant Scrutiny Committee

40. All

Background Papers - None

Contact Officer

Carolyn Michael
Operational Manager - Accountancy

Officers Consulted

All Directors

Responsible Officer:

Carys Lord
Section 151 Officer