

Meeting of:	Cabinet
Date of Meeting:	Monday, 22 February 2021
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Final Proposals for the Revenue Budget 2021/22
Purpose of Report:	The purpose of this report is to set out final proposals for Cabinet members to consider, before making their recommendations to Council, in respect of the final revenue budget for the financial year 2021/22
Report Owner:	Report of the Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Carys Lord, Section 151 Officer
Elected Member and Officer Consultation:	Scrutiny Committees and Corporate Management Team have been consulted on the initial budget proposals. Trade Unions have been consulted informally on the potential implications of the proposals. External stakeholders were also consulted on budget issues
Policy Framework:	This report is following the procedure laid down in the Constitution for the making of the budget and needs to be referred to Council to make the final decision.
<p>Executive Summary:</p> <ul style="list-style-type: none"> The initial budget proposals presented to Cabinet in November 2020 outlined the potential financial picture for the Council in 2021/22. At the time the report was drafted, the Council had not received the provisional settlement from Welsh Government (WG) for 2021/22 and therefore the budget was modelled on three scenarios - a cash flat settlement, -1% and +1% The provisional settlement was received on 22nd December from Welsh Government (WG), which gave a headline increase of 4.9% over the current year. Taking into account adjustments, this is an increase in funding of £7.119M (4.42%) from the previous year. The final settlement is not due to be received until 2nd March 2021. The Revised Initial Budget Proposals were presented to Cabinet on 8th February 2021 and then referred to Corporate Performance and Resources Scrutiny Committee for comment. The Revised Initial Proposals were accepted by Corporate Performance and Resources Scrutiny Committee on 11th February 2021. In setting the proposed budget for 2021/22, funding has been provided towards cost pressures. 	

- An efficiency target of £500k has been proposed for 2021/22 which covers all service areas. It is slightly increased from 2020/21 representing a refocusing of the Reshaping Services programme and is aligned to the Corporate Recovery Strategy. It is considered that the target set for 2021/22 is at a level that can be achieved by services.
- It is proposed that the Band D Council Tax rate is set at £1,357.02 for 2021/22 which is an increase of 3.9% from the current year.
- In light of no indication being received from Welsh Government for future years settlements, it is considered prudent to assume that there may be a flatlined settlement going forward. If Council Tax continues to increase by 3.9% this could result in the possible total shortfall in funding for 2022/23 and 2023/24 of £9.935m. Whilst it has been possible to set efficiency targets at a lower level in recent years this may not be the case going forward and in light of projected levels of shortfall in future years, services are requested to continue to plan ways of achieving further efficiencies which will be innovative and transformational with regards to service delivery.

Recommendations

That Cabinet recommend to Council the following:

1. Fix the budget for 2021/22 at £251.653 million including a provision of £290k for discretionary rate relief to rural shops and post offices and charitable organisations.
2. Approve the budgets for 2021/22 as set out in Appendix C and in the following table:

	£000
Schools	97,982
Strategy, Culture, Community Learning & Resources	8,149
Additional Learning Needs	3,079
Standards and Provision	4,379
Directors Office	232
Children & Young People	17,700
Adult Services	52,742
Resource Management & Safeguarding	292
Youth Offending Service	707
Neighbourhood & Transport Services	24,791
Building Services	0
Regulatory Services	1,825
Council Fund Housing	1,420
Resources	809
Regeneration	1,869
Development Management	1,209
Private Housing	980
General Policy	33,488
Use of Reserves	0
Grand Total	251,653

3. Approve the recommendations regarding Net Growth for 2021/22 as set out in Appendix D and Efficiencies for 2021/22 as set out in Appendix E.
4. The proposed draft report on Education Budget and Indicator Based Assessment (IBA) at Appendix A be endorsed and the Director of Learning and Skills make arrangements for it to be forwarded to the School Budget Forum.

That Cabinet approve the following:

5. The Director of Learning and Skills be given delegated powers to determine the amount of money to be allocated to the schools' delegated budgets after consultation with the Schools Budget Forum.
6. The reclassification of reserves as set out at Appendix G be approved.

That Cabinet note:

7. The Council Tax bandings for 2021/22 for its own purposes (excluding Police and Town and Community Council precepts) for a base budget of £251.653million.

Band	Council Tax £
A	904.68
B	1,055.46
C	1,206.24
D	1,357.02
E	1,658.58
F	1,960.14
G	2,261.70
H	2,714.04
I	3,166.38

Reasons for Recommendations

1. To set the 2021/22 budget in line with statutory requirements.
2. To allocate budgets to services.
3. To reduce risk to services and balance the budget.
4. To present the report to the Schools Budget Forum.
5. To set out delegated authority in relation to the allocation of the Education and Schools budget.
6. To ensure that reserves are both adequate in purpose and level.
7. To ensure that Members are aware of the Council Tax Bandings associated with the base budget proposed in this report

1. Background

- 1.1 The Council is required under statute to fix the level of Council Tax for 2021/22 by 11th March 2021. The final decision on the budget cannot be delegated and must be made at a meeting of Council. The final budget setting meeting is scheduled to be held on 10th March 2021.

2. Key Issues for Consideration

Medium Term Financial Plan

- 2.1 The Medium Term Financial Plan (MTFP) 2020/21 to 2023/24 was presented alongside the Initial Budget Proposals to Cabinet on 30th November 2020 min no.C396. It considered a number of scenarios, the first assumed a cash neutral settlement whereby the funding from WG remained at the same level as awarded in 2020/21. The second scenario assumed a reduction in Welsh Government funding of 1% for the years 2021/22, 2022/23 and 2023/24 and a third considered an increase in Welsh Government Funding of 1%. Scenario 1 resulted in the requirement to find additional savings of £21.655m. Under scenario 2 there was a requirement to find savings of £26.437m over this period, and scenario 3 required further savings to be identified of £16.776m. This is based on an assumed Council Tax increase of 4.9%.

Shortfall in Funding	2021/22 £000	2022/23 £000	2023/24 £000	3 Year Total £000
Cash Neutral Settlement				
Notional Council Tax Increase 4.9%	11,203	6,200	4,252	21,655
1% Reduction in Settlement				
Notional Council Tax Increase 4.9%	12,813	7,794	5,830	26,437
1% Increase in Settlement				
Notional Council Tax Increase of 4.9%	9,593	4,574	2,609	16,776

- 2.2 The latest Plan also modelled a second council tax scenario which would increase the council tax to be on par with the Welsh average and would require an increase of 8.4% in year 1 followed by an increase of 4.62% in each of the subsequent years. Moving to the projected Welsh average reduced the shortfall as set out below.

Shortfall in Funding	2021/22 £000	2022/23 £000	2023/24 £000	3 Year Total £000
Cash Neutral Settlement				
Notional Council Tax Increase to Welsh Average (8.4% 21/22 & 4.62% thereafter)	8,423	6,305	4,373	19,101
1% Reduction in Settlement				
Notional Council Tax Increase to Welsh Average (8.4% 21/22 & 4.62% thereafter)	10,033	7,899	5,951	23,883
1% Increase in Settlement				
Notional Council Tax Increase to Welsh Average (8.4% 21/22 & 4.62% thereafter)	6,813	4,679	2,730	14,222

2.3 The plan also considered the need to reduce the Council Tax collection rate which was set at 97.5% in 2020/21, the actual collection rate in 2019/20 was 97.3% and the collection rate in 2020/21 has been far lower taking into account the impact of Covid. Therefore, the MTFP considered a reduction of 1% on the Council Tax Collection Rate. In this scenario in 2021/22 there would be a potential shortfall ranging from £7.696m with a 1% increase in WG settlement and a Council Tax increase at the Welsh average to £13.667m with a 1% reduction in WG settlement and a 4.9% Council Tax increase.

Anticipated Outturn 2020/21

2.4 The revenue monitoring report presented to Cabinet on 21st January 2021 provided an update on the outturn position for the year and detailed where services would be utilising reserves and needed to identify additional savings in the year to cover overspends. Learning and Skills is currently expecting to outturn in a breakeven position and therefore £452k in the Education Pressures will be available to be utilised in future years. Social Services are projecting an adverse variance of £1.5m which will be funded from Social Services reserves. Environment and Housing are projecting an adverse variance of £750k and will fund £575k of this deficit from the Neighbourhood Services reserve, with the remaining £175k being funded from the Council Fund. Building Services and Building Cleaning are projecting an adverse variance of £815k. This overspend will need to be apportioned between the Housing Revenue Account (HRA) and the Council Fund. Monies were set aside at the end of 2019/20 in the Council Fund in order to meet any potential additional costs relating to COVID 19 pandemic. Managing Director and Resources is projecting a drawdown of £293k from the ICT Fund to contribute towards the cost of its investment in infrastructure which was undertaken to facilitate homeworking. It is projected that the savings target for 2020/21 of £247k will be achieved.

Revenue Settlement 2021/22

- 2.5** The Council is required under statute to fix the level of Council Tax for 2021/22 by 11th March 2021. The final decision on the budget cannot be delegated and must be made at a meeting of Council.
- 2.6** In previous years, the provisional settlement has been received from WG during October, with the final settlement being received during December. This year, similar to last year, the provisional settlement was not received until 22nd December 2020, due to the timing of the UK Government settlement. Local Authorities will be advised of their final settlement on 2nd March 2021, however, the final budget will not be debated by WG until 9th March 2021.
- 2.7** WG have previously advised that as the late publication resulted in the provisional settlement including the amended tax base for each authority, changes between the provisional and final settlement will be kept to a minimum however due to the uncertainty associated with the COVID 19 pandemic it is possible there may be some amendments to the settlement detail.
- 2.8** Due to the late announcement of the final settlement, the revenue budget for 2021/22 will be presented to Council for approval on 10th March 2021.
- 2.9** WG has provided the Council with provisional figures for next year's settlement which for this Council shows a total Standard Spending Assessment (SSA) of £257.077m, which represents an adjusted increase of £12.583m (5.15%) over 2020/21.
- 2.10** There is no new funding provided through the Revenue Support Grant (RSG) for new responsibilities.
- 2.11** There is a transfer into the RSG settlement in 2021/22 of £176k for the 2020/21 impact of Teachers pay. The impact of this pay award has already been funded in full in the base budget.
- 2.12** The Council's provisional settlement figures from WG are £124.398m for the RSG and £43.918m for Non-Domestic Rates.
- 2.13** These amounts together total a final Aggregate External Finance (AEF) of £168.316m for the Council. When taking into account the adjustments for transfers above, the effective increase in AEF for the Council from the previous year is £7.119m (4.42%) as set out in the table below.

	£m
Original AEF 2020/21	161.021
Adjustments for transfers into the settlement	0.176
Council Tax Base Adjustment	(0.742)
Adjusted 2020/21 AEF	160.455
2021/22 Provisional AEF	168.316
Increase in AEF after Council Tax Base and adjustments	7.861
% Increase in AEF after Council Tax Base and adjustments	4.9%
Increase in AEF excluding Council Tax Base	7.119
% Increase in AEF excluding Council Tax Base	4.42%

2.14 Final notification of the level of all 2021/22 WG grants has not yet been received. However the provisional settlement set out some increases in grant funding across Wales which are set out below.

- Social Care Workforce and Sustainability Grant increased from £40m to £50m
- Support for Minority Ethnic and Gypsy, Roma, Traveller learners rises from £10m to £11m
- Bus Revenue Support (Traws Cymru) rises from £3.2m to £4.4m
- Road Safety Grant rises from £0.95m to £2m

Budget Strategy 2020/21

2.15 Cabinet approved the Budget Strategy for 2021/22 on 27th July 2020 (min no. C309). As part of this Strategy, Directors were requested to continue to progress the Reshaping Services Programme.

2.16 The 2021/22 initial revenue budget proposals considered a number of scenarios as set out in paragraphs 2.1-2.3 of this report.

2.17 Since November 2020, the Budget Working Group (BWG) has undertaken further work to formulate the final revenue budget proposals contained in this report.

2.18 In particular, the BWG has had regard to the following issues:

- The results of consultation with the Schools Budget Forum, Scrutiny Committees and external stakeholders;
- Current financial pressures being experienced by services;
- Ways in which cost pressures can be reasonably reduced or mitigated;
- A further review of the proposed savings and the potential levels of future savings;
- The progression of the Reshaping Services programme and transformational projects;
- Possible increases in Council Tax;

- The projected funding position for 2022/23 and 2023/24; and
- The potential to use reserves as part of a defined financial strategy.

2.19 During 2021/22, the National Living Wage will provide for a minimum hourly rate of £8.91 for workers aged 23 and above which is an increase of 2.2% from the 2020/21 rate of £8.72 and includes 23 and 24 years olds for the first time. The Council's pay structure which was implemented in 2020/21 complies with these requirements and whilst the pay award for 2021/22 has yet to be agreed, this is expected to remain the case in 2021/22. This change will, however, have a significant effect on services the Council commissions from external organisations, in particular for Social Services.

2.20 The Chancellor indicated a Public Sector pay freeze (excluding NHS staff and the lowest paid) as part of the Spending Review Statement on 25th November 2020 and the Minister for Finance and Trefnydd stated in the draft budget that one of the hard choices she faced in setting the spending plans for next year is the approach to public sector pay. The WG did not receive any additional funding through the Barnett formula to provide for public sector wide pay awards next year given the UK Government's decision to pause public sector pay rises, with the exception of the NHS and those on the lowest wages.

Consultation with Scrutiny Committees

2.21 The 2021/22 Initial Revenue Budget Proposals were considered by Cabinet on 30th November 2020 and by each Scrutiny Committee during December 2020. In addition to noting the initial revenue proposals, the following recommendations were made by Scrutiny Committees:

- Scrutiny Committee (Home and Safe Communities) - The Corporate Performance and Resources Scrutiny be requested to recommend to Cabinet the ongoing value and importance of the Domestic Abuse Assessment and Referral Community Safety Services, when looking at cost pressures and the revenue budget.
- Scrutiny Committee (Environment and Regeneration) - The Corporate Performance and Resources Scrutiny Committee considers the concerns of the Environment and Regeneration Scrutiny Committee regarding the lateness of the budget settlement from Welsh Government which makes it difficult for the Scrutiny Committee to make a view without knowing the final budget position, so it would be better if this was considered in January.

2.22 The recommendations of Scrutiny Committees were referred to the Corporate Performance and Resources Scrutiny Committee, which is the lead Scrutiny Committee for the budget. On 16th December 2020 this Committee supported the recommendations of the Scrutiny Committees and recommended that the Committee echoed the sentiments of the recommendations of both the Homes and Safe Communities and Environment and Regeneration Scrutiny Committees to Cabinet and it also recommended that the Scrutiny Committee writes to the

Welsh Government minister highlighting its concerns regarding the lateness of the budget settlement and that Cabinet consider doing the same.

- 2.23** Corporate Performance and Resources Committee's recommendations were referred to Cabinet on 25th January 2021.
- 2.24** The BWG have considered the recommendations of the Scrutiny Committees when preparing the 2021/22 revenue budget.

Consultation with External Stakeholders

- 2.25** The Council's annual budget consultation exercise ran from 8th December 2020 until 5th January 2021. In 2020 it was decided that the annual budget consultation on its draft budget should run in conjunction with the consultation on the draft annual delivery plan, which gave respondents an opportunity to first comment on our priorities and how the Council intends to meet the wellbeing objectives over the next 12 months and then to comment on how the Council should prioritise spending.
- 2.26** Due to the coronavirus pandemic the consultation was run predominantly online with an offer for residents and stakeholders to respond in writing or via telephone if they were not able to access the consultation online. The consultation was promoted to a wide range of stakeholders, via email, through the Council's social media channels and local media. The Council's Leader did a question and answer session with Bro Radio which was broadcast in December.
- 2.27** There were 16 responses to the online survey in total. The low rate could be attributed to a number of factors, including the ongoing pandemic, the timing of the consultation and the length of the survey.
- 2.28** In summary, respondents indicated a willingness to see some services continue to be delivered digitally although it was noted that provision should be retained for those unable to access digital services. Respondents also indicated that they would like some face to face services, such as events and libraries to resume as soon as it is safe to do so. Respondents also indicated that they would prefer services to be delivered differently rather than reducing services or increasing Council Tax. The full detail of the consultation is concluded in Appendix B, given the low response rate it could be misleading to place too much emphasis on this data.

Revised Initial Proposals Consultation

- 2.29** Following receipt of the Provisional Settlement in December 2020 and with regard to the outcome of the reviews carried out in November and December by the BWG, a Revised Initial Revenue Proposals 2021/22 proposing a 3.9% increase in Council Tax and growth and efficiencies as set out in the table below, was approved by Cabinet on 8th February 2021 and the report was then referred to

Corporate Performance and Resources Scrutiny Committee for further consultation before the Final Revenue Proposals for 2021/22 are submitted.

	Initial Budget Proposals November 2020 £'000	Adjustment £'000	Revised Initial Proposals February 2021 £'000
Base Budget 2020/21	240,438	0	240,438
Pay Award	3,772	(1,665)	2,107
Committed Growth	200	0	200
Reduced Use of Council Fund	1,000	0	1,000
Proposed Cost Pressures	10,238	(1,830)	8,408
Proposed Savings	(116)	(384)	(500)
Adjusted Base Budget 2021/22	255,532	(3,879)	251,653

Proposed Budget 2021/22

- 2.30** The Revised Initial Revenue Proposals were approved by Cabinet on 8th February 2021 and a summary of the final proposed base budget is attached at Appendix C. The overall budget has been prepared based on the following matters.
- 2.31** Asset Rentals are accounting adjustments reflecting charges to services for the use of assets. They do not constitute “real” expenditure and are reversed out and replaced by the cost of capital under the Policy heading. Similarly, IAS 19 changes are technical accounting adjustments to the costs of pension contributions, which are reversed out in Policy. Neither of these adjustments are therefore a part of the total expenditure of the Council.
- 2.32** Recharges/Transfers relate to movements in charges between internal Council Services and the transfer of functions. Overall there is a neutral impact on the budget.
- 2.33** Inflation relating to pay awards of £2.107m has been included. This figure has been reassessed in respect of the Chancellor's Statement in November 2020. As in recent years due to the shortage of funding, no provision has been made for non-pay inflation.

2.34 The BWG has reviewed and updated the cost pressures. It is not possible to fully fund all the cost pressures submitted by services due to the level of funding and the high value of cost pressures submitted. However, careful consideration has been given to the allocation of funding and similarly to 2020/21, the BWG have been able to award growth at a relatively high level this year due to the level of the WG settlement, although this is still significantly below the level of cost pressures set out as part of the initial proposals. It has allocated funding to areas where the pressures cannot be mitigated or reduced. The BWG is recommending that cost pressures of £8.408m are agreed for 2021/22, taking the total for Net Growth to £9.608m when committed growth and a reduction in the use of the Council Fund are included. The breakdown of this sum is shown at Appendix D.

The level of efficiencies to be achieved has been reviewed by the BWG and the proposed efficiencies for 2021/22 totals £500k with details contained in Appendix E. Of this sum £116k has already been allocated as detailed below as part of previous budget proposals.

Neighbourhood Services and Transport	£'000
Traffic Surveys	10
Neighbourhood Services and Transport Efficiencies and Collaboration	56
Total Neighbourhood Services and Transport	66
Finance, ICT and Property	
Fraud & Income Recovery	50
Total Resources	50
Total Approved Efficiencies 2021/22	116

2.35 Following a pause in setting efficiency targets in 2020/21, this increase in the target of £384k represents a refocussing of the Reshaping Services Programme. Within this context and even with a positive settlement from WG for 2021/22, it is considered that services should still be requested to review and deliver their services in the most efficient and cost effective way going forward and ensure that they continue the process of transforming their services to become sustainable in order to meet cost pressures that will arise in the future. In line with the Corporate Recovery Strategy this renewed Reshaping Services Programme will be focused on the continuation and extension of digital service delivery, building on alternative service delivery models that have been identified during the coronavirus pandemic and a review of office accommodation. The

level of efficiency targets that have been set for 2021/22 have been assessed and are considered to be achievable. As set of in Appendix E £30k of this figure has been identified through the reduction in the costs of unfunded pensions corporately.

- 2.36** The Reshaping Services reserve and Digital Reshaping reserve are available to support Directorates in changing the delivery of services to improve the customer experience, increase the resilience of services, reduce the carbon footprint of the Council's activities and realise efficiencies. Further savings can be focused around income generation and commercial activity and there is £2.234m funding available in the Commercial Opportunities and Invest to Save reserve to support the implementation of income generation and invest to save schemes.

Proposed Council Tax 2021/22

- 2.37** An adjusted settlement increase of 4.42% following an increase of 4.29% in 2019/20 represents a move away from the very low increases and reductions seen over the past 10 years. However, it should be noted that the increase after transfers of funding into the settlement equates to £7.119m, which is significantly less than the cost pressures required projected as part of the initial proposals (£10.238m), committed growth (£1.2m) and the revised pay awards (£2.107m), which equates to £13.545m. The available funding therefore still remains significantly less than the funding required by the Council. As the Council also wishes to avoid ceasing the provision of services, the Council still needs to consider an increase in Council Tax.
- 2.38** A council tax base of 61,412 for 2021/22 was approved by Cabinet on 7th December 2020 and reflects a reduction in the collection rate from 97.5% to 97.1%. This change brings the budgeted collection rate more in line with the actual collection rate in 2019/20, and a further reduction in the collection rate in 2020/21 due to the impact of the coronavirus pandemic. The council tax base has also been increased to reflect the impact of new developments in the Vale of Glamorgan.
- 2.39** If the Council decides to budget at £251.653m, deducting from this Revenue Support Grant of £124.398m and redistributed non-domestic rates of £43.918m, produces a requirement of £83.337m to be met from council tax. Dividing this by the council tax base of 61,412 gives a level of council tax for this Council's purposes (excluding police and community council precepts) for Band D properties of £1,357.02. This is an increase over the current year's council tax which is £1,306.08 of £50.94 or 3.9%. The average council tax set by councils in Wales for 2020/21 at Band D was £1,354.02 and therefore when taking into account increases to be approved by other Councils in Wales for 2021/22, this Council's Band D would still remain below the Welsh average.

2.40 The BWG's view is that the proposed increase in Council Tax at 3.9% is a reasonable compromise between the pressure on services and the financial pressures facing council taxpayers.

2.41 The Council Tax bandings at a base budget of £251.653m assuming a 3.9% increase in Council Tax are set out below.

Band	Council Tax £
A	904.68
B	1,055.46
C	1,206.24
D	1,357.02
E	1,658.58
F	1,960.14
G	2,261.70
H	2,714.04
I	3,166.38

Proposed Budgets by Service 2021/22

Learning and Skills

	Budget 2020/21	Rech/ Tfers	Asset Rent/IAS Adj	Pay Inflation	Net Growth	Efficie ncies	Budget 2021/22
	£000	£000	£000	£000	£000	£000	£000
Schools	93,950	(100)	0	1,528	2,604	0	97,982
Strategy, Culture, Comm Learning & Resources	11,344	(259)	(2,948)	48	0	(36)	8,149
Additional Learning Needs & Wellbeing	2,921	(157)	2	47	275	(9)	3,079
Standards and Provision	4,080	254	0	58	0	(13)	4,379
Directors Office	231	0	0	2	0	(1)	232
Total	112,526	(262)	(2,946)	1,683	2,879	(59)	113,821

2.42 After adjustments, the Education SSA has increased by £4.801m from 2020/21 and is currently set at £113.837m for 2021/22. The savings target for 2021/22 for this service is £59k. In light of the cost pressures reported by the service area,

additional funding of £2.879m has been awarded to the Learning and Skills Directorate, £2.604m of which has been awarded to schools. A breakdown of the net growth is shown in Appendix D.

- 2.43** As part of the £2.604m awarded by the BWG to Schools, £1.923m has been provided to contribute towards demographic growth in both the Mainstream and Special sectors and a further £505k has been allocated for increased support for Additional Learning Needs in Mainstream settings. A further £176k has been allocated to fund the establishment of a Specialist Resource Base (SRB) attached to a mainstream secondary school at Whitmore High School to provide additional support for pupils with Autism Spectrum Disorder whilst ensuring they can access mainstream secondary education.
- 2.44** Centrally, net growth of £275k has been allocated to the service to support Early Years Provision, reduced out of county income and specialist placements. This sum will be allocated in accordance with service needs by the Director of Learning and Skills.
- 2.45** A breakdown of the efficiency target of £59k is shown in Appendix E. No efficiencies have been allocated to Schools in 2021/22.
- 2.46** It is suggested that the Schools Budget Forum be consulted before any final decision is made on the split of the funding between Central Education and the Schools. It is recommended that delegated authority be given to the Director of Learning & Skills to determine the split in the light of that consultation.
- 2.47** WG has transferred £176k into the settlement in respect of the 2020/21 costs of the increase in Teacher's Pension and Teacher's Pay Award. As these amounts were fully funded in the base budget by the Authority as part of the 2020/21 Final Budget Proposals they are not reflected as transfers into RSG.
- 2.48** After the changes above, the Education budget will be substantially above the IBA. This is detailed in Appendix A.

Social Services

	Budget 2020/21	Rech/ Tfers	Asset Rents / IAS 19 Adj	Pay Inflation	Net Growth	Efficie ncies	Budget 2021/22
	£000	£000	£000	£000	£000	£000	£000
Children & Young People	17,255	55	(51)	28	432	(19)	17,700
Adult Services	50,526	422	(201)	31	2,020	(56)	52,742
Resource	371	(171)	69	26	0	(3)	292
Management & Safeguarding							
Youth Offending Services	737	(14)	(18)	3	0	(1)	707

Total	68,889	292	(201)	88	2,452	(79)	71,441
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- 2.49** The Social Services Directorate is reporting a projected overspend of £1.5m during 2020/21 which will be funded by an unplanned transfer from reserves. There remains continuing pressures on the service, particularly on the Adult Services Community Care packages budget and there has been an increase in demand for Childrens Services, partly as a result of the COVID 19 pandemic.
- 2.50** The continuing pressure on the Adults Care Packages budget is not only due to an increase in the population, but clients are increasingly frail with complex needs. There is a 'knock on' effect from pressures within Health and work is ongoing to ensure integration between the two services. There are also pressures from service providers due to the increase in the National Living Wage.
- 2.51** The savings target for 2021/22 for this service is £79k. A breakdown of the net growth is shown in Appendix D. Having regard to the current financial pressures, the BWG acknowledges that there are significant issues in this area. The BWG has taken all the factors above into account and it is proposed that an additional £432k is allocated to Children's Services and £2.020m to Adult Services. It is proposed that a number of other cost pressures that were submitted as part of the Initial Revenue Proposals are funded from reserves for two years and the reserves projections have been updated to reflect this. However, the split by service of this additional funding may be reviewed during the new financial year by the Director of Social Services once details of WG grant funding is received.
- 2.52** The Social Services SSA for 2020/21 has increased by £4.163m from 2020/21 after adjustments and currently stands at £67.582m.
- 2.53** The Intermediate Care Fund (ICF) continues to be provided to Health by WG. The Service will work with Health to spend funds in the most cost effective way. Additional grant funding from WG was also announced as part of the provisional settlement for Social Services.

Environment and Housing

	Budget 2020/21	Rech/ Tfers	Change in Asset Rents / IAS 19	Pay Inflation	Net Growth	Efficien cies	Budget 2021/22
	£000	£000	£000	£000	£000	£000	£000
Neighbourhood and Transport	28,309	62	(4,080)	60	642	(202)	24,791
Building Services	0	(3)	0	3	0	0	0
Regulatory	1,894	(103)	20	14	0	0	1,825

Council Fund Housing	1,339	55	(23)	19	34	(4)	1,420
Total	31,542	11	(4,083)	96	676	(206)	28,036

2.54 The service, excluding trading units, is currently projecting an adverse variance of £750k against the 2020/21 budget. The savings target for 2021/22 for this service is £206k. A full breakdown of the net growth for 2020/21 is shown in Appendix D.

2.55 Within the Waste Collection Service an adverse variance of £1m is projected for 2020/21. This position relates partly to one off pressures in 2020/21, however there is expected to be a reduction in the WG sustainable waste management grant funding in 2021/22. The full rollout of the kerbside sort method of recycling should help this position and the BWG has therefore allocated funding of £50k to this area.

2.56 Further funding has been allocated to address the shortfall in the Big Fill revenue budget in 2021/22 of £100k and £100k for the backlog of adopted structures inspections.

2.57 In the most recent 2020/21 monitoring the Learning and Skills service has reported an adverse variance relating to School Transport. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond walking distance to the nearest appropriate school in addition to a statutory duty to provide transport for pupils with Additional Learning Needs (ALN) who require access to specialist provision. The Council also provides discretionary support towards pupils in further education above the age of 16. The BWG has allocated additional funding of £392k towards addressing this cost pressure. The growth has been allocated to Neighbourhood and Transport as this is where the budget for this service sits.

2.58 A breakdown of the £206k efficiency target is shown in Appendix E.

Managing Director & Resources

	Budget 2020/21	Rech/ Tfers	Change in Asset Rents / IAS 19	Pay Inflation	Net Growth	Efficien cies	Budget 2021/22
	£000	£000	£000	£000	£000	£000	£000
Resources	651	33	(618)	180	675	(112)	809
Regeneration	2,024	(143)	(24)	23	0	(11)	1,869
Development Management	1,016	175	(7)	30	0	(5)	1,209
Private Housing	848	(73)	0	7	200	(2)	980
Total	4,539	(8)	(649)	240	875	(130)	4,867

- 2.59** A breakdown of the net growth £875k is shown in Appendix D. ICT have received an allocation of £281k towards additional licence costs incurred as part of the response to the Coronavirus pandemic and associated increase in home working. A further £60k was allocated towards increased costs associated with existing ICT contracts. An allocation of £200k committed growth has also been made to support the transition to the Oracle Cloud system.
- 2.60** An allocation of £200k has been made to Private Housing to support the loss of subsidy on Housing Benefits overpayments as a result of the transition to Universal Credit.
- 2.61** A breakdown of the £130k efficiency target is shown in Appendix E.

Policy

	Budget 2020/21	Rech/ Tfers	Change in Asset Rents / IAS 19	Pay Inflation	Net Growth	Efficien cies	Budget 2021/22
	£000	£000	£000	£000	£000	£000	£000
Policy	23,942	(33)	7,879	0	1,726	(26)	33,488

- 2.62** A breakdown of the net growth £1,726k is shown in Appendix D. There has been an allocation of £361k to reflect the increased costs of the South Wales Fire Service Levy. In addition the Council is funding its contribution to City Deal through Prudential Borrowing, an allocation of £316k has been made towards the revenue costs of the borrowing that will be incurred up to 2021/22. In addition further funding of £1.050m is required to support the Council Tax Reduction Scheme. This additional funding is required partly due to increase in Council Tax costs but also due to increase in the take up of the scheme. In 2020/21 there is a projected outturn of £11,016k against the budget of £10.410m however this has been offset by additional grant funding from WG in year.
- 2.63** A breakdown of the £26k efficiency target is shown in Appendix E.

Financial Strategy for 2022/23 to 2023/24

- 2.64** WG has not provided the Council with indicative settlement figures for 2022/23 or beyond. The MTFP was based upon a number of scenarios, including a cash neutral settlement, a cash reduction of 1% and a cash increase of 1% in both 2022/23 and 2023/24. Each 1% change in AEF affects the Council by approximately £1.6m. Given the increase of 4.42% in 2021/22 and the purported end of austerity but with consideration of the uncertainty that continues surrounding Brexit and consideration of the increased and continuing pressures

as a result of the Coronavirus pandemic, it is felt that it would be prudent to assume a cash neutral or flat lined AEF across the period.

- 2.65** Pay inflation for the next two years has been based upon an assumption of approximately 1.5% in the context of the Chancellor's commitment to only allow for pay awards for those earning less than £24k and therefore allowance has been made for a similar increase to the pay budgets as included for 2021/22. This assumption will be reviewed again when the next iteration of the MTFP is produced.
- 2.66** As previously stated the Council has been required to make a high level of savings for a number of years. Identifying further savings is becoming more challenging. The Reshaping Services programme will continue to identify how services can be remodelled to protect and improve service provision whilst ensuring efficient delivery in the future. No efficiencies are currently identified for 2022/23 or 2023/24. Work will start to establish detailed proposals for efficiencies for future years.
- 2.67** Cost pressures for future years have been considered and assessed by the BWG and total £10.594m for 2022/23 and 2023/24. Details are attached at Appendix F. This includes a possible level of funding for schools and a sum for the pressures in Social Services as a result of increased demographic growth and further increases in the National Living Wage. Any further cost pressures will need to be managed down or mitigated by Services in order to avoid further savings targets being required.
- 2.68** It is projected that the balance of the Council Fund as at 31st March 2024 will be £10.074m. However, there is considerable uncertainty regarding the effects of Britain's exit from the Europe Union and the ongoing impact of the Coronavirus pandemic. In addition, after achieving savings over recent years, it is becoming increasingly difficult to achieve savings in the short term and many will need a longer lead in time to implement. That being the case, the Council Fund could be used further to support the budget in the coming years, whilst at the same time being mindful of the minimum balance the Section 151 Officer advises which is that the Council Fund should be maintained at £10m.
- 2.69** The table below shows the projected shortfall in 2022/23 and 2023/24 assuming a council tax increase in each of the two years of 3.9%. It must however be emphasised that these projections are based upon information available at the current time and they will be subject to change e.g. changes in AEF.

Financial Projections to 2023/24	2022/23	2023/24	Total
BASED ON 4.9% COUNCIL TAX INCREASE	£000	£000	£000
Assumed Decrease in AEF	0	0	0
Cost Pressures	5,932	4,662	10,594
Pay Inflation	2,984	2,984	5,968
Net Savings Targets Allocated - Non Schools	0	0	0

Net Savings Targets Allocated - Schools	0	0	0
Reduction in the use of General Fund	0	0	0
Assumed 3.9% Gross Council Tax Increase	(3,250)	(3,377)	(6,627)
(Surplus)/Shortfall in Savings Required	5,666	4,269	9,935

- 2.70** This shows that the possible shortfall in funding for 2022/23 and 2023/24 could total £9.935m. The position will be reassessed as part of the MTFP and options for achieving the shortfall in savings will be addressed further.

Reserves

- 2.71** Reserves are a way of setting aside funds from budgets in order to provide security against future levels of expenditure and to manage the burden across financial years. Funds no longer required may be transferred to the Council Fund and then set aside for other purposes or used to reduce council tax.
- 2.72** The Council has always taken a prudent approach with regard to Specific Reserves and uses them to mitigate known risks (financial and service) and contingent items, e.g. Insurance Fund. Other Reserves have been established to fund Council priorities, e.g. Neighbourhood Services and in particular the Capital Programme, e.g. School Investment Reserve, Building Fund. This is important as the Council has limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums have also been set aside to assist in budget management. The Housing Revenue Account Reserve is ring-fenced to Housing and the majority will be used to fund improvements to the Council's housing stock.
- 2.73** The Council presently benefits from a reasonable level of reserves; however, they are not inexhaustible and have taken years of careful financial management to develop to their current position. After several years of real term reductions in funding there is reducing contingency in the normal operational council budgets and the management and use of reserves will become increasingly important to be able to continue to provide services and to mitigate risks, while still trying to deliver corporate priorities.
- 2.74** The level of reserves must be considered in the context of the financial risk facing the Council over the coming years.
- 2.75** One of the main risks to the Council's financial planning is the uncertainty as to the level of funding to be received from WG in future years. WG has not provided an indication of the change in the settlement in 2022/23 and beyond. Projections have therefore been based on assuming a flatlined budget.
- 2.76** Projecting forward on this basis, there is a gap in funding in the coming years that will need to be identified. Efficiencies of £10.435m need to be achieved over the next 3 years. This figure is extremely challenging and there will be significant pressure on services to deliver this level of savings. There is a risk of

non-achievement of these savings and the ability to identify and implement savings given the already high level of savings previously delivered by services over the past years. Reserves have been set up where possible to facilitate this process e.g. Early Retirement/Redundancy Fund, Reshaping Services Fund, Digital Reshaping Fund and the Commercial Opportunities and Invest to Save Fund.

- 2.77** There are risks in the budget and the most significant of these are set out in this report. Even though additional funding has been proposed for 2021/22, further action will need to be undertaken by directorates to achieve a balanced budget going forward.

Pay and price inflation is a further risk. From 2021/22 onwards, provision has been made in the budget allowing for an annual 1.5% increase in pay and this will need to be kept under review in the context of a proposed pay freeze and a commitment to only increase pay for those receiving less than £24k assuming pay awards for only the lowest paid. There is no provision for non-pay inflation. The Consumer Price Index for the 12 months to December 2020 was 0.6% up from 0.3% in November and services will need to manage spending as costs rises.

- 2.78** There is a risk that should grants be cut and it is not possible to reduce expenditure correspondingly, the Council could overspend. This risk should be mitigated by the fact that Services should have in place “exit” plans for any specific grant ceasing and are usually aware of likely developments in the level of grant. In the first place each Service would be expected to fund any shortfall from its revenue budget. There are however some reserves held to cover future grant reductions, but these can only be seen as a contingency in the short term e.g. Adult Community Learning and Youth Offending reserves. The payment of redundancy costs, when a grant ceases, is not normally allowed as eligible expenditure to be set against the grant and therefore it is for the Council to set aside funds to cover this eventuality. A Grant Exit Strategy reserve is being held under the Social Services heading to fund such costs if they arise and in the main relates to the Flying Start service.

- 2.79** Legislative changes provide a major risk to the Council. The increase in the National Living Wage will put further pressure on staffing budgets and the impact of changes to welfare reforms continues to develop and a reserve is held for this purpose.

- 2.80** There are risks associated with climate change, in particular energy costs and the Council holds an Energy Fund to implement energy saving initiatives. The effect of adverse weather conditions increases the cost of running and maintaining the Council’s infrastructure and provision needs to continue to be set aside to fund works over and above that held in the normal operational revenue budget, as covered for instance by the Bad Weather reserve.

- 2.81** Whilst covered by a separate report on the agenda, it is important to point out that a large proportion of the reserves are held for capital expenditure as well as for revenue purposes. There is a large commitment required for the future development of local schools and for the risks in maintaining aging premises. Also, the Council relies heavily on its ICT infrastructure.
- 2.82** The Council also holds funds to enable it to fulfil its priorities set out in the Corporate Plan through the 4 well-being outcomes. The Council must demonstrate its commitment to the Well-being of Future Generations Act and ensure that the needs of the present are met without compromising the ability of future generations to meet their own need, thus ensuring that funding is available in the long term through sound financial planning.
- 2.83** As part of the usual Budget process, an examination of the level of reserves was undertaken to ascertain their adequacy and strategy for use. The reserves were examined with a view to their level (i.e. whether the amount held in the fund is sufficient to meet requirements) and purpose (i.e. whether the need to hold the fund is still relevant). The requirement for each specific reserve has also been considered in light of the Council's priorities.
- 2.84** The estimated level of the Council Fund Reserve at 1st April 2021 is £10.824m including a planned drawdown of £1.990m in 2020/21. Any surplus identified at year end will be transferred into the Council Fund to contribute towards the Council's resilience in responding to the ongoing impact associated with Coronavirus pandemic.
- 2.85** The Section 151 Officer's view is that the current minimum level for the Council Fund Reserve of £10m is appropriate but may not be able to be maintained in light of the uncertain impact of Brexit and ongoing Coronavirus pandemic. The Council Fund provides cover for unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure can be substantial, and several instances can occur in a year. Whilst there is no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale of Glamorgan this is currently about £12.5m. However, in view of the prudent approach the Council takes with regard to Specific Reserves, it is proposed that £10m should be maintained for this report and this will be reviewed as part of the MTFP.
- 2.86** There are Schools balances which are unspent budgets delegated to individual schools. As at 31st March 2020 the aggregate nursery, primary and secondary balances were £839k, we have some indication that the volume of schools reporting a deficit in 2020/21 is likely to be higher than in previous years and therefore this reserve level will need to be kept under review.
- 2.87** Attached at Appendix G is a schedule showing the reserves and the anticipated balances at the 31st March 2021, 2022, 2023 and 2024. The Appendix sets out the title of the reserve together with its purpose. A summary of the position is

set out below and excludes Schools balances and the Housing Revenue Account (HRA).

Summary of Estimated Reserves Projected to 2023/24	Balance.	Net	Est. Bal.
	31/03/2020	Movement	31/03/2024
	£'000	£'000	£'000
Council Fund	12,814	(2,740)	10,074
Specific Reserves			
Insurance Fund	4,574	0	4,574
Capital Reserves	33,017	(24,364)	8,653
Other Specific Reserves	30,750	(11,839)	18,911
Total Council Fund Reserves (excl. Schools and HRA)	81,155	(38,943)	42,212

- 2.1** It is projected that there will be a large fall (48%) in the level of reserves over the 4 year period as substantial calls on funds are made. However, these are still deemed to be adequate as known risks are largely covered and the Council Fund Reserve is at a reasonable level, not expected to fall below £10m.

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

Delivering Well Being

- 3.1** In setting the revenue budget, the Council needs to consider its corporate priorities as set out in the Corporate Plan through the 4 well-being outcomes which are shown below with examples of how the Council is providing support through the 2021/22 revenue budget.
- An Environmentally Responsible and Prosperous Vale - Additional funding is being allocated to support the waste and recycling service;
 - An Aspirational and Culturally Vibrant Vale – Funding has been provided for schools; and
 - An Active and Health Vale – Funding has been provided to support Social Services and collaborative work will continue with Health as part of the ICF grant funding.
- 3.2** These outcomes demonstrate the Council’s commitment to the Well-being of Future Generations Act which aims to improve the social, economic, environmental and cultural well-being of Wales and ensures that the needs of the present are met without compromising the ability of future generations to meet their own need. Even with reductions in funding, where practical, the Council will strive to maintain services which contribute towards this agenda.

- 3.3** In developing the Corporate Plan, the Council has reflected on the way it works and has stated 5 principles it will follow. These budget proposals reflect this new approach to working. The 5 ways of working are: -
- Looking to the long term - The budget proposals are a means of planning for the future and take a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
 - Taking an integrated approach - The budget proposals highlight and encourages ways of working with partners.
 - Involving the population in decisions – As part of the budget proposal process there has been engagement with residents, customers and partners.
 - Working in a collaborative way – The budget proposals recognises that more can be achieved, and better services can be provided by collaboration and it encourages this as a way of working in the future.
 - Understanding the root cause of issues and preventing them – The budget process is proactive and allows an understanding of the financial position so that issues can be tackled at the source

4. Resources and Legal Considerations

Financial

- 4.1** The total budget shown at Appendix C is £251.653m. After adjusting for discretionary rate relief of £290k, it is £5.714m below the Council's SSA of £257.077m. The 2020/21 budget was £4.169m below the SSA.
- 4.2** The Council's SSA (IBA) is an indication of the relative resources needed to provide a standard level of service. It is based on statistical data and formulae, any of which can be flawed in assessing need. It is used primarily as a method of distributing AEF. It is not an absolute indicator of a required spending level for a particular service in a particular area. It is for local councils to best determine their own spending priorities in light of local circumstances.
- 4.3** It is proposed that no transfer is made in 2021/22 from the Council Fund to support the base budget.

Statement of Section 151 Officer on Robustness of Estimates

- 4.4** The Local Government Act 2003 requires that the Section 151 Officer (currently the Head of Finance) must report on the robustness of the estimates, which are to be approved by Council. This Section constitutes that assurance.
- 4.5** In view of the uncertainties of the current and future economic climate there is increased risk facing the Council's financial position and, as a consequence, the

delivery of services. This has been recognised and referenced within this report, where relevant, together with actions that can be taken to manage that risk.

- 4.6** The proposed efficiencies are regarded as achievable and have been carefully examined with risk and measures to mitigate them identified. It is important to stress the importance of the mitigating actions being implemented and the need to consider Equality Impact Assessments (EIA). An EIA for the budget is attached at Appendix H.
- 4.7** Estimates in the budget report are robust subject to any reservations/ qualification or other commentary contained in the report. All services' expenditures are under pressure and there is always a risk that a service may overspend, particularly in light of unforeseen circumstances.
- 4.8** A measure to guard against this will be to monitor the budget during the year and to identify problems as they arise and put in place remedial action. Key to this will be the delivery of efficiencies including those required under the Reshaping Services programme. Cabinet, Scrutiny and managers continue to have a key role in reviewing and maintaining budgetary performance.
- 4.9** Reserves have been again reviewed and, with the proposed changes to the level of the Council Fund, are considered adequate to cover contingencies and the risks stated in the report.

Employment

- 4.10** The budget proposals will have implications for the Council's employees and there could be a loss of jobs however the reduction for 2021/22, excluding schools, is estimated to be very low as the majority of the savings target is focused on digital service delivery and reduction in accommodation costs.
- 4.11** The above figures do not include the staffing implications relating to budget pressures within schools as the details need to be considered by individual Governing Bodies and supported by the Director of Learning & Skills. Individual schools will also be impacted by whether they have growing or falling pupil numbers. There could be staff reductions and redundancies depending on each school's circumstances. The Director of Learning & Skills will need to establish the impact of the budget on employees in schools.
- 4.12** The Council has an Avoiding Redundancy Procedure that will be followed and includes a requirement for the Council to search for suitable alternative employment. The numbers of employees referred to are those impacted in the budget. There could be further staff implications from other restructuring exercises during the year.
- 4.13** The trades unions will continue to be consulted on the details of any potential redundancies once known.

- 4.14** It is essential to ensure that consultation with the trades unions is carried out in accordance with the Council's Avoiding Redundancy Policy and related legal requirements. A Change Forum meets regularly with the trade unions to help co-ordinate the consultation process and deal with cross- directorate issues

Legal (Including Equalities)

- 4.15** The Council is required under statute to fix its Council Tax for 2021/22 by 11th March 2021 and in order to do so will have to agree a balanced revenue budget by the same date.

5. Background Papers

Local Government Provisional Revenue Settlement letter dated 22nd December 2020

Report of the Managing Director

Reasons for Difference between Provisional Education IBA and Budget

Background

The Welsh Government (WG) previously required each local authority to compare its total budget for education to its education Indicator Based Assessment (IBA), and report on reasons for the difference between the two. Although this comparison is no longer a WG requirement, the Vale of Glamorgan Council continues to track the level of Education funding against the IBA.

The Vale of Glamorgan Council 2021/22 provisional education IBA is £113.837M compared to a budget of £115.158M (please note the final settlement is not yet published). The Council is therefore funding educational services at £1.321M above the provisional IBA.

Issues

The 2021/22 WG provisional revenue settlement has increased the Aggregate External Finance (AEF) for this Council by £7.119M; an increase of 4.42% from 2020/21 after adjusting for transfers.

The Council's overall 2021/22 Standard Spending Assessment (SSA) is £257.077M which has increased by £12.583M or 5.15% when compared to the previous year.

The provisional Education IBA at £113.837M has increased by £4.8M when compared to the previous year adjusted value of £109.037M.

Table to Show Demographic Impact on the Individual Schools Budget (ISB)

The 2021/22 provisional settlement recognises an increase of 215 Vale of Glamorgan pupils compared to the previous year which has a financial Impact estimated at £1.080M as identified in the table below.

APPENDIX A

	2020/21	2021/22	Change	SSA Unit Value	Increased Cost
Pupil Numbers Nursery and Primary	12,273	12,255	-18	£3,704.46	(£66,680)
Pupil Numbers Secondary in Yr Groups 7-9	4,627	4,767	140	£4,474.54	£626,435
Pupil funding Pupils in Yr 10 & 11	3,085	3,178	93	£5,595.57	£520,388
COST OF DEMOGRAPHIC INCREASE			215		£1,080,143

Learning and Skills Budget 2021/22

After allowing for the movement of £2.946M on Asset rents and IAS 19, the overall increase in the Learning and Skills budget is £4.241M, the table below shows the movement between the 2020/21 and 2021/22 Budgets

Learning and Skills Budget 2020/21	£'000
2020/21 Learning and Skills Budget	112,526
Asset Rent, IAS 19	(2,946)
<u>Base budget</u>	<u>109,580</u>
Pay inflation	1,683
Demographic increase mainstream schools	1,080
ALN in mainstream schools	681
Demographic increase special school	843
Central pressures ALN and complex needs	275
Reshaping Services and Efficiency Savings	(59)
Central recharges reduction	(262)
<u>Net budget increase</u>	<u>4,241</u>
2021/22 Learning and Skills Budget	113,821

Education IBA Comparison

The Learning and Skills 2021/22 Budget is £113.821M however not all departments within the Learning and Skills Directorate fall under the heading of Education for IBA comparison (e.g. Libraries, CYPP and Arts).

In order to compare the Education budget with the Education IBA, the Learning and Skills budget must be adjusted as demonstrated in the table below.

The resulting Education budget of £115.158M exceeds the Education IBA (£113.837M) by £1.321M.

Education IBA Comparison	Budget 2021/22
	£'000
Schools	97,982
Standards and Provision	4,379
ALN and Wellbeing	3,079
- Less CYPP	-274
Strategy, Community Learning and Resources	8,149
- Less Libraries and Arts	-1,990
Directors office	232
Education Transport (under Environment and Housing)	3,601
TOTAL EDUCATION BUDGET	115,158
2021/22 SSA	113,837
Variance above SSA	1,321

Delegated authority has been given to the Director of Learning & Skills to determine the split of Learning and Skills funding in light of consultation with the Schools Budget Forum.

Conclusion

In setting a budget that is both prudent and achievable, the Council must have regard to the fair distribution of resources amongst all of its services in relation to their relative priorities.

The Education and Schools 2021/22 budget is £1.321M above the SSA of £113.837M, however schools and educational services will continue to face challenges in managing within existing resources. As part of the Council's Reshaping Services Agenda, the directorate and schools will continue to look at the services on offer, service delivery models, economies of scale, and opportunities for innovation in order to meet the needs of our colleagues, learners, and their communities.



Appendix B

2021-22 Budget Consultation

January 2021

Background

The Council conducts a consultation on its draft budget on an annual basis. In 2020 It was decided that the budget consultation should run in conjunction with the consultation on the draft annual delivery plan, to give respondents an opportunity to first comment on our priorities and how we intended to meet our wellbeing objectives over the next 12 months, and then to comment on how we should prioritise spending.

Methodology

Due to the ongoing coronavirus pandemic the consultation was run predominantly online, with an offer for residents and stakeholders to respond in writing or via telephone if they were not able to access the consultation online.

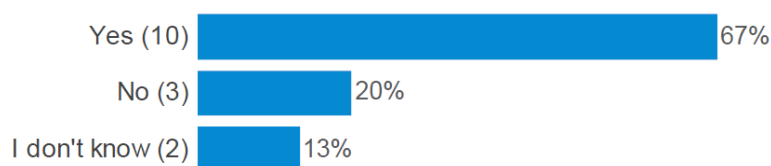
The consultation ran from Tuesday 8 December 2020 until Tuesday 5 January 2021. It was promoted to a wide range of stakeholders, via email, through the Council's social media channels and through the local media. The Council's Leader did a Q&A session with Bro Radio which was broadcast in December.

Results

There were 16 responses to the online survey in total. The low response rate could be attributed to a number of factors, including the ongoing pandemic, the timing of the consultation and the length of the survey.

The first question asked respondents how they thought some Council services should be delivered in future.

In light of COVID-19 restrictions, the way some Council services are delivered has changed. Would you be happy for services to continue to be delivered as they have been in 2020, where the majority of face to face services are now offered digitally?




Although the majority of respondents, 67%, said yes there were some additional comments about the responsiveness of some services. There were also a couple of comments regarding maintaining a safe face to face service for those who are unable to use digital services.

On a similar note, earlier in 2020 the Council ran a Twitter poll and an online feedback form asking residents if they thought a booking system for Household Waste and Recycling Centres should remain in place. The Twitter poll received 350 votes and the feedback form received 438 responses. The results of the Twitter poll are shown below.



Vale Council
@VOGCouncil



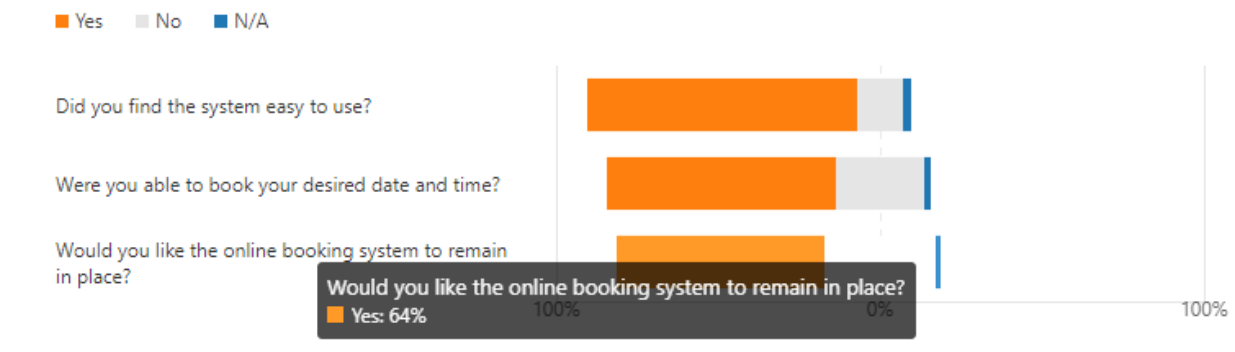
 Have you visited a Household Waste and Recycling Centre (HWRC) since they re-opened in May? How did you find the booking system? Should we keep it?



350 votes · Final results

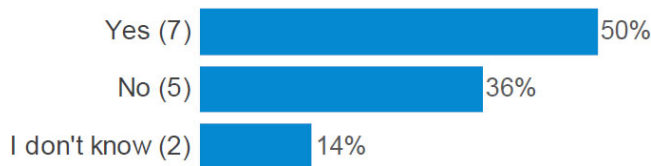
12:12 PM · Sep 4, 2020 · Twitter Web App

And the responses to the online feedback form are also shown below.



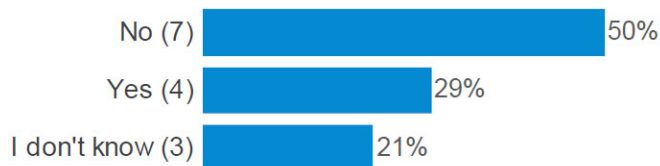
The next question asked respondents if there were any services that had stopped, as a result of Coronavirus, that they would like to see continue when it is safe to do so.

Are there any services that have stopped, as a result of COVID-19, that you would like to see re-introduced as soon as possible?



Those who said yes named things such as 'events that promote the town in a positive light', 'spaces re-opening like libraries, gyms parks etc' and 'face to face meetings and classes'. Other comments related to maintenance of footpaths and collecting waste containers from libraries.

Is there anything, in light of COVID-19, that you think the Council should stop doing?



Those who said 'yes' added additional comments, the most relevant being:

'The council appears inapproachable- people are sometimes scared of enforcement officers. The council shouldn't be so intimidating when dealing with issues in the community', and 'Yes, restructure council streamline staff, I know too many council staff saying they do over dept work as they completed their own'.

Finally, respondents were asked to rank, in order of priority, the steps the Council should take in order to address its budget shortfall. The list was ranked as follows:

1. Look to deliver services differently (60%)
2. Re-structure departments to achieve savings (33%)
3. Stop delivering some services (33%)
4. Increase council tax (53%)

Summary

In summary, respondents told us that they are happy for services to continue to be delivered digitally, they would like some face to face services, such as events and libraries, to resume as soon as it is safe to do so, and they would prefer for services to be delivered differently and departments to be restructured rather than reducing services or increasing council tax.

Moving forward the Council will seek to engage on more service delivery questions throughout the year in the same way as the HWRC booking system feedback was captured, this seems to be a more effective method of engaging on specific service delivery questions and this data can be used to inform the budget setting process.

Feedback will be provided to residents once the final revenue budget proposals for 2021/22 have been agreed.

	Original Budget 2020/21 £'000	Asset Rents/ IAS 19 £'000	Base Budget 2020/21 £'000	Rechgs/ Transfs £'000	Budget Adjustment £'000	Efficiency Target £'000	Pay Inflation £'000	Committed Growth £'000	Base Estimate 2021/22 £'000	Asset Rents/ IAS 19 £000	Original Budget 2020/21 £000
Learning and Skills											
Schools	93,950	0	93,950	0	(100)	0	1,528	2,604	97,982	-	97,982
Strategy, Culture, Community Learning and Resources	11,344	(2,948)	8,396	(216)	(43)	(36)	48	0	8,149	-	8,149
Additional Learning Needs and Wellbeing	2,921	2	2,923	(10)	(147)	(9)	47	275	3,079	-	3,079
Standards and Provision	4,080	0	4,080	(36)	290	(13)	58	0	4,379	-	4,379
Directors Office	231	0	231	0	0	(1)	2	0	232	-	232
Total Learning & Skills (Excluding Schools)	18,576	(2,946)	15,630	(262)	100	(59)	155	275	15,839	-	15,839
Social Services											
Children and Young People	17,255	(51)	17,204	(48)	103	(19)	28	432	17,700	-	17,700
Adult Services	50,526	(201)	50,325	655	(233)	(56)	31	2,020	52,742	-	52,742
Resource Management & Safeguarding	371	69	440	(301)	130	(3)	26	0	292	-	292
Youth Offending Services	737	(18)	719	(14)	0	(1)	3	0	707	-	707
Total Social Services	68,889	(201)	68,688	292	0	(79)	88	2,452	71,441	-	71,441
Environment and Housing											
Neighbourhood and Transport Services	28,309	(4,080)	24,229	62	0	(202)	60	642	24,791	-	24,791
Building Services	0	46	46	(3)	0	0	3	0	46	(46)	0
Regulatory Services	1,894	20	1,914	(103)	0	0	14	0	1,825	-	1,825
Council Fund Housing	1,339	(23)	1,316	55	0	(4)	19	34	1,420	-	1,420
Total Environment and Housing	31,542	(4,037)	27,505	11	0	(206)	96	676	28,082	(46)	28,036
Managing Director											
Resources	651	(618)	33	33	0	(112)	180	675	809	-	809
Regeneration	2,024	(24)	2,000	(143)	0	(11)	23	0	1,869	-	1,869
Development Management	1,016	(7)	1,009	175	0	(5)	30	0	1,209	-	1,209
Private Housing	848	0	848	(73)	0	(2)	7	200	980	-	980
Total Managing Director	4,539	(649)	3,890	(8)	0	(130)	240	875	4,867	-	4,867
General Policy	23,942	7,833	31,775	(33)	0	(26)	0	1,726	33,442	46	33,488
Met from General Reserves	(1,000)	0	(1,000)	0	0	0	0	1,000	0	-	0
TOTAL	240,438	0	240,438	0	0	(500)	2,107	9,608	251,653	0	251,653

NET GROWTH 2021/22**APPENDIX D**

Description	2021/22 £'000
Schools	
Demographic Increase in Mainstream Schools	1,080
ALN Support in Mainstream Primary and Secondary Schools	505
Demographic Increase in Pupils in Ysgol Y Deri	843
Establish Specialist Resource Base at Whitmore High School	176
Total Schools	2,604
Non Schools	
Early Years Provision	75
Reduction in Out Of County Income	100
Complex Needs Placements in other Authorities and Independent Schools	100
Total Non Schools	275
Total Learning and Skills	2,879
Children and Young People's Services	
Recruitment and Retention of Foster Carers (Payment for Skills)	90
Recruitment and Retention of Foster Carers (Allowances Paid)	142
Additional Children's Services Pressures	200
Total Children	432
Adults	
Demographic Changes and Provider Fees and Quality Assurance	1,800
Increased Demand to Support Mental Health/Emotional Wellbeing	220
Total Adults	2,020
Total Social Services	2,452
Neighbourhood Services	
Waste Demographic Funding	50
Big Fill Shortfall in Reserve Provision	100
Backlog in Highways Structures Inspections	100
Total Neighbourhood Services	250
Transportation	
Education Transport	392
Total Transportation	392
General Fund Housing	
Domestic Abuse Assessment and Referral Community Safety	34
Total General Fund Housing	34
Total Environment and Housing	676
ICT	
Oracle Implementation Committed Growth	200
Microsoft Licences	225
RSA Licences	55
Increased cost of existing ICT contracts	60
Total ICT	540
Property Services	
Building Security and Cleaning	65
Total Property	65
Legal and Democratic Services	
Coroner Joint Service	30
Total Legal and Democratic	30
Policy & Business Transformation	
C1V Shortfall	40
Total Policy and Business Transformation	40
Private Sector Housing	
Housing Benefit Overpayments	200
Total Private Sector Housing	200
Total Managing Director and Resources	875
Policy	
Increase in Costs of Council Tax Reduction Scheme	1,050
City Deal Borrowing Costs	315
South Wales Fire Service Levy	361
Total Policy	1,726
Reduction in Contribution from the Council Fund	1,000
COUNCIL TOTAL	9,608

PROPOSED EFFICIENCIES 2021/22**APPENDIX E**

Service	2021/22
LEARNING AND SKILLS	
Corporate Recovery and Efficiency Savings 21/22	48
Pensions Adjustment	11
TOTAL LEARNING AND SKILLS	59
SOCIAL SERVICES	
Corporate Recovery and Efficiency Savings 21/22	76
Pensions Adjustment	3
TOTAL SOCIAL SERVICES	79
ENVIRONMENT AND HOUSING	
Neighbourhood Services and Transport	
Corporate Recovery and Efficiency Savings 21/22	133
Pensions Adjustment	3
Traffic Surveys	10
Leisure Services	56
Total Neighbourhood Services and Transport	202
General Fund Housing	
Corporate Recovery and Efficiency Savings 21/22	4
Total General Fund Housing	4
TOTAL ENVIRONMENT AND HOUSING	206
MANAGING DIRECTOR AND RESOURCES	
Resources	
Corporate Recovery and Efficiency Savings 21/22	62
Fraud & Income Recovery	50
Total Resources	112
Regeneration and Development Management	
Corporate Recovery and Efficiency Savings 21/22	16
Total Regeneration and Development Management	16
Private Housing	
Corporate Recovery and Efficiency Savings 21/22	2
Total Private Housing	2
TOTAL MANAGING DIRECTOR AND RESOURCES	130
Policy	
Corporate Recovery and Efficiency Savings 21/22	13
Pensions Adjustment	13
TOTAL Policy	26
TOTAL	500

Description	2022/23	2023/24
	£'000	£'000
Schools		
Demographic Increase in Mainstream Schools - Estimated increase in funding to reflect the increase in pupils reflected in the WG settlement.	1,080	1,000
Free School Meals	300	300
Demographic Increase in Pupils in Ysgol Y Deri - There is a demographic increase in the number of Vale pupils requiring specialist school placements each year over those leaving the provision at school leaving age.	639	224
Establish Specialist Resource Base at Whitmore High School - Establish a Specialist Resource Base (SRB) attached to a mainstream secondary school at Whitmore High School to provide additional support for pupils with Autism Spectrum Disorder whilst ensuring they can access mainstream secondary education.	108	77
Total Schools	2,127	1,601
Non Schools		
Early Years Provision - Funding for Additional Learning Needs support for very young children in pre-school settings as required by Welsh Government Additional Learning Needs reform.	100	0
Reduction in Out Of County Income - Reduction in the capacity to offer places at Ysgol Y Deri to pupils from other authorities.	412	0
Complex Needs Placements in other Authorities and Independent Schools - Additional funding required for specialist provision for children and young people with significant social emotional and mental health difficulties requiring specialist provision and for alternative placements to help manage the pressure on places at Ysgol Y Deri.	160	0
21st Century Schools - Monies required to finance loans that will be raised to fund capital expenditure	0	256
Total Non Schools	672	256
Total Learning and Skills	2,799	1,857
Children and Young People's Services		
External Placements - This demand for this budget is highly fluid and the pressure reflects an assumed level of inflation. The £500k Welsh Government Social Care Workforce grant that was received last year and this year and which was allocated to the External Placements budget is not guaranteed each year and this pressure would increase if it were to cease.	84	86
Recruitment and Retention of Foster Carers (Payment for Skills) - This pressure reflects the need to increase the payment for skills for our current population of carers. The pressure in next year and the year after reflects an increasing number of carers. Being able to recruit and retain carers is a key part of our ability to support children looked after and to help to reduce our reliance on externally purchased care.	90	90
Recruitment and Retention of Foster Carers (Allowances Paid) -This pressure is linked to the 3% annual increase applied by WG that LAs are obliged to pay. The calculation is based on our current number of carers and allows for an increase of 10 carers each year.	150	158
Total Children	324	334
Adults		
Demographic Changes - Due to Covid-19 it is difficult to predict the actual change this year which will continue into 2021/22 as citizens behaviour is fluctuating with some coping well within the pandemic and finding alternative solutions to access support, and others potentially delaying seeking support which may see an increase in complexity when they reach a crisis point. Figures shown are based on previous years increases in budget and correlating 'normal' increases in demand, and anticipated ongoing grant funding.	500	500
Provider Fees and Quality Assurance - Continuing challenge by providers to increase fees to meet provider costs. Additional capacity is required to manage contract monitoring arrangements as a result of a number of significant quality assurance issues with providers. Numerous historical pressures continue to impact the committed spend for commissioned services, including National Living Wage, Sleep-Ins, HMRC regulations re travel time, auto-enrolment of pensions and now the increased burden of registration costs for domiciliary care workers under Regulation and Inspection of Social Care (RISC) (Wales) Act 2016.	1,565	1,565
Total Adults	2,065	2,065
Total Social Services	2,389	2,399
Neighbourhood Services		
Waste Grant Funding - Estimated reduction in the Sustainable waste management grant.	45	45
Big Fill - Reduction in Big Fill budget planned for 2021/22 will lead to faster deterioration of the highway network and increased levels of insurance claims. The current programme is being funded from reserves at a value of around £500k per annum	400	0
Total Neighbourhood Services	445	45
Total Environment and Housing	445	45

COST PRESSURES 2022/23 and 2023/24**APPENDIX F**

Description	2022/23	2023/24
	£'000	£'000
Private Housing		
Revenues and Benefits		
Housing Benefit Overpayments. The migration of housing benefit claims to universal credit is impacting on the subsidy the Council receives on its overpayments. The loss of subsidy will continue as more cases are transferred over to universal credit.	50	50
Total Revenues and Benefits	50	50
Total Managing Director and Resources	50	50
Policy		
City Deal Borrowing Costs- Monies required to finance loans that will be raised to fund capital expenditure.	249	311
Total Policy	249	311
COUNCIL TOTAL	5,932	4,662

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
<u>Housing Revenue Account</u>	7,948	0	-7,058	890	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.	915	923	928
<u>General Reserves</u>								
Council Fund	12,814	0	-1,990	10,824	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. £1m approved used in 2020/21 plus use for additional costs due to COVID 19. £750k to be used in 2021/22 for Oracle upgrade.	10,074	10,074	10,074
<u>Specific Reserves</u>								
<u>Learning and Skills</u>								
Schools Rationalisation and Improvements	533	0	-175	358	This reserve will meet the costs of school restructuring and reorganisation and support schools in the improvement of their teaching and learning facilities including the transition of Barry Secondary schools.	57	0	0
Education Pressures	452	0	0	452	To fund pressures faced by Learning and Skills.	452	452	452
School Deferred Pensions	319	53	0	372	To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years.	372	372	372
Schools invest to save reserve ER/VR	0	66	0	66	To assist with the cost of redundancies in schools	66	0	0
Sports Facilities	6	0	-6	0	Funding transferred from Pen y Garth Primary School in order to provide a budget to fund ad hoc repairs and maintenance required to sports hall.	0	0	0
Library Fund	151	0	-50	101	To finance the improvement of Library services. £50k required in 2020/21 to matchfund the Penarth Library MALD capital project.	101	101	101
Adult Community Learning	75	37	0	112	To finance initial reshaping costs as a result of the anticipated changes in the way adult learning is funded	75	75	75
Community For Work Exit Strategy	32	16	0	48	To pay potential redundancy costs if Welsh Government grants were discontinued.	48	48	48

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
Youth Service	81	0	0	81	To assist with the implementation of the Youth Engagement & Provision Framework in schools as well as initial costs in relation to the reshaping of the Youth service. The reserve will be used to purchase a bus for the Youth service during 20/21. The remaining balance will be required to matchfund the Inspire to Work ESF project.	25	0	0
Catering	117	0	0	117	To support any issues relating to the Catering trading company.	117	117	117
Catering Equipment Renewals	34	101	0	135	Repairs and renewal fund for catering equipment in Schools.	135	135	135
Social Services								
Legislative Changes	7,923	0	-1,593	6,330	To cover additional burdens on the authority due to changes in legislation eg Social Services and Well-being (Wales) Act 2014 , Deprivation of Liberties Standards and other pressures on the service.	5,557	4,784	4,784
Social Services Pressures	1,913	0	0	1,913	To cover short term childrens placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget.	1,913	1,913	1,913
Social Services Development	350	0	0	350	To cover costs of implementing service development and contingency for premises maintenance	350	350	350
Grant Exit Strategy	630	0	0	630	To pay potential redundancy costs if Welsh Government grants were discontinued.	630	630	630
Youth Offending Service	174	0	0	174	To assist with potential reductions in grant funding in future years and to carry out works at YOS building	174	174	174
Environment and Housing								
Neighbourhood Services	3,723	0	-1,510	2,213	To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives.	506	206	0
Bad Weather	269	0	-150	119	To fund necessary works during periods of severe weather conditions.	0	0	0
Building Services Improvement	297	0	-50	247	Monies set aside for improvements to the Building Services department.	197	147	97
Rural Housing Needs	56	0	0	56	To be used to fund Rural Enabler post.	44	32	20

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
Homelessness and Housing	655	0	0	655	This sum will be used to support homelessness prevention work.	400	200	0
Housing Strategy	10	0	0	10	This funding will be used to produce the Housing Strategy including facilitating consultation events.	10	10	0
Supporting People	50	0	0	50	To continue to provide housing support.	50	50	50
Community Safety	31	0	-19	12	To fund community safety initiatives.	0	0	0
Gypsy Traveller	1,052	0	0	1,052	To support the provision of a Gypsy/Traveller site and Gypsy Liaison Officer.	1,052	1,052	1,052
Regulatory Improvements	406	0	-90	316	Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.	316	316	316
Managing Director and Resources								
Regeneration and Planning								
Private Sector Housing	251	0	-49	202	To fund initiatives for Private Sector Housing, including an Occupational Therapist within the DFG team.	151	99	47
Local Development Plan	349	40	0	389	Set aside for costs relating to the production of the Local Development Plan.	239	139	89
Regeneration Fund	305	0	-73	232	To fund various regeneration schemes in the Vale.	192	152	112
Holton Road Surplus	11	10	0	21	Ringfenced sum for Holton Road regeneration.	21	21	21
Regeneration & Planning	693	0	-187	506	Monies set aside to cover various commitments within the service.	268	209	206
Planning Fees	100	0	0	100	To provide for reduction in planning fees income.	100	100	100
Building Control	249	0	-72	199	Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account.	149	99	49
Donations	28	0	0	28	Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast.	28	28	28

Resources

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
Welfare Reforms	621	0	-230	391	To fund pressures on the Authority resulting from changes to the Welfare Benefit System. This reserve could be used to finance any Department for Work and Pensions projects.	216	216	216
Financial IT System	13	0	-13	0	To fund the costs of implementing the new Income Management system.	0	0	0
Internal Audit	22	26	0	48	To provide training and support development of Internal Audit staff.	48	48	48
Shared Internal Audit Service	318	250	-124	444	Balance held on behalf of the partners for the shared audit service.	444	394	394
Legal	511	0	-150	361	To provide in house legal capacity on major projects, fund increased in house capacity which assists with income generation.	251	156	61
Trainee Appointments	631	0	-40	591	To fund the appointment of trainees and interns to support services and the Reshaping Service programme.	534	476	416
Legal Claims	1,920	0	0	1,920	To fund future legal cases and judicial reviews.	1,920	1,920	1,920
Child Burial	36	12	0	48	Ring fenced grant funding received from Welsh Government.	48	48	48
Human Resources	141	0	-80	61	To fund transitional costs associated with the move to the new HR operating model/HR service centre, for spend to save projects i.e. reduce recruitment spend, reduce sickness absence etc and for a part time temporary post for work associated with the 16-24 agenda.	0	0	0
Performance and Development	367	0	-58	309	To fund the purchase of hardware, software and equipment and to fund the appointment of trainees and interns to support the service.	259	209	209
Democratic & Freedom of Information	48	0	-14	34	To be used to fund IT and other equipment required to support department.	34	9	9
Corporate								
Election Expenses	411	42	0	453	Set aside for the Council and other elections costs.	471	238	255

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
Corporate Governance	338	0	0	338	This reserve has been set aside in respect of local government governance and development issues e.g. collaboration, mergers. The fund is also a useful contingency provision for improvements required urgently e.g. as a result of an inspection report.	338	338	338
Early Retirement/Redundancy	973	0	0	973	Used to finance the cost of early retirement and redundancy as a result of restructuring, budget savings and the Reshaping Service Programme.	973	973	973
Events	293	0	-90	203	To provide funds to promote the Vale of Glamorgan particularly in respect of tourism and economic development.	203	203	203
Insurance Fund	4,574	0	0	4,574	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.	4,574	4,574	4,574
Energy Management Fund	199	98	-287	10	Energy saving schemes initially funded from this reserve and transfers in relate to the repayments to the fund from services once savings are achieved and income from renewable energy sources.	124	252	364
Green Infrastructure and Climate Change Reserve	1,250	0	0	1,250	This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan.	1,250	1,250	1,250
Reshaping Services	686	0	-216	470	To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme.	347	221	221
Digital Reshaping	220	0	0	220	Invest to save funding to support the implementation of new digital ways of working and to update current systems.	220	220	220
Interpretation Services for Asylum Seekers	98	0	0	98	To provide support and interpretation services for asylum seekers.	98	98	98
Stronger Communities Fund	325	0	0	325	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".	325	325	325

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
Mayors Foundation	5	0	0	5	Ringfenced funding to be issued as grants.	5	5	5
Capital								
City Deal	1,898	0	0	1,898	To be used to contribute towards the City Deal which will generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region.	1,898	1,898	1,898
Coastal Works	487	0	-202	285	To assist in funding the ongoing liabilities that will arise following the coastal developments in the Vale, maintaining the impact of the significant investment made.	175	65	65
Waste Transfer Station	1,498	0	0	1,498	Establishment of a Waste Transfer Station.	0	0	0
ICT Fund	2,893	73	-711	2,255	Set aside to meet the costs of replacement and renewal of computer hardware and software, telecommunication systems and infrastructure. Transfers in include the repayment back into the fund from schools and other services relating to IT loans.	737	785	833
Capital Scheme Commitments	1,565	22	-437	1,150	Set aside for capital schemes to be undertaken	0	0	0
School Investment Strategy	9,090	284	-1,936	7,438	To be used to fund schemes identified as part of the Schools Investment Programme including the Band B 21st Century School programme.	0	0	0
WG Schools Capital Grant 2018-19	185	0	-185	0	A £1.765m grant was received from WG and was used to displace existing capital spend in 2018/19. An equivalent sum is being carried forward through this reserve to fund capital expenditure relating to schools.	0	0	0
WG Schools Capital Grant 2019-20	1,905	0	-1,905	0	A £1.905m grant has been awarded by WG and is being used to displace existing capital spend in 2019/20. An equivalent sum is being carried forward through this reserve into 2020/21 to fund capital expenditure relating to schools.	0	0	0
Capital Economic Regeneration Fund	489	0	-101	388	To finance capital economic regeneration schemes.	333	333	333
Commercial Opportunities and Invest to Save Fund	2,354	0	-120	2,234	This fund is to be used to finance capital and revenue projects, with repayment of such advances being credited back to the fund where appropriate.	2,235	2,240	2,245
Council Building Fund	5,777	0	-2,545	3,232	The fund is available in respect of repairs and maintenance of Council Buildings.	2,230	1,889	1,889

ANALYSIS OF RESERVES**APPENDIX G**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	01/04/20			Bal		31/03/22	31/03/23	31/03/24
	£000	£000	£000	£000		£000	£000	£000
Repairs and Renewals Vehicle	3,361	800	-2,723	1,438	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	183	0	0
Carbon Vehicles Reserve	0	215	0	215	New reserve for electric pool cars	215	215	215
Social Services Buildings	500	0	-10	490	To fund the update of Social Services premises to meet the future demands of the service.	490	490	490
ICF Capital	330	0	-330	0	Health have requested that the funding is returned to them during 2020/21	0	0	0
Telecare	685	0	0	685	Replacement fund for Telecare equipment and other service costs.	685	685	685
TOTAL SPECIFIC RESERVES (excl HRA)	68,341	2,145	-16,531	53,978		35,658	32,784	32,138

Equality Impact Assessment

Please click on headings to find [general guidance](#) or section guidance with an example.

You will find supporting information in appendices at the end of the guidance.

When you start to assess your proposal, arrange to meet Tim Greaves, Equality Co-ordinator, for specific guidance. Send the completed form to him for a final check and so that he can publish it on our Vale of Glamorgan equality web pages.

Please also contact Tim Greaves if you need this equality impact assessment form in a different format.

1. [What are you assessing?](#)

Revenue Budget Proposals for 2021/22

2. [Who is responsible?](#)

Name		Job Title	
Team	Corporate Management Team	Directorate	All Services

3. [When is the assessment being carried out?](#)

Date of start of assessment	November 2020
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4. [Describe the proposal?](#)

What is the purpose of the proposal?

The proposals detail the revenue budget for all services across the authority for 2021/22 and indicative budgets for 2022/23 and 2023/24.

Why do you need to put it in place?
--

Equality Impact Assessment

The Council is required under statute to fix the level of Council Tax for 2021/22 by 11th March 2021. In order to achieve this a balanced revenue budget has to be produced and agreed.

Do we need to commit significant resources to it (such as money or staff time)?

The proposed net revenue budget for the authority for 2021/22 is over £251 million. The budget has been developed by the Budget Working Group following discussions with Directors and appropriate Cabinet members.

What are the intended outcomes of the proposal?

To achieve a balanced budget which agrees the cost envelope for Council services for the coming financial year.

Who does the proposal affect?

Note: If the proposal affects lesbian, gay, homosexual, or transgender people, ensure you explicitly include same-sex couples and use gender neutral language.

It affects everyone who works for the Council, its customers and the residents of the Vale of Glamorgan.

Will the proposal affect how other organisations work?

This will vary according to the service and the nature of the changes that have to be made. Where these could potentially have a high impact upon other organisations (e.g. changes to service level agreements with third sector organisations), these will be subject to further consultation and analysis prior to any change in policy or approved saving being implemented. The Reshaping Services programme will explore alternative models for service delivery which could have a direct impact on other organisations.

Will the proposal affect how you deliver services?

The impact of the final revenue budget proposals for 2021/22 will vary according to the service and the nature of the changes to be made. Where these could potentially have a high impact upon clients with protected characteristics these will be subject to further consultation and analysis prior to any change in policy or approved saving being implemented.

In reviewing its cost pressures, the Council has allocated the resources available to it to meet its highest priorities. This process has regard to the impact upon different services and their client base. Additional funding has been allocated in 2021/22 across all Directorates. Savings required in 2021/22 have been reviewed to ensure that the remaining savings are achievable and sustainable, and that the potential equality impacts

Equality Impact Assessment

of implementing the savings and/or changing existing policy have been fully considered. Some of the savings identified by the Council's Reshaping Services will also necessitate engagement and consultation with those affected.

Will the proposal impact on other policies or practices?

Where this is apparent appropriate regard will be made to the potential impact upon other policies or practices and their consequent implications for clients or groups meeting the protected characteristics in line with existing processes for determining equality impacts. This includes actions taken under the Council's Reshaping Services programme.

Can you change the proposal so that it further promotes equality of opportunity and fosters good relations?

Any alterations to policies will have due regard to the results of consultation exercises with the relevant individuals or groups affected. Wherever possible mitigating action will be taken to minimise the impact upon those displaying the protected characteristics.

How will you achieve the proposed changes?

Various project boards have been or will be established in order to implement the various changes to service delivery required to meet the budget.

Who will deliver the proposal?

All Chief Officers are required to ensure that their expenditure is within the agreed budget and the necessary EIAs are completed.

How will you know whether you have achieved the proposal's purpose?

Regular monitoring will be undertaken and reported to Cabinet and Scrutiny Committees. Progress will also be reported to the Reshaping Services Programme Board.

5. What evidence are you using?

Engagement (with internal and external stakeholders)

The initial revenue budget proposals were discussed by Cabinet, all Scrutiny Committees and the Schools Budget Forum during December 2020.

Equality Impact Assessment

Consultation (with internal and external stakeholders)

To ensure that the budget set for 2021/22 continues to address the priorities of Vale residents and the Council's service users, the budget setting process will take into account the results of the annual budget consultation exercise which ran from 8th December 2020 until 5th January 2021. In 2020 it was decided that the annual budget consultation on its draft budget should run in conjunction with the consultation on the draft annual delivery plan, which gave respondents an opportunity to first comment on our priorities and how the Council intends to meet the wellbeing objectives over the next 12 months and then to comment on how the Council should prioritise spending.

Due to the coronavirus pandemic the consultation was run predominantly online with an offer for residents and stakeholders to respond in writing or via telephone if they were not able to access the consultation online. The consultation was promoted to a wide range of stakeholders, via email, through the Council's social media channels and local media. The Council's Leader did a question and answer session with Bro Radio which was broadcast in December.

There were 16 responses to the online survey in total. The low rate could be attributed to a number of factors, including the ongoing pandemic, the timing of the consultation and the length of the survey.

The views of elected members, town and community councils and key partners will also be sought through a separate exercise

National data and research

The funding made available from Welsh Government is key in setting the budget and the provisional settlement was received in December 2020. The way in which the settlement is calculated is the subject of ongoing review of both data and methodology during the preceding year

Local data and research

The funding methodology uses the detailed data that relates to the Vale of Glamorgan Council e.g. population, number of school age children etc

6. How robust is the evidence?

Does it show what the impact will be (positive and negative)?

Each service is able to draw upon a variety of existing statistical and other data in relation to their relevant external and internal client groups (including staffing).

Equality Impact Assessment

What are the gaps?

During 2015/16, baseline assessments were drawn up for each service as part of the Council's Reshaping Services programme which have informed the process for determining the optimal models of service delivery. Up to date information with regard to individual services will be used to mitigate any gaps. The budget has been set with regard of the Corporate Service Priorities and Corporate Recovery Strategy.

What will you do about this?

Proposals for savings and changes to policy, which may have a potentially high impact upon clients, will be subject to further consultation and analysis prior to any approved saving/policy change being implemented.

What monitoring data will you collect?

We will continue to monitor the revenue budget across all service areas to ensure compliance with the agreed final budget and the outcome of individual EIAs that are undertaken.

How often will you analyse and report on this?

Regular budget reports and quarterly Performance Indicator reports are presented to Cabinet and Scrutiny Committees.

Any additional reports will be dependent upon the exact nature of the saving or policy change (Including Reshaping Services), the results of the equality impact assessment and the data to be collected.

Where will you publish monitoring data and reports?

All committee reports are available on the Council's website.

All changes in policy or savings proposals that require an equality impact assessment will be published on the Council's website.

7. [Impact](#)

Is there an impact?

The impact of the final revenue budget proposals for 2021/22 will vary according to the service and the nature of the changes to be made.

Equality Impact Assessment

Areas for savings and potential changes in policy have been subject to separate impact assessment to determine whether there may be any possible equality impact. Any savings area or change in policy that may impact upon a protected characteristic will be subject to a full Equality Impact Assessment before the saving/policy change is implemented. In addition, those services that make up the Council's Reshaping Services programme will include extensive engagement and consultation with clients and staff.

If there is no impact, what is the justification for thinking this? Provide evidence.

If there is likely to be an impact, what is it?

Where service changes could potentially have an impact upon clients with protected characteristics these will be subject to further consultation and analysis prior to any change in policy or approved saving being implemented.

Age

According to the 2011 Census the population of the Vale of Glamorgan was 126,336 with the following age profile :

- Under 16 - 23,832
- Between 16 and -64 - 79,449
- Over 65 - 23,055

Individual assessments will be undertaken to consider whether there is an impact on a particular age range.

Disability

According to the 2011 Census there were 25,629 residents of the Vale of Glamorgan who had a health problem or disability that limits day to day activities in some way.

Individual assessments will be undertaken to consider whether there is an impact on these residents.

Gender reassignment, including gender identity

No data available. Individual assessments will be undertaken to consider whether there is an impact.

Marriage and civil partnership (discrimination only)

No data available. Individual assessments will be undertaken to consider whether there is an impact

Equality Impact Assessment

Pregnancy and Maternity

No data available. Individual assessments will be undertaken to consider whether there is an impact.

Race

The Annual Population Survey produced by the Office for National Statistics for the year ending 30th September 2017 shows that 123,000 residents of the Vale of Glamorgan said they were from a white background with 3,000 residents saying they were from a non-white background.

Individual assessments will be undertaken to consider whether there is an impact on a particular race.

Religion and belief

According to the 2011 Census there were 50,849 residents with no religion or no religion declared with the remaining 75,487 as follows :

- Christian - 73,384
- Buddhist - 356
- Hindu - 269
- Jewish - 90
- Muslim - 785
- Sikh - 75
- Other Religion - 528

Individual assessments will be undertaken to consider whether there is an impact on a particular religion.

Sex

According to the 2011 Census the Vale of Glamorgan residents were 51.3% female and 48.7% male. The workforce of the Vale of Glamorgan Council is 68.9% female and 31.1% male.

Individual assessments will be undertaken to consider whether there is an impact on the gender of the residents and the workforce as appropriate.

Sexual orientation

No data available. Individual assessments will be undertaken to consider whether there is an impact.

Welsh language

According to the 2011 Census the percentage of people age three and over who spoke Welsh in the Vale of Glamorgan was 10.8%. Individual assessments will be undertaken to consider whether there is an impact on the use of the Welsh language.

Equality Impact Assessment

Human rights Individual assessments will be undertaken to consider whether there is an impact on an individual's human rights.

How do you know?

Further consultation and analysis will be undertaken prior to any change in policy or approved saving being implemented.

What can be done to promote a positive impact?

Any alterations to policies will have due regard to the results of consultation exercises with the relevant individuals or groups affected. Wherever possible mitigating action will be taken to minimise the impact upon those displaying the protected characteristics above.

What can be done to lessen the risk of a negative impact?

Mitigating action will be taken to minimise any negative impact. The nature of this intervention will vary depending on the service and the changes proposed.

Is there a need for more favourable treatment to achieve equal outcomes? (Disability only)

This will be considered as part of any implementation process

Will the impact be positive, negative or neutral?

Any savings area or change in policy that may impact upon a protected characteristic will be subject to a full Equality Impact Assessment before the saving/policy change is implemented.

Equality Impact Assessment

8. Monitoring ongoing impact

<p>Date you will monitor progress</p> <p>Ongoing throughout the financial year</p>
<p>Measures that you will monitor</p> <p>We will continue to monitoring the revenue budget across all service areas to ensure compliance with the agreed final budget and the outcome of individual EIAs that are undertaken in order to deliver the agreed final budget.</p>
<p>Date you will review implemented proposal and its impact</p> <p>As part of the initial revenue budget proposals for 2021/22.</p>

9. Further action as a result of this equality impact assessment

Possible Outcomes	Say which applies
No major change	Mitigating measures will be taken for any adverse impact that is identified as a result of these proposals
Adjust the policy	Policy changes will be made as a result of any adverse impact that is identified as a result of these proposals
Continue the policy	N/A
Stop and remove the policy	N/A

10. Outcomes and Actions

<p>Recommend actions to senior management team</p> <p>It is recommended that the revenue budget is considered by Cabinet and full Council and outcomes and impacts will be monitored throughout the year.</p>
<p>Outcome following formal consideration of proposal by senior management team</p>

Equality Impact Assessment

Budget has been discussed at Corporate Management Team.

11. Important Note

Where you have identified impacts, you must detail this in your Cabinet report when seeking approval for your proposal.

12. Publication

Where will you publish your approved proposal and equality impact assessment?

In addition to anywhere you intend to publish your approved proposal and equality impact assessment, you must send a copy to Tim Greaves, Equality Co-ordinator, to publish on the equality pages of the Vale of Glamorgan website.

13. Authorisation

Approved by (name)	Carys Lord	
Job Title (senior manager)	Head of Finance	
Date of approval	9 th February 2021	
Date of review	November 2020	