

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 28 February 2022</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	<b>Final Proposals for the Revenue Budget 2022/23</b>
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 2022/23
Report Owner:	Report of the Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Interim Head of Finance/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"> <li>The initial budget proposals presented to Cabinet in November 2021 outlined the potential financial picture for the Council in 2022/23. At the time the report was drafted, the Council had not received the provisional settlement from Welsh Government (WG) for 2022/23 and therefore the budget was modelled on four scenarios - a cash flat settlement, -1% and +1% and an increase similar to 2021/22 4.42%.</li> <li>The provisional settlement was received on 21st December 2021 from Welsh Government (WG), which gave a headline increase of 10.51% over the current year. Taking into account adjustments, this is an increase in funding of £17.883m (10.64%) from the previous year. The final settlement is not due to be received until 1st March 2022.</li> <li>In setting the proposed budget for 2022/23, funding has been provided towards cost pressures.</li> <li>An efficiency target of £500k has been proposed for 2022/23 which covers all service areas. It is considered that the target set is at a level that can be achieved by services.</li> </ul>	

- It is proposed that the Band D Council Tax rate is set at £1,396.35 for 2022/23 which is an increase of 2.9% from the current year.
- WG has provided indicative increases of 3.5% for 2023/24 and 2.4% for 2024/25. 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 2022/23 at £272.554 million including a provision of £290k for discretionary rate relief to rural shops and post offices and charitable organisations.
2. Approve the budgets for 2022/23 as set out in Appendix C and in the following table:

	<b>£000</b>
Schools	104,953
Strategy, Culture, Community Learning & Resources	8,956
Additional Learning Needs	3,334
Standards and Provision	3,547
Directors Office	242
Children & Young People	18,581
Adult Services	53,816
Resource Management & Safeguarding	7,742
Youth Offending Service	730
Neighbourhood & Transport Services	28,190
Building Services	0
Regulatory Services	2,103
Council Fund Housing Resources	1,444
Housing Benefits	983
Regeneration	692
Development Management	2,419
Private Housing	1,300
General Policy	413
Use of Reserves	34,109
	(1,000)
<b>Grand Total</b>	<b>272,554</b>

3. Approve the recommendations regarding Net Growth for 2022/23 as set out in Appendix D and efficiencies set out in paragraph 2.42.
4. Endorse the proposed draft report on Education Budget and Indicator Based Assessment (IBA) at Appendix A 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 F be approved.
7. The use of the urgent decision procedure as set out in Section 14.14 of the Council's Constitution in order for the final proposals for the Revenue Budget 2022/23 to be referred to full Council on 7th March, 2022.

That Cabinet note:

8. The Council Tax bandings for 2022/23 for its own purposes (excluding Police and Town and Community Council precepts) for a base budget of £272.554m.

<b>Band</b>	<b>Council Tax £</b>
A	930.90
B	1,086.05
C	1,241.20
D	1,396.35
E	1,706.65
F	2,016.95
G	2,327.25
H	2,792.70
I	3,258.15

### **Reasons for Recommendations**

1. To set the 2022/23 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 this matter is referred to Full Council on 7th March, 2022.
8. 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 2022/23 by 11th March 2022. 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 7th March 2022.

## 2. Key Issues for Consideration

### Medium Term Financial Plan

- 2.1 The Medium Term Financial Plan (MTFP) 2021/22 to 2024/25 was presented alongside the Initial Budget Proposals to Cabinet on 22nd November 2021 min no.C736. 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 2021/22. The second scenario assumed a reduction in Welsh Government funding of 1% for the years 2022/23, 2023/24 and 2024/25 and a third considered an increase in Welsh Government funding of 1%. Scenario 1 resulted in the requirement to find additional savings of £36.799M. Under scenario 2 there was a requirement to find savings of £41.798M over this period, and scenario 3 required further savings to be identified of £31.699M. This is based on an assumed Council Tax increase of 3.9%. As part of the MTFP for the period a fourth scenario that considered an increase in line with the settlement increase for 2021/22 (4.42%) was also considered under this scenario at a Council tax increase of 3.9% savings of £25.827M were required.

<b>Shortfall in Funding at 3.9% Council Tax Increase</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>3 Year Total £000</b>
<b>Cash Neutral Settlement</b>				
Notional Council Tax Increase 3.9%	23,714	6,436	6,649	36,799
<b>1% Reduction in Settlement</b>				
Notional Council Tax Increase 3.9%	25,397	8,102	8,299	41,798
<b>1% Increase in Settlement</b>				
Notional Council Tax Increase of 3.9%	22,031	4,736	4,932	31,699
<b>4.42% Increase in Settlement in line with 2021/22</b>				
Notional Council Tax Increase of 3.9%	16,275	4,678	4,874	25,827

- 2.2 The Plan also modelled some alternative council tax scenarios one of which would increase the council tax in line with August 2021 CPI which would require an increase of 3.2%. The CPI figure for January 2022 was 5.5%. This approach increased the shortfall as set out below.

<b>Shortfall in Funding at 3.2% Council Tax Increase</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>3 Year Total £000</b>
<b>Cash Neutral Settlement</b>				
Notional Council Tax Increase 3.2%	24,297	7,061	7,318	38,676
<b>1% Reduction in Settlement</b>				
Notional Council Tax Increase 3.2%	25,980	8,727	8,968	43,675
<b>1% Increase in Settlement</b>				
Notional Council Tax Increase 3.2%	22,614	5,361	5,601	33,576
<b>4.42% Increase in Settlement in line with 2021/22</b>				
Notional Council Tax Increase of 3.2%	16,858	5,303	5,543	27,704

**2.3** The latest Plan also modelled a council tax scenario which would increase the council tax to be on par with the Welsh average and would require an increase of 7.05% in year 1 followed by an increase of 3.68% in each of the subsequent years. Moving to the projected Welsh average reduced the shortfall as set out below.

<b>Shortfall in Funding at Increase to Welsh Average Council Tax Increase</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>3 Year Total £000</b>
<b>Cash Neutral Settlement</b>				
Notional Council Tax Increase to Welsh Average	21,089	6,619	6,850	34,558
<b>1% Reduction in Settlement</b>				
Notional Council Tax Increase to Welsh Average	22,772	8,285	8,500	39,557
<b>1% Increase in Settlement</b>				
Notional Council Tax Increase to Welsh Average	19,406	4,919	5,133	29,458
<b>4.42% Increase in Settlement in line with 2021/22</b>				
Notional Council Tax Increase to Welsh Average	13,650	4,861	5,075	23,586

**2.4** The plan also considered the Council Tax collection rate which was reduced to 97.1% in 2021/22, the actual collection rate in 2019/20 was 97.3% and in 2020/21 was 95.7%. Whilst some recovery had been observed this was not to pre pandemic levels and given the ongoing economic uncertainty it was felt too early to increase this collection rate. The Collection Rate assumed in the Council Tax base for 2022/23 was therefore set at 97.1% as agreed at Cabinet on 6th December 2021 (Min C757). A further review will be carried out in preparation for the 2023/24 budget.

## **Anticipated Outturn 2021/22**

- 2.5** The revenue monitoring report presented to Cabinet on this agenda provides an update on the outturn position for the year. Learning and Skills is currently expecting to outturn in a breakeven position after a transfer of £735k to reserves therefore £452k in the Education Pressures will be available to be utilised in future years. Social Services are projecting a favourable variance of £1.654m which will be transferred into Social Services reserves as a result of a late allocation of WG grant for Social Services pressures. Neighbourhood Services & Transport is currently projected to have an adverse variance of £1.5m against the 2021/22 budget which will also be funded from an additional late WG grant. The Policy budget is projecting a favourable variance of £4.2m with £2m relating to capital charges and current estimates project that the Council Tax budget will outturn with a surplus on collection of £2m and a further £200k relating to the Council Tax Reduction Scheme. It was agreed that this £4m would be transferred into the Council Fund and proposals for the use of the £4.2m are set out as part of this report and the Final Capital budget proposals report that is also included on this agenda.
- 2.6** In addition to the above, the Council has recently been notified that additional funding of £1.249m will be made available by WG for the decrease in income received in Council Tax due to reduced collection rates as a result of Covid 19. It is proposed that as WG have advised that there will be no further Hardship or Loss of Income funding in 2022/23 this sum is transferred into a Covid Response reserve to mitigate the costs associated with the Council's ongoing Covid issues.
- 2.7** The Council has also been notified that WG is issuing an additional £50m RSG across Wales in 2021/22, which is to be utilised to offset expenditure in year which was to be funded from the Council's own resources. An indicative figure of £2.040m has been provided for the Council and the funds should be utilised to support flexibility in managing pressures, this year or in the future. It is therefore proposed that £1.5m is used to fund the projected overspend in Neighbourhood Services with the remainder being used to offset Digital Reshaping costs incurred in 2021/22 on a number of new system implementations.
- 2.8** It is projected that the savings target for 2021/22 of £500k will be partly achieved with a shortfall of £170k. In addition there still remains some issues regarding services not achieving historic savings e.g. CCTV and Waste Management and in Resources departments.

## **Revenue Settlement 2022/23**

- 2.9** The Council is required under statute to fix the level of Council Tax for 2022/23 by 11th March 2022. The final decision on the budget cannot be delegated and must be made at a meeting of Council.

- 2.10** 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 21st December 2021, due to the timing of the Standard Spending Assessment and UK Government settlement. Local Authorities will be advised of their final settlement on 1st March 2022, however, the final budget will not be debated by WG until 8th March 2022.
- 2.11** 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.
- 2.12** Due to the late announcement of the final settlement, the revenue budget for 2022/23 will be presented to Council for approval on 7th March 2022.
- 2.13** WG has provided the Council with provisional figures for next year's Standard Spending Assessment (SSA) of £278.711m, which represents an adjusted increase of £17.883m (10.64%) over 2021/22.
- 2.14** There is no new funding provided through the Revenue Support Grant (RSG) for new responsibilities.
- 2.15** There is a transfer into the RSG settlement in 2022/23 of £185k which represents a top slicing of the Social Care Workforce grant and has been transferred into the settlement as a contribution towards the impact of implementing the Real Living Wage proposals. The impact of the Real Living Wage proposals are significantly more than this sum and are reflected in the growth in the base budget for 2022/23.
- 2.16** The Council's provisional settlement figures from WG are £138.061m for the RSG and £47.950m for Non-Domestic Rates. These amounts together total a final Aggregate External Finance (AEF) of £186.011m for the Council. When taking into account the adjustments for the transfer above, the effective increase in AEF for the Council from the previous year is £17.510m (10.40%) as set out in the table below.

	<b>£m</b>
Original AEF 2021/22	168.316
Adjustments for transfers into the settlement	0.185
Council Tax Base Adjustment	(0.373)
Adjusted 2021/22 AEF	168.128
2022/23 Provisional AEF	186.011
Increase in AEF after Council Tax Base and adjustments	17.883
% Increase in AEF after Council Tax Base and adjustments	10.64%
Increase in AEF excluding Council Tax Base	17.510
% Increase in AEF excluding Council Tax Base	10.40%

**2.17** Final notification of the level of all 2022/23 WG grants has not yet been received.

### **Budget Strategy 2021/22**

**2.18** Cabinet approved the Budget Strategy for 2022/23 on 19th July 2021 (min no. C632).

**2.19** The 2022/23 initial revenue budget proposals considered a number of scenarios as set out in paragraphs 2.1-2.4 of this report.

**2.20** Since November 2021, the Budget Working Group (BWG) has undertaken further work to formulate the revised initial revenue budget proposals contained in this report.

**2.21** 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 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 2023/24 and 2024/25; and
- The potential to use reserves as part of a defined financial strategy.

**2.22** During 2022/23, the National Living Wage will provide for a minimum hourly rate of £9.50. The Council's pay structure which was implemented in 2020/21 complies with these requirements and whilst the pay award for 2021/22 and 2022/23 has yet to be agreed, this is expected to remain the case in 2022/23.

**2.23** As part of the 2022/23 Settlement, WG included a sum to support the delivery of the Real Living Wage for Care Workers from 1st April 2022 which is £9.90. Whilst it is expected that taking into account pay awards no internal care staff would be on less than the Real Living Wage there is less clarity on the position relating to external providers. A high level estimate provided by ADSS Cymru of the cost of implementing the Real Living Wage has been used as part of the budget growth estimates however the detail of what funding is required and how this commitment will be implemented will be determined in the coming months in the context of the wider market considerations. WG in recognising the complexity of implementing this policy have determined that 2022/23 should be a year of transition.

- 2.24** The Provisional Settlement provides for general pay increases in line with the assumptions made by the Office for Budget Responsibility. There is some uncertainty around pay awards as whilst the Teaching pay award for 2021/22 has been set at 1.75%, the non teaching pay award for 2021/22 is still under negotiation. The Council has reviewed the figures included in the initial proposals and has included an estimate of 3% for 2022/23 and has also reflected the cost of the Health and Social Care NI Levy.

### **Consultation with Scrutiny Committees**

- 2.25** The 2022/23 Initial Revenue Budget Proposals were considered by Cabinet on 22nd November 2021 and by each Scrutiny Committee during December 2021. In addition to noting the initial revenue proposals, the following recommendations were made by Scrutiny Committees:

- Scrutiny Committee (Home and Safe Communities) -

Corporate Performance and Resources Scrutiny be advised of the ongoing importance for funding the cost pressures as set out in the Appendix to the report including the provision of B&B accommodation (pending clarification of the exact cost pressures for B&B accommodation as a result of further discussions on continued grant funding from Welsh Government).

The endorsement by the Homes and Safe Communities Scrutiny Committee of the Council's review of Cadoxton House and the potential alternative uses for the building as part of looking at cost pressures.

- Scrutiny Committee (Healthy Living and Social Care)

That all Cost Pressures, as set out in the Appendix to the report, be financially supported.

- Scrutiny Committee (Environment and Regeneration) -

The importance to fund cost pressure 5 – £100k relating to Coastal Resorts in order to keep them open and attractive to visitors. In addition, the Council should explore alternative ways, such as the use of volunteers, to help maintain cleanliness and standards at our Coastal Resorts.

The Corporate Performance and Resources Scrutiny Committee be advised of the importance to fund cost pressures relating to statutory services such as Waste, SUDS (Sustainable Drainage) and Highway Maintenance.

The Corporate Performance and Resources Scrutiny Committee considers the recommendation of the Environment and Regeneration Scrutiny Committee for the Council to explore alternative ways that services and the related cost pressures are delivered.

- 2.26** The recommendations of Scrutiny Committees were referred to the Corporate Performance and Resources Scrutiny Committee, which is the lead Scrutiny Committee for the budget.

- 2.27** Corporate Performance and Resources Committee's recommendations were referred to Cabinet on 24th January 2022.
- 2.28** The BWG have considered the recommendations of the Scrutiny Committees when preparing the 2022/23 revenue budget.

### **Consultation with External Stakeholders**

- 2.29** The Council's annual budget consultation exercise ran from 3rd December 2021 until 17 January 2022. In 2021 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.
- 2.30** The consultation was published as an online survey, with the option for residents and stakeholders to give their views via the telephone. The online survey was widely promoted via the Council's Twitter and Facebook channels and received a high level of reach and engagement on both platforms.
- 2.31** The consultation was also promoted to a wide range of stakeholders both via email and as part of the Council's consultation circular, Vale Viewpoint. A press release was launched, which was picked up by local media outlets.
- 2.32** There were 342 responses to the online survey in total, which is an improvement on last year where only 16 responses were collected. This year, additional care was taken when presenting the content of the budget consultation to ensure it was more accessible to stakeholders.
- 2.33** Detail of the responses are set out in Appendix B, in summary, respondents indicated that they would prefer the lowest rise in Council tax of 3.2%, with a minority voting for the largest increase of 7.05%. A majority also agreed that statutory spending should be prioritised in Care and Support (which prioritises support to vulnerable residents, safeguarding, health and wellbeing in schools and integration with Health Services). Responses also highlighted Hardship (services such as Homelessness, Financial Assistance employment support) and Project Zero (services such as recycling, green procurement, country parks and biodiversity).

## Proposed Budget 2022/23

**2.34** The proposed budget for 2022/23 has been set in line with the current financial strategy and a summary of the overall position is set out in the table below.

	<b>Initial Budget Proposals November 2021</b>	<b>Adjustment</b>	<b>Final Proposals February 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Base Budget 2021/22	251,653	0	251,653
Pay Award	4,497	1,261	5,758
Transfer In	0	185	185
Use of Council Fund	0	-1,000	-1,000
Proposed Cost Pressures	22,467	-6,009	16,458
Proposed Savings	0	-500	-500
Adjusted Base Budget 2022/23	278,617	-6,063	272,554

**2.35** The final proposed base budget is attached at Appendix C. The overall budget has been prepared based on the following matters.

**2.36** 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.

**2.37** 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.

**2.38** Inflation relating to pay awards of £5.758m has been included. As in recent years due to the shortage of funding, no provision has been made for non-pay inflation except where specific cost pressures have been raised for contractual inflation for areas such as transport and Social Services providers.

**2.39** Since the Initial Proposals were submitted there have been some emerging information regarding the Integrated Care Fund (ICF) and Homelessness cost

pressures. Whilst work reviewing the guidance associated with the Regional Integration Fund is ongoing with the Regional Partnership Board (RPB) it is thought that the majority of existing schemes can be mapped across and whilst match funding is required this can be salaries and premises costs, therefore it is considered that the financial impact will be minimal. In respect of the cost pressure relating to ongoing Homelessness provision WG have confirmed that funding is available to secure ongoing homeless provision in hotels for 2022/23, the impact of the residual cost pressure continues to be reflected in 2023/24 and 2024/25.

- 2.40** The BWG has reviewed and updated the cost pressures. Despite the favourable settlement, it is still not possible to fully fund all the cost pressures submitted by services which reflects the high level of pressures currently facing the Council. However, careful consideration has been given to the allocation of funding and similarly to 2021/22, the BWG have been able to award growth at a relatively high level, 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 £16.458m are agreed for 2022/23. The breakdown of this sum is shown at Appendix D alongside the initial cost pressures that were reported to Cabinet in November 2021.
- 2.41** The level of efficiencies to be achieved has been reviewed by the BWG and the proposal for 2022/23 totals £500k. No savings had previously been allocated to 2022/23 as part of previous budget proposals.
- 2.42** This target of £500k represents a refocussing of the Reshaping Services programme. Within this context and even with a positive settlement from WG for 2022/23, 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 2022/23 have been assessed by and are considered to be achievable with details set out in the table below.

	<b>Target 2022/23</b>
	<b>£'000</b>
Learning and Skills (Excl Schools)	-68
Social Services	-106
Neighbourhood Services and Housing	-106
Resources	-100
Place	-14
Policy	-106
<b>Total</b>	<b>-500</b>

**2.43** The Reshaping Services reserve is 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. In addition the Council is currently looking at opportunities to develop a Service Investment Strategy to support Economic Development, Green Infrastructure schemes which would be supported by the Commercial Opportunities Reserve, a report setting out these proposals is included on this agenda.

**2.44** The Council has been notified of the allocation of WG grant to offset the reduced level of income received from Council Tax in 2021/22 as a result of the impact of the Covid Pandemic on the economy. It is proposed that this £1.249m sum should be transferred to reserves to address the ongoing pressures and mitigate emerging risks associated with the Council's Covid response in 2022/23 onwards.

**2.45** Taking into account the additional funding that has been set aside in the General Fund as part of the 2021/22 outturn, the significant gap between cost pressures and available funding despite a good settlement and the time lag associated with the implementation of savings, the BWG has determined that the use of £1m from the Council Fund reserve in 2022/23 and a further £500k in 2023/24 will be appropriate in the context of the overall reserves position.

### **Proposed Council Tax 2022/23**

**2.46** An adjusted settlement increase of 10.40% following an increase of over 4% in 2019/20 and 2020/21 represents a move away from the very low increases and reductions seen over the previous 10 years. However, it should be noted that the increase after transfers of funding into the settlement equates to £17.510m, which is significantly less than the cost pressures projected as part of the initial proposals (£22.467m), and the revised pay awards (£5.758m), which equates to

£28.225m. 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.

- 2.47** A council tax base of 61,978 for 2022/23 was approved by Cabinet on 6th December 2021 and reflects a collection rate of 97.1%. The council tax base has also been increased to reflect the impact of new developments in the Vale of Glamorgan.
- 2.48** If the Council decides to budget at £272.554m, deducting from this Revenue Support Grant of £138.061m and redistributed non-domestic rates of £47.950m, produces a requirement of £86.543m to be met from council tax. Dividing this by the council tax base of 61,978 gives a level of council tax for this Council's purposes (excluding police and community council precepts) for Band D properties of £1,396.35. This is an increase over the current year's council tax which is £1,357.02 of £39.33 or 2.9%. The average council tax set by councils in Wales for 2021/22 at Band D was £1,402.51 with rates ranging from £1,189.69 to £1,768.31 and therefore when taking into account increases to be approved by other Councils in Wales for 2022/23, this Council's Band D would still remain below the Welsh average.
- 2.49** Despite the increase in the WG settlement once existing cost pressures and inflationary increases in areas such a School Transport, Children's placements, pay awards and WG commitments such as the Real Living Wage, cost pressures exceed the available increased funding. The BWG have proposed a budget strategy to address this gap through a programmed use of reserves and an achievable savings target. As part of this approach the BWG's view is that the proposed increase in Council Tax at 2.9% is a reasonable compromise between the pressure on services and the financial pressures facing council taxpayers.
- 2.50** The Council Tax bandings at a base budget of £272.554m assuming a 2.9% increase in Council Tax are set out below.

<b>Band</b>	<b>Council Tax £</b>
A	930.90
B	1086.05
C	1241.20
D	1396.35
E	1706.65
F	2016.95
G	2327.25
H	2792.70
I	3258.15

## Proposed Budgets by Service 2022/23

### Learning and Skills

	Budget 2021/22	Rech/ Tfers	Pay Inflation	Net Growth	Efficiencies	Budget 2022/23
	£000	£000	£000	£000	£000	£000
Schools	97,982	540	3,381	3,050	-	104,953
Strategy, Culture, Comm Learning & Resources	8,149	704	135	-	(32)	8,956
Additional Learning Needs & Wellbeing	3,079	8	90	174	(17)	3,334
Standards and Provision	4,379	-884	71	-	(19)	3,547
Directors Office	232	1	9	-	-	242
<b>Total</b>	<b>113,821</b>	<b>369</b>	<b>3,686</b>	<b>3,224</b>	<b>(68)</b>	<b>121,032</b>

**2.51** After adjustments, the Education SSA has increased by £8.329m from 2021/22 and is currently set at £122.166m for 2022/23. The savings target for 2022/23 for this service is £68k. In light of the cost pressures reported by the service area, additional funding of £3.224m has been awarded to the Learning and Skills Directorate, £3.050m of which has been awarded to schools. A breakdown of the net growth is shown in Appendix D.

**2.52** As part of the £3.050m awarded by the BWG to Schools, £2m has been provided to contribute towards demographic growth in both the Mainstream and Special sectors, £350k has been provided for rising numbers eligible for Free School Meals (outside of WG commitment which will be funded by specific grant) and a further £500k has been allocated for increased support for Additional Learning Needs in Mainstream settings. A further £100k has been allocated to fund the ongoing establishment costs 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. A further £100k has been provided towards the costs of a specialist Learning and Wellbeing class which has been set up in response to a significant increase in the number of children and young people suffering with significant social emotional and mental health difficulties and high levels of anxiety which prevents them from attending a mainstream school.

**2.53** Centrally, net growth of £174k has been allocated to the service to support Post 16 ALN Provision, ALN Early Years Provision and Specialist support for mainstream schools to provide Tracheotomy support. This sum will be allocated in accordance with service needs by the Director of Learning and Skills.

- 2.54** The increases due to pay award are significant for 2022/23 and are made up of the differential for 2021/22 allocation and the actual costs, an estimate for 2022/23 and the cost of the NI increase for the Health and Social Care Levy. Pay Awards for 2022/23 total £3.381m for schools and £305k centrally, of this sum £684k relates to the Health and Social Care Levy.
- 2.55** The efficiency target is £68k for 2022/23. No efficiencies have been allocated to Schools in 2022/23.
- 2.56** 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.
- 2.57** After the changes above, the Education budget will be substantially above the IBA. This is detailed in Appendix A.

### Social Services

	<b>Budget 2021/22</b>	<b>Rech/ Tfers</b>	<b>Transfer s In</b>	<b>Pay Inflation</b>	<b>Net Growth</b>	<b>Efficienci es</b>	<b>Budget 2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Children &amp; Young People</b>	17,700	-782	0	178	1,508	(23)	<b>18,581</b>
<b>Adult Services</b>	52,742	-5721	185	288	6,390	(68)	<b>53,816</b>
<b>Resource</b>	292	6715	0	245	500	(10)	<b>7,742</b>
<b>Management &amp; Safeguarding</b>							
<b>Youth Offending Services</b>	707	-4	0	32	0	(5)	<b>730</b>
<b>Total</b>	<b>71,441</b>	<b>208</b>	<b>185</b>	<b>743</b>	<b>8,398</b>	<b>(106)</b>	<b>80,869</b>

- 2.58** Whilst the Social Services Directorate is reporting a projected underspend in 2021/22 which will be transferred to reserves, this is due to the offsetting of expenditure by a late allocation of a Social Services Pressures Grant. 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 Children's Services, partly as a result of the COVID 19 pandemic. The Social Services cost pressures for 2022/23 are substantial and the use of reserves will be required to enable a number of these pressures to be met such as additional staff to support rising demand and any additional costs incurred as part of the transition to the new Regional Implementation Fund (which replaced ICF).
- 2.59** 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 increased insurance and fuel costs, labour shortages, introduction of the Health and Social Care Levy and Real Living Wage commitments.

- 2.60** WG have provided funding towards the implementation of paying at the Real Living Wage (RLW) which is £9.90 for 2022/23. Funding for this commitment has been included in the growth set out for provider fees and quality assurance. As this commitment relates to external providers it is a complex calculation as the picture in terms of pay is mixed across the Vale. ADSS Cymru have provided a calculation for the Vale that indicates that the cost of funding providers to deliver the RLW whilst maintaining differentials is £2.12m, the breakdown also shows that WG have provided funding of £1.42m for this as part of the settlement which is a funding shortfall of £700k. Their analysis of pay structures in the Vale suggest that only around 25% of providers currently pay in excess of £9.80 per hour.
- 2.61** The savings target for 2021/22 for this service is £106k.
- 2.62** 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 £1.508m is allocated to Children's Services, £6.390m to Adult Services and £500k to Resource Management and Safeguarding.
- 2.63** In the context of the remaining gap between the cost pressures awarded and the severity of the cost pressures highlighted by the service and the need to create ongoing capacity to respond to an increased level of need, it is proposed that the remaining pressures are funded through a budget programme that utilises the balances accumulated in the Social Services Reserves. It is the view of the Budget Working Group that this is a sustainable and prudent approach and whilst it is recommended that the Director of Social Services agrees the precise details of the budget programme with the Head of Finance, the proposed rationale is set out below.
- 2.64** After taking into account the projected increase in reserves in 2021/22 they will stand at £9.891m in the Legislative Changes reserve and £1.413m in Social Services Pressures reserve. An assessment of a reasonable level of these reserves was undertaken and using an initial sum of 5% of the Social Services base budget as a minimum reserve to reflect the volatility of this budget this would be approximately £4m. The difference between cost pressures and the growth awarded for 2022/23, after adjusting for the removal of cost pressures associated with ICF and introduction of cost pressures for the implementation of WG real living wage commitment is a drawdown of £1.437m from reserves. Reserves represent one off funding and therefore the use of reserves must be accompanied by planned savings to reduce the budget's reliance on them over time. It is proposed that this is carried out over a five year period as reflected in

the table below. To achieve a drawdown of £0 reserves in 2027/28 savings of £287k will be required in each year between 2023/24 and 2027/28.

Reserve	Legislative Changes
	£'000s
Balance at 31st March 22	9,891
Adjustments for Covid and other Contingencies	(500)
Balance at 31st March 22	9,391
Adjustments 22/23	(1,437)
Balance at 31st March 23	7,954
Adjustments 23/24	(1,150)
Balance at 31st March 24	6,804
Adjustments 24/25	(862)
Balance at 31st March 25	5,942
Adjustments 25/26	(575)
Balance at 31st March 26	5,367
Adjustments 26/27	(287)
Balance at 31st March 27	5,080

- 2.65** The Social Services SSA for 2021/22 has increased by £8.479m from 2021/22 after adjustments and currently stands at £76.246m.
- 2.66** ICF ends on 31st March 2022 and a new grant is being introduced from 1st April 2022. The Regional Integration Fund encompasses a number of WG priority areas which are Dementia, Autism and support for Carers and also has programmes for Acceleration which is the introduction of new transformation programmes, there is also an Embedding programme which allows schemes commenced as part of acceleration to be progressed. The intention is that the schemes progress through the levels and the amount of WG funding is tapered down and replaced with match funding from the partners. Match funding can be premises and staff costs and therefore following some initial work carried out with the RPB it is now expected that there will not be a significant impact on the delivery of existing schemes in 2022/23 which is a transition year. The Service will work with Health to spend funds in the most cost effective way.

## Environment and Housing

	Budget 2021/22	Rech/ Tfers	Pay Inflation	Net Growth	Efficiencies	Budget 2022/23
	£000	£000	£000	£000	£000	£000
<b>Neighbourhood and Transport</b>	24,791	78	431	2,990	(100)	28,190
<b>Building Services</b>	0	-49	49	-	-	0
<b>Regulatory</b>	1,825	250	28	-	-	2,103
<b>Council Fund Housing</b>	1,420	-47	43	34	(6)	1,444
<b>Total</b>	<b>28,036</b>	<b>232</b>	<b>551</b>	<b>3,024</b>	<b>(106)</b>	<b>31,737</b>

**2.67** The service, as previously reported is under severe budgetary pressure within Waste Management service due to increasing costs over the last few years. To combat this upward trend in costs the recycling collection service has been changed to a source separated method of collection. Overall vehicle costs and downtime should reduce once the Waste Transfer Station is operational which is currently due to take place during 2022/23. The projected overspend for 2021/22 is £1.5m.

**2.68** The savings target for 2021/22 for this service is £106k.

**2.69** A full breakdown of the net growth for 2022/23 is shown in Appendix D. Growth of £1.4m has been allocated to address the increased costs within the Waste Collection Service. A business plan has been prepared for the service area and whilst the outturn will be improved following the introduction of the Waste Transfer Station and associated Fleet parking schemes which are scheduled to be substantially complete in 2022/23, this service will still have sustained additional costs due to the increased population of the Vale, volatility of income levels from recycling and the increased cost associated with source separated recycling.

**2.70** Further funding of £700k has been allocated to provide a base revenue budget for maintaining roads and pavements, with £200k ringfenced in 2022/23 to address the condition of pavements. In addition £80k has been allocated to help maintain the coastal resorts in the context of an increased demand at these destinations and £80k has been allocated to resource the additional work required under the new statutory drainage assessments. A further £90k has also been allocated to supported bus services to reflect the increased inflationary pressures in this sector including labour shortages and rising fuel costs.

**2.71** In the most recent 2021/22 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 is incurring additional costs in this sector due to inflationary pressures, a shortage of providers in the market and an increased number of pupils requiring the service particularly in the ALN sector. Additional funding of £640k has been allocated to School Transport.

**2.72** The Efficiency target is £106k for 2022/23.

## Resources

	<b>Budget 2021/22</b>	<b>Rech/ Tfers</b>	<b>Pay Inflation</b>	<b>Net Growth</b>	<b>Efficiencies</b>	<b>Budget 2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Resources</b>	809	(793)	622	445	(100)	983
<b>Housing Benefits</b>	652	40	0	0	0	692
<b>Total</b>	<b>1,461</b>	<b>(753)</b>	<b>622</b>	<b>445</b>	<b>(100)</b>	<b>1,675</b>

**2.73** A breakdown of the net growth £445k is shown in Appendix D. ICT have received an allocation of £140k towards historic savings targets that have not been able to be achieved and the costs of Ransomware support. A further £60k was allocated towards increasing the resourcing of the Council's procurement service to support the delivery of sustainable local procurement goals, support data analysis and the response to the climate emergency. An allocation of £30k has been made to fund a Public Awareness Officer in the Electoral Registration service and £25k towards the increased costs of the Coroners service. An allocation of £50k has been made towards the pressures highlighted in the Health and Safety service. Growth of £140k has been allocated to fund the Director of Resources post.

**2.74** The efficiency target is £100k for 2022/23.

## Place

	<b>Budget 2021/22</b>	<b>Rech/ Tfers</b>	<b>Pay Inflation</b>	<b>Net Growth</b>	<b>Efficiencies</b>	<b>Budget 2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Regeneration</b>	1,869	99	64	396	(9)	2,419
<b>Development Management</b>	1,209	(119)	74	140	(4)	1,300
<b>Private Housing</b>	328	68	18	0	(1)	413
<b>Total</b>	<b>,406</b>	<b>48</b>	<b>156</b>	<b>536</b>	<b>(14)</b>	<b>4,132</b>

**2.75** A breakdown of the net growth £536k is shown in Appendix D. Regeneration has received £110k towards the costs of increased resourcing in the Project

Management unit to support schemes across the Council and reflect the increasing scale and complexity of schemes that the Council is entering into. Growth of £240k has been allocated to establish a new External Funding, Community Development and Innovation team. The purpose of this team is to support the Council and third party bidding to external funding including UK & other major funding streams. The team will act as a capacity building and engagement team to expand the work across the whole Vale. Additional growth of £46k has been allocated to further develop the placemaking work of the Barry place board project across the Council and all areas of the Vale, with a particular focus on the Welsh Government Transforming Towns initiatives. Additional funding of £140k has also been allocated to fund the Director of Place post.

**2.76** The efficiency target is £14k for 2022/23.

### Policy

	<b>Budget 2021/22</b>	<b>Rech/ Tfers</b>	<b>Pay Inflation</b>	<b>Net Growth</b>	<b>Efficiencies</b>	<b>Budget 2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Policy</b>	33,442	(104)	0	831	(106)	34,063
<b>Use of General Fund</b>	0	0	0	(1,000)	0	(1,000)
<b>Total</b>	<b>33,442</b>	<b>(116)</b>	<b>0</b>	<b>(169)</b>	<b>(106)</b>	<b>33,063</b>

**2.77** A breakdown of the net growth of £831k is shown in Appendix D. There has been an allocation of £175k to reflect the increased costs of the South Wales Fire Service Levy. Growth of £450k has been allocated to reflect an additional 7 members after WG's decision to accept recommendations of a reform of the ward boundaries as set by the Local Democracy and Boundary Commission for Wales. This sum also reflects the increase set by the Independent Remuneration Panel for Wales for Members expenses in 2022/23. A sum of £20k has been allocated to secure software required for new Petition handling responsibilities. A sum of £86k has been ringfenced which is the amount transferred into the settlement for the establishment of the Corporate Joint Committee. In response to the Council's commitments under Project Zero an initial award of £100k has been made to fund additional resource to build capacity and progress the programme.

**2.78** The efficiency target for 2022/23 is £106k.

### Financial Strategy for 2023/24 to 2024/25

**2.79** WG has provided the Council with indicative settlement figures of 3.5% for 2023/24 and 2.4% for 2024/25. 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 2023/24 and 2024/25. Each 1% change in AEF affects the Council by approximately £1.86m. Given the increase of 10.64% in 2022/23 and

the purported end of austerity but with consideration of the current inflationary pressures and continuing pressures as a result of the Coronavirus pandemic, the reduced indicative figures will be utilised to base our initial projections upon.

- 2.80** Pay inflation for the next two years has been based upon an assumption of approximately 3% in 2023/24 and 2% in 2022/23 in the context of the Monetary Policy Committee's inflationary target and projections that assume inflation will be brought back to 2% over the period. This assumption will be reviewed again when the next iteration of the MTFP is produced.
- 2.81** 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 however will be required as cost pressures and demographic pressures in respect of Social Services and Children and Young People with Additional Learning Needs continue. 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. With potential efficiencies of £8.509m in 2023/24 and £7.224m in 2024/25 required, work will start to establish detailed proposals for efficiencies for future years.
- 2.82** Cost pressures for future years have been considered and assessed by the BWG and total £25.5m for 2023/24 and 2024/25. Details are attached at Appendix E. 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, it should be noted that typically cost pressure projections can be understated because they do not include emerging cost pressures. Any further cost pressures will need to be managed down or mitigated by Services in order to avoid further savings targets being required.
- 2.83** It is projected that the balance of the Council Fund as at 31st March 2025 will be £11.023m. However, there is considerable uncertainty regarding the effects of the ongoing impact of the Coronavirus pandemic, the implementation of the Real Living Wage. 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.
- 2.84** The table below shows the projected shortfall in 2023/24 and 2024/25 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.

<b>Financial Projections to 2024/25 BASED ON 3.9% COUNCIL TAX INCREASE</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>Total £000</b>
Assumed Increase in AEF in line with Indicative figures provided in Provisional Settlement	(6,510)	(4,621)	(11,131)
Cost Pressures	13,566	11,945	25,511
Pay Inflation	4,361	2,907	7,268
Net Savings Targets Allocated - Non Schools	0	0	0
Net Savings Targets Allocated - Schools	0	0	0
Reduction in the use of General Fund	500	500	1,000
Assumed 3.9% Gross Council Tax Increase	(3,408)	(3,507)	(6,915)
<b>(Surplus)/Shortfall in Savings Required</b>	<b>8,509</b>	<b>7,224</b>	<b>15,733</b>

- 2.85** This shows that the possible shortfall in funding for 2023/24 and 2024/25 could total £15.733m. The position will be reassessed as part of the MTFP and options for achieving the shortfall in savings will be addressed further.

### **Reserves**

- 2.86** 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.
- 2.87** 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.
- 2.88** 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.
- 2.89** The level of reserves must be considered in the context of the financial risk facing the Council over the coming years.

- 2.90** 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 provided an indication of the change in the settlement in 2023/24 and 2024/25 and these increases are significantly lower than the increase seen for 2022/23. Projecting forward on this basis, there is a gap in funding in the coming years that will need to be identified. Efficiencies of £15.733m 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.
- 2.91** 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 2022/23, further action will need to be undertaken by directorates to achieve a balanced budget in 2023/24 and beyond.
- 2.92** Pay and price inflation is a further risk. For 2022/23 provision has been made in the budget for an increased pay award for teaching and non teaching staff. For 2023/24 3% for teaching and non teaching staff has been modelled and in 2024/25 2% for pay awards for teaching and non teaching staff have been used. This will need to be kept under review in the context of increasing inflationary pressures, such as fuel prices and ongoing labour shortages.
- 2.93** There is no general provision for non-pay inflation however there are specific cost pressures relating to contractual price increases. The Consumer Price Index for the 12 months to December 2021 was 5.4% up from 5.1% in November and services will need to manage spending as costs rises. The inflation projections provided by the Council's Treasury Management Advisors project further increases to a projected peak of around 7% before falling back to around 3.5% by the end of the financial year.
- 2.94** Details of all specific grants have not yet been finalised by WG. The provisional settlement sets out a slight increase of 0.4% in grant funding across Wales with many grants remaining unchanged from 2021/22 and some key adjustments are set out below.
- 2.95** Some of the bigger and more significant reductions include:
- Regional consortia School Improvement Grant reduces from £172.6m to £158m
  - Recruit, Recover, Raise Standards reduces from £68.8m to £37.5m
  - ALN reduces from £16.2m to £14.2
  - Reducing Infant Class size reduces from £6m to £2.5m
  - Small Schools and Rural Grant ceases
  - Road Safety Grant reduces from £2.9m to £1.9m

- 2.96** There are increases in several grant schemes, some of the bigger and more significant include:

Pupil Development Grant increased from £111m to £123m

Childcare Offer increased from £58m to £81m

Bus Services Support rises from £60.5m to £62.6m

Children and Communities Grant rises from £148m to £152m

- 2.97** 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. Grant Exit Strategy reserves are held under the Social Services and Learning and Skills headings to fund such costs if they arise and in the main relates to the Flying Start service, Families First and Communities for Work teams.
- 2.98** Legislative changes provide a major risk to the Council and the increase in the National Living Wage will put further pressure on staffing budgets.
- 2.99** 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.
- 2.100** 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. The Council has seen a significant increase in construction costs due to rising cost of materials but also due to a shortage of specialist labour in the market this is reflected by an increased cost of schemes across the programme most significantly delivering the School Investment Programme and the Waste Transfer Station.
- 2.101** 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.

- 2.102** 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. Following this review £500k from the Welfare Reform reserve and £500k from the Early Retirement and Redundancy Reserve have been transferred to support the School Investment Strategy Reserve in the context of increasing material costs and complexity of schemes.
- 2.103** As part of this review and in recognition at the significant gap between the Social Services cost pressures submitted and the available funding, it is proposed that the Social Services reserves are utilised to address this gap in funding as part of a managed budget programme. To reflect the volatility and level of risk associated with adequate Social Care funding as part of this approach a minimum reserve balance should be maintained. An initial figure that could be used is 5% of the Social Care Budget which after taking account of proposed growth could be in the region of £80m, so a minimum reserve balance of approximately £4m. As reserves are a one off source of funding the use of reserves to fund recurring costs should only be as part of a managed programme. If Social Services choose to fund the current funding gap of £1.437m from reserves it is proposed that this draw down from reserves could be reduced by 20% over a five year period which would require savings of approximately £287k per annum from 2023/24 to balance the budget. It is proposed that the precise details of the use of reserves as part of an agreed programme should be agreed by the Director of Social Services in consultation with the Head of Finance.
- 2.104** WG has transferred provision for ongoing Covid pandemic hardship support into the 2022/23 settlement and therefore there is not expected to be any additional grant funding available to address the ongoing additional costs associated with the Covid response in the Vale of Glamorgan. In the context of the continuing uncertainty it is therefore proposed to set aside the additional funding allocated to the Council by WG in 2021/22 for reduced Council Tax income collection which is £1.249m into a specific Covid Response reserve to help support the Council's continuing response for items such as increased levels of cleansing, additional staff to cover staff absences etc.
- 2.105** The estimated level of the Council Fund Reserve at 1st April 2022 is £15.219m (after transferring £849k into the Waste Transfer Station reserve as set out in paragraph 2.106) assuming a proposed contribution of £4.2m from the estimated revenue surplus in 2021/22. It is proposed that £1m of this sum is utilised in 2022/23 and a further £500k will be utilised in 2023/24 to help maximise the cost pressures that can be awarded and allow a sufficient timescale to implement the

required savings to balance the budget. A further £2.696m will be utilised to support a number of schemes in the 2022/23 capital programme including the following;

Increased funding of £1m for Resurfacing

Funding of £1.2m to support a scheme at Barry Island encompassing works at the Eastern Shelter, a refresh of the promenade facilities and the installation of ANPR facilities at the Council's car parks.

An allocation of £120k to address the Boverton Retaining Wall

A scheme to refresh the toilets at the Country Parks at Porthkerry and Cosmeston and installation of ANPR facilities at these sites £276k.

Additional £100k for Visible Services Asset Renewal

- 2.106** In addition a sum of £849k will be transferred into the Waste Transfer Station Reserve from the Council Fund for the Waste Management Fleet parking scheme that will reduce emissions and increase the efficiency of operations.
- 2.107** 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 continued uncertainties around the impact of inflationary pressures and the 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 £13.6m. 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.
- 2.108** There are Schools balances which are unspent budgets delegated to individual schools. As at 31st March 2021 the aggregate nursery, primary and secondary balances were £6.640m. As Schools have been in receipt of some additional WG funding in the latter part of 2021/22 it is expected that this level will be at least maintained as at 31st March 2022 but may show an increase overall, although it should be noted that a small number of schools are in a deficit position.
- 2.109** Attached at Appendix F is a schedule showing the reserves and the anticipated balances at the 31st March 2022 to 31st March 2027. 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 2024/25	Balance. 1st April 2021	Net Movement	Est. Bal. 31st March 2025
<b>Council Fund</b>	<b>11,868</b>	<b>(845)</b>	<b>11,023</b>
<b>Specific Reserves</b>			
Insurance Fund	4,648	0	4,648
Learning and Skills	3,129	(2,505)	624
Social Services	11,294	(4,045)	7,249
Capital Reserves	34,982	(24,037)	10,945
Green Infrastructure and Climate Change	2,190	(70)	2,120
Other Specific Reserves	16,877	(7,631)	9,246
<b>Total Reserves (excl. Schools &amp; Housing Revenue Account)</b>	<b>84,988</b>	<b>(39,133)</b>	<b>45,855</b>

**2.110** It is projected that there will be a large fall (46%) in the level of reserves over the 5 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.

### Next Steps

**2.111** Following approval by Cabinet on 28th February 2022, the Final Revenue Proposals will then be considered by Council on 7th March 2022. The Council Tax also will need to be set at this meeting in order to meet the 11th March, 2022 statutory deadline.

## 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 £272.554m. After adjusting for discretionary rate relief of £290k, it is £6.447m below the Council's SSA of £278.711m. The 2021/22 budget was £5.714m below the SSA and 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 a transfer of £1m is made in 2022/23 from the Council Fund to support the base budget and a further transfer of £500k is made in 2023/24.

### **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 G.
- 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 2022/23, excluding schools, is estimated to be low as the majority of the savings target is expected to be focused on digital service delivery and reduction in accommodation costs.
- 4.11** Budget pressures within schools and the impact on staffing will 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 2022/23 by 11th March 2022 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 21st December 2021

**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 2022/23 provisional education IBA is £122.166M (*table 4 provisional settlement*) compared to an education budget of £123.353M (please note the final settlement is not yet published). The Council is therefore funding educational services at £1.187M above the provisional IBA.

**Issues**

The 2022/23 WG provisional revenue settlement has increased the Aggregate External Finance (AEF) for this Council by £17.833M; an increase of 10.6% from 2021/22 after adjusting for transfers. (*table 1a provisional settlement*)

The Council's overall 2022/23 Standard Spending Assessment (SSA) is £278.711M (*table 4c provisional settlement*) which has increased by £21.449M from the 2021/22 SSA of £257.262M (*table 4b provisional settlement*). The 2022/23 SSA has therefore increased by 8.34%.

The provisional Education IBA at £122.166M has increased by £8.329M when compared to the previous year adjusted value of £113.837M.

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

The 2022/23 provisional settlement recognises an increase of 215 Vale of Glamorgan pupils compared to the previous year which has a financial Impact estimated at £1.07M as identified in the table below.

	2021/22	2022/23	Change	SSA Unit Value	Increased Cost
Pupil Numbers Nursery and Primary	12,255	12,272	17	£3,978.88	£67,641
Pupil Numbers Secondary in Yr Groups 7-9	4,767	4,876	109	£4,690.79	£512,234
Pupil funding Pupils in Yr 10 & 11	3,178	3,251	73	£5,861.61	£426,652
<b>COST OF DEMOGRAPHIC INCREASE</b>			<b>199</b>		<b>£1,006,528</b>

**Learning and Skills Budget 2021/22**

The overall increase in the Learning and Skills budget is £7.211M, the table below shows the movement between the 2021/22 and 2022/23 Budgets

<b>Learning and Skills Budget 2022/23</b>	<b>£'000</b>
<b>2021/22 Learning and Skills Budget</b>	<b>113,821</b>
Pay inflation	3,686
Demographic increase mainstream schools	1,000
Demographic increase in special school	1,000
ALN in mainstream schools	700
Increase in free school meals	350
Central pressures ALN and complex needs	174
Reshaping Services and Efficiency Savings	(68)
Central recharges adjustment	369
<b><u>Net budget increase</u></b>	<b><u>7,211</u></b>
<b>2022/23 Learning and Skills Budget</b>	<b>121,032</b>

## **Education IBA Comparison**

The Learning and Skills 2022/23 Budget is £121.032M 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 £123.353M exceeds the provisional Education IBA (£122.166M) by £1.187M.

<b>Education IBA Comparison</b>	<b>Budget 2022/23</b>
	<b>£'000</b>
Schools	104,953
Standards and Provision	3,546
ALN and Wellbeing	3,334
- Less CYPP	-282
Strategy, Community Learning and Resources	8,956
- Less Libraries and Arts	-2,075
Directors office	242
Education Transport (under Environment and Housing)	4,679
<b>TOTAL EDUCATION BUDGET</b>	<b>123,353</b>
2022/23 SSA	122,166
<b>Variance above SSA</b>	<b>1,187</b>

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 2022/23 budget is £1.187M above the SSA of £122.166M, however 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.



# Budget Consultation 2022-23

**342**  
Responses

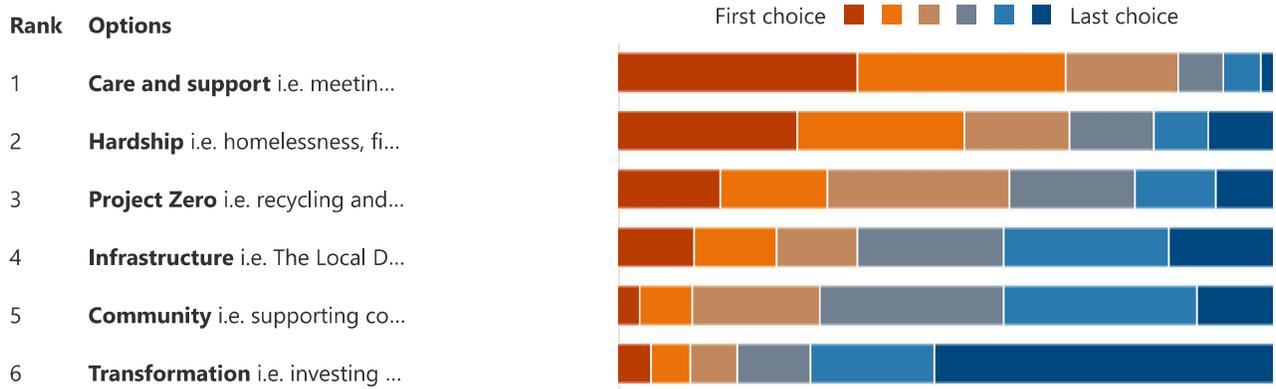
**07:33**  
Average time to complete

**Active**  
Status

1. Even if we increase Council Tax by 7.05%, the scale of the shortfall would mean it is likely we will have to make cuts to the day to day running of non-statutory services.

Due to the broad nature of our services, we've grouped them together under our annual delivery plan themes.

Please rank in order of **preference** which types of services you'd like us to prioritise.



## 2. Do you have any other comments or suggestions?

148  
Responses

Latest Responses

"Prioritise the most visible things and those that affect virtually everyo...  
"Use your reserves thats what they are for. Do not increase by even 3.2...

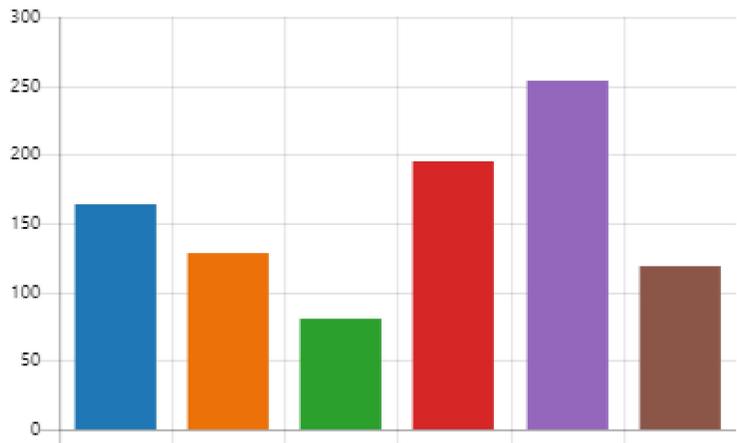
28 respondents (19%) answered **pay** for this question.



## 3. Every year the Council has ring fenced Capital funding to invest in its assets and infrastructure to help enhance services for the future.

We've listed the objectives below with some example schemes to help outline what this means for you. Please let us know the **3 areas** where you'd like to see funding spent.

- **Hardship** i.e. schemes to tackl... 164
- **Project Zero** i.e. schemes to u... 128
- **Transformation** i.e. investing ... 80
- **Infrastructure** i.e. 21st Centur... 195
- **Care and Support** i.e. investin... 253
- **Community** Communities - i... 119



4. Do you have any other comments or suggestions?

86  
Responses

Latest Responses

"Stop building on every piece of land and charging a fortune for council..."

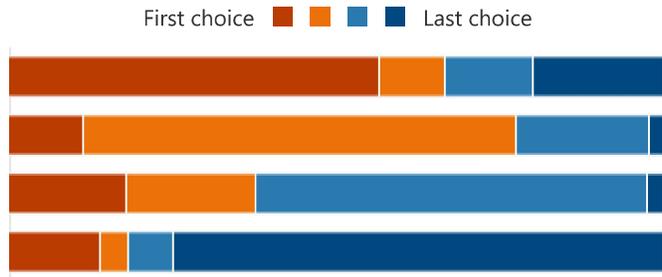
13 respondents (16%) answered **need** for this question.



5. What would your order of preference be for increasing Council Tax?

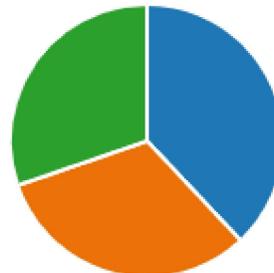
Rank Options

- 1 Increase by 3.2% (£3.65 per m...
- 2 Increase by 3.9% (£4.41 per m...
- 3 Increase by 4.2% (£4.75 per m...
- 4 Increase by 7.05% (£7.98 per ...



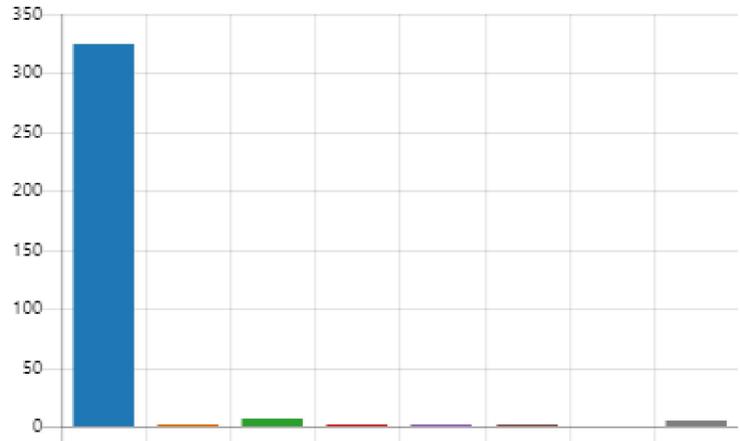
6. Which area of the Vale of Glamorgan do you live in?

- Barry 128
- Eastern Vale (Penarth, Sully, Di... 107
- Western Vale (Rhoose, Llantwi... 102



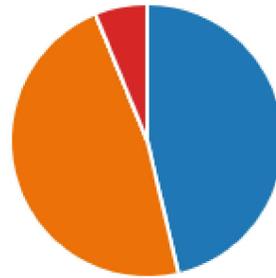
### 7. In what capacity are you responding?

<span style="color: blue;">●</span> Local resident	324
<span style="color: orange;">●</span> Local councillor	1
<span style="color: green;">●</span> Council employee	6
<span style="color: red;">●</span> Local business	2
<span style="color: purple;">●</span> Public / third sector organisati...	2
<span style="color: brown;">●</span> Town and Community Council	1
<span style="color: pink;">●</span> Community / Sports Group	0
<span style="color: grey;">●</span> Other	4



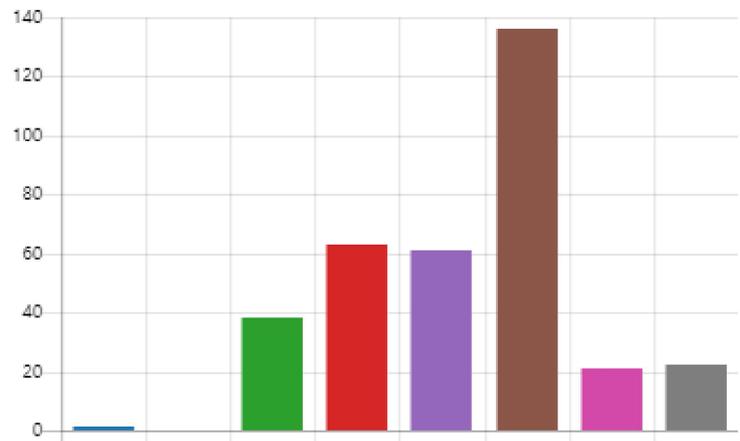
### 8. How would you describe your gender?

<span style="color: blue;">●</span> Woman	157
<span style="color: orange;">●</span> Man	161
<span style="color: green;">●</span> Non-binary	0
<span style="color: red;">●</span> Prefer not to say	21



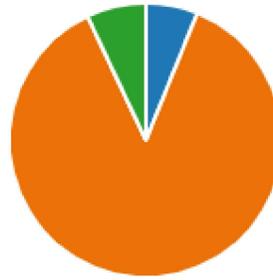
### 9. How old are you?

<span style="color: blue;">●</span> Under 18	1
<span style="color: orange;">●</span> 18-24	0
<span style="color: green;">●</span> 25-34	38
<span style="color: red;">●</span> 35-44	63
<span style="color: purple;">●</span> 45-54	61
<span style="color: brown;">●</span> 55-74	136
<span style="color: pink;">●</span> 75+	21
<span style="color: grey;">●</span> Prefer not to say	22



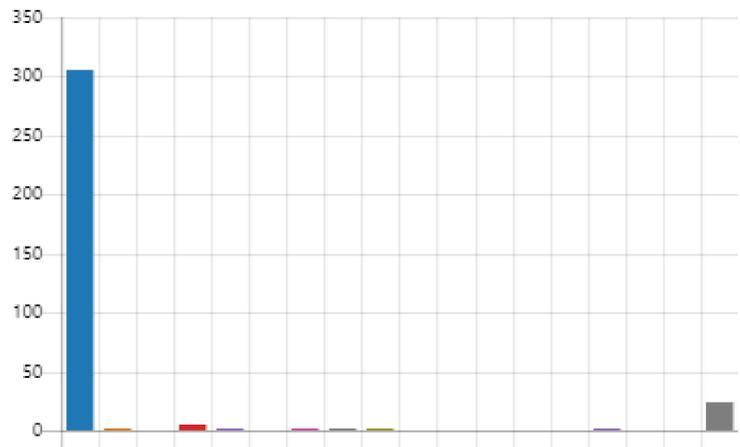
### 10. Are you registered as having a disability?

<span style="color: blue;">●</span> Yes	21
<span style="color: orange;">●</span> No	296
<span style="color: green;">●</span> Prefer not to say	24



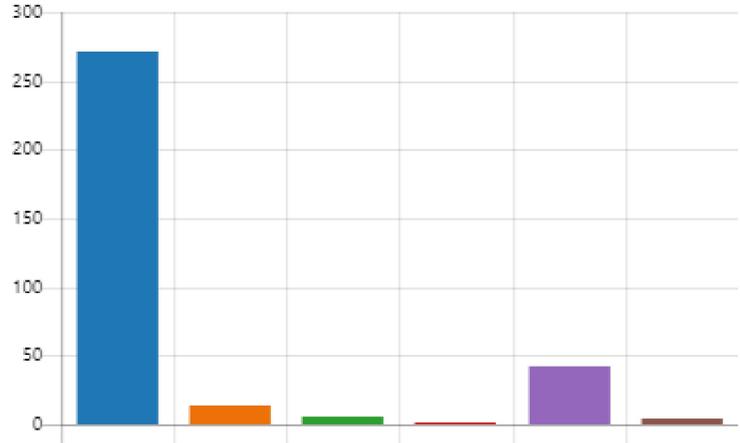
### 11. How would you describe your ethnic group?

<span style="color: blue;">●</span> White -Welsh/ English/ Scottis...	305
<span style="color: orange;">●</span> White - Irish	1
<span style="color: green;">●</span> White - Gypsy or Irish Traveller	0
<span style="color: red;">●</span> Any other white background	5
<span style="color: purple;">●</span> Mixed/multiple ethnic groups ...	1
<span style="color: brown;">●</span> Mixed/multiple ethnic groups ...	0
<span style="color: pink;">●</span> Mixed/multiple ethnic groups ...	2
<span style="color: grey;">●</span> Any other Mixed/multiple eth...	2
<span style="color: olive;">●</span> Asian/Asian British - Indian	1
<span style="color: teal;">●</span> Asian/Asian British - Pakistani	0
<span style="color: blue;">●</span> Asian/Asian British - Banglade...	0
<span style="color: orange;">●</span> Asian/Asian British - Chinese	0
<span style="color: green;">●</span> Any other Asian background	0
<span style="color: red;">●</span> Black/African/Caribbean/Black...	0
<span style="color: purple;">●</span> Black/African/Caribbean/Black...	1
<span style="color: brown;">●</span> Any other Black/African/Carib...	0
<span style="color: pink;">●</span> Other ethnic group - Arab	0
<span style="color: grey;">●</span> Prefer not to say	24



### 12. Which of the following options best describes how you think of yourself?

<span style="color: blue;">●</span> Heterosexual/Straight	271
<span style="color: orange;">●</span> Gay or lesbian	13
<span style="color: green;">●</span> Bisexual	5
<span style="color: red;">●</span> Pansexual	2
<span style="color: purple;">●</span> Prefer not to say	42
<span style="color: brown;">●</span> Other	4



**BASE BUDGET 2022/23**

**APPENDIX C**

	Original Budget 2021/22 £000	Asset Rents/ IAS 19 £000	Base Estimate 2021/22 £'000	Rechgs/ Transfs £'000	Budget Adjustment £'000	Pay Transfers Inflation £'000	£'000	Growth £'000	Efficiencies £'000	Base Estimate 2022/23 £'000	Asset Rents/ IAS 19 £000	Original Budget 2021/22 £000
<b>Learning and Skills</b>												
<b>Schools</b>	<b>97,982</b>	-	<b>97,982</b>	0	540	3,381	0	3,050	0	<b>104,953</b>	-	<b>104,953</b>
Strategy, Culture, Community Learning and Resources	8,149	-	8,149	341	363	135	0	0	-32	8,956	-	8,956
Additional Learning Needs and Wellbeing	3,079	-	3,079	0	8	90	0	174	-17	3,334	-	3,334
Standards and Provision	4,379	-	4,379	28	(912)	71	0	0	-19	3,547	-	3,547
Directors Office	232	-	232	0	1	9	0	0	0	242	-	242
<b>Total Learning &amp; Skills (Excluding Schools)</b>	<b>15,839</b>	-	<b>15,839</b>	<b>369</b>	<b>(540)</b>	<b>305</b>	<b>0</b>	<b>174</b>	<b>-68</b>	<b>16,079</b>	-	<b>16,079</b>
<b>Social Services</b>												
Children and Young People	17,700	-	17,700	31	(813)	178	0	1,508	-23	18,581	-	18,581
Adult Services	52,742	-	52,742	162	(5,883)	288	185	6,390	-68	53,816	-	53,816
Resource Management & Safeguarding	292	-	292	19	6,696	245	0	500	-10	7,742	-	7,742
Youth Offending Services	707	-	707	(4)	0	32	0	0	-5	730	-	730
<b>Total Social Services</b>	<b>71,441</b>	-	<b>71,441</b>	<b>208</b>	<b>0</b>	<b>743</b>	<b>185</b>	<b>8,398</b>	<b>-106</b>	<b>80,869</b>	-	<b>80,869</b>
<b>Environment and Housing</b>												
Neighbourhood and Transport Services	24,791	-	24,791	78	0	431	0	2,990	-100	28,190	-	28,190
Building Services	0	46	46	(49)	0	49	0	0	0	46	(46)	0
Regulatory Services	1,825	-	1,825	250	0	28	0	0	0	2,103	0	2,103
Council Fund Housing	1,420	-	1,420	(47)	0	43	0	34	-6	1,444	0	1,444
<b>Total Environment and Housing</b>	<b>28,036</b>	<b>46</b>	<b>28,082</b>	<b>232</b>	<b>0</b>	<b>551</b>	<b>0</b>	<b>3,024</b>	<b>-106</b>	<b>31,783</b>	<b>(46)</b>	<b>31,737</b>
<b>Resources</b>												
Resources	809	-	809	(793)	0	622	0	445	-100	983	-	983
Housing Benefit	652	-	652	40	0	0	0	0	0	692	-	692
<b>Total Resources</b>	<b>1,461</b>	<b>0</b>	<b>1,461</b>	<b>(753)</b>	<b>0</b>	<b>622</b>	<b>0</b>	<b>445</b>	<b>-100</b>	<b>1,675</b>	<b>0</b>	<b>1,675</b>
<b>Place</b>												
Regeneration	1,869	-	1,869	63	36	64	0	396	-9	2,419	-	2,419
Development Management	1,209	-	1,209	(20)	(99)	74	0	140	-4	1,300	-	1,300
Private Housing	328	-	328	5	63	18	0	0	-1	413	-	413
<b>Total Place</b>	<b>3,406</b>	<b>0</b>	<b>3,406</b>	<b>48</b>	<b>0</b>	<b>156</b>	<b>0</b>	<b>536</b>	<b>-14</b>	<b>4,132</b>	<b>0</b>	<b>4,132</b>
<b>General Policy</b>	<b>33,488</b>	-	<b>33,442</b>	<b>(104)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>831</b>	<b>-106</b>	<b>34,063</b>	<b>46</b>	<b>34,109</b>
<b>Met from General Reserves</b>	<b>0</b>	-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,000)</b>	<b>0</b>	<b>(1,000)</b>	-	<b>(1,000)</b>
<b>TOTAL</b>	<b>251,653</b>	<b>0</b>	<b>251,653</b>	<b>0</b>	<b>0</b>	<b>5,758</b>	<b>185</b>	<b>15,458</b>	<b>-500</b>	<b>272,554</b>	<b>0</b>	<b>272,554</b>

**Proposed Growth 2022/23**APPENDIX D  
FINAL  
PROPOSALS  
FEB 2022

Description	2022/23 £'000
<b>Directorate: Learning and Skills</b>	
<b>Learning and Skills Incl Schools</b>	
Demographic increase in mainstream schools	1,000
Autism Special Resource Base at Whitmore High School	100
Demographic increase in pupils requiring placement in special school Ysgol Y Deri	1,000
Additional Learning Needs Support in Mainstream Schools	500
ALN Early Years Provision	100
Learning and Wellbeing Class	100
Post 16 ALN Provision	35
Health provision - tracheotomy support for mainstream schools	39
Increase in pupils eligible for free school meals	350
<b>Total Learning and Skills Incl Schools</b>	<b>3,224</b>
<b>Total Learning and Skills</b>	<b>3,224</b>

<b>Directorate: Social Services</b>	
<b>Children and Young People's Services</b>	
External Placements	800
Supporting Children in Emotional Distress	190
Capacity at Vale Valleys and Cardiff Regional Adoption Service	18
One to one support for children subject to care and support plans	150
Direct Payments	70
Case Management Capacity	135
Placement Team Capacity	120
Business Support Core Teams	25
<b>Total Childrens Services</b>	<b>1,508</b>
<b>Adult Services</b>	
Demographic Pressures	500
Provider Fees and Quality Assurance (Incl Real Living Wage)	5,600
Reablement	150
Long Term Care Service (LTCS)/Review	80
Integrated Locality Manager	60
<b>Total Adult Services</b>	<b>6,390</b>
<b>Resource Management and Safeguarding</b>	
Performance and Improvement Review	80
Contracts and Commissioning/Quality Assurance	150
Safeguarding and Quality Assurance	120
Increase resilience around Staff absence in Care Homes	150
<b>Total Resource Management and Safeguarding</b>	<b>500</b>
<b>Total Social Services</b>	<b>8,398</b>

**Proposed Growth 2022/23**APPENDIX D  
FINAL  
PROPOSALS  
FEB 2022

Description	2022/23 £'000
<b>Directorate: Environment and Housing</b>	
<b>Neighbourhood Services</b>	
Waste Pressures	1,400
Highways - Maintain Highway and footway Network (£200k ringfenced for pavements)	700
Coastal Resorts	80
SUDs - Sustainable Drainage Resource	80
<b>Total Neighbourhood Services</b>	<b>2,260</b>
<b>Transportation</b>	
Supported Bus Service	90
School Transport	640
<b>Total Transportation</b>	<b>730</b>
<b>General Fund Housing</b>	
Housing - Community Safety Serious Violence and PROTECT duties	34
<b>Total General Fund Housing</b>	<b>34</b>
<b>Total Environment and Housing</b>	<b>3,024</b>
<b>Directorate: Place</b>	
Director of Place	140
<b>Regeneration</b>	
Project Management Unit Reorganisation	110
New Structure External Funding, Community Development and Innovation Team	240
Place Making	46
<b>Total Regeneration</b>	<b>396</b>
<b>Total Place</b>	<b>536</b>
<b>Directorate: Resources</b>	
Director of Resources	140
<b>ICT</b>	
ICT Savings Shortfall	100
Ransomware Support Costs	40
<b>Total ICT</b>	<b>140</b>
<b>Procurement</b>	
Procurement Additional Capacity	60
<b>Total Procurement</b>	<b>60</b>

**Proposed Growth 2022/23**APPENDIX D  
FINAL  
PROPOSALS  
FEB 2022

Description	2022/23	
	£'000	
<b>Legal and Democratic Services</b>		
Electoral Registration Service		30
Coroner		25
<b>Total Legal and Democratic</b>		<b>55</b>
<b>Human Resources</b>		
Health and Safety		50
<b>Total Human Resources</b>		<b>50</b>
<b>Total Resources</b>		<b>445</b>
<b>Policy</b>		
Additional Members and increased allowances		450
Public Participation and Petition Software		20
Fire Levy Increase		175
Ringfence Funding allocated for CJC in the settlement		86
Project Zero Support Team		100
<b>Total Policy</b>		<b>831</b>
<b>COUNCIL TOTAL</b>		<b>16,458</b>

**Summary**

Learning and Skills		3,224
Social Services		8,398
Environment and Housing		3,024
Place		536
Resources		445
Policy		831
<b>TOTAL</b>		<b>16,458</b>

**COST PRESSURES 2023/24 and 2024/25****APPENDIX E**

Description	2023/24	2024/25
	£'000	£'000
<b>Directorate: Learning and Skills</b>		
<b>Schools</b>		
<b>Demographic increase in mainstream schools</b> - Estimated Demographic increase in mainstream pupils.	1,000	1,000
<b>Autism Special Resource Base at Whitmore High School</b> - Final year of set up costs for Autism base at Whitmore.	77	-
<b>Demographic increase in pupils requiring placement in special school Ysgol Y Deri</b> -Numbers of pupils requiring placement at YYD is increasing year on year creating pressure on capacity which is exacerbated by small cohorts of school leavers.	1,016	464
<b>Reduction in OOC income</b> - The ALN and complex needs budget is partly funded through charges to other counties for pupils in placement at Ysgol Y Deri. Due to the demographic increase in Vale pupils requiring specialist placements within Ysgol Y Deri, there is no capacity to offer placements to pupils from other authorities. As a consequence, as pupils previously placed from other local authorities leave Ysgol Y Deri, they are not replaced by other out of county pupils and income reduces year on year.	267	204
<b>ALN transport - Ysgol y Deri</b> - Increasing pupil numbers at Ysgol Y Deri requiring transportation.	152	-
<b>21st Century Schools</b> - Prudential borrowing costs.	-	200
<b>Total Schools</b>	<b>2,512</b>	<b>1,868</b>
<b>Total Learning and Skills</b>	<b>2,512</b>	<b>1,868</b>

**Directorate: Social Services****Children and Young People's Services**

<b>External Placements</b> - This cost pressure relates to the continuing and considerable pressure on the children's external placements budget (which has been further impacted by the Covid 19 pandemic).	1,200	1,200
<b>One to one support for children subject to care and support plans</b> - This cost pressure is directly linked to the impact of the pandemic on placement availability in fostering and residential care and the need to support children and families differently when supply has exceeded demand. The situation has been exacerbated by the increased demand following family arrangements breaking down / the lack of respite options.	50	0
<b>Total Children</b>	<b>1,250</b>	<b>1,200</b>
<b>Adults</b>		
<b>Demographic Pressures - Estimated</b> increase in activity would be in the region of £628k. based on previous years increases in budget and correlating 'normal' increases in demand, and anticipated ongoing grant funding.	628	628

<b>Provider Fees and Quality Assurance</b> - Continuing challenge by providers to increase fees to meet provider costs while the market remains extremely fragile. Additional capacity is required to manage contract monitoring arrangements as a result of a number of significant quality assurance issues with providers and capacity issues within the sector. 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.	3,500	3,500
<b>Estimated Costs of Implementing the RLW</b>	3,470	5,190
<b>Total Adults</b>	<b>7,810</b>	<b>9,318</b>
<b>Total Social Services</b>	<b>9,060</b>	<b>10,518</b>

#### Directorate: Environment and Housing

<b>Neighbourhood Services</b>		
<b>Waste</b> - Estimated reduction in Sustainable Waste Management grant funding.	21	20
<b>Total Neighbourhood Services</b>	<b>21</b>	<b>20</b>
<b>General Fund Housing</b>		
<b>Homelessness B&amp;B accommodation (WG Grant fall out)</b> - Projected ongoing need to maintain accommodation to support homelessness beyond 2022/23	1,000	-511
<b>Total General Fund Housing</b>	<b>1,000</b>	<b>-511</b>
<b>Total Environment and Housing</b>	<b>1,021</b>	<b>-491</b>

#### Directorate: Place

<b>Regeneration</b>		
<b>Project Management Unit Reorganisation</b> - Reorganise the Project Management Unit to increase capacity and provide the ability to deliver major council projects through an in-house team.	50	0
<b>New Structure External Funding, Community Development and Innovation Team</b> - To fund the evolution of the Creative Rural Communities team into an External Funding, Community Development and Innovation team. The purpose of this team is to support the Council and third party bidding to external funding including UK & other major funding streams.	94	0
<b>Local Nature Partnership Co-ordinator (WG Grant fallout)</b>	40	0
<b>Total Regeneration</b>	<b>184</b>	<b>0</b>
<b>Total Place</b>	<b>184</b>	<b>0</b>

<b>Directorate: Resources</b>		
<b>Policy &amp; Business Transformation</b>		
<b>New CRM System YouGov</b> - The Council has purchased a new digital customer experience platform to replace the existing on-premise Oracle CRM. The current CRM system was purchased and implemented in 2006. The design and workflow of the system was largely unchanged for 14 years. Customer service technologies have however evolved rapidly in response to changing expectations in relation to service experience The annual licence costs for the next two financial years (2021/22 & 2022/23) have been funded from the Digital Reshaping.	30	0
<b>Total Policy and Business Transformation</b>	<b>30</b>	<b>0</b>

<b>Total Resources</b>	<b>30</b>	<b>0</b>
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<b>Policy</b>		
City Deal prudential borrowing costs	609	50
Project Zero Team	150	0
<b>Total Policy</b>	<b>759</b>	<b>50</b>
<b>COUNCIL TOTAL</b>	<b>13,566</b>	<b>11,945</b>

### Summary

Learning and Skills	2,512	1,868
Social Services	9,060	10,518
Environment and Housing	1,021	-491
Place	184	0
Resources	30	0
Policy	759	50
<b>TOTAL</b>	<b>13,566</b>	<b>11,945</b>

**ANALYSIS OF RESERVES**

APPENDIX F

Name	Est Bal	In	Out	Est Bal	Comments	Est	Est	Est	Est	Est
	01/04/21 £000			31/03/22 £000		31/03/23 £000	31/03/24 £000	31/03/25 £000	31/03/26 £000	31/03/27 £000
<b><u>Housing Revenue Account</u></b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>12,000</b>	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.	923	928	933	937	942
<b><u>General Reserves</u></b>										
Council Fund	<b>11,868</b>	<b>4,200</b>	<b>-849</b>	<b>15,219</b>	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. The underspend of £4.2m in 2021/22 has been set aside to support the 2022/23 budget strategy. £849k to be transferred to Waste Transfer Station fund	11,523	11,023	11,023	11,023	11,023
<b><u>Specific Reserves</u></b>										
<b><u>Learning and Skills</u></b>										
Schools Rationalisation and Improvements	<b>1,167</b>	<b>0</b>	<b>-58</b>	<b>1,109</b>	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.	0	0	0	0	0
Education Pressures	<b>452</b>	<b>0</b>	<b>0</b>	<b>452</b>	To fund pressures faced by Learning and Skills.	300	300	300	300	300
School Deferred Pensions	<b>335</b>	<b>0</b>	<b>-34</b>	<b>301</b>	To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years.	0	0	0	0	0
Schools invest to save reserve ER/VR	<b>62</b>	<b>138</b>	<b>0</b>	<b>200</b>	To assist with the cost of redundancies in schools	0	0	0	0	0
Wellbeing Reserve	<b>0</b>	<b>146</b>	<b>0</b>	<b>146</b>	To assist in future pressures relating to pupil wellbeing including provision for pupils educated other than at school (EOTAS) and the learning and wellbeing class following the Covid pandemic	0	0	0	0	0
Additional Learning Needs	<b>375</b>	<b>347</b>	<b>0</b>	<b>722</b>	To assist in future pressures for ALN services	0	0	0	0	0
Family Engagement	<b>0</b>	<b>111</b>	<b>0</b>	<b>111</b>	To support and enhance the delivery of Family Engagement s	0	0	0	0	0

**ANALYSIS OF RESERVES**

## APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
Sports Facilities	6	0	0	6	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	0	0
Cultural Reserve	290	0	-42	248	To cover future costs in relation to Arts Central, the Pier Pavilion and Library improvements	0	0	0	0	0
Adult Community Learning	118	21	0	139	To finance initial reshaping costs as a result of the anticipated changes in the way adult learning is funded across Wales.	0	0	0	0	0
Community For Work Exit Strategy	67	0	0	67	To pay potential redundancy costs if Welsh Government grants were discontinued.	67	67	67	67	67
Youth Service	52	0	0	52	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 and matchfunding for the Inspire to Work ESF project.	52	52	52	52	52
Catering	117	0	0	117	To support any issues relating to the Catering trading company.	117	117	117	117	117
Catering Equipment Renewals	88	0	0	88	Repairs and renewal fund for catering equipment in Schools. Lease income charged to Big Fresh Catering Company is used to top up this reserve	88	88	88	88	88
<b>Social Services</b>										
Legislative Changes	8,227	1,654	-500	9,381	To cover additional burdens on the authority due to changes in legislation e.g. Social Services and Well-being (Wales) Act 2014 , Deprivation of Liberties Standards and other pressures on the service. £500k transferred to Social Services Covid and Contingency fund	7,954	6,804	5,942	5,367	5,080
Social Services Covid and Contingency Fund	0	0	500	500	Transfer from Legislative Changes Fund. Ringfenced for uncertainty of costs associated with the ongoing Covid pandemic for 2022/23	0	0	0	0	0

**ANALYSIS OF RESERVES**

APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
Social Services Pressures	1,913	0	0	1,413	To cover short term children's placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget.	713	153	153	153	153
Social Services Development	350	0	0	350	To cover costs of implementing service development and contingency for premises maintenance	350	350	350	350	350
Grant Exit Strategy	630	0	0	630	To pay potential redundancy costs if Welsh Government grants were discontinued.	630	630	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	174	174
<b>Environment and Housing</b>										
Neighbourhood Services	3,390		-1,054	2,336	To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives.	1,500	1,500	1,500	1,500	1,500
Bad Weather	470	0	-200	270	To fund necessary works during periods of severe weather conditions.	70	0	0	0	0
Building Services Improvement	355	0	-50	305	Monies set aside for improvements to the Building Services department.	255	205	155	105	55
Rural Housing Needs	56	0	0	56	To be used to fund Rural Enabler post.	56	56	56	56	56
Homelessness and Housing	725	0	0	725	This sum will be used to support homelessness prevention work.	725	725	725	725	725
Housing Strategy	10	0	-10	0	This funding will be used to produce the Housing Strategy including facilitating consultation events.	0	0	0	0	0
Supporting People	95	0	0	95	To continue to provide housing support.	95	95	95	95	95
Community Safety	5	0	-5	0	To fund community safety initiatives.	0	0	0	0	0
Regulatory Improvements	298	0	-110	188	Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration.	138	138	138	138	138

**ANALYSIS OF RESERVES**

## APPENDIX F

<b>Name</b>	<b>Est Bal 01/04/21 £000</b>	<b>In £000</b>	<b>Out £000</b>	<b>Est Bal 31/03/22 £000</b>	<b>Comments</b>	<b>Est Bal 31/03/23 £000</b>	<b>Est Bal 31/03/24 £000</b>	<b>Est Bal 31/03/25 £000</b>	<b>Est Bal 31/03/26 £000</b>	<b>Est Bal 31/03/27 £000</b>
<b>Place</b>										
<b>Regeneration and Planning</b>										
Private Sector Housing	224	0	-35	189	To fund initiatives for Private Sector Housing, including an Occupational Therapist within the DFG team.	154	104	53	0	0
Local Development Plan	368	0	-40	328	Set aside for costs relating to the production of the Local Development Plan.	178	78	78	78	78
Regeneration Fund	465	125	-312	278	To fund various regeneration schemes in the Vale.	158	118	78	38	0
Holton Road Surplus	23	10	0	33	Ringfenced sum for Holton Road regeneration.	33	33	33	33	33
Regeneration & Planning	996	125	-366	755	Monies set aside to cover various commitments within the service.	551	475	473	468	468
Planning Fees	100	0	0	100	To provide for reduction in planning fees income.	100	100	100	100	100
Building Control	212	0	-50	162	Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account.	112	72	42	22	22
Donations	37	0	0	37	Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast.	37	37	37	37	37
Cwm Ciddy	16	0	-3	13	Ringfenced funds for Porthkerry	10	7	4	0	0
<b>Resources</b>										
Welfare Reforms	1,021	0	-550	471	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. Reduced by £500k to reflect limited proposals for the use of this reserve, this sum has been transferred into the School Investment Strategy Reserve.	421	371	321	271	221
Financial IT System	13	0	-13	0	To fund the costs of implementing the new Income Management system.	0	0	0	0	0
Internal Audit	142	0	0	142	To provide training and support development of Internal Audit staff.	142	142	142	142	142

**ANALYSIS OF RESERVES**

## APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
Shared Internal Audit Service	399	175	-115	459	Balance held on behalf of the partners for the shared audit service.	459	459	459	459	459
Legal	415	0	-110	305	To provide in house legal capacity on major projects, fund increased in house capacity which assists with income generation.	165	55	0	0	0
Trainee Appointments	601	0	-12	589	To fund the appointment of trainees and interns to support services and the Reshaping Service programme.	559	528	496	464	431
Legal Claims	1,920	0	0	1,920	To fund future legal cases and judicial reviews.	1,920	1,920	1,920	1,920	1,920
Child Burial	52	15	0	67	Ring fenced grant funding received from Welsh Government.	72	77	57	37	17
Human Resources	141	0	-70	71	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	0	0
Performance and Development	377	0	-98	279	To fund the purchase of hardware, software and equipment and to fund the appointment of trainees and interns to support the service.	189	119	49	-21	0
Democratic & Freedom of Information	112	0	0	112	To be used to fund IT and other equipment required to support department.	102	92	82	72	62
<b>Corporate</b>										
Election Expenses	452	42	0	494	Set aside for the Council and other elections costs.	273	300	327	354	381
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	338	338

**ANALYSIS OF RESERVES**

APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
Early Retirement/Redundancy	973	0	-500	473	Used to finance the cost of early retirement and redundancy as a result of restructuring, budget savings and the Reshaping Service Programme. This reserve has been reduced by £500k as restructures are typically self funding. The balance has been moved into the School Investment Strategy reserve.	473	473	473	473	473
Events	180	0	0	180	To provide funds to promote the Vale of Glamorgan particularly in respect of tourism and economic development.	180	180	180	180	180
Insurance Fund	4,648	0	0	4,648	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.	4,648	4,648	4,648	4,648	4,648
Green Infrastructure and Climate Change Reserve	1,250	0	-600	650	This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan. A movement of £600k has been transferred to establish a specific Ash Die Back reserve	650	650	650	650	650
Ash Die Back Reserve	0	600	0	600	Ash Die Back Reserve established as a result of a transfer from Green Infrastructure and Climate Change Reserve.	500	400	300	200	100
Project Zero	500	0	0	500	To be used to implement Project Zero	500	500	500	500	500
Reshaping Services	517	0	-100	417	To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme.	302	182	182	182	182
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.	0	0	0	0	0
Interpretation Services for Asylum Seekers	98	0	0	98	To provide support and interpretation services for asylum seekers.	98	98	98	98	98

**ANALYSIS OF RESERVES**

APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
Stronger Communities Fund	206	0	-206	0	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".	0	0	0	0	0
Wellbeing and Leisure	350	0	0	350	To fund Wellbeing and Leisure initiatives	50	50	50	50	50
Socio Economic Mapping and Recovery	500	0	0	500	To implement Socio Economic Mapping and Recovery	500	500	500	500	500
Covid Response	0	1,249	0	1,249	Ringfenced funding to support the Council's response to Covid	0	0	0	0	0
Mayors Foundation	5	0	0	5	Ringfenced funding to be issued as grants.	5	5	5	5	5
<b>Capital</b>										
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.	0	0	0	0	0
Energy Management Fund	225	222	-184	263	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. Some additional commitments likely against this reserve that are not yet reflected in the figures.	234	346	455	557	655
Coastal Works	607	0	-282	325	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.	215	215	215	215	215
Waste Transfer Station	1,498	849	0	2,347	Establishment of a Waste Transfer Station. £849k transferred from Council Fund	0	0	0	0	0
ICT Fund	3,980	70	-2,132	1,918	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.	1,533	1,544	1,544	1,344	1,144

**ANALYSIS OF RESERVES**

## APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
Capital Scheme Commitments	3,075	0	-973	2,102	Set aside for capital schemes to be undertaken.	0	0	0	0	0
School Investment Strategy	8,564	1,043	-8,270	1,337	To be used to fund schemes identified as part of the Schools Investment Programme including the Band B 21st Century School programme. Increased to fund costs of delivering the programme. Contribution of £500k from Early Retirement and Redundancy and £500k from Welfare Reform reserves	225	0	0	0	0
WG Schools Capital Grant	2,312	2,370	-2,312	2,370	Used to carry forward displaced existing capital funding as a result of receiving WG grant and to be spent on capital expenditure in schools.	0	0	0	0	0
Capital Economic Regeneration Fund	456	0	-45	411	To finance capital economic regeneration schemes.	387	387	387	387	387
Economic Regeneration and Growth Fund.	2,354	0	0	2,354	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. £2.2M balance of this reserve earmarked to support the Non Treasury Service Economic Regeneration and Growth Fund.	2,235	2,240	2,248	2,256	2,264
Council Building Fund	5,889	0	-1,880	4,009	The fund is available in respect of repairs and maintenance of Council Buildings.	2,414	2,414	2,414	2,414	2,414
Repairs and Renewals Vehicle	1,744	800	-1,596	948	This fund is primarily for the replacement of plant and vehicles. Vehicles are purchased from the fund and the transfer in represents the equivalent "rental" amount reimbursing the fund.	0	0	0	0	0
Carbon Vehicles Reserve	215	0	0	215	New reserve for electric pool cars established with a transfer from the Repairs and Renewals Vehicle Fund	215	215	215	215	215
Gypsy Traveller	1,052	0	0	1,052	To support the provision of a Gypsy/Traveller site.	1,052	1,052	1,052	1,052	1,052
Social Services Buildings	500	0	-10	490	To fund the update of Social Services premises to meet the future demands of the service.	434	434	434	434	434

**ANALYSIS OF RESERVES**

## APPENDIX F

Name	Est	In	Out	Est	Comments	Est	Est	Est	Est	Est
	Bal			Bal		Bal	Bal	Bal	Bal	Bal
	01/04/21			31/03/22		31/03/23	31/03/24	31/03/25	31/03/26	31/03/27
	£000	£000	£000	£000		£000	£000	£000	£000	£000
ICF Capital	300	0	-300	0	Funding received from Health in 2020/21 to be utilised during 2021/22	0	0	0	0	0
Telecare	753	0	0	753	Replacement fund for Telecare equipment and other service costs.	753	753	753	753	753
<b>TOTAL SPECIFIC RESERVES (excl HRA)</b>	<b>73,120</b>	<b>10,112</b>	<b>-22,727</b>	<b>60,005</b>		<b>38,758</b>	<b>36,063</b>	<b>34,832</b>	<b>33,740</b>	<b>33,106</b>

# 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 2022/23
--------------------------------------

## 2. [Who is responsible?](#)

<b>Name</b>		<b>Job Title</b>	
<b>Team</b>	Corporate Management Team	<b>Directorate</b>	All Services

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

<b>Date of start of assessment</b>	November 2021
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## 4. [Describe the proposal?](#)

<b>What is the purpose of the proposal?</b>
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The proposals detail the revenue budget for all services across the authority for 2022/23 and indicative budgets for 2023/24 and 2024/25.

<b>Why do you need to put it in place?</b>
--

# Equality Impact Assessment

The Council is required under statute to fix the level of Council Tax for 2022/23 by 11<sup>th</sup> March 2022. 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 2022/23 is over £272.5 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 2022/23 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 2022/23 across all Directorates. Savings required in 2022/23 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 2021.

# Equality Impact Assessment

## Consultation (with internal and external stakeholders)

To ensure that the budget set for 2022/23 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 3rd December 2021 until 17th January 2022. As 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.

The consultation was published as an online survey, with the option for residents and stakeholders to give their views via the telephone. The online survey was widely promoted via the Council's Twitter and Facebook channels and received a high level of reach and engagement on both platforms.

The consultation was also promoted to a wide range of stakeholders both via email and as part of the Council's consultation circular, Vale Viewpoint. A press release was launched, which was picked up by local media outlets.

There were 342 responses to the online survey in total, which is an improvement on last year where only 16 responses were collected. This year, additional care was taken when presenting the content of the budget consultation to ensure it was more accessible to stakeholders.

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 2021. 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)?

# Equality Impact Assessment

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).

## **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](#)**

# Equality Impact Assessment

## Is there an impact?

The impact of the final revenue budget proposals for 2022/23 will vary according to the service and the nature of the changes to be made.

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.

# Equality Impact Assessment

## **Marriage and civil partnership (discrimination only)**

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

## **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 30<sup>th</sup> 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**

# Equality Impact Assessment

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.

**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><b>Date you will monitor progress</b></p> <p>Ongoing throughout the financial year</p>
<p><b>Measures that you will monitor</b></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><b>Date you will review implemented proposal and its impact</b></p> <p>As part of the initial revenue budget proposals for 2022/23.</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><b>Recommend actions to senior management team</b></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>
--

# Equality Impact Assessment

**Outcome following formal consideration of proposal by senior management team**

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

<b>Approved by (name)</b>	Carolyn Michael	
<b>Job Title (senior manager)</b>	Interim Head of Finance	
<b>Date of approval</b>	17 <sup>th</sup> February 2022	
<b>Date of review</b>	November 2022	