Agenda Item No: 9

Meeting of:	**Cabinet**
Date of Meeting:	**Thursday, 19 November 2026**
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Item which the Chair has decided is urgent (Part I) **(If yes, why)**	Not applicable
Urgent Decision Procedure Used **(If yes, why)**	Not applicable
Item Type	Part I
Report Title:	Quarter 2 Revenue Monitoring 2026/27
Portfolio Holder:	**Executive Leader and Cabinet Member for Performance and Resources**
Lead Officer:	Head of Finance/Section 151 Officer

1.0 What is this report about?

1.1. The Council is experiencing significant demand in excess of the levels provided for in the budget in Adults Social Services and pressures have also continued in relation to the provision of school transport. Pressures in respect of Additional Learning Needs (ALN) and Homelessness remain but continue to be offset by Welsh Government Grant in 2026/27. Steps taken towards right sizing the budgets, alongside investment in accommodation and preventative services in Children and Young People Services are demonstrating an impact with a small underspend continuing to be reported at Quarter 2, however this is an extremely volatile budget and will continue to be kept under review.

1.2. Schools forecast significant deficits in 2026/27 and whilst a number of schools have been able to improve the deficit position so far in-year the Council currently projects an in-year deficit of £1.792m taking the overall schools net deficit at year end to £12.619m. This reduced net deficit reflects the additional £2m allocation to schools due to the ALN consequentials. As in previous years if this increased deficit sum of additional £1.792m is realised the Council will need to offset the deficit by unallocating reserves to the equivalent value of this increase.

1.3. The Council also shows adverse variances in some Directorates due to delays in the delivery of savings, some relating to the 2026/27 financial year and some relating to previous financial years.

1.4. The projected year end revenue position shows a deficit position of £1.975m down from £6.965m at the end of Quarter 1. The Council is currently exploring how the projected overspend sum can be mitigated in-year through a variety of steps which are outlined in the report. Whilst there is an improved position, were this deficit sum to be realised at the end of the financial year, it would be necessary to identify existing earmarked reserves to offset the overspends.

Table 1 - Outturn Summary

Directorate	Original Budget	Virement	Revised Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance % of Budget
	£'000	£'000	£'000	£'000	£'000	
Learning and Skills (including Schools)	152,309	(115)	152,194	154,268	(2,074)	1
Social Services	114,269	(370)	113,899	114,170	(271)	0
Environment and Housing	32,683	(1,725)	30,958	31,609	(651)	2
Corporate Resources	16,886	2,377	19,263	19,915	(652)	3
Place	3,161	58	3,219	3,219	0	0
Policy	35,995	(225)	35,770	34,097	1,673	(5)
Unplanned Use of Reserves Schools	0	0	0	(1,792)	1,792	n/a
Unplanned Use of Reserves	0	0	0	(183)	183	0
Total	355,303	0	355,303	355,303	0	0
Public Sector Housing (HRA)	(149)	0	(149)	5,440		
HRA Transfer Reserves	149	0	149	(5,440)		
Total	355,303	0	355,303	355,303	0	0

Table 2 - Council Fund and Reserves

Use of Reserves	Opening Balance	Planned	Unplanned Schools	Unplanned Corporate	HRA	Capital	Closing Balance
	£'000	£'000	£'000	£'000	£'000	£'000	
Council Fund	11,953						11,953
Earmarked Reserves	36,746	(2,116)	(1,792)	(183)		(7,864)	24,791
Housing Revenue Account	9,913				(5,440)		4,473
Total	58,612	(2,116)	(1,792)	(183)	(5,440)	(7,864)	41,217

2. What are the Recommendations?

	Recommendations – What and How?	Reason for Recommendation – Why?
2.1	That the report and the financial measures taken and proposed be approved.	To approve the report and the financial measures taken and proposed.
2.2	That the report is referred to Resources Scrutiny Committee for consideration and for any recommendations to be referred back to Cabinet to consider.	To enable the Scrutiny Committee responsible for finance to review the Quarter 2 position.

3. What is the background to this report?

3.1. Cabinet is provided with projected outturn figures based on the monitoring of revenue budgets for Quarter 2 of the 2026/27 financial year. Set out in the report is the position relating to individual Directorate finances, the achievement of savings targets and the current projected use of reserves in-year. The report also sets out the steps taken to mitigate and manage the overspend in-year.

3.2. This report is to be referred to Resources Scrutiny Committee.

4. What issues are there to be considered?

Council Fund

4.1. Council on 9th March 2026 approved the revenue budget for 2026/27 and earlier in the year on 12th January 2026 approved the Housing Revenue Account (HRA) budget for 2026/27.

4.2. There continue to be significant demand pressures associated with Additional Learning Needs and Social Services, significant resource was committed towards these in budget setting. There is also some pressure in respect of finalising delivery of savings proposals outstanding across 2023/24, 2024/25 and 2025/26 and some projected delay on implementation of 2026/27 savings. Some provision for in-year pressures has been made through the £1m Contingency Budget held in Policy.

4.3. Budgeted net expenditure for the Authority in 2026/27 is £355.303m. Total expenditure is to be financed by Revenue Support Grant (£194.017m), National Non-Domestic Rates contribution (£46.117m) and Council Taxpayers (£113.927m) as well as provision for collection of arrears of £1.242m.

4.4. There is some realignment of Directorate budgets further refinement of the budget reallocations required as part of establishment for Corporate Landlord which was approved by Cabinet in September 2025 and also some reallocation of funding for Postage and Procurement costs from Policy to Corporate Resources, there was also a transfer of Digital Wellbeing staff from Corporate Resources to Adult Services which is reflected in the virements. There are also some further virements requested as part of this report within Directorates to correct the allocation of cost pressures within the service.

Table 3 - Virements Requested

Directorate	Original Budget	Corporate Landlord Virement	Other Virements	Amended Original Budget
	£'000	£'000	£'000	£'000
Learning and Skills (including Schools)	152,309	(115)	0	152,194
Social Services	114,269	(519)	149	113,899
Environment and Housing	32,683	(1,725)	0	30,958
Corporate Resources	16,886	2,301	76	19,263
Place	3,161	58	0	3,219
Policy	35,995	0	(225)	35,770
Total	355,303	0	0	355,303

4.5. The following table compares the amended budget and the actual expenditure, including transfers to and from reserves, for the Council.

Table 4 – Summary Outturn

Directorate	Original Budget	Corporate Landlord Virement	Amended Original Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance of Budget
	£'000	£'000	£'000	£'000	£'000	%
Learning and Skills (including Schools)	152,309	(115)	152,194	154,268	(2,074)	1
Social Services	114,269	(370)	113,899	114,170	(271)	0
Environment and Housing	32,683	(1,725)	30,958	31,609	(651)	2
Corporate Resources	16,886	2,377	19,263	19,915	(652)	3
Place	3,161	58	3,219	3,219	0	0
Policy	35,995	(225)	35,770	34,097	1,673	(5)
Unplanned Use of Reserves Schools	0	0	0	(1,792)	1,792	n/a
Unplanned Use of Reserves	0	0	0	(183)	183	0
Total	355,303	0	355,303	355,303	0	0
Public Sector Housing (HRA)	(149)	0	(149)	5,440	0	0
HRA Transfer into Reserves	149	0	149	(5,440)	0	0
Total	355,303	0	355,303	355,303	0	0

4.6. A detailed analysis of the outturn is provided at Appendix 1.

4.7. A number of the Council's budgets continue to be under considerable pressure; a summary of the key headline pressures in-year is set out below.

4.8. Total school balances are currently projected to reach an overall deficit of £12.619m by 31st March 2027. For the 2026/27 financial year, the in-year deficit is currently anticipated at £1.792m. The projected outturn for schools will improve over the course of the financial year, as schools continue to work on their recovery plans.

4.9. In Central Learning and Skills, a key ongoing pressure is the School Transport budget. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond a certain distance to their nearest appropriate school, those who have an unavailable walking route to school and those who have Additional Learning Needs (ALN) who require access to specialist provision. The total transport budget of £7.316m is anticipated to overspend by £504k. There has been a requirement to tender for additional mainstream school transport vehicles to accommodate increased pupil numbers. Any new tender prices are significantly impacted by increased fuel and operating costs. Further budget pressures have arisen from the opening of the special school at Cosmeston, Ysgol Llyn Derw which has required the introduction of additional transport. The £504k total overspend is the net position after offsetting adverse variances on ALN (£398k) and Secondary mainstream (£162k) against favourable variances on Primary (£4k) and Post-16 Education (£52k).

4.10. Significant pressures have continued to develop in Social Services in 2026/27 and reflect the ageing demographic and an increasing complexity of need. This position reflects pressures seen across local government nationally. The Community Care budget within Adult Services is projected to be overspent by £2.4m. This includes all external residential care, home care, direct payments, respite and supported accommodation payments. The projected overspend in Community Care is offset by team underspends, mostly relating to staffing.

4.11. In Environment and Housing, key pressures for the service include pressures in operational highways relating to the maintenance of roads, street lighting energy costs and also a projected shortfall against income targets for the Council's car parks.

4.12. Council Funded Housing is utilising the earmarked reserve held to fund the resettlement team as well as continuing to reserve grant funding such as the Housing Support Grant. It will have a small underspend due to reduced accommodation spend and a contribution from the Police and Crime Commissioner towards CCTV costs.

4.13. The Council expects to continue to benefit from increased interest returns on its reserve balances during 2026/27. It also shows a £1m surplus as a result of the contingency budget which will be used to offset the Social Services overspend in 2026/27.

In-Year Budget Management Measures

4.14. The Council is reporting a small net overspend £1.975m after allowing for £1m contingency which is reflected in the Council's base budget. Corporately, whilst the net overspend of £183k is small this masks a number of more significant overspends that will need to be kept under review as progress is made through the financial year. It is not possible to fund this overspend from the Council's General Fund as this is close to the Policy level set by the Section 151 Officer and therefore in order to safeguard existing reserves the Council's Senior Leadership Team have agreed a number of steps that will be taken to address or mitigate the in-year position.

i. All Budget Holders will be written to remind them of the importance of spending within budget and in accordance with the Council's priorities with a focus on essential spend.
ii. All Budgets should be monitored closely to ensure they are kept within budget and emerging overspends are identified in a timely manner and to take appropriate action.
iii. Officers should consider internal skills and capacity before committing to external support contracts.
iv. All revenue grants will be subject to review for underspends or opportunities to maximise use of grant funding to maximise value for money for the Council.
v. Officers should consider if savings can be achieved in-year or if savings targeted at 2027/28 can be accelerated to take effect in 2026/27.

4.15. These strategies will continue to be reviewed by Senior Leadership Team (SLT) at the monthly financial meetings alongside the in-year monitoring position with further steps taken to address the in-year position as required.

4.16. Appendix 2 to the report includes a breakdown of the budget by type of income and expenditure and reflects the gross expenditure of the Council as well as the scale of income from grants and fees and charges.

Table 5 – Budget Analysis by Category

Directorate/Service	Total Expenditure	Total Income	Net Budget
	£'000	£'000	£'000
Learning and Skills (incl. Schools)	191,184	(38,990)	152,194
Social Services	134,494	(20,595)	113,899
Environment and Housing (including HRA)	48,563	(17,605)	30,958
Corporate Resources	49,175	(29,912)	19,263
Place	6,475	(3,256)	3,219
Policy	37,076	(1,306)	35,770
Grand Total	466,967	(111,664)	355,303

Directorate Summaries

4.17. The main reasons for variances against Directorate budgets are set out in the supporting Appendices to this report with the summary positions provided below.

Learning and Skills

4.18. Table 7 below provides detail of the outturn for the Learning and Skills Directorate. The outturn is an adverse variance of £282k after allowing for an overspend against School Transport of £504k. A detailed analysis if the outturn for Learning and Skills can be found in Appendix 3.

Table 6 – Learning and Skills

Directorate/Service	Revised Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance of Budget	RAG Rating
	£'000	£'000	£'000	%	
Learning and Skills					
Schools	133,059	134,851	(1,792)	1	Red

Unplanned Use of Reserves	0	(1,792)	1,792	n/a	Red
Subtotal Schools	133,059	133,059	0	0	
Strategy, Culture, Community Learning and Resources	5,785	5,830	(45)	1	Amber
Directors Office	269	249	20	(7)	Green
Additional Learning Needs and Wellbeing	9,878	9,848	30	0	Green
Standards and Provision	3,203	2,986	217	(7)	Green
School Transport	0	504	(504)	n/a	Red
Total Learning and Skills (incl. Schools)	152,194	152,476	(282)	0	

4.19. The table below identifies Schools cumulative balances projected for the period, which incorporates both the in-year deficit of £1.792m and the net deficit brought forward at the beginning of the financial year of £10.827m.

4.20. 30 Schools are anticipated to be in a cumulative deficit position totalling £16.3m by the end of the financial year, whilst 23 schools are anticipated to outturn in a surplus position totalling £3.7m. Total school balances are therefore projected to reach an overall deficit of £12.6m by 31st March 2026.

4.21. The projected outturn for schools may improve further over the course of the financial year, as schools continue to work on their recovery plans, and should more grant funding be made available.

4.22. The Director of Learning and Skills have worked with schools and governing bodies to develop plans to address deficits but there remain a number of schools with high irrecoverable deficits. The Director of Learning and Skills has been meeting on a regular basis with the Chief Executive, Director of Learning and Skills, Head of Finance/Section 151 Officer and Executive Leader and Cabinet Member for Performance and Resources across September and October to discuss strategies to address these challenges, with further steps taken on a case by case basis and potentially to consider taking some of the statutory measures. Further support will be provided to schools with smaller deficits to support the delivery of recovery plans as agreed with the Director of Learning and Skills. Some of the actions that have been taken to date are summarised below.

i. Teaching and Learning Challenge appointment of external support.
ii. Developed a new training package for Business Managers.
iii. Developed a new Business Manager Network.
iv. Initiated a procurement review with appointment of a procurement officer to enable cluster procurement.
v. Review of Financial Governance has been undertaken by Internal Audit.
vi. Benchmarking work regarding school's budgets with two other Welsh Local Authorities.
vii. Task and Finish work with Scrutiny Committee on ALN Resource Bases.
viii. Support for some schools with development of a childcare offer.
ix. Work with the Education Endowment fund to provides training to increase confidence of Mainstream teachers to respond to the challenges of pupils will ALN in the classroom.
x. Identification of peer support for schools where appropriate.
xi. Initiation of Formula review exercise.

xii. Work with Head Teachers Steering Group and Budget Forum.

4.23. A new robust approach to School Deficits was launched earlier in the financial year with an initial focus on targeting in-year deficits this approach was further supported by a dedicated Schools Recovery finance officer. All schools with a deficit balance have prepared and submitted recovery plans which have been subject to an initial review.

4.24. The schools transport budget of £7.316m is anticipated to overspend by £504k due to demand for additional mainstream school transport vehicles to accommodate increased pupil numbers, increased fuel and increased operating costs.

Table 7 – School Balances

Sector	No. in projected cumulative Surplus	Gross Cumulative Surplus Value	No. in Deficit	Gross Cumulative Deficit value	Total Net Cumulative Balances	In-Year net Surplus/ (Deficit)
		£'000		£'000	£'000	£'000
Primary	19	2,050	25	(10,834)	(8,784)	(444)
3-19 schools	1	201	1	(633)	(432)	216
Secondary	2	1,142	4	(4,816)	(3,674)	(1,411)
Special	1	271	0	0	271	(153)
TOTAL	**23**	**3,664**	**30**	**(16,283)**	**(12,619)**	**(1,792)**

Social Services

Table 8 – Social Services

Directorate/Service	Revised Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance % of Budget	RAG Rating
	£'000	£'000	£'000	%	£'000
Children and Young People and Youth Justice	27,582	26,917	665	(2)	Green
Adult Services	77,247	78,261	(1,014)	1	Amber
Resource Management and Safeguarding	9,070	8,992	78	1	Green
Total Social Services	113,899	114,170	(271)	0%	

4.25. The current projected outturn for Children and Young People Services is an underspend of £665K. There is a currently underspend against external placements of £885k which is being reduced by overspends elsewhere. This includes the saving against agency staff of £214k which was incorrectly included in the budget programme as a saving against budget and not against spend. Spend on agency staff has continued to reduce year on year.

4.26. The projected outturn for the Adult Services budget for 2026/27 is an adverse variance of £1,014k with the Community Care budget projected to be overspent by £2,444k. This is a key pressure. At the end of September 2026, there are 1,134 people in receipt of domiciliary care services compared with 1,027 people in September 2024. In the same

time period, the number of care hours commissioned has risen from 16,026 to 18,082. Impacting spend are the changes to National Insurance and Real Living Wage. The average cost of residential and nursing care rose by 9.7% from 2024/25 to 2025/26.

4.27. The outturn is further detailed in Appendix 4.

Environment and Housing

Table 9 – Environment and Housing

Directorate/Service	Revised Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance of Budget	RAG Rating
	£'000	£'000	£'000	%	£'000
Neighbourhood Services and Transport	27,111	28,052	(941)	3	Red
Building Services	266	266	0	0	Green
Regulatory Services	1,634	1,634	0	0	Green
Council Fund Housing	1,947	1,657	290	(15)	Green
Public Sector Housing (HRA)	(149)	5,440	(5,589)	n/a	n/a
Use of Reserves HRA	149	(5,440)	5,589	n/a	n/a
Total Environment and Housing	30,958	31,609	(651)	2	

4.28. Neighbourhood Services is forecasting a £941k overspend at the end of 2026/27 this is predominantly made up of pressures in Operational Highways (£471k) and non-delivery of Car Park and Enforcement income targets (£291k).

4.29. The HRA working balance ended in a higher balance in 2025/26 due to the capital programme being funded by more borrowing. The increase in CERA (Capital Expenditure Revenue Account) £5.848m is to bring back the HRA working balance back into line with the Housing Business Plan 2026-27. CERA is the revenue contribution to fund capital expenditure which will reduce the borrowing cost in 2026/27.

4.30. A detailed analysis of the Quarter 1 monitoring position is attached at Appendix 5.

Corporate Resources

Table 10 – Corporate Resources

Directorate/Service	Amended Original Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance of Budget	RAG Rating
	£'000	£'000	£'000	%	£'000
Resources	19,694	20,266	(572)	3	Red
Housing Benefit	(431)	(351)	(80)	19	Red
Total Corporate Resources	19,263	19,915	(652)	3	

4.31. The provisional outturn for the Resources budget is an adverse variance of £572k. This is mostly attributed to unrealised savings assigned to the Docks Offices, and a projected overspend in Adult Social Services premises and Building, Cleaning, and Security teams resulting in an overspend position of £426k.

4.32. The adverse variance for the Housing Benefit is due to two main reasons; a reduction of grant and the impact of claimants moving over to Universal Credit.

4.33. A detailed analysis of the Directorate position is attached at Appendix 7.

Place

Table 11 – Place Outturn

Directorate/Service	Amended Original Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance of Budget	RAG Rating
	£'000	£'000	£'000	%	£'000
Regeneration	1,712	1,712	0	0	Green
Sustainable Development	1,507	1,507	0	0	Green
Total Place	3,219	3,219	0	0	

4.34. The Shared Prosperity fund completed on 30th September 2026, achieving full spend on revenue.

4.35. The Local Growth Fund is delivering across many schemes and officers within the Regeneration team are delivering a number of those including the Small and medium-sized enterprises (SMEs) Energy Grants and the Busaries scheme. Confirmation of further funding under Local Growth fund for 2027/28 and 2028/29 provides assurance that administration fees will ensure the budget remains on target in the current and future years.

4.36. A detailed analysis of the Quarter 1 position is attached at Appendix 6.

General Policy

Table 12 – General Policy

Directorate/Service	Amended Original Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance of Budget	RAG Rating
	£'000	£'000	£'000		£'000
Members and Democratic	1,878	1,878	0	0	Green
General Policy	1,912	912	1,000	52	Green
Borrowing and Investments	8,076	6,502	1,574	19	Green
Levies and Precepts	9,025	9,025	0	0	Green
Insurance	1,880	1,880	0	0	Green
Council Tax Reduction Scheme and Arrears	12,999	13,900	(901)	-7%	Red
Total Policy	35,770	34,097	1,673		

4.37. The General Policy projected at Quarter 2 reflects a £1.673m surplus relating in the main to an £1.574m surplus for charges for external borrowing and a surplus on Investment Income. There is also £1m contingency budget which is offsetting overspends elsewhere in the Council Budget. A detailed analysis of the outturn is attached at Appendix 8.

4.38. There is a significant overspend projected against the Council Tax Reduction Scheme of circa £901k, this will be reviewed further as part of the preparation for budget setting with a cost pressure of £1.5m requested to right-size the budget and to fund further projected growth.

4.39. **Housing Revenue Account**

4.40. Council on 12th January 2026 agreed the Authority's 2026/27 Housing Revenue Account (HRA) budget.

4.41. The Housing Revenue Account (HRA) outturned in 2025/26 with a £6.028m surplus, which transferred into the HRA working balance reserve. On this agenda the Housing Revenue Account revised revenue budget for 2026/27 is set out for approval. The Housing Revenue Account currently projects that it will draw down £5.440m from reserves at year end to bring it back in line with the level set out in the Housing Improvement Programme.

4.42. A detailed analysis of the Quarter 2 position is included at Appendix 5.

4.43. **Efficiency Targets**

4.44. As part of the Final Revenue Budget Proposals for 2026/27, an efficiency target of £2.772m was set for the Council this smaller savings target builds on challenging savings targets set over the past two years and enables some catch up on outstanding prior year savings.

4.45. The current position in respect of the 2026/27 savings shows that 76% is projected to be achieved or mitigated by 31st March 2027 and prior year savings 64% of the combined 2025/26, 2024/25 and 2023/24 is detailed in Table 13 below.

Table 13 – Quarter 2 Position 2026/27 Savings

Directorate	Amount Proposed	Amount Achieved in-Year	Amount Mitigated Other	% Achieved/ Mitigated	RAG
	£000	£000	£000	%	
Learning and Skills	320	320	0	100%	Green
Social Services	1,722	1,089	88	68%	Amber
Neighbourhood Services and General Fund Housing	458	255	80	73%	Amber
Place	82	62	20	100%	Green
Corporate Resources and Policy	176	131	45	100%	Green
Policy	14	14	0	100%	Green
Total 2026/27	**2,772**	**1,872**	**233**	**76%**	**-**

4.46. Although some outstanding savings also persist from these years also. This is perhaps not unexpected given this increasing complexity of savings of a transformational nature support from the transformation team and reshaping reserve alongside regular tracking of all transformation schemes is regularly undertaken.

4.47. Delivery of savings is monitored closely through SLT, Reshaping Board and the Social Services Programme Board and additional capacity to support he implementation of savings has been introduced through the Transformation Team.

4.48. The position prior year outstanding savings is also shown below.

Table 14 – Quarter 2 Position Prior Year Savings

Outstanding Prior Year Targets

Directorate	Amount Proposed	Amount Achieved Prior Year	Amount Achieved /Mitigated 2025/26	Achieved	RAG
	£000	£000	£000	%	
Learning and Skills	165	62	0	38	Red
Social Services	1998	1325	316	82	Amber
Neighbourhood Services and General Fund Housing	1964	196	710	46	Red
Place	70	0	70	100	Green
Corporate Resources and Policy	460	110	176	62	Amber
Total Prior Year	**4,657**	**1,693**	**1,272**	**64**	

4.49. Attached at Appendix 9 is a statement detailing all savings targets for 2026/27 and the current progress against them.

4.50. **Reserves**

4.51. A reserve is an appropriation from a revenue account and does not constitute a cost of service until the expenditure is eventually incurred. A reserve does not cover a present obligation or liability and is a voluntary means of setting aside monies for future requirements either capital or revenue.

4.52. Table 15 below sets out the use of reserves for a variety of purposes including planned usage to fund Capital Expenditure, planned revenue usage in accordance with the earmarked purpose of the reserve, unplanned usage to fund emerging overspends during 2026/27 and planned transfers to reserves to set aside fund for specific purposes. The use of reserves to support the Capital programme is £7.864m and reflects slippage on the delivery of schemes in 2026/27. Where schemes have been reprofiled into 2027/28 this drawdown from reserves will now take to match expenditure.

Table 15 – Reserves

As at	Opening Balance 31/03/26	Capital	Planned Budget Movement 2026/27	HRA	Projected Closing Balance 31/03/27
	£'000	£'000	£'000	£'000	£'000
General Fund	11,953				11,953
Insurance	4,251				4,251
Learning and Skills	781		(543)		238
Social Services	1,009				1,009
Neighbourhood Services	341	(62)			279
Corporate Resources	178		(48)		130
Place	1,892	(245)	(785)		862
Other Service Reserves	1,557	(113)	(42)		1,402
Other Corporate	487		(55)		432
Homelessness and Housing Reserve	4,199		(380)		3,819
Cost of Living	20				20
Pay Pressures	3,625		(873)		2,752
Legal	415		(160)		255
Project Zero	894	(643)	107		358
Reshaping Risk and Investment	2,130		(278)		1,852
Corporate Landlord	3,202	(1,165)	(15)		2,022
Reshaping Assets	52				52
Digital Reshaping	931		(259)		672
Capital Reserves					
Capital	8,318	(4,686)	1,213		4,845
Adaptations Reserve	424				424
Capital Regeneration and Levelling Up	1,884	(950)			934
Sub Total	48,543	(7,864)	(2,118)	0	38,561
Schools	(10,827)				(10,827)
Other Ringfenced Schools Reserves	156				156
School Deficit Reserve	10,827				10,827
Housing Revenue Account	9,913			(5,440)	4,473
Total Reserves	58,612	(7,864)	(2,118)	(5,440)	43,190
To be allocated Schools					(1,792)
To be allocated Corporate					(183)
Adjusted Total Reserves					41,215

5. How evidence has been used to inform the report, including the views of others?

5.1. There is continuous review of the Council's finances which are reported through to Cabinet in Budget and Medium Term Financial Planning updates and quarterly monitoring of revenue and capital budget and treasury forecasts.

6 Next Steps

6.1 The revenue position is reported to SLT on a monthly basis and the steps outlined in this report to mitigate the position will be monitored at Finance SLT alongside the 2026/27 and prior year savings trackers.

7 How does this report support the Vale 2030 and Reshaping?

7.1 The Council's Financial Strategy is continually reviewed alongside Vale 2030 and Reshaping; it is the principal means by which resources are directed to meeting the Council's corporate objectives.

8 How does this support the Five Ways of Working?

8.1 Vale 2030 sets out the Council's ambitions form 2025 through to 20230 and there has been demonstrable Integration in its developing with the Reshaping Programme and Medium Term Financial Plan.

8.2 The Council works well with its partners and this Collaboration also plays a part in the join delivery of services, most notably Shared Regulatory Service, Adoption Service and Regional Internal Audit Service.

Resources

9 Finance

9.1 As detailed in the body of the report.

10 Workforce

10.1 Where any potential employment impacts arise, the Council will follow its existing policies and procedures and ensure that there is full engagement with staff and the Trades Unions.

11 Legal and Equalities

11.1 No Equalities Impact Assessment has been completed at this time. The Council's budget preparation process has due regard to the requirements of the Council's Strategic Equality Plan including the Equalities Act 2010 and Public Sector Equality Duty for Wales. The subsequent development of specific proposals and strategies that form the Council's budget including savings proposals have had Equality Impact Assessments completed as part of budget setting.

12 Key Contacts

12.1 **Who are the primary officers to contact with any comments and/or queries on the report?**

Lead Officer: Matt Bowmer Head of Finance/s151 Officer	Democratic Services Officer: Matt Swindell Cabinet and Committee Services Officer. mlswindell@valeofglamorgan.gov.uk

Appendices

Appendix 1 – Revenue Quarter 1 Position by Service

Appendix 2 – Budget Analysis by Category

Appendix 3 – Learning and Skills

Appendix 4 – Social Services

Appendix 5 – Neighbourhood Services

Appendix 6 – Place

Appendix 7 – Corporate Resources

Appendix 8 – Policy

Appendix 9 – Savings 2026/27 and Prior Year

Background Documents

None.

Appendix 1 Revenue Monitoring Summary

Directorate/Service	Original Budget	Corporate Landlord Virement	Other Virement	Amended Original Budget	Projected Outturn (net of reserve transfers)	Variance	Projected Variance % of Budget	RAG Rating	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000		£'000	
Learning and Skills									
Schools	133,059	-	-	133,059	134,851	- 1,792	1%	Red	Total cumulative schools deficit anticipated at £12.6M
Unplanned Use of Reserves	0	-	-	-	- 1,792	1,792	n/a	Red	
Subtotal Schools	133,059	-	-	133,059	133,059	-	0%		
Strategy, Culture, Community Learning & Resources	5,900	- 115	-	5,785	5,830	- 45	1%	Amber	
Directors Office	269	-	-	269	249	20	-7%	Green	
Additional Learning Needs & Wellbeing	9,878	-	-	9,878	9,848	30	0%	Green	
Standards and Provision	3,203	-	-	3,203	2,986	217	-7%	Green	
School Transport	-	-	-	-	504	- 504	n/a	Red	
Total Learning and Skills (incl. Schools)	152,309	- 115	-	152,194	152,476	- 282	0%		
Social Services									
Children and Young People and Youth Justice	27,645	- 47	- 16	27,582	26,917	665	-2%	Green	
Adult Services	77,185	- 148	210	77,247	78,261	- 1,014	1%	Amber	
Resource Management & Safeguarding	9,439	- 324	- 45	9,070	8,992	78	-1%	Green	
Total Social Services	114,269	- 519	149	113,899	114,170	- 271	0%		
Environment and Housing									
Neighbourhood Services & Transport	27,300	- 189	-	27,111	28,052	- 941	3%	Red	Amended original 1.4M overspend, as removed Schools transport 0.5M to be funded by Schools
Building Services	688	- 422	-	266	266	-	0%	Green	
Building/Cleaning Services	1,114	- 1,114	-	-	-	-	0%	Green	Added £45k o/s onto CL
Regulatory Services	1,634	-	-	1,634	1,634	-	0%	Green	
Council Fund Housing	1,947	-	-	1,947	1,657	290	-15%	Green	£81k re PCC, grant utilised on staffing and £205k u/s on homelessness (NOLO grant trf into base budget 2425)
Public Sector Housing (HRA)	- 149	-	-	- 149	5,440	- 5,589		Green	
Use of Reserves HRA	149	-	-	149	- 5,440	5,589		Green	
Total Environment and Housing	32,683	- 1,725	-	30,958	31,609	- 651	2%		
Corporate Resources									
Resources	17,317	2,301	76	19,694	20,266	- 572	3%	Red	£45k o/s on BCS mainly relating to Dock Offices Apr to June26. Sent through corrected Corp. Landlord budget but not updated on here yet.
Housing Benefit	- 431	-	-	- 431	- 351	- 80	-19%	Red	
Total Corporate Resources	16,886	2,301	76	19,263	19,915	- 652	3%		
Place									
Regeneration	1,654	58	-	1,712	1,712	-	-	Green	
Sustainable Development	1,507	-	-	1,507	1,507	-	-	Green	
Total Place	3,161	58	-	3,219	3,219	-	0%	-	
Policy									
Members and Democratic	1,878			1,878	1,878	-	0%	Green	
General Policy	1,912		- 225	1,687	912	775	-46%	Green	Contingency Budget Surplus
Borrowing and Investments	8,301			8,301	6,502	1,799	-22%	Green	Some projected surplus due to investment income in year
Levies and Precepts	9,025			9,025	9,025	-	0%	Green	
Insurance	1,880			1,880	1,880	-	0%	Green	
Council Tax Reduction Scheme and Arrears	12,999			12,999	13,900	- 901	7%	Red	Overspend of £1m on Council Tax Reduction Scheme
Council Tax Surplus									
Total Policy	35,995	-	- 225	35,770	34,097	1,673	-5%		
Unplanned Use of Reserves Corporate					- 183	183			
Grand Total	355,303	-	-	355,303	355,303	-	0	-	

Appendix 1 Funding Summary

Funding	£'000
Revenue Support Grant	- 194,017
NDR Contribution from Pool	- 46,117
Council Tax Arrears	- 1,242
Council Tax	- 113,927
Total Funding	- 355,303

Appendix 1 Use of Reserves Summary

Summary Use of Reserves			
	Use of	Transfers I	Total
Planned	£'000	£'000	£'000
Learning and Skills	1,458		1,458
Social Services	160		160
Neighbourhood Services Excl HRA	380		380
Corporate Resources	695		695
Place	785		785
Policy		- 1,362	- 1,362
Total	3,478	- 1,362	2,116
Unplanned			
Schools	1,792	-	1,792
Corporate	183		183
Other			
Capital	7,864		7,864
HRA	5,440		5,440
Total Projected Movement on Reserves			17,395

Projected Balance of Reserves	37,085

Appendix 2 Outturn Revenue Monitoring Summary

Directorate/Service	Budget								
	2026/27								
	Employees	Other Expenditure	CERA	Use of Reserves	Total Expenditure	Grant Income	Other Income	Total Income	Net Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Learning and Skills									
Schools	146,613	23,779		-5,311	165,080	-23,556	-8,466	-32,021	133,059
Subtotal Schools	146,613	23,779	-	-5,311	165,080	-23,556	-8,466	-32,021	133,059
Strategy, Culture, Community Learning & Resources	7,148	2,457	-231	-43	9,331	-2,853	-693	-3,546	5,785
Directors Office	269	-	-	-	269	-	-	-	269
Additional Learning Needs & Wellbeing	3,573	7,621	-	-	11,194	-615	-701	-1,316	9,878
Standards and Provision	3,902	1,380	-	28	5,310	-2,106	-	-2,106	3,204
Total Learning and Skills (incl. Schools)	161,505	35,236	-231	-5,326	191,184	-29,130	-9,860	-38,990	152,194
Social Services									
Children and Young People	8,279	20,769	-	-159	28,889	-1,307	-	-1,307	27,582
Adult Services	13,365	80,333	-	-	93,698	-8,833	-7,618	-16,451	77,247
Resource Management & Safeguarding	10,395	1,513	-	-	11,908	-463	-2,375	-2,838	9,070
Total Social Services	32,039	102,615	-	-159	134,494	-10,602	-9,993	-20,595	113,899
Environment and Housing									
Neighbourhood Services & Transport	14,430	23,711	-	-	38,141	-4,445	-6,584	-11,030	27,111
Building Services	984	-718	-	-	266	-	-	-	266
Building/Cleaning Services					-	-	-	-	-
Regulatory Services	21	1,954	-	-	1,975	-	-341	-341	1,634
Council Fund Housing	1,278	6,904	-	-	8,182	-5,902	-333	-6,235	1,947
Public Sector Housing	-	-	-	-	-	-	-	-	-
Total Environment and Housing	16,713	31,850	-	-	48,563	-10,347	-7,258	-17,605	30,958
Corporate Resources									
Resources	20,884	7,977	-	-774	28,087	-988	-7,405	-8,393	19,694
Housing Benefit	-	21,088	-	-	21,088	-21,519	-	-21,519	-431
Total Corporate Resources	20,884	29,065	-	-774	49,175	-22,507	-7,405	-29,912	19,263
Place	5,173	1,448	-	-146	6,475	-971	-2,285	-3,256	3,219
					-				
Total Place	5,173	1,448	-	-146	6,475	-971	-2,285	-3,256	3,219
Policy									
Policy	271	23,267	-	538	24,077	-	-1,306	-1,306	22,771
Council Tax Reduction Scheme		12,999			12,999		-	-	12,999
Total Policy	271	36,266	-	538	37,076	-	-1,306	-1,306	35,770
Grand Total	236,584	236,482	-231	-5,868	466,967	-73,558	-38,107	-111,664	355,303

Appendix 3	**Quarter 2 Monitoring 2026/27**
Directorate	**Learning and Skills**

Learning and Skills Summary

Note the budget has been reduced by £115k for the corporate landlord transfer in relation to the libraries service.

WG has recently allocated an addition £2.1M to schools under the Local Authority Education Grant for Additional Learning Needs which has had a positive impact on school projections for the 2026/27 financial year, however this one off funding has not changed the in-year position for future financial years.

Directorate/Service	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
Learning and Skills				
Schools	133,059	134,851	**(1,792)**	
Unplanned use of school reserves	0	-1,792	1,792	(1,792)
Subtotal Schools	**133,059**	**133,059**	**0**	**(1,792)**
Directors Office	269	249	20	0
School Transport Overspend	0	504	**(504)**	0
Strategy, Culture, Community Learning & Resources	5,785	5,830	**(45)**	(1,378)
Additional Learning Needs & Wellbeing	9,878	9,848	30	(81)
Standards and Provision	3,203	2,986	217	0
Total Learning and Skills (excl. Schools)	**19,135**	**19,416**	**(282)**	(1,459)
Total Learning and Skills (incl. Schools)	**152,194**	**152,476**	**(282)**	(3,251)

Delegated Schools

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
Schools	133,059	134,851	(1,792)	
Use of Reserves (Schools)	0	(1,792)	1,792	(1,792)
Total	**133,059**	**133,059**	**0**	**(1,792)**

Quarter 2 Monitoring Headlines for Schools

Table summarising projected school balances as at 31st March 2026

The table below identifies Schools cumulative balances projected for the period, which incorporates both the in-year deficit of £1.792M and the net deficit brought forward at the beginning of the financial year of £10.827M.

30 Schools are anticipated to be in a cumulative deficit position totalling £16.3M by the end of the financial year, whilst 23 schools are anticipated to outturn in a surplus position totalling £3.7M.

Total school balances are therefore projected to reach an overall deficit of £12.6M by 31st March 2026. For the 2026/27 financial year, the In-year deficit is currently anticipated at £1.8M. This position has improved recently due to an additional £2.1M allocated to schools in October 2026 which has been included in these September projections for the quarter 2 monitoring.

The projected outturn for schools may improve further over the course of the financial year, as schools continue to work on their recovery plans, and should more grant funding be made available.

Sector	No. in projected cumulative Surplus	Gross Cumulative Surplus Value	No. in Deficit	Gross Cumulative Deficit value	TOTAL Net Cumulative Balances	In-Year net Surplus/ (Deficit)
	Schools	£'000	Schools	£'000	£'000	£'000
Primary	19	2,050	25	(10,834)	(8,784)	(444)
3-19 schools	1	201	1	(633)	(432)	**216**
Secondary	2	1,142	4	(4,816)	(3,674)	(1,411)
Special	1	271	0	0	271	(153)
TOTAL	**23**	**3,664**	**30**	(16,283)	(12,619)	(1,792)

Directors Office

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
Directors Office	269	249	20	0
Total Directors Office	**269**	**269**	**0**	**0**

Quarter 2 Monitoring Headlines – Directors Office

There is a favourable variance within the Directors office budget due to one flexible retirement position that has not been backfilled.

Transport Variance

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
Transport Variance	0	0	(504)	0
Total Transport Variance	**0**	**0**	**(504)**	**0**

Quarter 2 Monitoring Headlines – Transport Variance

The Education Transport Service is managed within another Directorate; however, any adverse variance is charged to the Learning and Skills Directorate at year end.

The total transport budget of £7.316M is anticipated to overspend by £504k due to a combination of increased demand and rising market costs. There has been a requirement to tender for additional mainstream school transport vehicles to accommodate increased pupil numbers. Any new tender prices are significantly impacted by increased fuel and operating costs. Further budget pressures have arisen from the opening of the special school at Cosmeston, Ysgol Llyn Derw which has required the introduction of additional transport.

The £504k total overspend is the net position after offsetting adverse variances on ALN (£398k) and Secondary mainstream (£162k) against favourable variances on primary (£4k) and Post 16 Education (£52k).

The transport projected adverse variance has improved from the Qtr 1 reported projection of £644k, due to the implementation of the ALN transport policy for the new academic year which has resulted in a reduction in transport provision for a number of learners which is anticipated to deliver academic year savings of £132k. This saving is already accounted for within these projections.

Strategy Community Learning and Resources

Outturn Summary	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
Non-Delegated Schools Expenditure	1,044	1,054	(10)	(1,328)
Strategy and Resources	2,450	2,377	73	(49)
Culture and Community Learning	1,925	2,033	(108)	0
Prevention and Partnership	366	366	0	0
Total Strategy Community Learning and Resources	**5,785**	**5,830**	**(45)**	**(1,377)**

Quarter 2 Monitoring Headlines – Strategy, Community Learning and Resources

Virement – Strategy, Community Learning and Resources

A virement of £115k has been actioned from the Culture and Community learning Budget in respect of the Corporate landlord budget for libraries.

Favourable Variances – Strategy, Community Learning and Resources

- Historic Pensions projected favourable variance £16k.
- Staffing underspends within Strategy and Resources teams due to part year vacant posts and flexible use of grant income £99k.

Key Pressures – Strategy, Community Learning and Resources

- The Arts Development Service budget was removed as a 2023/24 financial year efficiency saving. The 2026/27 anticipated overspend of £69k represents the net costs of the service which has no budget.
- The Adult Community Learning Service is anticipated to outturn at an adverse variance of £35k due to income targets and efficiency savings set in previous financial years.
- The union reimbursement budget is anticipated to overspend by £16k.
- The libraries service is anticipating to overspend by £4k due to income targets in relation to previously allocated efficiency savings, and unmet pay awards from 2024/25 and 2025/26.
- The Penarth Pavilion has a nil budget as it is assumed that income generated will cover all costs. In the 2025/26 financial year, the Pavilion out turned at a deficit of £80k. The Library and Cultural Services Manager has projected to generate sufficient income to cover the costs of the Pavilion for the current financial year. This area will be closely monitored.
- Software licences for schools are anticipated to outturn at £28k higher than the identified budget.
- The cost of early retirements and voluntary redundancies in schools is estimated to cost 1.086M. A transfer of £873k will be required from the Early retirement fund to support schools with these transformational costs.
- A transfer of £130k will be actioned from the Education pressures reserve towards the cost of temporary demountable buildings at Ysgol Y Deri.
- The Education pressures reserve will be used to fund £49k of transformational support costs for schools including the consultation fees and the employment of a school deficit advisor post within the finance team to support the monitoring of school recovery plans.

- £283k will be transferred from the Education Pressures reserve to support schools causing concern, (Llantwit and Pencoedtre). Should Welsh Government make a grant available for this purpose, the reserve transfer will not be required.
- A reserve transfer of £42k will be actioned from the catering equipment reserve in respect of kitchen equipment purchased for schools by the Big Fresh Catering Company.

Additional Learning Needs (ALN)

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
ALN Provision	8,683	8,601	82	(81)
Out of County income	(701)	(635)	**(66)**	0
ALN LA Support	1,896	1,882	14	0
Total Additional Learning Needs	**9,878**	**9,848**	**30**	**(81)**

Quarter 2 Monitoring Headlines – Additional Learning Needs

The ALN budget is split into three main headings,

- ALN provision, which covers the cost of any internal or external provision for pupils,
- ALN income from other LAs in respect of pupils from other Counties in Ysgol Y Deri and other Vale of Glamorgan ALN Provision
- ALN LA Support, which covers the cost of the ALN Support teams within the LA.

Favourable Variances – ALN & Wellbeing

- The pupil placement budget for pupils either place out of county or in an Independent provision is projected to underspend by £94k, which is partly due to flexible use of the ALN provision grant. The £94k underspend will be partly offset by a transfer of £45k to four secondary schools to support the transition of year 6 pupils requiring one to one support.
- Flexible use of grant income has resulted in a small saving on salaries within ALN totalling £27k and a further £33k on resource bases.

Key Pressures – ALN & Wellbeing

- The Out of County Income target of £701k is projected to outturn at an adverse variance of £66k. The number of pupils in Ysgol Y Deri, from other Local Authorities continues to reduce each year.
- Usually, the service is charged for 10% of the overspend on the Pooled LAC budget which is retained in Social Services. In recent financial years this overspend has been in excess of £100k, however early projections provided have advised that there is no anticipated overspend for the current financial year.

Standards and Provision

Monitoring Summary	Adjusted Original Budget	Projected Outturn 2026/27	Variance	(Use of Reserves)/ Transfer to Reserves
	£'000	£'000	£'000	£'000
School Improvement	680	493	187	
Inclusion and Youth Services	2,436	2,406	30	
Learning Link's/Vulnerable groups	87	87	0	
Total Standards and Provision	**3,203**	**2,986**	**217**	

Quarter 2 Monitoring Headlines -Standards and Provision

Favourable variances – Standards and Provision

The School Improvement budget is projected to outturn at a favourable variance of £188k due to the following

- £118k saving on the Vale Contribution to the Central South Consortium (CSC) Professional Learning Regional Body. The Directorate has made use of the Local Authority Education Grant to contribute to the annual payment of £753k which has resulted in a favourable variance in the current financial year.
- The disbanding of the original CSC resulted in a surplus within the CSC accounts which was shared with the five local authorities. The Vale of Glamorgan share of this of £67k was received in the 2026/27 financial year

Key Pressures – Standards and Provision

- No pressures to report

Learning and Skills Reserve Summary - Total Transfers to and (-From) Reserves

Reserve Name	2026/27 Reserve Movements	Transfer to/(from) reserves
	Brief Description of purpose of drawdown	**£'000**
School Reserves (increase to negative position)	The In-year net deficit for schools is currently projected at £1.792M. It is anticipated that this figure will decrease by year end, as schools continue to refine recovery plans. The deficit will also reduce where additional grant funding is made available by Welsh Government. This would put the cumulative position of schools' balances into an overall net deficit of £12.6M.	(1,792)
Early Retirement Fund	Redundancy and pension strain costs in relation to school deficit recovery.	(873)
Education Pressures Reserve	Schools causing concern – support to Pencoedtre High School.	(99)
Education Pressures Reserve	Schools causing concern – support to Llantwit High School.	(184)
Education Pressures Reserve	Lease cost of two demountable buildings at Ysgol Y Deri.	(130)
Education Pressures Reserve	School transformation support including consultation fees and a school recovery plan monitoring position	(49)
Education Pressures Reserve	Jenner Primary School ALN resource base	(81)
Catering Equipment Reserve	Transfer from Catering Equipment reserve for purchase of kitchen equipment in schools	(42)
Total Use of Reserves		**(3,250)**

Savings – Learning and Skills

2026/27 Savings	Risk	£'000 Target	£000's Value Achieved
Challenging the culture with regards to ALN value for money in mainstream schools through self-evaluation reform with school governance - reduction in funding for Ysgol Y Deri partially offset by an increase in mainstream school ALN funding.		61	61
Special school model review (including Derw Newydd, Outreach, the engagement service and early intervention base)		99	99
Use of Welsh in Education grant to fund core services including Welsh Immersion and the WESP Officer		160	160
		320	**320**

	%
Proportion of Savings Achieved and Mitigated	100
Savings not achieved in year	0

The table below identifies unmet efficiency savings allocated in previous years.

Previous year savings (unmet)	Risk	£'000 target	£'000 Value Achieved/ Mitigated
Review Arts Provision		65	0
Libraries Income Generation		60	52
ACL Old Hall funded courses		40	10
TOTAL Unmet savings from previous financial years		**165**	**62**

Learning and Skills Summary

The Directorate is predicting to outturn at an adverse variance of £282k which is driven by the £504k overspend on Education Transport. These overspends have been partly met through the favourable variances within the school improvement budget and the offset with underspends on school improvement.

The Directorate is heavily reliant on grant funding to meet the cost of core services, in particular the £1M ALN grant.

Appendix 4	**Quarter 2 Monitoring 2026/27**
Directorate	**Social Services**

Social Services Summary

Directorate/Service	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Social Services				
Children and Young People	27,582	26,917	665	160
Adult Services	77,247	78,261	(1,014)	-
Resource Management & Safeguarding	9,070	8,992	78	
Total Social Services	**113,899**	**114,170**	**(271)**	**160**

Children and Young People

Directorate/Service	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Children and Young People	27,582	26,917	665	160

Quarter 2 2026/27 Monitoring Headlines for Children and Young People Services

The current projected outturn for CYPS is an underspend of £665k.

The external placements budget is showing a current underspend of £885k. This a positive position, reflecting an overall reduction in the number of children looked after, from 355 at the beginning of the financial year to 335, a reduction in the overall number of residential placements from 25 this time last year to 17 currently. The number of IFA placements has also reduced from 90 at the beginning of the financial year to 80. It is important however to remember, demand for children's placements remains highly fluid, and changes in spend can go up as well as down.

The underspend against external placements is being reduced by overspends elsewhere, including the saving against agency staff of £214k which was incorrectly included in the budget programme as a saving against budget and not against spend. Spend on agency staff has continued to reduce year on year.

Adult Services

Directorate/Service	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Adult Services	77,247	78,261	(1,014)	-

Quarter 2 2026/27 Monitoring Headlines for Adult Services

The projected outturn for the Adult Services budget for 2026/27 is an adverse variance of £1,014k. The adverse variance is attributable to the following:

The Community Care budget is projected to be overspent by £2,444k. This includes all external residential care, home care, direct payments, respite and supported accommodation payments. This is offset during the year by deferred income receipts, as past costs are recouped from house sales. The deferred income projected outturn is currently £198k over target. The projected overspend is further offset by grant income and team underspends (mostly relating to staffing vacancies).

The Community Care Budget is the key pressure on the Adult Services budget in 2026/27. This is due to rising demand, particularly for older people, and increased costs coupled with a limited market for new complex case placements.

At the end of September 2026, there are 1,134 people in receipt of domiciliary care services compared with 1,027 people in September 2024. In the same time period, the number of care hours commissioned has risen from 16,026 to 18,082.

Impacting on spend are the changes made to National Insurance and Real Living Wage, which have seen a rise in cost for services, in particular care workers salaries and employer on-costs.

The average cost of residential and nursing care rose by 9.7% from 2024/25 to 2025/26, equating to an additional average £113 per week for placements in care homes.

Highly specialist placements for people who present with a range of complexities that need specialist support continue to be costed according to need, and are often joint arrangements between multiple partners. These placements are typically bespoke in nature, resulting in a higher cost.

Resource Management and Safeguarding

Directorate/Service	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Resource Management and Safeguarding	9,070	8,992	78	

Quarter 2 2026/27 Monitoring Headlines – Resource Management and Safeguarding

The Resource Management and Safeguarding services budget for 2026/27 has a positive variance of £78k This positive variance is attributable to:

Residential Homes currently has an underspend of £71k which is reflected by an underspend in staffing due to the £300k cost pressure received and allocated to staffing budgets. Additionally, there is a large spend of agency and sickness cover costs against Residential Homes which could decrease the underspend if costs continue to rise.

There are some pressures Resource Management and Safeguarding faced, including the following: Safeguarding and Service Outputs service due to the use of agency staff in the children's safeguarding service.

Transfers to and from Reserves Social Services

Reserve Name	2026/27 Reserve Movements	
	Brief Description of purpose of drawdown	£000's
Planned and Ringfenced Use of Reserves		
CYPS Legal	Draw down to fund CYPS Complex Legal Cases in 26/27	160
Total Use of Reserves		160

Savings – Social Services

Progress against savings is identified in the table below.

2026/27 Savings	Risk	£000's Target	£000's Value Achieved/ Projected
Releasing time to care	Amber	350	0
Complex Cases Review	Green	250	250

Reablement "intake" model of care & implementing a strengths-based practice model	Green	200	200
Residential Accommodation for children	Amber	275	275
Pre Birth Pathway - partly legal budget	Amber	74	74
Independent Fostering Agency placements for children	Amber	45	45
Telecare Expansion & fee review	Green	30	30
Increase Income	Amber	40	3
Adult Transport Review	Green	10	0
Agency Review Adult Services	Green	10	10
Direct Payment Processes	Green	10	8
Deferred Income/Property Payments	Amber	250	104
Regional Projects Review	Green	100	100
Agency Review - Children and Young People Services	Amber	78	78
Total		**1,722**	**1,177**

Proportion of Savings Achieved and Mitigated	66%
Savings not achieved in year (to date)	34%

Appendix 5	**Quarter 2 Monitoring 2026/27**
Directorate	**Neighbourhood Services and Housing**

Neighbourhood Services and Housing Summary

Directorate/Service	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Environment and Housing				
Neighbourhood Services & Transport	27,111	28,052	(941)	0
Building Services	266	266	0	0
Regulatory Services	1,634	1,634	0	0
Council Fund Housing	1,947	1,657	290	(380)
Public Sector Housing (HRA)	(149)	5,440	0	5,589
Use of Reserves HRA	149	(5,440)	0	(5,589)
Total Environment and Housing	30,958	31,609	(651)	(380)

Neighbourhood Services & Transport

Monitoring Summary	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Support and Emergency Planning	681	681	0	0
Engineering, Structures and Highways Development	1,232	1,706	(474)	0
Car Parks	(1,008)	(717)	(291)	0
Waste, Parks and Highways Operational	17,439	17,756	(317)	0
Transportation and Enforcement	8,724	8,583	141	0
Leisure and Community Centres	43	43	0	0
Total Neighbourhood and Transport	27,111	28,052	(941)	0

Quarter 2 2026/27 Monitoring Headlines for Neighbourhood Services and Transport

Neighbourhood Services is forecasting a £941k overspend at the end of 2026/27 this is predominantly made up of pressures in Operational Highways and non delivery of Car Park and Enforcement income targets.

Operational Highways is overspending due to expenditure against highways maintenance the expected overspend against this budget line is £474k.

Car Park income targets were based on the ability to charge for parking in more areas across the Vale these areas were subsequently withdrawn by cabinet decision shortly after their introduction. This has resulted in projected £291k under delivery of the income target.

Within Engineering the £160k overspend is related to increase in vehicle and salary charges within Winter Maintenance due to recent vehicle additions and market forces costs for HGV drivers, there is also overspends due to historic income budget not being achieved which are currently being reviewed.

Building Services

Monitoring Summary	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Building Services	266	266	0	0

This budget predominantly delivers schemes on behalf of the Housing Revenue Account following restructure associated with the establishment of a Corporate Landlord Model and expected to outturn on budget in 2026/27.

Regulatory

Monitoring Summary	Adjusted Revised Budget	Outturn	Variance	Use of Reserves
	£'000	£'000	£'000	£'000
Regulatory Services	1,634	1,634	0	0

Quarter 2 2026/27 Monitoring Headlines for Regulatory

General Fund Housing

Monitoring Summary	Adjusted Revised Budget	Outturn	Variance	Use of Reserves
	£'000	£'000	£'000	£'000
General Fund Housing	1,947	1,657	290	-380

Quarter 2 2026/27 Monitoring Headlines for General Fund Housing

Planned use of reserves is to fund the resettlement which is tariff funded. The expected transfer to reserves in 2026/27 is £380k which is be used to mainly fund staffing along with some non staffing expenditure. The funds held in this reserve are ring fenced specifically for resettlement.

Housing Revenue Account (HRA)

2026/27		2026/27

Original Budget		Projected Outturn
£000		£000
	Expenditure	
4,819	Supervision & Management – General	5,616
1,875	Supervision & Management – Special	2,121
6,725	Repairs & Maintenance	7,725
7,626	Capital Financing Costs	5,990
269	Rent, Rates, Taxes & Other Charges	276
720	Increase in Provision for Bad Debts	121
6,657	Capital Expenditure from Revenue Account (CERA)	12,505
28,691		34,354
	Income	
(27,350)	Dwelling Rents	(27,368)
(205)	Non Dwelling Rents	(178)
(222)	Interest	(351)
(763)	Charges For Services and Facilities	(728)
(95)	Contribution towards expenditure	(84)
(205)	Grant Income	(205)
(28,840)		(28,914)
(149)	(Surplus)/ deficit for the year	5,440
2026/27 Original Budget		2026/27 Projected Outturn
£000		£000
(4,325)	Balance Brought Forward as at 1st April (Surplus)/Deficit	(9,914)
(4,474)	Balance Carried Forward as at 31st March (Surplus)/Deficit	(4,474)

Quarter 2 2026/27 Monitoring Headlines for Housing Revenue Account

The HRA working balance ended in a higher balance in 2025/26 due to the capital program being funded by more borrowing. The increase in CERA £5.848m is to bring back the HRA working balance back into line with the Housing Business Plan 2026-27. CERA is the revenue contribution to fund capital expenditure which will reduce the borrowing cost in 2026/27.

The HRA budget estimates 2026/27 will be revised and presented to cabinet in November 2026.

Transfers to and From Reserves Neighbourhood Services and Housing

Reserve Name	**2026/27 Reserve Movements**	
	Brief Description of purpose of drawdown	**£000's**
Planned Use of Reserves		

Homelessness & strategy	To fund the Resettlement Team which is Tariff based	(380)

Savings – Neighbourhood Services and Housing

Progress against savings is identified in the table below.

2026/27 Savings	Risk	£000's Target	£000's Value Achieved/ Mitigated
Traffic Management Procurement Opportunities	Amber	50	50
Transport policy – create transport policy for ALN pupils and review current arrangements to fund transport of pupils in specialist provision.	Red	118	0
Neighbourhood Services Inflationary Income Increase	Green	170	170
Coastal Regeneration & Commercial Opportunities	Green	50	50
New Memorials (Barry Island bricks)	Amber	10	10
Tree External Works	Green	10	10
Open Space Income Generation Opportunities	Amber	20	20
Roundabout Advertising	Green	25	25
Fleet Hire (Internal employees/private use)	Amber	5	0
		458	335

	%
Proportion of Savings Achieved and Mitigated	73%
Savings not achieved in year (to date)	27%

Appendix 6	**Quarter 2 Monitoring 2026/27**
Directorate	**Place**

Place Summary

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£'000	£'000	£'000
Regeneration	1,712	1,712	0	378
Sustainable Development	1,507	1,507	0	407
Total Place	3,219	3,219	0	785

Regeneration

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Regeneration	1,712	1,712	0	378

Quarter 2 2026/27 Monitoring Headlines for Regeneration

The Shared Prosperity fund completed on 30th September 2026, achieving full spend on revenue. The Local Growth Fund is delivering across many schemes and officers within the Regeneration team are delivering a number of those including the SME Energy Grants and the Busaries scheme. Approximately 40 Expressions of Interest were received under the SME Energy grant with a conversion rate of 22 into full Energy Assessment. The Bursaries grant closes on 16th October 2026 and will provide small capital and revenue grants to newly established businesses. Confirmation of further funding under Local Growth fund for 2027/28 and 2028/29 provides assurance that administration fees will ensure the budget remains on target in the current and future years.

Sustainable Development

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Sustainable Development	1,507	1,507	0	407

Quarter 2 2026/27 Monitoring Headlines for Sustainable Development

The Sustainable Development budget covers Planning and Countryside Services.

Planning income is continuing to be monitored to ensure that it meets the Service target and it is anticipated that following a review of applications received compared to earlier years that the position will improve later in the financial year.
The Countryside budget is currently on target.

Transfers to and From Reserves - Place

Reserve Name	2026/27 Reserve Movements	
	Brief Description of purpose of drawdown	**£000's**
Planned and Ringfenced Use of Reserves		
Place (PFN Grant)	Plan for Neighbourhood - Capacity building grant which is paid in advance by UK Government but in the Memorandum of Understanding it needs to be ringfenced for use on Barry Town fund.	178
Place	New Fence line/Conservation works	8
Cosmeston Car Parking	Invertebrate survey/grazing field	10
Cosmeston Car Parking	Environmental ecology survey East Lake	27
Cosmeston Car Parking	Cogan Wood Management plan	12
Cosmeston Car Parking	Visitor centre Boiler upgrade	8
Place	RLDP	277
Place	Regional SDP	40
Place	Potential shortfall in planning fees	25
Place	Economy and Trade Events	5
Place	Agri-Hub work	15
Place	Placemaking revenue preparatory (Feasibility)	20
Place	Wilko revenue preparatory costs	50
Place	Wilko running costs	50
Place	Data Cymru/Cisco (Smart Towns)	10
Place	Events funding	20
Place	Destination Marketing campaign	15
Place	Visit the Vale running costs	10
Place	Replacement ICT	5
Total Use of Reserves		785

The figure for £178k is grant that was awarded and paid in advance under the UK Government Plan for Neighbourhood Barry Town Grant. The capacity building grant is ringfenced for the sole purpose of delivering this grant in future years.

Savings – Place

Progress against savings is identified in the table below.

2026/27 Savings	Risk	£000's Target	£000's Value Achieved/ Projected
Further income from raised Planning fees		20	20
Focus on jobs and merging responsibilities		40	40
Countryside income and opportunities		10	10
End Stronger Communities Grants		12	12
Total		**82**	**82**

	%
Proportion of Savings Achieved and Mitigated	100
Savings not achieved in year	0

Prior year savings target for further income from raised planning fees has not yet been achieved in 2025/26. Fees are being monitored regularly to determine if there is any reason for this. Measures are being looked at to possibly introduce a fee for applications which are submitted on a paper basis rather than through the portal. The figure for 2026/27 at this point is higher than this point in 2025/26 and significant fees in the next two quarters including major housing and renewable applications.

The remaining savings have been achieved in the sum of £62k.

Place Summary

The Place budget is expected at this stage to breakeven at year-end, though the planning fee position will be monitored during the year.

Appendix 7	**Quarter 2 Monitoring 2026/27**
Directorate	**Corporate Resources**

Corporate Resources Summary

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Digital	5,386	5,496	(110)	335
Human Resources and Payroll	1,850	1,840	10	32
Legal and Democratic	3,695	3,867	(172)	192
Financial Services	5,031	5,015	16	0
Corporate Landlord	2,996	3,422	(426)	15
Strategy	736	626	110	121
Housing Benefit	(431)	(351)	(80)	0
Total Corporate Resources	**19,263**	**19,915**	**(652)**	**695**
Unplanned Use of Reserves	0	0	0	0
Total Corporate Resources	**19,263**	**19,915**	**(652)**	**695**

Resources

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Digital	5,386	5,496	(110)	335
Human Resources and Payroll	1,850	1,840	10	32
Legal and Democratic	3,695	3,867	(172)	192
Financial Services	5,031	5,015	16	0
Corporate Landlord	2,996	3,422	(426)	15
Strategy	736	626	110	121
Total	**19,694**	**20,266**	**(572)**	**695**

Quarter 2 2026/27 Monitoring Headlines for Resources

The provisional outturn for the Resources budget at Outturn at 2026/27 is an adverse variance of £572k.

- Unrealised savings assigned to the Docks Offices, and a projected overspend in Adult Social Services premises and Building, Cleaning, and Security teams has contributed to the Corporate Landlord outturn overspend position of £426k.
- Legal & Democratic Services are projected to have an adverse variance of £172k caused by historic income targets now unachievable, reliance on consultancy/agency staff, and an increased contribution required to the Joint Coroner Service.
- Digital has a projected adverse variance of £110k due to an overspend in schools' firewalls and Ransomcare provision.
- The adverse variances of £708k above have been offset by favourable variances of £110k in the Strategic Advisory Service, £16k in Financial Services, and £10k in Human Resources.

Housing Benefit

	Adjusted Original Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Housing Benefit	(431)	(351)	(80)	0

Quarter 2 2026/27 Monitoring Headlines for Housing Benefits

The projected outturn for the 2026/27 Housing Benefit budget is an adverse variance of £80k. The Housing Benefit budget is under pressure for two main reasons:

- Reduction of the administration grant from the Department of Work and Pensions (DWP) to run the service.
- As more claimants move over to Universal Credit, the Council's active caseload is falling. The reduction in caseload will limit the Council's ability to recover older overpayments from ongoing benefit awards. As a result, because we can no longer make these specific types of recoveries, the Council will not benefit from the increased subsidy income.

Transfers to and From Reserves Corporate Resources

Reserve Name	**2026/27 Reserve Movements**	
	Brief Description of purpose of drawdown	**£000's**
Planned and Ringfenced Use of Reserves		
Graduate Trainee Reserve	Communication & Strategy Interns	73
Corporate Resources Reserve	Temporary staff engagements (Communications and Strategy & Sustainability)	48
Electoral Registration Reserve	Baruc by-election costs following Senedd Election	22
Reshaping Reserve	Temporary Engagements (Business Improvement Team)	76
Reshaping Reserve	Transformation Team	170
Reshaping Reserve	Overseas Post and Temporary Admin Post	32
Digital Reserve	Temporary Junior ICT Officer	25
Digital Reserve	Digital projects inc. AWS Cloud Migration	200
Digital Reserve	Call Centre Automation	34
Corporate Landlord Reserve	Leisure Centre Condition Surveys	15
Use of Reserves		**695**

Savings – Corporate Resources

Progress against savings is identified in the table below.

2026/27 Savings	Risk	£000's Target	£000's Value Achieved/ Projected
Corporate Landlord		85	85
Registrars' income		50	50
HR income – Shared Cost AVCs		6	6
ICT budget reduction		10	10
Managed headcount reduction (full year effect)		25	25
Total		**176**	**176**

Proportion of Savings Achieved and Mitigated %	100
Savings not achieved in year %	0

Corporate Resources Summary

- The savings target of £350k in respect of evacuating the Docks Offices is not expected to be fully achievable during 2026/27. Additional security and cleaning savings of £68k have been achieved, along with part-NNDR relief of £86k achieved in-year, and £12k due to relocation of RAS Team to Ty Jenner
- A Corporate Landlord saving's target of £85k was assigned ahead of 2026/27 which is not currently projected to be achieved during the year. The initial staffing restructure has identified savings of £40k but it will not be known if these have been achieved during the year until Q3.
- There are also further overspends in Office Accommodation due to increased utility costs estimated to be £48k over budget, unachievable income of £29k due to Big Fresh & IFST (Fostering) relocating to non-council premises, and £15k due to relocation of the RAS from the Docks Office to Ty Jenner at lower rent, and ongoing repairs and maintenance costs.
- There are also projected overspends in Building Cleaning and Security (£45k) and Adult Social Services premises sites (£110k) that will be transferred to Corporate Landlord in Q2.
- The prior year saving of £10k for the Granicus Module has been transferred to C1V and will be considered as part of a wider restructuring of the C1V supplies and services budget. The Welsh translation prior year saving is currently in the process of adopting the Amazon translation service, but services from Cardiff County Council are still required to date.
- Legal Services have had to continue Consultancy & Agency arrangements to cover vacancies, specifically in the Community Services team where cover is required in both the Principal and Senior Lawyer posts. The full-time Consultancy arrangement ended on 30th June, but services were still required in ongoing cases until mid-October. A locum Senior Lawyer has also been required for Adult Social Services cases but without base funding. This is expected to continue until year-end at a projected cost of £106k.
- Legal & Democratic Services have historic income targets that are no longer realisable; including a £61k from a previous arrangement to provide legal support Cardiff CC & Town Councils, a £35k shortfall in insurance receipts, and a £49k projected shortfall in Land Charges Search fees.
- The centralised corporate postages budget within Democratic Services was previously projected to be overspent by £185k. This budget will be corrected by a Q2 virement of £185k from Policy and therefore has reduced the previously reported overspend.

- The required contribution to the Joint Coroner Service has increased by 14% to £563k per annum ahead of 2026/27. Following a £70k cost pressure ahead of this year, the budget is currently £515k. The service's Q2 outturn position estimates a £23k overspend.
- Digital are projected to be overspent due to £75k due to the schools' firewall, and £45k unplanned expenditure following an unsuccessful project for alternative Ransomcare provision.
- The outturn position reflects the mitigation of a number of these items through underspends within the resources budget.

Appendix 8	**Quarter 2 Monitoring (July to September 2026) 2026/27**
Directorate	**Policy**

Policy Summary

Directorate/Service	Revised Budget	Projected Outturn 2026/27	Variance	Use of Reserves/ (Transfer to Reserves)
	£'000	£000's	£000's	£000's
Members and Democratic	1,878	1,878	0	(42)
General Policy	1,912	912	1,000	(1,320)
Borrowing and Investments	8,076	6,502	1,574	0
Levies and Precepts	9,025	9,025	0	0
Insurance	1,880	1,880	0	0
Council Tax Reduction Scheme and Arrears	12,999	13,900	(901)	0
Council Tax Surplus				
Total Policy	35,770	34,097	1,673	1,362

Quarter 2 Monitoring Headlines for Policy

The General Policy projected at quarter 2 reflects a £1.673m surplus relating an £1.574m surplus relating to charges for external borrowing and a surplus on Investment Income. There is also £1m contingency budget which is offsetting overspends elsewhere in the Council Budget.

There is a significant overspend projected against the Council Tax Reduction Scheme of circa £901k this will be reviewed further as part of the preparation for budget setting with a cost pressure of £1m requested to rightsize the budget.

The capital charges budget is underspent as the Council is currently able to borrow internally due to the level of Council reserves saving the interest costs associated with external borrowing, however, going forward the ability to utilise internal borrowing will depend on the level of reserves and these are expected to reduce in the near future.

The Council has a £1.250m income budget for the collection of Council Tax arrears in 2026/27 and have achieved this in full. At the end of Quarter 2, £2.2m in payments towards Council Tax arrears have been received, with an overall reduction in the arrears level of £2.6m. The Council Tax team have made significant progress in collecting old year arrears over the past two years, alongside a prudent allowance for empty home premiums and continued housing development in the County. At the end of Quarter 2, in year collection was 57.4%, which is 0.5% down on the collection position as at the same period last year. This reduction was anticipated due to the changes in legislation around Council Tax recovery and impacts of these changes are expected to continue to be felt throughout the year. A further review of the Council Tax position will be undertaken as part of the quarter 3 monitoring report.

Transfers to and From Reserves Policy

Reserve Name	2026/27 Reserve Movements	
	Brief Description of purpose of drawdown	**£000's**
Planned and Ringfenced Use of Reserves		
Vehicle Replacement Reserve	Projected Transfer to fund Vehicle Replacements	(1,200)
Elections	Transfer to Reserve Provide for Local Elections	(42)
Energy Management Fund	Repayment relating to decarbonisation investments	(107)
School Investment Strategy Reserve	Surplus on borrowing set aside to fund School Investment Schemes	(13)
Total Use of Reserves		(1,362)

Service - Updated for Q2	Description of Saving Proposal	Saving Category	2026/27 Proposed £000's	Amount Achieved £000's	Amount Mitigated £000's	Amount 2026/27	% Projected Achieved/ Mitigated Full Year	RAG Rating	Impact on Residents Rating	Update	Date Updated	Notes
Reshaping Savings												
Neighbourhood Services and Housing	Traffic Management Procurement Opportunities	TOM Procurement	50	50		50	100%	Amber	Green	All the due dilligence work is now complete as well as the business case and proposed JD's and PS's. There is provision	24/04/2026	Availability of equipment progressing, provision in this year's Neighbourhood Services asset renewal funding towards new equipment agreed.
Neighbourhood Services and Housing	Transport policy – create transport policy for ALN pupils and review current arrangements to fund	Service Transformation	118			0	0%	Red	Amber	Assessment of all pupils currently allocated to ALN school transport underway. Any that live under 2 (primary age pupils)	24/06/2026	The price of fuel costs escalating could have an impact on these savings long term which is being monitore
Learning and Skills	Challenging the culture with regards to ALN value for money in mainstream schools through self-evaluation reform with school governance - reduction in funding for Ysgol Y Deri	Service Transformation	102	102		102	100%	Amber	Amber	We have cut YYD budget by the 102k (so therefore saving has been met), however we haven't reduced the amount of pupils going in. This has led to YYD working more creatively through internal re-organisation of classes and staffing to continue to meet children's needs within the reduced budget. There are concerns around whether this saving is realistic as a year on year/future target (by it being through pupil number reduction).	21/07/2026	Efficiency savings are anticpated centrally as a result of fewer demand on high costs specialist placements and interventions. Mainstream schools will increase capacity to provide inclusive environments for nearly all ALN children. It is antipcated that this will reduce the number of pupils requiring a placement in Ysgol Y Deri, which costs on average £35k per pupil. It is anticpated that there will be a reduction of 5 pupils going into Y Deri In September 2026 and a further 10 pupil reduction in September 2027 and a further 10 from September 2028. (total reduction 25 pupils over three years)
Learning and Skills	Challenging the culture with regards to ALN value for money in mainstream schools through self-evaluation reform with school governance. The saving above from ysgol Y Deri will result in increased costs mainstream which will partially offset the saving	Service Transformation	- 41	- 41		-41	100%	Green	Amber	This additional funding has been given to mainstream schools	21/07/2026	The efficiency saving created above in Ysgol Y Deri, could lead to increased costs for mainstream schools, allbeit at lesser cost than specialist provision
Learning and Skills	Special school model review (including Derw Newydd, Outreach,the engagement service and early intervention base)	Service Transformation	99	99		99	100%	Green	Amber	Saving found through re-structure of enagament service. Budget is now centrally retained.	21/07/2026	Review of engagement service currently delegated to ysgol Y Deri (£1.4M). potential redundancy costs will need to be met. As part of the review, the budget will not be delegated to Y DEri in the formula, but will be centrally retained and transferred to the school in year as part of an SLA agreement.
Social Services	Releasing time to care	Service Transformation	350			0	0%	Amber	Amber	worker on matenity leave		Yr 2 of Saving
Social Services	Complex Cases Review	Service Transformation	250	250		250	100%	Green	Green	Reviews being completed and on target		Reviews being completed and on target
Social Services	Reablement "intake" model of care & implimenting a strengths based practice model	Service Transformation	200	200		200	100%	Green	Green	Criteria amended (stage 1). Service development manager in post and will review. Reablement (Pathways of care) grant available on a recurrent basis		Criteria amended (stage 1). Service development manager in post and will review. Reablement (Pathways of care) grant available on a recurrent basis
Social Services	Residential Accommodation for children	Service Transformation	275	275		275	100%	Amber	Amber	Dependent on CLA population. Significant challenges in this area		
Social Services	Pre Birth Pathway - partly legal budget	Service Transformation	74	74		74	100%	Amber	Amber	Development of new project		
Social Services	Independent Fostering Agency placements for children	Service Transformation	45	45		45	100%	Amber	Amber	Dependant on CLA population		
Corporate Resources	Corporate Landlord*	Service Transformation	85	40	45	85	100%	Amber	Green	Structure currently being consulted on and this will confirm the deliverability of a saving from staffing as well as other budgets.		
Place	Further income from raised Planning fees (implimented in December 2025) Some concerns given audit report ealrier this year.	TOM - Income	20	0	20	20	100%	Amber	Amber			The review of Q1 planning fees does not show an increase on the same quarter in the prior year. Fees are being monitored regularly to determine if there is any reason for this. Measures are being looked at to possilby introduce a fee for applications which are submitted on a paper basis rather than through the portal.
Social Services	Telecare Expansion & fee review	TOM - Income	30	30		30	100%	Green	Green	New website, increased marketing and new fee methodolgy		
Social Services	Increase Income	TOM - Income	40	3		3	8%	Amber	Amber	New starter in Q1 with staff vacancies affecting overall performance in income recovery and financial assessment work		Impact of Universal credit will affect some assessed charges for residents resulting in decreases.
Corporate Resources	Registrars Income	TOM - Income	50	50	-	50	100%	Green	Green	Agreed as part of fees and charges and work is underway to increase further opportunities for income generation.		
Corporate Resources	HR Income - Shared Cost AVCs	TOM - Income	6	6	-	6	100%	Green	Green	This is in addition to prior years and considered a prudent continued increase in shared cost AVCs.		
Neighbourhood Services and Housing	Neighbourhood Services Inflationary Income Increase	TOM - Income	170	170		170	100%	Green	Green	Agreed as part of fees and charges and charges and implemented	24/06/2026	
Neighbourhood Services and Housing	Coastal Regeneration & Commercial Opportunities	TOM - Income	50		50	50	100%	Green	Amber	Workshop facilitated and income ideas generated for teams to consider and propose for trial or implementation. New	24/06/2026	Beach huts new model, overnight camper parking and coastal commercial opportunities such as events, street food, concessions, car boot sales etc.
Neighbourhood Services and Housing	New Memorials (Barry Island bricks)	TOM - Income	10	-	10	10	100%	Amber	Green	Brick designs identified	24/06/2026	Memorial Bricks ordered
Neighbourhood Services and Housing	Tree External Works	TOM - Income	10	10		10	100%	Green	Green	14 schools now on board with tree assessments and the vacant tree officer interviews are scheduled for July 2026. This post will give the team more capacity to take on additional work/clients	24/06/2026	Schools approached re SLA agreement for Trees/grounds maintenance etc
Neighbourhood Services and Housing	Open Space Income Generation Opportunities	TOM - Income	20		20	20	100%	Amber	Amber	Some additional events planned i.e. funfair at Cogan, new music event at Millburn Park, dog parks/dog washing facilities being considered	24/06/2026	Overlaps with coastal commercial opportunities
Neighbourhood Services and Housing	Roundabout Advertising	TOM - Income	25	25		25	100%	Green	Green	One private client on board and further leads being pursued	24/06/2026	Price seems to be a barrier which may need to be reviewed
Neighbourhood Services and Housing	Fleet Hire (Internal employees/private use)	TOM - Income	5			0	0%	Amber	Amber	Assessing the practicality of operating this service internally	24/06/2026	
Total Reshaping Savings			**2,043**	**1,388**	**145**	**1,533**	**1**					

Tactical Savings												
Learning and Skills	Use of Welsh in Education grant to fund core services including Welsh Immersion and the WESP Officer	Tactical	160	160		160	100%	Green	Green		21/07/2026	
Place	Focus on Jobs and merging responsibilities	Tactical	40	40	0	40	100%	Green	Green			Mitigated within service
Place	Countryside income and opportunities	Tactical	10	10	0	10	100%	Green	Green			Income position expected to over achieve at year end
Place	End Stronger Communities Grants	Tactical	12	12	0	12	100%	Green	Green			The fund has ended which in turn has meant the officer's post is no longer required
Social Services	Adult Transport Review	Tactical	10			0	0%	Green	Green	Policy Development. Requires implimentation Day service runs have been reduced.		
Social Services	Agency Review Adult Services	Tactical	10		10	10	100%	Green	Green	Peripetectic post advertised, good level of interest with 9 applications, appointment made and staff member now in post negating need for 1 agency member of staff in LD team		
Social Services	Direct Payment Processes	Tactical	10	8		8	80%	Green	Green	We cautiously feel with the new policy in place that we could make a further saving. However long term sickness absence in the team is impacting on our ability to achieve this saving.		
Social Services	Deferred Income/Property Payments	Tactical	250	104		104	42%	Amber	Amber	Requires monitoring througout year and is dependent on properties being sold and the selling price.		800k less acheived than Q1 in 2025/26 - property market v. slow.
Social Services	Regional Projects Review	Tactical	100	100		100	100%	Green	Green	Extraction from existing arrangements		
Social Services	Agency Review - Children and Young People Services	Tactical	78		78	78	100%	Amber	Red	Dependent on acheiving permanent appointments, including where possible converting agency post holders to permanent.		
Corporate Resources	ICT budget reduction*	Tactical	10	10	0	10	100%	Green	Green	This is the full year effect of having made changes in 2025/26.		
Policy	Mayor's Office budget reduction*	Tactical	14	14		14	100%	Green	Green	This saving is matching the budget to the trend in expenditure over a number of years.		
Corporate Resources	Managed headcount reduction (full year effect)*	Tactical	25	25	0	25	100%	Green	Green	This is the full year effect of having made changes in 2025/26.		
Total Tactical Savings			**729**	**483**	**88**	**571**						
Total Savings			**2,772**	**1,871**	**233**	**2,104**						

Service - Updated for Q2	Description of Saving Proposal	Saving Category	2025/26 Proposed £000's	Amount Achieved Prior Year £000's	Amount Achieved 2026/27 £000's	Total Amount Achieved	% Projected Achieved/Mitigated Full Year	RAG Rating	Update	Date Updated	Notes
Savings Carried Over from 2025-26											
Social Services	Releasing time to care	Service Transform	350	190	160	350	100%	Amber	Year 2 of Saving it is projected that this saving will be achieved in full by year end.		
Social Services	Agency Review	Tactical	10	10		10	100%	Green	Peripetetic social worker now in post	Data amended	
Social Services	Debt Recovery	Tactical	200	27	149	176	88%	Amber	Debt recovery progresses slowly, but vacancies have slowed progress in Q1 for 26/27		
Social Services	Residential Accommodation for children	Service Transform	790	790		790	100%	Green			
Social Services	Pre Birth Pathway	Service Transform	147	147		147	100%	Green			
Social Services	Agency Review	Tactical	136	0	0	0	0%	Amber	Dependent on achieving permanent appointments, including where possible converting agency post holders to permanent.		
Social Services	Independent Fostering Agency placements for children	Service Transform	90	90		90	100%	Green			
Neighbourhood Services	Restructure of Neighbourhood Services management	Service Transform	100	100		100	100%	Green	Not restructured yet but the savings are being met from vacant position and phased retiremennt in the service.		
Neighbourhood Services	Reduce litter bins by a further 25% (post 25% reduction) and reduce service standards for cleaning and public convenience provision across the Vale	Service Transform	200		200	200	100%	Amber	Mitigated within the service		
Neighbourhood Services	Reduction of service standards across Resorts	Service Transform	50		50	50	100%	Amber	Subject to same reshaping programme as Street Cleansing. Reduced use of agency workers. Keeping as amber due to concerns about good weather and how this could impact resort staffing levels. This area will be subject to an Autumn Report.		
Neighbourhood Services	Alternative delivery model for Parks and Open Spaces - A full service Transformation.	Service Transform	270		270	270	100%	Amber	Mitigated within the service		
Neighbourhood Services	Review of service routes and resources	Tactical	15	0	0	0	0%	Amber	Reduced gritting routes, delegation in place to cover up to 10% reduction or increase in treatment. Currently treat 43%, could reduce to 39% if needed.		
Neighbourhood Services	Permanent closure of car park Court Road Multistorey (residual budget)	Tactical	38	0	0	0	0%	Red	These costs are likely to continue for the remainder of this financial year, as the site will be subject to an options appraisal linked to Place plans for Barry.		
Neighbourhood Services	Fleet reduction and efficiency	Service Transform	50	0	0	0	0%	Amber	Update to follow, will involve a full assessment of the utlisation of the Council's fleet to establish which vehicles are under utilised. These should then be disposed of or reutlised into a higher use area.		
Neighbourhood Services	Car Parking Income Coastal locations	TOM - Income	320	0	0	0	0%	Red	Implementation of fees subject to further review.		
Neighbourhood Services	Income from capital projects	Tactical	190	0	0	0	0%	Red	Will not be delivered. Will nedd to be mititgated from the service		
Neighbourhood Services	Declare all Lifeguard buildings surplus for Community Asset Transfer consideration or closure	TOM - Assets	10	0	10	10	100%	Amber	Started discussions with some clubs and in the process of handing back Rhoose Lifeguard club and changing coastal watch centre lease to a full repair and maintenance agreement. Unlikely to be delivered until towards the end of 2025/26.		
Neighbourhood Services	Introduce additional concessions across Neighbourhood Services assets	TOM - Assets	25		0	0	0%	Amber	An EP and a Cabinet Report was agreed to enable the advertisement of new concessions and some are now in place.		
Neighbourhood Services	Community Asset Transfer of assets (Vale wide)	TOM - Assets	25		0	0	0%	Amber	The assets identified for transfer are being managed through the reshaping assets board and will be progressed throughout 2026		
Corporate Resources	Welsh Language Translation: Adopt Amazon Translation Services.	Digital	100	70		70	70%	Amber	Currently in the process of adopting the Amazon translation service, but services from Cardiff County Council are still required to date.	06/11/2026	
Corporate Resources	Eich Lle: Docks Office	TOM - Assets	50	0	0	0	0%	Amber	Saving will not be achieved until 2027/28.	06/11/2026	
Corporate Resources	Communications Licences: Granicus Module	Tactical	10	0	10	10	100%	Amber	Saving has been transferred to C1V budget and has been considered as part of a wider restructuring og the C1V supplies & services budget.	06/11/2026	
Place	Planning Income target – WG fees increase	TOM - Income	70	0	70	70	100%	Green	On target to achieve in 2026/27		
Neighbourhood Services	New camera car and increased enforcement opportunities	TOM - Income	225	0	50	50	22%	Amber			
Social Services	Direct Payment Processes	Tactical	50	46	4	50	100%	Green			
Social Services	Increase Income	Tactical	75	25	3	28	37%	Amber			
Total			**3,596**	**1,495**	**976**	**2,471**					

Savings Carried Over Prior to 2025/26											
Learning and Skills	**Review Arts Provision**	Service Transform	65	0	0	0	0%	Red	Ability to find future saving is dependent on wider review of service area		
Learning and Skills	**Libraries income generation 2024/25 savings**	TOM - Income	60	52		52	87%	Amber	£52k anticipated by year end due to large contracts for rent from Barclays, Lloyds, credit union and maximus uk ltd.		
Learning and Skills	**Old Hall (Vale Funded Courses) - 20% loss overall in Cowbridge consider alternative funding**	TOM - Income	40	10		10	25%	Amber	The saving has not been achieved through increasing income, but a saving of £10k has been identified by reducing premises costs and the hours of a caretaker. In October, the service will be aware of course take up for the new academic year, which may identify increase income is achievable. The income target is ambitious. From April 2027, expenditure will reduce due to the reduction in employers teachers pension contributions. This 2027/28 saving could be used to decrease the £40k income target for the service.		
Social Services	Reduced building rental	TOM - Assets	50	0		0	0%	red			
Social Services	Closer to Home Supported Living (LD)	Service Transform	100		0	0	0%	red			
Neighbourhood Services	Jenner Park alternative model	TOM - Assets	65			0	0%	red			
Neighbourhood Services	Parkwood VAT relief	Service Transform	70		35	35	50%	Amber			
Neighbourhood Services	New Model for Community Centres to include full maintain of buildings	TOM - Assets	20		0	0	0%	red			
Neighbourhood Services	Review of Street Cleansing Service	Service Transform	191	96	95	191	100%	Amber	Delivered as part of Street Scene		
Neighbourhood Services	Asset Transfers Single use Facilities	TOM - Assets	100		0	0	0%	Amber			
Corporate Resources	**Review Docks Office Site**	TOM - Assets	300	40	166	206	69%	Amber	Cleaning & security savings of £68k have been achieved, along with part-year NNDR relief of £86k. The re-location of the RAS team to Ty Jenner has also realised a part-saving of £12k.	06/11/2026	
Total			**1,061**	**198**	**296**	**494**					
Savings Carried Over Prior to 2025/26			**4,657**	**1,693**	**1,272**	**2,965**					