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| Meeting of: | Corporate Performance and Resources Scrutiny Committee |
| Date of Meeting: | Wednesday, 16 December 2020 |
| Relevant Scrutiny Committee: | Corporate Performance and Resources |
| Report Title: | Initial Revenue Budget Proposals 2021/22 and Medium Term Financial Plan 2020/21 to 2023/24 |
| Purpose of Report: | To submit for consultation the initial revenue budget proposals for 2021/22 and to provide the Medium Term Financial Plan 2020/21 to 2023/24 for comment. |
| Report Owner: | Report of the Head of Finance |
| Responsible Officer: | Carys Lord, Head of Finance / Section 151 Officer |
| Elected Member and Officer Consultation: | Corporate Management Team |
| Policy Framework: | This report is following the procedure laid down in the Constitution for the making of the budget and so does not need to be referred to Council at the proposal stage. However, the final 2021/22 budget will require the approval of full Council. |
| Executive Summary: | <ul style="list-style-type: none"> • The Council is required under statute to fix the level of council tax for 2021/22 by 11th March 2021 and in order to do so, will have to agree a balanced revenue budget by that date. • The Council's provisional settlement has not yet been announced by Welsh Government and is expected this year on 22nd December 2020 with the final settlement due to be published on 2nd March 2021. Even though this crucial information has not been received, the budget setting and consultation process has to commence in order to meet statutory deadlines. • The report also includes the Medium Term Financial Plan 2020/21 to 2023/24 which links the Council's strategic planning process with the budget process and ensures consistency between them. It is a mechanism that attempts to match future predicted resources and expenditure, identify potential shortfalls and provide the financial framework for the next 3 years. |

Recommendations

It is recommended that:

1. Scrutiny Committee considers the Initial Revenue Budget Proposals for 2021/22 and recommendations from other Scrutiny Committees and forwards its recommendations to Cabinet.
2. Committee consider the contents of the Medium Term Financial Plan for 2020/21 to 2023/24 and provides any comments to Cabinet to consider as part of the final budget setting process for 2021/22.

Reasons for Recommendations

1. In order that Cabinet be informed of the recommendations of Scrutiny Committees before making a final proposal on the budget.
2. In order to gain the views of Scrutiny Committee.

1. Background

- 1.1 The Council's budget is determined largely by the settlement provided by the Welsh Government (WG). The Council's provisional settlement has not yet been announced by WG. In previous years, the provisional settlement was received during October with the final settlement being received in December. The provisional settlement is expected this year on 22nd December 2020 with the final settlement due to be received on 2nd March 2021.
- 1.2 The Council is required under statute to fix the level of council tax for 2021/22 by 11th March 2021 and in order to do so, will have to agree a balanced revenue budget by the same date. To be in a position to meet the statutory deadlines and the requirements for consultation set out in the Council's Constitution, much of the work on quantifying the resource requirements of individual services needs to be carried out before the settlement is notified to the Council.
- 1.3 The Council normally produces the Medium Term Financial Plan during September/October. However, it was considered beneficial to review the timing of the production of the Plan and to include it as part of the Initial Budget Proposals report, as it sets the context for the budget setting process and links the Council's strategic planning process with the budget process ensuring consistency between them. The Plan is a mechanism that attempts to match future predicted resources and expenditure, identify potential shortfalls and

provides the financial framework for the next 3 years. It is not however the budget setting process that allocates detailed budgets for services. Its purpose is to inform members and to suggest a way of dealing with the future financial pressures facing the Council which also provides perspective when agreeing the budget for the coming year.

- 1.4** The Medium Term Financial Plan, therefore, attempts to:
- Identify the main financial implications resulting from the increased pressure falling upon Council services, including pay inflation, legislative and demographic changes;
 - Estimate the financial resources that will be available to the Council to meet these demands; and
 - Match the predicted expenditure and resources and provide a framework to develop a financial strategy towards achieving a balanced budget for the next 3 financial years.

2. Key Issues for Consideration

Medium Term Financial Plan

- 2.1** The Medium Term Financial Plan for 2020/21 to 2023/24 is attached at Appendix 1.
- 2.2** There are a number of factors both internal and external that impact on the Council's financial position going forward. This year the country has found itself in an unprecedented position as a result of the COVID-19 pandemic. This has meant additional challenges for the Council both operationally and financially as a result of incurring additional expenditure but also from a loss of income. The lockdown in the early part of the financial year and a firebreak lockdown in place for 2 weeks during October/November 2020 has led to the Council having to refocus its priorities to provide services in a different way, moving a large number of staff to home working and also to providing some additional services and temporarily ceasing others. There is huge uncertainty as to how the picture will develop over the coming months and therefore it is even more difficult than usual to provide predications for the coming year and beyond. Funding has been received from WG to help support not only the additional expenditure incurred due to the pandemic but also the loss of income.
- 2.3** Due to the considerable uncertainty and the financial pressures on government, the Plan has been based on three different scenarios with regards to funding from Welsh Government for the coming three financial years - a cash neutral settlement, a 1% reduction each year for the period of this Plan and a 1% increase each year. It may be the case that grant funding is provided going forward targeting specific service areas or initiatives.

- 2.4** As part of the development of the Plan departments were asked to identify cost pressures facing services in order to build up a complete and up to date picture of the financial position of the Council. An updated list is shown in the Plan at Appendix 1. These are not shown in any order of priority.
- 2.5** There is still uncertainty regarding some of the assumptions made regarding pay costs. Pay awards for 2021/22 have not been agreed and have been included in these projections at the same level as in 2020/21 however the press have recently reported that a pay freeze is likely for public sector workers. WG have confirmed that they will be providing additional funding to contribute towards the Teachers pay award which comes into effect from September 2020 via a grant and also further funding for the 6th form element.
- 2.6** Details of currently approved savings for 2021/22 to 2022/23 are shown in the Plan at Appendix 2.
- 2.7** For the purposes of the Plan, options for the level of council tax have been highlighted. With the current level of cost pressures facing the Council and without a corresponding increase in funding from the Welsh Government, it is predicted that in order to balance the budget an increase in council tax of at least a similar level to 2020/21 will be required.
- 2.8** The scenarios that have been modelled relating to Council Tax are a 4.9% increase each year, which is the same level as in 2020/21 and increasing the level to the Welsh average which would be 8.4% in 2021/22 and an increase thereafter of 4.62% to maintain the average, assuming the same increase as the Welsh average for 2020/21.
- 2.9** The following table shows the shortfall in funding for each of these scenarios.

| Shortfall in Funding | 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 3 Year Total £000 |
|--|-------------------------|-------------------------|-------------------------|------------------------------|
| Cash Neutral Settlement | | | | |
| Notional Council Tax Increase 4.9% | 11,203 | 6,200 | 4,252 | 21,655 |
| Notional Council Tax Increase to Welsh Average (8.4% 21/22 & 4.62% thereafter) | 8,423 | 6,305 | 4,373 | 19,101 |
| | | | | |
| 1% Reduction in Settlement | | | | |
| Notional Council Tax Increase 4.9% | 12,813 | 7,794 | 5,830 | 26,437 |

| | | | | |
|---|--------|-------|-------|--------|
| Notional Council Tax Increase to Welsh Average (8.4% 21/22 & 4.62% thereafter | 10,033 | 7,899 | 5,951 | 23,883 |
| | | | | |
| 1% Increase in Settlement | | | | |
| Notional Council Tax Increase of 4.9% | 9,593 | 4,574 | 2,609 | 16,776 |
| Notional Council Tax Increase to Welsh Average (8.4% 21/22 & 4.62% thereafter | 6,813 | 4,679 | 2,730 | 14,222 |

2.10 A 1% increase in Council Tax at the 2020/21 Council Tax base equates to £794k. The level of increase in Council Tax will need to be carefully considered in parallel with the other options available to the Council in order to reduce the funding gap and to consider the impact on the residents of the Vale. As the number of households in the Vale of Glamorgan has increased from the previous year there may also be additional funding from the change in the Council Tax base.

2.11 Consideration has also been given to changes in the Council Tax Collection rate due to the reduction as a result of the COVID-19 pandemic. If this rate was to reduce by 1% the impact in 2021/22 would be a potential shortfall ranging from £7.696m with a 1% increase in WG settlement and a Council Tax increase at the Welsh average to £13.667m with a 1% reduction in WG settlement and a 4.9% Council Tax increase.

2021/22 Initial Budget Proposals

2.12 Cabinet approved the Budget Strategy for 2021/22 on the 27th July 2020, min no.C309 which outlined the timetable, methodology and the principles to be used in producing the base budget for 2021/22.

2.13 Given the timescales set out in the Budget Strategy this means a significant amount of the preparation for the budget will need to be completed prior to receiving the provisional settlement.

2.14 The late timescale for receiving the settlement also delays the notifications that the Council receives regarding continuation of grant funding. In line with the Budget Strategy, the withdrawal or reduction in grant funding should not give rise to committed growth within the budget. The service area should give consideration to the exit strategy that has been put in place in respect of the funding stream.

2.15 A summary of the overall base budget for 2021/22 is attached at Appendix 2 and is the basis for the production of the Medium Term Financial Plan. This has been derived by adjusting the 2020/21 budget for items such as pay inflation and committed growth but does not include identified cost pressures or savings. These are shown as a note to the table and are detailed in the Medium Term Financial Plan. Adjustments shown include the following :

- Asset Rents, International Accounting Standard (IAS) 19 - Relates to accounting items outside the control of services. They reflect charges to services for the use of capital assets and adjustments in respect of pensions to comply with accounting standards.
- Recharges/Transfers - Relates to changes in inter-service and inter Directorate recharges
- Pay Inflation - This makes provision for pay awards in 2021/22.
- Committed Growth - This relates to the reduced use of the Council Fund Reserve and the allocation approved by Emergency Powers for the upgrade of the Oracle system which is the financial system covering creditor payments, payroll, procurement and HR.

2.16 In view of the deficit highlighted in the Medium Term Financial Plan, further work needs to be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2021/22. This will include the following: -

- Consideration of the results of the consultation process;
- A review of the use of reserves to fund the deficit in the short term;
- A review of the level of individual reserves and potential reclassification;
- A review of the increase in council tax;
- A review of all cost pressures;
- Possible changes to the approved saving targets; and
- Consideration of the inflation assumptions.

Next Steps

2.17 The next stage is for the outline of the financial position for 2021/22 to be submitted to Scrutiny Committees for consultation. Committees are asked to review the level of cost pressures with a view to suggesting ways in which these could be managed downwards and/or mitigated and to consider proposals for savings. Corporate Performance and Resources Scrutiny Committee is the lead Scrutiny Committee and will consider both the Initial Revenue Budget Proposals and any recommendations that other Scrutiny Committees have made. The responses of Scrutiny Committee must be made no later than the 16th December 2020.

2.18 The BWG will hold a series of meetings in November and December 2020ⁱ with the relevant Cabinet Members and officers to consider the budget proposals and they will submit their recommendations so that the Cabinet may make its final budget proposal. Before making its recommendation, the BWG will consider the

comments made by Scrutiny, together with the results of consultation. Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than 8th February 2021 and that Cabinet's final budget proposals will be considered by Council at a meeting to be held 1st March 2021 to enable the Council Tax to be set by 11th March 2021. Due to the late announcement of the final settlement it is proposed that the approved timetable is reviewed to ensure decisions regarding the budgets for 2021/2022 can be fully informed by the funding levels available.

Budget Consultation with Stakeholders

- 2.19** To ensure that the budget set for 2021/22 continues to address the priorities of Vale residents and the Council's service users, the budget setting process will take into account the results of a consultation exercise. The consultation exercise will run from mid-November until the end of December. There will be a series of mini presentations hosted via the Council's website, explaining the Council's position in terms of recovering from the ongoing impact of the COVID-19 pandemic and considering the way in which Council services could be delivered in future. For each section there will be a set of questions to gather public opinion on the direction of travel for the Council. This will include an understanding of what the Council has changed, stopped or started during the pandemic and seek views from our residents. Twitter polls will also be used to gauge public opinion on certain topics. In order to ensure the views captured are representative, where possible, representative groups will be contacted to gather their views.
- 2.20** The BWG will consider the results of the budget engagement process in determining priorities for future savings and service delivery and the possible increase in Council Tax.

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

- 3.1** The BWG will ensure that budget proposals consider the requirements of the Well-being of Future Generations Act and the Council's 4 well-objectives as detailed in the Corporate Plan. These are discussed as part of the Medium Term Financial Plan.
- 3.2** The Budget Working Group will also ensure that the budget proposals reflect the 5 ways of working which are;
- o Looking to the long term - The budget proposals are a means of planning for the future and take a strategic approach to ensure services are sustainable and that future need and demand for services is understood.

- o Taking an integrated approach - The budget proposals highlight and encourages ways of working with partners.
- o Involving the population in decisions – As part of the budget proposal process there has been engagement with residents, customers and partners.
- o Working in a collaborative way – The budget proposals recognises that more can be achieved and better services can be provided by collaboration and it encourages this as a way of working in the future.
- o Understanding the root cause of issues and preventing them – The budget process is proactive and allows an understanding of the financial position so that issues can be tackled at the source.

4. Resources and Legal Considerations

Financial

- 4.1** Reserves are a way of setting aside funds from budgets in order to provide security against future levels of expenditure and to manage the burden across financial years. Funds no longer required may be transferred to the Council Fund and then set aside for other purposes or used to reduce council tax.
- 4.2** The Medium Term Financial Plan looks at the current level and projected level of reserves. Appendix 3 to the Plan sets out the Authority’s actual reserves as at 31st March 2020 and shows the estimated reserves balance for each year up to 31st March 2024.
- 4.3** The Council is forecasting the use of general and specific reserves, excluding HRA and schools, totalling around £36.939m from 1st April 2020 onwards, which represents approximately 46% of the balance as at 31st March 2020.
- 4.4** The Council is planning to use a considerable amount of its specific reserves over the coming years, however, as reserves are a non-recurring means of funding they can only be used as part of a specific financial strategy. There is no approved use of the Council Fund for 2021/22, however, with the potential projected deficit in funding a further use of the reserve cannot be ruled out. The use of all reserves will be reviewed further, by the BWG, as part of the final budget setting process.

Employment

- 4.5** Not all the savings required to meet the shortfall in funding will result in a reduction in staffing. Although the impact on individuals is likely to be mitigated

as a result of natural wastage and the deletion of vacant posts, it is, nevertheless, expected that there will be a number of redundancies. The trade unions will be consulted on the details of any possible redundancies once known. Staffing implications relating to budget pressures within schools will need to be considered by individual governing bodies.

Legal (Including Equalities)

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

- 4.7** These initial budget proposals have 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 individual strategies for achieving savings will require the completion of Equality Impact Assessments. This involves systematically assessing the likely (or actual) effects of policies on individuals who have a range of protected characteristics under the Act.

5. Background Papers

- 5.1** Budget Strategy 2021/22
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VALE of GLAMORGAN COUNCIL
**MEDIUM TERM
FINANCIAL PLAN**
2020/21 - 2023/24



VALE OF GLAMORGAN COUNCIL

MEDIUM TERM FINANCIAL PLAN

2020/21 TO 2023/24

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1. INTRODUCTION AND CONTEXT

- 1.1 The purpose of the Medium Term Financial Plan is to link the Council's strategic planning process with the budget process and to ensure consistency between them. It is a mechanism that attempts to match future predicted resources and expenditure, identify potential shortfalls and provide the financial framework for the next 3 years.
- 1.2 Delivery of the Council's priorities is reliant on having robust corporate governance arrangements. These arrangements are set out in the strategic planning framework. The framework describes how strategies, plans and processes work together and how they are monitored and scrutinised. Financial planning is one of the elements of this integrated approach to corporate planning.
- 1.3 CIPFA guidance requires authorities to produce a Capital Investment Strategy which brings together information from the Asset Management Plan and the Treasury Management Strategy. This Strategy should cover the longer term and should cover at least the next 10 years and as a result, this Medium Term Financial Plan (MTFP) will only deal with the Council's revenue position.

Internal Context

- 1.4 The Council has set out its vision for 2020 – 2025 in its new Corporate Plan, which illustrates how the Council's vision of Strong Communities with a Bright Future will be delivered over a 5 year period. This plan reflects how different activities will deliver a wide range of outcomes through 4 Well-being Objectives, which are :-
- To work with and for our communities;
 - To support learning, employment and sustainable economic growth;
 - To support people at home and in their community; and
 - To respect, enhance and enjoy our environment.
- 1.5 In developing the Corporate Plan, the Council has reflected on the way it works and has stated 5 principles it will follow. The Medium Term Financial Plan reflects this approach to working and this is demonstrated throughout the Plan. The 5 ways of working are :-
- Looking to the long term - The Plan is a means of planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
 - Taking an integrated approach - The Plan highlights and encourages ways of working which respect and understand the impact the Council's actions have on those of our partners and between service areas within the Council.
 - Involving the population in decisions – The Plan recommends that engagement with residents, customers and partners takes place as part of the budget setting process, in addition to the engagement that takes place at a service specific level.

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- Working in a collaborative way – The Plan recognises that, in certain cases, more can be achieved and better services can be provided by working in collaboration and it recommends this as a way of working in the future.
- Understanding the root cause of issues and preventing them – The Plan is proactive and allows an understanding of the financial position so that issues can be tackled at source.

1.6 A key element of ensuring the ways of working are embedded is through integrated planning actions contained in the Corporate Plan and delivered via the Council's Insight Board. This brings together all corporate business planning activity as a whole in order to monitor delivery and identify linkages.

External Context

1.7 There are a number of external factors that impact on the Council's financial position going forward. The results of the Westminster Government's 2010 Comprehensive Spending Review heralded a marked reduction in the level of funding to be provided by the Welsh Government (WG) to councils. As a consequence, services have had to find savings of around £59 million in the past 10 years.

1.8 This year the country has found itself in an unprecedented position as a result of the COVID-19 pandemic. This has meant additional challenges for the Council both operationally and financially as a result of incurring additional expenditure but also from a loss of income. With a lockdown in the early part of the financial year and a firebreak lockdown in place for 2 weeks during October/November 2020 this has led to the Council having to refocus its priorities to provide services in a different way, moving a large number of staff to home working and also to provide some additional services while having to cease the provision of others. There is huge uncertainty as to how the picture will develop over the coming months and therefore it is even more difficult than usual to provide predictions for the coming year and beyond. The Westminster Government will announce its 2021/22 Spending Review on 25th November 2020. It was going to provide a multi-year review but this is no longer the case due to the COVID-19 pandemic.

1.9 From March 2020, WG has provided financial support to cover additional expenditure incurred via the Local Authority Emergency Hardship Grant. For the period March to September 2020 it is anticipated that the Council will have received funding of over £6m. WG is also providing support to cover the loss of income. WG has also provided grants to businesses and individuals which have been distributed on their behalf by the Council. With such a large amount of financial support being provided by WG as a result of the pandemic it is difficult to see how a settlement for next year can be positive and the projection is at best for a cash neutral position.

1.10 On 31st January 2020, the UK left the European Union and entered a transition period which is due to run until the end of this year. There is still uncertainty surrounding the specific implications of this on Wales.

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- 1.11 The announcement of the provisional funding settlement for Local Government from WG for 2021/22 is due later than usual this year and will be received on 22nd December 2020, with the final settlement due to be published on 2nd March 2021. The outcome of the settlement for the coming year will be addressed as part of the Final Revenue Budget Proposals for 2021/22.
- 1.12 In this financial environment and to meet the requirements of the Well-being of Future Generations Act, it is critical that the Council continues to plan for the future and embrace changes in the way it operates and provides services. It plans to achieve this by building on current knowledge and experience and by building strong relationships with all its partners, customers, local communities and other service providers and to utilise their knowledge and experience.

2. REVENUE POSITION

Sources of Funding

- 2.1 Each year, the Council is required under statute to fix the level of council tax by 11th March for the succeeding financial year and, in order to do so, will have to agree a balanced revenue budget by the same date.
- 2.2 The Council's annual revenue budget is determined largely by the Welsh Government. Standard Spending Assessments (SSA) are notional calculations of what each Council needs to spend to provide a standard level of service. These assessments are an important part of the formula for distributing the Revenue Support Grant to local authorities and are calculated to take account of the differing costs of providing services in each authority area because of their different demographic, physical, economic and social characteristics.
- 2.3 The Revenue Support Grant (RSG) together with the Council's share of the National Non Domestic Rate (NNDR) Pool constitutes the Aggregate External Finance (AEF) and are un-hypothecated amounts paid by WG in general support of the services provided by local authorities, therefore these sums are not earmarked for particular services and it is for the Council to determine its own service priorities. The funding is supplemented by specific and special hypothecated grants which are provided by WG to support specific services and developments. For 2020/21, the Council's share of RSG and NNDR was £115.96m and £45.061m respectively, giving a total AEF of £161.021m. This funds 67% of the Council's net revenue budget in 2020/21.
- 2.4 In recent years WG has encouraged collaborative working and has made additional funding available in the form of the Integrated Care Fund (ICF). This fund is being used to build effective working practices across health, social services and housing, to take forward schemes which demonstrate an effectiveness across community and acute environments and linking out-of-hospital care and social care to strengthen the resilience of the unscheduled care system. The partners in the ICF collaboration are Cardiff and Vale University Health Board, Cardiff Council and the Vale of Glamorgan Council. The Council is also the host authority for three collaborative services; the Shared Regulatory Service, the Regional Internal Audit Shared Service and the Vale, Valleys and Cardiff Regional Adoption Service.
- 2.5 The Council can generate income from fees and charges. Through the Reshaping Services Programme, the Council is continuing to review areas where charges can be made for services, in order to contribute towards its savings targets.
- 2.6 The Council also holds reserves. Reserves are a way of setting aside funds from budgets in order to provide security against future risks and to allocate funding for future priorities. The Council holds reserves for a range of purposes which can be used to fund either revenue or capital expenditure and can be general or for specific purposes. The Housing Revenue Account Reserve is ring-fenced and will be used to fund improvements to the Council's housing stock.

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- 2.7 When determining its Budget Requirement, the Council must, therefore, consider carefully its spending plans in the light of not only its AEF but also, grant income generally, income from fees and charges and any contributions from reserves, as any remaining balance will have to be met via the council tax. This is the main source of local taxation available to local authorities and is levied on households within the Vale of Glamorgan by the Council as the billing authority. At £79.417m for 2020/21 (excluding town and community council precepts), the council tax contributes a relatively small proportion of the Council's overall funding at 33% of the budget. As the whole of any difference between the Council's net budget and its external funding falls on the council tax, even marginal changes in spending can have a significant impact on council tax levels.
- 2.8 Based upon both the 2020/21 budget and council tax position, a 1% increase in net Council expenditure would equate to around £2.4m. In comparison a 1% increase in council tax would raise circa £794k and as a consequence an increase in expenditure of 1% is equivalent to just over a 3% increase in council tax.

Predicting Resources

- 2.9 WG has not yet confirmed the potential change in the level of funding it will provide for 2021/22 onwards. Thus, there is considerable uncertainty as to the future level of funding and this situation does not provide any comfort as to the level of resources that the Council will eventually receive going forward. As previously stated this is an exceptional year due to the COVID-19 pandemic. It is difficult to predict the level of the WG settlement not only as a result of the additional financial pressures it has had to face as a result of the pandemic but also there are many other factors, including the level of protection provided by WG to various services. Possible decisions by WG to hypothecate (earmark) higher percentage sums to individual services (e.g. Education or Social Services) would have a major impact upon the ability of the Council to resource its other local priorities.
- 2.10 For 2020/21, when taking into account the adjustments for transfers, the effective increase in AEF for the Council from the previous year was £6.626m (4.29%). This was the first time in many years that the Council received a positive settlement. It is not anticipated that WG will be able to provide additional funding at this level for the coming year.
- 2.11 There is also uncertainty surrounding the economic climate following the end of the transition period following the UK's exit from the European Union.
- 2.12 It is therefore felt that a prudent approach should be taken and this Plan is modelled on a cash neutral settlement, a reduction of 1% per annum and an increase of 1% per annum. It must be emphasised that these are predictions and any deviation from this could have a further significant financial impact as each 1% reduction in WG funding costs the Council approximately £1.6m. A 1% reduction in each of the 3 years of this Plan would see a decrease in cash terms of around £4.8m.

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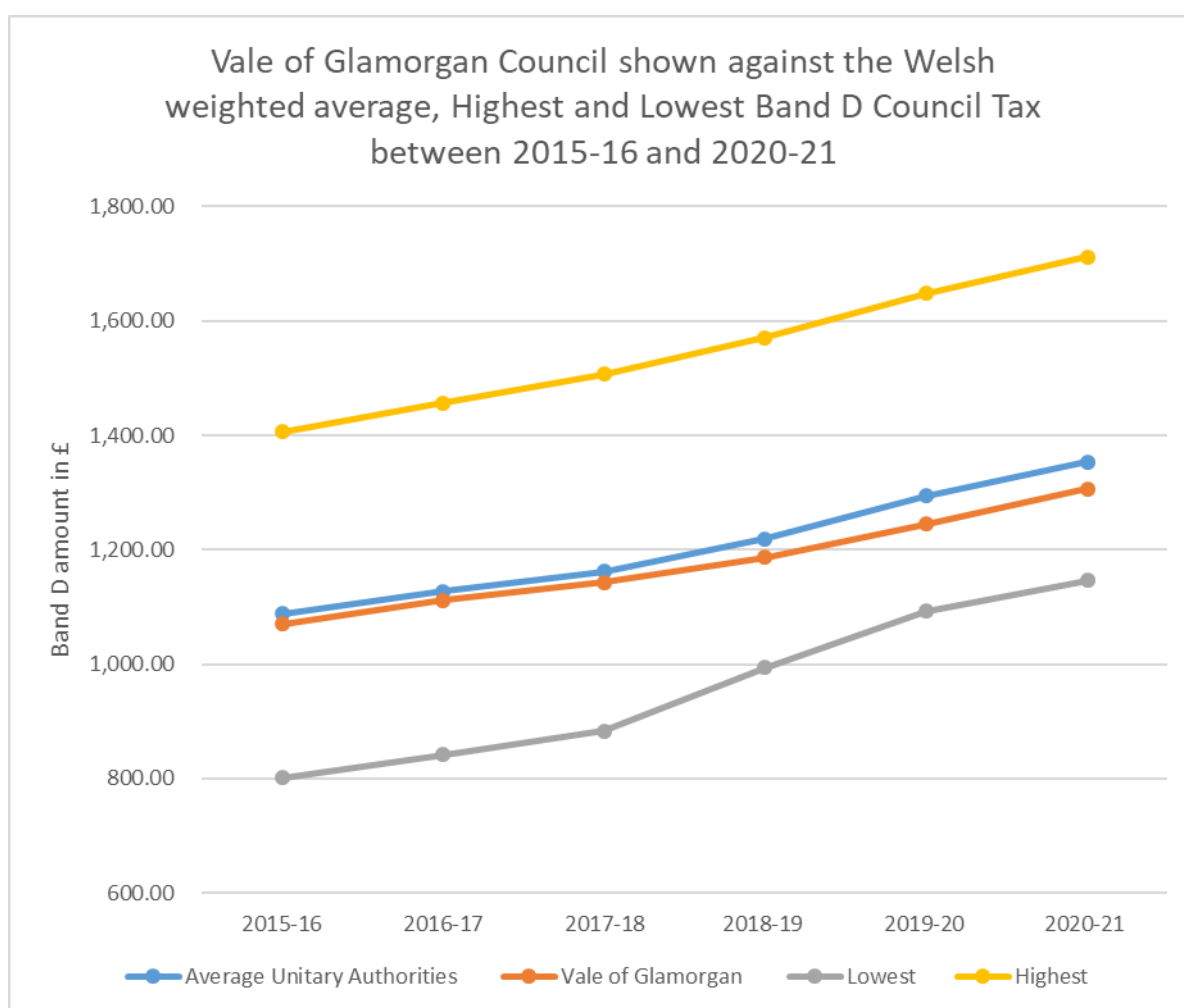
- 2.13 Similarly, many Council activities are dependent upon grant funding to maintain existing service delivery levels. Aside from the general uncertainty as to whether certain grants will continue in future years or be absorbed into the RSG, there continues to be a real possibility of a significant reduction in the quantum available for distribution. It has been assumed in preparing this Plan that specific grants will either continue or that any decrease will be offset where possible by a corresponding curtailment in the initiatives funded.
- 2.14 In order to calculate any real terms percentage change in funding, it is necessary to adjust for the inflationary elements contained within the Council's existing base budget i.e. pay awards.
- 2.15 There has been increased pressure on pay budgets in recent years. The National Living Wage (NLW) was introduced in April 2016 at £7.20 per hour for workers over the age of 25. The current rate for 2020/21 is £8.72 per hour, with further increases anticipated to April 2021 when the rate could be at least £9 per hour. The level of the pay award for 2021/22 is currently unknown and an increase similar to 2020/21 has been modelled in the Plan across the 3 years. However reports in the press state that there will be a pay freeze for public sector workers next year and the eventual outcome of any agreement will be reflected in future projections.
- 2.16 The pay award for Teachers, which took effect from 1st September 2020, has recently been agreed as shown below. WG have confirmed that they will be providing additional funding to contribute towards this increase via a grant and there will also be further funding for the 6th form element.
- 8.48% uplift to the minimum of the teacher main pay scale
 - 3.75% uplift to the statutory maxima of the main pay scale
 - 2.75% uplift to the statutory minima and maxima of the upper pay scale
 - 2.75% uplift to the statutory minima and maxima of the leading practitioner pay range, the unqualified teachers' pay scale, the leadership pay scale (including headteacher groups) and all allowances across all pay ranges
- 2.17 The Consumer Prices Index (CPI) increased by 0.7% in the year to October 2020. While it is anticipated to rise more significantly from next April, it is unlikely that it will move above the 2% target set by the Government, unless there is a no deal Brexit when an increase above the target could occur. It is considered that with the current projected shortfall in funding, provision cannot be provided for non pay inflation. Not all contracts the Council enters into will have a requirement to be increased year on year by inflation. It is therefore proposed that in line with the approach taken as part of the budget setting process for 2020/21 any non pay inflation required will be funded by services from within existing budgets.
- 2.18 Although no final decision will be made on the increase in the level of council tax until the 2021/22 budget is set in March 2021, for the purposes of this Plan, options for the level of council tax have been highlighted. With the current level of cost pressures facing the Council and without a corresponding increase in funding from the WG anticipated, it is predicted that in order to balance the budget an increase in council tax of at least a similar level to 2020/21 will be required. A 1% rise in council tax would have the potential to generate approximately £794k per annum.

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2.19 When comparing the Council's 2020/21 Band D council tax with that of the other Welsh local authorities, the Vale of Glamorgan has the 7th (out of 22) lowest Band D charge in Wales at £1,306.08 which is 3.5% (£47.95) below the Welsh weighted average. In 2019/20 the Council was 6th lowest and 3.8% (£49.16) below the average. The Vale's Band D council tax increased by 4.9% in 2020/21 while the Welsh weighted average increased by 4.62%.

2.20 Average Band D council tax in Wales has increased by 24% since 2015/16 (£266.11) while the Vale of Glamorgan's council tax has increased by 22% (£236.52) for the same period. The Vale of Glamorgan in 2015/16 had a Band D set at £1,069.56 which was £18.36 below the weighted Welsh average. The highest Band D Council Tax in 2015/16 was set at £1,406.29 and the lowest Band D Council Tax was set at £801.04. In 2015/16 the Council had the 10th lowest Band D charge in Wales.

2.21 The graph below shows that the increases in council tax set by the Vale of Glamorgan since 2015/16 has generally been below the increase in the Welsh average, although the increase in Council Tax was slightly above the Welsh average in 2020/21 and the gap between the Vale and the Welsh average reduced slightly. The trend of the highest and lowest Band D authorities has also been shown for comparison.



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2.22 This Plan therefore highlights the impact of increasing the council tax to a projected welsh average level for 2021/22, based on the assumption that there will be a similar increase in the 2021/22 Welsh average as the actual increase in 2020/21 i.e. 4.62%. This would equate to an increase of 8.4%. Thereafter it is assumed that in order to maintain the welsh average, an increase of 4.62% is required for the remainder of the Plan.

Predicting Expenditure

2.23 As part of the forward planning process, it is necessary to make predictions of expenditure to 2023/24.

2.24 The Corporate Plan will both inform and be informed by the budget decision-making process and sets out the activities to be undertaken to ensure the best possible outlook for the Council's citizens and communities. The Corporate Plan was updated for 2020. In developing the actions contained in the Corporate Plan, consideration has been given to the ability to fund each commitment. Actions, will in the main, be funded from within existing budgets or where possible through the use of external grant funding or working with external partners. However, the budget setting process and this Plan needs to be developed in parallel with the Well-being Objectives and will look to align sources of funding to the Council's commitments. The Well-being Objectives are outlined below, with some examples of how they will be delivered from a range of funding sources and illustrations of innovative working with partners.

- **To work with and for our communities** - The Council will develop its strong culture of good customer service aligned to the Council's values of being ambitious, open, together and proud and support the development and well-being of its staff and recognise their contribution to the work of the Council
- **To support learning, employment and sustainable economic growth** - The Council will provide access to quality early years, nursery and education provision and it will provide support for those with additional learning needs. It will work as part of the Cardiff Capital Region to progress strategic planning and transport initiatives and promote sustainable economic growth and employment. It will also support economic growth through regeneration, improved infrastructure and will support town centres, tourism and industry.
- **To support people at home and in their community** - The Council will encourage and support people of all ages to have active and healthy lifestyles to improve and maintain their physical and mental well-being. It will promote leisure, art and cultural activities which meet a diverse range of needs. It will work in partnership to provide more seamless health and social care services and provide care and support to children and families in need which reflects their individual strengths and circumstances and provide person-centred care and support to adults in need.

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- **To respect, enhance and enjoy our environment** - The Council will provide effective waste management services and work with its residents, partners and business to minimise waste and its impact on the environment and also work with the community and partners to ensure the local environment is clean, attractive and well managed.

2.25 Due to the uncertainty of future levels of funding, the financial viability of actions will be monitored throughout the duration of the Corporate Plan. Future expenditure patterns and the availability of resources to pursue corporate priorities will undoubtedly be heavily influenced by external factors such as those resulting from legislative, demographic or grant related changes.

2.26 In addition to inflationary increases, the major cost pressures affecting services over the period of the plan have been identified to 2023/24. Where possible, service departments are encouraged to mitigate known cost pressures from within their existing budgets.

2.27 There are pressures on services across the Council. It is recognised that the increase in an aging population will place significant pressure on Adult Social Care budgets, as clients become frailer and have more complex needs. There are also pressures on the childrens placement budget and also within Schools as there are an increasing number of children with Additional Learning Needs. The Waste Management Section is being affected by changes in the recycling market which are resulting in increasing costs for disposal however new methods of collection are being implemented to mitigate these costs.

2.28 The introduction of the National Living Wage has also had a significant financial impact on the cost of externally commissioned services. The main area affected being Social Services and therefore in negotiating fees going forward, a better understanding of provider's costs and pricing for both state supported packages of care and self-funders and their capacity to absorb the NLW needs to be understood. The Lets Agree to Agree process is reviewing the current costs incurred by care home providers in order to inform this fee setting process. It is not yet clear what the hourly rate for the NLW will be for 2021/22 onwards. The rate is normally set as part of the Autumn Statement and will be based on advice from the Low Pay Commission. Even with this uncertainty, it is considered prudent to include an estimation of possible additional costs over the coming 3 years for commissioned services, although this will need to be reviewed when further information becomes available.

2.29 The Cardiff Capital Region City Deal brings together ten local authorities and financial support from Welsh and UK Governments to generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region over the next 20 years. The total cost of the City Deal, including the Welsh and Westminster Government's contributions is £1.2bn (£1,200m). However, the total cost of the Deal is estimated to be £210.8 million to the 10 Council's involved in the project. The Vale of Glamorgan's share of the estimated total costs is projected to be in the order of £17.9 million and will be funded by unsupported borrowing with a 25 year repayment period. The contribution to be made by the Council will be substantial over the coming years however the specific timing of these contributions are being regularly reviewed. The Council is currently holding a reserve of £1.9m to support the implications of

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the City Deal, however, further funding will need to be identified for future years as the Vale's contribution to the Deal progresses. The financing costs associated with funding any loans taken out to fund capital expenditure will need to be identified within the revenue budgets.

- 2.30 Even though no confirmation has yet been received from WG, it is assumed that if Councils are still incurring substantial levels of additional expenditure due to the COVID-19 pandemic post 1st April 2021 then WG will continue to provide financial support via the provision of the Local Authority Emergency Hardship grant.
- 2.31 In order to build up a complete and up to date picture of the financial position of the Council, services were asked to revisit their cost pressures and the table below shows a summary by Directorate while Appendix 1 provides a further breakdown. Due to the high level of the cost pressures, only pressures of over £20k have been included.

PREDICTED REVENUE COST PRESSURES

| <u>Directorate</u> | 2021/22 | 2022/23 | 2023/24 | TOTAL |
|---------------------------------|----------------|----------------|----------------|---------------|
| | £000 | £000 | £000 | £000 |
| Learning and Skills | 3,112 | 2,662 | 1,403 | 7,177 |
| Social Services | 3,592 | 2,514 | 2,399 | 8,505 |
| Environment and Housing | 1,081 | 410 | 45 | 1,536 |
| Managing Director and Resources | 880 | 50 | 50 | 980 |
| General Policy and Council Wide | 1,573 | 70 | 61 | 1,704 |
| TOTAL | 10,238 | 5,706 | 3,958 | 19,902 |

- 2.32 Other significant cost pressures are forecast across services, although the impact is not yet known. The major areas are Welfare Reforms, Additional Learning Needs and Education Tribunal (Wales) Act 2018.

Matching Predicted Resources and Expenditure

- 2.33 As part of the 2020/21 budget setting process it was predicted that there would be a shortfall in funding of £6.302m in 2021/22 and £4.294m in 2022/23 if the Council Tax was increased by 4.9%, which was the value of the increase in 2020/21. This was after the approval of savings of £116k for all services in 2021/22, with no saving target included for Schools. Currently approved savings are shown in Appendix 2.

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2.34 The following tables provide a summary of the predicted shortfall in funding to 2023/24, taking into account the options for the projected change in resources available and a list of cost pressures and currently identified savings. It also includes the assumption that Schools' cost pressures will be funded in full, in line with the previous year. Funding from WG has been modelled based on a cash neutral settlement, a 1% reduction per annum and a 1% increase per annum. The increase in council tax is also shown at the same level as in 2020/21 of 4.9% and an estimate to reach and maintain the Welsh average.

Matching Predicted Resources to Expenditure 2021/22 to 2023/24

| Net Pressures | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|--------------------------------------|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Pay Inflation – Schools | 2,512 | 2,787 | 2,787 | 8,086 |
| Cost Pressures - Schools | 2,652 | 1,875 | 1,301 | 5,828 |
| Less | | | | |
| Savings To be Achieved by Schools | 0 | 0 | 0 | 0 |
| Net Pressures – Schools | 5,164 | 4,662 | 4,088 | 13,914 |
| Pay Inflation – Other Services | 1,260 | 1,789 | 1,789 | 4,838 |
| Cost Pressures – Other Services | 7,586 | 3,831 | 2,657 | 14,074 |
| Less | | | | |
| Savings Identified | -116 | 0 | 0 | -116 |
| Net Pressures– Other Services | 8,730 | 5,620 | 4,446 | 18,796 |
| Reduction in use of Council Fund | 1,000 | 0 | 0 | 1,000 |
| Committed Growth Oracle | 200 | 0 | 0 | 200 |
| Total Net Pressures | 15,094 | 10,282 | 8,534 | 33,910 |

| Cash Neutral Settlement | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|--|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Change in AEF of 0% | 0 | 0 | 0 | 0 |
| Notional Council Tax Increase 4.9% | -3,891 | -4,082 | -4,282 | -12,255 |
| Potential Revenue Shortfall | 11,203 | 6,200 | 4,252 | 21,655 |
| Notional Council Tax Increase to Welsh Average (8.4% 20/21 & 4.62% thereafter) | -6,671 | -3,977 | -4,161 | -14,809 |
| Potential Revenue Shortfall | 8,423 | 6,305 | 4,373 | 19,101 |

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| 1% Reduction in Settlement | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|--|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Reduction in AEF of 1% | 1,610 | 1,594 | 1,578 | 4,782 |
| | | | | |
| Notional Council Tax Increase 4.9% | -3,891 | -4,082 | -4,282 | -12,255 |
| Potential Revenue Shortfall | 12,813 | 7,794 | 5,830 | 26,437 |
| | | | | |
| Notional Council Tax Increase to Welsh Average (8.4% 20/21 & 4.62% thereafter) | -6,671 | -3,977 | -4,161 | -14,809 |
| Potential Revenue Shortfall | 10,033 | 7,899 | 5,951 | 23,883 |

| 1% Increase in Settlement | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|--|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Increase in AEF of 1% | -1,610 | -1,626 | -1,643 | -4,879 |
| | | | | |
| Notional Council Tax Increase 4.9% | -3,891 | -4,082 | -4,282 | -12,255 |
| Potential Revenue Shortfall | 9,593 | 4,574 | 2,609 | 16,776 |
| | | | | |
| Notional Council Tax Increase to Welsh Average (8.4% 20/21 & 4.62% thereafter) | -6,671 | -3,977 | -4,161 | -14,809 |
| Potential Revenue Shortfall | 6,813 | 4,679 | 2,730 | 14,222 |

2.35 The matching exercise indicates that if there is a cash neutral or 1% reduction in the settlement from WG and if there is a 4.9% increase in council tax for each year of this plan, there remains between £21.655m and £26.437m of savings to be identified for the 3 years of the Plan. If the council tax is to be increased to and maintained at the Welsh average, with a cash neutral or 1% reduction in the settlement from WG, there remains between £19.101m and £23.883m of savings to be identified for the 3 years of the Plan. If the WG settlement increases by 1% across the period then there remains a shortfall of between £16.776m at 4.9% Council Tax and £14.222m at Welsh Average Council Tax. This is after already planning for £116k of savings for the same period.

2.36 In the context of the current reduction in Council Tax collection rate as a result of the COVID-19 pandemic, the matching exercise also considered these scenarios in the context of a continuing 1% reduction on the Council Tax collection rate across the period. In this scenario the amount of funding raised from a Council Tax increase is also slightly reduced, the shortfall ranges from £15.188m with a 1% increase in WG settlement and a Council Tax increase at the Welsh average to £27.377m with a 1% reduction in WG settlement and a 4.9% Council Tax increase across the period.

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| 1% Reduction in Council Tax Collection Rate and Cash Neutral Settlement | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|--|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Change in AEF of 0% | 0 | 0 | 0 | 0 |
| Reduction in Council Tax Collection Rate of 1% | 815 | 0 | 0 | 815 |
| | | | | |
| Notional Council Tax Increase 4.9% | -3,852 | -4,040 | -4,238 | -12,130 |
| Potential Revenue Shortfall | 12,057 | 6,242 | 4,296 | 22,595 |
| | | | | |
| Notional Council Tax Increase to Welsh Average (8.4% 20/21 & 4.62% thereafter) | -6,603 | -3,937 | -4,118 | -14,658 |
| Potential Revenue Shortfall | 9,306 | 6,345 | 4,416 | 20,067 |

| 1% Reduction in Council Tax Collection Rate and 1% Reduction in Settlement | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|---|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Reduction in AEF of 1% | 1,610 | 1,594 | 1,578 | 4,782 |
| Reduction in Council Tax Collection Rate of 1% | 815 | 0 | 0 | 815 |
| | | | | |
| Notional Council Tax Increase 4.9% | -3,852 | -4,040 | -4,238 | -12,130 |
| Potential Revenue Shortfall | 13,667 | 7,836 | 5,874 | 27,377 |
| | | | | |
| Notional Council Tax Increase to Welsh Average (8.4% 20/21 & 4.62% thereafter) | -6,603 | -3,937 | -4,118 | -14,658 |
| Potential Revenue Shortfall | 10,916 | 7,939 | 5,994 | 24,849 |

| 1% Reduction in Council Tax Collection Rate and 1% Increase in Settlement | 2021/22 | 2022/23 | 2023/24 | Total for 3 Years |
|--|----------------|----------------|----------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Increase in AEF of 1% | -1,610 | -1,626 | -1,643 | -4,879 |
| Reduction in Council Tax Collection Rate of 1% | 815 | 0 | 0 | 815 |
| | | | | |
| Notional Council Tax Increase 4.9% | -3,852 | -4,040 | -4,238 | -12,130 |
| Potential Revenue Shortfall | 10,447 | 4,616 | 2,653 | 17,716 |
| | | | | |
| Notional Council Tax Increase to Welsh Average (8.4% 20/21 & 4.62% thereafter) | -6,603 | -3,937 | -4,118 | -14,658 |
| Potential Revenue Shortfall | 7,696 | 4,719 | 2,773 | 15,188 |

2.37 The achievement of the required level of savings will be extremely challenging in the context of historical savings already delivered but also in the current situation where managers and staff have been redirecting their priorities to delivering services through different ways of working due to the COVID-19 pandemic. Whilst savings from efficiencies will continue to be pursued, realistically, a substantial proportion of the balance will need to be found through the reshaping of Council services, which in itself will require further time and will require the Council to seek

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alternative forms of service delivery and consider the long term viability of some functions.

- 2.38 There is still uncertainty as to the reliability of available information upon which future resources have been predicted and the assumptions that have had to be made. The results of the matching exercise assume all identified savings options are achieved. It should also be noted that, if anything, cost pressures for years beyond 2022/23 are likely to be understated because of the sparsity of information available and the as yet unknown changes in legislation.
- 2.39 Such is the sensitivity of the resource predictions that a 1% change in assumed funding for RSG/NNDR would have a significant effect on these figures, reducing or increasing the predicted available revenue resources at the end of each year by an average of around £1.6m. It should be noted that there is no collective consensus as to the levels of future settlements and inflation trends with even more uncertainty than in the past, therefore, the deficit could increase with the consequent need to find further savings.
- 2.40 The effect of increasing council tax by 1% year-on-year over the period of the Plan raises a little over £2.406 million in total if the collection rate is unchanged.

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3 RESERVES

- 3.1 Reserves are a way of setting aside funds from budgets in order to provide security against future risks and to allocate funding for future priorities. The Council holds reserves for a range of purposes which can be used to fund either revenue or capital expenditure. The Council has always taken a prudent approach with regard to Specific Reserves and uses them to mitigate known risks (financial and service) and contingent items, e.g. Insurance Fund. Other reserves have been established to fund Council priorities, e.g. Neighbourhood Services and in particular, the Capital Programme, e.g. School Investment Reserve, Building Fund.
- 3.2 The Council's strategy for the level and use of its reserves is reviewed and reported to Cabinet throughout the year via the Initial Budget Proposals report in November, the Final Budget Proposals report in February and the Closure of Accounts report in July. Each report will examine the reserves to ascertain their strategy for use (i.e. whether the need to hold the fund is still relevant) and their level (i.e. whether the amount held in the fund is sufficient for requirements). These reports also include details of any new transfers into reserves and new commitments for their use. Each individual reserve and their intended use is shown, together with the current balance and the projected movement over the coming years.
- 3.3 After several years of real term reductions in funding and with the uncertainty of funding levels into the foreseeable future, there is reducing contingency in the normal operational council budgets and the management and use of reserves will become increasingly important to be able to continue to provide services and to mitigate risks, while still trying to deliver corporate priorities.
- 3.4 The Council Fund reserve is held for general purposes and as at 1st April 2020 had a balance of £12.814m. A drawdown of £1m in 2020/21 has been approved to support the budget, with an approval to use £750k in 2021/22 for the upgrade of the Oracle Financial, Payroll and HR system. Whilst there is no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale of Glamorgan this is currently about £12m. However, in view of the prudent approach the Council takes with regard to Specific Reserves, it is considered that £10m should be the minimum level for this reserve.
- 3.5 At the end of 2019/20 the Council was able to set aside £1.178m into the Council Fund with the specific intention that this additional funding could be used to fund additional costs that would arise as a result of the COVID-19 pandemic. This will be used to fund additional costs and loss of income that will not be funded by WG e.g. the additional 10% payment made to frontline staff to acknowledge the risk they have been undertaking during the pandemic and trading company deficit.
- 3.6 In addition, the Council has a range of earmarked reserves where funding has been ringfenced for a specific purpose. As at 1st April 2020 these earmarked reserves totalled £68m excluding Housing Revenue Account and schools balances. Around £15.870m of these earmarked reserves, some of which are not specifically held for capital, will be used to finance the approved capital programme between 2021/22 and 2025/26. The largest reserve is the School Investment Strategy reserve which stood at £9.09m on 1st April 2020. It will be used as the Council's contribution towards the 21st Century Schools capital investment programme.

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3.7 The Housing Revenue Account Reserve had a balance of £7.948m as at 1st April 2020 and is ring-fenced for the development and improvement of the Council's housing assets. The level of this reserve is reviewed on an annual basis as part of the updating of the 30 year Housing Business Plan.

3.8 The commitments against reserves have been assessed and attached at Appendix 3 is a schedule showing the reserves and the anticipated balances over the period of this MTFP, 31st March 2020 to 31st March 2024. A summary of the position is set out in the following table.

| Summary of Estimated Reserves Projected to 2023/24 | Bal. 31/3/2020 £'000 | Net Movement £'000 | Est. Bal. 31/3/2024 £'000 |
|---|-------------------------------------|-----------------------------------|--|
| Council Fund | 12,814 | (2,740) | 10,074 |
| Specific Reserves : | | | |
| - Insurance Fund | 4,574 | 0 | 4,574 |
| - Capital Reserves | 33,017 | (23,856) | 9,161 |
| - Other Specific Reserves | 30,750 | (10,343) | 20,407 |
| Total Reserves (exc Schools & Housing Revenue Account) | 81,155 | (36,939) | 44,216 |

3.9 It is projected that there will be a large fall (46%) in the level of reserves over the period of this Plan as substantial calls on funds are made. The Council Fund is at a reasonable level however it may now fall below £10m as the deficit in some budgets during 2020/21 will potentially require more than the £1m planned drawdown for the year and also in light of the potential shortfall in funding for 2021/22. This will need to be considered as part of the budget setting process for 2021/22 once the final settlement figures are received from WG. It is considered that earmarked reserves are adequate to cover future commitments and risks but will need to be carefully monitored in future years.

4 RISKS TO PLANNING

- 4.1 An important factor affecting the Plan is the risks the Council is facing. As part of the Council's integrated planning framework, the Council's Risk Strategy states that effective Risk Management allows the Council to make the most of its opportunities, make the right decisions and achieve its objectives once those decisions are made. The Council's policy is one of embedding risk management in every aspect of the organisation. A knowledge and awareness of risks creates an environment in which continuous improvement can be achieved and where the Council takes informed decisions. Corporate risks need to be taken into account in judgements about the medium to long-term goals and objectives of the Council.
- 4.2 When deciding how to manage risks, officers will consider the possible costs of relevant options, including the option of maintaining the status quo. The cost of managing risk will be allocated from within existing resources or through revenue cost pressures and capital bids as required.
- 4.3 There are risks inherent in medium to long term planning and these are now outlined with possible mitigations.

Resource Risks

- 4.4 In addition to the uncertainty regarding the settlement figure from WG, there is also uncertainty in respect of data changes in the funding formulae and changes to the composition of the formulae themselves. For example, any potential transfer of specific grants into the formula may be at a different level to that which was previously provided via grant.
- 4.5 The pay inflation levels for the coming years included in the Plan may vary, however, it is considered that this has been included at a prudent level.
- 4.6 The continuing uncertainty in the economic climate and the impact of the COVID-19 pandemic could result in a reduction in income e.g. planning fees, licensing fees and rental income from workshops and other business units.
- 4.7 The number of people becoming redundant or receiving a reduced income due to the COVID-19 pandemic will result in an increase in arrears and collection rates for Housing and Council Tax.

Expenditure Risks

- 4.8 As previously stated it has been assumed that WG will continue to provide financial support to cover any additional costs associated with the COVID-19 pandemic post 1st April 2021. WG currently has in the main fully provided support while only disallowing a small proportion of the expenditure claimed against the grant. If this does not continue into 2021/22 there will be several areas that will be under financial pressure. The grant has enabled local authorities to secure accommodation to ensure that those without a home can be protected, supported and isolated if necessary. The Council has secured additional emergency temporary accommodation for the Vale's homeless clients during this period by using Ty Lolo hostel, bed and breakfast accommodation, leased and shared properties in the private rented sector and have secured rooms in local hotels. This has cost around £450k between April and September 2020. The Council would not have funds to arrange this level of provision without grant funding. WG is

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also funding, via grant, the lost income from void beds and is paying for a fixed sum per week for each client in both the Council's and private sector care homes which acknowledges an increase in costs to provide this service. This is vital to ensure that homes are able to operate going forward. It is also providing additional funding for domiciliary care providers. If these providers were not able to continue operating then there would be severe consequences for clients and the Council. Payment has also been made to the leisure centre provider to help the business stay viable during lockdown and while the business recovers. This is again funding which has been received from WG to fund this important service to the residents of the Vale of Glamorgan.

4.9 As part of the 2020/21 budget setting process, it was anticipated that savings of around £10.6m would need to be identified between 2021/22 and 2022/23. The savings target set for 2020/21 was the lowest for many years at £247k. Understandably this year the priorities for officers have been to deliver services under the difficult circumstances of a pandemic and therefore the focus has been taken off reshaping services and identifying new potential savings going forward. This will make the ability to find the additional level of savings, highlighted in this Plan, increasingly difficult, particularly as it takes time to fully implement savings as they may include consultation and reorganisations.

4.10 A further implication of the ongoing level of savings is that there will be a reducing base of staff, tasked to deliver services in an increasingly efficient way. This brings with it a significant risk that there may have to be a reduction in the level of service provided.

4.11 There are certain services in the Council that are currently under financial pressure and represent specific risks to the Plan.

- **Education** – There has been increased demand from Vale of Glamorgan pupils requiring placements in Ysgol Y Deri and fewer places are being purchased by other authorities, as they themselves seek to reduce their costs. This brings a resultant reduction in income. Also there has been an increase in the number of pupils with significant needs that are unable to be met at Ysgol Y Deri and therefore have to be placed in independent schools and with other authorities.
- **Social Services** - There are ongoing pressures for the service including the changes in demographics, people are living longer and have more complex needs and the increase in charges from service providers due to the introduction of the National Living Wage. Over the past year there has been increasing pressure on the children's placements budget given the complexities of the children currently being supported and the high cost placements some of these children require to meet their needs.
- **Neighbourhood Services** – Looking to the longer term there are risks associated with increases in charges for energy. In addition, the waste agenda, despite the commencement of the Prosiect Gwyrdd residual waste facility, is a pressure area with potential legislative changes and the increase in the costs of recycling and disposal and the market for recycled materials changing across the world.
- **Housing/Council Tax** - The impact of changes to welfare reforms are still becoming apparent.

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- 4.12 There is currently uncertainty over the increases per year following the introduction of the National Living Wage which could be over £9 per hour by 2021. Any other changes in legislation over the coming years could also affect the projections in the Plan.
- 4.13 The uncertainty created by the exit from the European Union also brings risk as contract prices may change due to staffing issues and the terms of trading with European suppliers. Also any legislative changes could affect the procurement of goods and services and also may affect the service provision regulations e.g. waste, environmental issues, which may have an impact on services and assets.

Mitigation of Risks

- 4.14 A consequence of this level of deficit is that there may need to be a reduction in staff numbers. The Council has set aside funds to cover potential early retirement and redundancy costs. These funds are considered to be sufficient so the risk of meeting severance costs has been mitigated. The Council's Workforce Plans should also help to mitigate the risk by ensuring that it anticipates and plans for the workforce needs of the future in order to meet changing services requirements.
- 4.15 In the past, the Council has taken a prudent view with regard to unsupported borrowing. It is therefore considered that the Council will be able to maintain the currently approved levels of borrowing which serves to mitigate this risk.
- 4.16 The Reshaping Services Programme is a proactive change programme which seeks to mitigate financial risks by fundamentally reviewing services which includes the use of technology to drive change.
- 4.17 Planned savings will need to be closely monitored and scrutinised to ensure they are delivered on target and within the approved timeframe.
- 4.18 The Council holds a reasonable level of reserves and this funding source could be used on a one off basis or could be used as a support while further plans are developed and implemented.
- 4.19 The Council continues to implement energy efficiency schemes which helps to reduce energy usage.
- 4.20 In mitigating risks, it is necessary to identify both the likelihood and impact on Council services, which result from external pressures and decisions to reduce local government funding. However, the sparsity of information on which to base these decisions and in particularly those impacting on local government funding, do not in any way assist the risk management process. As such, it will be necessary to revisit the assumptions made in the light of changing and evolving circumstances as part of the final budget proposals for 2021/22.

5 THE STRATEGY

5.1 In considering the position, it should be noted that, the rolling nature of the Medium Term Financial Plan will necessitate it changing and developing as a budgeting and forward planning tool as the factors upon which it is based become clearer and more certain. In particular, predictions of likely future pay inflation funding and annual revenue settlements from WG are still extremely uncertain. The Council's Corporate Plan contains actions aligned to well-being objectives which are to be delivered through a range of funding sources which are also subject to change and therefore could be affected by future reductions in funding. One of the Council's ways of working is to understand the root cause of issues. Through projecting and understanding the financial position of the Council, issues can be identified and the necessary actions required can be taken in a timely manner. Key to ensuring that the financial position is monitored in the context of other corporate planning activities is the establishment of the Insight Board, which has streamlined arrangements and amalgamated existing groups into one Board. A priority of the Insight Board is to review corporate plans and strategies.

5.2 As the strategy contained within this Section is based upon projected inflation and cash changes in WG funding of RSG/NNDR (based upon the assumed settlement figures), even a small percentage change could have a significant impact.

5.3 Involving the population in decisions is embedded in the way the Council works. To ensure that the budget set for 2021/22 and for future years continues to address the priorities of Vale residents and the Council's service users, the budget setting process will incorporate engagement with a range of stakeholders. This engagement will be facilitated by Council officers and conducted in line with the corporate standards set out in the Vale of Glamorgan Council Public Engagement Framework. To ensure that all stakeholders are able to make a meaningful contribution to the process, they will be provided with sufficient information to enable them to make informed comments. Also the Council will work with the Public Service Board to link their well-being priorities and this will have an impact on the way in which the Council's funding is used and will inform future collaborative arrangements.

5.4 There will be a programme of engagement with elected members of the Vale of Glamorgan Council through the scrutiny process. The input of elected members will provide another channel through which residents can have an input into the budget setting process.

Projected Shortfall

5.5 Based upon the revised projected funding reductions, this Plan indicates that if there is a cash neutral or 1% reduction in the settlement from Welsh Government and if there is a 4.9% increase in council tax for each year of this plan, there remains between £21.655m and £26.437m of savings to be identified for the 3 years of the Plan. If the council tax is to be increased to and maintained at the Welsh average, with a cash neutral or 1% reduction in the settlement from Welsh Government, there remains between £19.101m and £23.883m of savings to be identified for the 3 years of the Plan. If there is a 1% increase in the settlement savings of between £14.222m and £16.776m would need to be identified. This is after already planning for £116k of savings for the same period. If the Council Tax

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collection rate is reduced by 1%, this will equate to additional savings being required of between £940k and £966k across the 3 years.

- 5.6 It should be noted that in arriving at this range of shortfall, certain assumptions have had to be made and there will inevitably be additional cost pressures arising from 2022/23 onwards which are as yet unknown and no provision has been made for service development. Any targets set will be extremely challenging for services, as they are also required to meet other growth items from existing resources, e.g. staff increments.
- 5.7 With such a high level of savings already allocated over the past years, careful consideration must be given to how additional savings are allocated to service areas, while there are areas of the Council where there are fixed costs that cannot change e.g. debt costs. The following issues will be considered.

Transformational Change

- 5.8 The scale of the challenge that now faces the Council means that a "business as usual" approach, however well managed will not be enough. The challenge is therefore to consider alternative delivery models for services across the Council. In November 2014, Cabinet agreed a Reshaping Services strategy and change programme. The aim of the strategy is to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges.
- 5.9 The Coronavirus pandemic has impacted on the Council's activity, including the Reshaping Services Programme. The pandemic has, however, expedited transformational change in many areas. This has included mobilising significant numbers of staff to home working and adapting operational processes. The Council is reflecting on this experience with a view of establishing whether this has resulted in more efficient ways of working which in turn can generate financial savings. The steps being taken to do this are articulated in the Coronavirus Recovery Strategy. This will include consideration of the future direction of the Council's transformational change programme learning from the pandemic and considering the emerging landscape, including the financial resources available.
- 5.10 The transformational change programme has sought to adopt different approaches across the Council. Some of these approaches are described below and will inform the future direction of transformation for the Council.
- 5.11 Services are asked to prioritise the consideration of alternative and collaborative methods of service delivery as opposed to a reduction in service level even though service reduction in the future could now be inevitable. Actions to support such new approaches include collaborative working and such initiatives are already included in the Corporate Plan and support one of the Council's ways of working, namely to work in a collaborative way. An example of this is the Shared Regulatory Service. Where possible demand management needs to be considered and service levels need to be reviewed.
- 5.12 Another way of delivering savings is to take a more commercial approach and where appropriate, charge for services and facilities, and opportunities for charging are being considered. These include extending current service provision and recovering the costs through income. Opportunities relating to advertising, filming and the

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recoupment of finance charges have been the focus of work to date and it is considered that the potential for income generation should be pursued further however this may be restricted during the Covid 19 pandemic.

- 5.13 Services may also be able to identify additional sources of income from grant funding from Welsh Government and other grant making bodies as well as contributions from partner organisations for the delivery of initiatives. Grant funding is already being used to help achieve the Wellbeing objectives set as part of the Council's Corporate Plan. It is considered that grant funding from a variety of sources should be pursued and that the use of grant is reviewed to ensure that it is efficiently used.
- 5.14 The Council sees ICT and digital technology as a key means of transforming services. The Council's Digital Strategy 2017-2020 was approved by Cabinet on 31st July 2017 and is to be reviewed shortly. The current strategy identifies 4 themes which will enable the Council to achieve its vision. They are Digital Customer Service, Digital Workforce, Digital Place and Digital Collaboration. A new income management system has been implemented which will increase the receipt of income via digital channels. The Council is also in the process of rolling out Microsoft 365. A new online recruitment system has also been implemented. There have been significant lessons learnt during the pandemic and the Council has invested in developing the infrastructure to support homeworking and new online facilities. A new Customer Relationship Management System and upgrade to back office systems using Oracle are underway and will offer further opportunities to support new ways of working and deliver efficiency savings.
- 5.15 Forming part of the Council's accommodation strategy, the Space Project is focussed specifically on the use of key corporate buildings. Since its implementation it has become a key driver for achieving a more efficient use of corporate buildings. This project will continue in order to reduce the running costs of the Council's accommodation and in particular reflect new ways of working adopted this year. The Council also needs to consider whether it can use its assets to generate further income.

Traditional Savings

- 5.16 In addition to undertaking transformational change, the Council will also need to continue to review and assess its expenditure to ensure efficiencies can be achieved through more traditional methods. The Council can drive out savings through the procurement process. It is essential that the Council ensures value for money from the contracts it enters into. It is therefore important that services continue to renegotiate contracts to deliver increased flexibility and efficiency gains and therefore controlling price inflation and maximising the use of collaborative arrangements such as through the National Procurement Service where it is advantageous to do so.
- 5.17 The Council will continue to review all levels of expenditure both staffing and non staffing to ensure that it is spending effectively.

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Reserves

5.18 Whatever initiatives are put in place to deliver the required savings it may still be necessary to use reserves to support the future delivery of key priority actions, including facilitating the implementation of Reshaping projects. As such, a key part of the Budget Process has and will continue to be the re-examination, redefinition and reclassification of all earmarked reserves in order to ensure a sustainable level of Council Fund reserve is maintained. A drawdown of £1m in 2020/21 has been approved. The reserve will not fall below a level considered to be a reasonable minimum by the Section 151 Officer. This position will be reviewed by the Budget Working Group as part of the future financial strategy from 2021/22. However, it must be emphasised that the use of reserves to fund recurring expenditure can only be considered as part of a specific strategy to achieve a balanced budget in future years. The consequence of such actions will be to increase the level of savings required in future years.

Council Tax

5.19 For 2020/21, the total budget of £240.438m, after adjusting for discretionary rate relief of £290k, it is £4.169m below the Council's SSA of £244.317m. The Council's current Band D council tax is 3.5% below the Welsh average. The Council could consider a move towards the Welsh average and this has been modelled as part of this Plan. A 1% rise in council tax would have the potential to generate approximately £794k per annum. The % increase in council tax needs to be considered with a view of reducing the funding shortfall.

Current Service Pressures

5.20 The Council needs to continually review its estimation of all existing pressures, especially inflation, key demographic demands and levels of contingency to minimise any unexpected impacts. Currently the major areas of financial pressure for the Council are as follows and further work will need to be conducted by the directorates in assessing the future needs for the services and options for addressing the demand.

- Adults Social Care - Community Care packages
- Education - Additional Learning Needs
- Neighbourhood Services - Waste Management

6 CONCLUSION AND RECOMMENDATIONS

- 6.1 This Medium Term Financial Plan has illustrated the continued reliance that the Council has to place upon WG for its funding, not only in terms of RSG and NNDR, but also in respect of the special and specific grant funding and subsidy it receives. Given the anticipation of a potential reduction in funding in real terms for local government, it is now even more difficult to perceive how the amounts forthcoming would be sufficient to match the aspirations of the Council.
- 6.2 The COVID-19 pandemic has made future planning even more difficult due to the uncertainty of future WG settlements. Departments have also lost the momentum in establishing new savings programmes as over the past months they have been focusing on running their services in new and remote ways. It is therefore important to reflect on these new processes to establish whether they are able to generate future financial savings.
- 6.3 It must be emphasised that the savings targets and options modelled in this Plan will not be easy to achieve particularly after already having several years of large scale reductions in funding and the distraction of the Covid pandemic, however, it is imperative that they are achieved. The savings for 2021/22 could be between £6.813m and £13.667m. While this represents a wide range, consideration has to be given to potential savings that can be delivered next year within a short timeframe, whether any of the cost pressures can be mitigated and the subsequent increase in council tax required.
- 6.4 It will be necessary to ensure that there is a close system of monitoring and scrutiny of the savings to ensure their delivery. Details of individual savings targets and an assessment of their progress is reported to Cabinet and Scrutiny Committee on a quarterly basis.
- 6.5 Looking to the long term is one of the Council's ways of working. The provision by WG of a year by year funding allocation with no firm indication of funding changes in future years does not help the planning process, not only in the long term but even in the short term. A 1% change in the reduction of predicted WG funding equates to around £1.6m and this can significantly alter the level of savings required. The level of savings identified in this Plan is therefore only an indication. Action will need to be taken now as the way in which services will deliver savings in the future, through alternative service delivery, will require a long lead in time in order to be able to assess the best way of delivering the service and also to allow for the consultation process.
- 6.6 In view of the shortfall identified across the 3 years, actions need to be taken to prepare for future reductions in real term funding. It is proposed that once the 2021/22 indicative allocations are received from WG and as part of the budget setting process for 2021/22, the Budget Working Group will consider the options for funding the shortfall as outlined in this Plan and identify further savings targets for future years, while ensuring that the limited resources focus on priorities as outlined in the Corporate Plan. At that stage the assumptions made in this Plan will also need to be reviewed for their appropriateness. The options to be considered should at least include the following :-

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- Considering the results of the budget engagement process in determining priorities for future savings and service delivery;
- Reviewing the feasibility of any change in the use and the level of the Council Fund Reserve and other reserves as part of the financial strategy;
- A further review of the level of cost pressures with a view to services managing and reducing demand and mitigating pressures;
- Services funding their own residual cost pressures through reviewing their existing budgets and revised/alternative means of service provision;
- Services meeting their own pay inflation through reviewing their staffing structure in line with changes to service delivery and workforce planning requirements;
- Reviewing the priorities for funding statutory and non-statutory services, including establishing minimum levels of services provision;
- Considering the latest position regarding the Council's Reshaping Services programme and identifying further area for savings;
- Reviewing the changes to practice and processes as a result of the COVID-19 pandemic;
- Continue to pursue collaborative working;
- Review the strategic approach for commercial opportunities;
- Continue to implement the Digital Strategy;
- Continuation of the Space Project to achieve accommodation related efficiencies;
- Consider the increase in Council Tax; and
- Considering the possibility of a reduction in the level of service and determining what services the Council needs to deliver in the future.

| No. | Description | 2021/22 | 2022/23 | 2023/24 |
|---|---|--------------|--------------|--------------|
| | | £'000 | £'000 | £'000 |
| Directorate: Learning and Skills | | | | |
| Schools | | | | |
| 1 | Demographic Increase in Mainstream Schools - Estimated increase in funding to reflect the increase in pupils reflected in the WG settlement. | 1,128 | 1,128 | 1,000 |
| 2 | ALN Support in Mainstream Primary and Secondary Schools -Increase in the number of pupils required Additional Learning Needs support in Mainstream settings. | 505 | 0 | 0 |
| 3 | Demographic Increase in Pupils in Ysgol Y Deri - There is a demographic increase in the number of Vale pupils requiring specialist school placements each year over those leaving the provision at school leaving age. | 843 | 639 | 224 |
| 4 | Establish Specialist Resource Base at Whitmore High School - Establish a Specialist Resource Base (SRB) attached to a mainstream secondary school at Whitmore High School to provide additional support for pupils with Autism Spectrum Disorder whilst ensuring they can access mainstream secondary education. | 176 | 108 | 77 |
| Total Schools | | 2,652 | 1,875 | 1,301 |
| Non Schools | | | | |
| 5 | Early Years ALN Lead Officer - Establish a new statutory post of Early Needs Additional Learning Needs Officer as required by forthcoming Welsh Government Additional Learning Needs reform. | 60 | 0 | 0 |
| 6 | Early Years Provision - Funding for Additional Learning Needs support for very young children in pre-school settings as required by Welsh Government Additional Learning Needs reform. | 75 | 100 | 0 |
| 7 | Reduction in Out Of County Income - Reduction in the capacity to offer places at Ysgol Y Deri to pupils from other authorities. | 147 | 412 | 0 |
| 8 | Complex Needs Placements in other Authorities and Independent Schools - Additional funding required for specialist provision for children and young people with significant social emotional and mental health difficulties requiring specialist provision and for alternative placements to help manage the pressure on places at Ysgol Y Deri. | 140 | 160 | 0 |
| 9 | 21st Century Schools - Monies required to finance loans that will be raised to fund capital expenditure | 38 | 115 | 102 |
| Total Non Schools | | 460 | 787 | 102 |
| Total Learning and Skills | | 3,112 | 2,662 | 1,403 |

| | | | | |
|---|---|------------|------------|------------|
| Directorate: Social Services | | | | |
| Children and Young People's Services | | | | |
| 1 | External Placements - This demand for this budget is highly fluid and the pressure reflects an assumed level of inflation. The £500k Welsh Government Social Care Workforce grant that was received last year and this year and which was allocated to the External Placements budget is not guaranteed each year and this pressure would increase if it were to cease. | 82 | 84 | 86 |
| 2 | Recruitment and Retention of Foster Carers (Payment for Skills) - This pressure reflects the need to increase the payment for skills for our current population of carers. The pressure in next year and the year after reflects an increasing number of carers. Being able to recruit and retain carers is a key part of our ability to support children looked after and to help to reduce our reliance on externally purchased care. | 90 | 90 | 90 |
| 3 | Recruitment and Retention of Foster Carers (Allowances Paid) -This pressure is linked to the 3% annual increase applied by WG that LAs are obliged to pay. The calculation is based on our current number of carers and allows for an increase of 10 carers each year. | 142 | 150 | 158 |
| 4 | Agency Social Workers Intake and Family Support Team and Care Planning and Proceedings Team - There are significant challenges in recruiting and retaining permanent qualified staff in both Intake and Family Support Team and Care Planning and Proceedings Team. Advertisements have not to date succeeded in recruiting to vacant posts and staff have left the service. Both situations require the commissioning of agency staff to ensure the LA is able to fulfil its statutory role which are more costly. | 100 | 0 | 0 |
| 5 | Additional Social Worker Post Special Guardianship Regulation - The Special Guardianship Regulations have changed and the LA is not complaint. These regulations require a dedicated officer to review Special Guardianship Order (SGO) support plans and the support offered to SGs on a yearly basis. The LA currently oversees 77 children on SGOs and subject to SGO allowances. We plan to increase the numbers by 5 this year and predict this trend increasing. This role requires a qualified social worker. | 50 | 0 | 0 |
| 6 | Legal Costs - The ongoing pressure reflects the costs associated within care proceedings, including the instruction of Counsel, and an increasing number of proceedings being issued in comparison to previous years | 100 | 50 | 0 |
| Total Children | | 564 | 374 | 334 |
| Adults | | | | |
| 7 | Demographic Changes - Due to Covid-19 it is difficult to predict the actual change this year which will continue into 2021/22 as citizens behaviour is fluctuating with some coping well within the pandemic and finding alternative solutions to access support, and others potentially delaying seeking support which may see an increase in complexity when they reach a crisis point. Figures shown are based on previous years increases in budget and correlating 'normal' increases in demand, and anticipated ongoing grant funding. | 500 | 500 | 500 |
| 8 | Provider Fees and Quality Assurance - Continuing challenge by providers to increase fees to meet provider costs. Additional capacity is required to manage contract monitoring arrangements as a result of a number of significant quality assurance issues with providers. Numerous historical pressures continue to impact the committed spend for commissioned services, including National Living Wage, Sleep-Ins, HMRC regulations re travel time, auto-enrolment of pensions and now the increased burden of registration costs for domiciliary care workers under Regulation and Inspection of Social Care (RISC) (Wales) Act 2016. | 1,565 | 1,565 | 1,565 |

| No. | Description | 2021/22 | 2022/23 | 2023/24 |
|------------------------------|--|--------------|--------------|--------------|
| | | £'000 | £'000 | £'000 |
| 9 | Increased Demand to Support Mental Health/Emotional Wellbeing - The Division continues to experience challenges with covering Approved Mental Health Practitioners rotas. There is increased demand for Mental health support and there are more complex cases. We need additional social work and hands-on support worker capacity to support this growing demand and support our qualified workforce to undertake assessments and interventions. We have also experienced an increase in request for lower level support for emotional wellbeing that would not meet the criteria for our Mental Health teams. We anticipate that this is the area that will see most significant pressure over the coming 18 months as a direct consequence of Covid. Additional staff required with Mental Health knowledge to join our Intake and Assessment team to appropriately triage referrals and signpost people to other services, and support our Intake and Assessment team in this area to prevent inappropriate referrals into Mental health teams and use resources effectively and signpost people correctly so they find early support. x 2 support workers plus 3 x Social workers | 220 | 0 | 0 |
| 10 | Accommodation - As a consequence of Covid we have accommodation issues within the Division. We are currently working with the UHB to try to negotiate alternative provision and shifting costs, but currently there are suggestions that the displaced teams from Ty Jenner should be accommodated elsewhere within the area - potentially attracting lease costs. | 40 | 0 | 0 |
| Total Adults | | 2,325 | 2,065 | 2,065 |
| Resource Management | | | | |
| 11 | Your Choice - To ensure that 'Your Choice' practices are embedded in our processes, it would be beneficial to have additional capacity within the RMS Commissioning team to support this roll-out and monitoring. 1 x Commissioning Officer (based on NE costs) | 40 | 0 | 0 |
| 12 | Reablement - The Vale Community Resource Service has benefitted from grant funding at the front line over several years, but due to the short term nature of the funding we have not developed the managerial and supervisory elements required to support the team of Reablement support workers, or consider how best to structure the service in regards to cluster/locality models. The review is currently being undertaken. At this time we cannot pre-empt the outcome of the review, but it is known that more management, co-ordinators and also a quality monitoring officer is required to support the service delivery of the current capacity. The current Service Review is phase A to ensure the structure is fit for purpose, and then in 2021/22 we wish to deliver the aims of the Vale Locality Plan that indicated that it would benefit citizens if all individuals assessed as requiring a POC access a period of reablement via the VCRS team. Based on deputy manager, 2 x co-ordinators, quality monitoring officer, social worker/OT | 250 | 0 | 0 |
| 13 | Residential - This will enable the council provided care homes to deal with a previously applied vacancy factor. The issues created by Covid 19 include a need to reduce dependence on agency staff (or maintain consistent agency staff for each home) and also to ensure that the service can cope should staff be absent. This would enable the homes to be fully staffed. | 127 | 0 | 0 |
| 14 | PPE - To enable the establishment of a PPE team in response to Covid 19 that operates across directorates | 213 | 0 | 0 |
| 15 | Increased demand to support the Community Care Finance Functions - With the increase in demand for services, the functions of the Community Care Finance Section are at the point where the workload cannot be managed within existing resources. Funding would allow for the maximisation of income for chargeable services within the Directorate. | 73 | 75 | 0 |
| Total RMS | | 703 | 75 | 0 |
| Total Social Services | | 3,592 | 2,514 | 2,399 |

| Directorate: Environment and Housing | | | | |
|---|---|--------------|------------|-----------|
| Neighbourhood Services | | | | |
| 1 | Waste Grant Funding - Estimated reduction in the Sustainable waste management grant. | 50 | 45 | 45 |
| 2 | Highways and Footways - Due to the reduction in the level of resurfacing anticipated on the carriageway and footway for 2020/21 onwards it is anticipated that the amount of patching required will increase. | 350 | 0 | 0 |
| 3 | Big Fill - Reduction in Big Fill budget planned for 2021/22 will lead to faster deterioration of the highway network and increased levels of insurance claims. The current programme is being funded from reserves at a value of around £500k per annum | 100 | 400 | 0 |
| 4 | Highways Structures Inspections - There is currently a backlog of inspections. | 100 | 0 | 0 |
| Total Neighbourhood Services | | 600 | 445 | 45 |
| Transportation | | | | |
| 1 | Education Transport - There has been pressure on this provision of service due to an increase in cost and number of pupils, the estimated overspend for 21/22 is £412k. | 412 | 0 | 0 |
| Total Transportation | | 412 | 0 | 0 |
| General Fund Housing | | | | |
| 1 | Domestic Abuse Assessment and Referral Community Safety - The Coordinator collates the daily Public Protection Notices completed by the Police in respect of low and medium risk domestic abuse cases which are not deemed high enough risk to be referred to the Multi-Agency Risk Assessment Conference (MARAC). The Coordinator then ensures the victim is offered person centre support and understands their future support options and is able to gain access to the correct services at the right time. As domestic abuse incidents have increased because of lockdown, it is important that this post continues to be funded until 2021/22 when a restructure of the Community Safety Team will be undertaken and continuation funding made available. | 34 | 0 | 0 |
| 2 | CCTV - Budget previously removed as a saving however contract still in place with Bridgend. Current contract to be extended for 6 months from 1st April 2021. Funding is therefore required to cover this period. | 35 | -35 | 0 |
| Total General Fund Housing | | 69 | -35 | 0 |
| Total Environment and Housing | | 1,081 | 410 | 45 |

| No. | Description | 2021/22 | 2022/23 | 2023/24 |
|---|--|---------------|--------------|--------------|
| | | £'000 | £'000 | £'000 |
| Directorate: Managing Director & Resources | | | | |
| ICT | | | | |
| 1 | Microsoft Licences - Further increased costs as a result of Microsoft changing their costing model and an increase in subscription to purchase Microsoft's Advanced Threat Protection. This has been done in response to the increased security risk from increased home working as a result of the Pandemic. | 225 | 0 | 0 |
| 2 | RSA Licences - New Contract to facilitate remote access as a result of the Pandemic. | 56 | 0 | 0 |
| 3 | Increased cost of existing ICT contracts - Increased costs from a service provider. | 60 | 0 | 0 |
| Total ICT | | 341 | 0 | 0 |
| Property Services | | | | |
| 4 | Building Security and Cleaning. The bid represents the projected shortfall for 2021/22. | 65 | 0 | 0 |
| Total Property | | 65 | 0 | 0 |
| Legal and Democratic Services | | | | |
| 5 | Coroner - Increased contribution is required towards the cost of the Joint Coroner Service. The additional costs are attributable to the increased cost of undertaker fees following a payment review. There has also been an increase in the charges from the Cardiff & Vale Health Board in relation to pathologist fees. | 30 | 0 | 0 |
| 6 | Land Charges - Long-term decrease of land charges income receipts. The introduction of VAT on some of the land charges fees has had an impact on our receipts in terms of competition from private operators. | 35 | 0 | 0 |
| Total Legal and Democratic | | 65 | 0 | 0 |
| Policy & Business Transformation | | | | |
| 7 | C1V - Savings not achieved from previous years | 94 | 0 | 0 |
| Total Policy and Business Transformation | | 94 | 0 | 0 |
| Human Resources | | | | |
| 8 | I-Development Software - Annual support cost for system which is used to ensure that all training requirements of the Council are effectively managed. | 35 | 0 | 0 |
| 9 | Human Resources - Additional costs to accommodate a restructure | 130 | 0 | 0 |
| Total Human Resources | | 165 | 0 | 0 |
| Revenues and Benefits | | | | |
| 10 | Housing Benefit Overpayments. The migration of housing benefit claims to universal credit is impacting on the subsidy the Council receives on its overpayments. The loss of subsidy will continue as more cases are transferred over to universal credit. | 150 | 50 | 50 |
| Total Revenues and Benefits | | 150 | 50 | 50 |
| Total Managing Director and Resources | | 880 | 50 | 50 |
| Directorate: Policy | | | | |
| 1 | Council Tax Reduction Scheme - There has been an increased uptake. | 1,200 | 0 | 0 |
| 2 | City Deal Borrowing Costs - Monies required to finance loans that will be raised to fund capital expenditure. | 373 | 70 | 61 |
| Total Policy | | 1,573 | 70 | 61 |
| COUNCIL TOTAL | | 10,238 | 5,706 | 3,958 |

**PROPOSED EFFICIENCIES THROUGH SAVINGS AND INCOME GENERATION
2021/22**

APPENDIX 2

Service

2021/22

ENVIRONMENT AND HOUSING

Neighbourhood Services and Transport

Traffic Surveys 10

Neighbourhood Services and Transport Efficiencies and Collaboration 56

Total Neighbourhood Services and Transport 66

TOTAL ENVIRONMENT AND HOUSING 66

MANAGING DIRECTOR AND RESOURCES

Finance, ICT and Property

Fraud & Income Recovery 50

Total Finance and ICT 50

TOTAL MANAGING DIRECTOR AND RESOURCES 50

TOTAL 116

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--|---------------|-----------|---------------|---------------|---|----------|----------|----------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| <u>Housing Revenue Account</u> | 7,948 | 0 | -7,058 | 890 | The fund is ring fenced by statute for use by the Housing Revenue Account (HRA). As well as acting as a working balance for the HRA, it is also used to fund repairs and the capital programme. | 915 | 930 | 946 |
| <u>General Reserves</u> | | | | | | | | |
| Council Fund | 12,814 | 0 | -1,990 | 10,824 | The working balance of the Authority can be used to support Council Fund expenditure or to reduce the Council Tax. The minimum recommended level in the view of the S151 Officer is £10m. £1m approved used in 2020/21 plus use for additional costs due to COVID 19. £750k to be used in 2021/22 for Oracle upgrade. | 10,074 | 10,074 | 10,074 |
| <u>Specific Reserves</u> | | | | | | | | |
| <u>Learning and Skills</u> | | | | | | | | |
| Schools Rationalisation and Improvements | 533 | 0 | -265 | 268 | This reserve will meet the costs of school restructuring and reorganisation and support schools in the improvement of their teaching and learning facilities including the transition of Barry Secondary schools. | 134 | 0 | 0 |
| Education Pressures | 452 | 0 | -250 | 202 | To fund pressures faced by Learning and Skills. | 202 | 202 | 202 |
| School Deferred Pensions | 319 | 10 | 0 | 329 | To initially fund pension costs for schools staff which will be reimbursed by schools over a number of years. | 329 | 329 | 329 |
| Sports Facilities | 6 | 0 | 0 | 6 | Funding transferred from Pen y Garth Primary School in order to provide a budget to fund ad hoc repairs and maintenance required to sports hall. | 6 | 6 | 6 |
| Library Fund | 151 | 0 | -50 | 101 | To finance the improvement of Library services. £50k required in 2020/21 to matchfund the Penarth Library MALD capital project. | 101 | 101 | 101 |
| Adult Community Learning | 75 | 0 | 0 | 75 | To finance initial reshaping costs as a result of the anticipated changes in the way adult learning is funded across Wales. | 75 | 75 | 75 |
| Community For Work Exit Strategy | 32 | 16 | 0 | 48 | To pay potential redundancy costs if Welsh Government grants were discontinued. | 48 | 48 | 48 |

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--------------------------------|----------|------|--------|-------|--|----------|----------|----------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Youth Service | 81 | 0 | -32 | 49 | To assist with the implementation of the Youth Engagement & Provision Framework in schools as well as initial costs in relation to the reshaping of the Youth service. The reserve will be used to purchase a bus for the Youth service during 20/21. The remaining balance will be required to matchfund the Inspire to Work ESF project. | 25 | 0 | 0 |
| Catering | 117 | 0 | 0 | 117 | To support any issues relating to the Catering trading company. | 117 | 117 | 117 |
| Catering Equipment Renewals | 33 | 0 | 0 | 33 | Repairs and renewal fund for catering equipment in Schools. | 33 | 33 | 33 |
| Social Services | | | | | | | | |
| Legislative Changes | 7,923 | 0 | -1,500 | 6,423 | To cover additional burdens on the authority due to changes in legislation eg Social Services and Well-being (Wales) Act 2014 , Deprivation of Liberties Standards and other pressures on the service. | 6,423 | 6,423 | 6,423 |
| Social Services Pressures | 1,913 | 0 | 0 | 1,913 | To cover short term childrens placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget. | 1,913 | 1,913 | 1,913 |
| Social Services Development | 350 | 0 | 0 | 350 | To cover costs of implementing service development and contingency for premises maintenance | 350 | 350 | 350 |
| Grant Exit Strategy | 630 | 0 | 0 | 630 | To pay potential redundancy costs if Welsh Government grants were discontinued. | 630 | 630 | 630 |
| Youth Offending Service | 174 | 0 | 0 | 174 | To assist with potential reductions in grant funding in future years and to carry out works at YOS building | 174 | 174 | 174 |
| Environment and Housing | | | | | | | | |
| Neighbourhood Services | 3,723 | 0 | -1,510 | 2,213 | To be used for initiatives to improve Neighbourhood Services, including Parks and Highway services plus any potential costs of waste disposal initiatives. | 506 | 206 | 0 |
| Bad Weather | 269 | 0 | -150 | 119 | To fund necessary works during periods of severe weather conditions. | 0 | 0 | 0 |
| Building Services Improvement | 297 | 0 | -50 | 247 | Monies set aside for improvements to the Building Services department. | 197 | 147 | 97 |

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--|----------|------|------|-------|---|----------|----------|----------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Rural Housing Needs | 56 | 0 | 0 | 56 | To be used to fund Rural Enabler post. | 44 | 32 | 20 |
| Homelessness and Housing | 655 | 0 | -50 | 605 | This sum will be used to support homelessness prevention work. | 400 | 200 | 0 |
| Housing Strategy | 10 | 0 | 0 | 10 | This funding will be used to produce the Housing Strategy including facilitating consultation events. | 10 | 10 | 0 |
| Supporting People | 50 | 0 | 0 | 50 | To continue to provide housing support. | 50 | 50 | 50 |
| Community Safety | 31 | 0 | -19 | 12 | To fund community safety initiatives. | 0 | 0 | 0 |
| Gypsy Traveller | 1,052 | 0 | 0 | 1,052 | To support the provision of a Gypsy/Traveller site and Gypsy Liaison Officer. | 1,052 | 1,052 | 1,052 |
| Regulatory Improvements | 406 | 0 | -75 | 331 | Monies set aside for Regulatory Services issues and to be used for any future issues arising from the shared services collaboration. | 331 | 331 | 331 |
| Managing Director and Resources | | | | | | | | |
| Regeneration and Planning | | | | | | | | |
| Private Sector Housing | 251 | 0 | -49 | 202 | To fund initiatives for Private Sector Housing, including an Occupational Therapist within the DFG team. | 151 | 99 | 46 |
| Local Development Plan | 349 | 40 | 0 | 389 | Set aside for costs relating to the production of the Local Development Plan. | 239 | 139 | 89 |
| Regeneration Fund | 305 | 0 | -73 | 232 | To fund various regeneration schemes in the Vale. | 192 | 152 | 112 |
| Holton Road Surplus | 11 | 10 | 0 | 21 | Ringfenced sum for Holton Road regeneration. | 21 | 21 | 21 |
| Regeneration & Planning | 693 | 0 | -262 | 431 | Monies set aside to cover various commitments within the service. | 264 | 205 | 202 |
| Planning Fees | 100 | 0 | 0 | 100 | To provide for reduction in planning fees income. | 100 | 100 | 100 |
| Building Control | 249 | 0 | -50 | 199 | Reserve set aside to fund future deficits on the ringfenced Building Control Trading Account. | 149 | 99 | 49 |
| Donations | 28 | 0 | 0 | 28 | Income received from visitors which is used to fund general projects and to match-fund expenditure incurred by the Friends of the Heritage Coast. | 28 | 28 | 28 |

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|-------------------------------------|----------|------|------|-------|--|----------|----------|----------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Resources | | | | | | | | |
| Welfare Reforms | 621 | 0 | -200 | 421 | To fund pressures on the Authority resulting from changes to the Welfare Benefit System. This reserve could be used to finance any Department for Work and Pensions projects. | 246 | 246 | 246 |
| Financial IT System | 13 | 0 | -13 | 0 | To fund the costs of implementing the new Income Management system. | 0 | 0 | 0 |
| Internal Audit | 22 | 26 | 0 | 48 | To provide training and support development of Internal Audit staff. | 48 | 48 | 48 |
| Shared Internal Audit Service | 318 | 250 | -26 | 542 | Balance held on behalf of the partners for the shared audit service. | 542 | 492 | 492 |
| Legal | 511 | 0 | -100 | 411 | To provide in house legal capacity on major projects, fund increased in house capacity which assists with income generation. | 301 | 206 | 111 |
| Trainee Appointments | 631 | 0 | -55 | 576 | To fund the appointment of trainees and interns to support services and the Reshaping Service programme. | 519 | 461 | 401 |
| Legal Claims | 1,920 | 0 | 0 | 1,920 | To fund future legal cases and judicial reviews. | 1,920 | 1,920 | 1,920 |
| Child Burial | 36 | 0 | 0 | 36 | Ring fenced grant funding received from Welsh Government. | 36 | 36 | 36 |
| Human Resources | 141 | 0 | -70 | 71 | To fund transitional costs associated with the move to the new HR operating model/HR service centre, for spend to save projects i.e. reduce recruitment spend, reduce sickness absence etc and for a part time temporary post for work associated with the 16-24 agenda. | 0 | 0 | 0 |
| Performance and Development | 367 | 0 | -45 | 322 | To fund the purchase of hardware, software and equipment and to fund the appointment of trainees and interns to support the service. | 272 | 222 | 222 |
| Democratic & Freedom of Information | 48 | 0 | -14 | 34 | To be used to fund IT and other equipment required to support department. | 34 | 9 | 9 |

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|---|----------|------|------|-------|--|----------|----------|----------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Corporate | | | | | | | | |
| Election Expenses | 411 | 42 | -14 | 439 | Set aside for the Council and other elections costs. | 457 | 224 | 241 |
| Corporate Governance | 338 | 0 | 0 | 338 | This reserve has been set aside in respect of local government governance and development issues e.g. collaboration, mergers. The fund is also a useful contingency provision for improvements required urgently e.g. as a result of an inspection report. | 338 | 338 | 338 |
| Early Retirement/Redundancy | 973 | 0 | 0 | 973 | Used to finance the cost of early retirement and redundancy as a result of restructuring, budget savings and the Reshaping Service Programme. | 973 | 973 | 973 |
| Events | 293 | 0 | -90 | 203 | To provide funds to promote the Vale of Glamorgan particularly in respect of tourism and economic | 203 | 203 | 203 |
| Insurance Fund | 4,574 | 0 | 0 | 4,574 | To fund potential future claims on the Authority based upon historical evidence. This is reviewed annually. No prediction for future use has been included at present and claims can have a long lead time. | 4,574 | 4,574 | 4,574 |
| Energy Management Fund | 199 | 119 | -284 | 34 | Energy saving schemes initially funded from this reserve and transfers in relate to the repayments to the fund from services once savings are achieved and income from renewable energy sources. | 179 | 317 | 450 |
| Green Infrastructure and Climate Change Reserve | 1,250 | 0 | 0 | 1,250 | This reserve has been set up to provide funds for Environmental Initiatives across the Vale of Glamorgan. | 1,250 | 1,250 | 1,250 |
| Reshaping Services | 686 | 0 | -216 | 470 | To fund one off costs that will be incurred during the implementation of the Council's Reshaping Services programme. | 347 | 221 | 221 |
| Digital Reshaping | 220 | 0 | 0 | 220 | Invest to save funding to support the implementation of new digital ways of working and to update current systems. | 220 | 220 | 220 |
| Interpretation Services for Asylum Seekers | 98 | 0 | 0 | 98 | To provide support and interpretation services for asylum seekers. | 98 | 98 | 98 |

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|----------------------------------|----------|------|--------|-------|---|----------|----------|----------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Stronger Communities Fund | 325 | 0 | 0 | 325 | To enable community groups, the voluntary sector and town and community councils to apply for revenue and capital funding that promotes initiatives within the Vale of Glamorgan consistent with the Council's vision of "Strong communities with a bright future". | 325 | 325 | 325 |
| Mayors Foundation | 5 | 0 | 0 | 5 | Ringfenced funding to be issued as grants. | 5 | 5 | 5 |
| Capital | | | | | | | | |
| City Deal | 1,898 | 0 | 0 | 1,898 | To be used to contribute towards the City Deal which will generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region. | 1,898 | 1,898 | 1,898 |
| Coastal Works | 487 | 0 | -202 | 285 | To assist in funding the ongoing liabilities that will arise following the coastal developments in the Vale, maintaining the impact of the significant investment made. | 175 | 65 | 65 |
| Waste Transfer Station | 1,498 | 0 | -1,498 | 0 | Establishment of a Waste Transfer Station. | 0 | 0 | 0 |
| ICT Fund | 2,893 | 73 | -711 | 2,255 | Set aside to meet the costs of replacement and renewal of computer hardware and software, telecommunication systems and infrastructure. Transfers in include the repayment back into the fund from schools and other services relating to IT loans. | 939 | 987 | 833 |
| Capital Scheme Commitments | 1,565 | 22 | -1,243 | 344 | Set aside for capital schemes to be undertaken | 0 | 0 | 0 |
| School Investment Strategy | 9,090 | 267 | -1,809 | 7,548 | To be used to fund schemes identified as part of the Schools Investment Programme including the Band B 21st Century School programme. | 2,078 | 1,176 | 399 |
| WG Schools Capital Grant 2018-19 | 185 | 0 | -185 | 0 | A £1.765m grant was received from WG and was used to displace existing capital spend in 2018/19. An equivalent sum is being carried forward through this reserve to fund capital expenditure relating to schools. | 0 | 0 | 0 |
| WG Schools Capital Grant 2019-20 | 1,905 | 0 | -1,905 | 0 | A £1.905m grant has been awarded by WG and is being used to displace existing capital spend in 2019/20. An equivalent sum is being carried forward through this reserve into 2020/21 to fund capital expenditure relating to schools. | 0 | 0 | 0 |

ANALYSIS OF RESERVES**APPENDIX 3**

| Name | Bal | In | Out | Est | Comments | Est | Est | Est |
|--|---------------|--------------|----------------|---------------|---|---------------|---------------|---------------|
| | 01/04/20 | | | Bal | | 31/03/22 | 31/03/23 | 31/03/24 |
| | £000 | £000 | £000 | £000 | | £000 | £000 | £000 |
| Capital Economic Regeneration Fund | 489 | 0 | -156 | 333 | To finance capital economic regeneration schemes. | 333 | 333 | 333 |
| Commercial Opportunities and Invest to Save Fund | 2,354 | 0 | 0 | 2,354 | This fund is to be used to finance capital and revenue projects, with repayment of such advances being credited back to the fund where appropriate. | 2,354 | 2,354 | 2,354 |
| Council Building Fund | 5,777 | 0 | -1,979 | 3,798 | The fund is available in respect of repairs and maintenance of Council Buildings. | 2,451 | 2,110 | 1,889 |
| Repairs and Renewals Vehicle | 3,361 | 800 | -2,818 | 1,343 | This fund is primarily for the replacement of plant and vehicles. Vehicles are purchased from the fund and the transfer in represents the equivalent "rental" | 141 | 0 | 0 |
| Carbon Vehicles Reserve | 0 | 215 | 0 | 215 | New reserve for electric pool cars | 215 | 215 | 215 |
| Social Services Buildings | 500 | 0 | -10 | 490 | To fund the update of Social Services premises to meet the future demands of the service. | 490 | 490 | 490 |
| ICF Capital | 330 | 0 | -330 | 0 | Health have requested that the funding is returned to them during 2020/21 | 0 | 0 | 0 |
| Telecare | 685 | 0 | 0 | 685 | Replacement fund for Telecare equipment and other service costs. | 685 | 685 | 685 |
| TOTAL SPECIFIC RESERVES (excl HRA) | 68,341 | 1,890 | -18,358 | 51,873 | | 38,940 | 35,973 | 34,142 |

| | Original Budget 2020/21 £'000 | Asset Rents/ IAS 19 £'000 | Base Budget 2020/21 £'000 | Rechgs/ Transfs £'000 | Budget Adjustment £'000 | Pay Inflation £'000 | Committed Growth £'000 | Base Estimate 2021/22 £'000 | Savings Applied £'000 | Cost Pressures £'000 |
|--|--|------------------------------------|------------------------------------|-----------------------------|-------------------------------|---------------------------|------------------------------|--------------------------------------|-----------------------------|----------------------------|
| Learning and Skills | | | | | | | | | | |
| Schools | 93,950 | 0 | 93,950 | 0 | 24 | 2,512 | 0 | 96,486 | 0 | 2,652 |
| Strategy, Culture, Community Learning and Resources | 11,344 | (2,948) | 8,396 | (222) | (37) | 91 | 0 | 8,228 | 0 | 38 |
| Additional Learning Needs and Wellbeing Standards and Provision | 2,921 | 2 | 2,923 | (2) | (271) | 66 | 0 | 2,716 | 0 | 422 |
| Directors Office | 4,080 | 0 | 4,080 | (30) | 284 | 80 | 0 | 4,414 | 0 | 0 |
| | 231 | 0 | 231 | 0 | 0 | 5 | 0 | 236 | 0 | 0 |
| Total Learning & Skills (Excluding Schools) | 18,576 | (2,946) | 15,630 | (254) | -24 | 242 | 0 | 15,594 | 0 | 460 |
| Social Services | | | | | | | | | | |
| Children and Young People | 17,255 | (51) | 17,204 | (48) | 135 | 79 | 0 | 17,370 | 0 | 564 |
| Adult Services | 50,526 | (201) | 50,325 | 666 | (50) | 126 | 0 | 51,067 | 0 | 2,325 |
| Resource Management & Safeguarding | 371 | 69 | 440 | (174) | (85) | 111 | 0 | 292 | 0 | 703 |
| Youth Offending Services | 737 | (18) | 719 | (14) | 0 | 11 | 0 | 716 | 0 | 0 |
| Total Social Services | 68,889 | (201) | 68,688 | 430 | 0 | 327 | 0 | 69,445 | 0 | 3,592 |
| Environment and Housing | | | | | | | | | | |
| Neighbourhood and Transport Services | 28,309 | (4,080) | 24,229 | 62 | 0 | 199 | 0 | 24,490 | 66 | 1,012 |
| Building Services | 0 | 46 | 46 | (17) | 0 | 18 | 0 | 47 | 0 | 0 |
| Regulatory Services | 1,894 | 20 | 1,914 | (103) | 0 | 25 | 0 | 1,836 | 0 | 0 |
| Council Fund Housing | 1,339 | (23) | 1,316 | 55 | 0 | 22 | 0 | 1,393 | 0 | 69 |
| Total Environment and Housing | 31,542 | (4,037) | 27,505 | (3) | 0 | 264 | 0 | 27,766 | 66 | 1,081 |
| Managing Director | | | | | | | | | | |
| Resources | 651 | (618) | 33 | (70) | 0 | 364 | 200 | 527 | 50 | 730 |
| Regeneration | 2,024 | (24) | 2,000 | 36 | 0 | 30 | 0 | 2,066 | 0 | 0 |
| Development Management | 1,016 | (7) | 1,009 | (67) | 0 | 25 | 0 | 967 | 0 | 0 |
| Private Housing | 848 | 0 | 848 | (10) | 0 | 8 | 0 | 846 | 0 | 150 |
| Total Managing Director | 4,539 | (649) | 3,890 | (111) | 0 | 427 | 200 | 4,406 | 50 | 880 |
| General Policy | 23,942 | 7,833 | 31,775 | (62) | 0 | 0 | 0 | 31,713 | 0 | 1,573 |
| Met from General Reserves | (1,000) | 0 | (1,000) | 0 | 0 | 0 | 1,000 | 0 | 0 | 0 |
| TOTAL | 240,438 | 0 | 240,438 | 0 | 0 | 3,772 | 1,200 | 245,410 | 116 | 10,238 |