

Meeting of:	Cabinet
Date of Meeting:	Monday, 08 March 2021
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Revenue Monitoring for the Period 1st April 2020 to 31st January 2021
Purpose of Report:	To advise Cabinet of the progress relating to revenue expenditure for the period 1st April 2020 to 31st January 2021
Report Owner:	Report of the Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Carys Lord Head of Finance/ Section 151 officer
Elected Member and Officer Consultation:	Each Scrutiny Committee will receive a monitoring report on their respective areas. This report does not require Ward Member consultation
Policy Framework:	This report is for executive decision by the Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The revenue position for 2020/21 is challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This has impacted both as a result of incurring additional expenditure but also from a loss of income. Funding has been provided by Welsh Government to cover some of the issues. • An efficiency target of £247k has been set for the year and while it is anticipated that this will be achieved, some issues remain relating to unachieved savings targets from previous years. • Adverse variances are being projected for a number of services this year and the use of reserves will be required to resolve these issues in the short term issue. 	

Recommendations

1. That the position with regard to the Authority's 2020/21 Revenue Budget be noted.
2. That this report be referred to Corporate Performance and Resources Scrutiny Committee for consideration.

Reasons for Recommendations

1. To inform Cabinet of the projected revenue outturn for 2020/21.
2. To advise members of financial position.

1. Background

- 1.1 Cabinet on 16th November 2020 approved the revised revenue budget for 2020/21 (minute no c372) and Cabinet on 30th November 2020 approved the revised Housing Revenue Account budget for 2020/21 (minute number c398). There is an approved drawdown from the Council Fund during 2020/21 of £1m.

2. Key Issues for Consideration

Impact of COVID-19

- 2.1 The revenue position for 2020/21 is challenging with additional pressure for the Council both operationally and financially as a result of the COVID-19 pandemic. This has impacted both as a result of incurring additional expenditure but also from a loss of income.
- 2.2 Since March 2020, Welsh Government (WG) has provided financial support to cover additional expenditure incurred via the Local Authority Emergency Hardship Grant. For the period March to December 2020 the Council will receive over £9m. The table below shows the value of the grant claimed to date, the value of items that WG has advised are ineligible for the grant, the value of items that are awaiting confirmation from WG and also actual grant received. This funding will continue to the end of this financial year.

Month	Grant Claimed £000	Items Disallowed £000	50% Paid £000	Grant Due £000	On Hold £000	Grant Received to Date £000
March	108	0	-27	81	0	81
April	1,349	-110	0	1,239	0	1,239
May	2,003	-487	-268	1,248	0	1,248
June	1,496	-20	-62	1,414	0	1,414
July	1,272	-1	0	1,271	0	1,271
Aug	427	-4	0	423	0	423
Sept	530	-2	0	528	0	528
Oct	1,126	-4	0	1,122	0	1,122
Nov	1,575	-23	-12	1,540	0	1,540
Dec	978	-1	0	977	-446	531
Jan	1,572	TBC	TBC	TBC	TBC	TBC
Total	12,436	-652	-369	9,843	-446	9,397

2.3 The main area of expenditure which has been disallowed relates to the additional 10% payment made to frontline staff in Social Services (both internally and to external providers) and in Neighbourhood Services to acknowledge the challenging front-line work that they have been undertaking during the early months of the pandemic, up to the end of August 2020. This expenditure was disallowed by WG as it was a local decision and WG are providing funding for areas which are consistent across all authorities. A claim for the 10% payment to staff was therefore not included in the June, July or August claim to WG and is not included in the table above. They have also rejected any claims that relate to the Housing Revenue Account, again on the basis of consistency, as not all authorities have housing stock. WG has provided 50% funding for IT related expenditure up to the end of June and the figures in the above table relate to both revenue and capital costs. From 1st July, no further claims can be made for IT related expenditure and 100% of the costs have to be met by the Council.

2.4 Items currently on hold relate to school staffing costs where WG has asked for further analysis of the claim and they also require confirmation of the split for the self-isolation payments into standard and discretionary.

2.5 In addition, WG are also providing grant support to cover the loss of income and nearly £3m has been received for the first 3 quarters of the year. WG has now reviewed previous guidance on grant eligibility and the Council has now been able to claim for Registrars and Licensing income which was previously classed as delayed rather than a lost. An estimate of losses due in Q4 will be submitted to WG shortly.

2.6 The Council has also received other specific grant funding from WG to cover additional costs relating to COVID-19 as shown in the table below. Further grants are being approved but final allocations to this Council are yet to be confirmed.

Grant	£000
Business Support Grant	27,150
Business Restrictions Fund	11,691
Retail Leisure Hospitality Rates Relief	10,350
Lockdown Grant	5,015
Start Up Business Grant	207
Freelancer Grant	486
Schools - Cleaning Products	32
Schools - Accelerated Learning Programme	717
School Face Covering Grant (via WLGA)	94
Care Leavers COVID-19 Hardship Fund	35
Relieving court backlogs and supporting exits from care	87
Family Group Conferencing	77
Intervention fund for supporting child and family well-being	56
Covid-19 Homelessness and Housing Related Support Services	74
	56,071

- 2.7** The Council is issuing payments on behalf of WG under the Statutory Sick Pay scheme. The scheme has been open since 1 November and provides additional financial support to eligible social care workers when they are required to stay off work due to actual or potential exposure to COVID-19. Self-isolation payments are also being issued and the Council has also been issuing the £500 payment for care workers which was announced by WG earlier in the year.
- 2.8** The impact of the COVID-19 pandemic will be discussed in further detail throughout this report.

Revenue Financial Position

- 2.9** This year it is difficult to project the potential outturn position for the Council at year end, particularly with the uncertainty regarding lockdown restrictions between now and the end of the financial year. However, the table below details the amended budget and shows the position by service area based on current projections which may change as further clarification on grant funding is received from WG. The unplanned use of reserves will be necessary in the short term and is currently projected to be around £3.1m. This is in addition to the already approved drawdown from the Council Fund during 2020/21 of £1m.

	2020/21	2020/21	2020/21	Variance
Directorate/Service	Original Budget	Amended Budget	Projected	(+)Favourable (-) Adverse
	£000	£000	£000	£000
Learning and Skills				
Schools	93,950	93,850	93,850	0
Strategy, Culture, Community Learning & Resources	11,344	8,146	8,375	-229
Directors Office	231	231	231	0
Additional Learning Needs & Wellbeing	2,921	2,731	2,701	+30
Standards and Provision	4,080	4,364	4,165	+199
Social Services				
Children and Young People	17,255	17,220	17,120	+100
Adult Services	50,526	50,461	51,461	-1,000
Unplanned use of Reserves	0	0	(750)	+750
Resource Management & Safeguarding	371	284	284	0
Youth Offending Service	737	718	568	+150
Environment and Housing				
Neighbourhood Services & Transport	28,309	24,262	25,262	-1,000
Unplanned use of Reserves	0	0	(1,000)	+1,000
Building/Cleaning Services	0	0	815	-815
Unplanned use of Reserves	0	0	(815)	+815
Regulatory Services	1,894	1,900	1,900	0
Council Fund Housing	1,339	1,317	1,317	0
Public Sector Housing (HRA)	(17)	7,058	7,058	0
Managing Director & Resources				
Resources	651	55	348	-293
Unplanned use of Reserves	0	0	(293)	+293
Regeneration	2,024	2,003	2,003	0
Development Management	1,016	1,017	1,017	0
Private Housing	848	854	1,104	-250
Unplanned use of Reserves	0	0	(250)	+250
General Policy	23,942	32,025	32,025	0
Planned Use of Council Fund	(1,000)	(1,000)	(1,000)	0
Total	240,421	247,496	247,496	0

Learning and Skills

- 2.10** The forecast for Learning and Skills is a breakeven position.
- 2.11** Schools - The delegated budget relating to schools is expected to balance as any under/over spend is carried forward by schools. As at 1st April 2020 schools reserve balances stood at £839k. However this year it is possible that total school deficit balances may exceed total school positive balances and the school's balances may fall into an overall deficit position. This will be closely monitored and reported on further.

Additional expenditure has been incurred in schools in respect of COVID-19, however, most of this expenditure to date will be grant funded. During the year Hubs have been set up in schools to provide childcare for key workers during lockdown periods. Funding for this provision has been received from WG through the Hardship grant. Where possible, grant funding has been claimed from WG to cover additional expenditure incurred by Schools since their reopening in September.

- 2.12** Strategy, Culture, Community Learning & Resources - An adverse variance of £229k is projected at year end after a net transfer to reserves of £117k.

School Transport is currently projecting an overspend of £385k. Local Education Authorities have a statutory duty to provide free school transport for pupils of statutory school age who reside beyond walking distance to the nearest appropriate school, in addition to a statutory duty to provide transport for pupils with additional learning needs who require access to specialist provision. The Council also provides discretionary support towards pupils in further education above the age of 16. The Learning and Skills Directorate is responsible for meeting the cost of any adverse variance against this budget even though the service is procured through the Environment and Housing Directorate. The following overspends are currently projected: Primary £25k, Secondary £114k, Further Education £37k and Additional Learning Needs (ALN) £209k.

Contract prices rose following the tendering of all school transport services in September 2019. From September 2020, additional mainstream routes have been required due to safety concerns and no transport provided in certain areas which has resulted in an increase in costs. Additional services are running as pupils are unable to attend their catchment school. There has been another significant increase in cost following the decision of one of the operators to hand back all the services that they were carrying out and there has been a need to set up additional ALN routes for September 2020. Transport costs to Ysgol Y Deri have increased while others have remained consistent with transport to some schools ceasing, such as St Illtyds Primary and Ysgol Bryn Derw and new transport requirements to schools such as Riverbank and Cowbridge Comprehensive. Some pupils with ALN have extremely complex needs and can require, at short notice, a change of transport, either because they have issues with other pupils,

they have a change in their behaviour or a minor issue on transport means they can no longer travel on a certain route. There have only been an additional six pupils added to Ysgol Y Deri services since September 2019, but the addresses of the pupils are as far reaching as Llantwit and Ogmere, which in itself increases costs.

When schools were closed during lockdown periods, the Council continued to pay school transport providers 75% of their contract to ensure that the service would be available when schools reopened, however, WG has offset this saving by reducing the funding they have provided for lost income.

Strategy and Resources is anticipating a favourable variance at year end of £40k. £75k is against the staffing budget partly due to staff vacancies and there is a savings of £15k projected against the resources budget due to a possible underspend on software licences. The private nursey provision is expected to overspend by £25k due to the additional take up of places in the non-maintained nursery sector. There is also a projected over-spend of £25k against the 21st Century Schools Team. This would previously have been funded from reserves but due to savings across the Directorate, this transfer will no longer be necessary, and the costs will be funded from within the base budget.

Libraries are projecting an underspend of £48k after a transfer of £30k into reserves. There are staffing underspends of £89k as a result of vacancies. It had been anticipated that £18k of the underspend would be used to offset the cost of implementing Openplus at Cowbridge and Llantwit Libraries and the provision of card payment machines in Libraries and software purchases of £12k. However, due to the COVID 19 pandemic Openplus will not be installed this financial year and it is therefore proposed that £30k is transferred into the Libraries reserves to fund this project during 2021/22. £11k will also be spent on the transformation of Penarth Library.

Adult Community Learning –The service is currently projecting that it will outturn with an underspend of £102k after transferring £46k to reserves. Vale Courses are projecting a £31k deficit. WG have provided funding for loss of income for quarters 1,2 and 3. The Get Back On Track programme is currently projecting a favourable variance of £90k due to staffing underspends and additional Cardiff and Vale College (CAVC) funding for skills@work. The CAVC Franchise is projecting a £13k underspend from the staffing budget. The CAVC Skills Development programme will also underspend by £30k. Welsh for Adults is due to underspend by £46k and it is proposed that this is transferred into reserves at year end. The reserve will be used to cover increasing costs and any potential future redundancy costs in light of the static/reduced grant over the 3 year contract and any possible grant claw back due to reduced enrolment numbers.

Schools Non-Delegated expenditure – This budget is projected to have an adverse variance of £34k after a net transfer to reserves of £41k. Expenditure for the Barry Co-Ed Transition for safeguarding and salary protection is expected to

be in the region of £101k this year. These costs are usually fully funded from the School Rationalisation Reserve, however, only £25k will be transferred from reserves this year leaving an overspend of £76k which will be funded by savings across the Directorate. Regular annual pension payments are made to Cardiff County Council and the Teachers Pension Agency in respect of teachers and support staff who were allowed to retire early during local government reorganisation in 1996. Some of these costs are reducing year on year and savings of £7k are currently projected for this year. There is currently an underspend of £66k against the Early Retirement/Voluntary Redundancy (ER/VR) budget. The intention is that this will be transferred to the Schools Invest to Save reserve at year end. It is a statutory requirement that redundancy costs are funded centrally. Further savings are now projected against the Welsh Immersion Unit of £10k, subscriptions & licenses of £10k and central expenditure related to schools of £15k.

- 2.13** Directors Office - It is anticipated that this area will outturn on target.
- 2.14** Additional Learning Needs & Wellbeing - This service continues to face significant pressures due to the increasing needs of pupils within the Vale. However, a favourable variance of £30k is currently projected. Children's Placements is currently projected to underspend by £22k based on current information, however this will be reviewed based on any changes in placements. There is a favourable variance of £27k in the Prevention & Partnership budget and also a favourable £20k variance on the Complex Needs budget, both relating to staffing budgets. There is currently an adverse variance of £34k relating to Recoupment income and a £5k adverse variance against Additional Learning Needs.
- 2.15** Standards and Provision - A net favourable variance of £199k is anticipated after a transfer to reserves of £270k. There are savings on employee costs in both the Youth Engagement and Progression service of £107k and in the Schools Improvements budget of £114k. There is currently a favourable variance of £135k projected in the budget which provides support for out of school tuition (OOST) for pupils whose medical needs mean they are unable to attend which is as a result of a reduction in the number of pupils receiving the service. The Inclusion & Wellbeing budget is projected to outturn with a £65k underspend mainly as a result of savings on staff costs. The Education Other than at School (EOTAS) budget is also projecting a £15k underspend and the Pupil Referral Unit (PRU) is projecting a £33k underspend. This will allow £270k to be transferred to the Rationalisation reserve and the funds will be earmarked for the new Centre for Learning and Wellbeing and EOTAS.

Social Services

2.16 It is anticipated that Social Services will overspend by £750k this year.

Children and Young People Services – It is anticipated that the outturn at year end could be around £100k underspent. In recent months there has been growing pressure on the Division due to an increased demand for the service, partly as a result of the COVID 19 pandemic and it will therefore be necessary to try to increase staff capacity to manage this demand. There still remains 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. This is further impacted by the COVID-19 pandemic and the significantly higher demand for placements. However, work continues to ensure that children are placed in the most appropriate and cost effective placements and it is anticipated that the budget could underspend by £100k by year end. There are other pressures across the service due to legal costs being incurred as a result of complex court cases that require Counsel's involvement and in addition this year there have been greater costs incurred in relation to children being placed for adoption outside the Vale Valleys and Cardiff Adoption partnership area which does not reflect more children being placed in agency placements this year, rather that the staggered payments made for these placements have fallen more significantly in this financial year. Specific grants received from WG as a result of the COVID-19 pandemic, which have acknowledged the pressures in Children's Services, have helped the financial position of the service, however the outturn position could still fluctuate if the number of children looked after and/or complexity of needs change, particularly with the potential high cost of each placement.

Adult Services - The service is now projecting an overspend at year end of around £1m. There is continuing pressures on the Community Care Packages budget which is extremely volatile and therefore difficult to predict, however, it is anticipated that it could overspend by around £1m. It is projected that there will be an underspend within the remainder of Adults Services of around £500k mainly as a result of staff vacancies. As part of the Council's commitment to acknowledge and support the work Council staff are undertaking in the care sector during the COVID-19 pandemic, a temporary pay increase of 10% has been provided. There has also been a similar payment totalling around £500k to staff working for external domiciliary providers and residential and nursing home providers. WG is not prepared to fund this additional payment to Council or external provider's staff via the Hardship grant as it is a local decision and therefore the costs have to be financed by the Council. Other support provided to external care providers such as the provision of PPE and additional staffing hours due to sickness/shielding etc will be funded by WG. Payments made to care home providers for void beds and for void beds in the Council's own care homes for the 10 months ending 31st January 2021 have been claimed from WG. The service has needed to purchase large quantities of PPE over the past months and funding for these costs has been received from the WG Hardship grant.

Figures could fluctuate during the remainder of the year however any overspend at year end will be funded from the Social Services Legislative Changes reserve.

- 2.17** Youth Offending Service - It is currently anticipated that this service will underspend by £150k at year end due to staff vacancies.

Environment and Housing

- 2.18** Neighbourhood Services & Transport is currently projected to have an adverse variance of £1m against the 2020/21 budget. Funding for budget pressures of £1.25m has been provided as part of the 2020/21 budget setting process, however, there remains considerable pressure on the budget.

The service is anticipating an adverse variance of around £1.15m by year end. There remains pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste. In the short term the Barry phase of the recycling rollout has also caused an increased spend on transport costs as the vehicles for the new service are being used while the old vehicles are being decommissioned ready to be sent to auction. Overall vehicle costs should reduce once the waste transfer station is operational which is due to take place during 2021/22. Staffing numbers have been increased to enable the maintenance of the service through the COVID 19 pandemic and to be able to observe social distancing. This increased cost is, however, being claimed against the WG Hardship grant. A temporary additional 10% uplift in salary was also paid to waste collection frontline staff from April to August 2020 to acknowledge the difficulties they face and as previously stated this is not being funded by WG. This uplift accounts for around £175k of the £1.15m shown above. There was also a decrease in the Waste Grant from WG for 2020/21 which funds part of the recycling collection service. The move to kerbside sorting of all recycling material will ensure that the majority of the recycling collected is delivered to UK markets rather than being sent abroad and will reduce future cost being spent on treating recycling, as the Council should get an income for the majority of recycling it collects rather than paying for the treatment of our co-mingled recycling. Currently, there remains pressure on the budget due to the high price being paid for the year to date to treat co-mingled recycling plus a recent drop in the income being received for certain materials, especially plastic, which has seen an 80% decrease in the value being obtained. It is estimated that these factors have added an additional £200k pressure to the budget, however, this should improve in future years as a result of the full rollout of a kerbside sort method of recycling. To offset the pressures above there are savings on vacant posts elsewhere in the service of around £350k. The additional costs of £175k relating to the additional 10% paid to frontline staff will be funded centrally from monies set aside at the end of 2019/20 in the Council Fund in order to meet any potential additional costs relating to the COVID 19 pandemic. The remaining £825k will be funded from the Neighbourhood Services reserve.

- 2.19** The COVID 19 pandemic has created a number of budget pressures including the loss of income from car parking, commercial waste, leisure centres, concessions, environmental enforcement and civil parking enforcement income. Grant funding has been received from WG for the first 3 quarters of the year and further funding will be available until the end of the financial year.
- 2.20** Building Services - The Building Maintenance service is currently running at a significant deficit due to the decrease in level of work being undertaken as a result of the COVID 19 pandemic. The majority of work undertaken by Building Maintenance is within public buildings or Council houses and therefore the level of work has reduced significantly. It is estimated that the trading unit has been losing on average around £17.5k per week for the first 10 months of the year as the Building Maintenance operatives are unable to recover all of their costs from undertaking work. Around 1,000 chargeable hours were undertaken per week in 2019/20, this has reduced to around 500 hours per week on average in the first 10 months of 2020/21. The net impact is a current deficit from April to January of £500k on work that would have been undertaken on Housing properties and £250k from public buildings which is a total of £750k. Due to new lockdown measures the adverse position will not be recovered by year end, and any adverse variance will need to be funded from the Council Fund and the Housing Revenue Account. A year end overspend of £750k is being reported however this position could deteriorate by the end of March 2021 as a result of a continued lockdown.
- 2.21** Building Cleaning - It is anticipated that the income for Building Cleaning will not be affected as client budgets will be charged their annual sum agreed as part of the Service Level Agreement even though some buildings may not have been fully operational through the COVID 19 pandemic. There will however be a pressure on the trading account due to the additional 10% paid to the frontline cleaning staff. It is estimated that this will be a value of £65k that cannot be recharged on to clients and will be funded centrally from monies set aside at the end of 2019/20 in the Council Fund in order to meet any potential additional costs relating to the COVID 19 pandemic.
- 2.22** Regulatory Services - The allocation represents the Vale of Glamorgan's budget for its share of the Shared Regulatory Service (SRS). A separate set of accounts is maintained for the SRS and periodically reported to the Shared Regulatory Service Joint Committee. Income, particularly Licensing income, has been affected by the pandemic however as with other services, WG has funded such losses.
- 2.23** Council Fund Housing - In response to the WG guidance on managing homelessness during the COVID-19 pandemic, the Housing Solutions Team are still working hard to secure additional emergency temporary accommodation for the Vale's homeless clients. The team has successfully housed hundreds of homeless clients in 116 bed and breakfast rooms acquired in three local hotels. This is in addition to the clients placed in the Council's normal stock of 147 units

of temporary accommodation (Ty Lolo hostel, council, leased and shared properties in the private rented sector). Since April 2020 the additional costs of this increased accommodation has been funded by the WG and they have agreed that this Authority can block book all 116 hotel rooms until 31st March 2021 which they will fund. As the effects of the pandemic are likely to be long lasting, the Authority has made plans to increase its options for housing provision for the homeless and 11 self-contained modular units, developed using modern methods of construction (MMC), are being sited in the Court Road Depot site as well as 63 one-bed units and 9 two bed permanent housing units at the new Wales and West Housing Association development in Subway Road, Barry, opposite the Dock Office. There is still some uncertainty around Hardship Funding in the longer term however these additional units should reduce the need for hotel rooms but is unlikely to replace them completely. As Members are aware, discussions are still on-going regarding the future monitoring of the CCTV output. The Police and Crime Commissioner for South Wales has put in place a working group to review the CCTV services across all local authorities in an attempt to come up with a consistent approach to service delivery going forward across the region. In addition, a local working group in the Vale of Glamorgan has been convened, made up of Officers from the Council's Community Safety Team and the Police to ensure the local context is also considered. Similar to last year, a 2019/20 revenue savings target of £75k for the CCTV service will once again not be achieved this year, so it is anticipated that unless this saving can be covered by underspends elsewhere within the service, funding will need to be drawn down from reserves to cover this shortfall.

- 2.24** Public Sector Housing (HRA) - The HRA is expected to outturn on target and any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the reliance on Unsupported Borrowing. No grant funding has been made available by WG to support any additional expenditure incurred as a result of COVID-19. This is on the basis that not all authorities have a HRA and WG is trying to be consistent in its provision of funding across all Welsh authorities.

Managing Director and Resources

- 2.25** Resources - As a result of the COVID-19 pandemic the Council has had to invest a considerable sum to upgrade its network infrastructure and security arrangements to enable the move to home working. WG has agreed to pay 50% of such costs from the Hardship grant up to the end of June. Any further expenditure past this date will have to be 100% funded by the Council. This means that the Council will need to find funding of around £293k to cover the shortfall in the investment it has undertaken to facilitate homeworking from revenue and it is proposed that the ICT Fund will be used to cover this gap. Due to the COVID-19 pandemic there has been a loss of income from the Registrars Service. WG have reviewed the criteria for claiming grant for loss of income and have now decided that this can be considered as a loss of income and not

delayed income as previously was the case. A claim for the year has now been submitted.

- 2.26** Regeneration - Income receipts within this Division remain below target due to the pandemic, but loss of income claims submitted to the WG have greatly assisted the position. Losses included Q1 rent from some commercial tenants' rent holidays as well as countryside parks takings for activities, car parking fees and venue hire. As lost income will be funded by WG through to the end of the year it is anticipated that this budget should outturn within budget.
- 2.27** Development Management - Despite early concerns, planning fees and building regulation fees have been largely unaffected by the pandemic and income levels are broadly in line with profiled targets. This has likely been assisted, in the case of planning fees in particular, by the WG's announcement of an increase in planning application fee rates as of 1st August 2020. A breakeven position at year end is therefore being forecast.
- 2.28** Private Housing - The pandemic has had an effect on the Disabled Facility Grants activity as clients, often vulnerable by the very nature of the grants, have understandably been anxious about having officers and contractors enter their properties since March 2020. WG, have funded lost income based upon equivalent income for the same period in 2019/20 and as this funding will continue to year-end, it is anticipated that this service will break even.
- 2.29** Rent Allowances - It is anticipated that based on existing trends the overspend at year end could be around £250k. This is due to the migration of Housing Benefit claims over to universal credit, impacting on the subsidy the Council receives on its overpayments. Funding will need to be transferred from the Welfare Reform reserve to cover this position at year end.

General Policy and Council Tax

- 2.30** General Policy - Council Tax collection rates are down 1.7% at the end of January 2021, which in cash terms equates to around £1.5m, however, this is in part due to some customers deferring payments from April/May 2020 to February/March 2021. Information is being provided to WG on a regular basis regarding this issue and WG are now considering providing additional funding to mitigate this position which for this Council could be in the region of £1.1m.

2020/21 Efficiency Targets

- 2.31** As part of the Final Revenue Budget Proposals for 2020/21, an efficiency target of £247k was set for the Council, which as a result of a positive settlement from WG, was greatly reduced from targets set in recent years. No efficiency target was set for schools. Attached at Appendix 1 is a statement detailing all efficiency targets for 2020/21.

- 2.32** Each efficiency target has been given a RAG status. Green indicates that it is anticipated that the target will be achieved in full within the year, amber indicates that it is considered that the saving in the year will be within 20% of the target and red indicates that the saving to be achieved in year will be less than 80% of the target.
- 2.33** Services are anticipating achieving their efficiency target this year.
- 2.34** Further updates on progress against the efficiency targets will be provided to members during the year.

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

- 3.1** The revenue budget has been set in order to support services in the delivery of the Council's Well-being objectives. It is therefore important for expenditure to be monitored to ensure that these objectives are being delivered.
- 3.2** The revenue budget has been set and is monitored to reflect the 5 ways of working.
- 3.3** **Looking to the long term** - The setting of the revenue budget requires planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
- 3.4** **Taking an integrated approach** - The revenue budgets include services which work with partners to deliver services e.g. Health via ICF.
- 3.5** **Involving the population in decisions** – As part of the revenue budget setting process there has been engagement with residents, customers and partners.
- 3.6** **Working in a collaborative way** – The revenue budgets include services which operate on a collaborative basis e.g. Shared Regulatory Service, Vale Valleys and Cardiff Adoption Service.
- 3.7** **Understanding the root cause of issues and preventing them** – Monitoring the revenue budget is a proactive way of understanding the financial position of services in order to tackle issue at the source as soon as they arise.

4. Resources and Legal Considerations

Financial

- 4.1** As detailed in the body of the report.

Legal (Including Equalities)

- 4.2** There are no legal implications

5. Background Papers

None

PROGRESS ON APPROVED EFFICIENCIES 2020/21

APPENDIX 1

Title of Saving	Total Efficiency	Projected Efficiency	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
	£000	£000				
LEARNING AND SKILLS						
Strategy, Culture, Community Learning & Resources						
General Efficiencies	45	45	Green	General reduction in budgets	Learning & Culture	Trevor Baker
Total Strategy, Culture, Community Learning & Resources	45	45				
TOTAL LEARNING AND SKILLS	45	45				
SOCIAL SERVICES						
Adults Services						
Review of Complex Cases	100	100	Green	Cases in the process of being reviewed	Health Living & Social Care	Suzanne Clifton
Total Adults Services	100	100				
TOTAL SOCIAL SERVICES	100	100				
ENVIRONMENT AND HOUSING						
Neighbourhood Services and Transport						
General Efficiencies	28	28	Green	General reduction in budgets	Environment & Regeneration	Emma Reed
Total Neighbourhood Services and Transport	28	28				
TOTAL ENVIRONMENT AND HOUSING	28	28				
MANAGING DIRECTOR AND RESOURCES						
Legal and Democratic Services						
Members Printing	1	1	Green	Budget reduction made	Corporate Performance & Resources	Debbie Marles
Lease	3	3	Green	Budget reduction made	Corporate Performance & Resources	Debbie Marles
Total Legal and Democratic Services	4	4				
Regeneration						
Staff Restructure	40	40	Green	Staff restructure complete	Environment & Regeneration	Marcus Goldsworthy
Total Regeneration	40	40				

PROGRESS ON APPROVED EFFICIENCIES 2020/21

APPENDIX 1

Title of Saving	Total Efficiency	Projected Efficiency	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
	£000	£000				
Development Management						
Planning Income	7	7	Green	Anticipated by year end	Environment & Regeneration	Marcus Goldsworthy
Gen Efficiencies and Advertising	8	8	Green	General reduction in budgets	Environment & Regeneration	Marcus Goldsworthy
Total Development Management						
	15	15				
TOTAL MANAGING DIRECTOR AND RESOURCES						
	59	59				
Policy						
Compliance	15	15	Green	General reduction in accommodation budgets	Corporate Performance & Resources	Carys Lord
TOTAL POLICY						
	15	15				
TOTAL						
	247	247	Green			

Green = on target to achieve in full
 Amber = forecast within 20% of target
 Red = forecast less than 80% of target