

Meeting of:	Healthy Living and Social Care Scrutiny Committee
Date of Meeting:	Wednesday, 11 December 2019
Relevant Scrutiny Committee:	Healthy Living and Social Care
Report Title:	Initial Revenue Budget Proposals 2020/21 and Revised Budget 2019/20
Purpose of Report:	To inform Scrutiny Committee of the amended revenue budget for 2019/20 and to submit for consultation the initial revenue budget proposals for 2020/21.
Report Owner:	Report of the Director of Social Services
Responsible Officer:	Carys Lord, Head of Finance / Section 151 Officer
Elected Member and Officer Consultation:	The Corporate Management Team has been consulted on this report. The initial budget proposals will be the subject of consultation with Scrutiny Committees. The Trade Unions and Schools Forum will also be consulted.
Policy Framework:	This report is for executive decision by the Cabinet
Executive Summary:	<ul style="list-style-type: none"> • The 2019/20 budget has been amended for internal transfers and technical adjustments. The overall total budget for the Committee is now £65.499m. • The Council is required under statute to fix the level of council tax for 2020/21 by 11th March 2020 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 in mid-December with the final settlement being received in February 2020. Even though this crucial information has not been received, the budget setting and consultation process has to commence in order to meet statutory deadlines.

Recommendations

It is recommended that:

1. The amended revenue budget for 2019/20 as set out in Appendix 1 be noted.
2. The Initial Revenue Budget Proposals for 2020/21 be considered and any recommendations, including those related to cost pressures and savings, be passed to Corporate Performance and Resources Scrutiny Committee as the lead Scrutiny Committee.

Reasons for Recommendations

1. To note changes to the 2019/20 budget
2. In order that Cabinet can consider the comments of Scrutiny Committees and other consultees before making a final proposal on the budget.

1. Background

- 1.1 The Council's budget is determined largely by the Revenue Support Grant (RSG) settlement set by the Welsh Government (WG). The provisional RSG settlement is expected to be received from WG in December 2019, with the final settlement due to be received in February 2020.
- 1.2 The Council is required under statute to fix the level of council tax for 2020/21 by 11th March 2020 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 RSG settlement is notified to the Council.

2. Key Issues for Consideration

Revised Budget 2019/20

- 2.1 Appendix 1 to this report sets out the amended budget for 2019/20, together with the necessary adjustments to be made to the original budget.
- 2.2 Asset Rents, International Accounting Standard (IAS) 19, Transfers and Recharges - These adjustments have no overall effect on the net budget of the Council. These are accounting adjustments largely outside the control of services. They

reflect charges for the use of capital assets, changes to inter-service recharges and transfers and pensions adjustments to comply with accounting standards.

2.3 The following table compares the amended budget with the projected outturn for 2019/20. Services are anticipating drawing down from reserves this year with the main areas outlined in the following table.

Directorate/Service	2019/20	2019/20	2019/20	Variance
	Original	Amended	Projected	(+)Favourable
	Budget	Budget	Outturn	(-) Adverse
	£'000	£'000	£'000	£'000
Children and Young People	16,098	16,195	17,195	-1,000
Adult Services	47,957	47,903	48,603	-700
Resource Management & Safeguarding	272	281	281	0
Unplanned use of reserves to fund overspend	0	0	(1,700)	+1,700
Leisure Services	1,350	1,120	1,120	0
Total	65,677	65,499	65,499	0

2.4 Children and Young People Services - The major concern for this service is the continuing 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. Work continues to ensure that children are placed in the most appropriate and cost effective placements, however in the context of the complexity of need and the national challenges in identifying placements this is challenging, however, some progress has been made and it is now projected that this budget could overspend by around £1.0m this year. It should be noted that due to the potential high cost of each placement, the outturn position could fluctuate with a change in the number of children looked after and/or the complexity of need. It should be noted that this position includes the utilisation of £500k grant funding from Welsh Government which has currently been provided on a one off basis in 2019/20, however, this cannot be guaranteed and relied upon for future years and it is anticipated that further information will be provided as part of the 2020/21 settlement. The service holds a reserve that could be accessed at year end to fund high cost placements if required.

2.5 Adult Services - The pressure on the Community Care Packages budget has been reassessed and it may have a net overspend at year end of around £700k. The outturn position is difficult to predict as the budget is extremely volatile. The service also continues to be affected by the pressures of continued demographic growth, an increase in the cost of service provision and the Community Care Packages budget will have to achieve further savings this year. The service will

strive to manage growing demand and will develop savings initiatives which may be funded via regional grants. Welsh Government has continued to provide Intermediate Care Fund (ICF) grant to Cardiff and Vale University Health Board to allow collaborative working between Health and Cardiff and the Vale Councils however the level of grant funding is not guaranteed on an ongoing basis. The service holds a reserve that could be accessed at year end to fund any eventual overspend if required.

Savings 2019/20

- 2.6** As part of the Final Revenue Budget Proposals for 2019/20, a savings target of £577k was set for this Committee. Attached at Appendix 2 is a statement detailing the projected progress against savings targets for 2019/20. It is currently projected that there will be a shortfall against the savings target of £56k.
- 2.7** Each savings 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.
- 2.8** Social Services - Older Persons Day Services. The achievement of this savings target is contingent on the outcome of the consultation on proposed future provision of day services for older people which was agreed by Cabinet on 29th July 2019. Given the timescales, it is unlikely that the full saving will now be achieved in 2019/20. If this saving is not achieved in year the service's reserves will be utilised at year end to fund any overspend if required.
- 2.9** Single Use Sports Pitches - Phase 1 of this saving for bowling greens was implemented part way through 2019/20. Phase 2 is expected to be implemented during 2020/21, the full year effect of the savings are expected to be realised in 2021/22.
- 2.10** Further updates on progress against the savings targets will be provided to members during the year.

Budget Strategy 2020/21

- 2.11** Cabinet approved the Budget Strategy for 2020/21 on the 15th July 2019, min no.C37.
- 2.12** The Budget Strategy for 2020/21 outlines that in order to establish a baseline, services should prepare initial revenue budgets based on the cost of providing the current level of service and approved policy decisions and including the existing savings target.

2.13 Increases to budgets approved during the course of a financial year can restrict the freedom the Council has to allocate its resources to priorities during the following budget cycle when it is aware of all the competing demands.
Consequently:

- Supplementary estimates will only increase the base budget if Council has given specific approval to this effect. Increases met by virement within a year will not be treated as committed growth.
- Directors should find the cost of increments and staff changes from their base budget unless the relevant specific approval has been given for additional funding.
- The effect of replacing grant from outside bodies that has discontinued will not be treated as committed growth. In addition, before any project or initiative that is to be met either wholly or partly by way of grant may proceed, the exit strategy must be approved.
- Certain items of unavoidable committed growth will continue and these include the effect of interest changes and the financing cost of the capital programme, increases in taxes, increases in levies and precepts charged by outside bodies and changes to housing benefits net expenditure.
- Services will be expected to achieve savings already approved by Cabinet as part of the 2019/20 final budget proposals and Directors are asked to continue work on achieving their Reshaping Services savings targets.
- It is envisaged that the costs of service development will need to be met from within the respective directorates.

2.14 Having regard to the above, it is therefore proposed in respect of the 2020/21 Budget Process that Directors be instructed to prepare initial revenue budgets in accordance with a timetable agreed by the Head of Finance. Preparation should be on the following basis:

- Capital charges, central accommodation costs and central support costs to be estimated centrally.
- Services to prepare baseline budgets on current service levels as set out in the 2019/20 Final Revenue Budget report.
- Budgets to be broken down subjectively and objectively in as much detail as deemed appropriate by the Head of Finance.
- Budget reports to include revised estimates for 2019/20.
- Full account to be taken of the revenue costs, other than debt charges, of new capital schemes coming into use.
- Minimum savings targets to be met initially as detailed in the 2019/20 Final Revenue Budget report. Any savings made directly by services over and above individual service targets to count towards future saving targets or to meet unavoidable service cost pressures.

- Directors will continue to draw up Service Plans that set out the aims and objectives for the service and any possible future developments and efficiencies.
- As stated previously, it is expected that the revenue costs of service development will need to be met from within the respective services (in particular, from the savings made). As such, no revenue bids are initially to be made. However, services may still be asked to identify and prioritise any burgeoning revenue cost pressures for consideration.

Medium Term Financial Plan

- 2.15** The Medium Term Financial Plan (MTFP) 2019/20 to 2022/23 was presented to Cabinet on 7th October 2019 min no.C103. It considered the impact of different WG settlement scenarios and different increases in Council Tax.
- 2.16** The latest Plan factored in a managed level of cost pressures and pay awards at the same level as in 2019/20.
- 2.17** It modelled a council tax increase of 4.9%, being the increase agreed for 2019/20 and the possibility of increasing the level to the Welsh average which would be a possible increase of 10.4% in 2020/21, followed by a 6.2% increase in the next two consecutive years.
- 2.18** It also considered a scenario where the settlement from WG was a 1% reduction for the years 2020/21, 2021/22 and 2022/23 and also a cash neutral settlement.
- 2.19** The outcome of these scenarios was 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 £10.470m and £14.986m of savings to be identified for the 3 years of the Plan. If the council tax was 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 £3.747m and £8.263m of savings to be identified for the 3 years of the Plan. This is after already planning for £748k of savings (excluding schools) for the same period.

Provisional Settlement 2020/21

- 2.20** The Council's provisional settlement has not yet been announced by WG. In previous years, the provisional RSG settlement was received from WG during October with the final settlement being received in December. The provisional settlement is expected this year in mid-December with the final settlement being received in February 2020.
- 2.21** 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 final settlement.

- 2.22** The late timescale for 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.

2020/21 Initial Budget Proposals

- 2.23** As part of these initial proposals, it has been necessary to revisit the 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 Appendix 3. These are not shown in any order of priority. Since the production of the MTFP the impact of additional pressures has been reviewed and are now included in the appendix. This has resulted in an increased level of cost pressures which will need to be assessed by the Budget Working Group as part of the final proposals.
- 2.24** There is still uncertainty regarding some of the assumptions made regarding pay costs. Pay awards for 2020/21 have not been agreed and have been included in these projections as a 2% increase.
- 2.25** The Council's employer pension contributions are reviewed every 3 years and are currently being reassessed to commence from 1st April 2020. The final budget proposals will be amended accordingly when further clarification is received from the actuaries.
- 2.26** Details of the proposed areas for savings for 2020/21 to 2021/22 are attached at Appendix 4. The savings do not include the cost of any potential redundancies. Further work is ongoing to identify future projects that will realise savings for the Council via the Reshaping Service process.
- 2.27** A summary of the base budget for this Committee for 2020/21 is attached at Appendix 5. This has been derived by adjusting the 2019/20 budget for items such as pay inflation and unavoidable growth, but does not include identified cost pressures or savings. These are shown as a note to the table and are further detailed in Appendix 3 and 4 respectively. 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 figure relates to pay awards for 2020/21.

- 2.28** Once the base budget for 2020/21 has been established, it must then be compared to the funding available to identify the extent of any shortfall.
- 2.29** Although the Council has not received its provisional settlement it has considered a number of scenarios as part of its MTFP which will now be updated in the context of the revised cost pressures submitted by service departments.
- 2.30** In scenario 1 with a cash neutral or flat settlement, which would provide the same funding to the Council as in 2019/20 and a projected AEF of £152.07m and Council Tax reflecting a 4.9% increase and standing at £77.655m, total available funding would be £229.725m. When compared to a base budget of £230.148m, this would result in a funding shortfall for 2020/21 of £0.423m.
- 2.31** If all identified cost pressures were funded, this would increase the shortfall to £10.481m. If all proposed savings were achieved, the shortfall would be reduced to £8.968m.
- 2.32** If the Council tax assumptions are further revised to take the Band D Council tax in line with the Welsh Average, which reflects a 10.4% increase, the shortfall would be £4.896m.

Scenario 1 Projected Budget Shortfall Cash Neutral Settlement from WG	2020/21
Funding Available	£000
Provisional AEF	152,070
Council Tax (incl 4.9% Increase)	77,655
Projected Funding Available	229,725
Base Budget	231,148
Use of Reserves	(1,000)
Total Base Budget	230,148
Projected Shortfall Against Base Budget	(423)
Assume all Cost Pressures Funded	(10,058)
Projected Shortfall with Cost Pressures Funded	(10,481)
Assume all Savings Achieved (including Schools)	1,513
Projected Shortfall	(8,968)
Increase Council Tax to Welsh Average (increase to 10.4%)	4,072
Projected Shortfall	(4,896)

- 2.33** In scenario 2 with a 1 % reduction in WG funding settlement and a projected AEF of £150.549m and Council Tax reflecting a 4.9% increase and standing at £77.655m, total available funding would be £228.204m. When compared to a base budget of £230.148m, this would result in a funding shortfall for 2020/21 of £1.944m.
- 2.34** If all identified cost pressures were funded, this would increase the shortfall to £12.002m. If all proposed savings were achieved, the shortfall would be reduced to £10.489m.
- 2.35** If the Council tax assumptions are further revised to take the Band D Council tax in line with the Welsh Average which reflects a 10.4% increase, the shortfall would be £6.417m.

Scenario 2	2020/21
Projected Budget Shortfall	
1% Reduction in WG Settlement	
	£000
Funding Available	
Provisional AEF	150,549
Council Tax (4.9% Increase)	77,655
Projected Funding Available	228,204
Base Budget	231,148
Use of Reserves	(1,000)
Total Base Budget	230,148
Projected Shortfall Against Base Budget	(1,944)
Assume all Cost Pressures Funded	(10,058)
Projected Shortfall with Cost Pressures Funded	(12,002)
Assume all Savings Achieved (including Schools)	1,513
Projected Shortfall	(10,489)
Increase Council Tax to Welsh Average (increase to 10.4%)	4,072
Projected Shortfall	(6,417)

- 2.36** A 1% increase in Council Tax at the 2019/20 Council Tax base equates to £740k. 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 population 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.

- 2.37** The shortfall above is also based on the assumption that the savings target of £1.513m set for 2020/21 will be achieved in full. While all services are working towards achieving their 2020/21 targets, not all savings will be achieved in full for 2019/20. The potential for re-profiling savings will need to be assessed when setting the budget for 2020/21.
- 2.38** Further work will be undertaken by the Budget Working Group (BWG) in order to achieve a balanced budget for the final budget proposals for 2020/21. This will include a review of the use of reserves, a review around an increase in council tax, a review of all cost pressures, possible changes to the approved saving targets, a review of the inflation assumptions and the current financial strategies.
- 2.39** 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.

Next Steps

- 2.40** The next stage is for the estimates 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 19th December 2020.
- 2.41** The BWG will hold a series of meetings in November and December 2019 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. The final proposals to Cabinet will include a review of the financial strategies required to achieve a balanced budget, which is sustainable in future years. Currently, the approved timetable requires Cabinet to approve the final budget proposals by no later than 3rd February 2020 and that Cabinet's final budget proposals will be considered by Council at a meeting to be held 24th February 2020 to enable the Council Tax to be set by 11th March 2020.

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-being outcomes as detailed in the Corporate 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** Based on the assumption that all cost pressures will be funded in full, the estimated funding shortfall for 2020/21 will be £8.968m assuming a cash neutral settlement from WG and a 4.9% increase in Council Tax. If Council Tax is further increased in line with the Welsh average to shortfall for 2020/21 will be £4.896m.
- 4.2** If the settlement from WG reflects a 1% reduction in AEF, with all cost pressures being funded in full and the Council proceed with a 4.9% increase in Council Tax the estimated funding shortfall will be £10.489m. If Council Tax is further increased in line with the Welsh average to shortfall for 2020/21 will be £6.417m
- 4.3** WG has not issued details regarding the level of funding post 2020/21, however, it is anticipated that there will be further reductions in funding for Local Government going forward. It is therefore important that Directors achieve approved savings and look to mitigate further cost pressures through alternative means of service delivery and collaborative ventures.

- 4.4** 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.
- 4.5** The Council has always taken a prudent approach with regard to specific reserves and used them to mitigate known risks (financial and service) and contingent items, e.g. Insurance Fund. Other reserves have been established to fund Council priorities, and in particular the Capital Programme. This is important as the Council has limited capacity to realise sufficient sums from the sale of assets for capital investment. Sums have also been set aside to assist in budget management, e.g. Early Retirement Fund.
- 4.6** The Council Fund Reserve as at 31st March 2020 is projected to stand at £15.636m. There is also a £1m approved use of this reserve in 2020/21. This contribution will be further considered by the BWG when setting the 2020/21 budget, however, use of this reserve to balance the revenue budget will result in a higher level of savings being required in future years. The Section 151 Officer currently believes that the minimum balance on the Council Fund Reserve should be no less than £7m. This is considered sufficient to cover unforeseen expenditure whilst, in the short term, maintaining a working balance. Unforeseen expenditure can be substantial and several instances can occur in a year. Whilst there is no set requirement for the minimum level for the Council Fund Reserve, some commentators use 5% of the net budget as a guide. For the Vale this is around £11m. However, in view of the prudent approach the Council takes with regard to specific reserves, £7m is considered a reasonable minimum.
- 4.7** The Council presently benefits from a reasonable level of reserves, however, they are not inexhaustible and have taken years of careful financial management to develop to their current level. As part of the usual Budget process, an examination of the level of reserves is undertaken to ascertain their adequacy and strategy for use. A view to their level (i.e. whether the amount held in the fund is sufficient to requirements) and purpose (i.e. whether the need to hold the fund is still relevant) has been taken. The requirement for each specific reserve has also been considered in light of the Council's priorities and at this stage of the budget process no transfers between reserves are proposed.
- 4.8** Appendix 6 sets out the Committee's actual reserves as at 31st March 2019 and shows the estimated reserves balance for each year up to 31st March 2023.
- 4.9** 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. The use of all reserves will be reviewed further, by the BWG, as part of the final budget setting process.

Employment

- 4.10** 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)

- 4.11** The Council is required under statute to fix its council tax by 11th March 2020 and in order to do so will have to agree a balanced revenue budget by the same date.
- 4.12** 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** Medium Term Financial Plan 2019/20 to 2022/23
- 5.2** Budget Strategy 2020/21

AMENDED BUDGET 2019/20

APPENDIX 1

	2019/20 ORIGINAL AMENDED BUDGET	ASSET RENTS, IAS19, TRANSFERS & RECHARGES	2019/20 AMENDED BUDGET
	£,000	£,000	£,000
Children and Young People	16,098	97	16,195
Adult Services	47,957	(54)	47,903
Resource Management & Safeguarding	272	9	281
Leisure Services	1,350	(230)	1,120
COMMITTEE TOTAL 2019/20	65,677	(178)	65,499

Title of Saving	Description of Saving	Total Saving £000	Projected Saving £000	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
Childrens Services							
Psychology Support for Foster Carers	Savings from the commissioning of psychology support to offer a therapeutic service to foster carers	60	60	Green	Saving will be achieved	Health Living & Social Care	Rachel Evans
Digital Employee - Hybrid Mail	Savings from reduced postage due to hybrid mail	1	1	Green	Savings allocated and budgets reduced accordingly	Health Living & Social Care	Rachel Evans
Third Party Spend	Savings from external procurement	88	88	Green	Savings allocated and budgets reduced accordingly	Health Living & Social Care	Rachel Evans
Total Childrens Services		149	149	Green	100%		
Adults Services							
Older Persons Day Services	Review of service provision	40	0	Red	Consultation on proposed future provision of day services for older people agreed by Cabinet on 29th July 2019, dependent on outcome of consultation.	Health Living & Social Care	Suzanne Clifton
Maximising Reablement	Savings resulted from decreased on-going cost of packages of domiciliary care for people accessing services	100	100	Green	Achieved through robust review of packages and reducing the ongoing level of care and support required.	Health Living & Social Care	Suzanne Clifton
Direct Payments	Converting existing clients to direct payments	50	50	Green	Conversion of packages of care to Direct Payments arrangements continue to achieving the planned saving in this area.	Health Living & Social Care	Suzanne Clifton
Charging & Income Generation/Debt Recovery	Income from introducing charges for services as allowed by legislation	50	50	Green	Review of financial processes within VCRS and introduction of WCCIS finance module will seek to achieve this savings target	Health Living & Social Care	Suzanne Clifton
Review of Complex Cases		30	30	Green	Savings achieved through robust review and securing alternative funding e.g. CHC/Joint funded Packages Of Care	Health Living & Social Care	Suzanne Clifton
Digital Employee - Hybrid Mail	Savings from reduced postage due to hybrid mail	1	1	Green	Savings achieved	Health Living & Social Care	Suzanne Clifton
Third Party Spend	Savings from external procurement	107	107	Green	Savings achieved	Health Living & Social Care	Suzanne Clifton
Total Adults Services		378	338	Amber	89%		
Resource Management & Safeguarding							
Third Party Spend	Savings from external procurement	18	18	Green	Savings allocated and budgets reduced accordingly	Health Living & Social Care	Amanda Phillips
Total Resource Management &		18	18	Green	100%		
Neighbourhood Services and Transport							
Reshaping Services	Single Use Sports facilities	32	16	Red	Bowling Clubs due to transfer 1st October 2019	Health Living & Social Care	Emma Reed
Total Neighbourhood Services and		32	16	Red	50%		

Title of Saving	Description of Saving	Total Saving	Projected Saving	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
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TOTAL		577	521	Amber	90%		
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Green = on target to achieve in full
 Amber = forecast within 20% of target
 Red = forecast less than 80% of target

Shortfall	56
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No.	Service	2020/21 £'000	2021/22 £'000	2022/23 £'000
Directorate: Social Services				
Children & Young People				
S1	External Placements: This remains the area of greatest pressure where both complexity, increasing demands and unpredictability impact. This also includes a small amount of social work capacity to manage this increase in growth. The Division is continuing its programme of work to reduce the number of children looked after and the use of high cost placements, but this will not be able to bring the spend within budget within the short or medium term.	1,305	0	0
S2	Recruitment and Retention of Foster Carers - The Council needs to recruit and retain more foster carers to support its ability to place children looked after in house in local placements and reduce its reliance on costly external placements. The Council is out of step with other parts of Wales in not having increased its payments to carers for over 10 years.	308	90	90
Total for Children & Young People		1,613	90	90
Adults Services				
S3	Provider Fees and Quality Assurance - There is continuing challenge by providers to increase fees to meet their 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.	1,446	1,446	1,446
S4	Demographic changes and increased demand - Our aging population continues to grow across the Vale of Glamorgan, with an ongoing planned increase in the over 85s. The waiting list is increasing although all cases are risk assessed and prioritised. Changes in legislation have also seen a direct correlation in significant increased activity within Safeguarding and also Mental Health services and therefore the workforce needs to be increased.	825	825	825
S5	Increase to the Capital Limit - This relates to the effects of the increasing the capital limit to £40k for residential services. In previous years WG funding of £260k has mitigated some of this pressure but there remains a deficit of £53k.	53	0	0
S6	Supported Living Contract - Additional investment to sustain supported living accommodation contract and costs following procurement of the service in 2020/21.	158	0	0
S7	Joint Equipment Store - A review has been completed by the Joint Project Board so that partner contributions are based on activity instead of historic allocations. The Council's contribution will increase by £48k.	48	0	0
Total for Adults Services		2,530	2,271	2,271
Resource Management & Safeguarding				
S8	Independent Reviewing Officers (IRO) - With the introduction of the 2014 Act there are specific duties of the IRO that requires them to monitor the care plan between reviews through active engagement with the child. Recent practice guides have detailed IRO visiting between reviews should take place and also highlighting the role's duty to engage in QA functions. Further capacity is required to enable the team to fulfil all its duties and requirements.	60	0	0
Total for Resource Management & Safeguarding		60	0	0
Committee Total		4,203	2,361	2,361

Service	Title & Description	2020/21	2021/22
SOCIAL SERVICES			
Childrens Services			
Psychology Support for Foster Carers	Savings from the commissioning of psychology support to offer a therapeutic service to foster carers	8	0
Total Childrens Services		8	0
Adults Services			
Review of Complex Cases		100	0
Total Adults Services		100	0
TOTAL SOCIAL SERVICES		108	0
Neighbourhood Services and Transport			
Sports Development	Review of service provision	0	56
Community Buildings	Review of service provision	19	0
Total Neighbourhood Services and Transport		19	56
COMMITTEE TOTAL		127	56

BASE BUDGET 2020/21**APPENDIX 5**

	Original Budget 2019/20 £'000	Asset Rents/ IAS 19 £'000	Original Budget 2019/20 £'000	Rechgs/ Transfs £'000	Budget Adjustment £'000	Pay Inflation £'000	Committed Growth £'000	Base Estimate 2020/21 £'000
Children and Young People	16,098	(26)	16,072	61	72	84	0	16,289
Adult Services	47,957	(180)	47,777	140	(81)	141	0	47,977
Resource Management & Safeguarding	272	88	360	(138)	9	124	0	355
Leisure Services	1,350	(484)	866	(203)	0	13	0	676
COMMITTEE TOTAL	65,677	-602	65,075	-140	0	362	0	65,297

Savings Applied £'000	Cost Pressures £'000
8	1,613
100	2,530
0	60
19	0
127	4,203

ANALYSIS OF RESERVES**APPENDIX 6**

Name	Bal	In	Out	Est	Comments	Est	Est	Est
	31/03/19			Bal		31/03/21	31/03/22	31/03/23
	£000	£000	£000	£000		£000	£000	£000
Social Services								
Legislative Changes	6,109	0	0	6,109	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.	6,109	6,109	6,109
Social Services Plan	980	0	-700	280	To support the approved Social Services Budget Reduction Programme.	280	280	280
Social Services Pressures	1,913	0	-1,000	913	To cover short term childrens placements which have a high cost e.g. remand, that cannot be accommodated within the current operational budget.	913	913	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
Social Services Buildings	500	0	0	500	To fund the update of Social Services premises to meet the future demands of the service.	500	500	500
ICF Capital	330	0	0	330	To fund future projects in partnership with Health.	0	0	0
Telecare	640	0	0	640	Replacement fund for Telecare equipment and other service costs.	640	640	640
TOTAL SPECIFIC RESERVES	11,452	0	-1,700	9,752		9,422	9,422	9,422