

Meeting of:	Healthy Living and Social Care Scrutiny Committee
Date of Meeting:	Tuesday, 06 July 2021
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Closure of Accounts 2020/21
Purpose of Report:	The accounts are complete and this report is to inform Scrutiny Committee of the provisional financial position for this Committee for the 2020/21 financial year.
Report Owner:	Report of the Director of Social Services
Responsible Officer:	Carys Lord, Section 151 Officer
Elected Member and Officer Consultation:	This report does not require Ward Member consultation.
Policy Framework:	This is a matter for Executive decision by Cabinet. Slippage has been approved via the use of Managing Director's emergency powers.
Executive Summary:	<ul style="list-style-type: none"> • The year end revenue position was an adverse variance of £113k after a net transfer to reserves of £530k. • A revenue savings target of £100k was set for 2020/21 which was achieved. • There was capital expenditure during the year of £2.595m.

Recommendation

1. That Scrutiny Committee consider the report and the financial measures taken and proposed.

Reason for Recommendation

1. To make Members aware of the provisional financial position and actions that have been taken.

1. Background

- 1.1 Following the end of the financial year, Scrutiny Committees are provided with provisional outturn figures. It is anticipated that the Statement of Accounts will be approved by Council during September 2021, which will follow the audit by Audit Wales.

2. Key Issues for Consideration

Revenue

- 2.1 Council on 8th March 2020 agreed the Council's budget requirement for 2020/21.
- 2.2 The revenue budgets have been amended and approved by Cabinet during the financial year, however, they are at the same overall net level. Appendix 1 amends the revised budgets to take account of the technical accounting adjustment and changes to recharges.
- 2.3 The following table compares the amended budget and the actual expenditure, including transfers to and from reserves, for this Committee. The final column shows the net transfers to specific reserves which has been included within the actual expenditure figures.

Service	Original Revenue Budget	Amended Revenue Budget	Total Provisional Actual	Variance +Favourable (-) Adverse	Net Transfer to /(From) Reserve
Year - 2020/21	£000	£000	£000	£000	£000
Children and Young People	17,255	17,220	17,369	(149)	0
Adult Services	50,526	50,449	50,441	+8	+400
Resource Mgt & Safeguarding	371	284	284	0	+56
Leisure Services	1,151	715	687	+28	+74
Total	69,303	68,668	68,781	(113)	+530

2.4 The main reasons for the variances are set out in the following paragraphs.

2.5 Children and Young People Services - Adverse variance of £149k

There were adverse variances of £718k. The main variance of £269k relates to increased external placement costs relating to the 15+ team for children post 18 requiring accommodation. The legal costs budget overspent by £201k as a result of complex Court cases that require Counsel's involvement. In addition, the Adoption Allowances budget had an adverse variance of £158k as there have been greater costs incurred in relation to children being placed for adoption outside the Vale, Valleys and Cardiff Adoption Collaborative area. This does not reflect more children being placed in agency placements this year. At year end, the Resources Management and Safeguarding budget is recharged to Adults and Children and Young People Services and the element that related to Children's safeguarding overspent in the year due to the need to use agency staff, and therefore the recharge to Children and Young People Services was £90k more than budgeted.

There have been a number of favourable variances totalling £569k. The Children's placement budget had a favourable variance of £304k due to the current cohort of children being looked after. Additional grant funding of £241k was received later in the year from Supporting People, ICF and Welsh Government. There was also a £24k favourable variance relating to Fostering.

2.6 Adult Services – Favourable variance of £8k

There were adverse variances of £686k. 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% had been provided. There was also a similar payment to staff working for external domiciliary providers and residential and nursing home providers. The total cost was £686k and WG was not prepared to fund this additional payment to staff via the Hardship grant as it was a local decision and therefore the costs have had 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 were funded by WG. Payments made to care home providers for void beds and for void beds in the Council's own care homes have been claimed from WG.

There were favourable variances in year of £1.026m. There was a favourable variance of £859k relating to staffing, partly as a result of additional grant funding being received late in the financial year and also due to the difficulty in recruiting to some posts during the COVID-19 pandemic, and the recruitment to some posts was delayed e.g. while day centres were closed. Non staffing costs underspent by £89k which was in part due to reduced costs as centres were closed during periods of lockdown. There was a favourable variance of £39k in respect of deferred income from the sale of properties. There was also a £39k underspend relating to community care packages after assistance from WG via winter pressure funding of £475k.

The favourable variances have allowed £332k to be set aside in the Social Services Legislative Changes reserve. A transfer of £68k has been made into the Telecare Reserve which is an annual planned transfer in order to set funding aside for future years to replace the equipment and to cover any additional staffing costs.

2.7 Resource Management and Safeguarding –Breakeven

The majority of this budget is recharged to Children's and Adult Services and also includes the Council's care homes.

There was an adverse variance on Deprivation of Liberty Safeguards (DOLS) of £36k.

There were favourable variances of £92k. With regard to care homes they outturned with a £4k favourable variance. There was an adverse variance of £412k due to increased staff costs which in the main related to COVID-19 staff cover due to shielding and sickness. There was reduced occupancy in the homes during this period which resulted in an adverse variance of £214k relating to client receipts and other additional costs of £18k were incurred. These increased costs and loss of income have been funded by £648k from the WG Hardship grant. Elsewhere in the Division there were favourable variances of £72k relating to supplies and services which included an underspend of £51k due to the cessation of the Business Objects software contract and there was also a favourable variance relating to transport of £16k due to increased home working during the pandemic.

The favourable variance has meant that there has been a £56k transfer to reserves with £8k going to the Social Services Legislative Changes Fund and £48k to the IT fund for an upgrade to the Care Homes comms which will be implemented during 2021/22.

2.8 Leisure Services - Favourable Variance of £28k

There was a favourable variance of £20k in respect of the provision of leisure and play services. The coronavirus had impacted on the provision of play activities during the year, saving £18k, with employee savings of £10k offset by an £8k overspend on the Community Centres. There was a favourable variance of £8k in respect of the leisure centres.

An underspend of £74k relating to the ringfenced maintenance budget for Leisure Centres has been transferred into the Council Building Fund.

Capital

2.9 Council on the 26th February 2020 (minute no. C211) agreed the Authority's capital budget for 2020/21.

2.10 Attached at Appendix 2 is a breakdown of the 2020/21 capital programme by scheme. The overall outturn for this Committee is a variance of £1.857m.

2.11 ICF Ty Dyfan and Cartref Dementia Improvements – Slippage of £270k

The start dates for both projects had to be delayed due to the Covid pandemic. Once the contractors commenced operations on site, their works were then required to be further suspended on a number of occasions due to the imposed restrictions regarding working in occupied care homes and also on occasions where residents or staff in the homes had to be tested for coronavirus. This has resulted in significant slippage to the original planned timescales for the project and slippage of £270k has been requested.

2.12 Electrical Renewal Barry & Penarth Leisure Centres – Variance of £264k, slippage of £63k

The variance is due to the original budget being in excess of the actual tender returns. £63k has been requested to be carried forward into the 2021/22 Capital Programme for final works to be completed including external lighting. The remainder of the budget has been requested to be vired into a Leisure Centre works scheme budget in the 2021/22 Capital Programme.

Reserves

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

2.14 A provision is a charge to revenue and is included as part of the cost of the relevant service at the point the provision is created. A provision covers a present obligation or liability that has occurred due to a past event and is compulsory under accounting regulations.

2.15 Attached at Appendix 3 is a schedule showing the Committee's reserves as at 31st March 2021.

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

3.1 The Council's revenue budget and therefore its expenditure is incurred in order to achieve its corporate priorities as set out in the Corporate Plan 2020-2025 through the 4 well-being outcomes.

4. Resources and Legal Considerations

Financial

Revenue (Including Efficiency Targets)

4.1 As part of the Final Revenue Budget Proposals for 2020/21, savings targets were set for this Committee. Progress on the achievement of these savings has been monitored and reported to Committee during the year. Appendix 4 to this report confirms the final status of these savings at the end of 2020/21. All target savings were achieved in the year.

Capital

4.2 As a result of the capital underspend in 2020/21, an allocation of £1.803m has been approved via Managing Director's Emergency Powers, as slippage into 2021/22 for this Committee. This will fund the completion of schemes as shown in Appendix 5.

Legal (Including Equalities)

4.3 The provisional outturn figures for the Council have been used in the preparation of the Statements of Accounts. Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the Responsible Financial Officer to sign and date the Statement of Accounts and certify that they present a true and fair view of the financial position at the end of the year. This means

that for 2020/21 the Statement of Accounts should be certified by the Section 151 Officer by 31st May 2021.

- 4.4** If it is not possible to meet this deadline the Council has to advertise that this has not happened and the reason why. Due to the pressures of the COVID-19 pandemic it was not possible to produce the Statement of Accounts by 31st May 2021 and the appropriate advert was placed. It is anticipated that the Statement of Accounts will however be signed by the S151 Officer by 30th June 2021.

5. Background Papers

	AMENDED BUDGET 2020/21 £000	Recharge Adjustments £000	FINAL AMENDED BUDGET 2020/21 £000
Children and Young People	17,220	0	17,220
Adult Services	50,461	(12)	50,449
Resource Management & Safeguarding	284	0	284
Leisure Services	715	0	715
TOTAL NET BUDGET	68,680	(12)	68,668

	APPROVED PROGRAMME 2020/21	ACTUAL OUTTURN 2020/21	VARIANCE AT OUTTURN 2020/21	PROJECT SPONSOR	COMMENTS
	£000	£000	£000		
Adult Services					
Residential Homes Visitor Pods	12	12	0	A Phillips	Scheme complete.
Slippage					
Ty Dewi Sant Electrical Upgrade- Asset Renewal	32	17	15	A Phillips	Requested slippage of £15k via emergency powers for continuation of scheme.
Southways Replace fixed vanity units, basins and plumbing/TMV valves Southway	103	87	16	A Phillips	Scheme complete. Requested slippage of £16k via emergency powers to the Social Services unallocated asset renewal budget.
ICT Infrastructure	100	0	100	A Phillips	Requested via emergency powers to slip £10k for this scheme and to vire £90k to the IT Developments in homes scheme.
IT Developments in Homes	13	5	8	A Phillips	Requested slippage of £8k via emergency powers for continuation of scheme.
External Ground works, Youth Offending and Cartref Porthceri buildings	0	1	(1)	A Phillips	Overspend funded from a revenue contribution.
Hen Goleg Day Centre Lighting Upgrade	0	1	(1)	A Phillips	Overspend funded from a revenue contribution.
ICF					
ICF Ty Dewi Sant	116	67	49	A Phillips	Requested slippage of £49k via emergency powers.
ICF Southway -Dementia Friendly Environment	9	0	9	A Phillips	Scheme complete.
ICF- Ty Dyfan	2	1	1	A Phillips	Scheme complete.
ICF- Transition Smart House	275	141	134	S Clifton	Requested slippage of £130k via emergency powers for continuation of scheme.
ICF Southway Community Facility	19	15	4	A Phillips	Requested slippage of £4k via emergency powers.
ICF - Ty Dyfan and Cartref Dementia Improvements	426	156	270	A Phillips	Requested slippage of £270k via emergency powers for continuation of scheme.
ICF - Dementia friendly passenger lifts at Cartref and Southway residential homes	150	5	145	A Phillips	Requested slippage of £145k via emergency powers for continuation of scheme.
ICF - Sluice room upgrade	175	0	175	A Phillips	Requested slippage of £175k via emergency powers for continuation of scheme.
	1,432	508	924		
Children's Services					
Flying Start - Cylch Meithrin Pili Pala - New play area	43	38	5	R Evans	Welsh Government grant. Scheme complete.
Flying Start - External path, kitchen improvements and provision of a canopy	40	28	12	R Evans	Welsh Government grant. Scheme complete.
Flying Start - Gibbonsdown, Skomer Road Extension	52	20	32	R Evans	Welsh Government grant. Requested slippage of £32k via emergency powers for continuation of scheme.
ICF - Vale Safe Accommodation	236	236	0	R Evans	Scheme Complete
	371	322	49		
Leisure & Tourism					
Penarth Leisure Centre, Boiler Renewal	350	257	93	D Knevet	Requested slippage of £93k via emergency powers for continuation of scheme.
Penarth Leisure Centre, Lift Renewal	5	3	2	D Knevet	Requested slippage of £2k via emergency powers for continuation of scheme.
Llantwit Major Leisure Centre, Lift Renewal	5	3	2	D Knevet	Requested slippage of £2k via emergency powers for continuation of scheme.
Cowbridge Leisure Centre Replacement water heaters/replacement flue	32	28	4	D Knevet	Requested slippage of £4k via emergency powers.
Penarth Leisure Centre High Level Centre	15	0	15	D Knevet	Requested slippage of £15k via emergency powers for continuation of scheme.
Slippage					
Capital Bid - Electrical Rewire Barry & Penarth Leisure Centres	520	256	264	D Knevet	£63k has been requested to be carried forward via emergency powers for final works to be completed including external lighting. The remainder of the budget has been requested via emergency powers to vire into a Leisure Centre works scheme budget in the 2021/22 Capital Programme.
Barry Leisure Centre Hall Floor	125	61	64	D Knevet	It has been requested via emergency powers for £20k to be carried forward for this scheme, £30k to be carried forward and vired to a new scheme called Barry Leisure Centre Flume and £14k to be carried forward and vired to the Leisure Centre Works scheme.
Cowbridge Leisure Centre Roofing	5	0	5	D Knevet	Requested slippage of £5k via emergency powers for continuation of scheme.
Barry Leisure Centre Dry Changing Rooms	100	58	42	D Knevet	Requested slippage of £42k via emergency powers.
Barry and Penarth LC Upgrade Changing Rooms	189	119	70	D Knevet	Requested slippage of £70k via emergency powers.
Sports Wales Grant	71	29	42	D Knevet	Requested slippage of £42k via emergency powers.
Llantwit Major Leisure Centre - Rebuild brickwork	5	5	0	D Knevet	Scheme to be retendered. 2021/22 scheme.
Leisure Centre Refurbishment	26	13	13	D Knevet	Requested slippage of £13k via emergency powers for continuation of scheme. Scheme requested to be renamed to Leisure Centre Works
	1,448	832	616		

	APPROVED PROGRAMME 2020/21 £000	ACTUAL OUTTURN 2020/21 £000	VARIANCE AT OUTTURN 2020/21 £000	PROJECT SPONSOR	COMMENTS
Parks and Grounds Maintenance					
Playground Refurbishment - Troes Play Area	85	83	2	A Sargent	£37k of this scheme was funded from a grant so in total £39k internal monies are available to slip. It has been requested via emergency powers for £5k to be slipped and vired to the All Wales Play Opportunity Grant scheme play scheme for Porthkerry Swing, £2k to be carried forward for this scheme and the remainder to be carried forward and vired to the parks scheme.
Cemetery Approach	95	85	10	J Dent	Scheme complete.
Asset Renewal	7	0	7	C Smith	Requested slippage of £7k via emergency powers.
Flood lights Jenner Park Stadium	21	0	21	D Knevett	Requested slippage of £22k via emergency powers for continuation of scheme.
Playgrounds Refurbishment	64	64	0	D Knevett	Scheme complete.
Romilly Tennis Courts	150	1	149	D Knevett	Requested slippage of £149k via emergency powers for continuation of scheme.
All Wales Play Opportunity Grant	133	89	44	D Knevett	Requested slippage of £9k via emergency powers for continuation of scheme. The remainder of the grant was used to part fund Troes play area.
Green Recovery Grant	155	105	50	A Sargent	Requested slippage of £50k via emergency powers for continuation of scheme.
	710	427	283		
S106 Funding					
Maes Dyfan Open Space Improvements	2	2	0	M Goldsworthy	Scheme complete.
The Grange Play Area	29	29	0	M Goldsworthy	Scheme complete.
Murch Play Area	2	2	0	M Goldsworthy	Scheme complete.
Ogmore Community Facility and associated play area	254	251	3	M Goldsworthy	Requested slippage of £3k via emergency powers.
Wick Multi Use Games Area	78	76	2	M Goldsworthy	Requested slippage of £2k via emergency powers.
The Knap Gardens – water and biodiversity project	13	8	5	M Goldsworthy	Requested slippage of £5k via emergency powers for continuation of scheme.
Central Park – play area improvements	55	45	10	M Goldsworthy	Requested slippage of £10k via emergency powers for continuation of scheme.
North Penarth Open Space Improvements	18	55	(37)	M Goldsworthy	Requested via emergency powers to bring forward £37k from the 2021/22 Capital Programme.
Replacement railings in Alexandra Park	10	10	0	M Goldsworthy	Scheme complete.
Windmill Lane Play Area	5	1	4	M Goldsworthy	Requested slippage of £4k via emergency powers for continuation of scheme.
Belle Vue Pavilion in Penarth	20	25	(5)	M Goldsworthy	Requested via emergency powers to bring forward £5k from the 2021/22 Capital Programme.
Clos Tyniad Glo/Clos Peiriant Play Area	5	2	3	M Goldsworthy	Requested slippage of £3k via emergency powers for continuation of scheme.
	491	506	-15		
COMMITTEE TOTAL	4,452	2,595	1,857		

ANALYSIS OF RESERVES**APPENDIX 3**

Name	Bal 01/04/20 £000	In £000	Out £000	Est Bal 31/03/21 £000	Comments
Social Services					
Legislative Changes	7,923	396	-92	8,227	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.
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.
Social Services Development	350	0	0	350	To cover costs of implementing service development and contingency for premises maintenance
Grant Exit Strategy	630	0	0	630	To pay potential redundancy costs if Welsh Government grants were discontinued.
Capital					
Social Services Buildings	500	0	0	500	To fund the update of Social Services premises to meet the future demands of the service.
Telecare	685	68	0	753	Replacement fund for Telecare equipment and other service costs.
COMMITTEE TOTAL	12,001	464	-92	12,373	

PROGRESS ON APPROVED EFFICIENCIES 2020/21

APPENDIX 4

Title of Saving	Total Efficiency	Projected Efficiency	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
	£000	£000				
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				

Green = on target to achieve in full

Amber = forecast within 20% of target

Red = forecast less than 80% of target

Schemes	Current Approved 21/22 Budget £	Change of Budget £	Revised 21/22 Budget £
<u>Social Services</u>			
Asset Renewal Unallocated	0	31,291	31,291
Cartref Porthceri External Repairs Phase 2	15,000		15,000
Rondell House Day Centre Electrical Upgrade	30,000		30,000
Slippage			
Radon	10,000		10,000
WCCIS Implementation		10,000	10,000
IT Developments in Homes		98,047	98,047
Ty Dewi Sant -Electrical Upgrade		15,110	15,110
Flying Start			
Flying Start - Skomer Road Boiler Upgrade	40,000		40,000
Flying Start - Family Centre Heating System	45,000		45,000
Flying Start - Ladybirds and Butterflies outdoor play areas	40,000		40,000
Flying Start - Skomer Road new heating system, redecoration and car park	65,000		65,000
Gibbonsdown, Skomer Road FS: Extension	0	31,975	31,975
ICF			
ICF - Southway Community Facility	0	4,681	4,681
ICF Ty Dewi Sant	0	48,990	48,990
ICF -Transition Smart House (6A Castle Ave)	0	129,888	129,888
ICF - Dementia friendly passenger lifts at Cartref and Southway residential homes	0	145,005	145,005
ICF - Sluice room upgrade	0	175,000	175,000
ICF - Ty Dyfan and Cartref Dementia Improvements	244,313	269,646	513,959
<u>Leisure Services</u>			
Leisure & Tourism 21/22 Capital Bids			
Barry Leisure Centre Boiler Renewal	175,000		175,000
Penarth Leisure Centre Water Heaters Renewal	75,000		75,000
Penarth Leisure Centre, High Level Glazing	45,000	15,000	60,000
Barry Lesiure Centre Flume		30,000	30,000
Slippage			
Barry Leisure Centre Hall Floor	0	20,000	20,000
Cowbridge Leisure Centre Roofing	349,000	5,047	354,047
Barry Leisure Centre Dry Changing Rooms	0	42,125	42,125
Barry and Penarth LC Upgrade Changing Rooms	0	69,632	69,632
Sports Wales Grant	0	41,879	41,879
Llantwit Major Leisure Centre - Rebuild brickwork	75,000	-200	74,800
Leisure Centres Refurbishment Barry/Penarth	0	227,260	227,260
Penarth Leisure Centre, Boiler Renewal	0	92,733	92,733
Penarth Leisure Centre, Lift Renewal	45,000	1,669	46,669
Llantwit Major Leisure Centre, Lift Renewal	45,000	1,669	46,669
Electrical Renewal Barry & Penarth Leisure Centres	0	63,090	63,090
Cowbridge Leisure Centre Replacement water heaters/replacement flue	0	4,191	4,191
Parks and Grounds Maintenance			
Gladstone Park Interpretation Scheme	23,000		23,000
Parks and Grounds Maintenance Slippage			
Neighbourhood Services Asset Renewal including toilets, signage and benches	0	7,000	7,000
Jenner Park Stadium Lighting	0	21,514	21,514
Playgrounds Refurbishment	0		0
Romily Tennis Courts	0	149,197	149,197
All Wales Play Opportunity Grant	0	14,600	14,600
Green Recovery Grant	0	49,347	49,347

CAPITAL BUDGETS CARRIED FORWARD FROM 2020/21 TO 2021/22

APPENDIX 5

Schemes	Current Approved 21/22 Budget £	Change of Budget £	Revised 21/22 Budget £
Playground Refurbishment - Treoes Play Area	0	1,579	1,579
S106			
Ogmore Community Facility and associated play area	0	3,485	3,485
Wick Multi Use Games Area	0	2,008	2,008
The Knap Gardens – water and biodiversity project	97,000	5,261	102,261
Central Park – play area improvements	88,000	10,043	98,043
North Penarth Open Space Improvements	139,136	-37,136	102,000
Belle Vue Pavilion in Penarth	667,000	-4,664	662,336
Windmill Lane Play Area	63,000	3,647	66,647
Clos Tyniad Glo/Clos Peiriant Play Area	55,675	3,354	59,029
COMMITTEE TOTAL	2,431,124	1,802,963	4,234,087