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BUDGET FOR CONSULTATION – HEALTHY LIVING AND SOCIAL CARE SCRUTINY FEBRUARY 2024

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DRAFT REVENUE 2024/25 AND MEDIUM TERM FINANCIAL PLAN

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REVENUE BUDGET HEADLINES

- Really challenging budget process and some of the elements we are reporting as pressure points are emerging in the national picture.
- November report set out adjusted Cost Pressures circa £21m against approx. £38m unadjusted Cost Pressures
- Work undertaken assess ability to mitigate unawarded cost pressures.
- This includes only 75% funding of assumed pay pressures for 2024/25
- Priority in funding to Social Care, Schools and Homelessness – mitigating issues seen in Schools in 2023/24 budget, ALN growth, LAC growth and increased complexity, Increased complexity and growth Adults Social Care, Growth in Homelessness and Inflationary pressures.

REVENUE BUDGET HEADLINES

- Settlement as anticipated, only 3.1% approx. £20k difference
- Council Tax increase proposed 6.7% allowing some reduction in savings e.g. protection for supported bus services.
- Savings requirement £7.8M – unprecedented level – Some Tactical and Some Transformational. Higher level of savings in discretionary services one small saving in Schools linked to energy reduction
- Significant pressures in future years too, £9.4M 2025/26 – need to think about the need to Transform – work undertaken to consider what the organisation will need to look like in 2030 and how we get there.
- Fees and charges 6.7% CPI requirement



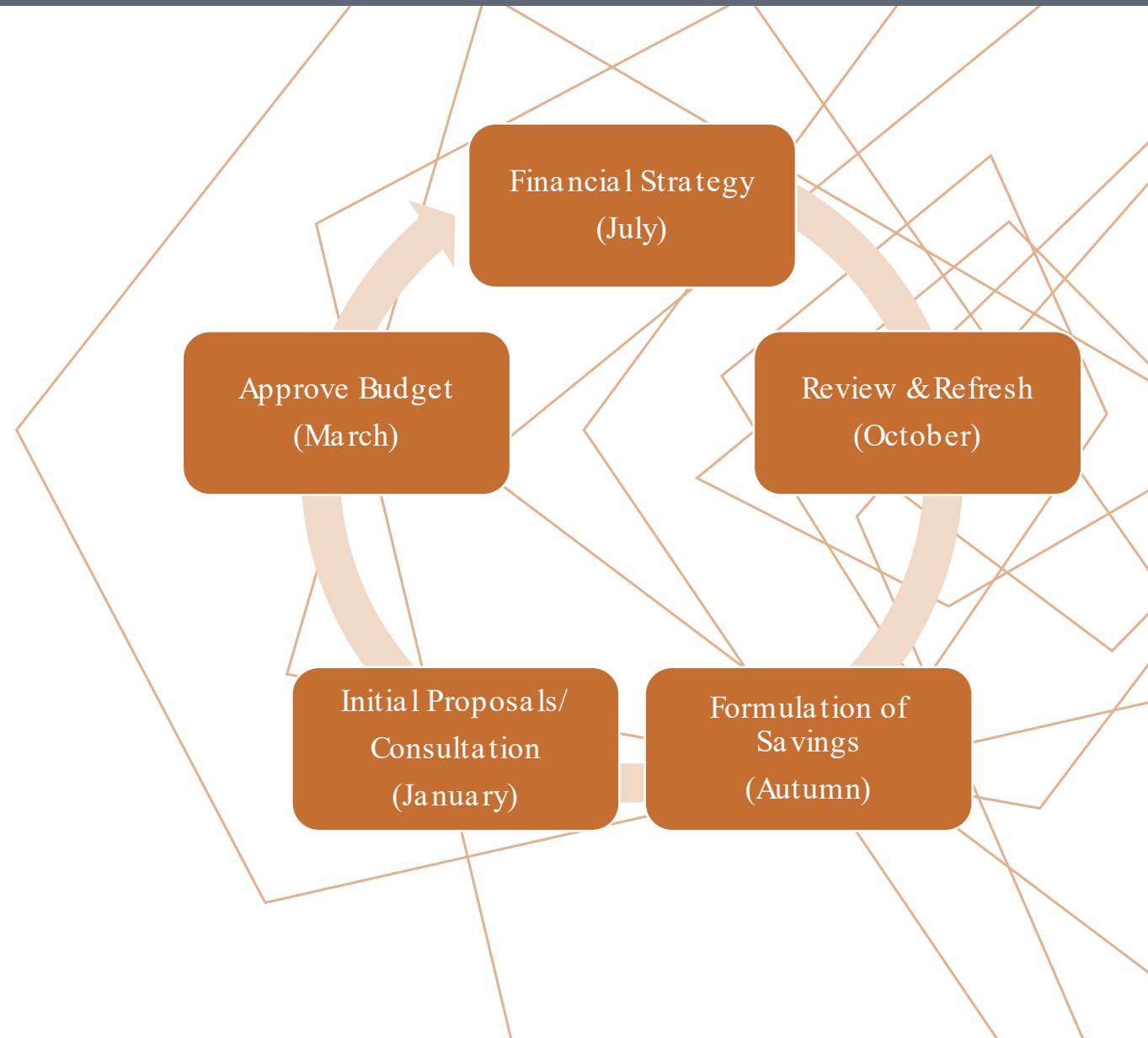
The Council launched its Let's Talk about Life in the Vale Survey in August 2023. It is being run on behalf of the Council by independent researchers at Data Cymru.

This survey is different to other Vale wide surveys that the Council has run in the past. It doesn't simply ask how satisfied people are with Council services. Instead, there is a genuine attempt to understand what life is like for people living in the Vale and how public services affect this.

Cost of Living is a significant issue for residents. Over 60% had purposely not put their heating on in the last six months and only 44% said they could pay an unexpected but necessary payment of £850. Residents were asked about their priorities and to rank their importance. The top priority for 42% of the population was 'Easily accessible care and health care services when I or my family need them' and 78.1% ranked this in their top three priorities. Second at 26.6% was 'buy or rent a good quality home' and 47.6% ranked this in their top three. It is reassuring that these are areas that the Council is focussing resources on through its Financial Strategy

BUDGET PLANNING CYCLE

- Cost Pressures Submitted Start of September
- Initial Review by SLT
- 2 Rounds of Budget Working Groups with Finance/HR/Leader/Directors and Head of Service and Cabinet Members.
- Initial Review and refinement of cost pressures feeding into Update Cabinet Report in November.
- Budget Forum Session
- Second BWG focusing on Savings proposals and Transformation.
- Further review by SLT and Business Cabinet of Savings.
- Following receipt of Provisional Settlement update for SLT and Business Cabinet



SUMMARY FIVE YEAR POSITION

	2024/25	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's	£000's
Funding					
Government Grant	6,099	2,089	2,110	2,131	2,152
Council Tax (6.7% dropping to 3.9%)	7,454	3,937	4,090	4,250	4,416
Use of General Fund Reserves	-496	0	0	0	0
Use of Smoothing Reserves	-56	-1,799	-500	-445	0
Total Funding	13,001	4,227	5,700	5,936	6,568
Spending					
Investment	318	1,262	1,000	0	0
Demography	5,064	2,635	2,543	2,543	2,543
Inflationary - Pay	6,150	3,658	3,731	3,805	3,882
Inflation	5,193	5,110	5,075	5,075	5,075
Capital Financing	50	285	496	187	0
Pressure	4,073	702	365	252	623
Total Spending Pressures	20,848	13,652	13,210	11,862	12,123
Gap	7,846	9,425	7,510	5,926	5,555

2024/25 DRAFT REVENUE SUMMARY BY AREA

	Learning & Skills	Schools	Social Services	Others	Total Pressures
	£'000	£'000	£'000	£'000	£'000
Original Budget	16,439	114,239	88,891	74,853	294,422
Centralisation Recharges	-2,389	0	-3,631	6,020	0
Adjusted Original Budget	14,050	114,239	85,260	80,873	294,422
Pressures					
Investment	-	318	-	-	318
Demography	-	897	4,015	152	5,064
Inflation	231	4,192	6,077	843	11,342
Other Pressures	-	-469	2,767	1,775	4,073
Capital Financing	-	-	-	50	50
Total Pressures	231	4,939	12,858	2,820	20,848
Use of Reserves	-	900	-	-348	552
Savings	-354	-180	-1,755	-5,558	-7,847
Net Funding Increase	-123	5,659	11,103	-3,086	13,552
% Increase /(Decrease)	-0.88%	4.95%	13.02%	-3.82%	4.60%
Net Budget 2024/25	13,927	119,898	96,363	77,787	307,974

COST PRESSURES AWARDED

Description	2024/25 Adjusted	2025/26	2026/27	2027/28	2028/29	Category of Growth
	£000's	£000's	£000's	£000's	£000's	
Children Services						
Special Guardianship and Residence Order Allowances - increased volumes	30	30	-	-	-	Pressure
Children Services Staffing to meet additional demand (Priority Cost Pressure) - additional capacity in response to rising demand for child protection and family support	552	86	-	-	-	Pressure
Legal Costs - increased volume of cases requiring legal proceedings	200					Pressure
Conveyance Children in Social Care Placements - increased costs of travel and larger numbers of children requiring transport	188					Pressure
Provider Fees - Additional funding for third party providers in 2024/25	490	300	300	300	300	Inflationary
Budget Programme - Additional capacity following Covid pandemic.	760					Pressure
External Placements - more children are requiring placements	915	200	200	200	200	Demographic
Total Children Services	3,134	616	500	500	500	

COST PRESSURES AWARDED

Description	2024/25 Adjusted	2025/26	2026/27	2027/28	2028/29	Category of Growth
	£000's	£000's	£000's	£000's	£000's	
Adult Services						
Provider Fees - Additional funding for third party providers in 2024/25	3,000	4,500	4,500	4,500	4,500	Inflationary
Step In Provider Fees - lag in funding associated with 2023/24 provider fees increase.	2,000	-	-	-	-	Inflationary
Budget Programme - Additional capacity following Covid pandemic.	258					Pressure
Demographic Pressures - increased numbers of people requiring care and support	3,100	650	650	650	650	Demographic
Adult Services	8,358	5,150	5,150	5,150	5,150	

COST PRESSURES AWARDED

Resource Management and Safeguarding						
Regional Integration Fund Tapering - WG grant funding reduction	-	1,000	1,000	-	-	Investment
Staffing costs -Regrading of Care Home Staff - Regrading of Care Home staff has taken place which impacts a significant propoertion of care home roles.	104	-	-	-	-	Pressure
Budget Programme - Additional capacity following Covid pandemic.	408					Pressure
Agency/ Vacancy cover and Night Post in Care Homes - To ensure consistent overnight support for increasingly complex residents and significant covere required for significant levels of sickness in care homes.	267	-	-	-	-	Pressure
Total Resource Management and Safeguarding	779	1,000	1,000	-	-	
Total Social Services	12,271	6,766	6,650	5,650	5,650	

Corporate						
Pay Award Non Schools Social Services	587	392	399	407	415	Inflationary - Pay
Amended Total Social Services	12,858	7,158	7,049	6,057	6,065	

ANALYSIS OF COST PRESSURES AWARDED AND FUNDING GAP

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	Adjusted	Raw	Difference
	£000s	£000s	£000s
Investments			
RIF	0	1,053	-1,053
Demography			
External Children's Placements	915	915	0
Adults	3,100	3,100	0
Pay Inflation			
Local Government Pay	587	783	-196
Non Pay inflation			
Children's Provider Fees	490	548	-58
Adults Provider Fees	3,000	6,659	-3,659
Step In Provider Fees	2,000	2,000	0
Pressures & Capital Financing			
Children's pressures	1,730	2,172	-442
Adults	258	258	0
Resource Management and Safeguarding	779	954	-175
	12,859	18,442	-5,583

SAVINGS PROPOSALS SUMMARY

Service Area	2024/25 £'000s
Schools	180
Directorate Learning and Skills	356
Directorate Social Services	1,755
Directorate Neighbourhood and Housing	1,903
Directorate Place	286
Directorate Corporate Resources	1,348
Policy	1,969
Corporate	50
Total Savings	7,847
Service Area	2024/25 £'000s
Transformational	1,360
Tactical	6,488
Total Savings	7,847

Energy Saving in Schools

Non Maintained Nursery Settings, Income in Adult and Community Learning and Use of Grant in Youth Services.

Review Accommodation, Service Review in Community Care, Remodelling Day Services, Introducing New Charges and Expanding Telecare.

Reduction in service levels, Expanding charging in Waste, Asset reviews, School Crossing Patrols, Parking Charges. Est 12 fte

Reduction in budgets, increase in charges and new charges in Planning space, Restructuring teams. Est 3 fte

Office Accommodation changes, Supplier Spend, Fees and Charges and £339k reduction in Headcount approx. 9.5fte

FIVE THEMES OF TRANSFORMATION

Issues around our processes, people, structure, governance and technology. How should we look and function to deliver our priorities and core activity.

Service Transformation

Target Operating Model

What can we do to transform specific services in relation to how we deliver and improve outcomes.

What can we do as enablers and facilitators rather than direct providers and what does this mean for our relationships with partners.

Strengthening Communities

Digital

How can we ensure that digital innovation is at the heart of what we do and secures efficiency across the board.

How do we 'level up' and ensure our Place based approach is effective. Jobs and better jobs.

Economic Resilience

SAVINGS SOCIAL SERVICES

Description of Saving Proposal		£'000	£'000	£'000	Overall RAG Status
		2024/25	2025/26	2026/27	
Closer to Home Residential Care (C&YPs)	Transformational	100	-	-	Amber
Reduced building rental	Tactical	50	-	-	Amber
Closer to Home Supported Living (LD)	Transformational	100	-	-	Amber
Day services remodelling & full cost recovery	Transformational	180	-	-	Amber
Fee review & full cost recovery	Tactical	5	-	-	Amber
Telecare Expansion & fee review	Transformational	20	5	-	Amber
Adult Transport Review	Tactical	5	5	-	Amber
Releasing time to care	Tactical	300	350	-	Amber
Continuing Health Care	Tactical	250	250	-	Amber
Provider fees (cost avoidance – review of rate)	Tactical	243	-	-	Amber

SAVINGS SOCIAL SERVICES

Description of Saving Proposal					Overall RAG Status
		£'000	£'000	£'000	
		2024/25	2025/26	2026/27	
Debt Recovery	Tactical	30	30	-	Amber
Direct Payment Review	Tactical	10	10	-	Amber
Deferred Payment Arrangement fee (income)	Transformational	13	13	-	Amber
UASC Supported Accommodation	Transformational	75	75	-	Amber
Pop up Accommodation	Transformational	75	-	-	Amber
Additional Income	Tactical	300	-	-	Green

Savings Proposals 2024/25 to 2028/29						
Description of Saving Proposal	Saving Category	£'000	£'000	£'000	Overall RAG Status	Comments/Narrative
		2024/25	2025/26	2026/27		
Jenner Park alternative model	Service Transformation	65	-	-	Red	Jenner Park to be maintained by a sports club asset transfer may only be part year.
Parkwood VAT relief	Service Review	70	-	-	Amber	Initial Discussions have commenced and independent advice sought
Additional concessions	Service Transformation	20	-	-	Amber	Commercial Opportunities for additional concessions
Holm View	Service Transformation	55	-	-	Amber	Holm View is a surplus site and utilities should be decommissioned.
New Model for Community Centres to include full maintain of buildings	Service Transformation	20	50	50	Amber	Repurpose community centres to enhance the sense of place to become hubs etc.
Colcot Sports Centre	Corporate Asset Strategy		70		Red	
Asset Transfers Single use Facilities	Target Operating Model	100	-	-	Amber	Asset Transfers to include Maslin Park, Wick, Windmill Lane, Penarth Athletic Club, Old Penarthians, St Brides.

USE OF RESERVES

- Use of reserves £2.7m as part of these proposals – Mainly Homelessness and Energy
- Some Risk Based Reserves e.g. Pay Pressures, Legal Reserve, Corporate Landlord
- Reserves established to support Transformation – Risk, Reshaping and Investment and Digital Reshaping have been increased
- Need further review additional reserves for Final Proposals
 - Set aside for Social Services
 - Set aside funding for Budget Risk.

NEXT STEPS

Date	Body	Activity
19 January 2024	Community & Partners, including Trade Unions and Public Service Board	Consultation on budget proposals
February 2024	Scrutiny	Review estimates and savings proposals. First meeting 6 February Healthy Living & Social Care to last 15 February Corporate Performance & Resources.
16 February 2024	Community & Partners, including Trade Unions and Public Services Board	Consultation on the budget proposals closes
29 February 2024	Cabinet	Draft Budget
Late February/ Early March 2024	Welsh Government	Final Grant Settlement
6 March 2024	Council	Agree Budget

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DRAFT CAPITAL PROPOSALS 2024/25 TO 2028/29

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DRAFT CAPITAL PROPOSALS

- The report sets out the Council's proposed Draft Capital Programme for 2024/25 to 2028/29.
- On 19th December 2023, the Welsh Government (WG) announced the provisional 2024/25 General Capital Funding (GCF) settlement. The amount awarded to the Council is £6.986m, being made up of £3.540m grant and £3.446m of supported borrowing.
- This is a decrease of £11k from the 2023/24 general capital funding of £6.997m
- As no further indication has been received from Welsh Government, it has been assumed that from 2025/26 onwards, the level of capital funding will be flatlined at £6.986m and will then remain constant for the remainder of the period of this programme.

DRAFT CAPITAL PROPOSALS

- A summary of the five year Capital Programme is provided below

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Learning and Skills	21,360	2,360	3,750	4,435	2,000
Social Services	1,297	975	100	100	100
Environment	9,519	5,662	3,685	3,685	3,685
Housing	38,745	38,209	41,970	39,634	47,217
Place	3,643	1,605	1,305	1,305	1,150
Corporate Resources	704	250	569	862	862
City Deal	1,069	1,117	844	0	930
Pipeline Schemes	28,108	43,750	17,057	3,000	0
Total	104,445	93,928	69,280	53,021	55,944

DRAFT CAPITAL PROPOSALS

Capital bids were requested to be returned by the 20th October and in total 47 bids were submitted. Gross capital bids over the five year period total £56.8m.

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Learning and Skills	4,323	3,494	2,700	2,800	2,900
Social Services	385	555	0	0	0
Environment and Housing	11,771	6,570	5,245	5,245	4,500
Place	2,054	1,900	1,695	0	0
Corporate Resources	666	0	0	0	0
Total Gross Capital Bids	19,199	12,519	9,640	8,045	7,400
Less Available s106	0	0	0	0	0
Less Specific Grant	300	0	0	0	0
Total Net Capital Bids	18,899	12,519	9,640	8,045	7,400

- Capital Bids have been considered by Insight Board and the Senior Leadership Team.
- In order to be able to fund high priority bids that have been submitted a further review of the Capital Programme has been undertaken.
- The risks associated with not progressing some of these high priority bids is significant and there will be some opportunity cost associated with identifying this level of funding. It is considered that the risk associated with not identifying this funding could be more significant than the risk associated with some high cost schemes within the programme that the Council are currently not able to progress.

DRAFT CAPITAL PROPOSALS

Schemes that are proposed to be removed from the Capital Programme are set out below. However, Llanmaes Construction is being added back in for the final proposals:-

Schemes Removed	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£000
Bridge Structures	0	1,425	0	0	0	0	1,425
New household Waste Recycling Centre	750	1,205	0	0	0	0	1,955
Fleet Parking	0	2,569	0	0	0	0	2,569
Social Services Residual Schemes	15	0	0	0	0	0	15
Social Services Asset Renewal	15	0	0	0	0	0	15
Llanmaes Construction	518	0	0	0	0	0	518
Unallocated All Services Asset Renewal	0	366	1,369	1,257	1,257	1,257	5,506
Total	1,298	5,565	1,369	1,257	1,257	1,257	12,003

DRAFT CAPITAL PROPOSALS

Bids proposed to be funded which are relevant to this Scrutiny Committee are highlighted in the table below:

Directorate	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Repair and Renewal of Fire Doors Across the Residential Homes	90	90	0	0	0
Ty Dyfan Residential Home – Boiler Renewal Works	140	0	0	0	0
Cartref Porthceri Residential Home- Boiler Renewal Work	0	160	0	0	0
Penarth Leisure Centre – High Level Glazing & Cladding Phase 2	2,500	2,000	0	0	0
Total	2,730	2,250	0	0	0

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