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| Meeting of: | Homes and Safe Communities Scrutiny Committee |
| Date of Meeting: | Wednesday, 16 September 2020 |
| Relevant Scrutiny Committee: | Homes and Safe Communities |
| Report Title: | Revenue and Capital Monitoring for the Period 1st April to 31st July 2020 |
| Purpose of Report: | To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April to 31st July 2020 |
| Report Owner: | Report of the Director of Environment and Housing |
| 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 service 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. • The capital budget for this Committee has been set at £33.596m. | |

Recommendation

1. That Scrutiny Committee consider the position with regard to the 2020/21 revenue and capital budgets.

Reason for Recommendation

1. That Members are aware of the projected revenue outturn for 2020/21.

1. Background

- 1.1 Council on 26th February 2020 approved the Revenue Budget for 2020/21 (minute no c212) and the Housing Revenue Account budget for 2020/21 (minute number c213).

2. Key Issues for Consideration

Revenue

- 2.1 It is anticipated that services within this Committee's remit will outturn within budget at year end.

| Directorate/Service | 2020/21 | 2020/21 | Variance |
|-----------------------------|-----------------|--------------|------------------------------|
| | Original Budget | Projected | (+)Favourable (-) Adverse |
| | £000 | £000 | £000 |
| Youth Offending Service | 737 | 737 | 0 |
| Regulatory Services | 1,894 | 1,894 | 0 |
| Council Fund Housing | 1,339 | 1,339 | 0 |
| Private Housing | 848 | 848 | 0 |
| Public Sector Housing (HRA) | (17) | (17) | 0 |
| Total | 4,801 | 4,801 | 0 |

- 2.2 Youth Offending Service - It is early in the financial year and currently it is anticipated that this service will breakeven at year end.
- 2.3 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. It is anticipated that the SRS will outturn on target.

- 2.4** Council Fund Housing - In response to the WG guidance on managing homelessness during the Covid 19 pandemic and the provision of £10 million of additional funding to enable local authorities to secure accommodation needed to ensure that those without a home can be protected, supported and isolated if necessary, the Housing Solutions Team worked hard to secure additional emergency temporary accommodation for the Vale's homeless clients during this period. The team has successfully housed 265 clients by using Ty lolo hostel, bed and breakfast accommodation and council, leased and shared properties in the private rented sector and have secured a total of 76 local hotel rooms in order to satisfy demand. For the period April to June, the additional costs of this increased accommodation has been funded by the WG and at this stage it is hoped that this funding will continue. Should this not be the case and the WG funding ceases, the on-going costs of temporary accommodation for the homeless will be significant, with monthly costs being around £80k and this could not be contained within the service's existing budget. The Community Safety team has also been heavily involved in dealing with an increase in anti-social behaviour during lockdown, mainly due to large gatherings. This means there is now an impetus on ensuring that our CCTV equipment provision is positioned at the most effective sites. The team are currently looking at rolling out the replacement programme using the £350k capital funding set aside last year. Discussions are still on-going regarding the future monitoring of CCTV therefore the 2019/20 revenue savings target of £75,000 will again not be achieved this year. It is anticipated that unless this saving can be covered by underspends elsewhere within the service, funding will need to be drawdown from reserves to cover this shortfall.
- 2.5** Private Housing - The pandemic has badly affected the Disabled Facility Grants fee income as clients have understandably been anxious about officers and contractors entering their property. Quarter 1 fee income was £5k, against a profiled target of £36k. With the slow easing of lockdown it is anticipated that the situation should improve but it will not be possible to achieve the full year's target by March. The service is therefore projecting a possible overspend at year end however accurately forecasting the shortfall at this stage is difficult and further development will be reported as the year progresses.
- 2.6** Public Sector Housing (HRA) - The HRA is expected to outturn on target and any underspends in year will be offset by additional contributions to capital expenditure thus reducing 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.

2020/21 Efficiency Targets

- 2.7** As part of the Final Revenue Budget Proposals for 2020/21 no efficiency targets were set for services under this Committee.

Capital

- 2.8** Appendix 1 details financial progress on the Capital Programme as at 31st July 2020. Members should be aware that Appendix 1 includes requests for unspent committed expenditure to be slipped from the 2019/20 Capital Programme into 2020/21 as approved by emergency powers on 23rd July 2020. The following changes have been made to the Capital Programme since the last report to Committee.
- 2.9** Housing Improvement Programme - Delegated authority has been used to allocate the 2020/21 budget of £27.847m as shown below:-

| Scheme | Budget £'000 |
|---------------------------------|--------------|
| WHQS Internals | 2,004 |
| WHQS Externals | 2,043 |
| Individual Schemes | 3,400 |
| Emergency Works | 300 |
| Aids and Adaptations | 400 |
| Energy Efficiency | 1,150 |
| Common Parts | 4,546 |
| WHQS Environmental Improvements | 2,878 |
| New Build | 11,126 |
| TOTAL | 27,847 |

- 2.10** HRA Internal Works - This budget has been reviewed in light of Covid 19. There are issues in undertaking kitchens and bathroom replacements due to working inside and taking away key hygiene areas. It has therefore been requested that the Internals budget be reduced by £924k in the 2020/21 Capital Programme. Further review will be undertaken of the phasing of internal works and the budget will be reprofiled as part of the 2021/22 Housing Business Plan.
- 2.11** Individual Schemes- This budget has been reviewed in light of Covid 19. The Section 20 Leaseholder EWI scheme has been put on hold and is awaiting tendering. The majority of works will be completed in 2021/22. It has therefore

been requested that £700k be carried forward into the 2021/22 Capital Programme.

- 2.12** Common Parts - This budget has been reviewed in light of Covid 19. The budget has been reprofiled to reflect more accurate spend in 2021/22 due to delays in packaging, tendering and awarding contracts. It has therefore been requested that £2.2m be carried forward into the 2021/22 Capital Programme.
- 2.13** Environmental Improvements - This budget has been reviewed in light of Covid 19. The budget has been reprofiled to reflect more accurate spend in 2021/22 due to delays in packaging, tendering and awarding contracts. It is also requested that the Pathways and Parking budget be reduced by £100k in 2020/21 Capital Programme. It has therefore been requested that £1.1m be carried forward into the 2021/22 Capital Programme.
- 2.14** New Builds – Covid 19 has caused major disruption to the New build Capital Programme in 2020/21, particularly in bringing new schemes to site. This budget has been reprofiled to reflect more accurate spend based on revised on site dates for various schemes in 2020/21. Holm View Phase 2 and Maes y Ffynon new build schemes have now been deferred to 2021/22. It has therefore been requested that £4.24m be carried forward into the 2021/22 Capital Programme.
- 2.15** ENABLE - The Vale of Glamorgan has received an award of funding of £161k from Welsh Government in relation to the ENABLE - Support for independent Living grant for 2020/21. The Funding relates to the period 1st April 2020 to 31st March 2021. The purpose of the funding is to support the delivery of adaptations and integrate service delivery. Emergency powers have been used to include this £161k scheme within the 2020/21 Capital Programme to be funded by a grant from Welsh Government.
- 2.16** Disabled Facilities Grants - All works have been on hold due to Covid 19. Contractors are slowly returning back to site and OT assessments are now restarting. Due to the this, the full budget will not be spent this financial year, it has therefore been requested to carry forward £500k into the 2021/22 Capital Programme. Further analysis will be carried out against this budget to establish if further slippage will be required.

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.

Employment

- 4.2** There are no employment implications.

Legal (Including Equalities)

- 4.3** There are no legal implications.

5. Background Papers

None

| PROFILE TO DATE | ACTUAL SPEND 2020/21 | | APPROVED PROGRAMME 2020/21 | PROJECTED OUTTURN 2020/21 | VARIANCE AT OUTTURN 2020/21 | PROJECT SPONSOR | COMMENTS |
|-----------------|----------------------|--------------------------------------|----------------------------|---------------------------|-----------------------------|-----------------|--|
| £000 | £000 | | £000 | £000 | £000 | | |
| | | Youth Offending Service | | | | | |
| 0 | 0 | YOS Building Gas Mains Renewal | 15 | 15 | 0 | R Evans | Scheme complete, account to be finalised. |
| 0 | 0 | | 15 | 15 | 0 | | |
| | | Housing Improvement Programme | | | | | |
| 0 | 0 | HRA Internal Works | 2,004 | 1,080 | 924 | M Punter | Maintenance of WHQS e.g. Kitchens, bathrooms, rewires and heating systems. Requested to reduce the budget by £924k. |
| 7 | 7 | HRA External Works | 2,103 | 2,103 | 0 | M Punter | Continuation of installation of windows & doors, roof replacements, wall repairs and Airey properties refurbishment. |
| 0 | 0 | Individual Schemes | 3,403 | 2,703 | 700 | M Punter | Delivery of individual schemes. Requested to carry forward £700k into the 2021/22 Capital Programme. |
| 0 | 0 | Energy Efficiency | 2,229 | 2,229 | 0 | M Punter | Continuation of External Wall Insulation. |
| 1 | 1 | Emergency Works | 421 | 421 | 0 | M Punter | Emergency works schemes i.e. Building works to resolve property structural and damp issues. |
| 99 | 99 | Aids and Adaptations | 485 | 485 | 0 | M Punter | Continuation of the adapted extension scheme and other major adaptations. |
| 6 | 6 | Common Parts | 4,885 | 2,685 | 2,200 | M Punter | Delivery of the fire safety management upgrade works and communal area improvements. Requested to carry forward £2.2m into the 2021/22 Capital Programme. |
| 19 | 19 | Environmental Improvements | 3,321 | 2,121 | 1,200 | M Punter | On-going works to the Buttrills Estate, Margaret Avenue Gardens and Highway Maintenance Schemes. Requested to carry forward £1.1m into the 2021/22 Capital Programme and also requested that the Pathways and Parking budget be reduced by £100k in 2020/21 Capital Programme. |
| 370 | 370 | New Build | 12,937 | 8,697 | 4,240 | M Punter | Continuation of Holm View/Breacon Court and feasibility works for new schemes and acquisition of properties/land. Requested to carry forward £4.24m into the 2021/22 Capital Programme. |
| 502 | 502 | | 31,788 | 22,524 | 9,264 | | |
| | | Community Safety | | | | | |
| 0 | 0 | Community Safety Improvements | 10 | 10 | 0 | M Punter | Scheme underway. |
| 0 | 0 | Upgrade of CCTV system | 370 | 370 | 0 | M Punter | CCTV to assist in the prevention and detection of high anti-social behaviour areas. Plans for the wider use of CCTV are delayed due to Covid – 19 and a change in Police areas. |
| 0 | 0 | | 380 | 380 | 0 | | |
| | | Public Housing | | | | | |
| 0 | 0 | Community POD Penarth | 3 | 3 | 0 | N Jones | Scheme complete. |
| 0 | 0 | | 3 | 3 | 0 | | |
| | | Private Housing | | | | | |
| 40 | 40 | Disabled Facilities Grant | 1,226 | 726 | 500 | P Chappell | Requested to carry forward £500k to the 2021/22 Capital Programme |
| 5 | 5 | Barry Island and Cosmeston Toilets | 18 | 18 | 0 | P Chappell | The works at Cosmeston are complete. Works are on site at Barry Island with completion due in August. |
| 0 | 0 | Penarth Renewal Area | 5 | 5 | 0 | P Chappell | Reviewing one property for additional works required, discussions are ongoing with the homeowner, this will be resolved this financial year. |
| 0 | 0 | ENABLE | 161 | 161 | 0 | P Chappell | New WG grant funding |
| 45 | 45 | | 1,410 | 910 | 500 | | |
| 547 | 547 | COMMITTEE TOTAL | 33,596 | 23,832 | 9,764 | | |