

Meeting of:	Homes and Safe Communities Scrutiny Committee
Date of Meeting:	Wednesday, 13 January 2021
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Revenue and Capital Monitoring for the Period 1st April to 30th November 2020
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April to 30th November 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 £21.187m. 	

Recommendations

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

Reasons for Recommendations

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

1. Background

- 1.1 Cabinet on 16th November 2020 approved the revised revenue budget for 2020/21 (minute no c372) and Cabinet on 30th November 2020 approved the revised Housing Revenue Account budget for 2020/21 (minute number c398).

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 but may need to drawdown from reserves.

Directorate/Service	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Projected	Variance (+)Favourable (-) Adverse
	£000	£000	£000	£000
Youth Offending Service	737	718	718	0
Regulatory Services	1,894	1,900	1,900	0
Public Sector Housing (HRA)	(17)	7,058	7,058	
Council Fund Housing	1,339	1,317	1,317	0
Private Housing	848	854	854	0
Total	4,801	11,847	11,847	0

- 2.2 Youth Offending Service - It is currently 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** Public Sector Housing (HRA) - The HRA is expected to outturn on target and any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the reliance on Unsupported Borrowing. No grant funding has been made available by Welsh Government (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.
- 2.5** Council Fund Housing - In response to the WG guidance on managing homelessness during the COVID-19 pandemic, the Housing Solutions Team is still working hard to secure additional emergency temporary accommodation for the Vale's homeless clients. The team has successfully housed 348 clients in 116 bed and breakfast rooms acquired in three local hotels. This is in addition to the clients placed in the Council's normal stock of 147 units of temporary accommodation (Ty Iolo hostel, council, leased and shared properties in the private rented sector). Since April the additional costs of this increased accommodation has been funded by WG and in order to maintain sufficient options for temporary accommodation, WG has agreed that the Council block book all 116 hotel rooms until 31st March 2021, and that the costs will be covered by the Hardship grant. Should this funding reduce or cease beyond March 2021, the on-going costs of temporary accommodation for the homeless will be significant and the service will not be able to contain the costs within its existing budget. As Members are aware, discussions are still on-going regarding the future monitoring of the CCTV output. The Police and Crime Commissioner for South Wales has put in place a working group to review the CCTV services across all local authorities in an attempt to come up with a consistent approach to service delivery going forward across the region. In addition, a local working group in the Vale of Glamorgan has been convened, made up of Officers from the Council's Community Safety Team and the Police to ensure the local context is also considered. Therefore, as with last year, a 2019/20 revenue savings target of £75k for the CCTV service will once again not be achieved this year, so it is anticipated that unless this saving can be covered by underspends elsewhere within the service, funding will need to be drawn down from reserves to cover this shortfall.
- 2.6** Private Housing - The pandemic has badly affected the Disabled Facility Grants activity as clients, often vulnerable by the very nature of the grants, have understandably been anxious about having officers and contractors enter their properties since March. Actual fee income to November is currently £29k against a profiled income of £95k for the period. The Authority has however been successful in claiming lost fees back as part of the lost income claims to the WG, based upon equivalent income for the same period in 2019/20. Should this WG

funding continue to year-end it is anticipated that this service will break even. It is anticipated that based on existing trends the overspend at year end for Rent Allowances could be around £230k. This is due to the migration of Housing Benefit claims over to universal credit, impacting on the subsidy the Council receives on its overpayments. If required at year end funding will need to be transferred from the Welfare Reform reserve.

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 30th November 2020. The following change has been made to the Capital Programme since the last report to Committee.
- 2.9** New Build - Cabinet at its meeting on the 16th November 2020 gave approval to deliver a development of temporary accommodation, in response to the Homelessness crisis caused by the COVID-19 pandemic, at the former Civic Amenity site adjacent to the Court Road Depot, Barry . The scheme has been awarded an indicative funding allocation of £197k from WG to support the delivery the project. There is capacity within the Housing Development Budget 2020/21 to accommodate the scheme and delegated authority has been used to vire £1 million from the Acquisitions budget (within new builds heading) and create a separate budget to deliver the scheme by the 31st March 2021.

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

CAPITAL MONITORING
FOR THE PERIOD ENDED 30th NOVEMBER 2020

APPENDIX 1

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					
		Slippage					
15	0	YOS Building Gas Mains Renewal	15	15	0	R Evans	Scheme complete, account to be finalised.
15	0		15	15	0		
		Housing Improvement Programme					
0	0	HRA Internal Works	1,080	1,080	0	M Punter	Planned internal upgrades have been put on hold, with only emergency and void property maintenance of WHQS being undertaken e.g. Kitchens, bathrooms, rewires and heating systems.
383	411	HRA External Works	2,103	2,103	0	M Punter	Continuation of installation of windows & doors, roof replacements and wall repairs.
19	19	Individual Schemes	1,703	1,703	0	M Punter	Delivery of individual schemes. Start dates delayed due to Covid-19 lockdown & ecology compliance.
546	546	Energy Efficiency	2,229	2,229	0	M Punter	Continuation of External Wall Insulation projects.
181	1	Emergency Works	421	421	0	M Punter	Emergency works schemes i.e. Building works to resolve property structural and damp issues.
292	214	Aids and Adaptations	485	485	0	M Punter	Continuation of the adapted extension scheme and other major adaptations.
96	96	Common Parts	1,685	1,685	0	M Punter	Delivery of the fire safety management upgrade works and communal area improvements. Delays experienced in procuring the internal & external common part improvements due to Covid-19.
141	141	Environmental Improvements	1,821	1,821	0	M Punter	On-going works to the Buttrills Estate, Margaret Avenue Gardens now complete and Highway Maintenance Schemes. Delays in projects starting due to covid-19 lockdown.
2,000	1,937	New Build	8,697	8,697	0	M Punter	Continuation of Holm View. Breacon Court complete. Hayes Road started onsite 7.11.20 and Civic Amenity Court Road Depot onsite 04.12.20, along with feasibility works for new schemes and acquisition of properties/land. Delegated authority detailed as part of this report.
3,658	3,365		20,224	20,224	0		
		Community Safety					
		Additional In Year Capital Funding					
25	25	Upgrade of CCTV system	35	35	0	M Punter	Remainder of scheme to be carried out in 2021/22.
25	25		35	35	0		
		Public Housing					
3	0	Community POD Penarth	3	3	0	N Jones	Scheme complete.
3	0		3	3	0		
		Private Housing					
117	117	Disabled Facilities Grant	726	726	0	P Chappell	In the process of issuing grants.
16	16	Barry Island and Cosmeston Toilets	18	18	0	P Chappell	The works at Cosmeston are complete. Works at Barry Island are nearing completion, anticipated to be complete in January.
0	0	Penarth Renewal Area	5	5	0	P Chappell	We are reviewing one property for additional works required, discussions are ongoing with the homeowner.
42	42	ENABLE	161	161	0	P Chappell	WG Grant. Scheme is progressing however spend is being reviewed due to Covid-19.
175	175		910	910	0		
3,876	3,565	COMMITTEE TOTAL	21,187	21,187	0		