

Meeting of:	Homes and Safe Communities Scrutiny Committee
Date of Meeting:	Monday, 15 March 2021
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Revenue and Capital Monitoring for the Period 1st April 2020 to 31st January 2021
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April 2020 to 31st January 2021
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 £20.766m. 	

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 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 some of the services within this Committee's remit will outturn within budget at year end, while others are projecting to underspend or overspend as shown in the table below.

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	568	+150
Regulatory Services	1,894	1,900	1,900	0
Public Sector Housing (HRA)	(17)	7,058	7,058	0
Council Fund Housing	1,339	1,317	1,317	0
Private Housing	848	854	1,104	(250)
Unplanned use of Reserve	0	0	(250)	250
Total	4,801	11,847	11,697	+150

- 2.2** Youth Offending Service - It is currently anticipated that this service will underspend by £150k at year end due to staff vacancies.
- 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. Income, particularly Licensing income, has been affected by the pandemic however Welsh Government (WG) has provided funding for these losses.
- 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 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 are still working hard to secure additional emergency temporary accommodation for the Vale's homeless clients. The team has successfully housed hundreds of homeless 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 lolo hostel, council, leased and shared properties in the private rented sector). Since April 2020 the additional costs of this increased accommodation has been funded by the WG and they have agreed that this Authority can block book all 116 hotel rooms until 31st March 2021 which they will fund. As the effects of the pandemic are likely to be long lasting, the Authority has made plans to increase its options for housing provision for the homeless and 11 self-contained modular units, developed using modern methods of construction (MMC), are being sited in the Court Road Depot site as well as 63 one-bed units and 9 two bed permanent housing units at the new Wales and West Housing Association development in Subway Road, Barry, opposite the Dock Office. There is still some uncertainty around Hardship Funding in the longer term however these additional units should reduce the need for hotel rooms but is unlikely to replace them completely. 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. Similar to 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 had an effect on 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 2020. WG, have funded lost income based upon equivalent income for the same period in 2019/20 and as this funding will 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 Housing Benefits could be around £250k. This is due to the migration of Housing Benefit claims over to universal credit, impacting on the subsidy the Council receives on its overpayments. Funding will need to be transferred from the Welfare Reform reserve to cover this position at year end.

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 January 2021. The following change has been made to the Capital Programme since the last report to Committee.
- 2.9** ICF - Penarth Older Persons Village - The Council faces the challenge of increasing demands on its housing and social care services due to an ageing population. In order to respond to this growing demand, Housing Services in partnership with colleagues in Social Services, Health and a Registered Social Landlord is exploring the feasibility of developing a creatively designed older persons residential development concept called Penarth Older Persons Housing with Care Complex on 3.6 acres of housing owned land off Myrtle Close in Penarth. Preliminary feasibility and site investigation work was carried out in 2018/19 funded by a capital grant of £40,773 and in 2019/20 £120,000 from the Integrated Care Fund (ICF) from Welsh Government, administered by Cardiff and Vale Local Health Board. The Council has recently received approval for a further capital ICF award of £573,000 for 2020/21 to continue this work which must be spent by 31st March 2021. While Welsh Government confirmed that the funding was approved by its ICF Scrutiny Panel at the beginning of December and Ministerial approval was expected imminently to allow a confirmation letter to be sent to the Council before Christmas, to date this has still not been received. In order to commence this work as soon as possible, permission is therefore being sought to include the

£573,000 into the capital programme, pending receipt of the formal grant approval letter from Welsh Government. Emergency powers has been used to approve the virement of £573,000 from the HRA acquisition budget and to approve its inclusion in the Council's capital programme to enable feasibility work to continue and incur costs for the Penarth Housing with Care Complex, pending receipt of the ICF grant award letter.

- 2.10** Everyone Garden Education Centre - Delegated authority has been used to include this new scheme into the 2020/21 Capital programme with a budget of £20,000 to be funded by a grant from Natural Resources Wales. The scheme is the creation of an education centre as part of the 'Everyone's Garden' project on land owned by the Council's housing department in Barry. An education centre is being built with involvement from the local community and is integrated into the existing community garden and play area.

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 31st JANUARY 2021

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		
		<u>Housing Improvement Programme</u>					
13	12	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
204	204	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.
1,168	1,168	Energy Efficiency	2,229	2,229	0	M Punter	Continuation of External Wall Insulation projects
41	41	Emergency Works	421	421	0	M Punter	Emergency works schemes i.e. Building works to resolve property structural and damp issues
341	342	Aids and Adaptations	485	485	0	M Punter	Continuation of the adapted extension scheme and other major adaptations.
126	126	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.
261	261	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.
2,600	2,600	New Build	8,124	8,124	0	M Punter	Continuation of Holm View. Brecon 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.
16	16	ICF - Penarth Older Persons Village	573	573	0	M Punter	Emergency powers detailed as part of this report
0	0	Everyone Garden Education Centre	20	20	0	M Punter	Delegated authority detailed as part of this report
4,773	4,789		20,244	20,244	0		
		<u>Community Safety</u>					
35	32	Upgrade of CCTV system	35	35	0	M Punter	Remainder of scheme to be carried out in 2021/22.
35	32		35	35	0		
		<u>Public Housing</u>					
3	0	Community POD Penarth	3	3	0	N Jones	Scheme complete.
3	0		3	3	0		
		<u>Private Housing</u>					
236	236	Disabled Facilities Grant	300	300	0	P Chappell	In the process of issuing grants
18	16	Barry Island and Cosmeston Toilets	18	18	0	P Chappell	Scheme complete.
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.
296	294		484	484	0		
5,107	5,115	COMMITTEE TOTAL	20,766	20,766	0		