

Meeting of:	Homes and Safe Communities Scrutiny Committee
Date of Meeting:	Wednesday, 12 January 2022
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Revenue and Capital Monitoring for the Period 1st April to 30th November 2021
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April to 30th November 2021
Report Owner:	Report of the Director of Environment and Housing
Responsible Officer:	Carolyn Michael Interim Head of Finance/S151 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 2021/22 will be challenging with the continuing pressure for the service both operationally and financially as a result of the COVID 19 pandemic. This will impact 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. • A savings target for the year has been set at £6k. • The capital budget for this Committee has been set at £33.237m. 	

Recommendation

1. That Scrutiny Committee consider the position with regard to the 2021/22 revenue and capital budgets.

Reason for Recommendation

1. That Members are aware of the projected revenue and capital outturn for 2021/22.

1. Background

- 1.1 Cabinet on 22nd November 2021 approved the amended revenue budget and HRA budget for 2021/22 (minute no c733 and c737 respectively).

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. A breakdown of this year's budget is shown in the table below.

Directorate/Service	2021/22 Original Budget	2021/22 Amended Budget	2021/22 Projected	Variance (+)Favourable (-) Adverse
	£000	£000	£000	£000
Youth Offending Service	707	707	707	0
Regulatory Services	1,825	1,825	1,825	0
Council Fund Housing	1,420	1,439	1,439	0
Public Sector Housing (HRA)	(25)	11,085	11,085	0
Private Housing	980	1,044	1,044	0
Total	4,907	16,100	16,100	0

- 2.2 Youth Offending Service - It currently anticipated that this service will outturn on target.
- 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 as with other services, WG has funded such losses.

- 2.4** Council Fund Housing - The position with regards the housing of the Vale's homeless during the pandemic remains unchanged, ie. as well as the provision at Ty Lolo hostel, bed and breakfast accommodation and council, leased and shared properties in the private rented sector, 3 local hotels have been block booked through to March 2022 in order to accommodate the on-going need. Costs of these block bookings are being funded by WG until March 2022. WG has advised that they will fund accommodation in hotels into the next financial year however the period of this support is currently being clarified. The team are looking at a longer term strategy to provide the necessary accommodation. The main pressure on the Council Fund Housing budget this year remains the CCTV budget in Community Safety where a previous savings target cannot be achieved due to on-going negotiations with the police service and the Police and Crime Commissioner regarding the future monitoring of CCTV output. Capital funding set aside by this Council for upgrading its CCTV equipment remains available, though progress has been held up, pending an outcome of the negotiations. As such, it is anticipated that unless this saving can be covered by underspends elsewhere within the service, the funding for CCTV shall be drawn down from reserves to cover this shortfall.
- 2.5** Public Sector Housing (HRA) - The HRA is expected to outturn on target as any under/overspends in year will be offset by changes to the contributions to capital expenditure thus changing the reliance on Unsupported Borrowing or by a transfer to reserves.
- 2.6** Private Housing - Disabled Facility Grants fee income is showing signs of recovery since the restrictions have eased, but it still remains behind profile and it is anticipated that any shortfall in fees to the end of the financial year will again be claimed back from the WG.

2021/22 Efficiency Targets

- 2.7** As part of the Final Revenue Budget Proposals for 2021/22 an efficiency target of £6k has been set for services under this Committee and a breakdown is shown in Appendix 1. It is anticipated that this target will be achieved this year.

Capital

- 2.8** Appendix 2 details financial progress on the Capital Programme as at 30th November 2021. The following changes have been made to the Capital Programme since the last report to Committee.

- 2.9** HRA New Build - Cwrt St Cyres scheme has been let but has been delayed because of uncharted below ground services. This scheme will now continue into 2022/23. Colcot Clinic scheme is in the Planning stage and was delayed because of other scheme priorities. This scheme will continue into 2022/23. Hayes Wood Road tender has been accepted. This scheme was delayed because of issues in completing the land acquisition with Welsh Government. This scheme will continue into 2022/23. It has therefore been requested that £663k is carried forward into the 2022/23 Capital Programme.
- 2.10** HRA Internal Works - Due to delays in the procurement process for the framework the internal works programme has been on hold, with only voids and emergency works being completed. It has therefore been requested that £655k be carried forward into the 2022/23 Capital Programme.
- 2.11** HRA External Works - Airey's refurbishment scheme is delayed due to higher tender prices and works are being undertaken to deliver a viable scheme. There are delays in the delivery of the window and doors contract with an estimated start date being the end of February 2022. Sewage treatment works are estimated to start in February 2022 pending consultation. It has therefore been requested that £1.350m is carried forward into 2022/23 Capital Programme.
- 2.12** Individual Schemes - Section 20 EWI is now expected on site early February 2022. The Long Meadow contract was let in August 2021 but due to Ecology Survey Identifying bat's , the contract has been delayed until a license to proceed is obtained. The Severn Avenue contract was approved in August 2021, but the contractor has increased costs and therefore further procurement is required. The Pontalun scheme is being retendered due to high tender prices received but will commence in 2022/23. It has therefore been requested that £2.793m is carried forward into 2022/23 Capital Programme.
- 2.13** Common Parts - Due to staff turnover there have been slight delays in the Lot 1 & 2 delivery which will now continue into 2022/23 and the delivery of the External Communal refurbishment schemes has also been delayed and will continue into 2022/23. It has therefore been requested that £1.850m is carried forward into the 2022/23 Capital Programme.
- 2.14** Environmental Works - Due to staff turnover the delivery of the Williams Irving and Owen scheme has been delayed and will continue into 2022/23. Due to the delay in contractors not bidding for the Awbery House scheme the works will now commence in 2022/23. Buttrills environmental works are due to commence February 2022 with the majority of works being completed in 2022/23. It has therefore been requested that £1.350m is carried forward into 2022/23 Capital Programme.
- 2.15** Energy Efficiency - There have been delays due to Contractor timescales to mobilise. EWI houses are expected to commence work in January 2022 and EWI

blocks of flats works are expected to commence in February 2022. It has been requested that £3m is carried forward into the 2022/23 Capital Programme.

- 2.16 Penarth Renewal Area - It has been requested to carry forward £5k into the 2022/23 Capital Programme to allow adequate time for all parties to accept terms and enter into a final agreement prior to the commencement of works
- 2.17 Disabled Facilities Grant - Due to the COVID 19 pandemic and the availability of contractors who are on the framework, the full budget will not be spent this financial year. The increase in costs has also made it prohibitive for the contractors to deliver as part of the framework but work is currently underway to assess uplifts. It has been requested to carry forward £396k into the 2022/23 Capital Programme.

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** Included in this report is a request to carry forward budget of £11.661m into 2022/23 which relates to the Housing Improvement Programme which is ringfenced within the Housing Revenue Account (HRA). This is a result, in part, due to problems in the supply chain and an increase in the cost of materials. Any further lockdown restrictions could also have an impact on the level of expenditure. This will result in the budget being reduced to £19.805m. The implications of this are that there will no longer be a requirement to raise unsupported loans to fund capital expenditure this financial year and the level of revenue contributions to capital will reduce from £18.786m to £14.723m.

Employment

- 4.2** There are no employment implications.

Legal (Including Equalities)

- 4.3** There are no legal implications.

5. Background Papers

None

PROGRESS ON APPROVED EFFICIENCIES 2021/22

Service	Total Efficiency £000	Projected Efficiency £000	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
General Fund Housing						
Corporate Recovery and Efficiency Savings 21/22	4	4	Green	Savings achieved	Homes & Safe Communities	Mike Ingram
Private Housing						
Corporate Recovery and Efficiency Savings 21/22	2	2	Green	Savings achieved	Homes & Safe Communities	Marcus Goldsworthy
COMMITTEE TOTAL	6	6	100%	Green		

Green = on target to achieve in full
 Amber = forecast within 20% of target
 Red = forecast less than 80% of target

PROFILE TO DATE	ACTUAL SPEND 2021/22		APPROVED PROGRAMME 2021/22	PROJECTED OUTTURN 2021/22	VARIANCE AT OUTTURN 2021/22	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		<u>Youth Offending Service</u>					
0	0	Salisbury Road No. 91 (YOS) External Repairs Phase 2	15	15	0	R Evans	Survey had been carried out and awaiting report.
0	0		15	15	0		
		<u>Housing Improvement Programme</u>					
102	147	HRA Internal Works	1,467	812	655	M Punter	Maintenance of WHQS e.g. Kitchens, bathrooms, rewires and heating systems. Slippage of £655k requested as part of this report.
824	576	HRA External Works	3,014	1,664	1,350	M Punter	Continuation of installation of windows & doors, roof replacements, wall repairs, sewage treatment works and Airey properties refurbishment. Slippage of £1.35m requested as part of this report.
1	1	Individual Schemes	3,634	841	2,793	M Punter	Delivery of individual schemes and External Wall insulation on 17 Leaseholder blocks. Slippage of £2.793m requested as part of this report.
298	298	Energy Efficiency	5,206	2,206	3,000	M Punter	Continuation of External Wall Insulation and Energy efficiency. Slippage of £3m requested as part of this report.
169	207	Emergency Works	497	497	0	M Punter	Emergency works schemes i.e. Building works to resolve property structural and damp issues.
185	153	Aids and Adaptations	350	350	0	M Punter	Delivery of major adaptations.
56	56	Common Parts	3,001	1,151	1,850	M Punter	Delivery of the fire safety management upgrade works and communal area improvements. Slippage of £1.85m requested as part of this report.
537	355	Environmental Improvements	4,311	2,961	1,350	M Punter	On-going works to the Buttrills Estate, Williams/Irving and Owen scheme and Highway Maintenance Schemes. Slippage of £1.35m requested as part of this report.
4,021	3,465	New Build	8,937	8,274	663	M Punter	Holm View Phase 1 and Court Road completed. Continuation of schemes at Hayes Road (Completion March 2022), St Cyres Road (start on site delayed to March 2022), Hayeswood Road (Tender Accepted). Schemes at Holm View Phase 2, Maes y Ffynnon (Planning re-submission) and the Colcot Clinic (in Planning) will be slipped into 2022/23. Also includes feasibility works for new schemes and acquisition of properties/land. Total slippage £663k requested as part of this report.
295	298	IHP- Heating retrofit	695	695	0	M Punter	Continuation of heating retrofit scheme
0	0	ICF - Penarth Older Persons Village	300	300	0	M Punter	Continuation of previous years scheme.
1	1	Penarth Food Pod	48	48	0	M Punter	Emergency powers detailed as part of this report.
5	6	Everyone Garden Education Centre	5	6	-1	M Punter	Scheme complete. Overspend to be funded from revenue.
6,494	5,563		31,465	19,805	11,660		
		<u>Community Safety</u>					
3	3	Upgrade of CCTV system	348	348	0	M Punter	The Council are in on-going discussions with the Police regarding this scheme.
0	0	Target Hardening Grant	21	21	0	M Punter	Welsh Government grant to purchase target hardening equipment.
3	3		369	369	0		
		<u>Private Housing</u>					
446	446	Disabled Facilities Grant	1,196	800	396	P Chappell	In the process of issuing grants. Request to carry forward £396k as part of this report.
0	0	Penarth Renewal Area	5	0	5	P Chappell	Request to carry forward £5k into the 2022/23 Capital Programme as part of this report.
10	10	Barry Island and Cosmeston Toilets	10	10	0	P Chappell	Scheme complete.
38	80	ENABLE Grant	177	177	0	P Chappell	WG grant funded scheme, scheme progressing.
494	536		1,388	987	401		
6,991	6,102	COMMITTEE TOTAL	33,237	21,176	12,061		