

# Budget Briefing Homes and Safer Communities



# Revenue Budget 2023/24 for Consultation

# Provisional Settlement

- The Local Government Settlement for 2023/24 was more favourable than had been assumed in the October Cabinet paper in our Financial Strategy and Medium Term Financial Plan.
- There was a positive settlement for Wales as a result of the Barnett consequential. The Welsh Government has directed £227M of its £644M funding to local government, which means the Aggregate External Finance (AEF) increase for 2023/24 is 7.9%, a significant increase on the 3.5% assumed in October.
- The Vale of Glamorgan's AEF will increase by 8.9% (£16.6M) which is a £10M improvement on the 3.5% (£6.5M) that was anticipated in the Financial Strategy Report in October.
- The overall Vale Standard Spending Assessment (SSA) increase is 6.4%. The average for Wales is 6.2%.

# Vale of Glamorgan Position

- In October the Council was faced with a £28.2M gap, having assumed a 3.5% increase in Aggregate External Finance (AEF) and a Council Tax increase of 3.99%
- The improved settlement of 8.9% AEF (£16.604M) plus 4.9% Council Tax (£4.284M), increased total funding by £20.89M or 7.66% but there still remained a funding gap
- The Council has worked as a Senior Leadership Team to revise cost pressures down across Directorates and a now reduced figure of £30.67M of cost pressures, on a base budget of £273M, is approx. 11%.
- This cost pressure figure includes Pay and Energy pressures totalling £15M across the Council.
- Homelessness is a continued pressure, as are the pressures around placement of Ukrainian refugees.

# Updated Funding Gap

	2023/24 £K	2024/25 £K	2025/26 £K	2026/27 £K	2027/28 £K
Additional Funding :					
Government Grant	16,604	5,597	6,244	6,306	6,369
Council Tax	5,311	3,829	3,978	4,134	4,295
Reversal of 2022/23 use of reserves	-500	-500	0	0	0
Use of smoothing Reserves	3,200	1,500	0	0	0
<b>Total Additional Funding</b>	<b>24,615</b>	<b>10,426</b>	<b>10,222</b>	<b>10,440</b>	<b>10,664</b>
Investment	1,010	1,518	1,763	1,301	282
Demography	1,150	2,493	2,493	2,493	2,493
Inflation	23,455	10,939	7,265	8,688	8,800
Other Pressures	5,055	(113)	166	637	0
<b>Total Pressures</b>	<b>30,670</b>	<b>14,837</b>	<b>11,687</b>	<b>13,119</b>	<b>11,575</b>
<b>Overall Gap</b>	<b>6,055</b>	<b>4,411</b>	<b>1,465</b>	<b>2,679</b>	<b>911</b>

# Scrutiny Specific Cost Pressures

Description	2023/24	2024/25	2025/26	2026/27	Category of Growth
	£000's	£000's	£000's	£000's	
<b>Cost of B&amp;B Homelessness Accommodation-</b> Additional Costs associated with maintaining a "no one left out approach". The cost estimate included is net of projected Housing Benefit receipts.	2,300	-1,000	-500	0	Pressure
<b>Impact of Ukraine Refugee Crisis</b> - Additional support required for the ongoing needs of people placed as a result of the ongoing Ukrainian Refugee Crisis	250	0	0	0	Pressure
<b>CCTV</b> - CCTV has undergone a major upgrade to the cameras, infrastructure and systems that support CCTV. The service is now operational in Cardiff and the majority of costs are to support the monitoring of the system.	150	0	0	0	Pressure
<b>Private Rented Coordinator Support and support for new Temporary accommodation property</b> - additional support to identify PRS landlords would assist the LA in meeting its duties by maximising its use of the PRS.	30	0	0	0	Investment
<b>Total General Fund Housing</b>	<b>2,730</b>	<b>-1,000</b>	<b>-500</b>	<b>0</b>	<b>0</b>

# Savings Proposals

Another consideration in delivering a balanced budget is potential budget savings.

The October Financial Strategy Report set out a framework to facilitate the identification of savings proposals across ten themes:-

- Demand Management/Invest in Early Intervention
- Generating Income
- Service Review
- Invest to Save (omitted from the October report)
- Use of the Wider Community to Deliver Services
- Digital Strategy
- Corporate Asset Management Plan
- Workforce Review
- Contract Review/Procurement
- Community Engagement & Participation

Savings proposals were developed at service level and reviewed by SLT and Budget Working Groups

# Scrutiny Specific Savings Proposals

Service	Description of Saving Proposal	Saving Category	Value					Total
			£'000	£'000	£'000	£'000	£'000	
			2023/24	2024/25	2025/26	2026/27	2027/28	
General Fund Housing	Budget Adjustment Pre Tenancy Adviser and VATs budget	Service Review	26					26
General Fund Housing	Review Senior Officer Recharges to HRA to ensure no cross subsidisation	Generating Income	33					33
Community Safety	Review Support Function - Vacant Post	Service Review	25					25
	<b>Total General Fund Housing</b>		<b>84</b>	-	-	-	-	<b>84</b>
Private Housing	Increased DFG provision (removal of means testing)	Generating Income	20					20
	<b>Total Private Housing</b>		<b>129</b>	-	-	-	-	<b>129</b>



# Reserves Proposals

- As part of the budget deliberations there has also been a fundamental review of the Council's reserves. The reserves have been re-aligned with the Council's overall objectives and risks and have been streamlined to provide greater transparency and ease of management.
  - Identified a corporate need for 'specific risk reserves', eg. Pay Pressures, Energy Pressures, Corporate Landlord, General Investment and Digital Strategy. This involves centralising Directorate-specific funds relating to these areas.
  - Reduced number of reserves, but greater alignment to key risks of the Council.
  - More formal approach to approving the specific use of reserves.
- SLT have fully reviewed reserve proposals to consider the implication on committed expenditure and internal processes.
- Reserves have been used to smooth the impact of homelessness and energy costs, stepped down over two years.
- Total reserves, excluding Schools, are currently £114m and are projected to reduce to £83m by 31<sup>st</sup> March 2023.

# Timetable and Next Steps

- Cabinet 19th January 2023
- Public Consultation 20<sup>th</sup> January 2023 - 15<sup>th</sup> February 2023
- Scrutiny Consultation February 2023
- Final Proposals Cabinet 27th February 2023
- Final Settlement due 3rd March 2023
- Final Proposals to Council 6th March 2023

# Discussion and Questions

- Members Questions
- Recommendations

# Proposed Fees and Charges for 2023/24

# Fees and Charges

- The Consolidated Fees and Charges report details fees across Neighbourhood Services, Resources, Place, Learning and Skills and Social Services.
- The majority of the proposed fees and charges reflect an increase of between 5% and 11%.
- Some fees and charges have increased higher than this percentage; remained the same; or decreased to reflect the take up of services and the cost of delivery and the rationale for doing so is outlined in the body of this report.
- **There are no specific fees and charges that fall within the remit of this Committee.**

# Fees and Charges

## Next Steps

- Scrutiny Committee Consultation currently being undertaken
- Comments to Corporate Performance and Resources
- Final Proposals to Cabinet on 27<sup>th</sup> February 2023

# Discussion and Questions

- Members Questions
- Recommendations

# Draft Capital Programme Proposals 2023/24 to 2027/28



# Capital Strategy – Provisional WG Settlement

- On 14th December 2022, the Welsh Government (WG) announced the provisional 2023/24 General Capital Funding (GCF) settlement for 2023/24.
- The amount awarded to the Council is £6.997M (£3.545M grant and £3.452M supported borrowing).
- This is an increase of £1.168M from the 2022/23 general capital funding of £5.829M (2021/22 General Capital Funding was £6.867M)
- WG have also been advised that £20 million capital across Wales in each year is being provided to enable authorities to respond to the joint priority of decarbonisation. The Council is awaiting further information from WG in relation to this to understand what it means for us as a Council.
- WG have confirmed that the general capital funding will remain at the same level for 2024/25 but no further projections beyond this point have been given.
- The table below represents the capital funding from the WG assumed as part of the 5 year programme:-

WG Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
<b>Supported Borrowing (General Fund)</b>	3,452	3,452	3,451	3,451	3,451
<b>General Capital Grant</b>	3,545	3,545	2,378	2,378	2,378
<b>TOTAL</b>	6,997	6,997	5,829	5,829	5,829

# 5 Year Capital Programme

The total value of capital schemes over the next 5 years is £265m and this is summarised in the table below.

This includes £167m for the Housing Improvement Programme.

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Learning and Skills	33,190	7,471	1,000	2,750	3,435
Social Services	618	1,067	725	100	100
Environment and <b>Housing</b>	<b>57,662</b>	<b>45,790</b>	<b>37,517</b>	<b>26,006</b>	<b>24,294</b>
Place	3,977	1,691	1,605	1,605	1,605
Corporate Resources	980	766	1,419	1,919	1,819
City Deal	1,949	1,835	2,594	0	0
<b>Total</b>	<b>98,376</b>	<b>58,620</b>	<b>44,860</b>	<b>32,380</b>	<b>31,253</b>

# Capital Programme Funding

Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
General Capital Grant	3,545	3,545	2,378	2,378	2,378
General Fund (GF) Reserves/Revenue	14,140	930	900	900	800
HRA Revenue/Reserves	17,187	7,104	6,715	6,802	7,628
Capital Receipts	6,408	368	280	155	155
Grants	27,651	9,715	4,762	4,773	4,773
S106	5,736	1,006	600	2,350	3,035
<b>Total</b>	<b>74,667</b>	<b>22,668</b>	<b>15,635</b>	<b>17,358</b>	<b>18,769</b>
<b>Borrowing Requirement :</b>					
Supported Borrowing	3,452	3,452	3,451	3,451	3,451
Unsupported Borrowing GF	3,064	5,178	2,594	0	0
Unsupported Borrowing HRA	17,193	27,322	23,180	11,571	9,033
<b>Total Borrowing Requirement</b>	<b>23,709</b>	<b>35,952</b>	<b>29,225</b>	<b>15,022</b>	<b>12,484</b>
<b>Total Capital Programme</b>	<b>98,376</b>	<b>58,620</b>	<b>44,860</b>	<b>32,380</b>	<b>31,253</b>

# Capital Programme New Schemes 2023/24

As the provisional capital settlement from Welsh Government has now been received, it is proposed that new schemes are now included in the Capital Programme. The schemes are detailed in the appendix but for 2023/24 include:-

- An additional £700k for resurfacing.
- £500k for bridge structures
- £250k for Social Services invest to save schemes
- £230k for drainage repairs and underpinning works to Cartref Porthceri Residential Home
- £275k for the safeguarding and security of external School boundaries
- £415k Ysgol Bro Morgannwg cladding works
- £290k for health and safety priority items identified in School condition surveys
- **£85k match funding for the Empty Homes Scheme Grant**
- £500k for decarbonisation schemes

# Timetable and Next Steps

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# Discussion and Questions

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# Capital Monitoring for the period 1st April 2022 to 30<sup>th</sup> November 2022

# Capital Monitoring Recommendations – changes to 2022/23 and future years Capital Programme

There are two change requests within the remit of this Scrutiny Committee and there are highlighted below:

**Carry forward** into the 2023/24 Capital Programme:

## Social Services

- Salisbury Road No.91 (YOS) External Repairs Phase 2 - £15k

## Place

- Penarth Renewal Area - £5k

## **Delegated Authorities**

One Delegated Authority has been approved that is within the remit of this Scrutiny Committee - to carry forward £4.544m into the 2023/24 Capital Programme under the Housing Improvement Programme 2022/23. This is due to delays in planning decisions and procurement, which has been impacted by staff shortages.



# CAPITAL MONITORING FOR THE PERIOD 1<sup>ST</sup> APRIL 2023 TO 30<sup>TH</sup> NOVEMBER 2023

PROFILE TO DATE	ACTUAL SPEND 2022/23		APPROVED PROGRAMME 2022/23	PROJECTED OUTTURN 2022/23	VARIANCE AT OUTTURN 2022/23	NEW SLIPPAGE REQUESTED	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000			
		<b><u>Youth Offending Service</u></b>						
0	0	Salisbury Road No. 91 (YOS) External Repairs Phase 2	15	0	15	15	R Evans	Request detailed in the report to carry forward £15k to the 2023/24 Capital Programme.
<b>0</b>	<b>0</b>	<b>Total Directorate of Social Services</b>	<b>15</b>	<b>0</b>	<b>15</b>	<b>15</b>		
		<b><u>Directorate of Environment and Housing Improvement Programme</u></b>						
5	5	Larger Homes Fund	200	200	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £200k to the 2023/24 Capital Programme, as detailed in the report.</a>
119	119	WHQS Internals	521	521	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £450k to the 2023/24 Capital Programme, as detailed in the report.</a>
234	234	WHQS Externals	955	955	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £250k to the 2023/24 Capital Programme, as detailed in the report.</a>
7	7	Individual Schemes	2012	2,012	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £640k to the 2023/24 Capital Programme, as detailed in the report.</a>
58	58	Emergency Works	367	367	0	0	M Ingram	Emergency works schemes i.e. Building works to resolve property structural and damp issues.
262	262	Aids and Adaptions	550	550	0	0	M Ingram	Continuation of the adapted extension scheme and other major adaptions.
2,170	2170	Energy Efficiency	3268	3,268	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £350k to the 2023/24 Capital Programme, as detailed in the report.</a>
10	10	Common Parts	525	525	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £1150k to the 2023/24 Capital Programme, as detailed in the report.</a>
772	772	WHQS Environmental Improvements	2671	2,671	0	0	M Ingram	On-going works to the Buttrills Estate, Williams/Irving and Owen scheme and Highway Maintenance Schemes.
4,061	4061	New Build	13002	13,002	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £1474k to the 2023/24 Capital Programme, as detailed in the report.</a>
0	0	ICF - Penarth Older Person's Village	275	275	0	0	M Ingram	Continuation of previous years scheme.
1	1	7 St Paul's Avenue	285	285	0	0	M Ingram	<a href="#">Delegated authority approved to carry forward £30k to the 2023/24 Capital Programme, as detailed in the report.</a>
12	12	IHP	100	100	0	0	M Ingram	Continuation of heating retrofit scheme
<b>7,711</b>	<b>7711</b>		<b>24,731</b>	<b>24,731</b>	<b>0</b>	<b>0</b>		
		<b><u>Community Safety</u></b>						
163	163	Upgrade of CCTV system	302	302	0	0	M Ingram	CCTV upgrade project is making steady progress. The majority of cameras have been upgraded. In order to improve the quality of CCTV, fibre links are also being upgraded (timescale awaited). Officers from the Vale Council and Cardiff are developing a CCTV performance framework which will enable easier reporting of outcomes.
<b>163</b>	<b>163</b>		<b>302</b>	<b>302</b>	<b>0</b>	<b>0</b>		
<b>7,874</b>	<b>7,874</b>	<b>Total Directorate of Environment and Housing</b>	<b>25,033</b>	<b>25,033</b>	<b>0</b>	<b>0</b>		
		<b><u>Directorate of Place</u></b>						
		<b><u>Private Housing</u></b>						
67	67	ENABLE 2022/23	201	201	0	0	P Chappell	Scheme is ongoing, with regular meetings being held between officers and the recipients of funding.
339	339	Disabled Facilities Grant	700	700	0	0	P Chappell	Grants are being delivered in line with terms and conditions and on target to meet the financial profile.
0	0	Penarth Renewal Area	5	0	5	5	P Chappell	Request detailed in report to carry forward the budget of £5k into the 2023/24 Capital Programme.
<b>406</b>	<b>406</b>		<b>906</b>	<b>901</b>	<b>5</b>	<b>5</b>		

# Progress on Significant Capital Schemes

The details below highlight progress on significant capital schemes, relevant to this Committee, this financial year.

- **Housing Improvement Programme – New Builds**

During 2023/23 there will be 138 new Council homes under construction including single persons, older persons and family housing, on sites at:-

Former Colcot Health Clinic, Barry (12 units);

Hayeswood Road, Barry (53 units);

Clos Holm View Phase 2, Barry (31 units);

Coldbrook Road East, Barry (20 units);

St Cyres Road, Penarth (14 units)

Maes y Ffynnon, Bonvilston (8 units).

# Discussion and Questions

- Members Questions
- Recommendations

# Revenue Monitoring for the period 1st April 2022 to 30<sup>th</sup> November 2022

# Revenue Monitoring

- The report details the revised budgets, once some transfers for Insurance and ICT Licences have been made. There have also been budget transfers within the Place Directorate, to reflect some restructuring.
- The headlines for the services within the remit of this Committee are:
  - **The Youth Offending Service** is reporting an underspend of £100k due to staff vacancies in the service and additional income in 2022/23 which will be transferred into Social Services reserves at year end.
  - **Council Fund Housing** is reporting pressure regarding rental income for Cadoxton House, support for homelessness in the context of a reduction of funding from Welsh Government following Covid, as well as costs associated with the unbudgeted element of the 2022/23 pay award.
  - **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 and the draw down on the HRA reserve.
  - **Private Housing** has highlighted pressures regarding the Disabled Facilities Grant income and unbudgeted element of the 2022/23 pay award. There is a possibility that reserves will need to be drawn down in order for this budget to breakeven this year.
  - **Regulatory Services** are currently projected to outturn on budget in 2022/23

# Discussion and Questions

- Members Questions
- Recommendations

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Thank you

