



CABINET – 26TH SEPTEMBER 2022

SUBJECT: PROVISIONAL REVENUE BUDGET OUTTURN FOR 2021/22

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

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1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with details of the provisional revenue budget outturn for the 2021/22 financial year prior to the completion of the annual external audit of the accounts by Audit Wales.

2. SUMMARY

- 2.1 In advance of the 2021/22 Financial Statements audit being completed by Audit Wales and presented to the Governance & Audit Committee on 26 October 2022 and then Council on 24 November 2022, this report provides an overview of the Council's performance against the revenue budget for the 2021/22 financial year.
- 2.2 Members receive detailed budget monitoring reports as part of the Scrutiny process throughout the financial year.
- 2.3 The report also includes a range of proposals for the use of surplus General Fund balances and the use of service reserves.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to: -
- 3.1.1 Note the provisional 2021/22 revenue budget outturn position.
- 3.1.2 Agree that the £878k Council Tax Collection grant received from the Welsh Government (WG) in 2021/22 should be set aside in an earmarked reserve to help mitigate the financial impact of a potential further shortfall in Council Tax collection rates in the 2022/23 financial year.
- 3.1.3 Endorse a recommendation to Council to maintain the General Fund balance at £11.852m, representing 3% of the 2022/23 net revenue budget.
- 3.1.4 Endorse the proposed use of surplus General Fund balances totalling £14.333m as detailed in section 5.10 of the report, prior to consideration by Council on 04 October 2022.

- 3.1.5 Note the use of service reserves totalling £2.414m that have been agreed by Officers using delegated powers as detailed in Appendix C.
- 3.1.6 Approve the proposed use of service reserves totalling £3.498m as set out in section 5.11 of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Cabinet Members are aware of the provisional revenue budget outturn for the 2021/22 financial year and supportive of the proposed use of reserves.

5. THE REPORT

5.1 Overview

- 5.1.1 Cabinet will be aware that the Authority continued to incur significant additional costs during the 2021/22 financial year due to the Covid-19 pandemic and has also lost income in several key areas. The Welsh Government (WG) continued to provide substantial funding to Local Authorities to offset additional costs and income losses through the Covid-19 Hardship Fund, with the total funding allocated to Caerphilly CBC during the 2021/22 financial year being £19.025m.
- 5.1.2 In addition to the funding provided to offset additional costs and income losses, WG also provided specific grant funding to Local Authorities to assist with a range of other financial pressures. This included £878k to help mitigate a reduction in Council Tax collection rates due to the economic impact of the pandemic, £2.576m for Track, Trace and Protect (TTP), £4.036m for the Social Care Recovery Fund and £1.017m for Education and Lifelong Learning.
- 5.1.3 The 2021/22 provisional outturn position is attached as Appendix A and is summarised below:-

	£m
Net Service Directorate Underspends	14.770
Miscellaneous Finance Underspend	4.479
Council Tax Surplus	1.761
Additional Revenue Support Grant (RSG) 2021/22	3.540
Housing Revenue Account (HRA) Underspend	7.342
Schools Underspend	5.923
Total: -	37.815

- 5.1.4 As was the case in the 2020/21 financial year, the level of underspend for 2021/22 is significantly higher than in previous years. This reflects the ongoing impact of the pandemic on changes in working practices and the scale of financial support provided, large elements of which were not received until the latter part of the financial year.
- 5.1.5 After adjusting for earmarked reserves, 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas. The remaining balance is transferred to the General Fund. Overspends are normally funded from future Directorate budgets or balances brought forward from previous years. Service reserves held by Directorates can be used to fund one-off cost

pressures or to pump-prime service reconfiguration, but they cannot be relied upon to deliver balanced budgets on a recurring basis.

- 5.1.6 The following paragraphs provide details of the more significant variations against budget by service area.

5.2 Education and Lifelong Learning (£7.825m Underspend)

- 5.2.1 Overall the Directorate is reporting an underspend of £7.825m, which includes an underspend of £5.923m for schools. The schools in-year underspend is ring-fenced, consequently school balances have increased from £11.3m to £17.2m as at 31 March 2022.

- 5.2.2 The outturn position for schools is greater than projected following some late grant funding support from WG. In addition, some of the expenditure that schools would have planned to incur during the financial year has simply not been possible. Schools continued to receive financial support from WG during the 2021/22 financial year through the Covid-19 Hardship Fund, but this funding ended on 31 March 2022. The balances position is obviously very good news for our schools, although balances should be reviewed at individual school level as the position will be different for each of our schools. As of 31 March 2022, there were no schools with a deficit balance.

- 5.2.3 Excluding the schools, the Education & Lifelong Learning Directorate (including Home to School/College Transport) is reporting an underspend of £1.902m. The most significant variances against budgets are as follows:-

	(Over)/ Under £000's
Home to School/College Transport	242
Pension Costs of School Based Staff	255
Management and Support Service Costs	109
Psychological Service and Schools Based Counselling	290
EOTAS, Additional Support and Out-of-County	461
Early Years Central Team	261
Adult Education	312
Youth Service	264
Library Service	197
Release of Prior-Year Accruals	242
Earmarked Funds (Cabinet 23/02/22)	(950)

- 5.2.4 The £242k underspend on Home to School/College Transport equates to a variance of circa 3% of budget. Throughout the financial year WG have provided support through the Covid-19 Hardship Fund for additional costs incurred by transport providers in respect of additional cleaning and Personal Protective Equipment (PPE) requirements linked to the pandemic.

- 5.2.5 The £255k underspend on the pension costs of school-based staff follows 2 years of good budget settlements for schools, which has had a positive impact on the retention of staff.

- 5.2.6 The £109k underspend with regards to Management and Support Service costs is primarily linked to in-year vacancies, additional income generation and savings linked to general office costs and vacant properties.

- 5.2.7 The £290k underspend in the Psychology Service & School Based Counselling Team is due to some late grant funding from WG, vacant posts and delays in recruitment.
- 5.2.8 There is an underspend of £461k for the budgets supporting our most vulnerable learners (Education Other Than at School (EOTAS), Additional Support, and Out-of-County). This represents an underspend of 4.7% on a combined budget of £9.89m. This positive position follows the allocation of budget growth in recent years to support significant financial pressures in this area, plus work to support more cost-effective practices.
- 5.2.9 The £261k underspend in the Early Years Central Team is due to the success of the team in accessing specific grant funding from WG to support staff related costs.
- 5.2.10 The underspend of £312k for Adult Education is largely due to late grant funding which displaced expenditure in relation to property and IT costs within the Authority. It is proposed that Adult Education retain the value of this displaced grant funding (£197k) in the 2022/23 financial year to directly invest in the service, particularly with regards to a backlog of maintenance in relation to Oxford House in Risca.
- 5.2.11 The underspends in relation to the Youth and Library Services are partly linked to premise and resource savings that were a direct consequence of the ongoing impact of the pandemic. Furthermore, additional grant funding was received during the financial year.
- 5.2.12 As part of the year-end closure processes, prior year accruals were reviewed. The outcome of this exercise was a release of accruals to the value of £242k into the revenue accounts.
- 5.2.13 Following the approval of Cabinet on 23 February 2022, £950k of the Directorate's projected in-year underspend was set aside in earmarked reserves to support additional fixed-term staffing capacity across a number of Teams over the next 2 years.

5.3 Social Services (£9.043m Underspend)

- 5.3.1 The 2021/22 financial year saw a substantial increase in the costs of residential care for children and adults as well as for supported living placements for adults. These increasing costs arose through a combination of an increase in demand for services and the increasingly complex needs and behaviours of the service users requiring care.
- 5.3.2 However, the continuing effects of the pandemic restricted the provision of some services due to a combination of staff shortages across the social care market and the challenges of providing a safe environment for the delivery of some services. These restrictions led to non-recurring savings during 2021/22, which more than offset the additional costs associated with the increased demand and complexities identified above.
- 5.3.3 Furthermore, between 15 September 2021 and 11 February 2022, WG released additional grant funding for social care as a result of additional funding made available by the UK Government. For Caerphilly CBC, this meant additional funding of £4.036m in respect of the Social Care Recovery Fund and £2.974m in respect of the Social Care Pressures Grant. Due to the timing of these announcements, the short-term nature of the funding and a lack of capacity in the social care market, it was not possible to utilise this additional funding to enhance service provision to any great extent. Therefore,

most of the funding has either been used to underwrite the increasing demand and complexities that were already presenting or to reduce the call on service reserves that had been planned during 2021/22 to fund a number of short-term arrangements.

5.3.4 These additional funding streams, along with around £1m from the WG Covid-19 Hardship Fund to support in-house services meant that Caerphilly Social Services received more than £8million in non-recurring grant funding during 2021/22 that had not been expected at the beginning of the financial year. This accounts for a significant proportion of the £9.043million Social Services underspend.

5.3.5 A summary of the £9.043million underspend is provided in the table below:-

Service Area	Revised Budget 2021/22 £m	Outturn 2021/22 £m	(Over)/ Underspend £m
Children's Services	26.718	25.013	1.705
Adult Services	68.838	63.207	5.631
Business Support	2.172	0.955	1.217
Social Services Transport	1.534	1.044	0.490
Total	99.262	90.219	9.043

5.3.6 Within the Children's Services Division, increasing demand and complexities led to a potential overspend of £2.658m. However, vacancy savings of £690k, other non-recurring savings of £659k and the use of £3.449m of additional grant funding led to a net underspend for the Division of £1.705m and a reduced call on service reserves of £435k.

5.3.7 Similarly, within the Adult Services Division increasing demand and complexities led to potential overspends of £645k in respect of residential and nursing care, £749k in respect of supported living and extra care, and £486k in respect of services for children with disabilities. However, vacancy savings of £495k, other non-recurring savings of £4.717m and the use of £3.147m of additional grant funding led to a net underspend for the Division of £5.631m. The use of the additional grant funding also reduced the call on service reserves by £425k and enabled additional payments to be made to independent sector care providers of £424k to support staffing levels over the Christmas period.

5.3.8 Of the £4.717m of non-recurring savings within the Adult Services Division, around £2.034m is due to a reduction in building based day care provision due to the challenges of providing a safe environment with adequate social distancing. A further £1.722m can be attributed to unmet demand for domiciliary care services due to staff shortages across the sector. The remainder of the non-recurring underspend can largely be attributed to a temporary reduction in demand for short-term services due to concerns around the possible transmission of Covid-19.

5.3.9 The £1.217m underspend in Business Support Services is largely due to the additional financial support received in respect of in-house service provision through the WG Covid-19 Hardship Fund, while the £490k underspend in respect of Social Services Transport costs is wholly attributable to the reduction in building based day care provision.

5.4 Economy & Environment (£2.473m Underspend)

5.4.1 The overall net outturn position for the Communities Directorate is an underspend of £2.473m after adjusting for the approved earmarking of reserves.

5.4.2 The Regeneration & Planning Division is reporting an overall net underspend of £703k.

5.4.3 Regeneration is reporting an underspend of £468k, the most significant elements of which relate to an underspend of £280k on salaries and an £80k underspend on the revenue elements of the Caerphilly Enterprise Fund (CEF) grants.

5.4.4 Planning has a net overall underspend of £235k which is primarily due to income budgets being exceeded, combined with in-year salary savings while recruiting to vacant posts.

5.4.5 The Infrastructure Division is reporting a net underspend of £1.514m which is due in the main to additional income and in-year salary savings while recruiting to vacant posts, and an underspend in Winter Maintenance.

5.4.6 The Public Protection Division is reporting an overall underspend of £452k, the most significant elements of which are the following: -

- £60k in Licensing due to delays in filling vacant posts.
- £131k in Enforcement, also largely due to delays in filling vacant posts.
- A Catering underspend of £134k.

5.4.7 The Community & Leisure Division is reporting a net overspend of £155k, including the following: -

- Waste Strategy & Cleansing Operations net underspend of £54k, the most significant elements of which are underspends of £278k for Organic Recycling, £42k for Bulky Waste, £78k on the Revenue Contribution to Capital Outlay (RCCO) budget and £381k on Cleansing. These underspends are offset by overspends of £988k in Dry Recycling and £134k in Civic Amenity Sites due to increased tonnage costs.
- Parks, Countryside and Cemeteries Services net overspend of £130k.
- Leisure Services underspend of £19k, mainly due to a £10k underspend in Community Centres.
- Building Cleaning underspend of £42k due to additional income being generated
- Vehicle Maintenance & Fleet Management overspend of £140k.

5.4.8 There is an overspend of £41k in relation to un-budgeted Directorate corporate costs linked to audit fees and bank charges.

5.5 Corporate Services – (£1.352m Underspend)

5.5.1 The outturn position for the Directorate of Corporate Services is an underspend of £1.352m after adjusting for the agreed earmarking of reserves. The most significant elements of the underspend are the following: -

- Corporate Finance is reporting a net underspend of £437k. A significant element of the underspend relates to one-off funding received from WG for the administration of the Covid-19 NDR Business Grants and Self-Isolation and Winter Fuel Payments. Underspends have also been generated through delays in filling a number of vacant posts.
- Business Improvement Services is reporting an overall net overspend of £136k after taking into account the agreed use of reserves for a Fleet Review Officer and two senior posts in the Transformation Team.
- There is a net underspend of £449k for Customer & Digital Services. This includes underspends of £188k in Information Technology, £157k in Procurement and £104k in Customer Services. The most significant elements of these underspends are delays in appointing to vacant posts, staff not being at the top of pay scales and some secondments to the Track, Trace & Protect (TTP) service.
- For People Services there is a net underspend of £60k.
- Property Services is reporting a net underspend of £272k.
- There is an underspend of £235k on Housing Services, excluding the Housing Revenue Account (HRA).

5.6 Miscellaneous Finance - (£4.479m Underspend)

5.6.1 Budgets in Miscellaneous Finance underspent by £4.479m, the most significant elements of which are the following: -

- £852k underspend on Interest Payments due to delays in borrowing requirements.
- £305k underspend on City Deal borrowing.
- £1.695m balance being written off from the Housing Benefit Subsidy Bad Debt provision.
- £310k on Free School Meals funding held centrally that was not required during the financial year.
- £247k on the Carbon Energy Tax budget.

5.7 Additional Revenue Support Grant (RSG) - £3.540m

5.7.1 In the latter part of the 2021/22 financial year, WG provided additional funding of £60m via the RSG across all Welsh Local Authorities. Caerphilly CBC's element of this additional funding was £3.540m.

5.8 Council Tax Collection – (£1.761m Surplus)

5.8.1 The surplus figure of £1.761m is inclusive of a one-off Council Tax Collection grant received from WG of £878k. This grant has been provided by WG in recognition of the continuing adverse impact that Covid-19 has had on Council Tax collection rates. The actual Council Tax surplus is £883k, which represents a decrease of £167k on the assumed level of £1.050m for the 2021/22 financial year. It is recommended that the £878k WG funding should be set-aside in an earmarked reserve as this will help mitigate the financial impact of a potential further shortfall in collection rates in the

2022/23 financial year.

5.9 Housing Revenue Account (£7.342m Underspend)

5.9.1 The majority of the underspend for the Housing Revenue Account (HRA) is due to the ongoing impact of Covid-19 restrictions meaning that the expenditure levels anticipated could not be reached. However, despite this compliance with the Welsh Housing Quality Standards (WHQS) was achieved by the December 2021 deadline.

5.9.2 HRA Working Balances stood at £14.1m at the start of 2021/22. However, due to the continued restrictions throughout the year, this balance, along with the £7.3m surplus made in year, will be carried forward to assist in funding future HRA commitments, namely increasing housing supply and maintaining the WHQS on our existing properties.

5.10 Impact on the General Fund

5.10.1 The table in Appendix B shows the movements on the General Fund balance from 01 April 2021 to 31 March 2022, along with agreed commitments for 2022/23. The forecast General Fund balance as reported to Council on 24 February 2022 was £14.516m. The updated position is a balance of £26.185m, an increase of £11.669m. The variations to the forecast are as follows: -

	£m
Increased Contribution from Service Areas (including Miscellaneous Finance)	7.246
Additional RSG 2021/22	3.540
2021/22 Council Tax Surplus	0.883
Net Increase: -	11.669

5.10.2 It is recommended by the Head of Financial Services & S151 Officer that the minimum balance on the General Fund should be 3% of the Council's net revenue budget, which equates to £11.852m for the 2022/23 financial year. This results in a surplus General Fund balance of £14.333m being available to support the Council in the delivery of its strategic priorities. Cabinet is therefore asked to endorse a recommendation to Council that the General Fund balance is maintained at £11.852m, with the surplus balance being set aside for the following purposes: -

Description	Amount £m
In-year impact of 2022/23 Pay Awards	6.860
Cost of Living Hardship Fund	3.000
Cost of Living Crisis Contingency	2.098
Home to School/College Transport	0.460
Wi-Fi Infrastructure Review	0.100
Heolddu Leisure Centre Fitness Equipment	0.100
Emporium Car Park Repairs	0.100
Highway Inspections (Covid-19 Backlog)	0.120
External Asbestos Surveys	0.100
Modern Patch Management Tool	0.100
Cloud Migrations	0.500
Canal Refurbishment	0.200
Additional RSG (EV's/Driving Lessons)	0.595
Total: -	14.333

- 5.10.3 **In-year impact of 2022/23 Pay Awards** – The latest pay offer for National Joint Council (NJC) staff and Chief Officers is an increase of £1,925 on all pay points from April 2022, with teachers pay being increased by 5% from September 2022. This results in an additional funding requirement of £6.860m for the current financial year. This position will be reviewed again once the pay awards have been finalised, and the confirmed increases will also need to be factored into the budget setting process for the 2023/24 financial year.
- 5.10.4 **Cost of Living Hardship Fund** – The Consumer Prices Index (CPI) inflation rate is currently 9.9% and some analysts predict that this could reach 20% as we enter 2023. Energy prices are rising at the fastest rate in living memory, with the average household likely to spend over £1000 on energy bills between now and the end of the year. Despite promises to limit the rise in the energy cap there is no doubt that many people will be unable to find the money for these increases and will face some hugely difficult choices when trying to care for themselves and their families as the winter progresses.
- 5.10.5 Cabinet will consider a separate report on today's agenda that sets out details of a range of potential responses to the cost of living crisis, but implementation will require additional investment to be identified. It is therefore proposed that £3m is set aside to create a Cost of Living Hardship Fund to support a range of initiatives that will assist our communities.
- 5.10.6 **Cost of Living Crisis Contingency** – The cost of living crisis is impacting on council budgets with financial pressures being experienced across all areas, in particular energy, fuel, food and drink, and construction/contractor costs. The 2022/23 budget was set on the basis that non-pay inflation would be circa 4% but since the budget was approved in February 2022 we now face significant financial challenges. Budgets will be kept under close review as we progress through the financial year, but it is considered prudent to set aside a cost of living crisis contingency to assist anticipated budgetary pressures.
- 5.10.7 **Home to School/College Transport** - The earmarking of £460k for Home to School / College Transport results from a procurement exercise to renew contracts on 98 bus routes. The previous contracts were awarded in 2017. The contract period for each of the routes is 3 years with an option to extend for a further 2 years. It is important to point out that the £460k relates to the period September 2022 to March 2023 only, with the costs over a full financial year being estimated at £689k (circa £230k a school term). The last 2 years have been particularly challenging in the transport field due to the impact of Covid-19 on the sector and this is now exacerbated by the cost of living crisis.
- 5.10.8 **Wi-Fi Infrastructure Review** – The proposed £100k will be used to review the corporate and schools' network to ensure that it is still fit for purpose. The existing infrastructure is still very much a traditional design and has not evolved over the years with the latest technologies. Following the Edtech project, an independent review and health check of the school's network is also required to ensure that it is robust for future years expansion.
- 5.10.9 **Heolddu Leisure Centre Fitness Equipment** – The proposed £100k investment will be used to update the fitness equipment at Heolddu Leisure Centre with new, state of the art kit that will significantly improve and enhance the facility, along with supporting an increase in usage and income.

- 5.10.10 **Emporium Car Park Repairs** – The proposed £100k funding will be used to Investigate, design and repair an existing masonry retaining wall/planter located in the south-western corner of the car park, rectify sub-structure issues/defects and resurface the macadam area of the car park.
- 5.10.11 **Highway Inspections (Covid-19 Backlog)** - Additional inspections have been required to assess potential damage caused by storm Dennis but this was impacted by Covid-19. There is still a backlog of inspections which requires additional funding for 2022/23.
- 5.10.12 **External Asbestos Surveys** - A number of new asbestos management surveys are required due to the age and extent of building changes since the original asbestos surveys were completed. These surveys will ensure the correct management of asbestos containing materials and will also ensure that the local asbestos management plan is updated. Due to the time commitment involved in undertaking these surveys and the limited resources in the Asbestos Team, it is recommended that the surveys are contracted out to a competent asbestos surveying company on the current procurement asbestos framework.
- 5.10.13 **Modern Patch Management Tool** – This will support the Council in keeping abreast of the "Cyber Security" agenda through the purchasing of "tools" to ensure we have a fully "patched" network and solutions.
- 5.10.14 **Cloud Migrations** – The £500k will be used to fund the initial one-off costs associated with Cloud migrations and the purchase of software as a service for critical I.T. systems. These costs include initial set-up costs and professional support along with the first year's additional maintenance costs. Ongoing revenue impacts will be incorporated into the annual budget setting process.
- 5.10.15 **Canal Refurbishment** - Funding has previously been required to undertake essential works on the canal and repair a leak caused during storm damage with the costs reaching over £2m. Inspections of the canal continue monthly and further repairs have been identified for 2022/23. There is also a desire to open up the canal to leisure boats which will require works to clear the channel.
- 5.10.16 **Additional RSG (EV's/Driving Lessons)** – As mentioned in paragraph 5.7.1, in the latter part of the 2021/22 financial year WG provided additional funding of £60m via the RSG across all Welsh Local Authorities. Caerphilly CBC's element of this additional funding was £3.540m. The RSG is un-hypothecated, but WG indicated that a specific proportion of this additional funding should be earmarked to provide driving lessons and electric vehicles for domiciliary care workers in order to attract more staff into the profession. Therefore, it is proposed that £595k of the additional revenue support grant allocated for Caerphilly CBC for 2021/22 is appropriated into an earmarked reserve for future use once a firm plan has been developed to optimise the impact of this one-off funding.
- 5.10.17 At its meeting on 27 July 2022, Cabinet agreed a regional proposal to provide additional time limited funding support to the externally commissioned domiciliary care market providers, due to the recruitment and retention pressures they are facing linked to the cost-of-living crisis, in particular the current impact of increasing fuel prices.
- 5.10.18 The regional proposal was to increase the current commissioned hourly rate to providers by £1 per hour from 01 August 2022 for a period of 6 months on the understanding that this is passed on to staff. The cost for Caerphilly CBC is £215k and

Cabinet initially agreed that this would be funded from Social Services reserves. However, WG has since confirmed that the cost can be funded from the element of additional RSG in 2021/22 ring-fenced to provide driving lessons and electric vehicles for domiciliary care workers. It is therefore proposed that the £215k cost is now met from the additional RSG and not from Social Services reserves.

5.11 General Usable Service Reserves

5.11.1 As outlined in paragraph 5.1.5, after adjusting for earmarked reserves 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas in subsequent financial years. The table below provides a summary of the reserves arising from cumulative Directorate underspends along with projected balances after taking account of the approved use of reserves in 2021/22, and the current approved use of reserves for 2022/23: -

Service Area	Opening Balance (01/04/21) £m	In-Year Movement 2021/22 £m	Closing Balance (31/03/22) £m	Approved Use Of Reserves £m	Current Balance £m
Education & Lifelong Learning	1.517	(0.443)	1.074	(0.395)	0.679
Social Services	3.413	1.983	5.396	(0.568)	4.828
Economy & Environment	0.623	0.554	1.177	(0.822)	0.355
Corporate Services	1.734	(0.510)	1.224	(0.629)	0.595
Totals: -	7.287	1.584	8.871	(2.414)	6.457

5.11.2 Cabinet will note that approval has already been given in the 2022/23 financial year for the use of service reserves totalling £2.414m as follows: -

- Education & Lifelong Learning £395k.
- Social Services £568k.
- Economy & Environment £822k.
- Corporate Services £629k.

5.11.3 Details of the £2.414m use of service reserves are provided in Appendix C. The individual proposals all have a value below £100k and can therefore be agreed by Directors in consultation with the Head of Financial Services & S151 Officer using delegated powers. Details are included in this report for noting by Cabinet.

5.11.4 Cabinet is asked to consider and approve further proposals for the use of service reserves with individual values in excess of £100k, for the following purposes: -

Description	Amount £m
Education & Lifelong Learning	
- Adult Education - Displaced expenditure in 2021/22 due to grant funding	0.197
- Use of Drones for detailed surveys of school buildings	0.118
- School condition surveys over 2 year period	0.120
- Replacement of Licences for School Servers	0.110
Social Service	

- Employment of supernumerary staff in Residential Homes for Children	0.550
- Upgrade of Home Care monitoring system	0.200
- Temporary additional capacity in Mental Health Teams	0.240
- Extension of services currently funded from reserves to 31/03/24	1.561
Economy & Environment	
- Purchase of 2 Trailers (Waste)	0.125
- Software upgrade (Public Protection)	0.115
Corporate Services	
- Private Sector Housing fixed-term staffing capacity	0.162
Total: -	3.498

- 5.11.5 **Adult Education - Displaced expenditure in 2021/22 due to grant funding** - This will support investment in the service area that the funding was initially provided for (as per paragraph 5.2.10).
- 5.11.6 **Use of Drones for detailed surveys of school buildings** – This will enable detailed surveys to be undertaken utilising existing contracts.
- 5.11.7 **School condition surveys over 2 year period** – This will enable a range of surveys to be undertaken across a number of schools.
- 5.11.8 **Replacement of Licences for School Servers** – This will enable a number of software licences to be renewed for the schools Ed Tech Programme.
- 5.11.9 **Employment of supernumerary staff in Residential Homes for Children** – Additional staff are in the process of being recruited in residential homes for children pending the opening of additional facilities. This will ensure that staff are in post and ready to transfer to new facilities once they become operational.
- 5.11.10 **Upgrade of Home Care monitoring system** – The proposed funding will enable the upgrade of the Home Care monitoring system from CACI to Cygnum and will also extend use to Day Services.
- 5.11.11 **Temporary additional capacity in Mental Health Teams** – Investment in temporary additional capacity within Community Mental Health Teams as part of the Covid-19 recovery (2 Grade 10 posts for 2 years).
- 5.11.12 **Extension of services currently funded from reserves to 31/03/24** – A number of services within the Social Services Directorate are funded on a fixed-term basis from service reserves. It is proposed to allocate a further £1.561m from Social Services reserves to allow these fixed-term arrangements to be extended to 31/03/24.
- 5.11.13 **Purchase of 2 Trailers (Waste)** - Since the commencement of the Prosiect Gwyrdd contract the Authority has transported residual waste from Full Moon Transfer Station, Cross Keys to Trident Park, Cardiff. WG funding has previously been sought to fund a replacement tractor unit but to continue to undertake the haulage in-house, the trailers themselves now need replacing. The funding will be used to procure 2 replacement trailers.

- 5.11.14 **Software Upgrade (Public Protection)** – The Public Protection Division needs to move from their existing version of the Civica APP database to the new version of Civica CX as the current version will be discontinued in the near future. The proposed £115k will be used to meet one-off costs with the ongoing revenue implications being met through existing budgets.
- 5.11.15 **Private Sector Housing Fixed-term staffing capacity** – The proposed £162k will allow for additional fixed-term staffing capacity to meet demands on this service area.

5.12 Conclusion

- 5.12.1 Despite the ongoing significant challenges presented by the Covid-19 pandemic the Council's financial position has been well managed during the 2021/22 financial year. The significant financial support provided by WG has been vital to maintain financial resilience, albeit that support through the Covid-19 Hardship Fund ceased on 31 March 2022. This presents a significant financial risk which has been exacerbated by the cost of living crisis. Budgets will be closely monitored throughout the 2022/23 financial year and the medium to longer-term impacts will be considered as part of the forthcoming budget setting process.

6. ASSUMPTIONS

- 6.1 There are no assumptions within this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 The 2021/22 revenue budget outturn position does not require an integrated impact assessment to be completed as it is a statement of fact and is reported for information only.
- 7.2 A number of the proposals for the use of the surplus General Fund balance and service reserves are directly linked to approved key strategies and initiatives that have previously been the subject of detailed reports that would have considered equalities implications, links to well-being objectives etc.
- 7.3 Many of the other proposals for the use of balances are of an operational nature and do not require integrated impact assessments to be completed.
- 7.4 The specific details of how some of the sums set-aside will be utilised is yet to be determined. Once this has been established integrated impact assessments will be completed where required.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report other than the proposals to fund additional fixed-term posts in specific areas.

10. CONSULTATIONS

10.1 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

11.1 Local Government Act 1972.

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Background Papers:

Appendices:

Appendix A - Provisional Outturn Summary 2021/22

Appendix B - Movement on General Fund

Appendix C – Use of Service Reserves Approved by Officers Using Delegated Powers

PROVISIONAL OUTTURN 2021/22**SUMMARY**

SERVICE AREA	UNDERSPEND (OVERSPEND) £m	TAKE TO GENERAL FUND £m
Education & Lifelong Learning	1.902	0.951
Social Services	9.043	4.522
Economy & Environment	2.473	1.137
Corporate Services	1.352	0.676
Miscellaneous Finance	4.479	4.479
Additional RSG 2021/22	3.540	3.540
Council Tax Surplus	1.761	0.883
TOTALS	24.550	16.188

OTHER	UNDERSPEND (OVERSPEND) £m	TAKE TO GENERAL FUND £m
Housing Revenue Account (HRA)	7.342	N/A
Schools	5.923	N/A
OVERALL TOTAL SURPLUS	37.815	16.188

Service area surpluses are subject to a 50% take to General Fund balances after specific agreed earmarking of funds.

Council Tax surpluses are transferred in total to General Fund balances.

School and HRA balances must be ring-fenced to those service areas.

APPENDIX B

MOVEMENT ON GENERAL FUND

	£m	£m
Opening Balance 01/04/2021		21.312
Use of Funds as Previously Agreed by Council: -		
Budget Strategy Contribution 2021/22	(1.050)	
Ash Die Back - Parks	(0.750)	
Covid19 Reserve TopUp (£3.5m)	(1.042)	
Digital Transformation	(1.481)	
I.T. Support for the Transformation Programme	(0.500)	
Local Development Plan (LDP)	(0.134)	
Lawns and Ty Du (cost overruns)	(0.262)	
Targeted Rate Relief	(0.225)	
Community Coordinators	(0.227)	
Cleaning & Greening	(1.000)	
Decarbonisation Strategy	(0.500)	
Regeneration Project Board	(1.000)	
Licence to Innovate	(0.200)	
Apprenticeship/Graduate Scheme	(0.500)	
Newbridge Leisure Centre Fitness Equipment	(0.200)	
Equipment for Fleet and Vehicle Maintenance	(0.210)	
Bedwas Leisure Centre – Replacement of ATP with 3G	(0.235)	
In-year impact of Pay Awards at 1.75%	(0.749)	
Total Funds Taken In-Year		(10.265)
Funds Transferred into General Fund: -		
Education & Lifelong Learning – 50% Directorate Underspend	0.951	
Social Services - 50% Directorate Underspend	4.522	
Communities - 50% Directorate Underspend	1.137	
Corporate Services - 50% Directorate Underspend	0.676	
Miscellaneous Finance	4.479	
Additional RSG 2021/22	3.540	
Council Tax Surplus 2021/22	0.883	
Total General Fund Contribution 2021/22		16.188
Closing Balance 31/03/2022		27.235
2022-23 Commitments Previously Agreed by Council: -		
Budget Strategy Contribution 2022-23		(1.050)
Current General Fund Balance		26.185

APPENDIX C

Use of Reserves Approved by Officers Using Delegated Powers

Education & Lifelong Learning: -	£
Rhymney Library Development - Additional match funding contribution	25,000
Schools Guest Wifi.	42,000
Grade 3 fixed-term post in Education Finance Team for 18 months to support increasing volume of orders, payments and purchase card transactions.	41,000
School Improvement - Additional funding to support schools causing concern.	50,000
Grade 9 fixed-term post for 12 months to support poverty related issues.	48,000
Energy Meters in Primary School Kitchens.	50,000
Cruyff Special Court (Trinity Fields) - Match funding contribution.	45,000
Taxi Contracts - To fund agreed uplifts for the period from September 2022 to March 2023.	94,000
Sub-Total	395,000
Social Services: -	
Extra management capacity across residential homes for older people for 2 years in response to new responsibilities for registration of staff.	90,000
Part funding of a Grade 10 Autism Lead Officer for 2 years.	75,000
Replacement of ageing laptops.	80,000
Increase capacity of the Islwyn Catering day opportunities scheme.	80,000
Refurbishment of family contact areas at Social Services main office sites.	50,000
Redecoration of Ty Hapus Respite Home for children with disabilities.	5,000
Extension of patio area at Brondeg day care facility in order to make outdoor space more accessible.	10,000
Refurbishment of flat at Clos Tir y Pwll Supported Living Home.	10,000
Purchase and equipping of a porta-cabin to be sited at the Social Services offices at Mill Road, Caerphilly.	30,000
Improvements to decked area at Islwyn Park day opportunities scheme.	50,000
Replacement of obsolete mobile phone devices across HART and Community Day Services.	30,000
Engagement of voluntary sector organisations in a review of day service provision for vulnerable adults.	20,000
Co-production of a model for day services with key stakeholders based on 'Care Closer to Home' principles.	37,800
Sub-Total	567,800
Communities: -	
Urgent signal maintenance work - Due to contractor resource availability these works have had to be completed in 2022/23, these include post replacements, recabling and a condition assessment for the AMP.	40,000
Building Cleaning - Additional costs for schools based cleaning.	41,000
Kennelling Costs - Trading Standards have been engaged in a prosecution in relation to unlicensed dog breeding and serious animal welfare breaches, which required the kennelling and veterinary care of over 50 dogs. The costs will be pursued via the legal process, but there is no guarantee of when and if the monies will be recovered.	96,000

Purchase of 4G CCTV cameras.	24,000
Training - The Trading Standards Service has experienced the loss of staff within the past 2 years due to retirements. Two new staff have been employed, both of which are new to the Trading Standards Service. The two new officers need training not only to be able to fulfil their duties, but also to fill knowledge and expertise gaps that will occur in the near future due to the age of existing staff. Both new officers therefore are required to study for the professional statutory qualification. The current training budget is inadequate to cover this training requirement.	22,000
Maintenance and repairs to Blackwood Bus Station - Works identified towards the end of 2021/22 but resource availability could not be procured in time to undertake during the last financial year.	50,000
Connect 2 Replacement Bus - Purchase of a second hand bus via SFS contract to maintain a three vehicle fleet.	55,000
A469 Llanbradach Bypass - Installation of replacement road studs that could not be undertaken in 2021/22 due to delays with material supplies and contractor resource availability.	57,000
Gum Removal and Deep Cleansing Machine - To add resilience in the cleansing of our town centres or areas of significant pedestrian usage with a specifically designed item of plant to tackle the nuisance of chewing gum on footways etc.	70,000
3 additional fixed-term drivers to maintain waste collections - To cover additionality in workforce for 2022/23 due to continued Covid-19 absences whilst attempting to maintain full waste stream service provision.	96,750
Cwmcarn Footbridge and Steps - To fund the costs associated with the remediation of the steps and bridge leading to Cwmcarn Visitor Centre.	85,000
Cwmcarn Tree Felling - There are infected ash trees alongside the public highway at Cwmcarn Forest Drive that have to be removed due to ash die back.	60,000
Community Enterprise Fund (CEF) - 2021/22 revenue underspend to be earmarked for capital in 2022/23 to enable CEF grant support for businesses, including energy efficiency measures to support the cost of living crisis cost pressures.	80,000
Events - Little Cheese Festival.	45,000
Sub-Total	821,750
Corporate Services: -	
Gamma system managed service for telecoms provision.	47,000
Codebase 8 Contract Extension - Support and professional services to facilitate changes to existing processes and to help upskill 2 members of our staff.	30,000
Windows O365 Licences for Servers.	44,000
Learning Domain Security Review - To ensure operating systems are fit-for-purpose and secure.	50,000
Server and storage costs.	53,000
Funding to facilitate the roll-out of call recording systems for Council Tax and Housing Benefit staff.	30,000
Grade 5 Ledger Assistant fixed-term post for 12 months to assist with workload pressures in the Team.	31,000
2 Grade 5 fixed-term posts to help reduce the backlog of Council Tax and NNDR work that has arisen due to staff processing Covid-19 grant and Cost of Living Crisis Support payments.	66,000

Council Tax Team - In-year cost of regrading 3 staff from Grade 3 to Grade 5 to meet service needs.	68,752
One-off funding to support recruitment activity across the Council.	30,000
Fixed-term Welsh Translator for People Services - To provide professional support as we move to a fully Welsh recruitment website.	40,000
Communication Team - Temporary funding for changes to staffing structure.	33,000
Management & Development training.	50,000
Back-dated costs to support the Job Evaluation process.	56,500
Sub-Total	629,252
Overall Total: -	2,413,802