



Adnoddau  
**Corfforaethol** | Corporate  
Resources

# CORPORATE RESOURCES SCRUTINY COMMITTEE SCRUTINY COMMITTEE MARCH 2024

# REVENUE 2023/24 Q3 MONITORING

## KEY HEADLINES

- Continuing to see a challenging Revenue position for the period to Q3 Monitoring.
- The overall position at Quarter 3 shows continued and sustained pressures across Social Care and continuation of pressures in respect of road maintenance and school transport which have been persistent in both 2022/23 and 2023/24 some of this pressure is addressed as part of the 2024/25 budget proposals.
- Pressure is also reported in respect of unrealised savings and income across services. The overall position reflects in unplanned use of reserves of £6.9m in 2023/24 plus a further £6.7m of school balances.
- The report sets out a number of virements to reallocate provision for energy costs and realign budgets within Directorates.
- The report also sets out some steps that have been taken to mitigate the emerging overspends in year.

# KEY HEADLINES

- Across Council have a significant emerging overspend position in Social Services across Adults and Childrens and Young People Sectors, this will be funded in year from Reserves.
- School Transport and highways maintenance also contribute to overspends.
- Some mitigation from Policy and Corporate Resources underspends against borrowing and additional Council Tax Surplus.

Directorate	Amended Budget 2023/24	Projected Outturn 2023/24	Variance	Unplanned Use of Reserves	Residual Variance 2023/24	Use of Reserves 2023/24
	£000's	£000's	£000's	£000's	£000's	£000's
<b>Schools</b>	114,239	115,089	850	-850	0	9,600
<b>Learning and Skills</b>	14,090	14,668	578	-578	0	1,292
<b>Social Services</b>	85,460	93,098	7,638	-5,052	2,586	9,051
<b>Environment and Housing</b>	32,009	33,359	1,350	-300	1,050	550
<b>Corporate Resources</b>	16,641	16,356	-285	0	-285	430
<b>Place</b>	3,401	3,503	102	-102	0	495
<b>Policy</b>	30,678	27,327	-3,351	0	-3,351	-42
<b>Use of Reserves</b>	-2,096	-2,096	0	0	0	2,096
<b>Total</b>	294,422	301,304	6,882	-6,882	0	23,472
<b>Housing Revenue Account</b>	15,538	15,538	0	0	0	0
<b>Adjusted Total</b>	309,960	316,842	6,882	-6,882	0	23,472

# COMMITTEE SPECIFIC POSITION – CORPORATE RESOURCES

- A virement is requested to transfer £440k of the additional energy provision in 2023/24 to service departments the amended budget for Corporate Resources will be £16.641M. A virement within Corporate Resources is also requested to correct the allocation of central recharge adjustments within the Directorate.
- The projected outturn for Corporate Resources in 2023/24 is a favourable variance of £285k and largely relates to the Office Accommodation budget; this position is further detailed in Appendix D.
- Key pressures within the directorate include the following:
  - Delays to the implementation of 2023/24 savings initiatives such as the reorganisation of Council Office space which impacts savings proposals for Docks Office and Contact OneVale.
  - Coroner Services Overspend £70K.
  - Legal Services Income Shortfall
  - Annual Microsoft Licencing Cost

# COMMITTEE SPECIFIC POSITION – POLICY

- A favourable variance of £3.351M
- Of this a sum of £2.966M will be utilised to offset the costs of emerging overspends in year, and £385K is allocated to offset the additional costs associated with additional permanent capacity in Children’s Services that will be progressed as a priority cost pressure as part of the 2024/25 budget proposals.
- Projected Favourable Variances –
  - Council’s Treasury Management Investment during 2023/24 as a result of the base rate rises throughout the period there is projected to be a surplus on investment income of approximately £1.150M.
  - As in previous years the Council continues to utilise an approach of maximising internal borrowing. As this approach reduces the external borrowing costs that are met by the Authority it is currently projected that a surplus will be reported against this budget in 2023/24 of £1.201M.
  - Council Tax – The current projection is that the Council Tax will report a £1m surplus at year end which takes in to accounts projected reduced arrears, empty homes premiums and new properties and changes in allowances.

# EFFICIENCIES

Strong delivery of savings, however:

- Learning and Skills has some shortfalls in savings associated with the review of Arts Provision
- The shortfall against Neighbourhood Services may be mitigated in year by additional car parking and enforcement income and work is underway to quantify this sum.
- Whilst Social Services may not achieve the savings target in full during 2023/24 this is due to the need to handle any placement moves very carefully and the savings are expected to be achieved for 2024/25.
- The shortfall in Place relates to issues around means testing, a lack of available contractors to carry out the capital works, as well as potential applicants delaying applications until the Council adopts the new Independent Living Policy and is proposing to offset the shortfall from reserves in 2023/24.
- Shortfalls in Corporate Resources have been mitigated in year by underspends against other Office Accommodation budgets such as Court Road Depot and Rates Rebates.
- Attached at Appendix F is a statement detailing all savings targets for 2023/24 and the current progress against them. Savings not achieved will continue to be monitored for delivery through 2024/25.

# RESERVES

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As at	Balance 01/04/2023	Capital Funding	Planned Transfer (from) reserves	Planned Transfer to reserves	Unplanned Drawdown from Reserves	Estimated Balance 31/03/2024
	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>	11,523	-	-496	0	-850	10,177
<b>Insurance</b>	4,877	-	0	0	0	4,877
<b>Service Reserves</b>	22,521	-154	-6,325	2,842	-6,031	12,853
<b>Risk and Smoothing Reserves</b>	29,802	-1,302	-3,780	-944	-	23,776
<b>Capital</b>	17,726	-10,825	443	-1,898	-	5,446
<b>Schools</b>	7,254	-	-174	0	-6,677	403
<b>Housing Revenue Account</b>	16,486	-15,537	0	0	0	949
<b>Total</b>	110,190	-27,818	-10,331	-0	-13,558	58,481

Significant planned use of reserves for Capital and HRA

The Council uses Reserves for three things....

1. To fund Council Priorities such as the Capital Programme
2. To manage known Risk
3. To manage ringfenced budgets such as HRA



# CAPITAL PROGRAMME Q3 MONITORING

# Q3 CAPITAL MONITORING

- Details progress of the Capital Programme from 1st April to 31st December 2023.
- Approved programme - £103.677M
- Revised forecast outturn projected - £96.763M.
- Spend to end of December 2023 - £48.317M

Actual Spend to December 2023	Directorate	Approved Programme 2023/24	Forecast Outturn 2023/24	Variance	Slippage Requested
£000		£000	£000	£000	£000
11,264	Learning & Skills	26,783	23,769	(3,014)	3,136
107	Social Services	1,058	594	(464)	434
24,644	Housing	44,997	44,997	0	0
7,436	Environment	22,242	18,014	(4,228)	2,739
1,227	Place	4,929	3,382	(1,547)	692
3,513	Corporate Resources	2,162	5,192	3,030	0
0	City Deal	301	0	(301)	301
126	Pipeline Schemes	1,205	815	(390)	390
48,317	Total	103,677	96,763	(6914)	7,692

## Q3 CAPITAL MONITORING

- Appendix 1 details financial progress on the Capital Programme as at 31st December 2023 by scheme and Appendix 2 sets out by Directorates the changes from the approved budget at Final Proposals in February 2023, movements in year including slippages and additions and demonstrates the journey to the revised forecast outturn for 2023/24.
- Schemes are being closely monitored throughout the year to identify overspends and slippage of £7.692M has been requested in this quarter's monitoring.
- The report details recent delegated authority requests that have been approved and also notes the use of emergency powers which are detailed in Appendix 1 to the report.

## Second Capital Programme Review

- In order to be able to fund high priority bids that have been submitted, a further review of the Capital Programme has been undertaken.
- The review has identified a number of schemes proposed to be removed from the Capital Programme.
- Removing these schemes is not an easy decision to make, however, in the context of the risk associated with not providing additional funding for the high priority bid schemes and the significant pressures in the revenue budget it is felt that this is the most prudent approach for the Council at this time.
- The schemes proposed to be removed from the Capital Programme total £780k in the 2023/24 Capital Programme and £10.705M from 2024/25 to 2028/29.
- Proposed removal of the budget for new HWRC - the Council continues to explore options for a replacement HWRC at Landow but despite ongoing investigations there are no immediate options available. Interim measures to upgrade the road and secure a lease for the near future and the exploration of other opportunities are ongoing.

## Q3 CAPITAL MONITORING

- Two schemes have been highlighted which are being delivered in the 2023/24 Capital Programme : Porthkerry Country Park – Improvements funded by Welsh Government grant under Brilliant Basics and the Cwrt Y Vil Multi Use Games Area in Penarth which opened on 4th October 2023.
- The report requests to make several amendments to the current capital programme, some of the larger amendments are highlighted below:
  - Inclusion of a scheme to enable the payment to Transport for Wales around Barry Railway depot scheme, following completion of the site transfer to Transport for Wales.
  - The reprofile of Band B Ysgol Y Deri and the City Deal scheme in the 2023/24 and future year's Capital Programme.
- There were no significant issues in relation to Corporate Performance and Resources schemes within the Capital Programme.

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