

Meeting of:	Environment and Regeneration Scrutiny Committee
Date of Meeting:	Tuesday, 17 September 2024
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Closure of Accounts 2023/24
Purpose of Report:	The accounts are complete and this report is to inform Committee of the provisional financial position of the Council for the 2023/24 financial year.
Report Owner:	Director of Environment and Housing
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 Officer
Elected Member and Officer Consultation:	This report does not require Ward Member consultation
Policy Framework:	This is a matter for Executive decision by Cabinet.

Executive Summary:

- The Council encountered significant revenue pressures during 2023/24, particular pressures were in respect of inflationary pressures particularly regarding contracts and pay pressures (which reflect cost of living, market pressures and the Council’s commitment to paying real living wage).
- The Council continued to experience significant demand pressures for supporting Children’s services, Homelessness and pupils with Additional Learning Needs during 2023-24.
- The year end revenue position was a breakeven position after net transfers from reserves of £34.235m, made up of £417k transferred from Council Fund, £12.961m from the Housing Revenue Account, £11.785m transferred into specific reserves from revenue and £12.078m transferred from specific reserves to provide one off funding for projects and overspends and £8.779m drawdown from reserves to fund the capital programme and for displacement required by capital grants. The Council Fund now stands at £11.106m as at 31st March, 2024.

Table 1 - Outturn Summary

	Amended Revenue Budget	Actual	Variance +Favourable () Adverse	Net Transfer to /(From) Reserve
	£'000	£'000	£'000	£'000
Learning & Skills	128,329	128,454	(125)	7,692

Social Services	85,493	89,755	(4,262)	7,339
Environment and Housing	31,909	32,158	(249)	(1,214)
Place	3,401	4,441	(1,040)	(64)
Corporate Resources	16,741	16,734	7	495
General Policy	30,645	26,319	4,327	(1,768)
Council Tax Surplus	-	(3,423)	3,423	-
Use of Reserves	(2,096)	(2,096)	-	2,096
Total Provisional Outturn	294,422	292,342	2,080	14,575
Allocation of Surplus	-	2,080	(2,080)	(2,080)
Total	294,422	294,422	0	12,495
Capital Programme Funded from Reserves				8,779
Movement on Housing Revenue Account				12,961
Total Movement on Council Fund and Specific Reserves				34,235

Table 2 – Council Fund and Reserves

Council Fund and Specific Reserves	Opening £000's	Movement £000's	Closing £000's
Council Fund	11,523	(417)	11,106
Earmarked Reserves	82,481	(20,857)	61,624
Housing Revenue Account	16,486	(12,961)	3,525
Total	110,490	(34,235)	76,255

- Challenging savings and efficiency targets have been set for 2023/24 which includes a target of £2.75M for schools and £4.628M of Corporate savings. The progress against these savings targets is reflected in the Appendix and summarised in the table below, and whilst services have mitigated some savings in year in 2023/24 these savings will be kept under review in 2024/25 as services move to identify these on a more sustainable basis over the medium term.
- After taking account of Directorate movements to and from reserves the revenue outturn showed a surplus of £2.080m which it is proposed is transferred to reserves to be utilised as follows.
 - £2m Establish a new reserve to offset Education Deficits in 2024/25 on a provisional basis whilst the Council works with schools on establishing a coordinated approach to tackling school deficits.
 - The balance of £80k has been transferred to the General Fund
- The level of Useable Reserves reduced in year although by less than has been projected but some of these commitments have been slipped into 2024/25 in accordance with Capital Expenditure slippage. The Council undertook a further reserve reallocation exercise in year as outlined in the 2024/25 budget proposals and this is reflected in the outturn position.

Table 3 – Reserves

As at	Balance 31/03/23	Capital	Budget Revenue	Revenue Movemen t on Reserves	Surplus Transfer into Reserves	Realloc of Reserves	Provisiona l Balance 31/03/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523	0	(496)	0	80	0	11,106
Insurance	4,878	0	0	0	0	0	4,878
Service Reserves	22,521	(161)	0	(9,770)	997	3,000	16,587
Risk and Smoothing Reserves	29,802	(940)	(2,800)	(1,211)	1,587	(1,783)	24,655
Capital	17,726	(7,678)	0	(70)	1,686	(1,217)	10,447
Schools	7,554	0	0	(4,842)	2,345	0	5,057
Housing Revenue Account	16,486	0	(12,961)	0	0	0	3,525
Total	110,490	(8,779)	(16,257)	(15,893)	6,694	0	76,255

Recommendations

1. That the report and the financial measures taken and proposed be noted.
2. That the allocation of overall Council surplus as set out below be noted
 - £2m transfer to new reserve to offset school deficits on a provisional basis in 2024/25.
 - £80k to Council Fund to offset general pressures.

Reasons for Recommendations

1. To inform Members of the outturn and the financial measures taken and proposed.
2. To inform Members of the the allocation of the 2023/24 surplus to support the delivery of schemes supporting key priorities identified by the Council.

1. Background

- 1.1 Following the end of the financial year, Scrutiny Committees are provided with provisional outturn figures for the Council. It is anticipated that the Statement of Accounts will be approved by Council in November 2024, which will follow the external audit by Audit Wales.

2. Key Issues for Consideration

2.1 Council Fund

- 2.2 Council on 6th March 2023 approved the revenue budget for 2023/24 (minute no 779) and earlier in the year Council on 11th January 2023 approved the Housing Revenue Account budget for 2023/24 (minute number 607). There was an approved drawdown from the Council Fund of £496K during 2023/24 and £2.8M from other specific reserves.

- 2.3 This represented budgeted net expenditure for the Authority of £294.422m. Total expenditure was to be financed by Revenue Support Grant (£160.013m), National Non-Domestic Rates contribution (£42.784m) and Council Taxpayers (£91.625m).

- 2.4 The directorate revenue budgets have been amended and approved by Cabinet during the financial year. Some further virements are requested as part of this report as detailed below and are further detailed in the service specific appendices.

Table 4. Virements Requested

	Revised Budget 2023/24	Virement Requested	Revised Amended Budget 2023/24
	£000's	£000's	£000's
Learning & Skills	128,329		128,329
Social Services	85,460	33	85,493
Environment and Housing	32,009	- 100	31,909
Place	3,401		3,401
Corporate Resources	16,641	100	16,741
General Policy	30,678	- 33	30,645
Use of Reserves	- 2,096		- 2,096
Total	294,422	-	294,422

2.5 At year end there was a £2.080m favourable variance which has been allocated as follows.

- £2m Establish a new reserve to offset Education Deficits in 2024/25 on a provisional basis whilst the Council works with schools on establishing a coordinated approach to tackling school deficits.
- The balance of £80k has been transferred to the General Fund

2.6 Total transfers from reserves of £34.235m were made up of a £417k budgeted contribution from the Council Fund and £12.078m transferred from specific reserves to support the revenue budget, a £12.961m drawdown from the Housing Revenue Account Reserve and £8.779m drawdown from reserves to fund the capital programme and displacement arrangements. As part of the preparation for the 2024/25 budget a review of reserves has been undertaken and reserves are reported including these adjustments.

2.7 The following table compares the amended budget and the actual expenditure, including transfers to and from reserves, for the Council. The final column shows the net transfers to specific reserves for each directorate which has been included within the actual expenditure figures.

Table 5 – Summary Outturn

Directorate	Revised Budget 2023/24	Outturn 2023/24	Variance	Unplanned Use of Reserves/ (Transfer to Reserves)	Residual Variance 2023/24	Use of Reserves 2023/24
	£000's	£000's	£000's	£000's	£000's	£000's
Learning and Skills	128,329	128,369	(40)	(85)	(125)	7,692
Social Services	85,493	93,744	(8,251)	3,989	(4,262)	7,339
Environment and Housing	31,909	30,735	1,174	(1,423)	(249)	(1,214)
Corporate Resources	16,741	16,734	7	0	7	495
Place	3,401	4,345	(944)	(96)	(1,040)	(64)
Policy	30,645	26,319	4,326	0	4,326	(1,769)
Use of Reserves	(2,096)	(2,096)	0	0	0	2,096
Council Tax Surplus	0	(3,423)	3,423	0	3,423	0
Favourable Variance Transferred to Reserves	0	0	0	(2,080)	(2,080)	(2080)
Total	294,422	294,727	(305)	305	0	12,495

2.8 A detailed analysis of the outturn is provided at Appendix 1.

2.9 A number of the Council's budgets continue to be under considerable pressure a summary of the key headline pressures in year is set out below.

2.10 In Environment and Housing, key pressures for the service included £760k associated with the enhanced pay award and market forces uplift for waste drivers and £985k on additional pothole and patching works. This was offset in part by a rates rebate of approximately £300k and additional income generated by the Service.

2.11 The main reasons for the variances are set out in the following paragraphs and additional detail is set out in the supporting appendices to this report.

Environment and Housing

Table 6 – Environment and Housing Outturn

	Amended Budget 2023/24	Projected Outturn 2023/24	Variance	Unplanned Use of Reserves/ (Transfer	Residual Variance 2023/24	Use of Reserves 2023/24

	£000's	£000's	£000's	to Reserves) £000's	£000's	£000's
Neighbourhood Services and Housing						
Neighbourhood Services and Transport	28,307	28,665	(358)	0	(358)	209
Building Services	-	(231)	231	(231)	0	(231)
Regulatory Services	1,668	1,559	109	0	109	0
General Fund Housing	1,934	742	1,192	(1,192)	0	(1,192)
Total Neighbourhood Services and Housing	31,909	30,735	1,174	(1,423)	(249)	1,214

2.12 The Environment and Housing budget outturn was an adverse variance of £249k after a net transfer to reserve of £1.214m. The remaining adverse variance relating to this service area is being offset by an underspend within the Policy budget.

2.13 A detailed analysis of the outturn is attached at Appendix 2

2.14 Neighbourhood Services and Transportation - £358k adverse variance

- Total Adverse variances £2.896m most significantly £760k associated with the enhanced pay award and market forces uplift for waste drivers and £985k on additional pothole and patching works. In addition, £280k overspend on Resort and Street Cleansing and £143k on Community Centres including set up costs for Belle Vue.
- Favourable Variances £2.296m including £294K reduced costs of street lighting, £278K rates rebate and £1.3m additional reimbursement from capital schemes and internal department, savings on vacant posts and additional grant income in the structures and engineering sections.
- Contributions from reserves totalling £209k including £187k towards the costs of tackling Ash Die Back.

Place

Table 7 – Place Outturn

-	Amended Budget 2023/24	Projected Outturn 2023/24	Variance	Unplanned Use of Reserves/ (Transfer to Reserves)	Residual Variance 2023/24	Use of Reserves 2023/24
-	£000's	£000's	£000's	£000's	£000's	£000's
<u>Place</u>						
Regeneration	1.494	1,321	171	(176)	(5)	(155)

Development Management	1,726	1,695	31	0	31	(31)
Private Housing	181	261	(80)	80	0	122
Vale Enterprise Centre	0	1,066	(1,066)	0	(1,066)	0
Total Place	3,401	4,343	(944)	(96)	(1,040)	(64)

2.15 The Place budget outturn was an adverse variance of £1.040m after a net transfer to reserves of £64k. A detailed analysis of the outturn is attached at Appendix 3.

2.16 Regeneration - £171k Favourable Variance

- Adverse variances totalled £273k mainly due to an overspend on Workshops of £104k and an increase in provision for Bad Debts £85k.
- Favourable variances totalled £454k mainly due to SPF Management Fee income £234k, Levelling up funding of £86k, Long Term Plan for Towns funding £50k.
- Contributions to reserve totalled £155k of this figure £163k was transferred to the Place reserve and £11k was put into reserve for 198 Holton Road. £23k was drawn down from reserve to cover the Pension Strain.

2.17 Development Management - £31k

- Adverse variances totalled £167k. The main variances were for the Local Development Plan £55k, Ash die back £21k, Customer receipts lower than expected £44k and other adverse variances of £47k.
- Favourable variances totalled £198k. There was £150k in additional car park income, £12k underspend on premises costs and £36k of other favourable variances.
- There was a net transfer of £31k from reserves. £38k drawdown from the LDP reserve, £60k from the Building Control reserve and £21k drawdown to cover overspend on Ash die back and £150k transferred into a reserve for the car park income.

2.18 In addition to this a settlement has been negotiated to buy out the lease on the Vale Enterprise Centre given the poor condition of the facility and this has been reported as a separate line in the outturn and will be funded by the Policy underspend in 2023/24.

Allocation of Surplus

2.19 Following Directorate specific transfers to and from reserves the Council reported a surplus of £2.080m this was largely due to the continued use of the

Council’s reserves to minimise external borrowing, investment income generated in year as well as the Council tax surplus in 2023/24.

2.20 The indicative outturn was reviewed by SLT and following further discussions the following sums have been transferred to reserves to allow schemes to progress in 2023/24.

- £2m Establish a new reserve to offset Education Deficits in 2024/25 on a provisional basis whilst the Council works with schools on establishing a coordinated approach to tackling school deficits.
- The balance of £80k has been transferred to the Council Fund

Efficiency Targets

2.21 As part of the Final Revenue Budget Proposals for 2023/24, an efficiency target of £7.378M was set for the Council, this is a far higher level of savings than has been set for a number of years.

2.22 Of this sum £2.75M has been delegated to schools has been managed as part of school budget setting. There are a number of schools that have ended the year in a deficit position and have set deficit recovery strategies to mitigate the deficit budget over a 3-5 year period.

2.23 The outturn position in respect of the 2023/24 savings is detailed in Table 8 below whilst the value of savings achieved is broadly similar to the percentage reported as part of Quarter 3 Monitoring the amount mitigated has increased slightly so that the net shortfall is 11% rather than 15% as reported in February.

Table 8– Outturn Position 2023/24 Savings

Directorate	Target	Amount Achieved	% Achieved	Mitigation	Mitigation Achieved %	Shortfall	Shortfall %
	£'000s	£'000s		£'000s		£'000s	£'000s
Policy	1,615	1,615	100%	-	0%	-	0%
Resources	582	331	57%	250	43%	1	0%
Neighbourhood and Housing	1,000	743	74%	40	4%	217	22%
Learning and skills	564	369	65%	105	19%	90	16%
Social Services	681	481	71%	-	0%	200	29%
Place	265	245	92%	-	0%	20	8%
Total	4,707	3,784	80%	395	8%	528	11%

- 2.24** The shortfall against Neighbourhood Services requires work in respect of car parking provision and waste implementation to continue in 2023/24.
- 2.25** The shortfall in Learning and Skills relates to the Schools Repairs budget, it is hoped that increased asset renewal provision in the Capital programme in 2024/25 will help mitigate the pressures against this budget in year but pressures in schools may also have an impact on delivery of this saving.
- 2.26** Whilst Social Services have not achieved 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.
- 2.27** 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.
- 2.28** Attached at Appendix 4 is a statement detailing all savings targets for 2023/24 and the current progress against them.

Reserves

- 2.29** A reserve is an appropriation from a revenue account and does not constitute a cost of service until the expenditure is eventually incurred. A reserve does not cover a present obligation or liability and is a voluntary means of setting aside monies for future requirements either capital or revenue.
- 2.30** As part of the preparation for the 2024/25 budget a full review of the Council's reserves has been undertaken some consolidation has been undertaken and some reallocation to ensure that the reserves are more appropriately matched the Council's key budgetary risks the table below reflects the reallocation of reserves that has taken place, this includes an additional allocation of £3m to Social Services reserves and the establishment of a £1m budget risk reserve.
- 2.31** Table 9 below sets out the use of reserves for a variety of purposes including planned usage to fund Capital Expenditure, planned revenue usage in accordance with the earmarked purpose of the reserve, unplanned usage to fund emerging overspends during 2023/24 and planned transfers to reserves to set aside fund for specific purposes. The use of reserves to support the Capital programme has reduced to £8.779m and reflects slippage on the delivery of schemes in 2023/24. Where schemes have been reprofiled into 2024/25 this drawdown from reserves will now take place in 2024/25 to match expenditure.
- 2.32** Use of reserves includes an allocation of £7.2m to offset pressures in Social Services and £2m transferred from Education Reserves to support pressures in schools and ALN including £1m set aside as part of the 2023/24 closing process. Transfers into reserves include the corporate surplus of £2.080m which consisted into £2m into a reserve to offset school deficits and £80k transferred into the Council Fund. The use of reserves is detailed in the table below and a detailed analysis is attached at Appendix 5.

Table 9 – Reserves

As at	Estimated Balance 31/03/23	Capital	Budget Revenue	Revenue Mvmt on Reserves	Surplus Transfer into Reserves	Realloc of Reserve	Provisional Balance 31/03/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	11,523	0	(496)	0	80	0	11,106
Total General Fund	11,523	0	(496)	0	80	0	11,106
Insurance	4,878	0	0	0	0	0	4,878
Service Reserves							
Learning and Skills	4,131	(47)	0	(2,002)	258	0	2,340
Social Services	10,015	0	0	(7,201)	0	3,000	5,814
Neighbourhood Services	3,078	(11)	0	0	0	0	3,067
Corporate Resources	734	0	0	(205)	0	0	529
Place	2,096	(23)	0	(160)	361	0	2,274
Other Service Reserves	1,625	(80)	0	(45)	364	0	1,864
Other Corporate	842	0	0	(157)	14	0	699
Risk and Smoothing Reserves							
Homelessness and Housing Reserve	4,456	0	(200)	0	1,193	0	5,449
Cost of Living	854	0	(200)	(283)	0	0	371
Pay Pressures	4,168	0	0	(360)	61	0	3,869
Energy Pressures	3,885	0	(2,400)	0	0	0	1,485
Legal	2,000	0	0	(160)	0	0	1,840
Project Zero	2,325	(50)	0	(208)	322	(681)	1,708
Investment and Growth Fund	2,353	0	0	0	0	(2,353)	0
Reshaping Risk and Investment	2,523	0	0	(200)	0	251	2,574
Corporate Landlord	5,707	(760)	0	0	0	0	4,947
Digital Reshaping	1,531	(130)	0	0	11	0	1,412
Budget Risk	0	0	0	0	0	1,000	1,000
Capital Reserves							
Capital	17,726	(7,678)	0	(30)	1,645	(3,175)	8,488
Independent Living Reserve	0	0	0	0	0	500	500
Capital Regeneration and Levelling Up	0	0	0	(40)	40	1,458	1,458
Sub Total	86,450	(8,779)	(3,296)	(11,051)	4,349	0	67,672
Ring Fenced Reserves							
Schools	6,677	0	0	(4,368)	0	0	2,309
Other Ringfenced Schools Reserves	877	0	0	(474)	345	0	748

School Deficit Reserve	0	0	0	0	2,000	0	2,000
Housing Revenue Account	16,486	0	(12,961)	0	0	0	3,525
Total Reserves	110,490	(8,779)	(16,257)	(15,893)	6,694	0	76,254

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The Council's revenue budget and therefore its expenditure is incurred in order to achieve its corporate priorities as set out in the Corporate Plan 2020-2025 through the 4 well-being outcomes.

4. Climate Change and Nature Implications

- 4.1** At 31st March, 2024 the Council holds reserves specifically earmarked to support the Council's response to the Climate and Nature Emergency totalling £1.369m with further reserves earmarked within the Capital reserves shown.

5. Resources and Legal Considerations

Financial

- 5.1** As detailed in the body of the report.

Employment

- 5.2** There are no employment implications contained in this report.

Legal (Including Equalities)

- 5.3** The provisional outturn figures for the Council have been used in the preparation of the Statements of Accounts. Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the Responsible Financial Officer to sign and date the Statement of Accounts and certify that they present a true and fair view of the financial position at the end of the year. This means that for 2023/24 the Statement of Accounts should be certified by the Section 151 Officer by 31st May 2024.
- 5.4** If it is not possible to meet this deadline the Council has to advertise that this has not happened and the reason why. Due to the continued impact of the pressures of the COVID-19 pandemic and Resource pressures in the team it was not possible to produce the Statement of Accounts by 31st May 2024 and the appropriate advert was placed. The Statement of Accounts was however signed by the S151 Officer on 29th June, 2024.

6. Background Papers

None.

Appendix 1	Amended Budget	Projected	Variance	Unplanned Use	Residual	Use of Reserves
	£000's	£000's	£000's	£000's	£000's	£000's
<u>Learning and Schools</u>						
Delegated Schools	115,439	115,439	-		-	4,590
Use of Reserves	- 1,200	- 1,200	-		-	1,200
Strategy, Culture, Community Learning and Directors Office	6,754	7,159	- 405		- 405	1,532
	252	252	-		-	-
Additional Learning Needs and Wellbeing Standards and Provision	4,113	3,985	128		128	452
	2,971	2,735	236	- 85	151	- 82
Total Learning and Skills	128,329	128,369	- 40	- 85	- 125	7,692
<u>Social Services</u>						
Children and Young Peoples Services	18,652	23,923	- 5,271	2,674	- 2,597	3,670
Adult Services	58,246	60,569	- 2,323	660	- 1,663	2,677
Resource Management and Safeguarding	7,879	8,665	- 786	784	- 2	992
Youth Offending Service	716	587	129	- 129	-	-
Total Social Services	85,493	93,744	-8,251	3,989	-4,262	7,339
<u>Neighbourhood Services and Housing</u>						
Neighbourhood Services and Transport	28,307	28,665	- 358	-	- 358	209
Building Services	-	- 231	231	- 231	-	- 231
Regulatory Services	1,668	1,559	109	-	109	-
General Fund Housing	1,934	742	1,192	- 1,192	-	- 1,192
Total Neighbourhood Services and Housing	31,909	30,735	1,174	- 1,423	- 249	- 1,214
<u>Corporate Resources</u>						
Resources	17,172	17,231	- 59	-	- 59	495
Housing Benefit	- 431	- 496	65	-	65	
Total Corporate Resources	16,741	16,734	7	-	7	495
<u>Place</u>						
Regeneration	1,494	1,323	171	- 176	- 5	- 155
Development Management	1,726	1,695	31	-	31	- 31
Private Housing	181	261	- 80	80	-	122
Vale Enterprise Centre	-	1,066	- 1,066	-	1,066	
Total Place	3,401	4,345	- 944	- 96	- 1,040	- 64
<u>Policy</u>						
General Policy	30,645	26,319	4,326		4,326	- 1,768
Total Policy	30,645	26,319	4,326	-	4,326	- 1,768
Use of Reserves	- 2,096	- 2,096	-		-	2,096
Council Tax Surplus	-	- 3,423	3,423		3,423	0
Allocation of Surplus		-	-	- 2,080	- 2,080	- 2,080
Grand Total	294,422	294,727	- 305	305	0	12,496

<u>Funded By</u>						
Council Tax	- 91,625	- 91,625				
Revenue Support Grant	- 160,013	- 160,013				
Non Domestic Rates	- 42,784	- 42,784				
Grand Total	- 294,422	- 294,422				

Transfer from Reserves Revenue	12,496
Transfer from Reserves Capital	8,779
Total Transfer from Reserves	21,275

Appendix 2	
Directorate	Neighbourhood Services and Housing
Service Area	Neighbourhood Services and Transport

Virement Request	Revised Budget	Virement	Amended Budget 2023/24
Neighbourhood Services and Transport	28,407	- 100	28,307

Virement of £100k to Corporate Resources requested to correct the allocation of additional energy pressures in 2023/2.

Outturn Summary	Amended Budget 2023/24 £000's	Projected Outturn 2023/24 £000's	Variance £000's	Unplanned Use of Reserves £000's	Residual Variance 2023/24 £000's	Use of Reserves 2023/24 £000's
Support and Emergency Planning	199	143	56	-	56	43
Engineering, Structures and Highways Development	2,120	784	1,336	-	1,336	
Car Parks	- 648	- 793	145	-	145	-
Waste, Parks and Highways Operational	19,445	21,411	- 1,966	-	- 1,966	187
Transportation and Enforcement	6,545	6,294	251		251	-
Leisure and Community Centres	646	827	- 181	-	- 181	65
Total	28,307	28,665	- 358	-	- 358	209

Outturn Key Headlines

Persistent overspend against Highways patching in 2023-24 £1m

Offset by Surplus against Highways construction schemes.

Unfunded Market forces payments in respect of HGV drivers also impacted the service in year

Rates refund in year approximately £300k, mainly affecting car parking sites.

Surplus against Public Transport and additional income generated in the service area including enforcement income

Favourable Variances	£000's
Rates refund in year mainly affecting car parking sites	-278
Surplus highways construction schemes, vacant posts and additional grant income	-1300
Surplus against Public Transport and Enforcement Income	-250
Recycling resale income	-124
Receipts on Vehicles to be Transferred to Vehicle Renewals Reserve	-44
Underspend Food Recycling and Special Collections	-300
Total Favourable Variances	-2296

Adverse Variances including Planned Use of Reserves	£000's
Highways Patching	985
Other Highways Maintenance Costs	187
Additional Salary Costs Waste incl Market Forces and roll out of cominglec	760
Overspend Car Parks - mostly Court Road Multistorey	60
Resort and Street Cleansing Overspend	280
Overspend Community Centres and Belle Vue Set Up Costs	143
Other Parks Overspends incl Jenner Park and Bowling Greens	133
Ash Die Back Reserve and other Highways Trees Costs	250
Additional Reserve spend Youth Wellbeing	65
Total Adverse Variances	2863

Net Outturn	567
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Use of Reserves	£000's
Planned	
Ash Die Back reserve - used to fund costs of ash die back works for highways	-187
Youth Wellbeing Funding - Additional funding to support Youth Wellbeing as	-65

Total Planned Use	-252
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Unplanned Transfers from
No Unplanned Transfers from Reserves

Trasfers to	
Transfer to Vehicles Repairs and Renewals reserve	43
Total Movement against Reserves	-209

Net Outturn	358
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This net overspend will be met from the Policy Underspend as set out in the main report

Savings	£000's Target	£000's Achieved	
Increase in fees and charges	30	30	A
Parking Charging Review	20	0	NA
Review Car Park Provision - mitigated by rates rebate in year	50	0	NA
Stop provision of sandbags	5	5	A
Do not apply for Green Flag and Coastal Awards	5	0	NA
Allotment Charging	3	0	NA
Double Shift Mechanical sweepers (2 vehicles plus one spare)	40	40	NA
Enforcement Income	40	40	A
Commercial Opportunities and Business Support review	50	50	A
Waste Collection for Black Bags to 3 weeks	150	100	A
Green Bag Subscription Charge	500	373	A
Charging for public use of Electric vehicle chargers	2	0	NA
Total Savings Target 2023-24	895	638	

257

%

Proportion of Savings Achieved	67%
Proportion of Savings Mitigated (temporary)	0%
Savings not achieved in year	29%

Directorate	Environment & Housing
Service Area	Building Services

Outturn Summary	Amended Budget 2023/24	Projected Outturn 2023/24	Variance	Unplanned Transfer to Reserves	Residual Variance 2023/24	Use of Reserves 2023/24
	£000's	£000's	£000's	£000's	£000's	£000's
Building Maintenance Trading Account	-	-	78	78	-	78
Building Cleaning Trading Account	-	-	225	-	-	225
Caretaking and Security Trading Account	-	-	131	-	-	131
Building Maintenance Twin Hat Underspend	-	-	231	-	231	-
Courier Account	-	-	16	-	-	16
Total	-	-	231	231	-	231

0 -231

Outturn Key Headlines

The overall position for Building Services is a breakeven position. The Building Maintenance trading unit had a turnover of £8.010m and made a year end surplus of £78k.

The Building Cleaning & Security trading unit had a turnover of £3.036m making a deficit of £94k. Due to the enhanced pay award received by staff during the 23/24 financial year it was anticipated that the Building Cleaning & Security trading account would make a deficit as a lot of the recharges to clients are agreed at the beginning of the financial year therefore it is difficult to adjust for cost increases during the financial year.

The Building Services Twin Hat function had a favourable variance of £231k at year end. This was mainly due to vacant posts, plus underspends against transport budgets and general supplies & services budgets. The Courier service made a surplus of £16k.

All the above were offset by a £231k transfer to the Building Services Reserve to fund the ongoing costs of apprentices and other business improvements within the area.

Directorate	Environment & Housing
Service Area	General Fund Housing

Outturn Summary	Amended Budget 2023/24	Projected Outturn 2023/24	Variance	Unplanned Transfer to Reserves	Residual Variance 2023/24	Use of Reserves 2023/24
	£000's	£000's	£000's	£000's	£000's	£000's
Council Fund Housing	1,934	742	1,192	-	1,192	-
Total	1,934	742	1,192	-	1,192	-

Outturn Key Headlines

The outturn at year end was a favourable breakeven after a transfer to reserves of £1.192m. This included transfers for historic grant sums that have been carried forward for a number of years and additional funding for resettlement to be utilised to support the service in 2024/25.

Adverse variances totalling £370k including £35k rental income shortfall on Cadoxton House, £265k homelessness costs and other adverse variances totalling £70k.

Favourable variances of £681k across the service mainly due to additional grant income for supporting people, community safety and refugee resettlement schemes which will be carried forward in a supporting people reserve, and also towards the costs of the Rapid Housing Response programme and Resettlement demands in the medium term.

Contributions to reserve totalling £1.193m into the Homelessness & Housing Strategy Reserve including £882k ringfenced for Refugee resettlement. There was a transfer from reserve £200k as a budget contribution to central policy.

Favourable Variances	£000's	
Additional Grant Income Supporting People, Community Safety and Refugee Resettlement	-	680
	-	882
Total Favourable Variances	-	1,562

Adverse Variances including Planned Use of Reserves	£000's	
Rental Income Shortfall Cadoxton House		35
Homelessness Costs		265
Other Adverse Variances		70
Total Adverse Variances		370

Net Outturn	-	1,192
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Use of Reserves	£000's	
No Planned Use of Reserves		
Total Planned Use		0

Unplanned Transfers from
No Unplanned Transfers from Reserves

Transfers to Homelessness and Housing Reserve		1,192
Total Movement against Reserves		1,192

Net Outturn		0
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Savings	£000's Target	£000's Achieved
Budget Adjustment Pre Tenancy Adviser and VATs budget	26	26
Review Senior Officer Recharges to HRA to ensure no cross subsidisation	33	33
Review Support Function - Vacant Post	25	25
Total General Fund Housing Savings	84	84

	%	
Proportion of Savings Achieved		100%
Proportion of Savings Mitigated (temporary)		0%
Savings not achieved in year		0%

Appendix 3	
Directorate	Place
Service Area	Place

Outturn Summary	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
Regeneration	1,494	1,323	171	-176	5	-155
Sustainable Development	1,726	1,695	31	0	31	-31
Private Housing	181	261	- 80	80	-	122
Vale Enterprise Centre	0	1,066	-1,066	0	-1,066	
	3,401	4,345	- 944	- 96	- 1,040	- 64

	171	-176
	31	-
-	80	80
-	1,066	
-	944	- 96

Outturn Key Headlines

The Place budget outturn was an adverse variance of £96k after a net transfer from reserve of £64k.

Adverse Variances	£000's
Regeneration	
Provision for Bad Debts	85
Workshops	104
Pension strain	23
Other adverse variances	61
Sustainable Development	
Local Development Plan	55
Ash die back	21
Customer receipts lower than expected	44
Other Adverse Variances	47
Private Sector Housing	
Occupational Therapist costs & Reduced Fee Income	122
Vale Enterprise Centre Lease Buyout	1066
Total Adverse Variances	1628

Favourable Variances	£000's
Regeneration	
SPF Management Fee Income	-234
Levelling up funding	-86
Long Term Plan for Towns funding	-50
Delay in appointing Empty Properties Officer	-42
Other favourable variance	-42
Sustainable Development	
Car Parking Income Fees	-150
Underspent on Premises costs	-12
Other Favourable variances	-36
Total Favourable Variances	-652

Net Outturn	976
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Use of Reserves	£000's
Planned	
Regeneration	
198 Holton Road	11
Pension Strain	-23
Net Favourable variance transferred to Place reserve	167
Sustainable Development	
Transfer to Car Parking Reserve	150
Ash Die Back	-21

Building Control Team	-60
Local Development Plan	-38
Private Sector Housing	
Place Reserve to cover Occupational Therapist post	-42

Total Planned Use	144
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Unplanned Transfers from	
Unplanned use of reserve Disabled Facility Grants	-80
Total Movement against Reserves	64

Net Outturn	1040
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Savings	£000's Target	£000's Achieved	
Place Savings Achieved 2023/24	265	245	A
Place Savings Mitigated 2023/24			M
Place Savings not Achieved and offset by Reserves			N/A
Increased DFG provision (removal of means testing)		20	N/A
Total Place Savings	265	265	

	%
Proportion of Savings Achieved	92%
Proportion of Savings Mitigated (temporary)	0%
Savings not achieved in year	8%

Appendix 4

Directorate	Description of Saving Proposal	Saving Category	Target Value	Overall RAG Stat	Comments/Narrative	Value	Percentage	Shortfall	Mitigation	Mitigation	Mitigation	On Track for	
			£'000			Achieved/ Expected		2023/24	Ref	Value Achieved	Achieved	2024/25	
			2023/24				2023/24	%	2023/24	2023/24	2023/24	2024/25	
Directorate Learning and Skills												2023/24	2024/25
												YES/NO	YES/NO
Learning and Skills	Payments to Non Maintained Nursery Providers	Service Review	20	Green	Notice given to St Donats	20	100%	-					
Learning and Skills	Removal of schools emergency repairs budget	Service Review	90	Amber	Even though the budget was cut there were ongoing pressure relating to repairs in schools. This is an area that will need to be kept under review due to ongoing pressures.	-	0%	- 90					
Learning and skills	Makerspace income generation for letting out of makerspace rooms in barry and penarth libraries	Generating Income	20	Amber as unable to predict income generation	Only £2K income was achieved across both sites. Barry Makerspace wasn't available until July 2023. Mitigated in year by staffing underspends across Culture & Community Learning. The income target will need to be kept under review in 24/25.	20	100%	-					
Learning and skills	External income -income generation for letting to external organisations for filming and events	Generating Income	20	Amber as unable to predict income generation	Budget was set to include new income target. Only £472 income was achieved. The shortfall was covered by staffing underspends across Culture & Community Learning. The income target will need to be kept under review in 24/25.	20	100%	-					
Learning and skills	Stop providing newspapers and DVDs in libraries	Service Review	15	Green	Budget has been cut, service will no longer purchase DVDS	15	100%	-					
Learning and skills	Increase libraries fees and charges by 12%	Generating Income	5	Green	Fees have been increased in the budget	5	100%	-					
Learning and skills	Review Arts Provision	Service Review	65	Amber dependent on options appraisal.	Budget cut but savings not achieved. Overspend against Arts has been offset by savings within other areas of Culture & Community Learning. Restruture proposals now approved, will be kept under review	65	100%	-					
Learning and Skills	Reshaping of Out of School Tuition	Service Review	89	Green	The way in which OOST is delivered has been altered so that most tuition is delivered online rather than face to face. This is not ideal but is not out of sync with many other LAs. Budget saving will be achieved but service affected	89	100%	-					
Learning and Skills	Increase in retained element of Post 16 WG grant for school improvement administration	Service Review	50	Green	Post 16 grant for schools has been top-sliced to contribute towards the central costs of the Learning and Skills Directorate. £50k has been included as an ongoing budgeted income	50	100%	-					
Learning and skills	Review use of alternative funding sources to support service delivery	Service Review	190	Green	Shared Prosperity Fund grant has increased not decreased as anticipated. Staff roles within the Youth Service have been reassigned to work on the shared prosperity grant funded project	190	100%	-					
Subtotal Directorate Learning and Skills			564			474	84%	- 90		-			
Directorate Social Services													
Social Services	Closer to Home Residential Care (C&YPs)	Invest to Save	200		Delays on Building Programme and Recruitment of Staff, need to go through registration process- Provision is available to allow delivery of savings in 2024/25	0	0%	- 200					
Social Services	Budget Programme Savings 2023-24	Invest to Save	81		Potential to identify 2023/24 target from review of high cost packages of care and commitments and health funding further review work to be undertaken.	81	0%						
Social Services	Additional Income	Generating Income	400		Budget Adjustment	400	100%	-					
Subtotal Directorate Social Services			681			481	71%	- 200		-			
Directorate Neighbourhood and Housing													
Neighbourhood and	Increase in fees and charges	Generating Income	30	Green	Fees & Charges increased for 23/24	30	100%	-					
Neighbourhood and	Parking Charging Review	Generating Income	20	Amber	Residents permits - Cabinet Report due to be taken delayed due to 20mph work work ongoing in 2024/25	-	0%	- 20					
Neighbourhood and	Review Car Park Provison	Corporate Asset Stra	50	Amber	Court Road Car Park- Awaiting the result of the Public Consultation plan before this can be progressed further work ongoing in 2024/25	-	0%	- 50					
Neighbourhood and	Stop provision of sandbags	Service Review	5	Green	Achieved	5	100%	-					

Appendix 10

Directorate	Description of Saving Proposal	Saving Category	Target Value		Comments/Narrative	Value Achieved/ Expected to be Achieved		Percentage Achieved	Shortfall	Mitigation Ref	Mitigation Value Achieved	Mitigation Achieved	On Track for		
			£'000	Overall RAG Stat		2023/24	2023/24						2023/24	2023/24	2024/25
													%	2023/24	2023/24
Resources	Mayor's Supplies and Services Budget	Service Review	4	Achieved - budget adjusted.		4	100%	-							
Resources	Democratic Supplies and Services Budget	Service Review	1	Achieved - budget adjusted.		1	100%	-							
Resources	Registrars Supplies and Services Budget	Service Review	1	Achieved - budget adjusted.		1	100%	-							
Resources	Legal Services Supplies and Services Budget	Service Review	17	Achieved - budget adjusted.		17	100%	-							
Resources	Budget Supplies and Services Adjusted	Service Review	9	Achieved - budget adjusted.		9	100%	-							
Resources	Supplies and Services Budget Adjusted	Service Review	17	Achieved - budget adjusted.		17	100%	-							
Resources	Supplies and Services Budget Adjusted	Service Review	9	Achieved - budget adjusted.		9	100%	-							
Resources	Supplies and Services Budget Adjusted	Service Review	20	Achieved - budget adjusted.		20	100%	-							
Resources	Supplies and Services Budget Adjusted	Service Review	13	Amber	Need to consider impact of OD refreshments cut	12	92%	- 1							
Resources	Registrars' Income	Generating Income	30	Green	Budget has been adjusted. Additional target should be achieved based on annual trends.	30	100%	-							
Resources	O2 Mobile Phone Contract	Contract/Procurement	55	Green	Achieved - budget adjusted to reflect lower tariff however approx £18k relates to SRS and HRA and are not able to be realised within the General Fund. This is being offset by printing savings in 2023/24	55	100%	-							
Resources	Annual RSA Support Costs - Reduce	Contract/Procurement	22	Green	Saving is predicated on the reduced use of RSA due to greater VPN usage.	22	100%	-							
Resources	Review C1V Office Accommodation	Corporate Asset Strategy	50	Amber	Full saving will not be achieved during 23/24 as review is ongoing and this is part of a wider review of office space. Mitigated in year	50	100%	-		50					
Resources	Review Docks Office Site	Corporate Asset Strategy	200	Amber	Full saving will not be achieved during 23/24 as review is ongoing and this is part of a wider review of office space. A Rateable Value reduction has realised part of the saving earlier than anticipated. Mitigated in year	200	100%	-		200					
Resources	Remove Vacant Posts	Workforce Review	43	Green	Achieved - posts removed from establishment.	43	100%	-							
Resources	Shared Cost AVCs	Generating Income	25	Green	The Shared Cost AVC deductions process commenced in August 2023, anticipated shortfall is expected to be £6k due to current take up is expected to increase during the financial year.	25	100%	-							
Resources	e-Billing in Revenues	Digital Strategy	7	Green	Ongoing daily mailings through Datagraphic (hybrid mail) are under review. Plan to introduce text messaging for CTax pre reminders/finals/summons and we will be able to use the same solution for promoting e-billing	7	100%	-							
Resources	Hybrid Mail - Housing Benefits	Digital Strategy	20	Green	Project has been kicked off and team have engaged with Business Improvement.	20	100%	-							
Resources	Vale proportion of Vacant Post	Workforce Review	15	Achieved - Vale share of post removed from establishment.		15	100%	-							
Resources	Vale proportion of miscellaneous supplies and services savings from budget	Service Review	2	Achieved - Vale share of budget adjusted		2	100%	-							

Appendix 10

Directorate	Description of Saving Proposal	Saving Category	Target Value £'000	Overall RAG Stat	Comments/Narrative	Value Achieved/ Expected to be Achieved	Percentage Achieved	Shortfall	Mitigation Ref	Mitigation Value Achieved	Mitigation Achieved	On Track for
			2023/24			2023/24	%	2023/24	2023/24	2023/24	2023/24	2024/25
Resources	Counter fraud budget reduction	Service Review	22	Achieved - budget adjusted	Service includes a high target for fraud reduction. Annual in	22	100%	-				
Subtotal Directorate Corporate Resources			582			581	100%	- 1		250		
Policy												
Policy	Mayor's hospitality budget and twin	Service Review	40	Achieved Budget Adjustment		40	100%	-				
Policy	Appropriation of Debt to HRA - Savings against borrowing costs	Service Review	25	Achieved Budget Adjustment		25	100%	-				
Policy	Temporary Capital Financing Headrc	Service Review	1,000	Achieved Budget Adjustment		1,000	100%	-				
Policy	Additional Investment Income (Tem	Generating Income	550	Dependent on Income Generation	Achieved in full	550	100%	-				
Subtotal Policy			1,615			1,615	100%	-		-		
Total Savings			4,707			4,139	88%	- 568		290		
Subtotal Directorate Learning and Skills			564			474	84%	- 90		-		
Subtotal Directorate Social Services			681			481	71%	- 200		-		
Subtotal Directorate Neighbourhood and Housing			1,000			743	74%	- 257		40		
Subtotal Directorate Place			265			245	92%	- 20		-		
Subtotal Directorate Corporate Resources			582			581	100%	- 1		250		
Subtotal Policy			1,615			1,615	100%	-		-		
Total Savings			4,707			4,139	88%	- 568		290		

Appendix 5 Detailed Reserves Analysis

Reserve Category	Reserve Name	2023/24 Opening	Drawdown Capital	Budget Revenue	Revenue Movement on Reserves	Surplus Transfer into Reserves	Reallocation of Reserves	2023/24 Closing
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	General Fund	11,523	0	-496	0	80	0	11,107
Insurance	Insurance	4,878	0	0	0	0	0	4,878
Service Reserves	Education Improver	3,549	0	0	-1,812	94	0	1,831
Service Reserves	Libraries and Commun	397	0	0	0	0	0	397
Service Reserves	Catering Equipment	185	-47	0	-190	164	0	112
Service Reserves	SS Donation	4	0	0	0	0	0	4
Service Reserves	Social Services	10,012	0	0	-7,201	0	3,000	5,811
Service Reserves	Neighbourhood Service	2,404	-11	0	0	0	0	2,393
Service Reserves	Bad Weather	470	0	0	0	0	0	470
Service Reserves	Civil Parking Enforcem	3	0	0	0	0	0	3
Service Reserves	Waste Management C	200	0	0	0	0	0	200
Service Reserves	Place Donation	57	0	0	0	9	0	66
Service Reserves	Place Reserve	1,902	-23	0	-160	202	0	1,921
Service Reserves	Porthkerry	67	0	0	0	56	0	123
Service Reserves	Cosmeston	70	0	0	0	94	0	164
Service Reserves	Corporate Resources	733	0	0	-205	0	0	528
Service Reserves	Building Services	802	0	0	0	231	0	1,033
Service Reserves	Electoral Registration	296	0	0	-45	42	0	293
Service Reserves	Holton Road	46	0	0	0	11	0	57
Service Reserves	Strong Communities	221	-80	0	0	19	0	160
Service Reserves	IASS Reserve	261	0	0	0	61	0	322
Service Reserves	Building Control	121	0	0	-60	0	0	61
Service Reserves	Regulatory	101	0	0	0	0	0	101
Service Reserves	Trainee Appointments	521	0	0	-97	0	0	424
Service Reserves	Child Burial	85	0	0	0	14	0	99
Service Reserves	Mayors Foundation Gr	9	0	0	0	0	0	9
Service Reserves	Staff Employment Res	4	0	0	0	0	0	4
Risk and Smoothing R	Homelessness and Ho	4,358	0	-200	0	1,193	0	5,351
Risk and Smoothing R	Asylum Seekers	98	0	0	0	0	0	98
Risk and Smoothing R	Cost of Living	854	0	-200	-283	0	0	371
Risk and Smoothing R	Pay Pressures	4,168	0	0	-360	61	0	3,869
Risk and Smoothing R	Energy Pressures	3,885	0	-2,400	0	0	0	1,485
Risk and Smoothing R	Legal Claims	2,000	0	0	-160	0	0	1,840
Risk and Smoothing R	Energy Management F	159	-41	0	0	322	0	440
Risk and Smoothing R	Social Services Vehicle	408	0	0	0	0	-67	341
Risk and Smoothing R	Ash Die Back	335	0	0	-208	0	0	127
Risk and Smoothing R	Project Zero	1,423	-9	0	0	0	-614	800
Risk and Smoothing R	Investment and Growth	2,353	0	0	0	0	-2,353	0

Risk and Smoothing R	Reshaping Risk and In	2,523	0	0	-200	0	251	2,574
Risk and Smoothing R	Corporate Landlord	5,707	-760	0	0	0	0	4,947
Risk and Smoothing R	Digital Reshaping	1,531	-130	0	0	11	0	1,412
Risk and Smoothing R	Budget Risk	0	0	0	0	0	1,000	1,000
Capital Reserves	School Investment Stra	1,896	-1,054	0	0	290	0	1,132
Capital Reserves	Vehicles Repair and R	1,973	-1,346	0	0	1,355	0	1,982
Capital Reserves	ICF Capital	259	-87	0	0	0	0	172
Capital Reserves	Telecare	1,043	0	0	-30	0	0	1,013
Capital Reserves	Waste Transfer Station	891	0	0	0	0	-626	265
Capital Reserves	WG Schools Capital	2,334	-2,334	0	0	0	0	0
Capital Reserves	FSM Capital Grant	1,593	-1,593	0	0	0	364	364
Capital Reserves	Capital Scheme Comm	5,839	-1,264	0	0	0	-1,015	3,560
Capital Reserves	City Deal	1,898	0	0	0	0	-1,898	0
Capital Reserves	Independent Living Re	0	0	0	0	0	500	500
Capital Reserves	Capital Regeneration a	0	0	0	-40	40	1,458	1,458
Schools	Schools	6677	0	0	-4368	0	0	2,309
Schools	Temporary Reserve BF	300	0	0	-300	0	0	0
Schools	ICT hwb	353	0	0	0	320	0	673
Schools	3g Pitch Renewals and	50	0	0	0	25	0	75
Schools	Additional Needs Fund	174	0	0	-174	0	0	0
Schools	School Deficits	0	0	0	0	2,000	0	2,000
Housing Revenue Accd	Housing Revenue Accd	16486	0	-12961	0	0	0	3,525
	TOTAL	110,489	-8,779	-16,257	-15,893	6,694	0	76,254