

Meeting of:	CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
Date of Meeting:	3 JULY 2023
Report Title:	REVENUE BUDGET OUTTURN 2022-23
Report Owner/ Corporate Director:	CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE
Responsible Officer:	JOANNE NORMAN GROUP MANAGER – BUDGET MANAGEMENT
Policy Framework and Procedure Rules:	As required by section 3 (budgetary control) of the Financial Procedure Rules; Chief Officers in consultation with the appropriate Cabinet Member are expected to manage their services within the approved cash limited budget and to provide the Chief Finance Officer with such information as is required to facilitate and monitor budgetary control.
Executive Summary:	<ul style="list-style-type: none"> • The net revenue budget for 2022-23 was £319.514 million. The overall outturn at 31st March 2023 is a net under spend of £2.057 million which has been transferred to earmarked reserves. • The overall under spend on the Council budget significantly masks underlying budget pressures in Social Services and Wellbeing, Homelessness and Home to School Transport. • Given the potential for significant funding being required to meet pay and price costs in 2023-24, along with any ongoing budget pressures arising as a result of the conflict in the Ukraine, any uncommitted funding in 2022-23 will be required to meet these pressures in the new financial year. • There are also potential pressures for 2023-24 on council tax collection and an increase in eligibility for council tax support through the Council Tax Reduction Scheme due to the cost of living crisis. • During 2022-23 Directorates drew down funding from specific earmarked reserves. The final draw down from reserves was £18.910 million.

1. Purpose of Report

1.1 The purpose of this report is to provide the Committee with an update on the Council's revenue financial performance for the year ended 31st March 2023.

2. Background

2.1 On 23rd February 2022, Council approved a net revenue budget of £319.510 million for 2022-23 based on the provisional local government settlement received from Welsh Government (WG) on 21 December 2021. The Welsh Government announced its final settlement on 1st March 2022 and, as a result of a technical adjustment, there was an increase in the Revenue Support Grant (RSG) for the Council of £4,336, increasing the net revenue budget for 2022-23 to £319.514 million. As part of the Performance Management Framework, budget projections are reviewed regularly and reported to Cabinet on a quarterly basis. The delivery of agreed budget reductions is also kept under review and reported to Cabinet as part of this process.

3. Current situation / proposal

3.1 Summary financial position at 31st March 2023

3.1.1 The Council's net revenue budget and final outturn for 2022-23 is shown in Table 1 below.

Table 1- Comparison of budget against actual outturn at 31st March 2023

Directorate/Budget Area	Original Budget 2022-23 £'000	Current Budget 2022-23 £'000	Final Outturn Q4 2022-23 £'000	Final Over / (Under) Spend 2022-23 £'000	Projected Over / (Under) Spend Qtr 3 2022-23 £'000
Directorate					
Education and Family Support	131,430	138,368	138,245	(123)	795
Social Services and Wellbeing	78,434	85,387	96,255	10,868	9,421
Communities	28,995	31,040	30,601	(439)	(333)
Chief Executive's	21,895	23,498	21,446	(2,052)	(1,172)
Total Directorate Budgets	260,754	278,293	286,547	8,254	8,711
Council Wide Budgets					
Capital Financing	7,329	7,203	5,070	(2,133)	(722)
Levies	8,177	8,210	7,981	(229)	16
Apprenticeship Levy	650	650	741	91	0
Council Tax Reduction Scheme	16,054	16,054	14,885	(1,169)	(1,169)
Insurance Premiums	1,363	1,363	1,671	308	(127)
Repairs & Maintenance	670	497	0	(497)	(200)
Pension Related Costs	430	430	427	(3)	0
Other Corporate Budgets	24,087	6,814	909	(5,905)	(5,778)
Total Corporate Budgets	58,760	41,221	31,684	(9,537)	(7,980)
Accrued Council Tax Income	0	0	(774)	(774)	0
Appropriation to Earmarked Reserves	0	0	2,057	2,057	0
Transfer to Council Fund	0	0	0		
Total	319,514	319,514	319,514	0	731

- 3.1.2 The overall outturn at 31st March 2023 is a net under spend of £2.057 million which has been utilised to create new earmarked reserves, primarily to supplement the Cost of Living Fund for known pressures in 2023-24. The under spend is small in comparison to the overall net budget for 2022-23 (0.6%), therefore no transfers have been made to the Council Fund, however, the closing balance of the Council Fund is still in line with Principle 9 of the Medium Term Financial Strategy (MTFS). Total Directorate budgets provided a net over spend of £8.254 million, and council wide budgets a net under spend of £9.537 million. The outturn position also takes into account additional council tax income collected over budget of £774,000 during the financial year.
- 3.1.3 Further detail is provided on the movements since quarter 3 at individual directorate level and on council wide budgets in section 3.3.
- 3.1.4 The overall under spend on the Council budget significantly masks the underlying budget pressures in some services which were reported during the year and still persist. The main financial pressures are in the service areas of Social Services and Wellbeing, Homelessness and Home to School Transport (HtST). It should be noted that these budget areas can be volatile and small changes in demand can result in relatively high costs being incurred.
- 3.1.5 It is forecast that the long-term impact of Covid-19, alongside the already known pressures of an ageing population, increasing dementia rates and more complex and challenging needs is going to result in increasing demands on already pressurised services in the Social Services and Wellbeing Directorate. In 2022-23 the Directorate experienced pressures of work to meet statutory duties against a backdrop of an exponential increase in demand in children's social care and an increase in the number of independent residential placements in Children's Services along with pressures in learning disabilities and older persons residential placements. Whilst budget growth of £8.174 million was approved by Council as part of the Medium Term Financial Strategy (MTFS) for 2023-24, the Directorate continues to see increases in demand and the budget growth confirmed for 2023-24 might be insufficient to meet the increase in demand going into 2023-24 and will require close monitoring. In addition, further consideration will need to be given by Council to the sustainable resource required specifically in Children's Services to improve the quality of outcomes for children and families in Bridgend.
- 3.1.6 Whilst budget growth of £2.192 million was approved by Council as part of the Medium Term Financial Strategy (MTFS) budget setting process in February 2021, to continue the commitment to focus support for homeless individuals, the Council has seen a significant increase in the provision of temporary accommodation. Whilst the council received £3.546 million of grant funding from WG in 2022-23, £2.5 million was on a one-off basis. Given the increase in provision and reduced level of grant funding from WG in 2023-24, the budget growth of £700,000 confirmed for 2023-24 might be insufficient to meet the increase in demand going into 2023-24 and will again require close monitoring.
- 3.1.7 There is an over spend on Home to School Transport (HtST) of £1.316 million in 2022-23. This is on top of the underlying pressure on the HtST budget which was supported in 2022-23 by a MTFS Budget Pressure of £2.472 million, approved by Council in February 2022 to support historical budget pressures,

but also the additional requirement for the transportation of nursery pupils, alongside cost pressures arising from tender exercises. Several retendering exercises on HtST took place in 2022-23 with market conditions not being favourable due to high levels of inflation and shortage of drivers and escorts, with procurement exercises resulting in generally higher costs across many contracts.

- 3.1.8 In addition, given the potential for significant funding being required to meet pay and price costs in 2023-24, along with any ongoing budget pressures arising as a result of the conflict in the Ukraine, any uncommitted funding in 2022-23 will be required to meet these pressures in the new financial year. There are also potential pressures on council tax collection and an increase in eligibility for council tax support through the Council Tax Reduction Scheme (see paragraph 3.3.5) due to the cost of living crisis. Therefore, any uncommitted funding from other council wide budgets will be carried forward to meet those pressures in the new financial year. A budget pressure of £1.325 million was also approved by council in February to mitigate emerging pressures in 2023-24 which will be allocated in line with need and reported through quarterly monitoring reports.

Covid-19

- 3.1.9 The UK was put into lockdown in March 2020 in an unprecedented step to attempt to limit the spread of coronavirus. A Covid-19 Hardship fund was set up at an early stage by the Welsh Government which the Council was able to draw on for financial support. Bridgend successfully claimed over £16.444 million in expenditure and loss of income claims in 2021-22. In addition, WG recognised the need for homelessness accommodation to be secured in advance to continue the commitment to focus on support for homeless individuals, providing them with accommodation, and approved £1.479 million to cover these costs for the first six months of 2022-23.
- 3.1.10 The WG Hardship Fund ended on 31 March 2022 and, in recognition of this, a budget pressure of £1 million was approved by Council for 2022-23 as part of the Medium Term Financial Strategy (MTFS) to meet ongoing budget pressures, both in respect of additional cost pressures and ongoing loss of income. Updates have been provided to Cabinet through the quarterly revenue budget monitoring reports for 2022-23 on this budget, with the final allocations in quarter 4 shown in 3.1.13. This budget has been allocated to the corporate pay and price budget in 2023-24 to contribute towards increases in inflation not seen for over a decade.
- 3.1.11 Cabinet and Corporate Management Board (CCMB) agreed to establish a one-off £1 million Covid-19 Recovery Fund in 2020-21 to provide funding for conscious and proactive decisions aimed at boosting recovery that were unlikely to be paid for by WG through the Hardship Fund. The recovery fund was utilised in 2022-23 to support the free car parking offer for town centres to the end of 2022-23. The balance of £270,087 on the Covid-19 Recovery Fund will be carried into 2023-24 and will be used to support the free car parking offer for town centres whilst long-term options are considered.
- 3.1.12 Whilst the WG Hardship Fund ended on 31st March 2022, local authorities continued to administer four elements that were paid through the Hardship Fund on behalf of WG – self isolation payments (scheme ended June 2022), statutory

sick pay enhancement scheme (scheme ended August 2022), free school meal payments (scheme due to end at the end of the May Half Term Holiday 2023) and the winter fuel support scheme (scheme ended February 2023). WG Hardship Expenditure claims submitted to Welsh Government in 2022-23 in relation to these four schemes is shown in Table 2.

Table 2 – Covid-19 expenditure claims 2022-23

Specific Hardship fund	Claimed £'000
Self Isolation Payments (SIP)	635
Statutory Sick Pay Enhancements (SSP)	119
Free School Meals	1,795
Winter Fuel	3,708
TOTAL	6,256

Budget virements/technical adjustments

3.1.13 There have been no budget virements, but a large number of technical adjustments between budgets since the quarter 3 Revenue Forecast was presented to Cabinet in January 2023. The main technical adjustments in quarter 4 are outlined below:

Technical Adjustments

Service vired from / to	Amount
Allocation of funding retained centrally in respect of Teachers' pay award 2022-23 – additional pay award – net of grant of £1,571,862 from Welsh Government	£89,712
Allocation of funding retained centrally in respect of Youth Worker pay award 2022-23 covering September 2022 to March 2023 – confirmed end of December	£6,834
Allocation of funding to schools' delegated budgets in respect of term time worker pay award 2022-23 originally allocated to Education and Family Support Directorate in quarter 3	£17,180
Allocation of corporately held funding for Feasibility works in line with spend	£136,179
Allocation of corporately held funding for Revenue minor works in line with spend	£36,752
Allocation of one-off support to schools from the centrally held Covid-19 budget to cover costs of Maternity Shielding	£177,459
Allocation of one-off support to the Council's leisure provider from the centrally held Covid-19 budget to cover an ongoing loss of income experienced by Halo in running the leisure services due to Covid-19	£191,446

Pay/Price Inflation

3.1.14 When the budget for 2022-23 was set, very little funding was allocated to directorates for pay and price inflation, as most had not been determined for the forthcoming year. The majority of the provision was retained centrally within council wide budgets, to be allocated as further information was known about specific contractual price increases. The technical adjustments table above outlines the final amounts released from these budgets during the last quarter, based upon confirmed pay awards and evidenced inflationary uplifts.

3.2 Monitoring of Budget Reduction Proposals

Prior Year Budget Reductions

3.2.1 As outlined in previous monitoring reports during the year, there were still £179,000 of outstanding prior year budget reduction proposals that had not been met in full. Directors have been working to realise these savings during the 2022-23 financial year. The latest position is attached as **Appendix 1** with a summary provided in Table 3.

Table 3 – Outstanding Prior Year Budget Reductions

	Total Budget Reductions Required	Total Budget Reductions Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000
Communities	179	119	60

3.2.2 Table 3 shows that of the £179,000 prior year budget proposals outstanding, £119,000 has been realised, leaving a shortfall of £60,000. The proposal still not achieved is COM 2 – Re-location of the community recycling centre from Tythegston to Pyle. The new site in Pyle is anticipated to open later in 2023, should the licence to operate be granted by Natural Resources Wales (NRW). Both sites will be maintained until the new site is fully operational, therefore the saving will not be achieved in full until 2024-25. The saving will therefore have to be met through alternative one-off efficiencies in 2023-24 in order to deliver a balanced budget position.

Budget Reductions 2022-23

3.2.3 The budget approved for 2022-23 included budget reduction proposals totalling £631,000, which is broken down in **Appendix 2** and summarised in Table 4 below. The year end position is a shortfall on the savings target of £176,000, or 27.9% of the overall reduction target.

Table 4 – Monitoring of Budget Reductions 2022-23

	Total Budget Reductions Required	Total Budget Reductions Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000
Education and Family Support	68	68	0
Social Services and Wellbeing	365	284	81
Communities	150	55	95
Chief Executive's	48	48	0
TOTAL	631	455	176

3.2.4 The most significant budget reduction proposals not achieved in full are:-

- SSWB 2 – remodelling of day service provision for older people and learning disability services (£81,000 shortfall). Efficiencies were identified and implemented in 2022-23 and work has continued to further develop the remodelling to enable the savings target to be met in full in 2023-24.
- COM 3 – change the composition of household food waste bags (£35,000 shortfall). Budget reduction proposal has been delayed due to ongoing national research and debate surrounding composition of household food waste bags, to ensure any potential changes in legislation do not impact on the proposal. The saving will be met through alternative one off efficiencies in 2023-24 to deliver a balanced budget position.
- COM5 – commercially let a wing of Ravens Court to a partner organisation or business (£50,000 shortfall) – delay in progressing budget reduction proposal due to staffing vacancies. The appointment of a Senior Portfolio Surveyor will make this a priority in 2023-24, however the saving might not be made in full during the next financial year. If this is the case, the saving will be met through alternative one off efficiencies in order to deliver a balanced budget position.

3.2.5 As outlined in the MTFS reports to Cabinet and Council, MTFS Principle 7 states that “Savings proposals are fully developed and include realistic delivery timescales prior to inclusion in the annual budget. An MTFS Budget Reduction Contingency Reserve will be maintained to mitigate against unforeseen delays”. An MTFS Budget Reduction Contingency reserve was established in 2016-17. This reserve has been used to meet specific budget reduction proposals in previous years on a one-off basis pending alternative measures. It has not been used in 2022-23 to mitigate on-going shortfalls as service areas are committed to identify alternative one-off under spends in the service areas affected.

3.3 Commentary on the financial position at 31st March 2023

Financial position at 31st March 2023

A summary of the financial position for each main service area is attached as **Appendix 3** to this report and comments on the most significant variances are provided below.

3.3.1 **Education and Family Support Directorate**

The net budget for the Directorate for 2022-23, including school delegated budgets, was £138.368 million and the actual outturn was £138.245 million, following planned draw down of £1.903 million from earmarked reserves, resulting in an under spend of £123,000. The main variances are:

EDUCATION & FAMILY SUPPORT DIRECTORATE	Net Budget	Actual Outturn	Actual Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Family Support Group	3,078	2,388	(690)	-22.4%
Home-to-school transport	8,192	9,508	1,316	16.1%
Education and Family Support Directorate Support Unit	671	410	(261)	-38.9%
Catering Services	1,525	1,724	199	13.1%
Corporate health and safety	403	256	(147)	-36.5%
Vulnerable Groups Support Group	641	521	(120)	-18.7%
Historic pension and redundancy costs	983	780	(203)	-20.7%

Schools' delegated budgets

Total funding delegated to schools in 2022-23 was £117,607 million (including Post-16 grant funding of £7.012 million).

The schools' delegated budget is reported as balanced in any one year as any under spend or over spend is automatically carried forward, in line with Welsh Government legislation, into the new financial year before being considered by the Corporate Director - Education and Family Support in line with the 'Guidance and Procedures on Managing Surplus School Balances' as set out in the Financial Scheme for Schools.

The year-end position for 2022-23 was:

- Net overall school balances totalled £14.228 million at the start of the financial year. During 2022-23 school balances decreased by £7.330 million to £6.898 million at the end of the financial year, representing 5.94% of the total funding allocated in 2022-23.
- Out of a total of 59 schools, there are 10 schools with a deficit balance (9 primary and 1 special school) and 32 schools (23 primary, 8 secondary, and 1 special

school) that have balances in excess of the statutory limits (£50,000 primary and £100,000 for secondary and special schools) in line with the School Funding (Wales) Regulations 2010. These balances will be analysed in line with the Council's agreed 'Guidance and Procedures on Managing Surplus School Balances'.

- A summary of the position for each sector and overall is provided below:-

	Balance brought forward	Funding allocated in 2022-23	Total Funding available	Actual Spend	Balance at year end
	£'000	£'000	£'000	£'000	£'000
Primary	6,994	52,828	59,822	56,947	2,875
Secondary	6,524	53,255	59,779	56,045	3,734
Special	710	11,524	12,234	11,945	289
Total	14,228	117,607	131,835	124,937	6,898

Central Education and Family Support Directorate budgets

Family Support

- The Family Support Group has an under spend of £690,000.
- A budget pressure of £188,000 was approved for 2022-23 to increase the provision of universal youth support (for example youth clubs) across the county borough and to improve the digital offer to young people. However, due to difficulties in sourcing suitable venues for the youth clubs, the setting up of these additional centres has been delayed. The service is working to progress these new centres in 2023-24, therefore the under spend should not be recurring in 2023-24.
- The Youth Justice Service has an under spend of £118,000 due to staff vacancies. The service is actively looking to recruit to the vacant posts, therefore the saving should not be recurring in 2023-24.
- The remainder of the under spend within the Family Support Group area is due to maximisation of grant funding - Children and Communities Grant (£230,000), Promoting Positive Engagement (£87,000), and the Turnaround Grant (£29,000).

Home-to-school transport (HtST)

- A MTFS budget pressure of £2.472 million was approved by Council in February 2022 to support the increased costs of HtST reported in 2021-22. These included the increased provision of taxis and minibuses for pupils with additional learning needs attending our special schools requiring dedicated transport as bespoke packages of support. There have also been significant increased costs associated with the transportation of the current cohort of nursery pupils in dedicated minibuses and taxis. Several retendering exercises on home-to-school transport contracts have been required over the last year for vehicles of all types in line with contracts naturally ending and to ensure the local authority follows both procurement and Contract Procedure Rules. Market conditions are not favourable, and these procurement exercises have resulted in generally higher costs across many contracts in line with difficulties associated with the aftermath

of the pandemic, namely the shortage of drivers and escorts and increased fuel costs internationally.

- The HtST budget has a £1.316 million over spend, primarily as a result of the retendering exercises and additional support provided to suppliers in 2022-23 to reflect inflationary pressures in the market. Fuel prices have started to decrease, therefore close monitoring of this budget will be required to determine whether there continues to be a pressure on this service area in 2023-24.

Education and Family Support Directorate Support Unit (EDSU)

- The EDSU provides administrative support to the education and family support service and Schools. There is an under spend of £261,000 due to 10 vacant posts, 5 within EDSU and 5 within the Knowledge Management Team. Some of these posts were filled during the latter part of 2022-23, and the service area is actively seeking to fill the remaining vacant posts in 2023-24, therefore the under spend should not be recurring in 2023-24.

Catering Services

- The price of school meals remained the same in 2022-23 and demand for school meals also increased across all sectors. However, the over spend of £199,000 is primarily due to the service being unable to achieve full cost recovery due to the impact of high inflation on food purchases. The cost of food purchases will be closely monitored in 2023-24 to determine whether inflationary pressures continue to impact cost recovery in this service area.

Corporate Health and Safety Unit

- The under spend of £147,000 within the Corporate Health and Safety Unit primarily relates to staff vacancies. The service area is actively looking to recruit to the vacant posts therefore this saving should not be recurring in 2023-24.

Vulnerable Groups Support Group

- The under spend of £120,000 within the Vulnerable Groups Support Group budget is due to a combination of staff vacancies (£97,000) and maximisation of the Parenting Support Grant (£35,000). The service area is actively seeking to recruit to the vacant posts, therefore this saving should not be recurring in 2023-24.

Historic pension and redundancy costs

- The £203,000 under spend is due primarily to a reduction in redundancy costs requiring funding in 2022-23. Due to the reduction in schools in a deficit position since 2020-21, fewer staffing restructures have been required in 2022-23. There has also been a reduction in the costs of supporting historic employee pension costs - there will be an incremental reduction each year as members pass away. The budget will be monitored in 2023-24 to determine if any of these savings can be proposed for future MTFs savings.

3.3.2 **Social Services and Wellbeing Directorate**

The net budget for the Directorate for 2022-23 was £85.387 million and the actual outturn was £96.255 million following planned draw down of £3.809 million from earmarked reserves, resulting in an over spend of £10.868 million. The over spend has increased since the projected over spend reported at quarter 3 of £9.421 million. This is mainly due to the pressures of work to meet statutory duties against a backdrop of an exponential increase in demand in children's social care and an increase in the number of independent residential placements in Children's Services, pressures in learning disabilities and within older persons residential placements.

The main reasons for the £10.868 million over spend are:-

- An exponential increase in need for children's social care as evidenced through increasing contacts, increasing numbers of assessments and high numbers of children on the child protection register. To keep the children safe and for the Council to meet statutory duties in respect of safeguarding children, there has been significant engagement of agency workforce to fill vacant posts and over the budgeted establishment– in particular this has placed pressure in the Multi Agency Safeguarding Hub and Information, Advice and Assistance Service, safeguarding localities and the Care Experienced Children's Team and the Children's Social Work Team in children's social care. A business case is being developed to inform the level of workforce required to sustainably deliver safe services in a way that reduces need for statutory interventions. A significant review of learning disability services has also been undertaken which will set out recommendations from a service and financial perspective.
- There is also an increasing complexity of need in adults' and children's services with service over spends for key population groups, particularly care experienced children with more requiring residential placements, learning disability services with significant over spends in commissioned supported living and day opportunities, equipment and direct payment budgets and also services for older people. Some increased complexity can be attributed to the impact of extended covid lockdowns on physical and mental health, but they also reflect cost pressures experienced by providers.
- A reduction in specific grants previously available to social care services has also increased the pressure on core budgets in 2022-23. In 2021-22 significant one-off grant income was received such as the Social Care Recovery Fund (£2.916 million) and the Social Care Pressures Grant (£2.221 million). Whilst the Social Care Recovery Grant primarily funded one-off costs, the combined value of these grants (£5.137 million) supported pressures in 2021-22 and were primarily allocated to the following service areas:- Children's Social Care (£1.886 million), Learning Disabilities (£992,000), Prevention and Wellbeing (£617,000), Mental Health (£454,000) and Older People (£441,000).

In March 2023, as part of the budget setting process Council approved budget pressures of £8.174 million for the Social Services and Wellbeing Directorate for 2023-24. This will cover areas such as Real Living Wage uplifts on commissioned contracts, demographic pressures, Children's Residential and Independent Residential Care, Learning Disabilities and increased demand and increased costs of commissioned services.

The most significant variances are:

SOCIAL SERVICES AND WELLBEING DIRECTORATE	Net Budget	Actual Outturn	Actual Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Adult Social Care	57,740	62,516	4,776	8.3%
Prevention and Wellbeing	6,048	5,850	(198)	-3.3%
Childrens Social Care	21,599	27,889	6,290	29.1%

Adult Social Care

There is a net over spend of £4.776 million on the Adult Social Care budget. The most significant variances contributing to this over spend were:-

ADULT SOCIAL CARE	Actual Variance Over/(under) budget
	£'000
Learning Disabilities Home Care	1,826
Older People Residential Care	1,149
Learning Disabilities Residential Care	822
Learning Disabilities Day Opportunities	630
Equipment & Adaptions	460
Mental Health Home Care	415
Learning Disabilities Direct Payments	307
Assessment and Care Management	59
Mental Health Supported Accommodation	-219
Older People Home Care	-586

- Learning Disabilities Home Care – the over spend has decreased by £390,000 since quarter 3 due primarily to maximisation of Housing Support Grant (£208,000), and additional joint funding confirmed by Cwm Taf Morgannwg University Health Board (£157,000). However, there is still an over spend of £1,826 million with the service seeing unprecedented demand. Firstly, the number of hours of care covered by home care services has increased as people have either opted to not return to, or are having a reduced service from, the internal day services provision following a review of their assessed need. Secondly, there has been an increase in the complexity of people’s needs – e.g. waking nights required rather than sleep-in nights which increases the cost of service delivery considerably. Thirdly, the service has experienced an increase in agency costs in internal homecare due to difficulty in recruiting.
- Older People Residential Care – the over spend of £1.149 million mainly relates to an increase in the number of care packages. It was reported in the quarter 2 revenue monitoring report that care packages had increased from 328 placements at quarter 1 to 345 placements at quarter 2. This increase has continued throughout the remainder of 2022-23, to reach 400 placements at quarter 4. In addition, all contributions towards residential care are financially assessed in

accordance with the Social Services and Wellbeing (Wales) Act 2014 but the average income received each year will vary in total depending on the financial position of the people needing care during the financial year – e.g. if there are a large number of people who have no savings or assets, and are therefore reliant on the local authority paying their contribution in full then this will decrease the overall average income received per person.

- Learning Disabilities Residential and Respite Care - there is an over spend of £822,000, increasing from the over spend of £584,000 projected at quarter 3. The increase is primarily due to one-off restructure costs in the Breakaway Respite Service. This service has undergone extensive remodelling to deal with increasing complex needs, emergency respite support and specialist support with a 24 hour support model when required. The underlying over spend is due to increased costs for existing placements within the residential and nursing service due to changing needs.
- Learning Disabilities Day Opportunities - the over spend of £630,000 mainly relates to placement numbers exceeding the available budget for externally commissioned day services (£449,000). Placement numbers are similar to those in 2021-22, however the pressure was offset in the prior year by one-off grant income of £302,000. Secondly, whilst the learning disabilities home care budget also has an over spend as people have not returned to internal day services, new people are taking up the vacant day services placements. Thirdly, transport costs are higher (£177,000) due to the service having to hire vehicles on a short term basis as the service has experienced delays in the delivery of replacement vehicles due to chassis parts being difficult to obtain. The delays, originally due to a backlog of orders from Covid but further impacted by the Ukraine war, are still being experienced so further pressures relating to vehicle hire are expected in 2023-24. Finally, whilst efficiencies were identified and implemented in 2022-23 in relation to the £115,000 MTFS saving relating to re-modelling of Day Services, work is continuing to further develop the remodelling to enable the savings target to be met in full in 2023-24 as reported in section 3.2.4. A plan has been formulated to achieve the remaining savings in 2023-24.
- Equipment & Adaptions - the over spend of £460,000 is because of continuing demand for equipment due to the need to support individuals in line with Welsh Government's rehabilitation and recovery model. The outturn for 2021-22 saw a comparable underlying pressure in this service area of £401,000 demonstrating this is an ongoing pressure, and one which will continue into 2023-24. Budget growth of £298,000 was approved by Council as part of the Medium Term Financial Strategy (MTFS) budget setting process in March 2023 which will alleviate some of the pressure in 2023-24, however this budget will require close monitoring going forward.
- Mental Health Home Care - this includes supported living, short breaks and domiciliary care. The over spend of £415,000 is mainly due to supported living packages of care exceeding the available budget based on needs of people using the service. There are currently 38 placements, an increase of 3 placements since quarter 3, and whilst supported living packages of care have decreased slightly since the 40 reported in 2021-22, the one-off Social Care Pressures Grant funding received was utilised to offset a considerable element of the prior year over spend of £454,000.

- Learning Disabilities Direct Payments - there is an over spend of £307,000 as the service area has seen a shift to people choosing to opt for direct payments in line with the legal requirement for choice. This shift does not necessarily result in under spends in other service area budgets as there is currently significant demand for social services support across the directorate.
- Assessment and Care Management – there is an over spend of £59,000 which is primarily due to the increased costs of having to rely on agency staffing in the Community Network teams. Various recruitment activities and initiatives have been actioned in order to fill vacant posts, but appointments have been affected by the acute lack of availability of staff and increasing demands across the Care sector.

These are partially offset by under spends in the following areas:-

- Mental Health Supported Accommodation - the £219,000 under spend primarily relates to maximisation of Innovation grant funding.
- Older People Home care – the under spend of £586,000 has improved by £646,000 from a projected over spend of £216,000 at quarter 3. This is mainly due to a reduction in the average hours of care being provided in Independent Domiciliary Care and Short Breaks placement costs (£256,000). Additional income of £318,000 was also received in quarter 4 relating to non-residential charges.

Prevention and Wellbeing

- The under spend of £198,000 is primarily due to the maximisation of grant funding opportunities (Transformation, Summer of Fun, Local Authority Partnership Agreement, Disability Sports and Families First grant). A payment of £190,000 was made to the Council's leisure provider to contribute towards the residual impact of running the leisure services in 2022-23 due to Covid-19. This was funded from the Council wide Covid-19 budget that was approved for 2022-23 specifically to meet ongoing budget pressures as a result of the Covid-19 pandemic.

Children's Social Care

There is a net over spend of £6.290 million on the Children's Social Care budget, which is an increase on the projected net over spend of £5.123 million at quarter 3. The main reason for this is the increase in Independent Residential Care placements (£786,000).

The most significant variances contributing to this over spend were:-

CHILDREN'S SOCIAL CARE	Actual Variance Over/(under) budget £'000
Care Experienced Children	3,497
Commissioning & Social Work	2,414
Management & Administration	333

- The over spend of £3.497 million for care experienced children is due to a combination of factors:-
 - Children's Residential Services have an over spend of £582,000 mainly due to additional spend on agency staff of £721,000 as a result of the challenging recruitment market and need to staff services safely to meet the needs of children within Bridgend homes. This was offset by under spends on core staff budgets (£254,000).
 - The independent residential care budget (previously known as out of county) has an over spend of £2.419 million, an increase of £786,000 since quarter 3. Two further placements have been made in quarter 4 increasing the number of children currently placed in independent residential care to 24 compared with the 22 placements reported at quarter 3. The extent of the pressure on this budget is further demonstrated when comparing this with the 9 placements at quarter 4 in 2021-22. This is due to a number of factors, including high numbers of care experienced children, sufficient numbers of quality placements to meet needs including foster carers (in-house and independent) and children requiring specialist provision sometimes with high staffing ratios to keep them safe and protected. The average yearly placement cost is £130,000, however this can vary depending on the individual cases. It should be noted that this budget area can be volatile and small changes in demand/complexity can result in relatively high costs being incurred.
 - A budget pressure of £650,000 for Independent Residential Care placements was approved by Council for the 2023-24 budget, however demand has increased from the basis upon which this pressure was calculated. The budget will require close monitoring during 2023-24. Additional in-house capacity will become operational in 2023-24 which should be more cost effective and achieve better outcomes for children.
 - There is an under spend on independent fostering agency placements (£194,000) and fostering placements (£19,000). This is due to a shortage of foster carers and hence alternative placement options being utilised, including in-house residential provision (£582,000 as noted above) and special guardianship orders, which ended the year on an over spend position of £335,000. These budgets will continue to be monitored closely in 2023-24 and budgets vired as appropriate.
 - The fostering team (who manage all the Fostering placements) have an over spend of £140,000, which has reduced from the quarter 3 projected over spend of £160,000. This is due to reduced use of agency staffing as management are actively trying to recruit permanent staff where possible, however this is proving to be a considerable challenge given the current recruitment market. Progress is however being made.
 - The placements team have an over spend of £123,000 primarily as they have had to rely on agency staff. Various recruitment activities and initiatives have been actioned in order to fill vacant posts, but appointments have been affected by the acute lack of availability of staff and increasing demands across the care sector.
 - In terms of funding for budget pressures for 2023-24, Children's Services received over £2.533 million covering areas such as key personnel to strengthen leadership oversight which is a key finding for Care Inspectorate Wales (CIW), Independent Residential Care placements which is a pressure area as noted above, Direct Payments for children with disabilities, support for the Information, Advice and Assistance Team which addresses some but not all the workforce pressures to keep the service safe and caseload at a reasonable level, and Children's Residential Services so the new in-house service has safe staffing levels and can

achieve CIW registration. This will alleviate some, but not all, key pressure areas in Children’s Services in the forthcoming financial year, and further consideration will need to be given by Council in future year budgets to the sustainable resource required to improve the quality of outcomes for children and families in Bridgend.

- Commissioning & Social Work – the over spend of £2.414 million is mainly due to having to continue to rely on agency staffing across all the children’s social work teams due to the need to resource child protection and safeguarding teams combined with ongoing recruitment challenges. A sustainability plan will be considered by Cabinet which will set out the level of workforce required to safely staff services which may present an ongoing budget pressure.. The outturn reflects the ongoing permanent staff recruitment issues and reliance on agency staff for the foreseeable future. Agency staff are being utilised where possible to limit the impact on service delivery and ensure that statutory duties are met. Every opportunity is taken to convert agency arrangements into permanent employment where possible.
- Management & Administration – the over spend of £333,000 relates primarily to an increase in staffing costs, including agency costs, who are supporting key roles in Children’s Services. There has been a significant increase in children and young people referred for care and support and/or due to safeguarding concerns. In addition to the impact this has on the social work teams being required to discharge their statutory duties, there is also the impact on business support due to the pivotal role they play in ensuring statutory timescales and recording requirements are met.

3.3.3 Communities Directorate

The net budget for the Directorate for 2022-23 was £31.040 million and the actual outturn was £30.601 million following planned draw down of £2.965 million from earmarked reserves, resulting in an under spend of £439,000. The main variances are:

COMMUNITIES DIRECTORATE	Net Budget	Actual Outturn	Actual Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Planning and Development	691	637	(54)	-7.8%
Economy, Natural Resources & Sustainability	1,665	1314	(351)	-21.1%
Waste Disposal & Collection	9,836	9,882	46	0.5%
Fleet Services	177	493	316	178.5%
Highways Services (DSO)	3,245	2,959	(286)	-8.8%
Engineering Services	101	(47)	(148)	-146.5%
Corporate Landlord	3,095	3,479	384	12.4%
Parks, Playing Fields & Bereavement	2,454	2,166	(288)	-11.7%

Planning and Development

- The under spend in planning and development of £54,000 is primarily due to an upturn in planning application income. Fee income is subject to considerable fluctuations between years, depending on number of types of applications. For example in 2020-21 the service generated a surplus of £14,000, and in 2021-22 a deficit of £249,000.

Economy, Natural Resources and Sustainability

- The under spend of £351,000 is primarily due to staff vacancies in the Climate Response Change section. Various recruitment activities have been actioned in order to fill vacant posts, but appointments have been affected by challenging market conditions. Of the 5 vacant posts in 2022-23, 3 have now been filled and the service area is actively looking to recruit and fill the remaining 2 vacancies, therefore this saving will not be recurring in 2023-24.

Waste Disposal and Collection

- There is a net over spend of £46,000 on the waste disposal and collection budgets. This is made up of:
 - an under spend of £247,000 on the waste disposal budget. Whilst there has been a delay in the achievement of COM 2 – Re-location of Community Recycling Centre from Tythegston to Pyle of £60,000 (see para 3.2.2) this has been offset by a reduction in the disposal fee of residual waste at the Material Recovery and Energy Centre (MREC) and a slight reduction in the tonnage figures in 2022-23.
 - an over spend of £294,000 on the waste collection budget. This is primarily due to a one-off invoice from Kier to correct a historic undercharge relating to the application of inflationary costs to the contract.

Fleet Services

- There is an over spend on Fleet services of £316,000. The fleet services team operate on a break-even basis with re-charges for work undertaken on directorate, South Wales Police (SWP) and the general public's vehicles, generating income to support staffing and overhead costs. Productivity continues to be impacted by long term sickness as well as recruitment and retention difficulties. A review of the service is currently being undertaken which is looking at productivity and maximising the provision provided by SWP and the Council and to review any overlap provided, to maximise productivity and to identify any possible efficiencies. A report outlining options in regard of the operating model and charging mechanisms is in the final stages of development in mitigating the budget position of fleet services. It is anticipated that this will be available in quarter 2 of 2023-24.

Highways Services

- There is an under spend within highways services of £286,000 which is partly due to staff vacancies as a result of recruitment difficulties. The following teams in particular are experiencing difficulties in recruiting – hazing (£78,000), and stores (£26,000). The balance of the under spend is due to core funded staff being utilised to support work on capital schemes – e.g. replacement of street lighting works. In these cases, the salary costs can be capitalised, thus generating one-off income for the service area.

Engineering Services

- There is an under spend on engineering services of £148,000. This is primarily due to an increase in the level of fee earning jobs (grant funded/non grant funded projects) and the differing chargeable rates allowed on the schemes.

Corporate Landlord

- There is an over spend of £384,000 against the Corporate Landlord service for 2022-23.
- There are shortfalls in income generated from properties run by the Council due to occupancy shortfall. These include:-

Property	Income Shortfall	Narrative
Science Park	£26,500	A review of each of the budget lines on this property is required as there has been a shortfall on service charges and commission/insurance as was the case for 2021-22
Innovation Centre	£124,500	The building was partly vacated ready to develop the enterprise hub. This project has since been aborted and the vacant units have not been filled
Bridgend Market	£113,000	Shortage in rental income due to a number of empty stalls

- The Corporate Landlord service has also incurred additional one-off costs of £82,000 net in respect of works undertaken as part of the Enterprise Hub Development Programme which are reflected in the outturn position. Officers are continuing to seek sources of funding to complete the physical development of the business units.

Parks, Playing Fields & Bereavement

- There is an under spend £288,000 on Parks, Playing Fields and Bereavement Services.
- £85,000 of this is within Bereavement services which is primarily due to an increase in burial income compared with budgeted income levels. It is anticipated that income levels will return to normal levels in 2023-24.
- The Parks budget has an under spend of £69,000 due to staff vacancies. The service area has successfully recruited to one of the vacant posts and is actively looking to recruit and fill the remaining vacancy, therefore this saving will not be recurring in 2023-24.
- The Playgrounds budget has an under spend of £116,000 due to staff vacancies (£92,000) and the corresponding under spend on supply budgets linked to these vacant posts (£24,000). The service area is actively looking to recruit to the vacant posts in 2023-24, therefore the saving should not be recurring in 2023-24.

3.3.4 Chief Executive's

The net budget for the Directorate for 2022-23 was £23.498 million and the actual outturn was £21.446 million following planned draw down of £2.631 million from earmarked reserves, resulting in an under spend of £2.052 million. The projected under spend at quarter 3 was £1.172 million. The main reason for the improved year end position was the receipt in quarter 4 of an increase to the 'No One Left Out' grant for homelessness from WG of £1.021 million.

The main variances are:-

CHIEF EXECUTIVE'S	Net Budget	Actual outturn	Actual Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Legal, Democratic & Regulatory	5,495	5,528	33	0.6%
ICT	4,052	4,341	289	7.1%
Housing & Homelessness	3,431	1,167	(2,264)	-66.0%
Elections	114	311	197	172.8%
Business Support	1,418	1,198	(220)	-15.5%
Partnerships	2,256	2,090	(166)	-7.4%

Legal, Democratic & Regulatory

- Whilst there is a small net over spend of £33,000 across Legal, Democratic and Regulatory services, legal fees continue to be a budget pressure as reported in the previous budget monitoring reports. The pressure experienced in 2021-22 on public and private law childcare cases, along with an increase in volume of complex cases that have required Senior Counsel, continued into 2022-23. The final over spend for legal fees for 2022-23 was £417,000 however this was supported by earmarked reserve draw down of £340,000 during the year to cover the continuing pressure in this service area.

ICT

- There is a net over spend of £289,000 across ICT budgets. As highlighted in 2021-22, due to reduced printing activity ICT have been unable to cover the fixed costs of printers and photocopiers through the re-charge to service departments. Consequently, reduced spend will have been incurred on printing budgets across the service departments and included in the projections for individual service areas. A review will take place during 2023-24 and a budget realignment exercise undertaken to mitigate this from recurring. The under recovery of fixed costs and print room costs of £148,000 will continue to be monitored as to whether any future budget virements will need to be actioned in 2023-24. Additional costs of £35,000 were also incurred on postage budgets as a consequence of a combination of providing support for council wide staff working from home before the introduction of the hybrid working model and a general increase in postage costs. This will continue to be monitored in 2023-24 as part of the Future Service Delivery Model.

Housing & Homelessness

- There is an under spend of £2.264 million on Housing & Homelessness. This has improved from the projected under spend of £1.278 million reported at quarter 3 primarily due to additional grant funding and the delay in payment in relation to the V2C scheme (see below).
- Budget growth of £2.192 million was approved by Council as part of the MTFS Budget setting process in February 2021 to continue the commitment to focus support for homeless individuals providing them with accommodation. The budget was approved prior to confirmation from WG that the Covid Hardship Fund was to be extended through 2021-22.
- Despite the Hardship fund not being in place for 2022-23, WG recognised the need for homelessness accommodation to be secured in advance to continue the commitment to focus on support for homeless individuals and approved £1.479 million to cover these costs for the first six months of 2022-23. In addition, the accommodation element of the Hardship Fund was replaced in 2022-23 by a WG 'Homelessness – No One Left Out' initial grant award of £1.046 million. During quarter 4 additional one-off funding of £1.021 million was provided by WG under the No One Left Out scheme to support the in-year housing pressures. Of the overall £3.546 million support provided by WG in 2022-23, £2.5 million is one-off.
- The actual spend on Homelessness accommodation in 2022-23 was £3.824 million.
- The accommodation costs have been offset against the combined WG funding of £3.546 million referred to above with the shortfall of £217,000 being covered by the budget growth of £2.192 million.
- The service area had planned to utilise part of the under spend against the core budget to fund a revenue contribution to capital of £530,000 for a refurbishment programme working with Valleys to Coast (V2C). V2C confirmed that the properties will be available to the Council for nomination rights and to support those individuals and families in temporary accommodation. The capital budget was approved by Council on 20 July 2022, however due to delays in completing the legal agreement, an earmarked reserve has been established to enable the project to go ahead in 2023-24.
- The accommodation spend is based on increased numbers of homeless households and individuals supported, from 187 households and 298 individuals (94 of these children) in March 2022 to 250 households and 479 individuals (179 of these children) in March 2023.
- The demand for accommodation is anticipated to continue into 2023-24. Council approved a budget pressure in the MTFS in March 2023 of £700,000 based on increased numbers of households and individuals supported with accommodation, increasing the core budget to £2.892 million. WG have confirmed £898,694 for the 'No one left out grant' in 2023-24 resulting in a total accommodation budget of £3.791 million in 2023-24. Given that the actual accommodation costs for 2022-23 were £3.824 million this budget will require close monitoring in the new financial year.

Elections

- An earmarked reserve of £116,000 was previously established to cover the costs of the local government elections in May 2022. The costs of the local elections and by-elections during 2022-23 exceeded the earmarked reserve, resulting in a one-off over spend of £197,000.

Business Support

- The under spend of £220,000 relates primarily to staff vacancies. The service area is actively looking to recruit and fill these vacancies therefore this saving will not be recurring in 2023-24.

Partnerships

- This service areas includes Transformation, Partnerships and Customer Services & Engagement. The under spend of £166,000 is primarily due to staff vacancies in the Customer Care section (£155,000). Various recruitment activities have been actioned in order to fill vacant posts, but appointments have been affected by challenging recruitment market conditions.

3.3.5 Council Wide budgets

This section includes budgets, provisions and services which are council wide, and not managed by an individual directorate. The net budget for 2022-23 was £41.221 million and the actual outturn was £31.684 million, resulting in an under spend of £9.537 million.

The most significant variances were:-

COUNCIL WIDE BUDGETS	Net Budget	Actual Outturn	Actual Variance Over/(under) budget	% Variance
	£'000	£'000	£'000	
Capital Financing Costs	7,203	5,070	(2,133)	-29.6%
Council Tax Reduction Scheme	16,054	14,885	(1,169)	-7.3%
Insurance Premiums	1,363	1,671	308	22.6%
Repairs and Maintenance	497	-	(497)	-100.0%
Other Council Wide Budgets	6,814	960	(5,854)	-85.9%

Capital Financing Costs

- The under spend of £2.133 million mainly relates to interest paid and received due to a combination of lower borrowing than anticipated as the Council uses its own internal resources to finance schemes, and additional interest from current investments. The additional interest from current investments is primarily due to the continuing increase in interest rates with the Bank of England confirming a further increase to 4.5% in May 2023, the highest it has been since 2008.

Council Tax Reduction Scheme

- There is an under spend of £1.169 million on the Council Tax Reduction Scheme. This is a demand led budget and take-up is difficult to predict with an increase of £400,000 included within the budget for 2022-23 in anticipation of increased demand. Take up is slightly lower than 2021-22 when the gross spend in this budget area was £15.239 million. However, the budget will be closely monitored in 2023-24 as it is possible that there could be an additional call on the scheme in view of the impact of the cost of living crisis on personal financial circumstances and a potential increase in the number of benefit claimants.

Insurance Premiums

- There is an over spend of £308,000 on the insurance budget as a result of increased insurance premiums and the value of claims settled in 2022-23. As a result of a recent procurement exercise, insurance premiums will be less in 2023-24. In addition, the value of claims settled is anticipated to be a one-off pressure, but the insurance budget will be monitored closely in 2023-24 and any early indication of any ongoing significant changes will be reported to Cabinet through the quarterly budget monitoring reports.

Repairs and Maintenance

- There is an under spend of £497,000 which is as a result of slippage on some minor works schemes and feasibility studies, which will now be completed in 2023-24. An earmarked reserve has been established to meet these costs in the next financial year.

Other Council Wide Budgets

- Other council wide budgets include funding for pay and price increases along with funding to deal with unexpected costs unforeseen when the budget was set. There is a net under spend of £5.905 million on other council wide budgets. The main areas contributing to this under spend are:-
- Inflation rates have fluctuated since the budget was set – CPI was 6.2% when the budget was set in February 2022, had increased to 10.7% in November 2022, reducing slightly to 10.1% in the 12 months to March 2023. The majority of the budget estimated for price inflation is retained centrally within council wide budgets and allocated to directorates/schools as further information is known about specific contractual price increases – e.g for energy. The majority of the under spend relates to reductions in requirements to allocate price budgets to service areas in-year as the Council did not see the increases in CPI impact on contractual arrangements in 2022-23. However, even though CPI has fallen to 8.7% in April 2023, there is ongoing uncertainty around the impact of the war in the Ukraine and, along with the known energy cost increases in 2023-24, it is likely that the provision set aside in the MTFS for 2023-24 will need to be supplemented by any funding not committed from the council wide budgets this financial year.
- There has also been a reduction in corporate support required to fund redundancy costs as, following the better than anticipated WG settlement for 2022-23, fewer budget savings had to be made. In addition, there was a lower than anticipated requirement against the £1 million MTFS Covid-19 pressure approved by Council in February 2022.

3.4 Review of Earmarked Reserves

- 3.4.1 The Council is required to maintain adequate financial reserves to meet the needs of the organisation. The MTFS includes the Council's Reserves and Balances Protocol which sets out how the Council will determine and review the level of its Council Fund balance and earmarked reserves. During 2022-23 Directorates drew down funding from specific earmarked reserves and these were reported to Cabinet through the quarterly monitoring reports. The final draw down from reserves was £18.910 million and is summarised in Table 5 below. A more detailed breakdown of the movement on reserves is outlined in **Appendix 4**.

Table 5 – Draw Down from Earmarked Reserves during 2022-23

	Draw down from Earmarked Reserves 2022-23 £'000
Education & Family Support	1,903
Schools	7,330
Social Services & Wellbeing	3,809
Communities	2,965
Chief Executives	2,631
Council Wide	272
Total	18,910

3.4.2 The net under spend position of £2.057 million for 2022-23, as set out in 3.1.2, along with the unwinding of existing earmarked reserves, where no longer required, has enabled a limited amount of new earmarked reserves to be created at year end, the most significant being £1.3 million towards the Cost of Living Fund, £530,000 contribution to capital for a refurbishment programme working with Valleys to Coast (V2C) (see 3.3.4), £301,000 carry forward of minor works revenue projects and £114,000 feasibility studies unable to be completed in 2022-23 (see 3.3.5).

3.4.3 A full breakdown of the total movement on earmarked reserves at 31st March 2023 is provided in **Appendix 4**. Table 6 below summarises the final position on all useable reserves for the year, including the Council Fund.

Table 6 – Summary of Movement on Earmarked Reserves 2022-23

Opening Balance 1 April 2022 £'000	Reserve	Movement at Quarter 4		Closing Balance 31 March 2023 £'000
		Additions/ Reclassification £'000	Drawdown £'000	
10,110	Council Fund Balance	-	-	10,110
59,195	Council Wide Reserves	11,836	(10,299)	60,732
24,064	Directorate Reserves	4,139	(9,022)	19,181
9,245	Equalisation & Grant Reserves	1,247	(4,789)	5,703
14,228	School Balances	-	(7,330)	6,898
106,732	Total Earmarked Reserves	17,222	(31,440)	92,514
116,842	Total Reserves	17,222	(31,440)	102,624

3.4.4 In terms of financial reserves, the Council Fund balance represents 3.16% of the net revenue budget for 2022-23, or 4.84% of the net revenue budget, excluding schools. This aligns closely with MTFs Principle 9 which states that:-

The Council Fund balance should be set at a prudent but not excessive level. This will normally be maintained at a level of 5% of the Council's net budget, excluding schools.

3.4.5 A thorough review of earmarked reserves is being undertaken by Corporate Management Board during quarter 1 of 2023-24, including assessing the draw down profile and re-profiling of existing earmarked reserves against emerging risks for the Council as a whole. The results of this exercise will be reported in the quarter 1 budget monitoring report to Cabinet in July.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 The protected characteristics identified within the Equality Act 2010, Socio-economic Duty and the impact on the use of the Welsh language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. The allocation of budget determines the extent to which the Council's well-being objectives can be delivered. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

6.1 There are no direct implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no direct implications arising from this report.

8. Financial Implications

8.1 These are reflected in the body of the report.

9. Recommendation

9.1 The Committee is recommended to consider the revenue outturn position for 2022-23.

Background documents:

Individual Directorate Monitoring Reports