

<b>Meeting of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	<b>16 JANUARY 2024</b>
<b>Report Title:</b>	<b>BUDGET MONITORING 2023-24 – QUARTER 3 REVENUE FORECAST</b>
<b>Report Owner/ Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE</b>
<b>Responsible Officer:</b>	<b>JOANNE NORMAN GROUP MANAGER – BUDGET MANAGEMENT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>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.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The net revenue budget for 2023-24 is £342.334 million. The overall projected position at 31st December 2023 is a net over spend of £10.287 million.</b></li> <li>• <b>The projected over spend is primarily due to ongoing pressures within the Social Services and Wellbeing Directorate, Home to School Transport and homelessness.</b></li> <li>• <b>The budget approved for 2023-24 included budget reduction proposals totalling £2.608 million. The current position is a projected shortfall on the savings target of £246,000, or 9.43% of the overall reduction target.</b></li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to provide Cabinet with an update on the Council's revenue financial position as at 31st December 2023.

## **2. Background**

- 2.1 On 1st March 2023, Council approved a net revenue budget of £342.047 million for 2023-24 based on the provisional local government settlement received from Welsh

Government in December 2022. The Welsh Government announced its final settlement on 28th February 2023 which included an increase in the Revenue Support Grant (RSG) for the Council of £287,106, increasing the net revenue budget for 2022-23 to £342.334 million. The reasons for this increase were outlined in a report to Council on 15th March 2023, but were mainly in respect of the transfer into the final local government settlement of the Fire and Rescue Authority (FRA) Scape grant.

2.2 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 December 2023

3.1.1 The Council's net revenue budget and projected outturn for 2023-24 is shown in Table 1 below.

**Table 1- Comparison of budget against projected outturn at 31st December 2023**

Directorate/Budget Area	Original Budget 2023-24 £'000	Revised Budget 2023-24 £'000	Projected Year end spend Q3 2023-24 £'000	Projected Over / (Under) Spend 2023-24 £'000	Projected Over / (Under) Spend Qtr 2 2023-24 £'000
<b>Directorate</b>					
Education and Family Support	137,488	145,800	146,939	1,139	1,746
Social Services and Wellbeing	92,791	99,316	111,900	12,584	12,690
Communities	30,545	34,532	34,781	249	600
Chief Executive's	24,003	25,410	26,675	1,265	248
<b>Total Directorate Budgets</b>	<b>284,827</b>	<b>305,058</b>	<b>320,295</b>	<b>15,237</b>	<b>15,284</b>
<b>Council Wide Budgets</b>					
Capital Financing	7,203	7,142	4,233	(2,909)	(2,598)
Levies	9,189	9,189	9,180	(9)	(19)
Apprenticeship Levy	650	750	788	38	19
Council Tax Reduction Scheme	16,054	16,054	15,603	(451)	(213)
Insurance Premiums	1,363	1,363	1,238	(125)	(102)
Repairs & Maintenance	670	670	630	(40)	(40)
Pension Related Costs	430	430	457	27	0
Other Council Wide Budgets	21,948	1,678	197	(1,481)	(1,399)
<b>Total Council Wide Budgets</b>	<b>57,507</b>	<b>37,276</b>	<b>32,326</b>	<b>(4,950)</b>	<b>(4,352)</b>
<b>Total</b>	<b>342,334</b>	<b>342,334</b>	<b>352,621</b>	<b>10,287</b>	<b>10,932</b>

3.1.2 The overall projected position at 31st December 2023 is a net over spend of £10.287 million comprising £15.237 million net over spend on directorates and a net under spend of £4.950 million on Council wide budgets. A detailed analysis of the more significant projected under and over spends is set out in section 3.3.

- 3.1.3 The overall projected position has improved since the net projected over spend of £10.932 million reported at quarter 2. In October, the Chief Executive wrote to all members of staff to indicate that new measures were being introduced, as modelling suggested that a total of £20 million of cuts may be required to address the 2023-24 over spend as well as to fund new budget pressures in 2024-25. These included a selective vacancy freeze, not entering into any new contracts or purchasing new equipment unless absolutely necessary, and maximisation of grant and fee income. There has been a reduction in the number of roles advertised in quarter 3 of 17.1% compared to quarter 2 and a 26.9% reduction when compared to quarter 3 in 2022-23. Where these measures have positively impacted on projections, this has been set out in section 3.3.
- 3.1.4 The main financial pressures are in the service areas of Social Services and Wellbeing (SSWB), Home to School Transport (HtST) and Homelessness. In 2022-23, the SSWB 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, a significant proportion of this was to address the implementation of the Real Living Wage for care workers. The SSWB Directorate continues to see an increase in demand and this budget growth is currently insufficient to meet the increase in demand, with current projections showing a £12.584 million over spend in 2023-24. A 3 year sustainability plan to improve outcomes for Children and Family Services in Bridgend was approved by Council on 20th September 2023, with a budget virement of £1 million approved for Children's services and the additional use of up to £2.5 million of earmarked reserves whilst a more permanent funding solution is sought.
- 3.1.5 There is a projected over spend on Home to School Transport of £1.157 million. 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. These procurement exercises resulted in generally higher costs across many contracts.
- 3.1.6 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 with a further £700,000 approved in March 2023, to continue the commitment to focus support for homeless individuals. However, the Council has seen a significant increase in the provision of temporary accommodation, from 232 households and 436 individuals in November 2022 to 299 households and 559 individuals in November 2023. There is a projected over spend on Housing & Homelessness of £538,000 at quarter 3.

#### **Budget virements/technical adjustments**

- 3.1.7 There have been a number of budget virements and technical adjustments between budgets since the Medium Term Financial Strategy (MTFS) was approved by Council in March 2023. The budget position is reported on the assumption that these virements will be approved.

3.1.8 The other main virements and technical adjustments since quarter 2 are outlined below:

#### Budget Virements

<b>Service vired from / to</b>	<b>Amount</b>
Transfer of funding from the Capital Financing budget to Communities Directorate to cover the cost of prudential borrowing for highways maintenance schemes as agreed when the capital funding was approved.	£60,893

#### Technical Adjustments

<b>Service vired from / to</b>	<b>Amount</b>
Allocation of funding retained centrally in respect of National Joint Council (NJC) pay award 2023-24 for school employees – confirmed in November 2023	£2,551,490
Allocation of funding retained centrally in respect of National Joint Council (NJC) pay award 2023-24 for directorate employees – confirmed in November 2023	£5,521,330
Allocation of funding retained centrally in respect of teachers' pay award 2023-24 (covering September 2023 to March 2024)	£2,466,750
Transfer of inflationary uplifts not confirmed when the Medium Term Financial Strategy was agreed that are held centrally until evidence of the uplift is provided by the service areas (detailed in paragraph 3.1.11).	£1,338,076

#### Pay/Price Inflation

3.1.9 When the budget for 2023-24 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 amounts released from these budgets during quarter 3, based upon confirmed pay awards and evidenced price inflationary uplifts.

3.1.10 The adjustments to pay budgets reflect agreement on pay claims for Teachers' pay and National Joint Council employees, both of which were agreed in recent months.

3.1.11 Price inflationary uplifts include £0.605 million for Home to School Transport contracts, £0.523 million inflationary uplift on the waste collection contract, and £0.105 million for software increases in line with the Consumer Price Index (CPI).

3.1.12 The Council has experienced additional costs as a result of increases in inflation not seen for over a decade, partly as a consequence of the impact of the war in the Ukraine.

3.1.13 There is therefore no further funding available for any more unexpected major pay/price inflation increases. Inflation rates have remained high for most of

2023-24 with CPI at 6.7% in August 2023. Whilst CPI reduced to 3.9% in November, its lowest level in two years, prices remain substantially above what they were before the war in Ukraine began in February 2022 and the budget will need to be monitored closely during the remainder of the year and going into 2024-25.

### **Budget Reduction Proposals**

- 3.1.14 The net budget for the financial year has been set assuming full implementation of the current year budget reduction requirements across the Council's budget, which amount to £2.608 million. Where proposals to meet this requirement have been delayed or are not achievable directorates have been tasked with identifying alternative proposals to meet their requirements such as vacancy management, or bringing forward alternative budget reduction proposals.
- 3.1.15 In March 2023 Council approved the Medium Term Financial Strategy for 2023-24 to 2026-27. This identified the need to develop recurrent budget reduction proposals, based on the most likely scenario, amounting to £17.165 million over the next four years. However, it has become evident in recent months that the position going forward is likely to be even more challenging than this, with recurrent in-year over spends needing to be mitigated, along with additional pay and price pressures. Against that background it is essential that expenditure is kept within the overall approved budget as far as possible, and that longer term proposals continue to be developed so that the Council has as much flexibility as possible to meet the challenges which lie ahead. Likewise, any opportunities to reduce spend in-year will continue to be taken to try and improve the year end position.
- 3.1.16 At year end consideration will be given to any budget over spends to determine whether these should be carried forward as a first call on the directorate budget for the following year. Similarly, consideration will be given to requests from Corporate Directors to carry forward any planned directorate under spends for specific purposes into the following year, in line with the Council's Reserves and Balances Protocol. However given the quarter 3 overall projected over spend for the Council, and that carry forward of planned under spends can only be approved as long as they can be met from within the Council's cash limited budget for 2023-24, it is unlikely that there will be capacity to establish new, or increase existing, earmarked reserves at year-end. This is in line with the reports to Cabinet and Council on the MTFs, and the Council's Financial Procedure Rules.
- 3.1.17 If over spends are due to budget reduction proposals not being achieved, Corporate Directors will be asked to identify if any of these proposals are still not likely to be achieved in full during the 2024-25 financial year, and to identify mitigating actions that will be undertaken to achieve them.

## **3.2 Monitoring of Budget Reduction Proposals**

### **Prior Year Budget Reductions**

- 3.2.1 A report was presented to Cabinet on 20th June 2023 on the Revenue Budget Outturn 2022-23. In the report it was highlighted that, for 2017-18 to 2021-22, there were £179,000 of budget reduction proposals that were not met in full, with a total outstanding balance to be met of £60,000. In addition, of the 2022-23 budget reduction proposals of £631,000, it was reported that there was a total outstanding

balance to be met of £176,000. Corporate Directors have been asked to identify if any of these proposals are still not likely to be achieved in full during the 2023-24 financial year, and to identify mitigating actions that will be undertaken to achieve them. All remaining outstanding prior year budget reductions are summarised in **Appendix 1** with a summary per directorate provided in Table 2.

**Table 2 – Outstanding Prior Year Budget Reductions**

	<b>Total Budget Reductions Required</b>	<b>Total Budget Reductions Likely to be Achieved</b>	<b>Shortfall</b>
<b>DIRECTORATE /BUDGET REDUCTION AREA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Social Services and Wellbeing	115	115	0
Communities	165	0	165
<b>TOTAL</b>	<b>280</b>	<b>115</b>	<b>165</b>

*Note: The total budget reductions required in Table 2 represents the full original budget reduction targets.*

3.2.2 Table 2 shows that of the £280,000 outstanding reductions, £115,000 is likely to be achieved in 2023-24 leaving a shortfall of £165,000. Proposals still not likely to be achieved include:

- COM 2 – Re-location of Community Recycling Centre from Tythegston to Pyle (£60,000 shortfall). Positive progress has been made with Natural Resources Wales in relation to the licence at the new site in Pyle, however both sites will be maintained until the new site is fully operational, therefore the saving will not be implemented until mid-way through 2024-25.
- COM 3 – change the composition of household food waste bags (£35,000 shortfall). The budget reduction proposal was delayed until the outcome of national research had been completed to ensure any potential changes in legislation did not impact on this proposal. The new waste contractors from 1st April 2024 have been advised of the change of composition, therefore the saving will be made in full during 2024-25.
- COM 4 – remove Business in Focus from running Enterprise Centres in Bridgend (£20,000 shortfall). The review of the Business in Focus continues to be explored to identify operating efficiencies.
- COM 5 – commercially let a wing of Ravens Court to a partner organisation of business (£50,000 shortfall). Demand for office space at this time is limited, the re-letting market is extremely challenging and investment is required on the heating and ventilation system in Ravens Court before being able to lease the building. It is intended to accelerate shared use of space with public sector partners, in particular South Wales Police in the Civic Offices, in 2024-25

3.2.3 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. There are no plans to draw down from this reserve in 2023-24, and the reserve will be maintained to offset future budget reduction shortfalls due to the challenging budgetary position going forward.

### **Budget Reductions 2023-24**

3.2.4 The budget approved for 2023-24 included budget reduction proposals totalling £2.608 million, which is broken down in **Appendix 2** and summarised in Table 3 below. The current position is that £2.358 million has been achieved to date with only a further £4,000 in savings likely to be achieved by year end, leading to an overall projected shortfall on the savings target by year end of £246,000, or 9.43% of the overall reduction target.

**Table 3 – Monitoring of Budget Reductions 2023-24**

	Total Budget Reductions Required	Total Budget Reductions Achieved to date	Total Budget Reductions Likely to be Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000	£'000
Education and Family Support	40	0	0	40
Schools	2,118	2,118	2,118	0
Social Services and Wellbeing	0	0	0	0
Communities	375	165	169	206
Chief Executive's	75	75	75	0
<b>TOTAL</b>	<b>2,608</b>	<b>2,358</b>	<b>2,362</b>	<b>246</b>

3.2.5 The most significant budget reduction proposals unlikely to be achieved in full are:-

- EDFS1 – Delegation of school transport responsibilities to The Bridge Pupil Referral Unit (£40,000 shortfall). Officers are continuing to investigate the practicalities and implications of this bespoke transport arrangement.
- COM1 – closure of each of the Community Recycling Centre sites for one weekday per week (£46,000 shortfall). Public consultation on this proposal was undertaken between 30th June and 12th September 2023, with the outcome reported to Cabinet on 21st November 2023, when the proposal was approved. The current waste contractor is in the process of implementing this saving, and a marginal saving will be made in 2023-24, with the full saving being realised in 2024-25.
- COM 2 – Charging Blue Badge Holders for parking (£40,000 shortfall). The traffic management team have been engaged in the introduction of the national speed limit (20mph) in built up areas, and therefore the saving proposal is unlikely to be achieved in 2023-24 due to the resource required to introduce this change first.
- COM5 – commercially let a wing of Ravens Court to a partner organisation or business (£120,000 shortfall) – Demand for office space at this time is limited, the re-letting market is extremely challenging and investment is required on the heating and ventilation system in Ravens court before being able to lease the building. It is

intended to accelerate shared use of space with public sector partners, in particular South Wales Police in the Civic Offices, in 2024-25.

3.2.6 **Appendix 2** identifies the projected amount of saving against these proposals in detail and action to be taken by the directorate to mitigate the shortfall. Corporate Directors continue to work with their staff to deliver their proposals or alternatives and this is reflected in the forecast outturn for the year.

3.2.7 In the longer term, these proposals must be realised or must be met through alternative budget reduction proposals in order to deliver a balanced budget position.

### 3.3 **Commentary on the financial position at 31st December 2023**

#### **Financial position at 31st December 2023**

A summary of the financial position for each main service area is attached in **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 Education and Family Support Directorate, including school delegated budgets, for 2023-24 is £145.800 million. Current projections indicate an over spend of £1.139 million at year end. The main variances are:

<b>EDUCATION &amp; FAMILY SUPPORT DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Learner Support	6,935	7,663	728	10.5%
Family Support	3,602	3,273	(329)	-9.1%
Home to School Transport	8,625	9,782	1,157	13.4%
Catering Services	2,195	2,083	(112)	-5.1%
Corporate health and safety	411	280	(131)	-31.9%

#### **Schools' delegated budgets**

Total funding currently delegated to schools in 2023-24 is £116.015 million.

The schools' delegated budget is reported as balanced as any under spend or over spend is automatically carried forward 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'.

At the start of 2023-24, projections indicated an overall surplus balance for school delegated budgets of £221,890 at year end. At quarter 2 this reduced to a £72,960 projected surplus. At quarter 3 this had reduced to an overall projected deficit of £167,593. There are 22 primary schools, 1 secondary school and 2 special schools (47% of all schools) projecting a deficit balance at year end.



## **Central Education and Family Support Directorate budgets**

### Learner Support

- There is a projected net over spend of £728,000 in Learner Support budgets. This primarily relates to a projected over spend on the inter-authority recoupment budget due to an increase in demand for Bridgend pupils in out of county placements from 16 in Summer 2022 up to 21 for Summer 2023 and 22 in Autumn 2023 (£478,000) as there are insufficient spaces at Heronsbridge and Ysgol Bryn Castell. The balance mainly relates to a projected increase in demand for additional learning needs support at schools, in particular complex medical needs, sensory support and communication and relationship support.

### Family Support

- The projected under spend of £329,000 primarily relates to staff vacancies and receipt of additional grant funding. The two additional grants are the Youth Endowment Fund (£262,000 – 18 months from September 2023 to March 2025) and the Turnaround grant (£59,000 – two years, ending March 2025). The under spend has increased from the £280,000 projected at quarter 2 due to the selective recruitment freeze.

### Home-to-school transport (HtST)

- The revenue outturn report for 2022-23 highlighted a £1.316 million over spend on the HtST budget. This was primarily as a result of retendering exercises that had taken place, which had been impacted by unfavourable market conditions. This had subsequently resulted in 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 is projecting a similar projected over spend for 2023-24 of £1.157 million.

### Catering Services

- There is a projected under spend of £112,000 in Catering Services which has significantly improved from the projected over spend of £390,000 reported at quarter 2. This is mainly due to the receipt of a working balance of £237,000 from Paypoint who administered Free School Meal holiday vouchers on behalf of the authority until the end of the May half term holiday. The deposit was held open until quarter 3 to maximise the number of vouchers that had been issued being redeemed by families. Without this, Catering Services would be projecting an over spend of £125,000.
- Secondly, Welsh Government announced on 20th December that they had completed their review on the Universal Primary Free School Meals (UPFSM) unit rate and had agreed an increase per meal to £3.20 from £2.90 effective from January 2024. However, in recognising the additional costs incurred in delivering the UPFSM offer at pace, additional funding will also be released in 2023-24. This has improved the projections since quarter 2 by £148,000.
- Price inflation on food has been particularly volatile in 2023-24, with a recent reduction in food inflationary levels seen. The cost of food purchases will be closely monitored for the remainder of 2023-24, and into 2024-25 to determine whether the inflationary pressures in this area continue to impact on cost recovery in this service area.

#### Corporate Health and Safety Unit

- The projected under spend of £131,000 within the Corporate Health and Safety Unit primarily relates to staff vacancies. The projected under spend has increased since the £36,000 reported at quarter 2 due to current vacancies being placed on hold in light of the selective recruitment freeze.

### 3.3.2 Social Services and Wellbeing Directorate

The Social Services and Wellbeing Directorate's net budget for 2023-24 is £99.316 million. Within that, Council approved budget pressures of £8.174 million as part of the Medium Term Financial Strategy.

This funding was used to support :

- £2.5 million for Real Living Wage for care workers ;
- inflationary uplifts on commissioned contracts ;
- demographic pressures ;
- Children's Residential and Independent Residential Care ;
- Learning Disabilities ;
- strengthening of leadership in response to challenging Care Inspectorate Wales inspections ;
- workforce pressures to safeguard and protect children.

In 2023-24 the Directorate has continued to experience service and financial pressures in meeting statutory duties with a backdrop of a continued exponential increase in demand in Children's social care which impacts on the workforce required and a further increase in the number of independent residential placements in Children's services. This includes a small number of placements at any time which are Operating Without Registration (OWR). Given the additional risks of children living in settings without the protection accorded by regulation, these placements are risk managed and have higher staff ratios, which drive the cost of the service. A 3 year sustainability plan to improve the way that children and families are supported in Bridgend was agreed by Council on 20th September 2023. The financial implication of this plan is an approved budget virement of £1 million for Children's services and the additional use of up to £2.5 million of earmarked reserves whilst a more permanent funding solution is sought. Good progress is being made with implementing the plan, particularly to progress the steady and safe reduction of agency workforce, through improved retention and recruitment of a permanent workforce, including international recruits. A new emergency residential assessment service has been opened and is avoiding the costs of additional placements. However, even one additional placement can have massive budgetary implications meaning, despite progress, spend has been contained, rather than reduced.

Alongside this, there continues to be pressures in learning disabilities and older people's services driven by the complexity of need. The Social Services Improvement Board is overseeing a number of actions to address the growth in the adult services budget. These include accelerating the work to transform learning disabilities. An independent review highlighted the need to invest to save to 'right size and right price' care packages to support people to live as independently as possible. Also to support people to retain and regain independence, a target of 80%

of all assessments where long term care and support at home is indicated to go through short term service including enabling and reablement has been set. The pathways between care and support and preventative services to maximise the opportunity for people to have wellbeing outcomes met through community connection and resources in their community. Further actions for 2024-25 are being developed into a 3 year service and financial strategic plan for adult services to be considered by Cabinet in the spring of 2024.

Current projections, as at quarter 3, indicate an over spend of £12.584 million at year end compared with £12.690 million at quarter 2.

The main budget variances are :

<b>SOCIAL SERVICES AND WELLBEING DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Adult Social Care	65,934	71,095	5,161	7.8%
Prevention and Wellbeing	7,452	7,290	(162)	-2.2%
Childrens Social Care	25,931	33,515	7,585	29.3%

### **Adult Social Care**

There is projected net over spend of £5.161 million on the Adult Social Care budget. The most significant variances contributing to this projected over spend are:

<b>ADULT SOCIAL CARE</b>	<b>Projected Variance Over/(under) budget</b>
	<b>£'000</b>
Learning Disabilities Home Care	1,993
Homes For Older People	961
Assessment and Care Management	821
Learning Disabilities Residential Care	811
Mental Health Homecare	679
Learning Disabilities Day Opportunities	578
Older People Direct Payments	302
Physical Disability/Sensory Impairment Direct Payments	198
Physical Disability/Sensory Impairment Home Care	101
Equipment & Adaptions	84
Physical Disability/Sensory Impairment Residential/ Nursing	61
Learning Disabilities Direct Payments	(112)
Administration and Central Services	(142)
Mental Health Residential Care	(185)
Mental Health Supported Accommodation	(208)
Older People Home Care	(765)

- Learning Disabilities Home Care – the projected over spend of £1.993 million is comparable with the projected over spend of £1.960 million reported at quarter 2. This is the result of the number of hours of care covered by home care services has increased and there has been an increase in the complexity of people’s needs – e.g. waking nights required rather than sleep-in.
- Homes For Older People – the projected over spend of £961,000 is mainly due to increased Residential/Nursing placement costs (£1.112 million) and has decreased by £136,000 since quarter 2, mainly due to an increase in client contribution income - £129,000.
- Assessment and Care Management – there is a projected over spend of £821,000 due to the need to have agency cover as a result of the recruitment environment and demands in the system particularly linked to supporting the acute hospital and timely discharges.
- Learning Disabilities Residential Care – there is a projected over spend of £811,000 which is primarily due to increased costs for existing placements due to changing needs (£891,000) which is partially offset by under spends on the Breakaway Respite Service (£80,000) due to staff vacancies. The quarter 2 position was a projected over spend of £673,000 with the increase to quarter 3 being primarily due to 1 additional complex new placement.
- Mental Health Home Care – this includes supported living, short breaks and domiciliary care. The projected over spend of £679,000 is mainly due to increased needs of people with supported living packages of care and a net increase of 5 placements since quarter 2 taking the total to 50. This has increased from the projected spend of £315,000 reported at quarter 2.
- Learning Disabilities Day Opportunities – the projected over spend of £578,000 mainly relates to placement numbers exceeding the available budget for external day services. The projected over spend for external day services has increased by £114,000 since quarter 2 due to the transfer of a high cost placement from Children’s Services, plus an increase in support required on two existing placements.
- Older People Direct Payments – there is a projected over spend of £302,000 across the Direct Payments budgets in this area. The main reason for the projected over spend is the increasing complexity of cases resulting in the projected over spend increasing from the £179,000 reported at quarter.
- Physical Disability/Sensory Impairment Direct Payments - there is a projected over spend of £198,000. The projected over spend relates to an increasing complexity of cases that impact on the average cost of direct payments support.
- Physical Disability/Sensory Impairment Home Care - there is a projected over spend of £101,000 which has improved since the quarter 2 projected over spend position of £152,000.
- Equipment & Adaptions – the projected over spend of £84,000 has reduced from the quarter 2 projected over spend £141,000. The over spend position is because of

continuing demand for equipment due to the need to support individuals in line with Welsh Government's rehabilitation and recovery model.

- Physical Disability/Sensory Impairment Residential/Nursing – the projected over spend of £61,000 is due to higher placement numbers than budget. The position has improved from the quarter 2 projected over spend of £80,000 due to an increase in self-funding service user contributions.
- Learning Disabilities Direct Payments – there is projected under spend of £112,000 which has improved from the projected under spend at quarter 2 of £84,000.
- Administration and Central Services – the projected under spend of £142,000 is mainly due to staffing vacancies.
- Mental Health Residential Care – the projected under spend of £185,000 has increased from the quarter 2 projected under spend of £76,000. This is as a result of 3 placements ending in quarter 3.
- Mental Health Supported Accommodation – the projected £208,000 under spend primarily relates to utilisation of Innovation Grant Funding to support staffing budgets in this service area (£262,000).
- Older People Home Care – the projected £765,000 under spend primarily relates to staffing under spends as a result of the recruitment challenges in the home care sector. Agency staff have been utilised to supplement the workforce where available, however the service is still experiencing ongoing recruitment challenges. The service has also sought to maximise the Regional Integrated Fund and Transformation grant funding - £140,000 - which has overall resulted in a projected under spend on staffing of £508,000.

#### **Prevention and Wellbeing**

- The projected under spend of £162,000 is primarily due to the utilisation of grant funding opportunities offsetting salary costs (£122,000 in Prevention and Wellbeing and £25,000 in Playworks).

#### **Children's Social Care**

There is projected net over spend of £7.585 million on the Children's Social Care Budget. This is compared to a quarter 2 projected over spend of £7.614 million. The most significant variances contributing to this projected over spend are:-

<b>CHILDREN'S SOCIAL CARE</b>	<b>Projected Variance Over/(under) Budget – qtr 3 £'000</b>	<b>Projected Variance Over/(under) Budget – qtr 2 £'000</b>
Care Experienced Children	5,329	5,142
Commissioning & Social Work	2,335	2,055
Management & Administration	196	352
Other Child & Family Support Services	(208)	3

- The projected over spend of £5.329 million for Care Experienced Children is due to a combination of factors:-
  - The Independent Residential Care budget has a projected over spend of £5.235 million and has increased by £463,000 from the quarter 2 projected over spend of £4.772 million. The number of care experienced children in out of authority placements remains the same as at quarter 2 - 27. The projected over spend has increased since quarter 2 due to an increase in agency costs as a result of higher staffing ratios for a number of specific high cost placements and an increase in complexity of existing placements. The underlying over spend position is due to a number of factors, including high numbers of care experienced children, insufficient quantum and quality of 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.
  - Children's Residential Services are projecting an under spend of £346,000, compared with the projected under spend position of £143,000 at quarter 2. This is due to a decrease in costs for agency staff as a result of successfully recruiting permanent members of staff. There is a projected under spend relating to this growth as the posts are being recruited to in 2023-24, along with a delay in the opening of the Golygfa'r Dolydd, a new build children's home.
  - There is a projected under spend on Independent Fostering Agency placements (£344,000). This has decreased since the quarter 2 projected under spend position of £462,000 as the number of placements has increased. The underlying under spend is due to other placement options being utilised including Special Guardianship Orders which are projecting an over spend of £472,000.
- Commissioning and Social Work – the projected over spend of £2.335 million is mainly due to having to rely on agency staffing across all the children's social work teams due to the recruitment challenges and the need to operate above establishment to maintain safe caseloads, although good progress is being made in retaining and recruitment including international recruitment and conversion of some agency workers to permanent contracts.

The service area has however seen an increase in the projected over spend of £90,000 in care support and placement costs, the majority of which relate to Care Experienced Children/care support spend such as court ordered drug testing, assessments, reports, travel and therapy costs.

- Management & Administration – the projected over spend of £196,000 (quarter 2 - £352,000 over spend) relates primarily to staffing costs. There has been a significant increase in children and young people referred for care and support and/or due to safeguarding concerns which require strong and effective management oversight in accordance with inspection findings.
- Other Child & Family Support Services – the projected under spend of £208,000 is primarily due to an anticipated refund from the Regional Adoption service due to their overall budget projecting an under spend and the number of children from Bridgend being adopted continuing to be proportionately lower than budgeted for.

### 3.3.3 Communities Directorate

The net budget for the Directorate for 2023-24 is £34.532 million. Current projections, as at quarter 3, indicate an over spend of £249,000 at year end, an improved position from the projected over spend of £600,000 at quarter 2. The Directorate has undertaken work on increasing fees and charges in-year including charges for green and bulky waste collections, Council operated car parks and burial fees, the impact of which will be reported in the outturn report. Secondly, Corporate Landlord are working on several office rationalisation proposals, including closing both Ravens Court and the Innovation Centre and maximising the use of the Civic Offices, including accommodating partners such as South Wales Police. Other opportunities are also being explored with service areas to ensure the best use of the corporate estate. Finally, maximising grant funding is an ongoing activity as the Directorate has a number of significant grant allocations, including £23 million over 3 years for the Shared Prosperity Fund.

The main variances are:

<b>COMMUNITIES DIRECTORATE</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Development Control	(217)	(150)	67	30.9%
Development Planning	1,139	1,046	(93)	-8.2%
Climate Change Response	571	401	(170)	-29.8%
Waste Disposal & Collection	10,260	10,161	(99)	-1.0%
Fleet Services	135	485	350	259.3%
Highways Services (DSO)	3,347	3,097	(250)	-7.5%
Engineering Services	214	135	(79)	-36.9%
Corporate Landlord	4,435	4,943	508	11.5%

#### Development Control and Planning

- The projected over spend in Development Control of £67,000 is primarily due to the anticipated slippage of significant developments into 2024-25, resulting in a projected downturn in planning application income. At quarter 2, these developments were projected to be submitted in 2023-24, and a projected under spend of £106,000 was reported. Fee income is subject to considerable fluctuations between years, depending on number and of types of applications. For example, in 2021-22 the service experienced a deficit of £249,000, compared with a surplus of £54,000 in 2022-23.
- The projected under spend in Development Planning of £93,000 is due to staff vacancies. Whilst the service has recently gone through a restructure, the service is finding it difficult to recruit to vacant posts.

#### Climate Change Response

- The projected under spend of £170,000 in the Climate Change Response budget is primarily due to staff vacancies (£75,000) and subsequent projected under spend on associated climate change supplies and services budgets (£95,000) as a result of the selective vacancy freeze.

### Waste Disposal and Collection

- There is a net projected under spend on the Waste Disposal and Collection budget of £99,000 which has improved from the projected net over spend of £373,000 reported at quarter 2. The improvement is mainly due to one-off efficiencies during the final year of the waste collection contract. There are still underlying pressures on the waste budget, including:
  - £60,000 due to the delay in the achievement of the 2022-23 MTFS saving, COM 2 - Re-location of Community Recycling Centre from Tythegston to Pyle resulting in cessation of lease payments at the existing site. Positive progress has been made with Natural Resources Wales (NRW) in relation to the licence at the new site in Pyle, however both sites will be maintained until the new site is fully operational, therefore the saving will not be implemented until mid-way through 2024-25.
  - £35,000 due to the delay in the achievement of the 2022-23 MTFS saving, COM 3 – change the composition of Household Food Waste Bags. The budget reduction proposal was delayed until the outcome of national research had been completed to ensure any potential changes in legislation did not impact on this proposal. The new waste contractors from 1st April 2024 have been advised of the change of composition, therefore the saving will be made in full during 2024-25.
  - £50,000 due to the delay in the achievement of the 2023-24 MTFS saving, COM 1 – closure of each of the Community Recycling Centre sites for one weekday per week. Public consultation on this proposal was undertaken between 30th June and 12th September 2023, with the outcome reported to Cabinet on 21st November 2023, when the proposal was approved. The current waste contractor is in the process of implementing this saving, and a marginal saving will be made in 2023-24, with the full saving being realised in 2024-25.
  - The remainder of the underlying over spend is due to an increase in subscribers for both the Absorbent Hygiene Products (AHP) (£124,000) and Garden Waste (£53,000) collection services. The AHP service has been promoted to further improve the recycling levels achieved in Bridgend which also mitigates the risk of fines imposed by Welsh Government (WG) if local authorities do not meet their recycling targets. It has seen an increase of 6.2% since the start of the 2022-23 financial year. Garden waste subscriptions have increased by 20% over the last two years with the number of subscribers increasing from 6,249 in 2021-22 to 7,536. An annual subscription fee is charged for the service, and the garden waste collected also improves the recycling levels achieved in Bridgend, however it is not currently a fully cost-recovering service.

### Fleet Services

- There is a projected over spend of £350,000 on Fleet Services which has worsened since the £231,000 projected at quarter 2. The fleet services team operate on a break-even basis with re-charges for work undertaken on directorates, South Wales Police (SWP) and the general public's vehicles, generating income to support staffing and overhead costs. Productivity levels continue to be impacted by long term sickness and ongoing issues with recruitment and retention difficulties. A report outlining options in respect of the operational model and charging mechanisms is in the final stages of development in mitigating the budget position of fleet services.



#### Highways Services

- The projected under spend of £250,000 within Highways Services is primarily due to core funded staff being utilised to support work on capital schemes. In these cases, the salary costs can be capitalised, thus generating one-off income for the service area.

#### Engineering Services

- There is a projected under spend on Engineering Services of £79,000. 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 a projected over spend of £508,000 against Corporate Landlord. As reported in the 2022-23 outturn report, there are shortfalls in income generated from properties run by the Council that relate to occupancy shortfalls which have continued into 2023-24. It was reported at quarter 1 that there was already an underlying shortfall in income at Bridgend Market of £100,000 which had increased to £198,000 at quarter 2 due to the identification of Reinforced Autoclaved Aerated Concrete (RAAC) and the closure of the market. There is also a shortfall in income of £130,000 for the Innovation Centre and £130,000 on Industrial Units, and a strategy is being developed to reduce these income shortfalls in the longer term.
- Corporate Landlord continue to seek to commercially let out wings of Ravens Court to a partner organisation or business. However, at present demand for office space is limited and the re-letting market extremely challenging. As noted in section 3.2.2 and 3.2.5 the £50,000 target for 2022-23 and the £120,000 target for 2023-24 in relation to this MTFs proposal will not be achieved in this financial year which represents a further £170,000 pressure on the Corporate Landlord estates budget.
- The projected over spends have been partially offset by staffing vacancies of £208,000 in line with the selective recruitment freeze.

### **3.3.4 Chief Executive's**

The net budget for the Directorate for 2023-24 is £25.410 million. Current projections anticipate an over spend against this budget of £1.265 million. This is compared to a projected over spend position of £248,000 at quarter 2. The main reason for the increase in projected over spend since quarter 2 is the significant increase in numbers of individuals and households supported to continue the commitment to focus on support for homeless individuals providing them with accommodation. The service area is working on both short and medium term plans to mitigate the increase in temporary accommodation costs.

In the short term the Rapid Rehousing Transitional Plan sets out the intention to work in partnership with key stakeholders to prevent homelessness and to ensure that where prevention is not possible, homelessness is brief and people have access to the support required to live as independently as possible. Secondly, the service is seeking to expand the existing Alternative to Bed & Breakfast Accommodation (ABBA) service which is a partnership working model with Registered Social Landlords (RSLs) to reduce the usage of Bed and Breakfast Accommodation through the provision of suitable temporary accommodation units, with linked housing related support, supporting the move into independent accommodation. Finally, the service is undertaking feasibility work with Corporate

Landlord to develop a procurement strategy whereby the Council purchases, owns and manages shared accommodation.

In the medium term, the service is working with RSLs to utilise capital income streams such as the Social Housing Grant to increase suitable housing stock over a 5 year programme. 2023-24 has seen £3.5 million transitional capital being invested creating an additional 38 units of social housing in the borough. Secondly, Cabinet approved in November 2023 to join the Welsh Government private rent sector Leasing Scheme with the aim of increasing the supply of suitable, affordable accommodation in the borough and reduce demand on homelessness services.

The main variances are:

<b>CHIEF EXECUTIVE'S</b>	<b>Net Budget £'000</b>	<b>Projected outturn £'000</b>	<b>Actual Variance Over/(under) budget £'000</b>	<b>% Variance</b>
Housing & Homelessness	4,177	4,715	538	12.9%
ICT	4,367	4,405	38	0.9%
Legal, Democratic & Regulatory	6,074	6,792	718	11.8%

#### Housing & Homelessness

- There is a projected over spend of £538,000 on Housing & Homelessness. This is compared to the projected under spend position of £522,000 at quarter 2.
- 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. An additional budget pressure of £700,000 was approved by Council in March 2022 based on increased numbers of households and individuals supported with accommodation. The core accommodation budget for 2023-24 is £2.722 million.
- For 2023-24, Welsh Government (WG) have confirmed grant funding of £898,694 for accommodation under the "No One Left Out" funding stream, and £137,000 for financial assistance for families and individuals experiencing financial difficulties with accommodation under a Discretionary Homelessness Prevention Grant. The total funding confirmed for 2023-24 of £1.036 million is significantly lower than the total grant allocation of £2.128 million which was received in 2022-23.
- Projected spend on Homelessness accommodation in 2023-24 is £4.790 million, compared with £3.9 million at quarter 2. As well as the core accommodation budget (£2.722 million), total WG accommodation grant funding (£898,694) and Ukrainian grant funding (£72,000) the service has also seen an increase in rental income relating to Housing Benefits claimed by tenants who have been supported with homelessness accommodation (£392,000). The net impact is a projected over spend on homelessness accommodation of £705,000.
- The projected accommodation spend is based on increased numbers of households and individuals supported, from 232 households and 436 individuals in November 2022 to 299 households and 559 individuals in November 2023. The service has seen a significant increase in support

provided since quarter 2 which has contributed to the change to a projected over spend at quarter 3 - in September 2023 there were 276 households and 514 individuals, therefore an increase of 45 individuals and 23 households compared with the November 2023 figures. Secondly, the projected over spend is due to the average length of stay in temporary accommodation increasing from 110 days in November 2022 to 161 days in November 2023. Thirdly, the makeup of households in temporary accommodation involves large households and families with disabilities for whom temporary accommodation is difficult to secure and often results in significantly higher costs. The budget will require close monitoring throughout the remainder of 2023-24 in line with any further changes in support required for homelessness accommodation.

- The projected over spend on accommodation is partially mitigated by the projected under spend of £135,000 on staff vacancies which has increased from the £89,000 under spend projected at quarter 2 in line with the selective vacancy freeze.
- The other area of projected under spend in Housing relates to the Housing Deposits budget, a fund that is used to support initial set-up costs in temporary accommodation which is projecting a £69,000 under spend.

### ICT

- There is a projected net over spend of £38,000 across ICT budgets. This has improved from the projected net over spend of £60,000 reported at quarter 2 due primarily to an increase in the projected under spend on staff vacancy management as a result of the selective vacancy freeze.
- Due to reduced printing activity ICT have been unable to recover the fixed costs of printers and photocopiers through the re-charge to service departments consequently reduced spend has been incurred on printing budgets across the service departments and the ICT service has received less income. An exercise was undertaken in quarter 2 to re-align print budgets and the position in ICT reflects a £125,000 realignment from service area budgets.

### Legal, Democratic & Regulatory

- There is a net over spend of £718,000 across Legal, Democratic and Regulatory services, which shows a slightly improved position from the quarter 2 projected net over spend of £747,000. The projected over spend is primarily due to legal fees continuing to be a budget pressure. The pressures experienced in 2022-23 on public and private law childcare cases, along with an increase in volume of complex cases that have required King's Counsel, are continuing into 2023-24 and the projections are based on the number and complexity of cases.
- In comparison, the over spend on legal fees for 2022-23 was £417,000, but this was offset by an earmarked reserve of £340,000 which was drawn down in full in that financial year.
- There is also a net £99,000 projected over spend in Regulatory Services (Licencing, Public Health, Pest Control etc) due to under recovery of income, particularly in Taxi Licencing and Environmental Health.

### 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 2023-24 is £37.276 million. Current projections anticipate an under spend against this budget of £4.950 million. The main variances are:-

<b>COUNCIL WIDE BUDGETS</b>	<b>Net Budget</b>	<b>Projected Outturn</b>	<b>Projected Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Capital Financing	7,142	4,233	(2,909)	-40.73%
Council Tax Reduction Scheme	16,054	15,603	(451)	-2.81%
Other Council Wide Budgets	1,678	197	(1,481)	-88.26%

#### Capital Financing

- The projected under spend of £2.909 million mainly relates to additional interest from current investments due to the higher level of interest rates agreed by the Bank of England Monetary Policy Committee. It was noted in the revenue outturn report that the increase to 4.5% in May 2023 was the highest it has been since 2008, but this has further increased to 5% in June 2023 and 5.25% in August 2023. The rate has remained frozen at 5.25% since August.
- The under spend is predicated on interest rates being sustained throughout the remainder of 2023-24. It should also be noted that this will not be a recurring under spend as the Council approved new Highways and Children's Playground refurbishments in the Capital Programme in March 2023 to be funded from a combination of unallocated capital funding and prudential borrowing and this has not been drawn down in full to date.

#### Council Tax Reduction Scheme

- There is currently a projected under spend of £451,000 on the Council Tax Reduction Scheme. This is a demand led budget and take-up is difficult to predict. The projected take-up for 2023-24 is higher than in 2022-23 when the gross spend in this budget area was £14.885 million, although part of this would be as a result of the council tax increase in April 2023. The budget will be closely monitored going into 2024-25 as there could be an additional call on the scheme in view of the impact of the cost of living crisis on personal financial circumstances with the potential for an increase in the number of benefit claimants.

#### Other Council Wide Budgets

- As referred to in paragraph 3.1.13 there is no further funding available for any further unexpected major price inflation increases and the budget will need to be monitored closely going into 2024-25. However it is anticipated that there will be a reduction in corporate support required to fund potential redundancy costs as, following the better than anticipated WG settlement for 2023-24, fewer budget reduction proposals had to be made.
- In addition, when the 2023-24 budget was approved, a number of recurrent pressures for 2023-24 totalling £9.77 million were agreed with a further £1.3 million being retained centrally to support emerging pressures. At the September meeting of Council, £1 million of this was approved to be allocated to Social Services as part of the 3 year sustainability plan for Children's Services in line with the Financial

Procedure Rules. Cabinet have approved the use of the uncommitted funding of £300,000 for emerging budget pressures to be utilised against the increased cost of the annual waste collection service from 2024-25, therefore contributing to the overall projected under spend for other council wide budgets in 2023-24.

### **3.3.6 Council Tax Collection**

At quarter 2 it was reported that it was still early in the financial year to provide a realistic indication of projected council tax income for 2023-24, and whether the Council was likely to see a reduction in council tax income as more people have suffered financial hardship due to the current cost of living crisis, or whether additional income would be collected from the introduction of council tax premiums on empty properties. Projections at quarter 2 indicated that budgeted council tax income levels would be achieved with the possibility of up to 1% additional income, around £1 million. It is still projected at quarter 3 that up to 1% additional income will be achieved, however, due to changing personal circumstances of individuals, and changes to those receiving council tax support, council tax collection rates will be monitored continuously throughout the remainder of the year and reported accordingly.

## **3.4 Review of Earmarked Reserves**

3.4.1 A thorough review of earmarked reserves was undertaken by Corporate Management Board during quarter 1 of 2023-24, which included an assessment of the draw down profile and re-profiling of existing earmarked reserves.

3.4.2 The review in quarter 1 identified £3.067 million of reserves to be unwound in order to fund emerging risks for the Council as a whole during 2023-24 and a further £733,000 to be repurposed for similar schemes. On 20th September 2023 Council approved the use of £2.5 million of the unwound reserves to support the deliverability of the 3 year sustainability plan, to improve outcomes for Children and Family Services in Bridgend, whilst a more permanent funding solution is sought. The other significant earmarked reserve established was £355,000 towards the demolition costs of Brackla Car Park.

3.4.3 The cumulative draw down by directorates in 2023-24 is £5.799 million as shown in Table 4 below. The majority of draw down from earmarked reserves takes place in the latter stages of the financial year, especially on capital and grant funded schemes. In addition, school balances are not adjusted until the year end – an overall reduction in year of £7.066 million on school balances is currently projected.

**Table 4 – Earmarked Reserves – Quarter 3**

Opening Balance 01 Apr 23	Reserve	Net Additions/ Reclassification	Draw-down	Unwound	Closing Balance 31 Dec 23
£		£	£	£	£
	<b>Corporate Reserves:</b>				
50,531	Capital Programme Contribution	3,014	-	(2,099)	51,446
3,794	Asset Management Reserves	355	(421)	(199)	3,529
2,978	Major Claims, Health & Safety, Insurance Reserves	-	-	(848)	2,130
2,893	Service Reconfiguration	-	-	-	2,893
2,263	Cost of Living Fund	-	(2,263)	-	-
3,423	Change Management/ Digital Transformation	(142)	(196)	(120)	2,965
2,000	Economic and Future Resilience Fund	-	-	(294)	1,706
<b>67,882</b>	<b>Total Corporate Reserves</b>	<b>3,227</b>	<b>(2,881)</b>	<b>(3,560)</b>	<b>64,669</b>
	<b>Directorate Earmarked Reserves:</b>				
693	Education & Family Support	78	(185)	(99)	488
6,076	Social Services & Wellbeing	2,500	(1,831)	(100)	6,646
2,753	Communities	130	(106)	(69)	2,708
3,102	Chief Executives	153	(747)	(486)	2,022
<b>12,624</b>	<b>Total Directorate Reserves</b>	<b>2,862</b>	<b>(2,868)</b>	<b>(754)</b>	<b>11,864</b>
	<b>Equalisation &amp; Grant Earmarked Reserves:</b>				
2,074	Education & Family Support	(78)	(50)	(736)	1,210
436	Social Services & Wellbeing	-	-	(350)	86
2,846	Communities	-	-	(594)	2,252
346	Chief Executives	(153)	-	-	193
<b>5,703</b>	<b>Total Equalisation Reserves</b>	<b>(232)</b>	<b>(50)</b>	<b>(1,680)</b>	<b>3,741</b>
<b>6,898</b>	<b>School Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,898</b>
<b>10,109</b>	<b>Council Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,109</b>
<b>103,217</b>	<b>Total Reserves</b>	<b>5,857</b>	<b>(5,799)</b>	<b>(5,994)</b>	<b>97,282</b>

3.4.4 The capital programme contribution reserve supplements the funding the Council receives from WG and via capital receipts to fund the approved capital programme. Currently, there is a balance of £51.446 million of funding in this reserve which constitutes 52.9% of our overall earmarked reserves balances. This will be used to fund a wide range of schemes in the capital programme.

3.4.5 The School balances reserve decreased from £14.228 million to £6.898 million at the end of 2022-23. As noted in paragraph 3.3.1, the quarter 2 projections indicate a projected overall deficit balance for school delegated budgets of £167,593 at year end. This will reduce this reserve accordingly by year end.

#### **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 Cabinet is recommended to:

- note the projected revenue position for 2023-24

**Background documents:** Individual Directorate Monitoring Reports