

<b>Meeting of:</b>	<b>CORPORATE OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 JUNE 2025</b>
<b>Report Title:</b>	<b>REVENUE BUDGET OUTTURN 2024-25</b>
<b>Report Owner/ Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>JOANNE NORMAN GROUP MANAGER – BUDGET MANAGEMENT</b>
<b>Policy Framework and Procedure Rules:</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>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• The net revenue budget for 2024-25 was £360.671 million. The overall outturn at 31st March 2025 is a net under spend of £300,000 which has been transferred to the Council Fund.</li> <li>• This takes into account the establishment of a net £13.063 million of new earmarked reserves in 2024-25 to enable investment into services and facilities for residents and to mitigate future risks and expenditure commitments.</li> <li>• Total Directorate budgets provided a net over spend of £2.376 million and Council Wide budgets a net underspend of £15.128 million.</li> <li>• The outturn position also takes into account additional council tax income collected over budget of £611,000 during the financial year.</li> <li>• The overall under spend on the Council budget significantly masks underlying budget pressures in Additional Learning Needs services, Home to School Transport, and Children's social care.</li> <li>• The main reasons for the overall under spend in 2024-25 are:- <ul style="list-style-type: none"> <li>➤ Unanticipated Welsh Government grant of £3.290 million towards the teachers' pay award for 2024-25 and NJC pay pressures.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>➤ A £2.044 million saving from Council agreeing a change in the Minimum Revenue Provision Policy on 23 October 2024.</li> <li>➤ Unanticipated Welsh Government grant of £2.024 million towards revenue cost pressures.</li> <li>➤ Not needing to utilise the £1.558 million that was built into the Medium Term Financial Strategy 2024-28 towards emerging budget pressures and as a contingency against non-deliverability of budget reduction proposals.</li> <li>• The budget approved for 2024-25 included budget reduction proposals totalling £13.045 million. At 31st March 2025 there was a shortfall on the savings target of £1.569 million, or 12.03% of the overall reduction target.</li> <li>• During 2024-25 Directorates drew down funding from specific earmarked reserves. The final revenue draw down from reserves was £5.397 million.</li> </ul>
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## **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 position for the year ended 31st March 2025.

## **2. Background**

- 2.1 On 28th February 2024, Council approved a net revenue budget of £359.725 million for 2024-25 based on the provisional local government settlement received from Welsh Government (WG) in December 2023. The Welsh Government announced its final settlement on the 27th February 2024 which included an increase in the Revenue Support Grant (RSG) for the Council of £649,540 along with three grants transferring into the settlement totalling £296,723, increasing the net revenue budget for 2024-25 to £360.671 million. The reasons for this increase were outlined in a report to Council on 13th March 2024, but were mainly in respect of an additional £14.4 million (across Wales) included in the Final Local Government Settlement to support pressures in both social care and education, including teachers' pay.
- 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 March 2025**

- 3.1.1 The 2024-25 financial year has continued to be a complex year in managing the Council's budget.

3.1.2 A significant number of grants were received in the last quarter of the financial year, the majority of which were unanticipated, including £2.637 million of Welsh Government revenue directorate grants and £3.358 million for schools, resulting in a change in the financial position between quarter 3 and quarter 4.

3.1.3 The most significant changes between quarter 3 and quarter 4 were:-

Directorate budgets

- Welsh Government revenue cost pressures grant - £2.024 million – allocated to Additional Learning Needs (ALN) services (£549K), Adult Social Care (£435K), Children's Services (£500K) and Home to School Transport (£540K)
- A £1.570 million reduction in the overall Insurance fund liability following a number of claims being repudiated or discontinued
- Rates rebate on Council buildings - £682,000
- Additional Welsh Government Homelessness Prevention grant - £254,000
- Additional Welsh Government ALN grant funding - £209,000
- Additional Welsh Government Afghan Resettlement grant - £198,000

Schools delegated budgets

- Additional Welsh Government School Standards grant - £1.594 million
- Welsh Government Teacher's pay and pension grant allocated to schools - £1.215 million
- Additional Welsh Government Reform ALN Coordinator grant - £234,000
- Additional Welsh Government Schools Causing Concern grant - £199,000

3.1.4 Given the changes that have occurred which have resulted in a better financial position at the end of 2024-25, the Council is able to earmark some of this funding to investments to support its residents. A more detailed review of Earmarked reserves is provided in section 4.4 of the report and **Appendix 4**.

3.1.5 The Council's net revenue budget and final outturn for 2024-25 is shown in **Table 1** below.

**Table 1- Comparison of budget against actual outturn at 31st March 2025**

Directorate/Budget Area	Original Budget 2024-25 £'000	Current Budget 2024-25 £'000	Final Outturn Q4 2024-25 £'000	Final Over / (Under) Spend 2024-25 £'000	Projected Over / (Under) Spend Qtr 3 2024-25 £'000
<b>Directorate</b>					
Education, Early Years and Young People	143,485	148,823	148,477	(346)	1,422
Social Services and Wellbeing	104,575	109,463	109,952	489	2,796
Communities	30,704	33,271	33,590	319	825
Chief Executive's	22,425	23,578	25,492	1,914	1,922
<b>Total Directorate Budgets</b>	<b>301,189</b>	<b>315,135</b>	<b>317,511</b>	<b>2,376</b>	<b>6,965</b>
<b>Council Wide Budgets</b>					
Capital Financing	7,052	6,907	1,351	(5,556)	(4,699)
Levies	9,635	9,645	9,549	(96)	(76)
Apprenticeship Levy	750	750	889	139	120
Council Tax Reduction Scheme	16,054	16,054	16,326	272	461
Insurance Premiums	1,363	1,363	(426)	(1,789)	(210)
Repairs & Maintenance	670	364	0	(364)	0
Pension Related Costs	430	430	465	35	41
Other Corporate Budgets	23,528	10,023	2,254	(7,769)	(9,389)
<b>Total Council Wide Budgets</b>	<b>59,482</b>	<b>45,536</b>	<b>30,408</b>	<b>(15,128)</b>	<b>(13,752)</b>
<b>Net Council Tax Collection</b>			<b>(611)</b>	<b>(611)</b>	<b>0</b>
<b>Appropriations to Earmarked Reserves</b>			<b>13,063</b>	<b>13,063</b>	<b>0</b>
<b>Transfer to Council Fund</b>			<b>300</b>	<b>300</b>	<b>0</b>
<b>Total</b>	<b>360,671</b>	<b>360,671</b>	<b>360,671</b>	<b>0</b>	<b>(6,787)</b>

- 3.1.6 The overall outturn at 31st March 2025 is a net under spend of £300,000 which has been transferred to the Council Fund, bringing the total Fund balance to £10.030 million. Total Directorate budgets provided a net over spend of £2.376 million and Council wide budgets a net under spend of £15.128 million. The outturn position also takes into account additional council tax income collected over budget totalling £611,000 during the financial year.
- 3.1.7 Further detail is provided on the more significant under and over spends and movements since quarter 3 in section 3.3.
- 3.1.8 The main financial pressures are in the service areas of Additional Learning Needs (ALN), Home to School Transport (HtST), and Children's Social Care.
- 3.1.9 The Schools additional learning needs budget benefitted from £549,000 additional Welsh Government grant to support revenue cost pressures during quarter 4, along with additional ALN grant funding of £494,000. There continues to be an increase in demand for ALN support at schools resulting in an over spend of £180,000 (£1.223 million if the one-off funding had not been received from Welsh Government). Council have approved a £1.330 million budget pressure for 2025-26 to mitigate the increased demand for ALN 1:1 support in schools.

- 3.1.10 There is an over spend on Home to School Transport (HtST) of £80,000. This is despite Council approving growth of £1.2 million in the 2024-25 budget to address increased costs being experienced following re-tenders, mainly as a consequence of a shortage of drivers and increased fuel costs, and £540,000 of funding allocated in quarter 4 from the WG cost pressure grant. The service has seen an increase in demand for transporting pupils individually due to challenging behaviour and an increase in Additional Learning Needs (ALN) pupils requiring transport provision based on the learner's needs assessment. The pressures have been partly mitigated by the introduction of price caps on in-year tenders resulting in a significant cost saving for the service area. Council have approved a £519,000 budget pressure for 2025-26 for the underlying increased learner transport costs.
- 3.1.11 A 3 year sustainability plan to improve outcomes for Children and Family Services was approved by Council on 20th September 2023, funded through a recurrent revenue budget growth of £3.5 million. Progress is being made with implementing the plan, particularly to progress the steady and safe reduction in the use of agency staff, through improved retention and recruitment of a permanent workforce, including a successful grow your own scheme and international recruits.
- 3.1.12 The outturn for Children's Services for 2024-25 is an over spend of £1.198 million, primarily due to an over spend of £3.699 million on the Care Experienced Children budget. Council have approved a budget pressure of £3.250 million for 2025-26 to mitigate the ongoing pressures of Care Experienced Children and insufficient numbers of foster carers.
- 3.1.13 There continues to be pressures in learning disabilities and physical disability/sensory impairment services driven by the complexity of need and demand across these services. The Social Services Improvement Board is overseeing a number of actions to address the pressures in the adult services budget, including accelerating the work to transform learning disabilities. Council approved £1.970 million towards the increased costs of home care for adults with learning disabilities and £1 million towards additional residential/nursing placement costs due to new admissions for older people and older people with mental health needs as part of the MTFS 2024-25 to 2027-28. Further actions for 2024-25 have been developed into a 3 year Plan for Sustainable Care and Support for Adults in Bridgend County Borough Council (BCBC) that was approved by Cabinet on 19th November 2024. This plan sits alongside the 3 year strategic plan for children and family services which was approved by Cabinet in September 2023. Council have approved budget pressures for 2025-26 of £1.282 million for learning disabilities services, £679,000 for mental health services and £540,000 for Physical Disability/Sensory Impairment services.
- 3.1.14 Going forward, there are increased pressures on council tax collection (see paragraph 3.3.6) and an increase in eligibility for council tax support through the Council Tax Reduction Scheme (see paragraph 3.3.5) due to the continuing cost of living crisis.

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

3.1.15 There have been a number of budget virements and technical adjustments between budgets since the quarter 3 Revenue Forecast was presented to Cabinet in January 2025.

3.1.16 The main virements and technical adjustments since quarter 3 are outlined below:

#### **Budget Virements**

<b>Service vired from / to</b>	<b>Amount</b>
Transfer of funding from the Capital Financing budget to Directorate budgets in relation to the change in Minimum Revenue Provision Policy as approved by Council on 23 October 2024.	£50,241

#### **Technical Adjustments**

<b>Service vired from / to</b>	<b>Amount</b>
In-year transfer of funding for inflation	£117,928
Allocation of funding retained centrally in respect of Joint Negotiating Committee (JNC) pay award for 2024-25 for Youth and Community Workers – confirmed in December 2024.	£12,356
Allocation of corporately held funding for Feasibility works in line with spend	£170,439
Allocation of corporately held funding for Revenue minor works in line with spend	£135,656

### **Budget Reduction Proposals**

#### **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 £415,000 of outstanding prior year budget reduction proposals that have not been met in full. Directors have been working to realise these savings during the 2024-25 financial year. The position at year end is 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 Achieved</b>	<b>Shortfall</b>
<b>DIRECTORATE /BUDGET REDUCTION AREA</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education, Early Years and Young People	40	40	0
Communities	375	85	290
<b>TOTAL</b>	<b>415</b>	<b>125</b>	<b>290</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 £415,000 prior year proposals outstanding, £125,000 have been realised, leaving a shortfall of £290,000. Proposals still not achieved include:

- COM 2 2021-22 – Re-location of Community Recycling Centre from Tythegston to Pyle (£60,000). The new site in Pyle opened in quarter 4 of 2023-24. The timing of the opening meant that exit terms of the lease were being finalised in 2024-25. Once these have been finalised the full saving will be made.
- COM 4 2022-23 – Remove Business in Focus from running Enterprise Centres in Bridgend (£20,000). The review of the Business in Focus operating model to identify operating efficiencies is ongoing at the start of 2025-26. Any shortfall in the saving achieved in 2025-26 will be mitigated by savings within the wider Corporate Landlord service area.
- COM 5 2022-23 (£50,000) and COM3 2023-24 (£120,000) – Commercially let wings of Ravens Court to a partner organisation or business (£50,000). The building was not commercially let during 2024-25 however sale of the freehold took place in the final quarter of 2024-25 which will enable the savings to be realised in full going into 2025-26.
- COM 2 2023-24 – Charging Blue Badge Holders for parking (£40,000). The traffic management team were engaged in the introduction of the default national speed limit in built up areas in 2023-24. A staff member commenced work on this proposal in 2024-25 and it is currently at initial consultation stage. It requires a full order making process, which is typically 6-9 months.

### **Budget Reductions 2024-25**

3.2.3 The budget approved for 2024-25 included budget reduction proposals totalling £13.045 million, which is broken down in **Appendix 2** and summarised in **Table 3** below. The year end position is that £11.476 million has been achieved, leading to an overall shortfall on the savings target of £1.569 million, or 12.03% of the overall reduction target.

**Table 3 – Monitoring of Budget Reductions 2024-25**

	Total Budget Reductions Required	Total Budget Reductions Achieved	Shortfall
DIRECTORATE /BUDGET REDUCTION AREA	£'000	£'000	£'000
Education, Early Years and Young People	1,560	1,269	291
Schools	3,441	3,441	0
Social Services and Wellbeing	2,248	1,891	357
Communities	2,460	2,311	149
Chief Executive's	3,246	2,474	772
Corporate/Council Wide	90	90	0
<b>TOTAL</b>	<b>13,045</b>	<b>11,476</b>	<b>1,569</b>

3.2.4 The most significant (> £100,000 shortfall) budget reduction proposals not achieved in full are:-

- EDFS9 – Cessation of Adult Community Learning provision (£149,000). The shortfall is due to the timing of the required restructure with the consultation process finalised during quarter 3. Savings will be achieved in full from 2025-26.
- EDFS19 – Communications and Relationships Team (£142,000). Saving not met in 2024-25 due to the overall increase in the number of pupils needing the service. Consultation is due to start soon with the outcome of the consultation determining next steps.
- SCH1 – Efficiency saving against School Delegated Budgets – 3% in 2024-25 (£3.441 million). Saving is referenced as having been achieved due to the overall reduction in Individual Schools Budget (ISB), however as referenced in 3.3.1, the reduced budgets have resulted in an overall deficit balance for schools at year end of £619,000. Close monitoring of school budgets will continue in 2025-26 with a further 1% efficiency saving to be achieved on school delegated budgets and officers continue to work with schools to bring this overall deficit down.
- SSW13 – Council to reduce its investment into cultural services (£360,000). There was a shortfall of £295,000 against the proposal in 2024-25. On 14th May 2024 Cabinet approved a £50,000 reduction to the book fund and removal of the £15,000 subsidy for the Youth Theatre. Cabinet also approved public engagement over how future savings can be achieved and further reports will be presented to Cabinet to enable the outcome of consultation exercises to be taken into account when finalising any proposed changes. The service will also continue to maximise grant funding opportunities throughout 2025-26.
- CEX22 – Review of ICT Services (£398,000). There was a shortfall of £339,000 against this proposal in 2024-25. Further work is to be carried out on a review of the telephony budgets across the Council following a re-procurement exercise, with the full saving anticipated to be met in 2025-26.

3.2.5 **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. Directors continue to work with their staff to deliver their proposals or alternatives and this is reflected in the forecast outturn for the year.



- 3.2.6 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 2024-25 to mitigate shortfalls as service areas were committed to identifying alternative one-off under spends in the service areas affected. This approach has also enabled the MTFS Budget Reduction Contingency reserve to be maintained for 2025-26 where the level of savings required to be made is £8.379 million.

### 3.3 Commentary on the financial position at 31st March 2025

#### **Financial position at 31st March 2025**

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, Early Years and Young People Directorate**

The net budget for the Education, Early Years and Young People Directorate for 2024-25, including school delegated budgets, was £148.823 million and the actual outturn was £148.477 million, following draw down of £577,000 from earmarked reserves, resulting in an under spend of £346,000.

The main variances are:

<b>EDUCATION, EARLY YEARS AND YOUNG PEOPLE 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>	
Learner Support	6,991	7,263	272	3.9%
Early Years and Young People	2,939	2,411	(528)	-18.0%
Home to School Transport	10,929	10,849	(80)	-0.7%
Catering	1,806	1,145	(661)	-36.6%

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

Total funding delegated to schools in 2024-25 was £126.445 million (including Post-16 grant funding of £7.736 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, Early Years and Young People in line with the requirements for managing surplus and deficit balances as set out in the Financial Scheme for Schools.

The year-end position for 2024-25 was:-

- Net overall school balances totalled £2.405 million at the start of the financial year. During 2024-25 school balances decreased by £3.023 million to a negative balance of £619,000 at the end of the financial year. Whilst this is an improved outturn position from the projected deficit of £4.989 million reported at quarter 3, it is the first time the Council has ended the financial year with an overall net deficit balance. The position would have been worse if we had not received additional grant funding of £3.358 million from Welsh Government in the final quarter of 2024-25 and maximised existing grant funding for schools at year end (£847,000).
- Out of a total of 59 schools, there are 31 schools with a deficit balance (26 primary, 4 secondary and 1 special school) and 18 schools (14 primary and 4 secondary) 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'.
- Council approved an MTFs efficiency savings target against School Delegated Budgets of 1% in 2025-26, with an indicative 1% for 2026-27 and 2027-28. The 1% target in 2025-26 equates to £1.186 million, therefore the school delegated budgets will require close monitoring throughout 2025-26. The Financial Scheme for Schools requires schools to obtain permission from both the Corporate Director – Education, Early Years and Young People and the Section 151 Officer to set a deficit budget. Schools with deficits of greater than £50,000 in a primary school or greater than £150,000 in a secondary or special school are requested to attend termly support and challenge meetings with senior Local Authority officers. In addition, any unplanned deficits that occur within the financial year due to unforeseen circumstances must be reported as soon as they become known to the school.
- A summary of the position for each sector and overall for 2024-25 is provided below:-

	<b>Balance brought forward</b>	<b>Funding allocated in 2024-25</b>	<b>Total Funding available</b>	<b>Actual Spend</b>	<b>Balance at year end</b>
	£'000	£'000	£'000	£'000	£'000
Primary	283	54,386	54,669	55,413	(744)
Secondary	2,588	58,688	61,276	60,925	351
Special	(466)	13,370	12,904	13,130	(226)
<b>Total</b>	<b>2,405</b>	<b>126,444</b>	<b>128,849</b>	<b>129,468</b>	<b>(619)</b>

## **Central Education, Early Years and Young People (EEYYP) Directorate budgets**

The under spend for 2024-25 for the Central Education, Early Years and Young People Directorate was £346,000. This is compared to a projected over spend position of £1.325 million at quarter 3. The main reason for the improved position in ALN services is due to the allocation of £549,000 of Welsh Government grant funding to support revenue cost pressures and an additional £494,000 ALN funding received since quarter 3. The improved position in Home to School Transport is due to the allocation of £540,000 from the Welsh Government grant funding to support revenue cost pressures. Without this additional one-off funding, the Directorate would have over spent by £1.237 million.

### **Learner Support Group**

- There is a net over spend of £272,000 in Learner Support Group budgets, which has improved by £849,000 from the projected net over spend of £1.121 million at quarter 3.
- The Schools additional learning needs budget benefitted from £549,000 additional Welsh Government grant to support revenue cost pressures during quarter 4, along with additional ALN grant funding of £494,000.
- There continues to be an increase in demand for ALN support at schools resulting in an over spend of £180,000 (£1.223 million if the one-off funding had not been received from Welsh Government). The underlying over spend remains in the areas of sensory support and communication, complex medical needs, and relationship support. The number of pupils supported in these three areas in 2022-23 was 174, increasing to 277 in 2023-24, further increasing to 302 in the summer term, 340 in the autumn term and 364 in the spring term of 2024-25.
- Council have approved a £1.330 million budget pressure for 2025-26 to mitigate the increased demand for ALN 1:1 support in schools.
- The directorate has been proactive in devolving funding to schools to prevent the use of agency costs for 1:1 support. 19 pupils were supported in the autumn term and 18 in the spring term. This is in addition to 5 pupils in Heronsbridge and 19 pupils in Ysgol Bryn Castell. It is estimated that the preventive costs of this approach equated to £715,571 in 2024-25.
- The inter-authority recoupment budget over spent in 2024-25 by £167,000. There continues to be an increase in demand for Bridgend pupils to use out-of-county placements as there were insufficient spaces at Heronsbridge School and Ysgol Bryn Castell. Out-of-county placements initially reduced from 21 (spring 2024) to 19 in the summer term, and then there was a further reduction to 14 in the autumn term, but this increased to 21 in the Spring term 2025.
- There was a projected £200,000 over spend on the Adult Community Learning budget at quarter 3 which was primarily due to the shortfall on the MTFS saving of £149,000 against the service. The shortfall was due to the timing of the finalised restructure which took place in November 2024. In quarter 4, due to maximisation of grant funding, the over spend reduced to £56,000. The MTFS saving will be made in full in 2025-26.
- The Education Other Than at School budget had an under spend of £97,000, mainly due to staff vacancies.

### Early Years and Young People Group

- There is an under spend of £528,000 which has improved by £320,000 from the projected under spend of £208,000 reported at quarter 3.
- The quarter 3 under spend primarily related to a restructure within the Education Welfare Service (£136,000) combined with staff vacancies being held across the Bridgend Youth Service and Education Engagement Team budgets. These posts are being recruited to in 2025-26.
- The improved position is primarily due to additional grant funding - Local Authority Standards Early Years Non-maintained Settings (£49,000), Local Authority Reform ALN (£14,000), Whole School grant (£230,000), Attendance grant (£130,000) and Youth Endowment Fund (YEF) (£14,000) and maximisation of grant funding (Youth Justice Board (£23,000), YEF (£36,076) and Whole School grant (£54,000) in quarter 4.
- Council approved a budget pressure of £141,000 for 2025-26 to assist the youth justice service to reduce youth offending and provide vital support to young people affected by trauma.

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

- Council approved a £1.2 million budget pressure for 2024-25 as part of the Medium Term Financial Strategy to address the increased HtST costs experienced in 2023-24.
- Despite this budget growth in 2024-25, further retendering exercises in September 2023 resulted in additional costs of £572,000 on HtST budgets in 2024-25.
- The service has also seen an increase in demand for transporting pupils individually due to challenging behaviour and an increase in pupils with ALN requiring transport provision based on the learner's needs assessment. Along with a number of contractors handing back contracts and having to re-tender at higher cost, these pressures have added a further increase in costs in 2024-25 of £244,000.
- These pressures were partly mitigated due to in-year tenders being issued with a price cap resulting in a significant cost saving for the service area, which saw the overall projected over spend decreasing from £1.277 million at quarter 1 to £571,000 at quarter 3.
- The improved position at year end to an overall under spend on the HtST budgets of £80,000 is primarily due to £540,000 of funding being allocated in quarter 4 from the WG cost pressures grant. Without this one-off funding the service would have been over spent by £460,000.
- Council has approved a budget pressure of £539,000 for HtST for 2025-26 as part of the MTFS.

### Catering Services

- There is an under spend of £661,000 on catering services in 2024-25. This is primarily due to the continued roll out of the Universal Primary Free School Meals (UPFSM) by Welsh Government and the accompanying grant funding to support the initiative.
- The second half of 2024-25 saw a significant increase in the number of UPFSM provided with year 6 being introduced to the scheme from September onwards which positively impacted on the outturn position. 397,171 meals were served in the first six months, increasing to 624,765 in the last six months of 2025-26.
- The service also benefited from an administration element of the grant (£85,196).
- The provision of UPFSM in 2025-26 will continue to be monitored closely to determine whether the positive outturn position achieved in 2024-25 could be proposed as a future MTFS budget reduction proposal.

#### Historic pension and redundancy costs

- The £736,000 over spend is primarily due to the cost of redundancies in schools being met centrally where they met current or future MTFS savings targets.
- In 2024-25 10 Primary schools were supported with 23 redundancies (£540,000) and 2 secondary schools were supported with 7 redundancies (£259,000)
- There has been a small offsetting reduction in these costs from historic employee pension costs – there will be an incremental reduction each year as members pass away.

### **3.3.2 Social Services and Wellbeing Directorate**

The net budget for the Directorate for 2024-25 was £109.463 million and the actual outturn was £109.952 million following draw down of £1.512 million from earmarked reserves, resulting in an over spend of £489,000. This is compared to a projected over spend position of £2.796 million at quarter 3. The main reasons for the reduction in the over spend include a number of one-off grants awarded since quarter 3 and maximisation of existing grants across the service including WG grant to support additional revenue cost pressures (£935,000), Children and Communities grant (£349,000), Housing Support grant (£265,000), 50 Day Winter Challenge grant (£428,000) and a further £176,000 of Shared Prosperity Funding (SPF). Without this additional funding, the Directorate would have over spent by £2.642 million.

The most significant variances for the directorate are:

<b>SOCIAL SERVICES AND WELLBEING DIRECTORATE</b>	<b>Net Budget</b>	<b>Actual Outturn</b>	<b>Actual Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Adult Social Care	72,730	72,541	(189)	-0.26%
Prevention and Wellbeing	6,547	6,027	(520)	-7.94%
Childrens Social Care	30,186	31,384	1,198	3.97%

#### **Adult Social Care**

There is a net under spend of £189,000 on the Adult Social Care budget, an improvement of £938,000 from the £749,000 over spend projected at quarter 3.

The most significant variances contributing to the under spend are:

<b>ADULT SOCIAL CARE</b>	<b>Actual Variance Over/(under) 2024-25 £'000</b>
Mental Health Homecare	559
Learning Disabilities Residential Care	448
Physical Disability/Sensory Impairment Home Care	312
Older People Direct Payments	193
Physical Disability/Sensory Equipment	195
Learning Disabilities Homecare	172
Learning Disabilities Day Opportunities	171
Older People Supported Accommodation	163
Physical Disability/Sensory Impairment Residential Care	100
Homes for Older People	72
Mental Health Supported Accommodation	(193)
Assessment and Care Management	(194)
Learning Disabilities Direct Payment	(364)
Older People Home Care	(1,199)

- Mental Health Homecare – this includes supported living, short breaks and domiciliary care, with the service experiencing increased needs of people with supported living packages of care. There has been a slight reduction in the over spend reported at quarter 3, from £579,000 to £559,000 at quarter 4. A budget pressure of £697,000 has been approved by Council for 2025-26 to mitigate this pressure.
- Learning Disabilities Residential Care – there is an over spend of £448,000, which is comparable to the £454,000 over spend projected at quarter 3. The underlying reason for the over spend is increased costs for existing placements within the residential and nursing service due to changing needs. A budget pressure of £438,000 has been approved by Council as part of the MTFS for this service for 2025-26.
- Physical Disability/Sensory Impairment Home Care - there is an over spend of £312,000, which has increased from the £167,000 projected over spend at quarter 3. Following clarification of terms and conditions of funding, £107,000 of one-off grant from the 50 Day Winter Challenge Funding originally allocated against this service area in quarter 3, has now been moved to Older People services. The over spend is based on the current demand for the service, which is 100 packages of support at the end of March 2025. A budget pressure of £274,000 has been approved by Council as part of the MTFS for 2025-26 to mitigate this pressure.
- Older People Direct Payments – there is an over spend of £193,000 across the Direct Payments budgets in this area. The main reason for the over spend is the increasing complexity of cases that impact on the average cost of direct payments support. The over spend has reduced by £101,000 since quarter 3 due to further packages being removed from projections where activity had ceased for longer than six months, along with increases in account reimbursements received. A budget pressure of £369,000 has been approved by Council as part of the MTFS for 2025-

26 with ongoing close monitoring of account reimbursements to ensure the full budget pressure is required.

- Physical Disability/Sensory Equipment – there is an over spend of £195,000, a reduction of £42,000 from the quarter 3 projected over spend of £237,000. The over spend is partly due to an increase in the expected contribution to the community equipment pooled fund (£84,000) with the remainder being due to increases in demand for small works and adaptations and aids to daily living. This is a fluctuating demand led budget which varies month by month and for which a budget pressure of £266,000 has been approved by Council for 2025-26.
- Learning Disabilities Homecare – there is an over spend of £172,000, compared to the projected over spend of £218,000 at quarter 3. While the over spend is mainly due to increases in staffing costs for the internal Homecare service due to having to cover staff sickness (£243,000), this is partly offset by under spends in the external Homecare service (£56,000). A budget pressure of £325,000 has been approved by Council for 2025-26.
- Learning Disabilities Day Opportunities - the over spend of £171,000 has reduced by £488,000 since quarter 3. This is due to additional Welsh Government revenue cost pressure grant awarded since quarter 3 of £435,000. Without the additional grant income, the over spend would have been £530,000. The over spend relates mainly to placement numbers exceeding the available budget for external day services in addition to increased transport costs (£157,589) which remain at a comparable level to quarter 3. The underlying reason for the over spend continues to be that whilst the learning disabilities home care budget continues to over spend as people have not returned to internal day services, older people are taking up the vacant day services placements. The service cannot be reduced until alternative models of day time support and occupation have been developed following a review which is underway. The new transport policy was approved by Cabinet in April 2025 and went live on 1st May 2025 which should impact positively on the increased transport costs incurred in 2024-25. A £438,000 budget pressure has been approved by Council for 2025-26 for this service as part of the MTFS.
- Older People Supported Accommodation – there is an over spend of £163,000 compared to a projected over spend of £190,000 at quarter 3. This over spend is based on the current demand for the service. For 2025-26 a budget pressure of £201,000 has been approved by Council as part of the MTFS.
- Physical Disability/Sensory Impairment Residential care – there is an over spend of £100,000 which is comparable to the projected over spend of £109,000 at quarter 3. The overspend is due to higher placement numbers than budget.
- Homes for Older People – There is an overspend of £72,000 compared to a projected under spend of £524,000 at quarter 3. The over spend is mainly due to increased residential/nursing placement costs which has increased by £678,000 since quarter 3.
- Mental Health Supported Accommodation – The under spend of £193,000 primarily relates to under spends on staffing budgets. The under spend is comparable to the projected underspend at quarter 3, which was mainly due to staff vacancies being held for the short term.

- Assessment and Care Management – there is a under spend of £194,000 on directorate wide assessment and care management budgets, an increase from the quarter 3 projected under spend of £69,000. Since quarter 3 there has been a reduction in staffing costs of £80,000 plus an additional £52,000 grant received due to maximisation of grants – including the 50 day Winter challenge, Social Care Workforce grant and Integration and Rebalancing Care funding. There continues to be a need for agency cover across this area due to demands in the system particularly linked to supporting the acute hospital and timely discharges and the complexity of court protection work in learning disabilities. A plan to permanently recruit and step down agency in a timely way is being implemented.
- Learning Disabilities Direct Payments – there is a under spend of £364,000 across the Direct Payments budgets in this area compared to a projected under spend of £58,000 at quarter 3. Detailed reviews are being undertaken of all direct payment cases, with packages being removed from projections where support has ceased for longer than six months. Account reimbursements have also exceeded budget.
- Older People Home Care – There is a under spend of £1.119 million, an increase from the quarter 3 projected under spend of £852,000. Since quarter 3, this area has received £336,000 of additional grant income, mainly £298,000 of the Welsh Government 50 day Winter Challenge funding. The under spend still primarily relates to under spends on staffing budgets as a result of the remodelling of the Support at Home services into locality based areas and the increase in numbers of people supported through short term reablement packages. Agency staff have been utilised to supplement the workforce where available. However, this has been offset by an over spend on external domiciliary care placements due to complexities of people's needs and increased packages of support.

### **Prevention and Wellbeing**

- There is an overall under spend of £520,000 within Prevention and Wellbeing. This has increased by £131,000 since quarter 3. The underspend is mainly due to maximisation of grant funding from the Shared Prosperity Fund (£427,000) and other smaller grants across the service (£80,000).
- The following MTFS savings were not fully achieved in 2024-25:
  - SSW7 – review opportunities to amend the current energy payment arrangements for the leisure contract - £45,000 shortfall.
  - SSW13 – Council to reduce its investment into cultural services - £295,000 shortfall. While the saving was only partly achieved the shortfall was mitigated with Shared Prosperity funding so that the saving was met in the short term. Further reports will be presented to Cabinet to enable the outcome of consultation exercises to be taken into account when finalising any proposed changes to investment into cultural services to meet the MTFS saving.



## **Children's Social Care**

There is a net over spend of £1.198 million on the Children's Social Care budget which is a decrease on the projected net over spend of £2.436 million at quarter 3. The improved position is due primarily to the additional one off grant funding received in quarter 4 - Welsh Government revenue cost pressure (£500,000) and maximisation of Housing Support grant (£169,000).

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

<b>CHILDREN'S SOCIAL CARE</b>	<b>Actual Variance Over/(under) 2024-25 £'000</b>
Care Experienced Children	3,699
Commissioning & Social Work	(855)
Early Help & Edge of Care	(828)
Other Child & Family Support Services	(387)
Family Support Services	(260)
Management and Admin	(172)

- The over spend of £3.699 million for Care Experienced Children is due to a combination of factors:-
  - The Independent Residential Care budget has an over spend of £3.326 million which has decreased by £369,000 since quarter 3. The over spend is based on the number of care experienced children in independent residential placements which is currently 24 placements (including 38 week residential and Operating Without Registration (OWR) placements), an increase of 1 since quarter 3. The underlying over spend position is due to the number in independent residential placements exceeding the budget which covers between 6-8 placements depending on the unit cost. In addition there continues to be insufficient in-house foster carer placements to meet needs and children requiring specialist provision, sometimes with high staffing ratios to keep them safe and protected. It should be noted that this budget area can be volatile and small changes in demand can result in very high costs being incurred. Since quarter 3 there has been additional one off revenue grant awarded from WG to support additional cost pressures of £500,000, plus an additional £136,000 of Social Care Workforce Grant. Without these grants the over spend would have been £3.962 million. Council approved £3.250 million budget pressure for 2025-26 as part of the Medium Term Financial Strategy, to address ongoing pressures of Care Experienced Children and insufficient numbers of foster carers.
  - There is an over spend of £8,938 on the Independent Fostering Agency (IFA) budget, compared to the quarter 3 projected underspend of £135,000. The reason for the move to an over spend position is an increase of 3 placements since quarter 3. This is due to alternative, lower cost, placement options being fully utilised, including Special Guardianship Orders. It should be noted, however, that some of the children in costly independent residential provision would ideally be with foster carers who can manage complex

needs. There is insufficient capacity in-house and in IFAs which means that some children's needs are being met in a higher, more expensive, tier of service.

- Children's Internal Residential Care has an over spend of £220,000, which is an increase of £32,000 since quarter 3. This is due to increased usage of agency workers to address safeguarding issues which require additional staffing across the service. Since quarter 3, £72,000 additional Eliminating Profit grant has been awarded specifically for the Hillsboro residence.
  - Other Looked After Children's Services has an over spend of £167,000, which is a decrease of £245,000 from the projected over spend of £411,00 at quarter 3 due to maximisation of the Housing Support Grant in quarter 4 (£198,000).
- Commissioning and Social Work – There is an under spend of £855,000 which has improved since the quarter 3 projected under spend of £678,000. The increase in under spend is mainly due to additional grant funding being received - Shared Prosperity Fund (£83,000) and Eliminating Profit grant (£107,000). There has also been a reduction in spend on agency staff by £39,000. In addition, there has been further reductions in staffing costs due to the current vacancies across the service (£94,000).

There remains an over spend in care and support and placement costs across the service area of £215,000 – this has reduced from the projected over spend of £338,000 at quarter 3. The majority of the over spend relates to Care Experienced Children/care support spend such as court mandated drug testing, assessments, reports, travel and therapy costs over which the service has no discretion but to secure against a very limited budget.

- Early Help & Edge of Care – During quarter 3, £1.773 million of the Early Help Services budget was transferred from EEYYP to the SSWB directorate in line with the 3 year sustainability plan approved by Council to improve outcomes for Children and Family Services in Bridgend. £500,000 of this budget related to a budget pressure approved by Council in February 2024 to strengthen the Council's statutory safeguarding accountabilities, specifically for Early Help and Edge of Care. At quarter 3 there was a projected under spend of £266,000 against this budget pressure as a review of the service is currently underway. In addition, during quarter 4 additional Regional Integration Funding was received (£81,000) and the Children and Communities grant was also maximised (£382,000), increasing the under spend at year end to £828,000.
- Other Child & Family Support Services – There is a under spend of £387,000 which is due to reduced costs for the Regional Adoption service based on current placements made across the region.
- Family Support Services has an underspend of £260,000 compared to a projected under spend of £134,000 at quarter 3. Direct payment reimbursements during 2024-25 have exceeded budget.
- Management & Administration – there is an under spend of £172,000 which is comparable to what was reported at quarter 3. The underlying under spend is primarily due to other staff vacancies in this service area which are contributing to the 2024-25 MTFS vacancy management factor of £255,000 for the SSWB directorate.

### 3.3.3 Communities Directorate

The net budget for the Directorate for 2024-25 was £33.271 million and the actual outturn was £33.590 million following draw down of £1.771 million from earmarked reserves, resulting in an over spend of £319,000. This is compared to a projected over spend position of £825,000 at quarter 3. The main reason for the reduction in over spend since quarter 3 is a one-off rates rebate within Corporate Landlord (£682,000) and maximisation of SPF grant (£182,000).

The main variances are:

<b>COMMUNITIES DIRECTORATE</b>	<b>Net Budget</b>	<b>Actual Outturn</b>	<b>Actual Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Fleet Services	180	744	564	313.33%
Highways Services (DSO)	3,366	3,768	402	11.94%
Waste Collection & Disposal	11,181	11,385	204	1.82%
Planning and Development	706	871	165	23.37%
Strategic Regeneration	962	745	(217)	-22.56%
Economy, Natural Resources and Sustainability	1,489	1,242	(247)	-16.59%
Corporate Landlord	3,355	2,830	(525)	-15.65%

#### Fleet Services

- There is an over spend of £564,000 on Fleet Services which is slightly worse than the £500,000 projected over spend at quarter 3.
- As previously reported 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 have been further impacted by long term sickness and ongoing difficulties with recruitment and retention. A market supplement has been introduced for HGV technicians, in line with the corporate Market Supplement Policy, following comparisons with neighbouring authorities, which has only seen limited success in filling vacancies. A review outlining options for service operating models to mitigate the budget position of fleet services had been delayed due to officer availability but is now proceeding.

#### Highways Services

- The over spend of £402,000 is partly due to storm damage costs incurred in responding to Storm Bert and Darragh (£160,000). Transport costs have also been higher (£150,000) due to the service having to hire vehicles on a short term basis whilst consideration was given to longer term capital purchases. On 12 March 2025, Council approved a capital budget of £1.2 million to be included in the Capital programme, to be funded from prudential borrowing, to enable the Fleet Replacement Programme to continue.

#### Waste Collection and Disposal

- There is a net over spend on the Waste Collection and Disposal budget of £204,000 which has improved marginally from the net projected over spend of £216,000 reported at quarter 3. The main underlying pressures on the waste budget include:-

- The continued delay in the achievement of the 2022-23 MTFS saving, COM 2 – Relocation of Community Recycling Centre from Tythegston to Pyle resulting in cessation of lease payments at the existing site. Whilst the new site opened in quarter 4 of 2023-24 the timing of the opening meant that the full saving could not be achieved in 2024-25 as the exit terms of the lease needed to be finalised (£60,000 shortfall).
- Increase in subscribers for the Absorbent Hygiene Products (AHP) service. The AHP service has been promoted to further improve the recycling levels achieved in Bridgend which also mitigates the risk of fines imposed by WG if local authorities do not meet their recycling targets. It has seen an increase of 35% since the start of the 2022-23 financial year. Council have approved a £66,000 budget pressure for the AHP service for 2025-26.
- Decrease in income due to the reduction in the price of recycled materials since quarter 2 (£42,000).
- Shortfall of £129,000 on Trade Waste black bag income due to increased recycling being undertaken by businesses due to the change in law in Wales in April 2024 for all businesses, charities and public organisations to sort their waste for recycling.

#### Planning and Development

- The over spend of £165,000 is primarily due to a downturn in planning application income. Fee income is subject to considerable fluctuations between years, depending on number and types of applications.

#### Strategic Regeneration

- The under spend of £218,000 has improved since the projected under spend of £86,000 reported at quarter 3. This is primarily due to maximisation of SPF grant funding (£53,000), and additional Welsh Government Transforming Towns grant (£29,000) with the remainder due to ongoing staff vacancies.

#### Economy, Natural Resources and Sustainability

- The under spend of £247,000 has improved since the projected under spend of £98,000 reported at quarter 3. This is primarily due to maximisation of SPF grant funding (£129,000) and an under spend on non-staffing budgets (£40,000).

#### Corporate Landlord

- There is a net under spend of £525,000 against Corporate Landlord which has improved from the projected over spend of £252,000 reported at quarter 3.
- The main reason for the improved position is a one-off rates rebate on Council buildings of £682,000 due to backdated revaluations undertaken by the Valuation Office Agency. Without the rebate, Corporate Landlord would have over spent by £157,000 in 2024-25.
- There continues to be shortfalls in income (£405,000) generated from properties run by the Council that relate to occupancy shortfalls which have continued into 2024-25.
- The shortfall against Bridgend Market of £253,000 is due to the identification of Reinforced Autoclaved Aerated Concrete (RAAC) and the subsequent closure of the market and loss of rental income.
- There is also a shortfall in income of £146,000 for the Innovation Centre.
- Council approved a budget pressure of £405,000 for 2025-26 to address shortfalls in income on the property portfolio as part of the MTFS.

- As noted in section 3.2.2 the £50,000 target for 2022-23 and the £120,000 target for 2023-24 in relation to MTFS proposals to seek to commercially let out wings of Ravens Court were not achieved. In addition, there was a further £73,000 MTFS saving across the estate budgets for 2024-25 in relation to office rationalisation which has also not been achieved. The shortfall against the savings targets added a further £243,000 pressure on the Corporate Landlord estates' budget in 2024-25.
- Corporate Landlord sold the Freehold of Ravens Court in the final quarter of 2024-25 which will mitigate these MTFS shortfalls going into 2025-26.
- The over spend in Corporate Landlord has been partially mitigated in 2024-25 by staff vacancies of £230,000.

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

The net budget for the Directorate for 2024-25 was £23.578 million and the actual outturn was £25.492 million following draw down of £1.537 million from earmarked reserves, resulting in an over spend of £1.914 million. This is comparable to the projected over spend of £1.922 million reported at quarter 3. Since quarter 3 there has been additional grant funding confirmed for ICT Connecting Care grant (£304,000) and Housing and Homelessness (Ukrainian grant - £255,000 and Afghan Resettlement grant - £198,000). Without this additional funding, the Directorate over spend would have been £2.671 million.

The main variances are:

CHIEF EXECUTIVE'S	Net Budget £'000	Actual Outturn £'000	Actual Variance Over/ (under) budget £'000	% Variance
ICT	4,074	4,786	712	17.5%
Legal, Democratic & Regulatory	5,851	6,194	343	5.9%
Housing & Homelessness	3,552	3,826	274	7.7%
Partnerships	2,275	2,502	227	10.0%
Finance	4,076	4,300	224	5.5%

#### **ICT**

- There is an over spend of £712,000 across ICT budgets which has increased by £420,000 since quarter 3.
- The over spend is primarily due to the shortfall of £339,000 against the MTFS saving CEX 22 – Review of ICT services. The full saving is anticipated to be met in 2025-26 due to a re-procurement exercise that has been undertaken on telephony services. An exercise is due to be undertaken based on the outturn position of service department telephone budgets to permanently re-align budgets which will partly mitigate the over spend in ICT in 2025-26.
- In addition, 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 is due to be undertaken based on the outturn position of service department print budgets to permanently re-align budgets which will further mitigate the over spend in ICT in 2025-26.

- There has been additional one-off grant income received from WG in quarter 4 to support the replacement costs for the WCCIS system project called Connecting Care (£304,000). Without this grant the ICT over spend would have been £1.016 million.

#### Legal

- There is an over spend of £343,000 across Legal, Democratic and Regulatory services, which has reduced by £274,000 since quarter 3.
- There is an over spend on staffing budgets within Legal services of £98,000, which is partly due to the timing of the implementation of the MTFS proposal CEX13 – restructure of Legal Services (£60,000) and also due to use of agency staff to cover vacant posts across the service.
- The Registrars service has an over spend of £34,000 due to the MTFS saving proposal CEX12 being partly achieved (£28,000 shortfall) due to a reduction in the number of ceremonies delivered in 2024-25.
- Regulatory Services (Licencing, Public Health) has an over spend of £92,000 which has reduced since the quarter 3 projected over spend of £142,000. This over spend is primarily due to the under recoupment of income for taxi examination, licence fees and environmental health recharges (£68,000). Whilst a similar shortfall was experienced in 2023-24 it was offset by a £74,000 refund being received in relation to the Shared Regulatory Service.
- The balance of the over spend is due to legal fees. Whilst Council approved £300,000 in 2024-25 to support the increase in legal fees being experienced, the complex cases requiring King's Counsel have continued. Council has approved a further budget pressure of £200,000 for 2025-26, as part of the MTFS to address ongoing pressures on litigation cases.

#### Housing & Homelessness

- There is a net over spend of £274,000 on Housing & Homelessness which is a reduction of £136,000 compared with the projected over spend of £411,000 reported at quarter 3.
- The overall budget for housing and homelessness was reduced by £645,000 in 2024-25 due to MTFS budget reduction proposals. **Appendix 2** highlights that all of these were achieved in 2024-25.
- For 2024-25, Welsh Government (WG) initially provided grant funding of £915,000 for accommodation under the “No One Left Out” funding stream, £198,000 under a Discretionary Homelessness Prevention Grant, £60,000 Strategic Coordinator grant and £86,000 Ukrainian grant. During quarter 4 WG increased the Ukrainian grant funding by £255,000. The total revised grant funding confirmed from WG for housing and homelessness services for 2024-25 was £1.514 million which is comparable to the total grant allocation of £1.505 million received in 2023-24. £1.369 million of the grant funding covers homelessness accommodation costs and £145,000 is utilised towards Homeless Spend to Save support, e.g. funding bonds for rental properties.
- Spend on Homelessness accommodation for 2024-25 was £4.3 million, a reduction of £100,000 since the £4.4 million projected at quarter 3. The key factor in this reduction is the purchase of Houses in Multiple Occupation (HMO) stock as well as utilising an existing BCBC property with the opening of Maple Tree House (previously Children's Residential Home), enabling a reduction in the use of more expensive options such as tourism style properties.
- As well as the core budget (£2.174 million) and total WG accommodation grant funding (£1.514 million), the service has also seen an increase in rental income

relating to Housing Benefits claimed by tenants who have been supported with homelessness accommodation (£519,000). The net impact is an overall under spend on accommodation in 2024-25 of £93,000.

- The Council has seen a significant increase in the provision of temporary accommodation. At the end of 2019-20, the Council was providing temporary accommodation to 83 households. At the end of March 2025 this had increased to 261 households, representing a 214% increase over this period. The wider demand for social housing from those in housing need has also increased. At the end of 2019-20 there were 816 households registered on Bridgend's Common Housing Register. At the end of March 2025 this number had increased to 3,284 households.
- Due to the uncertainty of levels of WG grant funding going forward, Council approved a £400,000 budget pressure for Housing and Homelessness for 2025-26 as part of the MTFS.
- There is an over spend of £756,000 on Disabled Facility grants. This over spend has increased by £530,000 since quarter 3 due to a revenue contribution to capital to fund an over spend on capital works due to the high number of schemes completed in 2024-25. This has been offset by under spends on the Brynmenyn Homeless Centre (£129,000) due to an increase in Housing Benefit income levels, staff vacancies (£40,000), maximisation of Supporting People grant (£82,000) and additional grant funding received during quarter 4 from the Home Office for the Afghan Resettlement scheme (£198,000).

#### Partnerships

- There is an over spend of £227,000 in Partnerships. This is mainly due to MTFS saving proposals for 2024-25 not being fully achieved.
- CEX 8 Charging for PEST control services – shortfall of £32,000. This is due to a reduced uptake of the service which has resulted in a reduction in income received for 2024-25.
- CEX 23 Review the provision of Partnerships and Customer Services shortfall of £61,000 due to delays in confirmation of alternative funding for two posts.
- The remainder is due to an over spend in the Community Safety Partnerships team due to additional staffing costs to support the Assia Domestic Abuse Service team (£77,000).

#### Finance

- There is a net over spend of £224,000 across Finance, a reduction of £27,000 since quarter 3. The over spend is primarily due to a reduction in court cost income and a shortfall in the Department for Work and Pension (DWP) subsidy contributions towards housing benefit payments in Bridgend. Any Housing Benefit award paid over the subsidy level is borne by the Council as the DWP does not fully fund all Housing Benefit expenditure – for example there are a number of tenancy arrangements whereby the subsidy is limited to historic local housing allowance rates or restricted by rent officer determinations. Council have approved a budget pressure of £158,000 towards the shortfall in DWP subsidy contributions for 2025-26 as part of the MTFS.
- The balance is mainly due to the shortfall against CEX 25 – staff savings from Finance senior management (£70,000).

### 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 2024-25 was £45.536 million and the actual outturn was £30.408 million, resulting in an under spend of £15.128 million.

The most significant variances were:-

<b>COUNCIL WIDE BUDGETS</b>	<b>Net Budget</b>	<b>Actual Outturn</b>	<b>Actual Variance Over/(under) budget</b>	<b>% Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Capital Financing	6,907	1,351	(5,556)	-80.4%
Council Tax Reduction Scheme	16,054	16,326	272	1.69%
Insurance	1,363	(426)	(1,789)	131.3%
Other Corporate Budgets	10,023	2,254	(7,769)	-77.5%

#### Capital Financing

- The under spend of £5.556 million mainly relates to a change in the Minimum Revenue Provision Policy approved by Council on 23rd October 2024. The impact in the current year is an under spend on the MRP budget of £2.054 million.
- The balance of the under spend is due to additional interest earned on our investments due to higher interest rates experienced in recent years. Rates started to fall from the high of 5% in November 2024 and have fallen again since, to the current rate of 4.25%. Further interest rate reductions are expected, however the timing of these are uncertain and are subject to economic factors and in particular the position of inflation against the Bank of England's 2% target.

#### Council Tax Reduction Scheme

- There is an over spend of £272,000 on the Council Tax Reduction Scheme. This is a demand led budget and take-up is difficult to predict. Take-up for 2024-25 is higher than in 2023-24 when the gross spend in this budget area was £15.566 million, which is mainly as a consequence of the 9.5% increase in council tax in 2024-25.
- Council approved a £1 million budget pressure for 2025-26 as part of the MTFS taking the budget up to £17.054 million.

#### Insurance

- There is an under spend of £1.789 million on the insurance budget. This primarily relates to a £1.517 million reduction in the overall fund liability following a number of claims being repudiated or discontinued, particularly in relation to Japanese Knotweed, as well as those settled at a lower amount or claims won. In addition, as part of the Maesteg School Partnership PFI, the annual Insurance Review has resulted in a one-off exceptional saving of £264,146 which has been refunded to the Council. The outturn for 2024-25 is considered to be a one-off under spend, as it is an adjustment to the fund liability provision required and has not impacted the annual premiums, however the budget will continue to be reviewed going forward to determine if there are any permanent budget reduction opportunities.



### Council Wide Budgets

- There is an under spend of £7.769 million on Council wide budgets. The main areas contributing to this under spend are:-
  - During quarter 3 Welsh Government provided a grant of £937,539 towards the teachers' pay award 2024-25 and £2,352,854 toward NJC pay pressures that were not anticipated at budget setting. This has released centrally held funding and positively impacted on the outturn for Council wide budgets by £3.290 million.
  - Inflation rates remained low throughout 2024-25, and remained below the 3.8% rate when the budget was set. In addition, energy prices reduced further than anticipated in 2024-25. Consequently there is an under spend on the price inflation budget due to a reduction in requirements to allocate price inflation to service areas in-year. There is ongoing uncertainty on energy cost increases in 2025-26 and the general trajectory of CPI, therefore it is prudent to maintain a similar level of price inflation funding for 2025-26.
  - As part of the MTFS 2024-28, £1.558 million was set aside towards emerging budget pressures and as a contingency against non-deliverability of budget reduction proposals. Only £87,000 was allocated during 2024-25, resulting in an under spend of £1.543 million. This was agreed as a Council wide budget reduction proposal for 2025-26 as part of the MTFS.

### 3.3.6 Council Tax Collection

- The outturn for 2024-25 shows additional income of £611,208 has been collected compared to the budget (+ 0.17%). In respect of income collected from the levying of premiums on long term empty properties and second homes, £547,253 was collected from the premium charge for long-term empty properties and £163,080 was collected from premiums on second homes. Without this additional funding the core Council tax collected in 2024-25 fell short of the budgeted income by £99,125.

## 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 2024-25 Directorates drew down funding from specific earmarked reserves and these were reported to Cabinet through the quarterly monitoring reports. The final draw down from revenue reserves was £5.397 million and is summarised in **Table 4** below. A more detailed breakdown of the movement on all reserves is outlined in **Appendix 4**.

**Table 4 – Revenue draw down from Earmarked Reserves during 2024-25**

	Revenue draw down from Earmarked Reserves 2024-25 £'000
Education, Early Years and Young People	577
Social Services & Wellbeing	1,512
Communities	1,771
Chief Executives	1,537
<b>Total</b>	<b>5,397</b>

3.4.2 The net under spend position of £13.363 million for 2024-25, as set out in **Table 1** and 3.1.6, has enabled new net earmarked reserves of £13.063 million to be created at year end along with a transfer of £300,000 to the Council Fund (see paragraph 3.4.5).

3.4.3 The most significant new earmarked reserves were:- £6.875 million to fund new capital projects (details of schemes to be determined), £1.5 million to support Change Management initiatives to support future invest to save projects, including digital transformation projects, £1 million to provide support for behavioural issues in schools, £150,000 to provide additional capacity to manage planning applications and £150,000 to support youth services.

3.4.4 **Table 5** below summarises the final position on all revenue useable reserves for the year, including the Council Fund. In addition there are currently £46.038 million of other earmarked reserves funding schemes within the capital programme.

**Table 5 – Summary of Movement on Revenue Earmarked Reserves 2024-25**

Opening Balance 01-Apr-24 £'000	Reserve	Movement at Quarter 4			Closing Balance 31 March 2025 £'000
		Additions £'000	Reclassification £'000	Drawdown/Unwound £'000	
9,730	<b>Council Fund Balance</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>10,030</b>
10,695	Corporate Reserves	4,241	(568)	(2,382)	11,986
6,668	Directorate Reserves	4,789	942	(4,822)	7,577
4,005	Equalisation & Grant Reserves	687	(914)	(890)	2,888
2,405	School Balances	0	0	(3,024)	(619)
<b>23,773</b>	<b>Total Earmarked Reserve</b>	<b>9,717</b>	<b>(540)</b>	<b>(11,118)</b>	<b>21,832</b>
<b>33,503</b>	<b>Total Useable Reserves</b>	<b>10,017</b>	<b>(540)</b>	<b>(11,118)</b>	<b>31,862</b>

- 3.4.5 In terms of financial reserves, the Council Fund balance has been increased by £300,000 and now represents 2.78% of the net revenue budget for 2024-25, or 4.0% of the net revenue budget excluding schools. As budgets incrementally increase annually, it is challenging to keep the Council Fund balance in line 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.*

#### **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 2024-25.

**Background documents:** Individual Directorate Monitoring Reports