

Meeting of:	Cabinet
Date of Meeting:	Thursday, 06 July 2023
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Closure of Accounts 2022/23
Purpose of Report:	The accounts are complete and this report is to inform Cabinet of the provisional financial position of the Council for the 2022/23 financial year.
Report Owner:	Executive Leader and Cabinet Member Performance and Resources
Responsible Officer:	Matt Bowmer Head of Finance/Section 151 Officer
Elected Member and Officer Consultation:	This report is to be referred to Corporate Performance and Resources Scrutiny Committee. This report does not require Ward Member consultation
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The Council encountered significant revenue pressures during 2022/23, particular pressures were in respect of the ongoing impact of the Covid-19 pandemic, inflationary pressures particularly in respect of contracts and pay pressures. The Council also continued to experience significant demand pressures for supporting Children’s services, Homelessness and pupils with Additional Learning Needs. Steps were taken to address the inability to commission care in Social Services with an additional fee uplift that was awarded in the last quarter of the financial year, the impact of this alongside other initiatives has seen a reduction in the waiting list for care. • The Council benefitted from a one off adjustment in how social care income is reflected in the accounts which enabled a transfer to reserves of £2m. The Council also received additional investment income as a result of investing its cash balances in year due to the increased bank rate and continued to benefit from utilising reserve balances to finance borrowing in the context of current rising interest rates, minimising borrowing costs for the Council. • The Council continued to deliver a number of schemes during 2022/23 such as the Discretionary Cost of Living scheme, Winter Fuel allowances and the Ukrainian Resettlement scheme. • The year end revenue position was a breakeven position after net transfers from reserves of £17.029m, made up of £987k transferred from Council Fund, £953k from the Housing Revenue Account, £11.785m transferred into specific reserves from revenue and £15.554m transferred from 	

specific reserves to provide one off funding for projects and £12.307m drawdown from reserves to fund the capital programme and for displacement required by capital grants. The Council Fund now stands at £11.523m as at 31st March, 2023.

- A revenue savings target of £500K was set for 2022/23 and an outstanding balance for 2021/22 of £170k was also monitored throughout the year. Whilst some savings have been identified on from underspends in year such as vacant posts services have moved to identify these on a more sustainable basis for 2023/24.

Directorate	Revised Budget 2022/23 £000's	Outturn 2022/23 £000's	Transfer to/(from) reserves £000's	Favourable / (Adverse) Variance £000's
Learning and Skills	122,578	129,175	-6,548	-49
Social Services	80,742	78,091	1,511	1,140
Environment and Housing	31,674	31,376	1,185	-887
Corporate Resources	2,208	5,920	-2,263	-1,449
Place	4,088	4,323	-195	-40
Policy	33,764	28,364	1,638	3,762
Use of Reserves	-996	0	-987	-9
Council Tax Surplus	-1,500	-922	0	-578
Favourable Variance Transferred to Reserves	0	0	1,890	-1,890
Total	272,558	276,327	-3,769	0

- After taking account of Directorate movements to and from reserves the revenue outturn showed a surplus of £1,890k which it is proposed is transferred to reserves to be utilised as follows.
 - £200k transfer to Education Pressures and Improvements Reserve to provide additional support to schools in special measures.
 - £850k to Education Pressures and Improvements Reserve to support ALN in mainstream schools.
 - £20k to Neighbourhood Services Reserve for repairs in single use sports facilities
 - £350k to Neighbourhood Services Reserve for micro asphalt schemes to address the condition of roads within the Council area.
 - £150k to Neighbourhood Services Reserve to support the delivery of health and safety works in leisure centres.
 - £200k to Reshaping Risk and Investment Reserve to provide additional support to Children and Young people.

- £120k to Neighbourhood Services Reserve to support the implementation of A48 Scheme to improve Road Safety.

- The Housing Revenue Account had a smaller than projected draw down on the ringfenced reserve of £953k to reducing the level of its ringfenced reserve to £16.486m.
- The level of Useable Reserves reduced in year although by less that has been projected. The Council undertook a reserve reallocation exercise in year and this is reflected in the outturn position.

As at	Balance 01/04/2022	Capital Funding	Planned Transfer (from) reserves	Planned Transfer to reserves	Reallocation of Reserves	Estimated Balance 31/03/2023
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	12,510	-	- 987	-	-	11,523
Insurance	4,529	-	-	348	-	4,877
Service Reserves	30,824	- 886	- 4,610	5,052	- 7,859	22,521
Risk and Smoothing Reserves	21,345	- 1,594	- 3,358	4,047	9,362	29,802
Capital	27,426	- 9,828	- 77	1,708	- 1,503	17,726
Schools	13,145	-	- 6,522	630	-	7,254
Housing Revenue Account	17,439	- 953	-	-	-	16,486
Total	127,218	-13,260	-15,554	11,785	0	110,189

Recommendations

1. That the report and the financial measures taken and proposed be approved.
2. That the allocation of overall Council surplus as set out below be approved.
 - £200k transfer to Education Pressures and Improvements Reserve to provide additional support to schools in special measures.
 - £850k to Education Pressures and Improvements Reserve support ALN support in mainstream schools.
 - £20k to Neighbourhood Services Reserve for repairs into single use sports facilities
 - £350k to Neighbourhood Services Reserve for micro asphalt schemes to address the condition of roads within the Council area.
 - £150k to Neighbourhood Services Reserve to support the delivery of health and safety works in leisure centres.
 - £200k to Reshaping Risk and Investment Reserve to provide additional support to Children and Young people.
 - £120k to Neighbourhood Services Reserve to support the implementation of A48 Scheme to improve Road Safety.
3. That the report is referred to Corporate Performance and Resources Scrutiny Committee.

Reasons for Recommendations

1. To approve the report and the financial measures taken and proposed.
2. To approve the allocation of the 2022/23 surplus to support the delivery of schemes supporting key priorities identified by the Council.
3. To enable the Scrutiny Committee responsible for finance to review the year end position.

1. Background

- 1.1 Following the end of the financial year, Cabinet is provided with provisional outturn figures for the Council. It is anticipated that the Statement of Accounts will be approved by Council in November 2023, which will follow the external audit by Audit Wales.
- 1.2 This report is to be referred to Corporate Performance and Resources Scrutiny Committee and separate reports will be presented to the other respective Scrutiny Committees.

2. Key Issues for Consideration

2.1 Council Fund

2.2 Council on 28th February, 2022 agreed the Council's budget requirement for 2022/23. This represented budgeted net expenditure for the Authority of £272.558M. Total expenditure was to be financed by Revenue Support Grant (£138.065M), National Non-Domestic Rates contribution (£47.950M) and Council Taxpayers (£86.543M). The Standard Spending Assessment (SSA) for the year was £278.715M.

2.3 The directorate revenue budgets have been amended and approved by Cabinet during the financial year. An additional budget allocation of £1.5M has been made to Schools in 2022/23 as a contribution to the additional costs of the 2022/23 pay award. This has been funded from additional Council Tax Income projected to be received in 2022/23 and therefore the Base Budget was increased to reflect this projected income.

2.4 At year end there was a £1.890M favourable variance which has been allocated as set out in paragraph 2.35.

2.5 Total transfers from reserves of £17.029M were made up of a £987K budgeted contribution from the Council Fund and £2.782M transferred from specific reserves to support the revenue budget, a £953K drawdown from the Housing Revenue Account Reserve and £12.307M drawdown from reserves to fund the capital programme and displacement arrangements. As part of the preparation for the 2023/24 a review of reserves has been undertaken and reserves are reported including these adjustments.

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

Table 1 – Summary Outturn

Service Year – 2022/23	Original Revenue Budget	Amended Revenue Budget	Total Provisional Actual	Variance +Favourable () Adverse	Net Transfer to /(From) Reserve
	£000	£000	£000	£000	£000
Learning and Skills					
Schools	104,953	106,453	106,453	0	-5,997
Learning and Skills Excluding Schools	16,079	16,125	16,174	-49	-551
Social Services	80,869	80,742	79,601	1,141	1,511

Environment and Housing	31,737	31,674	32,561	-887	1,185
Place	4,132	4,088	4,128	-40	-195
Corporate Resources	1,675	2,208	3,657	-1,449	-2,263
General Policy	34,109	33,764	30,003	3,761	1,638
Use of Council Fund	-996	-996	-987	-9	-987
Total Net Budget	272,558	274,058	271,590	2,468	-5,659
Council Tax Surplus	0	-1,500	-922	-578	0
Allocation of Surplus to Reserves	0	0	1,890	-1,890	1,890
TOTAL	272,558	272,558	272,558	0	3,769

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

Learning and Skills

2.8 Table 2 below provides detail of the outturn for the Learning & Skills Directorate. The outturn was an adverse variance of £49K after the transfer into the budget of £6.547M from reserves. A detailed analysis of the out-turn for Learning and Skills can be found in Appendix 1.

Table 2 – Learning & Skills Outturn

Service					
Year - 2022/23	Amended Revenue Budget 2022/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
	£'000	£'000	£'000	£'000	£000
Learning and Skills					
Schools	106,453	112,449	-5,996	-5,996	0
Strategy, Culture, Community Learning & Resources	9,002	9,472	-470	48	-518
Directors Office	242	243	-1		-1
Additional Learning Needs & Wellbeing	3,334	3,468	-134	-367	233

Standards and Provision	3,547	3,542	5	-232	237
Total	122,578	129,174	-6,596	-6,547	-49

Schools

- 2.9** Schools are permitted to carry forward any revenue variances through school balances. At the start of the 2022/23 financial year, school balances totalled £12.771M, with no schools in a deficit position. By the end of 2022/23 year, school balances have decreased by £6.094M to £6.667M. A table identifying school balances is attached at Appendix 2.
- 2.10** Nine schools ended the 2022/23 financial year in a deficit position compared to no schools in a deficit position at the end of 2021/22.
- 2.11** Any school that has a deficit outturn position, will be requested to prepare a balanced recovery plan eradicating the deficit over a three to five year period. Schools are currently working on budgets and recovery plans to the statutory deadline of June 30th 2023.
- 2.12** Other transfers to and from reserves have also taken place in year which are detailed in the appendix such as repayment to the energy management fund for Salix schemes £75K, repayment of ICT loans £23K.

Central Learning and Skills

- 2.13** The Central Learning and Skills Directorate budget closed with an overspend of £49K after transferring £551K from reserves.
- 2.14** Key pressures during the year are outlined below and are detailed in Appendix 1.
- 2.15** Directors Office – Adverse Variance £1K
- 2.16** Strategy, Culture, Community Learning & Resources - £518K adverse variance
- Total adverse variances £1.687M most significantly School Transport (£702K)
 - Favourable variances £1.217M relating to staff costs, private nurseries and pension payments and the early retirement and voluntary redundancy scheme
 - Contributions from reserves totalling £796K have been made in respect of the provision of temporary demountable accommodation at Ysgol Y Deri, Transition costs associated with Sustainable Communities for Learning

- Some ringfenced sums have also been transferred into reserves totalling £844K e.g. transfers for ICT Hwb end user replacement fund (£352K), School Investment Strategy (£306K) and Schools Decarbonisation schemes (£25K).

2.17 Additional Learning Needs & Wellbeing – Favourable Variance £233K

- Total adverse variance in the service of £532K including against Children’s Placements and pooled placements fund £282K. The service also experienced a shortfall in Recoupment Income £189K
- Favourable variances have been reported totalling £398K most significantly in respect of Prevention and Partnership and Early Years provision.
- A contribution of £367K was made from Education reserves towards these costs.

2.18 Standards and Provision– Favourable variance £237K

- Adverse variances of £289K relating to Educated Other than At School and Alternative curriculum arrangements and Liaison and Engagement posts.
- Favourable variances total £294K most significantly against out of school tuition and school improvement budgets.
- Additional contributions from reserves of £232K have been made to offset cost including Liaison and Engagement temporary posts in year (£146K).

Social Services

Table 3 – Social Services Outturn

Year - 2022/23	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
	£'000	£'000	£'000	£'000	£000
Social Services					
Childrens Services	18,536	19,486	-950	-673	-277
Adults Services	53,754	49,785	3,969	2,180	1,789
Resource Management and Safeguarding	7,728	8,264	-536	3	-539

Youth Offending Service	724	556	168	1	167
Total	80,742	78,091	2,651	1,511	1,140

2.19 Table 3 above provides detail of the outturn for the Social Services Directorate. The outturn was a favourable variance of £1.140M after the transfer into reserves of £1.511M.

2.20 The outturn position in 2022/23 has been distorted by a one off favourable accounting adjustment of £4.164M to more accurately reflect the Council's collection of deferred income associated with care arrangements. After also allowing for additional cost of the pay award in 2022/23, an uplift given to Community Care Providers in February 2023 to support commissioning in the sector and some of the one off funding received in Children's Services from the Regional Integration Fund the underlying position would have been closer to a net overspend of around £1m. A detailed analysis of the outturn for Social Services can be found in Appendix 3.

2.21 Childrens Services – Adverse Variance £277k

- Total adverse variances £1.722M, mainly associated with Legal Costs of Complex cases £369K, the cost of external placements £730K and the cost of additional posts and market forces payments of £376K
- Favourable Variances totalled £772K, the largest of which was additional funding through the Regional Integration Fund of £638K.
- Contributions from reserves totalling £677K towards legal costs and the additional posts and market forces payments.

2.22 Adult Services – Favourable Variance £1.789M

- Total adverse variances £2.290M mainly as result of Community Care budgets having an adverse variance of £1.884M. Around half of this was due to an uplift in rates given to providers in February 2023 in order to support the pressures within the sector such as recruitment of staff and inflationary costs.
- Favourable Variances totalled £6.259M mainly due to the variance on deferred payment income of £4.858M and a £1.033M underspend on staffing costs as a result of additional grant funding and some vacant posts throughout the year.
- Contributions to reserves totalled £2.180M. This was made up of a £2m transfer into the Social Services Reserve and £180k into the Telecare Reserve.

2.23 Resource Management and Safeguarding Adverse Variance £539k

- The total adverse variance within RMS was £1.824M. This was due to additional staffing costs of £667K associated with the enhanced pay award and also additional staff within residential care homes. There were also additional payments made on grants of £1.132M, however these were covered through additional grant income.
- Favourable Variances have been reported totalling £1.288M. The majority of this due to additional grant income received into the service.
- A contribution of £3k was made to the Energy Management reserve.

2.24 Youth Offending Service Favourable Variance £167k

- Favourable Variances have been reported totalling £167K due to a rebate of non domestic rates and a saving on staff costs due to vacant posts in year.

Environment and Housing

Table 4 – Environment and Housing Outturn

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23					
	£'000	£'000	£'000	£'000	£000
Environment & Housing					
Neighbourhood Services & Transport	28,147	30,449	-2,302	-1,415	-887
Building/ Cleaning Services	0	-100	100	100	0
Regulatory Services	2,102	2,044	58	58	0
Council Fund Housing	1,425	-1,017	2,442	2,442	0
Total	31,674	31,376	298	1,185	-887

- 2.25** The Environment and Housing budget outturn was an adverse variance of £887k after a net transfer to reserve of £1.185M including some ringfenced sums for resettlement. The remaining adverse variance is being offset by an underspend within the Policy budget as reported in the revenue monitoring report to Cabinet on 16th March, 2023.

2.26 A detailed analysis of the outturn is attached at Appendix 4

2.27 Neighbourhood Services and Transportation - £887k adverse variance

- Total Adverse variances £3.642M most significantly £800K associated with the enhanced pay award and market forces uplift for waste drivers and £715K on additional pothole and patching works. In addition, £230K was incurred to support Winter Maintenance costs and £727K additional costs were incurred on the Leisure Contract with Parkwood.
- Favourable Variances £1.340M including £294K reduced costs of street lighting, £279K additional car park income and £767K additional reimbursement from capital schemes and internal departments.
- Contributions from reserves totalling £1.415M including £200K towards the costs of tackling Ash Die Back, £450K towards the pothole and patching works and £727K to fund the Leisure centre contract overspend.

2.28 Regulatory Services – breakeven

- Favourable variances £58K on the regulatory services base budget mainly due to the payment to the Council of the 2021/22 SRS underspend for the relevant share of the budget.
- £58K has therefore been transferred into the Neighbourhood Services reserve.

2.29 Council Fund Housing – Breakeven

- Adverse variances totalling £51K including £25K on Cadoxton House.
- Favourable variances of £2.493M across the service mainly due to additional income for supporting people and refugee resettlement schemes which will be carried forward in a supporting people reserve and also towards the costs of the Rapid Housing Response programme and Resettlement demands in the medium term.
- Contributions to reserve totalling £2.442M into the Homelessness & Housing Strategy Reserve including £1.492M ringfenced for Refugee resettlement.

Corporate Resources

Table 5 – Corporate Resources Outturn

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23					
	£'000	£'000	£'000	£'000	£000
Corporate Resources	2,208	5,920	-3,712	-2,263	-1,449
Total	2,208	5,920	-3,712	-2,263	-1,449

2.30 The Corporate Resources budget outturn was an adverse variance of £1.449M after a net transfer from reserve of £2.263k. A detailed analysis of the outturn is attached at Appendix 5.

- Total Adverse variances £5.544M most significantly £414k associated with Legal and Democratic, Policy and Business Transformation £321k, ICT £291K and Oracle Cloud Implementation £3.477M.
- Favourable Variances £1.968M including £1.75M associated with an adjustment for an appeal on the rateable value of a number of the Council's office accommodation.
- Contributions from reserves totalling £3.548M including £2.139M towards the costs of the Oracle Implementation and £825k towards the Discretionary Cost of Living scheme.
- Transfers to reserves total £1.421M and include £1.243M to the Corporate Landlord Reserve towards the costs of the proposed Eich Lie project.

Place

Table 6 – Place Outturn

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23					
	£'000	£'000	£'000	£'000	£000
Place					

Regeneration	1,660	1,853	-193	-146	-47
Sustainable Development	2,206	2,205	1	-8	9
Private Housing	222	265	-43	-41	-2
Total	4,088	4,323	-235	-195	-40

2.31 The Place budget outturn was an adverse variance of £40K after a net transfer from reserve of £195k. A detailed analysis of the outturn is attached at Appendix 6.

2.32 Regeneration - £47K Adverse Variance

- Adverse variances totalled £271K mainly due to the Events programme which is funded from reserves and also an adverse variance on historical pension costs.
- Favourable variances totalled £66K mainly due to additional income.
- Contributions from reserve totalled £158K. Of this figure £109K was for the Events programme, £59K from the regeneration and planning reserve and £198K was put into reserve for 198 Holton Road.

2.33 Development Management - £9k Favourable Variance

- Adverse variances totalled £318K. The main variances were for the Local Development Plan £42K, a shortfall in planning fee income of £164K and a deficit on the Building Control trading account of £43K
- Favourable variances totalled £319K. There was £77K in additional car park income, £229K underspend on staff costs and £13K additional income for the landscape team.
- There was a net transfer of £8K from reserves. £42K drawdown from the LDP reserve, £43K from the Building Control reserve and £77K transferred into a reserve for the car park income at Country Parks which will be re-invested within the Country Parks.

2.34 Private Housing - £2K Adverse Variance

- Total adverse variances of £53K mainly due to an additional occupational therapist post in the Disabled facilities grant section.
- Favourable variances totalled £10K due to an underspend on software and transport budgets.
- There was a £41K drawdown from reserves to cover the occupational therapist post mentioned above.

General Policy

Table 7 – General Policy Outturn

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23					
	£'000	£'000	£'000	£'000	£000
Policy	33,764	28,364	5,400	1638	3,762
Council Tax Surplus	-1,500	-922	-578	0	-578
Total	32,264	27,442	4,822	1,638	3,184

2.35 The General Policy outturn was a £3.184M favourable variance.

2.36 The Policy budget outturn was a favourable variance of £3.762M after a net transfer to reserves of £1.638M. A detailed analysis of the outturn is attached at Appendix 5.

- Total Adverse variances £841K most significantly Welsh translation overspend of £68K, Capital schemes funding from revenue of £147K, various contributions to corporate costs such as Employee Counselling, Flu vaccinations and legal costs totalling £458K, Election costs of £197K, property costs of £83K, legacy costs associated with Covid e.g., continued PPE provision £69K.
- Favourable Variances £6.241M including £3.131M against the cost of capital financing for external borrowing as the Council continues to utilise reserve balances in the current high interest environment. Additional investment income of £964K, an underspend against the Members and Corporate Policy budget of £74K and a reduced level of take up against the Council Tax reduction budget of £390K. The Council also received income of £60K related to solar panels which has been ringfenced for Project Zero.
- Contributions from reserves totalling £197k to fund election costs.

- Transfers to reserves total £1.834m which includes £348K additional reserve provision for the Council's Insurance Fund which enables some self insurance. Included in the analysis above is a contribution of £1.232M to the Vehicles renewals fund which has been funded by planned contribution as part of the Council's fleet arrangements towards the replacement of vehicles and proceeds of sale where the sum does not meet the capitalisation threshold.

2.37 Council Tax Surplus – Adverse Variance £578K

2.38 To support schools with pay pressures an additional allocation from an assumed Council Tax surplus was made of £1.5M, having analysed arrears at year end an increased contribution to a provision for doubtful debts was required and therefore the surplus in year was reduced to £922K leaving a shortfall of £578K against the revised budget. This shortfall has been offset by additional investment income and a reduced take up against the Council Tax Reduction Scheme in year in the main Policy budget.

Allocation of Surplus

2.39 Following Directorate specific transfers to and from reserves the Council reported a surplus of £1.890M this was largely due to the continued use of the Council's reserves to minimise external borrowing and the required accounting adjustment for deferred income in social services.

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

1. £200K transfer to Education Pressures and Improvements Reserve to provide additional support to schools in special measures.
2. £850K to Education Pressures and Improvements Reserve support ALN support in mainstream schools.
3. £20K to Neighbourhood Services Reserve for repairs to single use sports facilities
4. £350K to Neighbourhood Services Reserve for micro asphalt schemes to address the condition of roads within the Council area.
5. £150K to Neighbourhood Services Reserve to support the delivery of health and safety works in leisure centres.
6. £200K to Reshaping Risk and Investment Reserve to provide additional support to Children and Young people.
7. £120k to Neighbourhood Services Reserve to support the implementation of A48 Scheme to improve Road Safety.

Housing Revenue Account

- 7.1** Council on 7th March, 2022 (minute no.905) agreed the Authority's 2022/23 Housing Revenue Account (HRA) budget.
- 7.2** The 2022/23 Housing Revenue Account (HRA) has a deficit of £954K compared to the amended budget deficit of £16.516M. A breakdown is shown in Appendix 7. The HRA reserve balance opened at £17.439M and closed at £16.483M. This level is higher than the figure projected in the current Housing Business Plan, mainly due to a reduction in the required revenue contribution to capital. The level of this balance will therefore be reviewed as part of the production of the next Housing Business Plan.

Insurance Fund

- 7.3** The total Insurance Fund comprises of both a provision and a reserve. The provision represents potential liabilities on known claims and the reserve relates to claims not yet made. There was a surplus on insurance transactions of £374k in year which has been transferred into the reserve. Following analysis of outstanding claims the provision was increased for £25K, through a reduction in the reserve balance. A breakdown is shown in the following table.

Table 8 – Insurance Fund

	Provision	Reserve	Total
	£000	£000	£000
Opening Balance	1,770	4,530	6,300
Additional Provision Made	25	(25)	0
Surplus/(Deficit) on Insurance Transactions	0	374	374
Transfers In/(Out)	0	0	0
Closing Balance	1,795	4,879	6,674

Trading Operations

- 7.4** The Trading Organisations referred to in this section are made up of Building Maintenance, Caretaking & Security and Building Cleaning and Courier.
- 7.5** The provisional figures for the Trading Services are shown below:

Table 9 – Trading Operations

	Building Mtce	Building Cleaning	Caretaking and Security	Courier	Total
	£000	£000	£000	£000	£000
(Surplus)/ Deficit	(61)	(51)	(86)	(15)	(213)
Building Maintenance Twin Hat					(160)
Refund to HRA					25
Transfer to Building Services Reserve					347
Outturn Position (Surplus)					1

7.6 Explanations of the variances are shown earlier in the report.

Efficiency Targets

7.7 As part of the Final Revenue Budget Proposals for 2022/23, an efficiency target of £500K was set for the Council, which as a result of a positive settlement from WG, was broadly in line with the lower targets set in the past two financial years. No efficiency target was set for schools. A further £170K was outstanding from 2021/22 and so has continued to be monitored during 2022/23. Whilst some savings have been offset by underspends in other areas in 2022/23 steps have been taken by Directorates to identify savings on a sustainable basis from the 2023/24 budget.

7.8 Attached at Appendix 8 is a statement detailing all savings targets for 2022/23 and the projection as to whether this saving can be made within the financial year, the position by Directorate is summarised below. The appendix shows a RAG status for the savings to show the potential for being made in 2022/23.

Table 10 – Efficiency Targets

Service	Efficiency Target 22/23	Efficiencies and Savings Achieved	Variance
Year – 2022/23	£000	£000	£000
Learning and Skills Excl. Schools	68	68	0
Social Services	106	106	0
Environment and Housing	199	199	0
Place	14	14	0
Corporate Resources	177	177	0

General Policy	106	106	0
Total Savings and Efficiencies	670	670	0
Savings Allocation 22/23	500	500	0
Savings Allocation 21/22	170	170	0
Total Savings and Efficiencies	670	670	

Reserves

- 7.9** A reserve is an appropriation from a revenue account and does not constitute a cost of service until the expenditure is eventually incurred. A reserve does not cover a present obligation or liability and is a voluntary means of setting aside monies for future requirements either capital or revenue.
- 7.10** As part of the preparation for the 2023/24 budget a full review of the Council's reserves has been undertaken some consolidation has been undertaken and some reallocation to ensure that the reserves are more appropriately matched the Council's key budgetary risks the table below reflects the reallocation of reserves that has taken place.
- 7.11** Table 11 below sets out the use of reserves for a variety of purposes including planned usage to fund Capital Expenditure, planned revenue usage in accordance with the earmarked purpose of the reserve, unplanned usage to fund emerging overspends during 2022/23 and planned transfers to reserves to set aside fund for specific purposes. The use of reserves to support the Capital programme has reduced to £12.3M and reflects slippage on the delivery of schemes in 2022/23. Where schemes have been reprofiled into 2023/24 this drawdown from reserves will now take place in 2023/24 to match expenditure.
- 7.12** Use of reserves includes an allocation of £2.006M to fund the projected Oracle project cost, £450k towards the cost of Potholes and £727k towards the additional costs of the Leisure contract. Transfers into reserves include the rates rebate £1.243M transferred into the Corporate Landlord reserve and the corporate surplus of £1.890M which has been transferred into reserves as detailed in paragraph 2.30. The use of reserves is detailed in the table below.

Table 11 - Reserves

As at	Balance 01/04/2022	Capital Funding	Transfer (from) reserves	Transfer to reserves	Reallocation of Reserves	Provisional Balance 31/03/2023
	£000	£000	£000	£000	£000	£000
General Fund	12,510	0	-987	0	0	11,523
Insurance	4,529	0	0	348	0	4,877
Service Reserves						
Learning and Skills	5,082	-68	-1,500	1,580	-963	4,131
Social Services	13,777	0	-786	2,000	-4,979	10,012

Neighbourhood Services	4,407	-741	-1,026	699	-263	3,076
Corporate Resources	1,112	-25	-128	277	-503	733
Place	2,525	-51	-270	105	-209	2,100
Other Service Reserves	2,500	0	-820	341	-392	1,629
Other Corporate	1,421	0	-80	50	-550	841
Risk and Smoothing Reserves						
Homelessness and Housing Reserve	2,065	0	0	2,442	-51	4,456
Cost of Living	1,723	0	-869	0	0	854
Pay Pressures	473	0	0	0	3,695	4,168
Energy Pressures	0	0	0	0	3,885	3,885
Legal	1,870	0	0	0	130	2,000
Project Zero	2,681	-326	-200	170	0	2,325
Investment and Growth Fund	2,353	0	0	0	0	2,353
Reshaping Risk and Investment	1,763	0	-150	200	710	2,523
Corporate Landlord	5,465	-1,267	0	1224	286	5,708
Digital Reshaping	2,952	0	-2,139	11	707	1,531
Capital Reserves		0				0
Capital	27,426	-9,828	-77	1,708	-1,503	17,726
Sub Total	96,634	-12,307	-9,032	11,155	0	86,450
Ring Fenced Reserves						
School Reserves	13,145	0	-6,522	630	0	7,254
Housing Revenue Account	17,439	-953	0	0	0	16,486
Total Reserves	127,218	-13,260	-15,554	11,785	0	110,189

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

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

9. Climate Change and Nature Implications

9.1 At 31st March, 2023 the Council holds reserves specifically earmarked to support the Council's response to the Climate and Nature Emergency totalling £2.325M with further reserves earmarked within the Capital reserves shown.

10.Resources and Legal Considerations

Financial

Revenue (Including Efficiency Targets)

- 10.1** As part of the Final Revenue Budget Proposals for 2022/23, an efficiency target of £500K was set for the Council, which as a result of a positive settlement from WG, was greatly reduced from targets set in recent years. No efficiency target was set for schools.
- 10.2** Each efficiency target has been given a RAG status. Green indicates that it is anticipated that the target will be achieved in full within the year, amber indicates that it is considered that the saving in the year will be within 20% of the target and red indicates that the saving to be achieved in year will be less than 80% of the target.
- 10.3** Services were unable to fully achieve their efficiency targets this year, however will look to do so within 2023/24.

Employment

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

Legal (Including Equalities)

- 10.5** The provisional outturn figures for the Council have been used in the preparation of the Statements of Accounts. Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the Responsible Financial Officer to sign and date the Statement of Accounts and certify that they present a true and fair view of the financial position at the end of the year. This means that for 2020/21 the Statement of Accounts should be certified by the Section 151 Officer by 31st May, 2023.
- 10.6** If it is not possible to meet this deadline the Council has to advertise that this has not happened and the reason why. Due to the continued impact of the pressures of the COVID-19 pandemic and Resource pressures in the team it was not possible to produce the Statement of Accounts by 31st May, 2023 and the appropriate advert was placed. The Statement of Accounts was however signed by the S151 Officer on 30th June, 2023.

11.Background Papers

None.

Learning And Skills Budget Outturn 2022/23

The Learning and Skills Directorate has outturned with an adverse variance of £49k after transferring £6.094M in from School balances, schools making repayments of £98k and transferring in £551k from the Directorate's reserves. The table below provides a summary of the out-turn position.

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Making Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23					
	£'000	£'000	£'000	£'000	£000
Learning and Skills					
Schools	106,453	112,449	-5,996	-5,996	0
Strategy, Culture, Community Learning & Resources	9,002	9,472	-470	48	-518
Directors Office	242	243	-1	0	-1
Additional Learning Needs & Wellbeing	3,334	3,468	-134	-367	233
Standards and Provision	3,547	3,542	5	-232	237
Total	122,578	129,174	6,596	-6,547	-49

In month 10 the Directorate was projecting an adverse variance of £464k after transfers in from reserves. However, the position has now changed due to reduced expenditure in some areas and the maximisation of grants where appropriate and within specified terms and conditions. These underspends have allowed the Directorate to offset most of the overspend on School Transport and the additional costs of the 2022/23 pay awards which were estimated to be approximately £227k. Pay awards for Soulbury staff and Youth and Community Workers have still not been agreed and estimated values have been used.

Although the budget for Education transport is held within the Environment and Housing Directorate, the Learning and Skills Directorate is responsible for meeting the cost of any adverse variance which is included in the estimated directorate overspend referenced above. As well as additional routes being required, school transport costs increased at a rapid pace due to increased fuel costs and driver wages as well as general inflationary pressures. The overspend at year end reduced slightly from £771k was reported as part of the month 10 monitoring, the final figure is now £702k. Some of the savings can be attributed to school strike days as the authority only had to pay operators 50% of their daily

rate. A total of £87k has been transferred in from the Education Pressures reserve to help offset the overspend.

Schools

Schools have drawn down £6.094M from School reserves in order to outturn at the 2023/24 budget. Schools balances reduced by 48% during the 2022/23 financial year overall from £12.77M at the start of the financial year to £6.68M at the end of the financial year. School balances were gradually decreasing from March 2016 and totalled £839k in total on 31st March 2020. However, school balances dramatically increased to £12.78M by 31st March 2022 due to additional grant funding made available during the covid pandemic, in addition to budget savings as a result of school closures. These balances have now reduced by half.

Nine schools ended the 2022/23 financial year in a deficit position compared to no schools in a deficit position at the end of the previous financial year. The schools that have outturned in a deficit position are Stanwell £588k, Romilly £244k, Gladstone £114k, St David's £109k, Colcot £40k, Fairfield £39k, Rhws £38k, Pen Y Garth £16k and Palmerston £6k.

Any school that has outturned in a deficit position, will be requested to prepare a balanced recovery plan eradicating the deficit over a three to five year period. Schools are currently working on budgets and recovery plans to the statutory deadline of 30th June 2023.

In addition to the drawdown from reserves shown above the schools have repaid £98k into the Digital Reshaping and Energy Management fund as part of internal loan arrangements.

Strategy, Culture, Community Learning & Resources

The Strategy, Community Learning and Resources budget outturned with an adverse variance of £518k after a net transfer to reserves of £48k. Key pressures are set out and detailed in the table below.

Strategy and Resources

A total of £157k has been transferred in from the Education Pressures Reserve to fund the costs of the second demountable at Ysgol Y Deri which has been put in place whilst the expansion of the school takes place. An underspend of £306k on capital borrowing was transferred from to the Schools Investment Strategy Reserve as planned and will be utilised to fund future Sustainable Communities for Learning schemes.

There were favourable variances against the private nurseries budget £80k and Welsh Immersion due to additional grant funding received in year. The £40k underspend against the Welsh Immersion has been transferred to the Welsh Immersion Unit Reserve to help mitigate future costs.

School Transport - The overspend of £702k has been offset by a transfer in of £87k from the Education Pressures reserve.

Schools Non-Delegated expenditure –

The School’s Long Term Supply scheme and the maternity scheme outturned with adverse variances of £161k and £7k respectively. This was partially offset by a transfer in from the Schools Long Term Supply Reserve of £89k. Premiums have been increased in 2023/24 to help mitigate this ongoing risk.

It is a statutory requirement that redundancy costs in schools are funded centrally. The Early Retirement/Voluntary Redundancy (ER/VR) budget underspent by £79k. This balance has been transferred to the Pay Pressures reserve in addition to £25k repayment of retirement costs and will be used to offset future pay pressures within the Council including retirement and redundancy costs.

Expenditure of £52k was incurred in respect of Barry Co-Ed transition and were offset by a transfer in from the Rationalisation reserve.

Culture and Community Learning –A number of libraries projects that were going to be delivered in 2022/23 financial year have been delayed until 2023/24 so the draw down from reserves has been significantly reduced to £14k this year. Adult Community Learning (ACL) outturned with a favourable variance of £61k after transferring £24k to the ACL Reserve in respect of an underspend against Welsh for Adults which will be used to fund any future shortfall in grant.

Catering - Breakfast Clubs in schools are not part of the Big Fresh Catering Company but they do manage the service on behalf of the Council. This year there was an overspend of £78k against this provision so the balance of £55k in the Breakfast Club reserve was transferred in to reduce the overspend to £23k. A total of £78k was transferred in from the Catering Lease Reserve to offset expenditure incurred on catering equipment. This will be recharged to the Big Fresh Catering Company as part of the lease.

The table below provides a summary of the main variances against this budget and also the transfers from reserves.

Table 2

	£000
Adverse Variances	
Schools Long Term Supply & Maternity	168
Barry Co-Ed Transition costs	52
Non-Delegated Budgets Apprenticeship Levy, Council Tax and Rates, Transfer and amalgamation costs	442
Libraries & Arts Development	13
School Transport	702
School Repairs (Including demountables at Ysgol Y Deri)	155
Catering Equipment Lease and Breakfast Club	155
Total Adverse Variance	1,687

Favourable Variances	
Payments to private nurseries	(81)
Pension Payments	(22)
Early Retirement/Voluntary Retirement Scheme	(103)
Teacher Facilities Time	(3)
Staff Costs and Other	(207)
Welsh Immersion Provision	(32)
School Decarbonisation	(25)
Adult Community Learning – underspend against Welsh for Adults	(85)
Capital Investment – underspend against Capital Financing ringfenced to fund future schemes	(306)
ICT Hwb end user replacement fund	(353)
Total Favourable Variance	(1,217)
Total Net Adverse Variance	470
Contribution from Reserves	Transfer To/(from) reserves £000
Demountable at Ysgol Y Deri	-157
Non-Delegated Budgets– Contribution from Rationalisation Reserve	-266
Barry Co-Ed Transition – Contribution from Rationalisation Reserve	-52
Schools Long Term Supply	-88
Library improvements	-14
Contribution to School Transport Overspend	-87
Welsh Immersion	32
Schools decarbonisation – ringfenced towards future Energy Management schemes	25
Capital Investment	306
Early Retirement/Voluntary Retirement Scheme	104
Adult Community Learning	24
ICT Hwb end user replacement fund - ongoing renewal of devices previously purchased under the Hwb Grant.	353
Breakfast Club	-55
Catering Equipment Lease – purchase of new equipment	-77
Total Transfer from reserves	48
Net Variance after transfer from reserves	518

Directors Office

This area will outturn with an adverse variance of £1k due to the additional costs of the pay award.

Additional Learning Needs & Wellbeing

This service outturned with a favourable variance of £233k after transferring in £367k from the Additional Learning Needs (ALN) Reserve.

As reported previously the income target within the Learning and Skills budget for out of county (OOC) recoupment income is no longer achievable. Due to the increase in Vale of Glamorgan pupils requiring specialist placements at Ysgol Y Deri, there are no new places left to sell to other Local Authorities. As a result, the projected income is dropping each year. The total adverse variance increased to £318k by year end but this was partially offset by £129k income charged to other LA's in respect of OOC pupils attending Vale Resource bases and receiving other additional support, the remaining overspend of £189k was partially offset by a transfer in of £175k from the ALN reserve resulting in a final adverse variance of £14k.

The Children's Placements budget which pays for provision at out of county and independent schools overspent by £370k due to a significant increase in placements. This year some of the expenditure has been offset by grant income. A total of £29k came from the Accelerate Learning Grant which was carried forward from 2021/22 and a further £74k came from the 2022/23 ALN Grant. This £103k plus a draw down from reserves of £235k has resulted in a final adverse variance of £34k.

Learning & Skills are allocated a 10% share of Joint pooled for Children Looked After budget overspend or receive back 10% of any underspend. The year end overspend had increased significantly but was offset by income received from Cardiff and Vale University Health Board which resulted in Learning & Skills only having to contribute £14k.

As part of the 2023/24 budget setting growth has been awarded to help offset the escalating costs but this increased expenditure on Child Placements and the reduction in income for out of county placements continues to be an area for concern.

Additional costs of £177k were incurred in relation to ALN Resource units. Extra staffing for the Whitmore ASD Unit and the costs related to the new Satellite Units at Pencoedtre and Ysgol Bro Morgannwg were funded from the ALN Implementation Grant. Going forward these will be funded from the ALN & Wellbeing budget as additional funding was awarded as part of the 2023/24 budget setting process.

The Early Years ALN Provision underspent by £173k as the majority of costs identified in year were funded from grants as a one off. A specialist teacher and a transition worker were employed to progress early years requirements of the ALN Act. These savings have helped to offset overspends elsewhere in the budget.

The Prevention and Partnership budget outturned with a favourable variance of £122k. The underspend is as a result of utilising and maximising external grants. Within the terms and conditions of the grants some funding has been offset against salary costs for work undertaken by core staff.

The table below highlights the main variances and transfers from reserves.

Table 3

	£000
Adverse Variances	
Children's Placements	268
Joint Pooled Children Looked After Budget	14
Recoupment Income for placements at Special Schools and Resource Bases funded by other Local Authorities	189
Safeguarding & Wellbeing Budget	26
Post 16 Budget Funding for ALN	20
Pupil Support Service Events	12
Other Miscellaneous overspends	3
Total Adverse Variance	532
Favourable Variances	
Early Years Provision – additional funding	-173
Prevention & Partnership – additional funding	-122
Complex Needs	-39
Non Delegated Resource Units – Funding ALN Implementation Grant	-11
ALN Resources	-10
Favourable Variance Communities for Work and Kickstart	-43
Total Favourable Variance	-398
Total Net Adverse Variance	134
Contribution from Reserves	Transfer To/(from) reserves £000
Recoupment Income	-175
Children's Placements	-235
Communities for Work and Kickstart	43
Total Transfer from reserves	-367
Net Favourable Variance after transfer from reserves	-233

Standards and Provision

This service outturned with a favourable variance of £237k after a net transfer in from reserves of £232k.

The Pupil Engagement and Education Other than at School (EOTAS) budget outturned with an adverse variance of £18k after a transfer in of £109k from the Wellbeing and Family Engagement Reserve. This reserve transfer paid for the new Rhoose provision provided by Inspired Learners (£57k) as well contributing to the costs of additional provision and increased transport costs (£70k).

Youth Engagement and Progression ended the year with a favourable variance of £105k. The majority of the underspend related to staff vacancies across the service as well as additional

grant income. A total of £23k was transferred into the Youth Reserve. This related to an underspend on Inspire to Achieve which will be used to fund future redundancy costs.

The Inclusion and Wellbeing Team outturned with a favourable variance of £14k after a transfer in of £146k from the Wellbeing and Family Engagement Reserve. Temporary Liaison and Engagement Officer posts were put in place to provide further support for pupils in years 7 to 9 on any matters concerning non-attendance and non-engagement with school provision. The provision will end at the end of the 2022/23 academic year and will have been fully funded from reserves.

The Out of School Tuition budget outturned with a favourable variance of £62k. This was as a result of changes to provision and staff as well as reduced transport costs.

In addition there was an underspend of £76k against School Improvement due to the receipt of additional grant funding.

The table below highlights the main variances and transfers from reserves.

Table 4

	£000
Adverse Variances	
Engagement, Education Other Than at School (EOTAS) & Alternative Curriculum	127
Liaison & Engagement Officer Temporary Posts	146
Ukrainian Grant shortfall	16
Total Adverse Variance	289
Favourable Variances	
Out of School Tuition	-62
Youth Engagement & Progression	-127
Inclusion & Wellbeing (exc Liaison & Engagement posts)	-14
EAL & LAC, MEAG & Travellers	-16
School Improvement	-75
Total Favourable Variance	-294
Total Net Favourable Variance	-5
Contribution from Reserves	Transfer To/(from) reserves £000
Liaison & Engagement Officer Temporary Posts	-146
Education Other Than at School (EOTAS)	-109
Youth Service Surplus	23
Total Transfer from reserves	-232
Net Variance after transfer from reserves	-237

Schools Balances as at 31st March		Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance
		31.03.15	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20	31.03.21	31.03.22	31.03.23
Nursery Schools	Bute Cottage Nursery	£10,423	£11,277	£13,011	£7,286	£16,626	£25,080	£64,096	£73,411	£0
	Cogan Nursery	£32,686	£21,320	£23,342	£29,633	£27,041	£23,370	£78,664	£102,609	£0
	Total Nursery	£43,109	£32,597	£36,353	£36,919	£43,667	£48,450	£142,760	£176,020	£0
Primary Schools	Albert Primary	£62,501	£67,991	£97,944	£92,943	£97,269	£46,720	£112,591	£164,844	£57,129
	All Saints Primary	£46,968	£20,523	£29,026	£61,781	£86,424	£58,021	£78,258	£152,724	£9,613
	Barry Island Primary	£33,440	£76,811	£46,140	£33,287	£42,247	£2,976	£51,837	£113,260	£13,461
	Cadoxton Primary	£18,400	£47,444	£11,567	£585	£71,851	£55,250	£170,253	£210,108	£33,190
	Cogan Primary (incl. nursery from 22/23)	£68,982	£119,178	£154,325	£65,066	£57,837	£39,913	£92,481	£135,142	£193,524
	Colcot Primary	£13,317	£57,867	£51,715	£27,206	£34,257	-£13,997	£54,834	£79,832	-£39,887
	Dinas Powys Primary	£38,369	£4,691	£140	£16,662	£38,252	-£18,872	£130,199	£165,811	£111,995
	Evenlode Primary (incl. bute nursery from 22/23)	£31,443	£38,668	£10,072	£14,216	£14,511	£8,180	£108,453	£232,976	£256,770
	Fairfield Primary	£30,796	£692	-£35,471	£0	£39,718	-£29,219	£20,824	£76,441	-£38,817
	Gladstone Primary	£34,991	£74,968	£77,848	£36,173	£43,676	-£83,577	-£66,769	£82,054	-£114,235
	Gwenfo Primary	£44,123	£87,600	£90,914	£69,376	£87,011	£15,738	£72,859	£128,976	£14,339
	High Street Primary	£25,647	£34,027	£20,121	£23,624	£28,090	£19,051	£104,394	£189,596	£132,673
	Holton Primary	£41,907	£73,207	£62,743	£58,740	£4,277	-£39,992	£123,000	£155,636	£42,907
	Jenner Park Primary	£59,640	£70,073	£17,478	£64,626	£66,611	£36,562	£133,525	£235,529	£116,353
	South Point Primary	£11,246	£8,485	£26,590	£35,199	£79,961	£97,519	£79,628	£51,722	£35,905
	Llandough Primary	£29,889	£34,211	£57,378	£58,011	£72,049	£35,997	£45,683	£80,195	£26,168
	Llanfair Primary	£10,827	£7,792	£14,516	£15,501	£23,359	£8,901	£59,013	£96,287	£85,534
	Llangan Primary	£24,625	£35,781	£32,190	£56,781	£50,840	£35,195	£36,232	£13,744	£14,327
	Llansannor Primary	£16,332	£16,497	£29,519	£77,881	£58,978	£10,726	£94,031	£150,957	£56,176
	Oakfield Primary	£6,515	£15,727	£4,570	£60,695	£44,240	£28,365	£52,978	£153,479	£58,326
	Palmerston Primary	£39,570	£20,702	£55,133	£73,552	£62,527	£2,395	£13,114	£44,240	-£6,031
	Pendoylan Primary	-£8,922	-£38,751	-£40,573	-£49,736	-£23,465	-£15,161	£37,680	£66,521	£19,588
	Peterston Super Ely Primary	£20,192	£29,608	£30,689	£30,199	£29,239	£27,107	£49,754	£86,720	£39,100
	Rhws Primary	£37,620	£47,681	£11,682	£17,094	£32,886	-£44,486	£23,726	£76,923	-£37,569
	Romilly Primary	£1,052	£25,765	£28,558	£23,776	£15,679	£5,775	-£12,999	£222	-£243,629
	St Andrews Major Primary	£12,207	£6,371	£20,914	£40,747	£39,942	£48,305	£108,755	£175,666	£79,398
	St Athan Primary	£45,832	£49,755	£31,263	£54,815	£60,116	£44,007	£94,918	£148,588	£95,205
	St Brides Major Primary	£159,432	£133,314	£128,531	-£9,247	£55,747	£13,648	£73,516	£173,615	£72,358
	St David's Primary	£14,313	£10,508	£11	£15,398	£0	-£10,671	£25,683	£9,287	-£108,560
	St Helen's Primary	£65,198	£62,367	£30,608	£51,502	£25,902	£20,244	£102,140	£174,382	£77,404
	St Illtyd Primary	£83,252	£68,477	£59,646	£57,392	£69,872	£29,785	£20,085	£146,979	£67,437
	St Joseph's Primary	£24,935	£15,159	£12,649	£56,048	£39,743	£25,611	£87,327	£119,008	£51,240
	St Nicholas CIW Primary	£16,082	£65,158	£69,470	£105,230	£73,061	£56,676	£88,316	£115,353	£152,599
	Sully Primary	£47,166	£88,255	£73,299	£69,911	£77,263	£58,819	£168,509	£187,990	£156,707
	Victoria Primary	£90,349	£83,350	£45,767	£41,212	£79,456	£34,759	£117,275	£257,582	£62,466
	Wick & Marcross Primary	£90,789	£143,094	£71,813	£50,863	£86,718	£60,818	£141,179	£238,623	£275,597
	Y Bont faen Primary	£43,937	£45,150	£50,098	£64,998	£55,340	£66,162	£134,721	£148,391	£89,640
	Ysgol Dewi Sant	£148,280	£92,441	£41,205	£55,557	£38,984	£39,778	£108,246	£134,085	£92,903
	Ysgol Gymraeg Gwaun Y Nant	£70,498	£48,040	£40,261	£30,501	£28,282	£16,041	£109,023	£207,619	£204,939
	Ysgol Gymraeg Pen Y Garth	£31,813	£15,720	£0	£23,963	£23,662	£0	£21,273	£108,006	-£15,641
	Ysgol Gymraeg Sant Baruc	£10,148	-£1,363	-£8,390	£18,905	£46,421	£29,928	£133,011	£216,332	£186,580
	Ysgol Iolo Morganwg	£87,039	£49,453	£26,633	£18,460	£35,645	£21,931	£74,876	£99,082	£3,699
	Ysgol Sant Curig	£58,751	£61,094	£39,232	£32,003	£2,673	-£55,697	£96,494	£231,691	£207,546
	Ysgol Y Ddraig	£37,661	£32,613	£22,299	£65,024	£58,011	£14,475	£336,678	£388,872	£87,700
	Total Primary	£1,877,152	£2,046,194	£1,640,123	£1,806,520	£2,055,162	£803,707	£3,707,604	£6,225,090	£2,676,127
Age 3-19 school	Ysgol Bro Morgannwg	£149,871	£250,546	£55,514	-£52,067	-£23,075	-£112,535	£204,895	£619,913	£465,864
	Total All-through	£149,871	£250,546	£55,514	-£52,067	-£23,075	-£112,535	£204,895	£619,913	£465,864
Secondary Schools	Whitmore High	£26,020	£53,110	£175,682	£22,298	£15,706	£7,317	£256,827	£799,563	£920,539
	Pencoedtre High	£230,765	£320,939	£250,651	£246,711	£2,449	-£160,884	£189,226	£891,150	£763,622
	Cowbridge Comprehensive	£589	£41,882	£22,207	£70,782	£72,883	-£9,054	£475,555	£973,071	£650,931
	Llantwit Major Comprehensive	£85,214	£51,746	£98,824	£92,322	£99,723	£63,547	£331,122	£748,439	£609,559
	St Cyres Comprehensive	-£47,392	-£175,447	-£141,388	£85,273	£32,039	-£2,208	£217,668	£563,493	£310,787
	St Richard Gwyn Comprehensive	£2,673	£26,550	£54,310	£139,274	£132,459	£117,137	£276,328	£460,678	£292,805
	Stanwell Comprehensive	£274,368	£188,044	£69,013	£75,130	£260,696	£1,563	£218,148	£534,797	-£588,165
	Total Secondary	£572,237	£506,824	£529,299	£731,790	£615,955	£17,418	£1,964,874	£4,971,190	£2,960,077
Special School	Ysgol Y Deri	£65,762	£110,187	£60,528	£99,571	-£11,807	£82,010	£291,026	£779,017	£575,414
	Total Special	£65,762	£110,187	£60,528	£99,571	-£11,807	£82,010	£291,026	£779,017	£575,414
	GRAND TOTAL	£2,708,131	£2,946,348	£2,321,817	£2,622,733	£2,679,902	£839,050	£6,311,159	£12,771,230	£6,677,483
	Change on previous Year		£238,217	-£624,531	£300,916	£57,169	-£1,840,852	£5,472,109	£6,460,071	-£6,093,747
	Change on previous Year %		8.8%	-21.2%	13.0%	2.2%	-68.7%	652.2%	102.4%	-47.7%

Social Services Budget Outturn 2022/23

The Social Services Budget had a favourable variance of £1,140k after transferring £1,509k into reserves. The table below shows the breakdown over the areas within Social Services.

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23	£'000	£'000	£'000	£'000	£000
Social Services					
Childrens Services	18,536	19,486	-950	-673	-277
Adults Services	53,754	49,785	3,969	2,180	1,789
Resource Management and Safeguarding	7,728	8,264	-536	3	-539
Youth Offending Service	724	556	168	1	167
Total	80,742	78,091	2,651	1,511	1,140

The outturn position in 2022/23 has been distorted by a one off accounting adjustment of £4.164m to more accurately reflect the Council’s collection of deferred income associated with care arrangements. After also allowing for additional cost of the pay award in 2022/23, an uplift given to Community Care Providers in February 23 and some of the one off funding received in Children’s Services the underlying position would have been closer to a net overspend of around £1m. Further analysis of each area is provided in the paragraphs below:

Children and Young People Services

Children’s Services had an adverse variance of £277k after transferring £673k from reserves. The following table provides a breakdown of the main variances against the budget and also the transfers to/(from) reserves:

Children's	£'000
Adverse Variances	
Legal Costs Complex Cases	369
Financial support for Special Guardianship and Residence Orders	114
External Placements	730

Additional Posts and Market Forces to be funded from Reserves	376
Other adverse variances	8
Additional Pay Costs	125
Total Adverse Variances	1,722
Favourable Variances	
Regional Integration Fund Slippage (One off Income 2022/23)	-638
Foster Payments	-134
Total Favourable Variances	-772
Total Net Adverse Variance	950
Contribution from Reserves	Transfer To/(from) reserves
	£'000
Legal Costs	-160
Adoption Allowances	-137
Additional Posts and Market Forces to be funded from Reserves	-376
Total Transfer from reserves	-673
Net Variance after transfer from reserves	277

The outturn at year end was an adverse variance of around £277k. Adverse variances include legal costs, which were incurred as a result of complex Court cases that required Counsel's involvement, financial support for Special Guardianship and Residence Orders and overspends against the External Placement budget. There were also additional staffing costs as a result of the enhanced pay award. There were also added costs for some additional posts and market forces payments which were funded via reserves.

There were favourable variances across the Division, most particularly in the current foster payments budget, which totalled £134k. It should be noted however that the foster payments budget remains subject to change as more foster carers are recruited and the favourable variance may not continue into the 2023/24 year. There was also a favourable variance due to additional grant funded received late in the financial year of £638k.

There were drawdowns from Social Services reserves totalling £673k to cover legal costs of £160k, adoption allowances of £137k, additional staffing and market forces payments of £376k.

Adults Services

There was a favourable variance in Adults Services of £1,789k after transferring £2,180k into reserves at year end. The following table provides a breakdown of the main variances against the budget and also the transfers to/(from) reserves:

Adult's Services	
Adverse Variances	£000
Enhanced 2022/23 Pay Award	300
Community Care - 3rd Party Providers (uplift to rates in Feb 23 accounts for around £900k)	1,884
Third Party Payments - Adult Placement scheme	67
Net Revenue Contribution to Capital	39
Total Adverse Variance	2,290
Favourable Variances	
Deferred Payment income adjustment and increase	-4,858
Staff Costs (Vacant posts/Additional grant funding)	-1,032
Additional Grant Funding	-347
Other favourable variances	-22
Total Favourable Variances	-6,259
Total Net Favourable Variance	-3,969
Contribution to/(from) Reserves	Transfer To/(from) reserves £000
Year End Transfer to Social Services Reserve	2,000
Year End transfer to Telecare Reserve	180
Total Transfer from reserves	2,180
Net Variance after transfer from reserves	-1,789

There were several adverse variances within Adults Services. There was additional spend on Community Care Budgets of £1,884k. Approximately half of this was due to an uplift in rates provided from February 2023 with the aim of meeting some of the pressure within the Community Care Market such as recruitment and inflationary pressures. There was also an adverse variance against payments to third party providers for the Adult Placement Scheme. The enhanced pay award provided to Council staff in 2022/23 added around £300k costs onto the staffing budget.

There were also some large favourable variances within Adults Services. The largest variance was £4,858k against the income budget for deferred payments for residential and nursing care. The large variance was mainly due to a change in accounting for deferred payments owed to the Council which led to a one-off benefit in 2022/23. Staff costs had a favourable

variance of £1,033k due to vacant posts within the service and also the ability to move some posts to grant funded schemes. There was also a favourable variance of £347k due to additional grant funding received by the Council.

Net transfers into reserve totalled £2,181k. There were transfers into reserve of £2,000k into the Social Services Reserve and £181k into the Telecare reserve.

Resource Management and Safeguarding (RMS)

There was an adverse variance in RMS of £539k after transferring £3k to reserves at year end. The following table provides a breakdown of the main variances against the budget and also the transfers to/(from) reserves:

Resource Management and Safeguarding	
Adverse Variances	£000
Enhanced Pay Award	300
Additional Staffing Costs - Mainly Residential Care Homes	367
Covid 19 SSP Enhancement Scheme (funded via additional grant)	154
Finance Support Payment to Unpaid Carers (funded via additional Grant)	633
National Approach to Advocacy (funded through grant)	345
Net Revenue Contribution to Capital	25
Total Adverse Variance	1,824
Favourable Variances	
Additional Income/Grant Funding	-1268
Other Favourable Variances	-20
Total Favourable Variance	-1,288
Total Net Adverse Variance	536
Contribution to/(from) Reserves	Transfer To/(from) reserves £000
Transfer to Carbon Management Reserve	3
Total Transfer from reserves	3
Net Variance after transfer from reserves	539

There were several adverse variances within RMS. Staffing costs had an adverse variance of £300k due to the enhanced pay award in 2022/23 and £367k mainly due to the additional relief staffing required within Council owned residential homes. There was also additional spend on certain grants such as the Covid 19 SSP Enhancement Scheme £154k, support payments to unpaid carers of £633k and spend on the National approach to Advocacy scheme of £345k. These were all covered through additional grant income.

The main favourable variances within RMS were due to additional grant income received of £1,268k and other variances totalling £20k.

There was a transfer into the Carbon Management reserve of £3k.

Youth Offending Service (YOS)

The outturn at year end was a favourable variance of £167k. The reason for this was due to the YOS team receiving £80k due to a back dated rebate of non domestic rates as the valuation office deemed the Youth Offending Building a lower rateable value. The other £87k was due to staff vacancies. There was a £1k transfer into the Carbon Management Reserve.

Environment & Housing Budget Outturn 2022/23

The Environment & Housing Budget had an adverse variance of 887k after transferring £1,185k from reserves. The table below shows the breakdown over the areas within Environment & Housing.

Service	Original Revenue Budget	Amended Revenue Budget	Total Provisional Actual	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve
Year - 2022/23	£'000	£'000	£'000	£'000	£'000
Environment & Housing					
Neighbourhood Services & Transport	28,190	28,147	30,449	-887	-1,415
Building/Cleaning Services	0	0	-100	0	100
Regulatory Services	2,103	2,102	2,044	0	58
Council Fund Housing	1,444	1,425	-1,017	0	2,442
Total	31,737	31,674	31,376	-887	1,185

Further analysis of each area is provided in the paragraphs below:

Neighbourhood Services & Transport - £887k adverse variance

Neighbourhood Services and transport had an adverse variance of £887k after transferring £1,415k from reserves. The following table provides a breakdown of the main variances against the budget and also the transfers to/(from) reserves:

Neighbourhood Services & Transport	
Adverse Variances	£000
Enhanced Pay Award	500
Market forces uplift - Waste collections Drivers	300
Transport Costs - increasing cost of fuel/parts/new vehicles	369
Ash Die back - essential tree work (£200k funded from reserve)	278
Additional Pothole/Highways patching works	715
Painting at Barry Island - funded from reserves	76
Winter Maintenance	230
Additional subcontractor work - Parks & Cleansing	200
Leisure contract – Parkwood	727
Technical salary costs	162
Other Adverse Variances	85

Total Adverse Variance	3,642
Favourable Variances	
Street Lighting Energy costs	-294
Car Parking Income	-279
Additional income - Capital schemes/other departments	-767
Total Favourable Variances	1,340
Total Net Adverse Variance	2,302
Contribution to/(from) Reserves	Transfer To/(from) reserves £000
	0
Civil Parking Enforcement - transfer surplus to reserve	26
Ash Die Back - Part fund required works	-200
Painting works at Barry Island	-77
Contribution to Pothole Costs - Enforcement reserve	-150
Contribution to Pothole Costs - NS&T reserve	-300
Leisure contract - Parkwood	-727
Leisure Centre Repairs - transfer underspend to	13
Total Transfer from reserves	-1,415
Net Variance after transfer from reserves	887

The outturn at year end was an adverse variance of £887k.

Adverse variances include £800k due to the enhanced pay award and market forces payments to waste drivers, £715k additional spend on highways potholes & patching and £708k for additional spend on schemes for capital or other departments which will have been offset by additional income. The winter maintenance budget had an adverse variance of £230k and painting costs at Barry Island were £76k and were funded from reserves. There were additional costs of around £200k within Parks and Cleansing for subcontractors to undertake clean up work for areas such as adopted highways lanes behind housing areas.

As reported throughout the year there were still pressures on the Leisure contract as a result of Covid 19 and this caused an adverse variance of £727k. The Covid 19 financial support provided to the Council's leisure centre provider ceased from January 2023. A report on the leisure contract was recently presented to Corporate Performance and Resources scrutiny committee on the 24th May 2023.

There were favourable variances across the Division, most particularly within additional income which offset some of the adverse variances above. Car park income had a favourable variance of around £279k, there was £767k additional income from undertaking capital schemes and work for other departments. There was also a favourable variance as a result of a reduction in the cost of street lighting energy usage due to the installation of LED

lighting across the majority of the street lighting stock. This saving is unlikely to be maintained into the 2023/24 financial year due to the increasing unit price of electricity.

There were drawdowns from reserve totalling £3,358k as shown in the table above.

Building Services - breakeven

	Building Maintenance	Building Cleaning	Caretaking & Security	Courier	Total
	£000	£000	£000	£000	£000
(Surplus)/deficit	-66	171	-17	33	55
Building Maintenance Twin Hat Underspend					-154
Transfer to Building Services Reserve					99
Total					0

The overall position for Building Services is a breakeven position. The Building Maintenance trading unit had a turnover of £7.699m and made a year end surplus of £66k

The Building Cleaning & Security trading unit had a turnover of £2.805m making a deficit of £154k. Due to the enhanced pay award received by staff during the 2022/23 financial year it was anticipated that the Building Cleaning & Security trading account would make a deficit as a lot of the recharges to clients are agreed at the beginning of the financial year therefore it is difficult to adjust for cost increases during the financial year. For the majority of staff within the service the pay award was the equivalent of between a 10 to 14% increase, whereas charges to clients only increased by 3.5%.

The Building Services Twin Hat function had a favourable variance of £154k at year end. This was mainly due to vacant posts, plus underspends against transport budgets and general supplies & services budgets. The Courier service made a surplus of £33k.

All the above were offset by a £99k transfer to the Building Services Reserve to fund the ongoing costs of apprentices and other business improvements within the area.

Regulatory Services - £1k adverse variance

The Vale of Glamorgan Council has acted as host for a Shared Regulatory Service (SRS) since May 1st, 2015. There was a favourable variance of £58k on the Regulatory Services base budget, held by the Vale of Glamorgan Council for its own share of the service. Included within this figure is £39k which relates to the repayment to the Vale of Glamorgan of its apportionment of the underspend from the SRS during 2021/22, which was allocated following approval by the Joint Committee in September 2022.

This underspend allowed a £58k transfer to the Neighbourhood Services reserve.

Council Fund Housing

The outturn at year end was a favourable breakeven after a transfer to reserves of £2,442m. This included transfers for historic grant sums that have been carried forward for a number of years and additional funding for resettlement to be utilised to support the service in 2023/24.

Adverse variances totalling £51k including £25k rental income shortfall on Cadoxton House.

Favourable variances of £2.493m across the service mainly due to additional income for supporting people and refugee resettlement schemes which will be carried forward in a supporting people reserve and also towards the costs of the Rapid Housing Response programme and Resettlement demands in the medium term.

Contributions to reserve totalling £2.442m. Into the Homelessness & Housing Strategy Reserve including £1.492m ringfenced for Refugee resettlement.

Corporate Resources and Policy Budget Outturn 2022/23

Corporate Resources

Within the Corporate Resources budget there was a net adverse variance of £1,449k after a transfer from reserves of £2,263k.

Service					
Year - 2022/23	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
	£'000	£'000	£'000	£'000	£000
Corporate Resources	2,208	5,920	-3,712	-2,263	-1,449
Policy	33,764	28,364	5,400	1,638	3,762
Council Tax Surplus	-1,500	-922	-578	0	-578
Total	34,472	33,362	1,110	-625	1,735

The table below provides an analysis of some of the main variances and also lists the transfers to/(from) reserves.

Corporate Resources	
Adverse Variances	£000
Legal & Democratic	414
Policy & Business Transformation	321
ICT	291
Oracle Cloud Implementation	3,477
Human Resources	171
Finance	58
Discretionary Cost of Living	825
Total Adverse Variances	5,557
Favourable variances	
Child Burials	-17
IASS	-53
Property/Facilities	-1,768
Housing Benefit	-7

Total Favourable Variance	-1,845
Total Net Adverse Variance	3,712
Contribution from reserves	Transfer to/(from) reserves £000
Legal & Democratic	-119
Child Burial Reserve	17
Social Services Reserves (DOLS)	-114
Corporate Resources Reserves	-76
Reshaping Reserve	-150
Graduate Trainee Reserve	-80
Digital Reshaping Reserve	-2,139
Welfare reform Reserve	-45
IASS Reserve	53
Miscellaneous Repairs Reserve	1,210
Discretionary Cost of Living	-825
Transfer to Carbon Management Reserve	5
Total transfer from reserves	2,263
Net variance after transfer from reserves	1,449

Finance (Excl. IASS) – Favourable Variance of £5k

There was an adverse variance of £271k on general running expenses mainly relating to the cost of engaging Capita for administrative support in Revenues & Housing Benefits of £94k, ICT related costs of £70k, a shortfall on the historical savings target of £88k and printing/postages costs of £19k.

There were favourable variances on staff of £103k. The variances were in Housing Benefits/Council Tax/Exchequer £75k and Procurement £28k. There were also favourable variances on income of £110k mainly attributable to Administration Support fees for cost of living and winter fuel payments of £188k, Covid Hardship Grant of £46k, NDR Business Restrictions and rate relief grants of £50k and additional grant payments from the DWP of £62k. The amount of favourable income for the year has been reduced by a shortfall on Revenues court income of £236k.

There has been a transfer from the Welfare Reform reserve in respect of a revenue contribution to capital of £25k for the Solaris server migration, and a £20k transfer to fund the additional cost of a software upgrade to the Academy system.

There has also been a transfer of £18k from the Trainee Appointment Reserve.

Internal Audit Shared Service – Breakeven

The existing Shared Audit Service between Bridgend and the Vale of Glamorgan Council was merged with the internal audit teams at Merthyr Tydfil and Rhondda Cynon Taf County Borough Councils to form an expanded Regional Internal Audit Service w.e.f. 1.4.2019.

There was an adverse variance on general running expenses of £42k mainly in relation to external staff engagements and ICT related costs.

There were favourable variances on staffing of £198k relating to vacant posts and a favourable variance of £5k in respect of IASS income.

The underspend of £161k has been transferred to the Internal Audit Shared Service reserve.

There was also a transfer of £108k from the IASS reserve during the year in relation to the Partners' share of the 2021/22 surplus.

Oracle Cloud Implementation – Adverse variance £1,471k.

The adverse variance of £1.471m is after a transfer of £2.006m from the Computer Fund.

The balance of £1.471m will be offset by a favourable variance in Policy.

Covid Grants/Administration Fees - Breakeven

A number of WG administration fees were received during the year:-

An administration fee of £37k was received from WG in respect of NDR business support. This has been used to offset salary costs in Revenues.

The Council received an administration fee of £99k from WG to support the Winter Fuel Scheme. This has been used to offset salary costs in Housing Benefits.

The Council also received an administration grant of £167k in respect of the Cost of Living Support Scheme. There was a surplus of £94k after employee related costs of £36k, transaction fees of £30k and software costs of £7k. The surplus was used to offset the cost of engaging Capita for administrative support in Revenues and Housing Benefits.

Cost of Living Discretionary Scheme – Breakeven

Funding of £825k allocated by Welsh Government to support the delivery of a Discretionary Cost of Living scheme during 2022/23 has been drawn down from reserves to support the delivery of the Discretionary Cost of Living scheme.

ICT – Adverse Variance of £158k

There was an adverse variance of £231k on general running costs. The variance includes a shortfall in respect of the historic ICT savings target that has not been fully achieved (£116k). There were adverse variances on consultancy fees and software/support costs of £51k and £64k respectively. There was an adverse variance of £133k in respect of Microsoft Licence Fees. There was also an adverse variance of £28k in relation to the cost of agency staff.

There was a favourable variance of £101k on staffing arising mainly from vacant posts.

A transfer of £133k was made to the Council's Computer Reserve to fund the additional cost of Microsoft Licences.

Property and Office Accommodation – Favourable Variance of £507k

There were favourable variances on staffing of £423k relating to vacant posts, additional fees of £52k received in respect of recharges to capital and a saving of £1.275M on office accommodation costs. The favourable office accommodation variance is mainly attributable to an underspend of £1.270M on Non Domestic Rates arising from a backdated rateable value reduction on the Civic & Docks Offices.

The overall favourable variance of £507k is after a transfer of £1.243M to the Miscellaneous Repairs reserve.

There was also a transfer of £5k to reserves in respect of repayments to the energy fund.

Human Resources – Adverse Variance of £145k

There were adverse variances on general running expenses of £98k mainly attributable to an historic savings relating to collaborative working and an adverse variance of £43k in respect of employee related costs. There was also a shortfall of £17k in respect of the annual income target.

A transfer of £13k has been made from Human Resources Reserve to fund the cost of Fire Risk Assessments.

Policy & Business Transformation – Adverse Variance of £46k

There were adverse variances on the employee budget of £205k due to the cost of reserve funded posts. The posts were subject to a planned drawdown from reserves. There was also an adverse variance of £171k on general running costs mainly in C1V that related to ICT licence/support charges, annual subscription costs and a proportion of historic unrealised savings target not having been met.

There was a favourable variance of £55k on departmental income as a result of securing grant funding from the WLGA & WG, contributing towards service overheads.

The adverse variance has been partly offset by planned transfers of £63k from the Policy & Business Transformation Reserve, £62k from the Trainee Appointment Reserve and £150k from the Reshaping Reserve.

Legal & Democratic Services

Management/Legal Services//FOI/Elections – Adverse Variance of £153k

There were adverse variances in Legal Services of £81k on staff due to the cost of reserve funded posts and agency costs. The posts were subject to a planned drawdown from reserves. There was an adverse variance of £268k on general running costs relating to consultancy/professional fees of £122k, legal payment costs of £86k, ICT related costs of £45k and subscription costs of £16k. There was also an adverse variance on income of £36k resulting from a shortfall from Cardiff County Council in respect of external legal work.

The adverse variance has been partly offset by a transfer of £119k from the Legal/Election Services Reserve and £114k from the Social Services Reserve.

Democratic Services – Adverse Variance of £29k

There was an adverse variance of £39k staff related cost mainly arising mainly from the engagement of Registrar Reliefs. There was also an adverse variance of £68k on the Joint Coroner service resulting from an increase in referred deaths and the associated costs e.g. Health Authority fees, toxicology and medical reports.

There were favourable variances in Democratic Services of £8k on the Mayor's operational budget and additional income receipts of £70k mainly attributable to Registrars.

Child Burials

Funding was received from WG relating to Child Burials. At year end there was a surplus of £17k which was transferred to the Child Burial reserve.

Housing Benefit – Favourable Variance of £7k

There was an adverse variance of £23k on the annual audit fee, £10k on Administration subsidy received from the Department for Works and Pensions and the provision for doubtful debts was exceeded by £26k.

There was a favourable variance of £66k on Housing Benefit payments and the associated subsidy received from the DWP.

Policy

The Policy budget outturned with a favourable variance of £3.762m after a net transfer to reserves of £1.638m. A detailed analysis of the outturn is set out in the table below.

Policy	
Adverse Variances	£000
Property Costs – Penarth Pier Pavilion and Temporary Boiler Colcot	83
Employee Counselling, Medical Fees and Other HR Costs	115
Legal Costs	45
Welsh Translation	68
Covid Costs – Corporate PPE and 26 weeks maternity cover	69
Other Corporate Costs	55
Revenue Contribution to Capital	209
Election Costs	197
Total Adverse Variance	841
Favourable variances	
Capital Financing Underspend due to Internal Borrowing	-3,131
Investment Interest Surplus	-964
Surplus Members and Corporate Policy	-74
Council Tax Reduction Scheme	-390
Energy Income PV Panels etc.	-60
Surplus Strong Communities and Mayor Foundation Grants	-33
BFCC Equipment payment (ringfenced to fund replacement of equipment)	-109
Vehicles Receipts and contribution towards repairs and renewals	-1,132
Insurance Surplus	-348
Total Favourable Variance	-6,241
Total Favourable Variance	-5,400
Contribution to/from reserves	Transfer to/(from) reserves £000
Insurance Fund	348
Elections Reserve	-197
Strong Communities and Mayor Foundation Grant	33
Project Zero	60
Big Fresh Catering Equipment	109

Vehicle Repair and Renewals Reserve	1,132
Other Transfers to/from reserves	54
Total transfer from reserves	1,638
Net variance after transfer from reserves	-3,762

Council Tax Surplus – Adverse Variance £578k

To support schools with pay pressures an additional allocation from an assumed Council Tax surplus was made of £1.5m. Having analysed arrears at year end an increased contribution to a provision for doubtful debts was required and therefore the surplus in year was reduced to £922k leaving a shortfall of £578k against the revised budget. This shortfall has been offset by additional investment income and a reduced take up against the Council Tax Reduction Scheme in year in the main Policy budget.

Place Budget Outturn 2022/23

Overall there was an adverse variance of £40k within the Place directorate after a drawdown from reserves of £207k.

Service	Amended Revenue Budget 22/23	Total Provisional Actual - Prior to transfers from reserve	Variance +Favourable/ (Adverse)	Net Transfer to /(From) Reserve - Revenue	Variance +Favourable/ (Adverse) - after transfers from reserve
Year - 2022/23					
	£'000	£'000	£'000	£'000	£000
Place					
Regeneration	1,660	1,853	-193	-146	-47
Sustainable Development	2,206	2,205	1	-8	9
Private Housing	222	265	-43	-41	-2
Total	4,088	4,323	-235	-195	-40

Regeneration

Overall there was a £47k adverse variance after a drawdown of £146k from reserves. The table below shows the main variances to the budget.

Regeneration	
Adverse Variances	£000
Historical Pension costs	79
Planned drawdown from reserve not required	36
Events programme	156
Total Adverse Variance	271
Favourable Variances	
Additional SPF funding	-34
Additional income	-9
Transport cost	-5
Other favourable variances	-30
Total Favourable Variance	-78
Total Net Adverse Variance	193

Contribution to/(from) Reserves	Transfer To/(from) reserves £000
Regeneration and Planning reserve	-59
198 Holton Road Grant	10
Vale wide Events programme	-109
Donations	12
Total Transfer from reserves	-146
Net Variance after transfer from reserves	47

There have been a number of adverse variances totalling £271k. There was an adverse variance of £79k within the division due to additional historical pension costs plus project work agency staffing costs. Planned drawdowns from reserves totalling £36k were not needed as there were underspends elsewhere in the Division, mainly due to the availability of SPF grant funding which freed up revenue budget commitments. The Events programme was over budget by £156k

There were favourable variances totalling £78k. There was a favourable variance of £34k due to additional SPF funding received during the year. Administration of Home Loans during the year yielded £9k income whilst travel costs for the Division were some £5k under budget, due largely to the reduction in pool car use during the year. There were other smaller favourable variances of £30k.

To cover the net adverse variance above there was a contribution of £59k from the Regeneration and Planning reserve.

£10k was transferred into a ring-fenced reserve from the underspend on a property budget at 198 Holton Road which, in agreement with the Welsh Government, can be rolled forward and used to fund future regeneration projects in the area. The budget also included a planned drawdowns from reserves of £109k for the year's Vale-wide events programme.

Sustainable Development

There was a £9k favourable variance within Sustainable Development after a net drawdown of £8k from reserves. The table below shows the main variances to the budget.

Development Management	
Adverse Variances	£000
Local Development Plan	42
Planning Fee Income	164
Building Control deficit	43

Other adverse variances	23
Net Contribution to Capital	46
Total Adverse Variance	318
Favourable Variances	
Car Parking Fee income	-77
Staff savings	-229
Additional Income - Landscape Team	-13
Total Favourable Variance	-319
Total Net Favourable Variance	-1
Contribution to/(from) Reserves	Transfer To/(from) reserves £000
LDP Reserve	-42
Building Control trading account	-43
Car Parking fees	77
Total Transfer from reserves	-8
Net Variance after transfer from reserves	-9

There was an adverse variance totalling £272k within the division. As work on the Local Development Plan (LDP) progressed well during the year, the expenditure exceeded the budget by some £42k. Planning fee income was £164k below the budget due to lower than projected major applications. Building Control had a deficit of £43k and there were other adverse variances totalling £23k

There have been a number of favourable variances during the year totalling £319k. Additional car parking income fees of £77k were taken in-year within the Countryside service. There were £229k employee-related savings across the division due to vacant posts and delays in recruiting. The Landscape Team exceeded their income target by £13k due to high levels of rechargeable works for the section.

The net drawdown from reserves was £8k. This was made up of a drawdown of £42k from the LDP reserve to cover costs mentioned above. £43k was drawn down to cover the Building Control deficit of £43k and £77k was transferred into reserve for the additional car parking income that was received. This will be earmarked for future re-investment in the Country Parks.

Private Sector Housing

£2k adverse variance after a drawdown of £41k from reserves.

There were adverse variances totalling £53k. £41k was for an additional occupational therapist post in the Disabled Facility Grants section, £7k as fee income fell short of the target due to on-going issues with lack of contractors on the approved list for Disabled Facilities Grants work. There were also various smaller adverse variances totalling £3k.

There were favourable variances totalling £10k, due to savings on the software budget and travel costs for the Division being some £4k under budget, due largely to the reduction in pool car use during the year.

There was a planned drawdown of £41k from the Private housing reserve to fund the Occupational therapist post in the Disabled Facility Grants section.

Housing Revenue Account – Budget out-turn 22/23

Council on 7th March 2022 (minute no.905) agreed the Authority's 2022/23 Housing Revenue Account (HRA) budget.

The 2022/23 Housing Revenue Account (HRA) resulted in a deficit of £954k compared to the amended budget deficit of £16.516m. A breakdown is shown in Appendix 2. The HRA reserve balance opened at £17.439m and closed at £16.483m. This level is higher than the figure projected in the current Housing Business Plan, mainly due to a reduction in the required revenue contribution to capital. The level of this balance will therefore be reviewed as part of the production of the next Housing Business Plan.

The net favourable HRA revenue budget variance of £15.562m is identified over the following areas, this has been offset in year by a reduced contribution to capital against the CERA budget heading.

Supervision & Management General – Favourable Variance £156k

There were favourable variances of £322k. £150k relating to vacant staff posts and apprentices, £2k on Central recharges due to a reduced contribution. Supplies & Services had an underspend of £170k mainly due to a no write offs £44k, leaflets & publications £12k, surveys £53k, environmental improvements £12k, tenants' removals £12k, Office Furniture & equipment £6k, Printing £10k, Special Events £9k, hardware £4k and other variance totalling £8k.

There were adverse variances of £168k, of which £59k relating to compensation and legal costs and £69k relating to Software purchases/licences, £25k Rates invoices relating to previous years, £13k Premises and £2k on transport.

Supervision and Management Special Services – Adverse Variance £99k

This budget is split into three areas, Ty Iolo Homeless Hostel, Vale Temporary Accommodation and Vale Special Services. The term 'Special Services' relates to communal costs for all housing areas throughout the Vale of Glamorgan, including sheltered accommodation, such as grass cutting, rubbish removal, communal lighting, security, warden salaries and environmental improvements.

There were adverse variances on Special Services of £7k relating to staffing, £71k relating to grounds maintenance costs, £7k relating to increased utility costs, £38k relating to disinfestation costs, tenants' removal cost £21k, purchase of white goods £10k and £9k relating to cesspit emptying costs.

There were favourable variances on Special Services of £22k relating to premises cost such as repairs & maintenance and fixtures & fittings.

There was also a favourable variance of £42k on supplies and services due to an underspend on Environmental improvements.

Housing Repairs – Adverse Variance £303k

There were adverse variances on planned and cyclical maintenance mainly as a consequence catching up on works that were not completed due to COVID-19 and an increase in costs.

Capital Financing Costs – Favourable Variance £149k

Interest charges were lower than originally estimated due to that no borrowing was required during the year to fund the Housing Investment Programme.

Rents, Rates, Taxes and Other Charges – Favourable Variance £23k

This is mainly due to rates and consultant fee's.

Increase in the Provision for Bad and Doubtful Debts – Adverse Variance £160k

This is mainly due to the tenant actual arrears being greater than forecasted.

Capital Expenditure from Revenue Account – Favourable Variance £15.092m

It was not possible to fully spend the initial 2022/23 capital budget, mainly due to delays in procurement and staff turnover on various schemes which led to in year slippage being requested and approved. Contributions from leaseholders, capital receipt and additional capital grants has also reduced the level of revenue contribution required to fund capital expenditure. This has led to an increased balance on the HRA Reserve.

Dwellings Rents – Favourable variance £5k

Dwelling rents collected were slightly higher than budgeted.

Non Dwelling Rents – Adverse variance £6k

Rents collected on garages were slightly lower than budgeted.

Interest Received – Favourable variance £442k

The HRA reserve had a higher closing balance at year end than forecast and the interest rate during the year had increased.

Charges for Services and Facilities – Favourable variance £133k

This is mainly due to additional income of £110k from housing repairs recharges. Other favourable variances were £9k on Wayleaves and Lease income, £6k on lighting, £2k door entry and grounds maintenance £6k.

Contribution towards expenditure – Favourable variance £45k

This favourable variance is largely due to the water commission received being more than budgeted by £17k. Other favourable variances relating to sale of small land, commission on collections, insurances and donations totalling £28k.

Other Income – Favourable variance £85k

This favourable variance is due to additional grants from Welsh Government, DWP Kickstart, Public Health Wales and WLGA.

APPROVED EFFICIENCY TARGETS - 2022/23

APPENDIX 8

Service	TARGET 2022/23 £000	PROJECTION 2022/23	RAG STATUS	Comments
LEARNING AND SKILLS				
Strategy, Culture, Community Learning and Resources 22/23	32	32	Green	Saving to be Identified from Historic Pensions Budget
Additional Learning Needs and Wellbeing 22/23	17	17	Green	Savings identified from additional income within the service area
Standards and Provision 22/23	19	19	Green	Work ongoing to identify savings in this service area. One off savings have been found to cover this amount in 22/23.
TOTAL LEARNING AND SKILLS	68	68		
SOCIAL SERVICES				
Children and Young People Services 22/23	27	27	Green	Children and Young People Services – Use of lower tariff placements
Adult Services 22/23	79	79	Green	Review of complex cases in Adult Services
TOTAL SOCIAL SERVICES	106	106		
ENVIRONMENT AND HOUSING				
Neighbourhood Services and Transport 22/23	100	100	Green	Current contracts within the service area are being reviewed to achieve savings in 2022/23. Any shortfall has been met from additional income received during 2022/23
Corporate Recovery and Efficiency Savings 21/22	68	68	Green	Current contracts within the service area are being reviewed to achieve savings in 2022/23. Any shortfall has been met from additional income received during 2022/23
Traffic Surveys	5	5	Green	Current contracts within the service area are being reviewed to achieve savings in 2022/23. Any shortfall has been met from additional income received during 2022/23
Leisure Services	20	20	Green	Current contracts within the service area are being reviewed to achieve savings in 2022/23. Any shortfall has been met from additional income received during 2022/23
General Fund Housing 22/23	6	6	Green	Saving to be realised in full for 2022/23
TOTAL ENVIRONMENT AND HOUSING	199	199		
Corporate Resources				
Coporate Resources 22/23	100	100	Green	This will be covered via vacant posts within the service for 2022/23
Fraud and Income Recovery	50	50	Green	It is expected that this will be recoverable in year
	27	27		This will be covered in 2022/23 via vacant posts within the service
Corporate Recovery and Efficiency Savings 21/22			Green	
Total Resources	177	177		
Place				
Regeneration	9	9	Green	Saving to be realised in full for 2022/23
Development Management	4	4	Green	Saving to be realised in full for 2022/23
Private Housing	1	1	Green	Saving to be realised in full for 2022/23
Total Place	14	14		
Policy				
Policy 22/23	94	94	Green	To be found from additional investment income in year
Pensions Adjustment	12	12	Green	Saving to be Identified from Historic Pensions Budget
TOTAL Policy	106	106		

APPROVED EFFICIENCY TARGETS - 2022/23

APPENDIX 8

Service	TARGET 2022/23	PROJECTION 2022/23	RAG STATUS	Comments
TOTAL	670	670		
Savings Allocation 2022/23	500	500		
Savings Shortfall 2021/22	170	170		