

## Isle of Anglesey County Council

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Date:</b>	<b>23 JULY 2024</b>
<b>Subject:</b>	<b>REVENUE BUDGET MONITORING, OUTTURN 2023/24</b>
<b>Portfolio Holder(s):</b>	<b>COUNCILLOR ROBIN WYN WILLIAMS – DEPUTY LEADER &amp; FINANCE PORTFOLIO HOLDER</b>
<b>Head of Service / Director:</b>	<b>MARC JONES – DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER</b>
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<b>Local Members:</b>	<b>N/A</b>

### **A –Recommendation/s and reason/s**

1. On 9 March 2023, the Council set a net budget for 2023/24 with net service expenditure of £174.569m, to be funded from Council Tax income, NDR and general grants, as well as £3.780m from general reserves. This includes a total for general and other contingencies amounting to £3.109m. The budget for the Council Tax Premium was increased by £0.943m, to £2.893m. A balanced budget was set with the agreed Council Tax rise of 5.00%.
2. As for the previous year, the budget for 2023/24 does not include any requirements on the services to make savings.
3. This report sets out the financial performance of the Council's services at the end of quarter 4, 31 March 2024. A further report will be presented to the Executive upon completion of the draft Statement of Accounts.
4. The overall projected financial position for 2023/24, including Corporate Finance and the Council Tax fund, is a projected underspend of £1.732m. This is 0.99% of the Council's net budget for 2023/24. The reasons for the reported financial position are set out in the attached report.
5. It is recommended that:-
  - (i) To note the position set out in Appendices A and B in respect of the Authority's financial outturn for 2023/24.
  - (ii) To note the summary of Contingency budgets for 2023/24, detailed in Appendix C.
  - (iii) To note the monitoring of agency and consultancy costs for 2023/24 in Appendices CH, D and DD.
  - (iv) To note that the estimated balance of the Council's general balances as at 31 March 2024 stands at £15.694m.

### **B – What other options did you consider and why did you reject them and/or opt for this option?**

Not applicable – Monitoring report with no options which require consideration.

### **C – Why is this a decision for the Executive?**

This matter is delegated to the Executive.

### **Ch – Is this decision consistent with policy approved by the full Council?**

Yes

<b>D – Is this decision within the budget approved by the Council?</b>		
Yes		
<b>Dd – Assessing the potential impact (if relevant):</b>		
1	How does this decision impact on our long term needs as an Island?	The report is for monitoring purposes only and is used along with other reports to set the medium term financial strategy and annual budget. In setting the annual budget, the impact on the long term needs of the Island will be assessed.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The citizens of Anglesey were consulted as part of the 2023/24 budget setting process and will be consulted on future budgets.
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Not applicable
<b>E – Who did you consult?</b>		<b>What did they say?</b>
1	Chief Executive / Leadership Team (LT) (mandatory)	The report has been considered by the Leadership Team at its meeting on 4 June 2024, and the comments made incorporated into the report.
2	Finance / Section 151 (mandatory)	N/A – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the Leadership Team and comments made have been considered.
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The financial position at the end of the financial year was reviewed by the Finance Scrutiny Panel at its meeting on 6 June 2024.
9	Local Members	N/A
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix A – Provisional Revenue Outturn Report for 2023/24</li> <li>• Appendix B - Table of Provisional Outturn 2023/24</li> <li>• Appendix C - Summary of Contingency Budgets position for 2023/24</li> <li>• Appendix CH - Information regarding monitoring of Agency Staff 2023/24</li> <li>• Appendix D - Information regarding monitoring of Consultants 2023/24</li> </ul>		
<b>Ff - Background papers (please contact the author of the Report for any further information):</b>		
2023/24 Revenue Budget (as recommended by this Committee on 2 March 2023 and adopted by the County Council on 9 March 2023).		

## REVENUE BUDGET MONITORING – OUTTURN

## 1. GENERAL BALANCES

The Council Fund held £19.637m of earmarked reserves and school reserves amounting to £6.716m at the start of the financial year. The audited outturn for 2022/23 resulted in a general balance at the start of the current financial year of £14.039m.

The position of general balances at the end of the quarter is as follows:-

Executive Meeting / Movement	Amount	Comments
	£	
Opening Balance 1 April 2023	(14.039)	As per audited financial statements.
2023/24 Revenue Budget Funding	3.780	As per Council decision 9 March 2023.
Oriel Ynys Môn Business Rate Refund	(1.220)	The Council has successfully appealed the Rateable Value in respect of Oriel Ynys Môn dating back to 2010. This has resulted in the majority of the business rates paid over this period being refunded to the Council.
Business Rate Refunds – Other Council Buildings	(0.428)	The Council has successfully appealed the Rateable Value in respect of a number of Council buildings, including closed schools, libraries and leisure centres, dating back to 2017.
Canolfan Addysg y Bont – Roof Repairs	0.034	A final retention payment was made in 2023/24 in respect of the remedial works undertaken in 2022/23.
Transfer from Earmarked Reserves	(2.001)	A review of earmarked reserves has identified a number of earmarked reserves which are no longer needed, or where the risk covered by the reserve has changed, which has allowed earmarked funding to be reduced.
<b>Unaudited Closing Balance as at 31 March 2024</b>	<b>(13.874)</b>	
Revenue Surplus 2023/24	(1.732)	See remainder of report and Appendix B.
<b>Revised Unaudited Closing Balance as at 31 March 2024</b>	<b>(15.606)</b>	
2024/25 Revenue Budget Funding	4.425	As per Council's decision 7 March 2024.
<b>General Balances Available</b>	<b>(11.181)</b>	<b>Equates to 6.1% of the Council's 2024/25 net revenue expenditure budget.</b>

At its meeting on 7 March 2024, the Council accepted the recommendation that the Council should hold a minimum of 5% of the 2024/25 net revenue budget as general balances. This equates to a figure of £9.2m and, as a result, the forecast level of general balances available is £2m above this minimum figure.

## 2. FINANCIAL PERFORMANCE BY SERVICE

- 2.1 The details of the financial performance by service is set out in Appendix B. An underspend of £1.676m on services is the unaudited position as at 31 March 2024. An underspend of £401k is estimated on Corporate Finance. In addition, an underachievement on income of £0.337m is predicted on the collection of the standard Council Tax and Council Tax Premium. The current total revenue forecast for 2023/24 is an underspend of £1.732m.
- 2.2 Table 1 below summarises the significant variances (circa £100k or higher):-

**Table 1**  
**Summary of 2023/24 Revenue Budget Variances by Service**

	<b>(Under) / Overspend £'000</b>	<b>%</b>
Central Education	(512)	(9.88)
Culture	(112)	(7.75)
Adults	(585)	(1.64)
Children's Service	1,403	10.68
Waste	(513)	(5.06)
Property	106	(4.91)
Economic Development	(500)	(14.65)
ICT	(546)	(12.48)
Planning and Public Protection	(182)	(5.65)
Unbudgeted uncontrollable costs - insurance, capital pension costs and bad debt	595	
Capital Financing Costs	(181)	(4.17)
Council Tax Reduction Scheme & Other Benefits	(574)	(8.36)
Use of General & Other Contingencies	(307)	
Council Tax – Debit Raised	337	0.71
Other (total of variances less than £100k)	(161)	(0.62)
<b>Total Variance over / (under)spend (excluding funding)</b>	<b>(1,732)</b>	<b>(1.02)</b>

## 3. EXPLANATION OF SIGNIFICANT VARIANCES

### 3.1 Lifelong Learning

#### 3.1.1 Delegated Schools Budget

Once the Council sets the budget for schools, responsibility for the budget is delegated to the schools and annual under or overspends are held in individual school reserves. The balances of the schools reserves now stands at £5.577m, compared to £6.716m at 31 March 2023. Currently, there are 5 schools in deficit within the primary sector.

#### Central Education

3.1.2 This service was underspent by £512k (9.88%) at outturn This is an increase on the estimated underspend of £326k reported at quarter 3. Many of these budgets are demand led, which makes forecasting year end positions difficult.

3.1.3 There are a number of over and underspends across the Service. The most significant changes from those reported in quarter 3 are listed below:-

- Primary Exceptions – Outturn was an overspend of £85k, this is a £158k swing from the underspend of £73k reported at in quarter 3. This is the result of the Repairs and Maintenance budgets overspending by £90k and costs associated with a primary school closure of £40k being more than originally anticipated.
- School Transport (Taxis and Buses) – Outturn was an underspend of £156k, where it was forecasted as an underspend of £121k at quarter 3. Due to changes in pupil requirements, 2 contracts were terminated during the final quarter, which reduced the final overall costs.
- Central Education – The budget heading was forecast to underspend by £109k at quarter 3, however, at outturn the underspend had risen to £161k. This was the result of costs being less than anticipated for Criminal Records checks £10k and staff costs were allocated against an additional revenue grant.
- Môn a Gwynedd ALN Strategy was forecasted to breakeven, however at outturn there was an underspend of £86k. This is a substantial change, however, with the agreement between Anglesey and Gwynedd Councils now being in place, going forward it is possible to more accurately forecast the spend against our budget. During the final quarter of the financial year, the financial position improved due to staff vacancies and the receipt of additional income which had not previously been anticipated.
- Additional Learning Needs (new legislation) - underspend of £119k at outturn, compared to an underspend of £30k in quarter 3. This increase in underspend is due to being able to apply staffing costs against the ALN Provision grant. There were also less up take in the “Cynllun Cyfeirio” than previously anticipated.
- The Early Years provision - An underspend of £150k at outturn from a forecast of a £112k underspend in quarter 3. An element of the budget was held back in case of the need to undertake emergency works, however, no additional works were required during the year leaving the budget unspent.

### **3.1.4 Culture**

**3.1.4.1** This service was £112k (7.75%) underspent at outturn. The forecasted outturn at quarter 3 was an underspend of £17k. This is a substantial change from one reporting period to the next. The main area of change has occurred within the Libraries service, where the service has been able to offset staff time to grants received, an NDR refund which was not expected was received and unexpected savings emerged from the Talnet service. Income levels also increased greater than expected within the Archives service during the final quarter.

## **3.2 Adults Social Care**

**3.2.1** The service was £585k (1.64%) underspent at outturn, this is a substantial change from the forecast of £188k overspend in quarter 3. This is a demand led service which makes forecasting difficult.

**3.2.2** The elements within the outturn variance are shown in Table 2 below, and explanations for the variances noted below:-

Table 2

## Analysis of Adult Services Outturn Position 2023/24

Service	Expenditure / Income Analysis								Total
	Residential	Nursing	Home Care	Day Care	Supp. Accom	Staffing	Other	Grants and Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management and Support	0	0	0	0	0	(67)	(171)	(81)	(319)
Services for the Elderly	(74)	193	202	0	0	164	(130)	(118)	237
Physical Disabilities	635	(21)	279	0	0	31	(16)	(407)	501
Learning Disabilities	258	0	(157)	116	402	14	(105)	(424)	104
Mental Health	328	0	34	0	145	(86)	(25)	(332)	64
Provider Unit	352	0	(686)	(158)	(46)	(367)	(51)	(11)	(967)
Provider Unit Income	(287)	0	0	82	0	0	0	0	(205)
<b>Total Older People &amp; Adults Directorate</b>	<b>1,212</b>	<b>172</b>	<b>(328)</b>	<b>40</b>	<b>501</b>	<b>(311)</b>	<b>(498)</b>	<b>(1,373)</b>	<b>(585)</b>

- 3.2.3 Management and support:** The underspend here has increased from £202k at quarter 3 to £319k at outturn. This is the result of receiving additional grant income from WCCIS (Welsh Community Care Information System) and vacancies arising in respect of two posts during the final quarter.
- 3.2.4 Services for the Elderly:** The overspend has reduced by £247k from £484k forecasted in quarter 3 to £237k at outturn. We have received an additional £104k income from deferred charges, and DOLS (Deprivation of Liberty Safeguards) has underspent by £85k, as costs were lower than initially anticipated.
- 3.2.5 Physical Disabilities:** The overspend forecasted here has increased by £81k, from an overspend of £420k at quarter 3 to an overspend of £501k at outturn. This is a demand led budget and the section react to cases that arise. Within residential care, there has been an increase in costs due to an increase in new placements and changes to current placement rates, however, some of this increase is compensated with a decrease in staffing costs £35k. A review of invoices raised has occurred, which has resulted in £107k of refunds needed to be allocated to individual accounts. New clients, rate changes and joint funding not materialising has added to this overspend.
- 3.2.6 Learning Disabilities:** The overspend here has reduced from £306k overspend in quarter 3, to an overspend of £104k at outturn. Again, this is a demand led service, and costs of independent placements are reduced, along with homecare and a slight reduction in direct payments, contribute to the reduction forecasted in the previous quarter. A full review has also taken place for the accounting adjustments, where £187k accruals are no longer required.
- 3.2.7 Mental Health:** The projected overspend of £240k forecast at the end of quarter 3, reduced to £64k at the end of the financial year. This figure was reduced by the application of £332k in additional grant funding. The service is demand led, with placements higher than budgeted for at the beginning of the financial year, but numbers fell during the final quarter, which accounts for the movement from the forecasted figure at the end of the previous quarter.

**3.2.8 Provider Unit:** The increase in underspend within this section has risen from £1,060k underspend at quarter 3 to an underspend of £1,172k at outturn. Gofal M6n received grant income which has reduced the net costs, salary and agency costs rose substantially due to demand, however, there was an underspend on utilities due to the fall in energy prices which came into effect during the third and final quarter of 2023/24. Client contributions also rose during the final quarter, with an improvement of £81k over the quarter.

### 3.3 Children's Services

**3.3.1** The service is overspent by £1,403k (10.68%) at outturn, the forecast at quarter 3 was an overspend of £1,000k. Whilst this may seem to be a large difference from the figure reported upon previously, there are four key areas of change from one reporting period to the next, as shown below:-

**3.3.2 Looked After Children:** The forecasted overspend has increased from £1,214k reported at quarter 3, to £1,715 at year end. This budget is very much demand led, and the change in overspend forecast is following changes with placements and corresponding changes to the costs associated with placements £358k. Small group homes costs also increased within the final quarter, which resulted in an increase of £89k on already pressured budgets.

**3.3.3 Reviewing and Complaints:** The overspend forecasted at quarter 3 was £25k, at outturn the overspend was £60k, and increase of £35k. This relates to staffing costs.

**3.3.4 The Children with Disabilities:** The budget was forecasted to overspend by £12k in quarter 3, however at outturn the budget was £78k underspent. The section were unsuccessful in their recruitment exercise, therefore, there is an increase in the staffing underspend training costs for the team were much lower than anticipated, £25k relates to a reduction in Bryn Hwfa running costs and income of £24k was received by BCUHB in the final quarter that was not previously forecasted.

**3.3.5 Other Children and Family:** Service was forecasted to overspend by £64k at quarter 3, however, was only overspent by £9k at outturn. This was the result of Legal costs being less than anticipated and therapy costs being less than forecasted.

**3.3.6** The other budgets within the Service resulted in a net underspend of £305k. The reported variances were in line with those reported at the end of quarter 3, with the majority of the underspend related to an underspend of £232k on social worker costs.

### 3.4 Housing (Council Fund)

**3.4.1** This service was underspent by £63k (2.22%) at outturn, the forecast at quarter 3 was an underspend of £85k, this is a difference of £23k. The variation in forecast to outturn can be identified within the following:-

**3.4.2** Housing Administration, there is a change of £62k in this section, this is in relation to the percentage of staff time and resources allocated to the Housing Revenue Account Service, a change in the percentage occurred during an year-end review during the final quarter. The Housing Strategy section forecast changed by (£22k), this was the result of being able to allocate staff time against grants. The forecast at quarter 3 within Homelessness Corporate Risk was breakeven, however, the outturn was an underspend of (£89k), this was the result of overachieved income within the private sector leasing scheme.

### 3.5 Regulation and Economic Development

#### 3.5.1 Economic and Community (includes Destination and Leisure)

**3.5.1.1** The service, overall, was underspent by £500k (14.65%) at outturn.

- 3.5.1.2** The Economic Development element of the service was underspent by £157k at year end, compared with £63k forecasted at quarter 3. In the final quarter of the year, it was possible to apply staff time to various grants, and funding was received for consultancy work undertaken where it was originally funded by the Service.
- 3.5.1.3** The Destination section was forecasted to be underspent by £35k by year-end in quarter 3, however, the actual outturn was an underspend of £135k. The underspend on staffing was larger than anticipated due to unexpected delays in recruiting, elements of staff time was able to be put against externally received grants and some expenditure budgets that were expected to be overspent actually underspent, and improvements were funded by grant income. Income within Maritime was expected to breakeven, however, in the final quarter, income headings overachieved their income targets.
- 3.5.1.4** The Leisure service outturn result is an underspend of £208k, this is an increase from the forecast underspend of £56k from quarter 3. While the service was expecting a decline in the income levels and people using the leisure facilities due to the cost of living crisis, the opposite has occurred, income in the final quarter of the year exceeded previous forecasts. Gas and Electricity expenses have had a lesser impact than forecasted, and their budgets are underspent at outturn.

### **3.5.2 Planning and Public Protection**

- 3.5.2.1** This service was £182k (5.65%) underspent at outturn, the forecast at quarter 3 was an underspend of £111k (3.95%).
- 3.5.2.2** The Planning section was underspent by £16k, compared to the forecasted overspend of £1k at quarter 3. During the quarter, there was an increase in the income performance within planning control which led to the income targets being achieved.
- 3.5.2.3** The Public Protection section was underspent by £166k, compared to the forecasted underspend of £112k at quarter 3. The main variances from quarter 3 to outturn are: dog and pest control seeing an increase in income, and lower dog kennelling costs. Environmental services saw an increase in staffing vacancies, income within Registrars and Markets improving and being ahead of their targets. However, there was a slight increase in the running costs within Trading Standards.

## **3.6 Highways, Waste and Property**

### **3.6.1 Highways**

- 3.6.1.1** This service at outturn was £79k (0.99%) overspent, the forecasted amount at quarter 3 was an underspend of £196k, this is a difference of £265k. While there are some minor variations throughout the service from those figures previously reported, the main explanation for the difference is that, despite numerous attempts to obtain the electricity bills for EV charging points, these were not received until March and they were higher than anticipated and only covered part of the period in which the charging points have been operational. An accrual of £98k has been included to cover the potential final electricity costs when the outstanding amount is agreed with the supplier.
- 3.6.1.2** The Works budget, including Street Works, overspent by £304k at the end of the financial year, where underspends in Administration and Car park costs offset the majority of this overspend.

### **3.6.2 Waste**

- 3.6.2.1** The Waste service was £513k (5.06%) underspent at outturn, the service was predicted to have an outturn position of £301k underspend by year-end at quarter 3. The main contributory factor in the increase in underspend is additional income on the sale of electricity and recycling materials in the final quarter.



**3.6.2.2** An underspend on the Waste Collection contract in the region of £500k had been anticipated due to an overprovision when the initial budget was drawn up.

### **3.6.3 Property**

**3.6.3.1** The service's position at outturn is a £106k (4.91%) overspend, compared to a forecasted underspend of £67k at the end of quarter 3. The variances are explained below.

**3.6.3.2** Rental income did not achieve their budget targets. This was in the main part, due to the reviewing of invoices raised, subsequently a number of invoices were removed from the system. This exercise resulted in the sundry properties being £100k behind its budget target, however, the Market Hall, Smallholdings and Industrial units budgets exceeded their income targets.

**3.6.3.3** Repairs and maintenance budgets were significantly overspent by £244k, compared to £119k forecast at the end of the 3<sup>rd</sup> quarter. The most significant overspending budgets are within smallholdings £140k and Administration Buildings £70k. The overspend is the result of unavoidable works and works required following adverse weather conditions.

**3.6.3.4** Due to a reduced capital programme, the ability to re-charge salaries of the Design Team to capital projects was reduced. This resulted in the net position of the Team being £154k over budget compared to the forecasted overspend of £88k at the end of the third quarter.

**3.6.3.5** The cleaning service underspend was £65k due to delaying advertising for a vacant post, the post has now been recruited to. The Cleaning team restructure took much longer than anticipated. This, alongside staff vacancies, have resulted in the service being £122k underspent on staffing. Contract prices were lower than expected on utilities, therefore, this has resulted in an underspend of £60k. Public conveniences cleaning budget was also underspent to the sum of £78k, and this was not anticipated at the end of quarter 3.

## **3.7 Transformation**

**3.7.1** The Transformation Service underspent its budget by £639k (-8.76%) at outturn.

**3.7.2** The HR function was underspent by £3k (0.20%) at outturn. The forecast at quarter 3 was an overspend of £12k. There have been no significant changes from quarter 3 to outturn that has not previously been reported.

**3.7.3** The ICT section was underspent by £546k (12.46%) at outturn, however, the forecast for outturn at quarter 3 was an underspend of £393k. This is a significant difference of £154k. There was still a significant underspend on staffing, which was underspent by £510k at year-end due to restructure and ability to recruit to vacant posts. The telephone system budgets were underspent to the sum of £47k and the ICT hardware budget was underspent by £187k. However, these were netted off against an overspend of £110k on the software budgets. The main difference from quarter 3 forecast figure and outturn is the result of internal charging of goods to other departments.

**3.7.4** The Corporate Transformation Section was underspent by £89k (7.22%) at outturn, but was expected to be underspent at year-end by £77k at quarter 3. All budgets remained as forecasted, apart from a post becoming vacant within the final quarter within Cyswllt Môn.

### **3.8 Resources (excluding Benefits Granted)**

**3.8.1** The Resources function was underspent by £26k (0.67%) at outturn. The forecast outturn at quarter 3 was an underspend of £90k. The main changes that have occurred between quarter 3 and outturn can be seen, in larger part, within the Revenues and Benefits section, where at quarter 3 it was anticipated that the section would underspend by £40k, however the outturn was a breakeven position. In the final quarter of the year, there was less use of agency staff than expected, grant income received was less than projected and postage costs were far greater than anticipated.

**3.8.2** The Accountancy Section was overspent, as expected, due to a £50k overspend on bank charges, Centralised Procurement was underspent by £21k and Internal Audit continued having recruitment difficulties and, therefore, their outturn was a £62k underspend. £45k of the underspend on Procurement budgets has been transferred to an earmarked reserve in order to contribute to funding the Procurement Review which is currently being undertaken.

### **3.9 Council Business**

**3.9.1** The function was £46k (2.29%) underspent at outturn. It was reported in quarter 3 that the forecast outturn was expected to be £54k (3.14%) underspent, which is slightly different to the outturn, there are slight variations to budgeted spend, however, the main variance is the result of a vacant post being recruited to.

### **3.10 Corporate and Democratic Costs**

**3.10.1** The function was £76k (2.98%) underspent at outturn. Corporate and Democratic budgets are not only used for civic expenditure but also for accounting adjustments.

**3.10.2** Members Support & Expenses were overspent by £7k, this was related to Members opting in to becoming pension members during the financial year.

**3.10.4** Staff Counselling overspent by £38k, as forecasted. This is a demand led budget. Audit Fees and Grant Audit fees overspent by £38k and £40k respectively, as forecasted. The Coroners Service was overspent by £19k, however, this was much better than what had been expected due to a fall in work undertaken by the Coroner during the final quarter. The Apprenticeship Levy outturn was £44k overspent due to higher than budgeted pay awards and is a cost the Authority is unable to control. There were other small mitigating underspends across various small budgets.

### **3.11 Corporate Management**

**3.11.1** The function was £3k (0.34%) underspent at outturn. It was forecasted at quarter 3 to overspend by £5k at outturn. This is due to the fact that the staff costs are not budgeted for 100% and that there has been a small underspend on general supplies and services £5k.

## **4. Corporate Finance (including Benefits Granted)**

**4.1** Corporate Finance, including Benefits Granted, underspent by £401k (-3.48%) at year end.

**4.2** The budget for 2023/24 included some items retained centrally as contingency budgets, these amounted to £4,479k. The majority of these budgets were transferred into Service budgets during the year £3,872k. £300k was transferred to the Help to Buy Scheme, leaving an outturn of £307k. Appendix C provides a summary of the contingency budgets. Included within the contingency budgets is the rateable value refunds the Authority has been successful in reclaiming during the financial year. These are to be transferred to the General Balances.

- 4.3** The capital financing budget is made up of 3 elements: the sum set aside to meet future repayments (Minimum Revenue Provision - MRP), interest payable on outstanding loans and interest received on cash balances held in the Council's bank accounts and other investments.. The Council has benefitted from the rise in interest rates, with investments generating significant amounts of interest income and the total interest received has exceeded the £1m budget by £355k. However, MRP and interest payable exceeded the budget by £174k. As a result, the Capital Financing budget underspent to the sum of £181k.
- 4.4** The Council Tax Reduction Scheme budget allowed for an increase in the number of cases and for the increase in Council Tax. Generally, the number of applications increases at the end of the summer as seasonal work ends but, in Autumn / Winter 2023, there was no significant increased in the caseload. Based on the current level of awards granted, there is the potential for an underspend on this budget, but the position changes as the cost of living crisis continues, and the forecasted rise in unemployment over the coming months may also increase the number of people receiving help through this scheme. The outturn is an underspend of £574k.
- 4.5** The Council is also required to provide for the potential loss of income as a result of bad and doubtful debts. The calculation of the provision is based on the size, age and type of debt and, given that it is very difficult to calculate this figure until the year end, no budget provision is made for this sum. For 2023/24, an increase of £595k has been made to the Bad and Doubtful Debt Provision and this sum has been charged to the Revenue Account.

## **5. Collection of Council Tax**

- 5.1** The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2022. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts, transfers to business rates etc.), changes to the current year's tax-base or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. The current core Council Tax outturn is £513k below the budget.
- 5.2** The Council Tax premium is designed to encourage owners of empty properties and second homes to return the property to general use and, as such, there is a risk that the number of properties paying the premium can reduce significantly during the year. In order to mitigate this risk, the tax base for premium properties is set at 80% and, if the numbers of properties paying the premium does not fall significantly, then the budget will generate a surplus. Again, the transfer of properties from the domestic to the Business Rates register has reduced the premium payable on second homes but, despite the transfer of properties, overall the numbers of second home properties remained fairly constant and, as a result, the Council Tax premium budget outturn is surplus of £176k at the end of the financial year.

## **6. Budget Savings 2023/24**

- 6.1** No Budget Savings were required by the services for the financial year 2023/24.

## **7. Agency and Consultancy Costs**

- 7.1** During the year, £1.584m was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff vacancies, while £1.015m related to staff cover for vacant posts. The Waste Service spent £299k for site agents at the recycling centres. The full details can be seen at Appendix CH.
- 7.2** A total of £799k was spent on Consultancy during the period January to March 2024, with £502k funded through grant or external sources. Total spend for the year April 2023 to March 2024 was £1.804m. A full summary of expenditure per service, and additional details of the expenditure, can be seen at Appendix D.

## **8. Conclusion**

**8.1** During the 2023/24 financial year, the Council has faced a number of issues, which have impacted significantly on the Council's financial position and its ability to accurately forecast the financial position. These include:-

- i.** Continued difficulties in respect of staff recruitment, this has left a number of posts vacant for a period of time, although it should be noted that, during the second part of the year, Services were requested to try and keep the vacancy period as long as possible, in order to reduce costs and improve the Council's financial position.
- ii.** The demand for services continues to be volatile, particularly in Adult and Children's social care, homelessness prevention and non school education services. In some services, the cost of each case can be significant and a small change in the number of cases can have a significant impact on the overall cost of the service.
- iii.** The lateness of additional grant funding again has an impact on the financial forecast, although it should be noted that the level of additional grant funding fell significantly in 2023/24.
- iv.** The condition of the Council's assets (buildings, vehicles, infrastructure and IT equipment) has seen an increase in emergency expenditure required to maintain assets to an acceptable operational condition. This expenditure can be unplanned and impacts on financial forecasts.

**8.2** The overall financial outturn, along with one off windfall income and reducing risks that has allowed earmarked reserves to be released back into the Council's general balances, leaves the Council in a strong financial position with a healthy level of general balances.

**8.3** As has been seen in 2024/25, the Council is currently reliant on using its general balances to set a balanced budget and this allows the Council the time required to change its service delivery. The results of the 2023/24 financial year allows the Council to consider, once again, the use of reserves as a short term source of funding when setting the 2025/26 budget. Although it is unlikely that the Council can allocate the level of reserves as in previous years, it is still a significant help to meeting the challenge of setting a balanced budget in 2025/26 and 2026/27.

**Revenue Outturn for the Financial Year ending 31 March 2024**

<b>Gwasanaeth/Swyddogaeth Service/Function</b>	<b>2023/24 Cyllideb Blynyddol Annual Budget</b>	<b>Alldro Dros Dro / Provisional Outturn</b>	<b>Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance</b>	<b>Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget</b>	<b>Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
<b><u>Addysg, Sqiliau a Phobl Ifanc</u> <u>Education, Skills and Young People</u></b>					
Cyllideb Datganoledig Ysgolion <i>Delegated Schools Budget</i>	57,423	57,423	0	0.00%	0
Addysg Canolog <i>Central Education</i>	5,183	4,671	(512)	(9.88%)	(326)
Diwylliant <i>Culture</i>	1,441	1,329	(112)	(7.75%)	(17)
<b><u>Gwasanaethau Oedolion</u> <u>Adult Services</u></b>	35,780	35,195	(585)	(1.64%)	188
<b><u>Gwasanaethau Plant</u> <u>Children's Services</u></b>	13,133	14,536	1,403	10.68%	1,000
<b><u>Tai</u> <u>Housing</u></b>	2,833	2,770	(63)	(2.22%)	(85)
<b><u>Priffyrdd, Gwastraff ac Eiddo</u> <u>Highways, Waste &amp; Property</u></b>					
Priffyrdd <i>Highways</i>	7,928	8,007	79	0.99%	(196)
Eiddo <i>Property</i>	2,153	2,259	106	4.91%	(67)
Gwastraff <i>Waste</i>	10,138	9,625	(513)	(5.06%)	(301)

Gwasanaeth/Swyddogaeth Service/Function	2023/24 Cyllideb Blynyddol Annual Budget	Alldro Dros Dro / Provisional Outturn	Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance	Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget	Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets
<b><u>Rheoleiddio a Datblygu Economaidd</u></b> <b><u>Regulation &amp; Economic Development</u></b>					
Datblygu Economaidd <i>Economic Development</i>	3,414	2,914	(500)	(14.65%)	(154)
Cynllunio a Gwarchod y Cyhoedd <i>Planning and Public Protection</i>	3,221	3,039	(182)	(5.65%)	(111)
<b><u>Trawsnewid</u></b> <b><u>Transformation</u></b>					
Adnoddau Dynol <i>Human Resources</i>	1,670	1,667	(3)	(0.20%)	12
TGCh <i>ICT</i>	4,381	3,835	(546)	(12.46%)	(393)
Trawsnewid Corfforaethol <i>Corporate Transformation</i>	1,229	1,140	(89)	(7.22%)	(77)
<b><u>Adnoddau</u></b> <b><u>Resources</u></b>	3,962	3,936	(26)	(0.67%)	(90)
<b><u>Busnes y Cyngor</u></b> <b><u>Council Business</u></b>	2,018	1,972	(46)	(2.29%)	(65)
<b><u>Costau Corfforaethol a Democraidd</u></b> <b><u>Corporate &amp; Democratic costs</u></b>	2,548	2,472	(76)	(2.98%)	(59)
<b><u>Rheolaeth Corfforaethol</u></b> <b><u>Corporate Management</u></b>	817	814	(3)	(0.34%)	5
-					
Costau heb gyllideb, ac na ellir eu rheoli: yswiriant, costau pensiwn a dileu drwg ddyledion / Iwfansau amhariad ar incwm gwasanaethau <i>Unbudgeted, uncontrollable costs: insurances, pension costs and bad debt write offs / impairment allowances on services income</i>					
<b>Cyfanswm Cyllideb Gwasanaethau</b> <b>Total Service Budgets</b>	159,272	157,603	(1,669)	(1.05%)	(736)

<b>Gwasanaeth/Swyddogaeth Service/Function</b>	<b>2023/24 Cyllideb Blynyddol Annual Budget</b>	<b>Alldro Dros Dro / Provisional Outturn</b>	<b>Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance</b>	<b>Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget</b>	<b>Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets</b>
Ardollau <i>Levies</i>	4,495	4,495	0	(0.01%)	0
Rhyddhad Trethi Dewisol <i>Discretionary Rate Relief</i>	105	140	35	32.86%	0
Cyllido Cyfalaf <i>Capital Financing</i>	4,329	4,148	(181)	(4.17%)	(382)
Cronfeydd wrth Gefn Cyffredinol ac Eraill <i>General &amp; Other Contingencies</i>	307	(1,728)	(2,035)	(662.61%)	(1,231)
Cronfeydd wrth Gefn Cyffredinol y Cyngor <i>Council's General Reserves</i>	(3,780)	(2,052)	1,728	(0.00%)	1,201
Cyfraniad CRT y Gwasanaethau Cefnogol <i>Support Services contribution HRA</i>	(800)	(769)	31	(3.86%)	0
Budd-daliadau a Roddwyd <i>Benefits Granted</i>	6,861	6,287	(574)	(8.36%)	(200)
Na ellir ei reoli <i>Uncontrollable</i>	0	595	595	0.00%	400
<b>Cyfanswm Cyllid Corfforaethol Total Corporate Finance</b>	<b>11,517</b>	<b>11,116</b>	<b>(401)</b>	<b>(3.48%)</b>	<b>(212)</b>
<b>Cyfanswm 2023/24 Total 2023/24</b>	<b>170,789</b>	<b>168,720</b>	<b>(2,070)</b>	<b>(1.21%)</b>	<b>(948)</b>
<b>Cyllido Funding</b>					
Trethi Annomestig <i>NDR</i>	(22,823)	(22,823)	0	0.00%	0
Y Dreth Gyngor <i>Council Tax</i>	(44,231)	(43,718)	513	(1.16%)	106
Premiwm y Dreth Gyngor <i>Council Tax Premium</i>	(2,893)	(3,069)	(176)	(6.09%)	106
Grant Cynnal Refeniw <i>Revenue Support Grant</i>	(100,842)	(100,842)	0	0.00%	0
<b>Cyfanswm Cyllid 2023/24 Total Funding 2023/24</b>	<b>(170,789)</b>	<b>(170,452)</b>	<b>337</b>	<b>(0.20%)</b>	<b>212</b>

Gwasanaeth/Swyddogaeth <i>Service/Function</i>	2023/24 Cyllideb Blynyddol Annual Budget	Alldro Dros Dro / Provisional Outturn	Cyfanswm Dros Dro Amrywiaeth Alldro / Provisional Total Outturn Variance	Gor / (Tan) Wariant dros dro fel % o'r Gyllideb Gyfan / Provisional Over/(Under)spend as a % of Total Budget	Gwahaniaeth i Ch3 ar gyllidebau a reolir gan y gwasanaethau / Difference to Qtr 3 on Service Controlled Budgets
Cyfanswm yr alldro yn cynnwys effaith y cyllido <i>Total outturn including impact of funding</i>	0	(1,732)	(1,732)	1.02%	(736)



## APPENDIX C

Outturn Contingency Budgets 2023/24

	Budget	Virements to Service Lines	Actuals	Transferred to Earmarked Reserves	Outturn Position
	£	£	£	£	£
General Contingency	400,737	- 261,001	-	-	-139,736
Salary and Grading	100,000	-300,200	-	-	200,200
Pay Inflation	2,000,000	-1,686,646	-	-	-313,354
Housing Help to Buy Scheme	1,501,907	-1,201,907	-	300,000	-
Regional Growth – Economic Ambition Board	86,250	-74,070	-	-	-12,180
Trainee Scheme	340,000	-340,000	-	-	-
Climate Change	50,000	-7,950	-	-	-42,050
Rateable Value Oriel Ynys Môn	-	-	-1,727,879	-	-1,727,879
<b>Total General and other Contingencies</b>	<b>4,478,894</b>	<b>-3,871,774</b>	<b>-1,727,879</b>	<b>300,000</b>	<b>-2,034,999</b>

APPENDIX CH

Agency costs April 2023 to March 2024

Service	Amount £	Source of Funding (Specific Core Budget / Un-utilised staffing budget / Grant / External Contribution)	Permanent / Temporary	Reason for Cover
Economic & Regeneration	5,257	Unutilised Staff Budget	Temporary	Maternity Leave of postholder. Agency finished 12 May, 2023
	-630	Core Budget	Temporary	Housing Enforcement
	<b>4,627</b>			
Schools	55,715	Core Budget	Temporary	Supply teachers in specialist field
	<b>55,715</b>			
Waste	298,692	Specific Core Budget	Temporary	Additional tasks required short team
	60,563	Specific Core Budget / External Contribution		Specific Tasks on Site
	<b>359,255</b>			
Children's Services	289,744	Core Budget	Temporary	To cover vacant posts
	<b>289,744</b>			
Adult Services	708,206	Core Budget	Temporary	To cover vacant posts
	17,032	Grant Funded	Temporary	To cover vacant post
	<b>725,238</b>			
Resources	42,394	Un-utilised staffing budget	Temporary	Subsidy work
	49,328	Un-utilised staffing budget	Temporary	Volume of work
	57,980	Earmarked Reserve	Temporary	Volume of work
	<b>149,701</b>			
<b>Total</b>	<b>1,584,280</b>			

**Summary Consultancy April 2023 to March 2024**

<b>Summary Consultancy Expenditure per Service</b>					
<b>Service</b>	<b>Qtr1 £</b>	<b>Qtr2 £</b>	<b>Qtr3 £</b>	<b>Qtr 4 £</b>	<b>Total 2023/24 £</b>
Central Education	4,525	8,714	9,025	16,530	<b>38,794</b>
Culture	0	0	17,500	24,711	<b>42,211</b>
Economic & Regeneration	101,463	176,417	482,417	460,151	<b>1,220,448</b>
Property	0	0	7,537	0	<b>7,537</b>
Highways	4,727	22,227	42,402	226,952	<b>296,308</b>
Schools	0	0	0	0	<b>0</b>
Waste	6,236	8,885	6,279	34,720	<b>56,120</b>
HRA	0	0	0	15,630	<b>15,630</b>
Housing	0	0	2,900	0	<b>2,900</b>
Corporate & Democratic	0	0	0	2,400	<b>2,400</b>
Adult Services	0	0	0	0	<b>0</b>
Children Services	0	0	0	2,250	<b>2,250</b>
Corporate	0	0	0	0	<b>0</b>
Transformation	5,365	2,466	6,973	10,675	<b>25,479</b>
Council Business	14,995	18,696	6,620	0	<b>40,310</b>
Resources	9,970	0	38,426	4,900	<b>53,296</b>
<b>Total</b>	<b>147,280</b>	<b>237,405</b>	<b>620,079</b>	<b>798,919</b>	<b>1,803,684</b>
Funded by:					
Core Budget	44,046	103,980	181,943	276,300	<b>606,269</b>
Grant	5,227	73,435	376,828	328,394	<b>783,885</b>
External Contribution	82,524	55,473	57,218	173,928	<b>369,142</b>
Reserves / Provisions	15,484	4,517	4,090	20,298	<b>44,388</b>
<b>Total</b>	<b>147,280</b>	<b>237,405</b>	<b>620,079</b>	<b>798,919</b>	<b>1,803,684</b>

