



Report of the Section 151 Officer

Cabinet – 17 June 2021

Revenue Financial Outturn 2020/2021

Purpose:	To report on the detailed Revenue financial outturn for 2020/21
Policy Framework:	Budget 2020/21. Transformation and Future Council (Sustainable Swansea –fit for the future)
Consultation:	Cabinet Members, Corporate Management Team, Legal Services and Access to Services.
Recommendation(s):	It is recommended that: 1) The comments and variations in this report be noted, and that the proposed reserve transfers detailed in Section 7.3 and 7.4 are approved.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Background and Introduction

- 1.1 This report details net expenditure for 2020/21 and highlights variances from the revised budget.
- 1.2 The Revenue Budget for 2020/21 was approved at Council on 5th March 2020. The budget as approved included the following proposals to address a potential budget deficit of £17.86m

<u>Budget Proposals 2020/21</u>	£'000	£'000
Planned Service Savings.	-9,511	
Cross cutting savings.	-194	
		-9,705
Net effect of Council Tax base increase and increased charge.		-8,159
<u>Overall resourcing</u>		<u>-17,865</u>

- 1.3 The specific savings proposals detailed above were incorporated into Directorate budgets at service level and have been the subject of specific monitoring via the budget savings tracker, reported to Cabinet on a quarterly basis during the year.
- 1.4 2020/21 marked the seventh year following the introduction, from 1st April 2014, of the Council's single status pay and grading scheme relating to all staff on NJC grades. The scheme specifically excludes Teaching staff, those on the Soulbury Scheme and Senior Officers at Head of Service/Director level.
- 1.5 The introduction of the scheme has been accompanied by an extensive appeals process for those staff adversely affected by pay and grading allocations made during the original allocation process. Despite significant inroads made to the numbers of appeals, elements of the appeals and grievance process does remain ongoing.
- 1.6 The extent to which appeals are successful in terms of job allocation will inevitably affect financial performance on an annual basis and impact on future budget planning.
- 1.7 The modelled costs of single status as at the implementation date have been incorporated in revenue budgets going forward. However, costs in respect of successful appeals have not, and any costs arising from appeals and grievances will have to be met from within existing Directorate Budgets.
- 1.8 The report that follows details the Revenue outturn position for 2020/21, makes commentary on comparison with in year budget monitoring , impacts of COVID 19 on both expenditure and Welsh Government support and, where appropriate, details action already taken in setting the 2021/22 Revenue Budget based on anticipated outcome at quarter 3 of the year. It remains critical that the progress on savings adopted under *Sustainable Swansea* and the newly approved "Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026" is subject to constant review and updated during each financial year and that future budgets are constantly informed by outcomes from the monitoring process.

2. Detailed Outturn Position

- 2.1 Overall direct revenue expenditure for 2020/21 was £27,069,000 less than the revised budget as follows:

	£000's
Net Expenditure on Services per appendix 'A' - underspend	-20,349
Reduced call on Contingency fund	-2,193
Reduced call on Apprenticeship levy	-146
Inflationary provision not utilised	-1,850
One off corporate costs/income	-4,950
Council Tax collection shortfall	2,445
Other net underspends	-26
<hr/>	
Overall net underspend	<u>-27,069</u>

- 2.2 Members will see from the table at 2.1 above that the net overall underspend at year end is the result of both the services underspending together with additional Welsh Government funding for the Council Tax shortfall and extra late announced funding to cover both "Digital Transformation" and a share of national compensation for assumed "savings undeliverable" in year as a result of COVID -19 of some £3.8m as a one off contribution all included as part of "One off corporate costs/income".

During the in-year reporting to members it was highlighted that a significant element of the Contingency fund (including the previous year unused element) was potentially required, along with other reserves, as emergency funding to mitigate the impact of COVID-19 costs in year. As the year progressed and Welsh Government support both increased and became clearer the level of emergency funding likely to be required to mitigate any unfunded COVID costs reduced. The third quarter overall position, based on known Welsh Government funding at that time was forecasting a small net overspend in the region of £1m. The improvement during the last quarter to out-turn is largely as a result of ongoing action taken in the third and fourth quarter by all Services to contain or reduce potential overspending and additional late Welsh Government funding including the £3.8m one off noted above in addition to further funding for both additional costs and assumed loss of income with regard to COVID-19 in 2020-21.

- 2.3 Separately, there is, as highlighted during the year, but not until now formally quantified, a further continuation of significant in year underspending on capital financing of £9.5m. An element of capital programme slippage has contributed to some of the capital charge underspend. There is a strategy to monitor interest rates and average in the borrowing requirement over a period of time but inevitably as the need to fund the capital financing requirement increases so will the capital charges in line with the delivery of the capital programme, the budget and MTFP. Such underspends should therefore be considered temporary, albeit not necessarily solely one off (see 2.4) as the capital

programme's financing requirements develop in the medium term and later years of the MTFP. Having halted externalising borrowing since 2018/19 and in light of the HM Treasury's punitive decision in Oct 2019 to implement a 1% premium on all PWLB borrowing, no external borrowing was undertaken in 2019/20. However as the capital programme's financing requirements materialise from 2020/21 onwards arise, the most economically advantageous source of funding shall need to be sourced (most likely PWLB, now the premium has been rescinded as of Nov 2020) with the accompanying financing charges. In fact, in early April of 2021/22, and in line with this funding strategy, £45m of additional PWLB borrowing was secured at 1.955% (historically the lowest PWLB long term rates ever secured by this Council) therefore de-risking some of the funding uncertainty of the capital programme approved in March 2021

- 2.4 As outlined throughout the year (and set out in Section 7 below) it is proposed that the whole underspend on the Capital Charges be transferred in its entirety to the Capital Equalisation Reserve to help prudently meet part of future capital costs. This approach was re-affirmed by Council in its review of all reserves.
- 2.5 The improved final position, lower overspend and reduced cost of ER/VR scheme, has resulted in no call being required on the Restructure Reserve in year. This allows the S151 officer to propose that £3 million is retained in the Restructure Reserve to be used to continue to contribute towards helping centrally fund the costs of ER/VR and other restructuring costs in 2021-22, again only where there is an evidenced business case and reasonable payback period, as in previous years.
- 2.6 Details of net expenditure variations are given in Section 2.9.2 and onwards below.
- 2.7 Recommendations in terms of Reserve Movements as a result of the final outturn position as set out in Section 2.1 to 2.5 above are made in Section 7 of this report.
- 2.8 The Directorate/Services outturn position itself is made up of a mix of over and under spends as a result of "business as usual" and COVID and it is clear that some individual elements of the overspends within service areas may continue into 2021/22 and large one off income or grant reimbursement gains are unlikely to fully continue. However, the approved budget for 2021/22 addressed a number of the major underlying budget issues from previous years. It is inevitable that the COVID 19 pandemic will continue to impact both operations and finances of the Council into 2021-22 in ways that may not yet be reliably forecasted, as was the case during 2020-21.
- 2.9.1 The following table sets out the additional costs identified as incurred during the year as a result of COVID-19 together with the funding received from Welsh Government. As has been reported during the year not all additional costs incurred or "loss of Income" by the

Authority as a result of the pandemic were eligible for funding from the Welsh Government. Some of these related to “local decisions” made by the Authority and others as a result of Welsh Government determining and applying its various eligibility criteria.

Costs/Loss of Income Identified as a result of COVID 19 in 2020-21

	Costs/Loss of Income £000's	Grant Income £000's
Services	51,086	46,171
Corporate	37,615	37,754
Agency on behalf of Welsh Government	104,826	104,826
	<u>193,527</u>	<u>188,751</u>

Other Welsh Government grants related to COVID 19 not included above

Services	2,674
Corporate	4,527
	<u>7,201</u>

2.9.2 The following sets out the major service specific variances in 2020/21.

Resources Directorate

Summary of variances:

	£
Net Employee Costs	-1,593,000
Oracle ERP Project - delay and rollover	-997,000
Supplies and Services savings	-437,000
Savings targets - not met – part compensated	369,000
Additional Income	-486,000
Admin Grant for business support and NDR grants	-731,000
Design Print shortfall	350,000
Other net variances	-58,000
Total underspend	<u>-3,583,000</u>

Director Comments:-

1. 2020/21 has been an interesting year in responding to the demands of Covid-19 and the impact that has had on the delivery of services and Projects.
2. With services restricted and a different way of working, vacancies have been held and a delay in recruiting due to difficulties with holding interviews and the recruitment process until we were able to establish a new normal operating model. In addition restructures which had been undertaken were not able to implemented until later in the year. This has led to in year’s savings. However these will be allocated and positions filled either towards the end of the year or during the new financial year.

3. The Oracle Fusion project has been delayed due to COVID-19 and so although an in year saving of £997,000 this will be carried forward as part of the Capital Equalisation Reserve and be spent in 2021 as the project resumed in February 2021.
4. Due to robust management of the budgets the services have achieved in year efficiencies in supplies and services of £437,000. This has also been helped through the reduced activity within the directorate due to the COVID-19 restrictions. The main areas of underspend were within Financial Services £123,000, Digital Services £179,000 and Customer Contact of £134,000.
5. Some of the savings targets identified as part of the MTFP have not been able to be achieved. This has left a shortfall of £369,000. As can be seen in the other budget headings this has been offset by in year savings and efficiencies.
6. The overachievement of income of £486,000 relates mainly to the recharge for staffing costs for work relating to the Electoral Reform for Democratic Engagement and additional WG Election Grant totalling £143,000 and Legal Services fee income of £167,000.
7. The directorate received £731,000 of WG grant towards the cost of the administration of the COVID-19 Business Support/NDR grant payments.
8. Design Print reported an overspend of £350,000 as a result of the loss of trading income during the year due to a significant drop in income recharges mainly to internal departments of the Council due to COVID-19.
9. Other NET variances £58,000 are as a result of cross directorate savings on areas like transport costs and premises costs etc. as a result of the restrictions due to COVID-19.
10. Although the outturn reflects a large number of variances the Directorate has worked hard to ensure savings and efficiencies have been achieved while ensuring that services continue to operate and support the Council as a whole during the very difficult year, and deliver a clear and substantial net underspend.

Director of Social Services

	£
Internal Staffing and Services	-4,861,000
External Residential Care	-2,443,000
Regional Arrangements for Adults	-1,414,000
External Domiciliary Care	- 699,000
Care Leavers and Direct Placements	- 116,000
Looked After Children	191,000
MH LD Complex Care	851,000
Tackling Poverty Service	- 316,000

Young Peoples Services	- 223,000
Early Years and Play	- 202,000
Commissioned Services	- 93,000
Early Help and Family Support	- 62,000
Domestic Abuse Services	- 40,000
Other Variances	- 186,000
	<u>-9,613,000</u>

Director's Comments

The Council's response to Covid-19 has had a significant impact on the income and expenditure of the Directorate throughout the year. We are reporting a significant underspend despite spending more money than the Directorate has ever spent in a single financial year. This is because we were successful in reclaiming the vast majority of our additional expenditure and income loss through Welsh Government grant funding having aligned our processes to ensure we were able to maximise the amounts claimed.

The pandemic has had a significant effect on our business as usual activity and we are reporting large underspends on some commissioned services that reflect a reduction in activity. Our non Covid variances continue the story from last year where we have been able to align grant income to offset the cost of our internal services.

We continue to report overspends within Mental Health and Learning Disability Complex Care. Retendering has added to the pressures on fees, which have continued to increase at above inflation rates for some time. We will realign budgets to ensure that sufficient resources are allocated to this area.

Our work to ensure fair and equitable funding contributions from our Health Service partners has continued to provide benefits to the Council and we have strengthened our systems for the recovery of client income.

Underspends in respect of the regional arrangements for adults primarily refer to the Community Equipment Store. These are a consequence of continued success in attracting external funding. The partnership agreement for this service requires that underspends are set aside for the ongoing benefit of the service.

Recognising the potential for ongoing disruption and risks to future funding a significant sum of the very large underspend is proposed carried forward into 2021-22 as an earmarked reserve, set out later in this report.

Director of Education

£

Home to School Transport – managed savings	-1,117,000
Additional Learning Needs – net cost recovery / managed savings	-844,000
Education Other Than At School (EOTAS)	-991,000
Catering Services – managed savings	-402,000
Other Net Managed Savings	-342,000
Additional Cost Recovery	-285,000

Pension Costs	158,000
Music Service	97,000
Additional ERW Contributions	81,000
Other Variances	-12,000
	<u>-3,657,000</u>

Directors Comments:-

The above variances primarily reflect the significant impact of pandemic related school closures on the financial performance of the directorate. We have been successful in recovering the vast majority of our additional Covid-19 costs and income loss from Welsh Government support.

School closures have delayed the onset of some forecast financial pressures within areas such as Home to School Transport and Additional Learning Needs. They have also caused a number of indirect financial savings throughout the Directorate but particularly in ALN, Transport and Catering. Work to identify sustainable long term savings continues and has been supplemented by a number of one off saving opportunities in 2020/21.

Grant awards have had a significant and late impact on the financial outturn, and have further improved the position for ALN budgets.

As we move to a hopefully more usual financial year in 2021/22 it is expected that many of the above reported underspends will disappear, whilst our forecast underlying pressures will return. Consequently a part of the significant underspend is proposed carried forward as a reserve into 2021-22, later in this report, in relation especially to Additional Learning Needs likely demands.

Significant resources will be directed at financial monitoring to ensure we are able to identify issues as the year progresses.

Place Directorate

Director Comments:-

The directorate budget was significantly affected by Covid and the restrictions that have ensued at various points during the year. This has resulted in a range of financial challenges from lost income as services were not permitted to operate or were operating below capacity coupled with additional costs incurred from additional Covid control measures. However, it has been a remarkable achievement to be able to maintain almost all services throughout the 20/21 financial year and continue to provide crucial front line services to the residents of Swansea.

The directorate has benefitted considerably from additional Covid hardship funding also covering in many cases income losses as a result of the restrictions. Overall the directorate achieved an Underspend of £3.69m which was predicated on the directorate received £16.3m of additional funding from Welsh government made up is £4.1m hardship funding and £12.2m loss of

income. Clearly without this support the directorate would have out-turned a significant overspend of circa £12.6m.

In anticipation of lower central support and reimbursement for 2021-22 some sums were set aside as part of budget setting on a one off basis to help manage Place 2021-22 budgets.

3. Items met from the Contingency Fund

- 3.1 The Council Report on 5th March 2020 highlighted a number of risks that may need to be met from the Contingency Fund in 2020/21.
- 3.2 The £0.98m Outturn figure shown at Appendix 'A' represents the cost of the ER/VR exercise for 2020/21 which has been charged to the Contingency Fund on an 'Invest to Save' basis. This is approximately 60% of the previous year's cost and this reduction contributes significantly to the reduction in usage/underspend on the revised contingency budget. This £0.98m reflects the workforce restructures implicit within the budget proposals for 2020/21 and some elements of 2021/22 contained within the 'Sustainable Swansea- Fit for the Future' and the "Transformation Strategy & Programme Framework 2022 – 2026" budget strategy adopted by the Council. As in prior years access to ER/VR requires a maximum payback period of three years for an employee who leaves under the scheme.
- 3.3 In addition to the above, other costs have been funded from the contingency in year including funding for strengthening the finance function (£250,000), Depot re-location lease costs (£56,000), Coroners ICT costs (£35,000), Defib-Friendly Swansea initiative (£50,000) and additional ICT costs in relation to COVID-19 working arrangements (£24,000), 4G pitch contribution (£25,000) and Merchant Navy freedom of the city costs (£5,000).
- 3.4 Items charged to the fund represent one off costs which, apart from ER/VR costs, will not re-occur during 2021/22. The budgeted Contingency fund for 2021/22 is £3,621,000. The unspent and unused elements of the contingency fund from 2020-21 will be available to boost, on a one off basis, the level of contingency available during 2021-22. This is considered necessary in light of likely risks and issues facing the council, including the financial impact of Covid 19.
- 3.5 The proposed use for the un-allocated element of the Contingency Fund in 2020/21 (£2.2m) is set out in section 7.

4. Schools Expenditure and Reserves Position

- 4.1 The Schools delegated budget for 2020/21 was £160,452,000.
- 4.2 This delegated budget in reality reflects in actual expenditure as shown in the education directorate line of the outturn summary given at appendix 'A', and any variation in expenditure incurred by Schools at a

level greater/less than overall delegated budgets will result in a movement in ring-fenced delegated schools reserves.

4.3 During 2020/21 Schools expenditure overall was £13,051,098 less than the delegated budget, equating to an underspend of approximately 8.13%

4.4 This underspend will be added to the schools own reserves.

The following is a summary of overall Schools Reserves since 2018:

	Balance 31/3/2018	Balance 31/3/2019	Balance 31/3/2020	Balance 31/3/2021	Overall change over last 3 year period (%)
Primary	5,310,963	5,694,092	4,697,855	12,023,244	+226.4
Secondary	1,612,646	2,730,332	2,777,164	8,451,907	+524.1
Special	177,098	176,008	254,290	305,256	+172.3
Total	7,100,707	8,600,432	7,729,309	20,780,407	+292.7

4.5 The above table is presented to reflect the quantum of schools reserves against each stream and the position within individual schools may vary quite considerably from the trend shown.

4.6 The above overall movement in Schools Reserves – a net increase of £13,051,098 or 268.9% in year has to be viewed in the context of an overall increase in Schools funding of £9.732m in 2020/21 and the considerable impact of the pandemic over the past year. The most significant factor by far that has contributed to the scale of the increase in reserves has been the impact of grant funding allocated to schools by the WG.

4.6.1 Grants amounting to £5.6m in relation to revenue maintenance spending by schools and the Recruit Recover Raise Standards / Accelerated Learning Programme, were announced late in the financial year recognising that existing spending would have to be substituted initially and the funding carried forward as enhanced school reserves and spent in line with the purposes of the funding in 2021-22.

4.6.2 As a result of the impact of the pandemic there were also late changes to the terms and conditions of previously announced WG grants to allow their use in the summer term 2021. These include funding for the Accelerated Learning Programme, Professional Learning which alone amount to a further £2.5m. Also included are the large sums schools receive in relation to Pupil Development Grant and Education Improvement Grant. These amount to £17.9m in total and the slippage of even a modest proportion of this spending into the summer term would again significant increase accumulated school reserves.

4.6.3 The combined impact of the above factors is alone sufficient to explain the scale of the increase in school reserves. However, this will be a

short term impact and does not reflect the underlying base funding position of schools which should be clearer by the end of 2021-22 after enhanced school spending in the summer term will be reflected.

- 4.7 It is expected, given the above enhanced reserve position, that the outturn position for 2021/22 for schools will evidence a net call on existing reserves.

5. Ongoing implications for the 2021/22 budget

- 5.1 There are ongoing risks from planned savings not achieved from 2020/21 budget which cumulatively impact future years.

- 5.2 There are ongoing overspend risks arising from the outturn position in the following areas

- Sustainable Swansea 2020/21 savings targets;
- Social Services both Adults and Children;
- Home to School Transport; and
- Education catering and cleaning.

- 5.3 There are inherent risks in the current 2021/22 budget around:

- Sustainable Swansea workstream and Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022– 2026 savings falling in 2021/22;
- Additional Learning Needs;
- Ongoing costs relating to residual Single Status appeals; and
- Uncertainty of impact of Brexit.
- Impact of COVID19 costs, likely reduced scope for recovery of costs from Welsh Government and consequential reduction in income.

- 5.4 There are emerging and continuing risks going forward in future years arising from national developments around:

- Risks to public finances generally through Covid 19 spending and lost national taxation receipts;
- Emerging inflationary pressure and supply bottlenecks as the wider economy recovers;
- Risk of redistribution of block government grant (especially with NDR receipts fundamentally reduced pan-Wales);
- Continued loss of existing specific grants;
- Ongoing demographic pressures especially in the older age population, pressures and interlinkages with NHS health care funding and a relative fragile private sector care sector;
- Higher than expected cases of looked after children;
- Affordability of the national employer pay awards (yet to be determined) which will need to address National Minimum and Living Wage issues and to recognise the efforts of all staff, but

equally noting that any such pay rises are unfunded by government grant; and

- Ongoing Brexit uncertainty.

5.5 Continued uncertainty at national government level means there remains doubt as to the timing, completion, or otherwise, of a full and Comprehensive Spending Review. This means there is less certainty of a definitive redrawing of UK government departmental cash limits, consequential Welsh government cash limits and consequently the scope for considering the rebasing of the Welsh local government settlement. Budgets risk being simply rolled over, with a temporary continuation of some one-off grants that could have otherwise been hoped to have been more definitively built into base budget settlements.

5.6 We can anticipate therefore that the authority's overall budget position will remain under significant pressure for the foreseeable future, notwithstanding the immediate relative financial strength declared at outturn, with added uncertainty and thus all efforts to live within budget must be redoubled.

6. Use of the savings tracker and outturn position - COVID19 impact

6.1 During 2020/21, as a result of COVID-19, the Council dis-continued with use of a tracking mechanism in order to monitor progress against the specific savings proposals contained within service and overall budgets proposals.

6.2 The tracker was not completed during lockdown and emergency response to the COVID 19 pandemic as part of pragmatic and practical reprioritisation of essential work (focus on outturn, closure, statement of accounts, maintaining supply lines for payroll, accounts payables, receivables and distribution of emergency grant aid). It is clear that some additional compensating savings have been made in year where specific savings have been delayed or have not been achieved. In addition as highlighted in 2.2 above the Welsh Government provided some additional overall grant support to councils late in the year (£1.9m) to offset assumed levels of "Savings not achieved" as a result of the impacts of COVID 19 in 2020-21.

7. Summary of Outturn Position and Recommendations

7.1 The outturn position for 2020/21 reflects a significant improvement on the forecast position at quarter 3 (Reported to Cabinet in February 2021). This as a result of actions taken and additional income, primarily Welsh Government grants, in relation to specific COVID cost/Loss of Income and other various "one off" Welsh Government funding, much if it not confirmed until late at the end of the financial year.

7.2 This is the minimum that should be expected in terms of Service Revenue Budgets as a result of in year budget monitoring,

management action, spending restrictions and additional Welsh Government support that materialised during the year.

7.3 The report to Council in October 2020 reviewing its reserves proposed utilising some earmarked reserves including the Capital Equalisation reserve and unused Contingency Fund from 2019-20 as emergency funding for COVID-19 in the absence of additional Welsh Government funding and actions from Services. Based on the net Revenue position arising out of the actual final outturn position it is recommended that:-

7.3.1 The following transfers are made TO earmarked Revenue Reserves as follows:-

- Social Care Resilience Fund(Adults) £5,000,000,
- Community Equipment Service Section 33 agreement £1,321,000
- Oracle Project slippage of costs £998,000
- Adult Learning Needs(education) £406,000
- Western Bay regional team £78,000
- Schools kitchens electrical works £60,000
- Joint Archives service £42,000 ,
- Workways extension/match funding £42,000 ,
- ICT £25,000
- Members Environmental Improvements £23,000
- Trading Standards – proceeds of crime £20,000
- Crematorium sinking fund £13,000,
- Various Joint Ventures and commuted sums £59,000
- Capital Equalisation Reserve £9,488,000
- Contingency Fund £6,825,000
- Recovery Fund £3,694,000

7.4 In addition to the above recommended transfers to earmarked reserves above the S151 Officer, as a result of the outturn position proposes that some £648,000 is added to the General Reserves to bring that reserve to £10m. This will result in a General Reserve of £10,000,000 being available as at 1 April 2021.

-That the unused element in the Revenue Overspend reserve established as part of the in year Reserves Review as approved by Council be transferred to the new Recovery Reserve (£16,306,000). This will result in some £20,000,000 being available, on a one off basis, in this reserve as at 1 April 2021.

-That the full transfer into a new Schools ICT reserve is made from the Capital Equalisation Reserve (£6,390,000) and that the underspend on the Capital Financing Charges in 2020-21 of £9,488,000 be added to the reserve. This will result in some £17,000,000 being available in this reserve as at 1 April 2021.

-That the final un-utilised balance of the Contingency Fund in 2020/21 remains as a Contingency Fund reserve into 2021/22. This being available as further mitigation against potential unfunded costs /loss of income as a result of COVID19. Combined with the proposed transfer above this will result in additional Contingency Fund of £10,000,000 being available, on a one off basis, as at 1 April 2021.

-That the balance on the Restructuring Reserve of £3,000,000 be retained for purposes set out in 2.5 above.

7.5 Notwithstanding these proposed transfers, it is a duty of the Section 151 Officer to consider levels of General and earmarked reserves in order to continually monitor their adequacy and projected use. This has to be done in terms of both current known and projected future liabilities.

7.6 It is the opinion of the Section 151 Officer at this point that there is no scope within General reserves to fund any additional expenditure of the Council given the current risks facing the Council in terms of continuing single status issues, ongoing spending pressures and the uncertainty of future Welsh Government funding streams. That means that subject to any limited emergency one off use of earmarked reserves, and other limited action the S151 Officer can propose immediately in year, all spending must otherwise be wholly contained within existing budgets or met by the specific and very substantial earmarked reserves proposed set up as part of this outturn report.

8. Legal Implications

8.1 There are no legal implications relating to matters contained within this report.

9. Equality and Engagement Implications

9.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by

taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

- 9.2 The Revenue budget of the Council was approved following the application of the corporate Equality Impact Assessment (EIA) process throughout the Budget setting process. This process has since been replaced with IIA's. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that the IIA process (alongside consultation and engagement as appropriate) is applied to ensure due regard is paid to the potential equality impacts of any proposals prior to decision making.

Background papers: None

Appendices:

Appendices: Appendix 'A' Revenue Outturn Summary 2020/21

OUTTURN 2020-21

Appendix A

Directorate

	Revised Budget £'000	Revenue Outturn £'000	Variance £'000	Variance %
Resources	51,136	47,553	-3,583	-7.0
People - Social Services	123,179	113,566	-9,613	-7.8
People - Education	181,887	178,230	-3,657	-2.0
Place	58,050	54,360	-3,690	-6.4
Additional Savings	-194	0	194	-100.0
Net Directorate expenditure	414,058	393,709	-20,349	-4.9
Financed from Contingency Fund	3,174	981	-2,193	
Total Service costs	417,232	394,690	-22,542	
Inflation /Apprenticeship levy	2,850	854	-1,996	
Corporate items		-4,950	-4,950	
<i>Levies:</i>				
Swansea Bay Port Health	87	87	0	
<i>Contributions:</i>				
Combined Fire Authority	13,741	13,741	0	
	433,910	404,422	-29,488	
<i>Capital financing charges</i>				
Principal repayments	16,368	11,156	-5,212	-31.8
Net interest charges	20,010	15,734	-4,276	-21.4
Net Revenue Expenditure	470,288	431,312	-38,976	-8.3
Movement in balances				
General Balances	0	0	0	
Earmarked reserves	-2,033	34,524	36,557	
Total Budget Requirement	468,255	465,836	-2,419	
Discretionary NNDR relief	400	374	-26	-6.5
Total CCS requirement	468,655	466,210	-2,445	
Community Council precepts	1,582	1,582	0	
Total spending requirement	470,237	467,792	-2,445	-0.5
Revenue Support Grant	261,206	261,206	0	
NNDR	78,175	78,175	0	
Council Tax incl COVID loss on income grant	130,856	128,411	-2,445	-1.9
Total financing	470,237	467,792	-2,445	-0.5