



Report of the Director of Finance & S151 Officer

Cabinet – 21 July 2022

Revenue Outturn and Savings Tracker 2021/22

Purpose:	To report on the detailed Revenue financial outturn for 2021/22
Policy Framework:	Budget 2021/22. Transformation and Future Council
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 2021/22 and highlights variances from the revised budget.
- 1.2 The Revenue Budget for 2021/22 was approved at Council on 4th March 2021. The budget as approved included the following proposals to address a potential budget deficit of £29.588m

<u>Budget Proposals 2021/22</u>	£'000	£'000
Planned Service Savings.	-8,321	
Other adjustments.	259	
		-8,062
Net effect of Council Tax base increase and increased charge.		-8,265
Aggregate External Finance Increase		-13,261
<u>Overall resourcing</u>		<u>-29,588</u>

- 1.3 The specific savings proposals detailed above were incorporated into Directorate budgets at service level and have been the subject of monitoring reported to Cabinet on a quarterly basis during the year.
- 1.4 2021/22 marked the eighth 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 2021/22, 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 2022/23 Revenue Budget based on anticipated outcome at quarter 3 of the year. It remains critical that the progress on savings previously adopted under *Sustainable Swansea* and now within the 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 2021/22 was £41,014,000 less than the revised budget as follows:

	£000's
Net Expenditure on Services per appendix 'A' - underspend	-20,149
Reduced call on Contingency fund	-12,416
Reduced call on Apprenticeship levy	-75
Inflationary provision not utilised	-3,251
One off corporate costs/income	-4,631
Council Tax collection shortfall	4,050
Additional Revenue Support Grant	-4,556
Other net overspends	13
Overall net underspend	-41,014

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 forecast and planned underspending together with a number of late additional funding streams from the Welsh Government including Revenue Support Grant, Council Tax shortfall funding and the Cost of Living Support scheme for 2022-23 as a one off contribution which the two latter are 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 un-forecastable 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 net underspend in the region of £12m. The further 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 spending and significant additional late Welsh Government funding including additional Revenue Support Grant, compensation for Council Tax collection reductions, Cost of Living Support scheme and Social Services regional funding

in addition to further funding for both additional costs and assumed loss of income with regard to COVID-19 in 2021-22.

- 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 £6.2m. An element of capital programme slippage has again contributed to some of the capital charge underspend. There is an ongoing strategy to monitor interest rates and average in the borrowing requirement over a period of time. 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 now completed during 2021-22, as previously reported to Council, all externalisation of anticipated medium term General Fund borrowing requirements at permanently fixed rates with very long maturity dates (historically the lowest PWLB long term rates ever secured by this Council), before any of the increases in UK base rates took effect, the continuation of large scale in year capital financing underspending is unlikely to persist. Part of the 21st Century Schools programme still needs to be financed under the Welsh Government Mutual Investment Model and as interest rates rise, financing costs here will rise in future as set out in the medium term financial plan.
- 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 2022-23, 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 2022/23 and large one off income or grant reimbursement gains are unlikely to fully continue. However, the approved budget for 2022/23 addressed a number of the major

underlying budget issues from previous years. It is likely that the COVID 19 pandemic will continue to impact both operations and finances of the Council into 2022-23 in ways that may not yet be reliably forecasted, as was the case during 2021-22 though to a lesser extent. On the flipside, there is no offer of continued financial support to the Council into 2022-23 so the underspends in 2021-22 and proposed reserves movements should be seen as integral to cushioning some of the inevitable net additional burden placed on future Council finances.

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 fully 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 2021-22

	Costs/Loss of Income £000's	Grant Income £000's
Services	33,960	32,500
Corporate	35,771	34,474
Agency on behalf of Welsh Government	19,771	19,771
	<u>89,502</u>	<u>86,745</u>
 <u>Other Welsh Government grants related to COVID 19 not included above</u>		
Corporate		810
		<u>810</u>

2.9.2 The following sets out the major service specific variances in 2021/22.

Finance Directorate

Summary of variances:	£
CTRS	-1,775,000
Admin Grant for Winter Fuel/Self Isolation/NDR grant payments	-811,000
Net Employee Costs	-332,000
Housing Benefits	496,000
Supplies and Services	183,000
Other income shortfall	182,000
Other net variances	32,000
Total underspend	<u>-2,025,000</u>

Director Comments:-

1. CTRS (Council Tax Reduction Scheme) is a Council approved, administered and part funded local support scheme based on a broad

national model with the bulk of an assumed fixed cost (around 80%) then funded in block grant by Welsh Government. The Council has to fund the residual core of around 20%. Local council tax increases require the Council to set aside funding in full for the cost of CTRS which reduces the overall value of net income raised by Council Tax. If demand for CTRS increases the Council holds all of the risk of overspending. The budget is an uncapped entirely demand led service. Traditionally there is not full take up of CTRS and some savings are already assumed in the level of CTRS awarded in future years. Growing economic uncertainty (cost of living concerns, 30 year high inflation, wage growth significantly lagging prices) means there is the likelihood of demand and CTRS spend rising over time. Whilst shown entirely separate to the council tax raised it should be read in conjunction with the growing losses on core council tax collection, which currently far exceed the savings on CTRS and which are reported elsewhere in the outturn report, so that the overall net amount raised locally through taxation is measured.

2. Administration Grants – throughout the year the Council administered tens of millions of pounds of Covid and other support grants on behalf of Welsh Government, albeit on a smaller scale than the preceding year. Each grant came with a variable value administration fee to recompense for the work undertaken. The majority of the work was achieved by reprioritising other work and not recruiting to temporary short term posts or by utilising software and other automated solutions which saw some modest overspending elsewhere (but substantially less than the income received). With the cessation of the bulk of covid grant support schemes this scale of windfall will not continue into 2022-23, although an administration fee is currently due on the Council administering of the £14m council tax rebate scheme on behalf of Welsh Government so a modest underspend can be expected once again from this source in 2022-23.
3. Net Employee Costs - some naturally occurring budget savings as a modest number of posts (given the size of the overall function and numbers of employees) remained vacant during the year, exacerbated by it proving hard to fill vacant temporary roles in line with wider economy supply/workforce shortages.

Corporate Services Directorate

Summary of variances:	£
Net Employee Costs	-776,000
Digital Services Projects - unspent and rollover	-718,000
Oracle ERP Project - delay and rollover	-336,000
Election Costs May22- unspent and rollover	-271,000
Supplies and Services	-136,000
Additional Income	-471,000
Design Print	-90,000
Other net variances	24,000
Total underspend	<u>-2,774,000</u>

Director Comments:-

1. 2021/22 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, some vacancies were held. In addition restructures which had been undertaken were not able to implemented until later in the year. This has led to in year savings. However these were allocated and positions filled towards the end of the year.
3. The Oracle Fusion project has been delayed due to COVID-19 and so although an in year saving of £336,000 this will be carried forward as part of the Capital Equalisation Reserve and be spent in 2022 as the project is brought in line with the revised programme for delivery.
4. Digital services has seen a number of projects delayed and some resource difficulties in recruiting staff to deliver projects. This has seen an underspend of £718,000 which will be rolled forward and spent in 2022.
5. Due to robust management of the budgets the services have achieved in year efficiencies in supplies and services of £136,000. These are one off efficiencies.
6. The overachievement of income of £471,000 relates mainly to additional WG Election Grant of £97,000, Legal Services fee recharge income of £151,000 and Welsh Translation Unit recharge income of £84,000.
7. Design Print reported an underspend of £90,000 as a result of increased business towards the last few months of the year. Work is underway to identify how this surge in work can be balanced across the year going forward and how the service can be made more efficient.
8. Other net variances £24,000 are as a result of cross directorate savings on areas like transport costs and premises costs etc.

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

Summary of Variances	£
Externally Commissioned Care	-3,000,000
Internal Staffing and Services	-2,969,000
Fostering and Adoptions	-620,000
Poverty and Prevention Commissioned Services	-405,000
Children's Therapy	-250,000
Tackling Poverty	-151,000
Third Party Spend – Adults	-96,000
Child and Family Services - RCCO	2,700,000
	<u><u>-4,791,000</u></u>

Director's Comments

The Council's response to Covid-19 has continued to have a significant impact on the income and expenditure of the Directorate throughout the year. As was the case in 2020/21, we are reporting a significant underspend despite spending more than we have ever done before. This is because we were successful in reclaiming most of our additional expenditure and income loss though 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 underspends on some commissioned services that reflect a reduction in activity. Our staffing underspends are partly due to our ability to offset core funding with grant but are also due to difficulties in recruitment in some key areas, particularly within Child and Family Services.

Our underspends have enabled us to set aside significant sums into Capital reserves for future use. This will enable us to redesign services in a way that meets the future needs of citizens in a cost-effective manner with an expansion of some in house services.

Director of Education

Out of County Places	-656,896
School Milk recovery	-375,860
Pension, Maternity, Misc Grants.	-970,735
Capital / asset costs	-146,078
Maes Derw - PRU	-348,102
SEN Equipment	-96,826
Primary Team	-136,042
Schools at Risk	-68,948
Additional Learning Needs	-132,709
Walking Routes impact	280,000
Other variances	-68,469
	<u><u>-2,720,665</u></u>

Directors Comments:-

The Directorate has been successful in recovering the vast majority of its additional pandemic related costs and income loss from Welsh Government

support. The Welsh Government has also provided many additional one-off grants that have offset budget spend.

Out of County / Independent Placements: The overspend is significantly lower than earlier projections, reflecting the continuing management action to mitigate the scale of cost pressures which include contributions to the educational cost of social services placements. Like all independent placements, this is an inherently volatile demand-led budget.

Other ALN pressures are also apparent, particularly in areas such as additional specialist teaching (STF) facility support needs, education at home, equipment and the assessment team. However, grant awards have had a significant impact on financial outturn and have further improved the position for ALN.

Changes to historic pensions arrangements, maternity costings and miscellaneous grants have allowed for an underspend, where in previous years continuing unfunded pressures have remained.

Settlement of the Milk Claim with the RPA resulted in revenue that had previously been uncertain. The provision held in the event of recoupment demand could also be released back to revenue. There is no further action in this matter.

As we hopefully move to a more usual year in 2022/23 it is expected that many of the above reported underspends will disappear whilst our forecast pressures will return. 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 continued to be 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 impacting services or those that 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 all services throughout the 21/22 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 £7.83m which was predicated on the directorate receiving £9.3m of additional funding from Welsh government made up of £3.2m hardship funding and £6.1m loss of income. Clearly without this support the directorate would have out-turned an overspend of circa £1.47m on base budgets.

In anticipation of lower central support and reimbursement for 2022-23 some sums were set aside as part of budget setting on a one off basis to help manage Place 2022-23 budget and these amounts will be carried through into the 2022-23 budgets to help achieve the same.

3. Items met from the Contingency Fund

- 3.1 The Council Report on 4th March 2021 highlighted a number of risks that may need to be met from the Contingency Fund in 2021/22.
- 3.2 The £0.794m Outturn figure shown at Appendix 'A' represents the cost of the ER/VR exercise for 2021/22 which has been charged to the Contingency Fund on an 'Invest to Save' basis. This is almost identical to the previous year's cost. This £0.794m reflects the workforce restructures implicit within the budget proposals for 2021/22 and some elements of 2022/23 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 Human Resources (£139,000), Health & wellbeing medical surgeries (£119,900), Legal Costs (£30,600), Human Rights city (£30,000), Mayhill Community day (£5,000), Armed forces contingency (£25,000), and Defib-Friendly Swansea initiative (£61,300).
- 3.4 Items charged to the fund represent one off costs which, apart from any ER/VR costs, will not re-occur during 2022/23. The budgeted Contingency fund for 2022/23 is £3.7m. The unspent and unused elements of the contingency fund from 2021-22 will be available to boost, on a one off basis, the level of contingency available during 2022-23 as a helpful additional but partial cushion against inflation and other service pressures.
- 3.5 The proposed use for the un-allocated element of the Contingency Fund in 2021/22 is set out in section 7.

4. Schools Expenditure and Reserves Position

- 4.1 The Schools delegated budget for 2021/22 was £167,304,000.
- 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 2021/22 Schools expenditure overall was £7,610,814 less than the delegated budget, equating to an underspend of approximately 4.55%

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

The following is a summary of overall Schools Reserves since 2019:

	Balance 31/3/2019	Balance 31/3/2020	Balance 31/3/2021	Balance 31/3/2022	Overall change over last 3 year period (%)
Primary	5,694,092	4,697,855	12,023,244	15,554,761	+273.1
Secondary	2,730,332	2,777,164	8,451,907	12,353,391	+452.5
Special	176,008	254,290	305,256	483,069	+274.5
Total	8,600,432	7,729,309	20,780,407	28,391,221	+330.1

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 £7,610,814 or 36.6% in year has to be viewed in the context of an overall increase in Schools funding of £6,852,000 in 2021/22 and the considerable impact of the pandemic over the past two years. The most significant factor by far that has contributed to the scale of the increase in reserves has been the impact of grant funding often allocated quite late to schools by the WG.

4.6.1 Grants amounting to £4.1m in relation to revenue maintenance spending by schools, attendance support and winter of wellbeing 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 2022-23.

4.6.2 As a result of the impact of the pandemic schools have been unable to plan and function as normal which has hindered their ability to spend in line with agreed budget plans. This has resulted in developments and projects being delayed into future years impacting their reserve levels.

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 2022-23 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 2022/23 for schools will evidence a net call on existing reserves.

5. Ongoing implications for the 2022/23 budget

- 5.1 There are ongoing risks from any planned savings not achieved from 2021/22 budget which cumulatively impact future years.
- 5.2 There are ongoing overspend risks arising from the outturn position in the following areas
- Sustainable Swansea 2021/22 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 2022/23 budget around:
- Swansea – Achieving Better Together , Transformation Strategy & Programme Frame work 2022– 2026 savings falling in 2022/23;
 - 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 any 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;
 - Very substantial 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 future 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 not fully funded by government grant; and
 - Ongoing Brexit uncertainty.
- 5.5 Continued uncertainty at national government level over the wider economy means there remains some doubt as to the certainty of Comprehensive Spending Review control totals, and consequentials for Wales, and ultimately Welsh Local Government funding despite a nominally announced 3 year funding package up to and including 2024-25. Budgets and funding assumptions risk being simply overrun with

inflationary increases and supply side pressures far outstripping the nominal value of future increases and thus requiring significant future real terms cuts and council tax increases whilst appearing to rise fairly significantly in nominal terms.

- 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 future budgets must be redoubled.

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

- 6.1 During 2021/22, 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 the various lockdowns 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.

7. Summary of Outturn Position and Recommendations

- 7.1 The outturn position for 2021/22 reflects a significant improvement on the forecast position at quarter 3 (Reported to Cabinet in February 2022). 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 including some £4.6m of additional, late , Revenue Support Grant, Council Tax shortfall funding , Cost of Living Support scheme for 2022-23 and Social Service regional funding much of 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 2021 reviewing reserves proposed no additional transfers, at that time, between reserves to those highlighted in the quarterly monitoring reports. 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 Regional Funding late grant £836,000
- Oracle Project slippage of costs £336,000
- Adult Learning Needs(education) £133,000
- Human rights city project £30,000
- Health & Safety defibrillators £61,000
- Joint Archives service £42,000 ,
- Workways extension/match funding £42,000
- ICT contracts/future development fund £736,000
- VVP City Centre £36,000
- Homelessness £325,000
- Crematorium sinking fund £7,000,
- Various Joint Ventures and commuted sums £69,000
- Change Fund – 3rd party volunteering funding £5,000
- Election costs £271,000
- Cost of Living grant for 22-23 scheme £1,999,000
- Capital Equalisation Reserve £6,195,000
- Recovery Fund £24,705,000
- Recovery Fund slippage from 21-22 into 22-23 £941,000
- PLACE COVID temporary Impact funding unused from 2021-22 into 2022-23 £6,000,000

7.4 A summary of the most significant reserve transfers together with available balances as at 1st April 2022 , subject to any budgeted transfers included as part of the 2022-23 budget or scheme slippage into 2022-23 are as follows :

-That the underspend on the Capital Financing Charges in 2021-22 of £6,195,000 be added to the remaining balance on the Capital Equalisation Reserve. This will result in some £13,925,000 being available in this reserve as at 1 April 2022.

-That £9,067,000 of the un-utilised balance of the Contingency Fund in 2021/22 is proposed to be transferred into the Economic Regeneration fund. There will then be £4,479,000 remaining as a contingency fund as mitigation for un-expected costs arising in 2022-23. This is in addition to the currently budgeted contribution for the Contingency Fund for 2022-23 of £3,724,000.

-That the remaining underspend as a result of out-turn and the transfer from the Contingency Fund as noted above of £24,705,000 be transferred to the Recovery Reserve .This together with slippage of funding for schemes from 2021-22 into 2022-23 will result in some £39,067,000 being available, on a one off basis, in this reserve as at 1 April 2022.

-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 ongoing spending pressures, inflation and the uncertainty of the real terms value 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 already 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. Integrated Assessment 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 2021/22

OUTTURN 2021-22

APPENDIX A

Directorate

	Revised Budget £'000	Revenue Outturn £'000	Variance £'000	Variance %
Corporate Services	22,423	19,649	-2,774	-12.4
Finance	32,707	30,682	-2,025	-6.2
Social Services	129,256	124,465	-4,791	-3.7
Education	188,786	186,065	-2,721	-1.4
Place	72,602	64,764	-7,838	-10.8
Net Directorate expenditure	445,774	425,625	-20,149	-4.5
Financed from Contingency Fund	13,210	794	-12,416	
Total Service costs	458,984	426,419	-32,565	
Inflation /Apprenticeship levy	4,250	924	-3,326	
Corporate items		-4,631	-4,631	
<i>Levies:</i>				
Swansea Bay Port Health	88	88	0	
<i>Contributions:</i>				
Combined Fire Authority	14,120	14,120	0	
	477,442	436,921	-40,521	
<i>Capital financing charges</i>				
Principal repayments	16,368	12,813	-3,555	-21.7
Net interest charges	20,010	17,370	-2,640	-13.2
Net Revenue Expenditure	513,820	467,104	-46,716	-9.1
Movement in balances				
General Balances	0	0	0	
Earmarked reserves	-25,377	21,832	47,209	
Total Budget Requirement	488,443	488,936	493	
Discretionary NNDR relief	418	432	14	3.3
Total CCS requirement	488,861	489,368	507	
Community Council precepts	1,641	1,640	-1	
Total spending requirement	490,502	491,008	506	0.1
Revenue Support Grant	269,725	274,281	4,556	
NNDR	82,917	82,917	0	
Council Tax incl COVID	137,860	133,810	-4,050	-2.9
Total financing	490,502	491,008	506	0.1