

CABINET

Date of Meeting	Tuesday 23 rd July, 2024
Report Subject	Revenue Budget Monitoring Report 2023/24 (Final Outturn)
Cabinet Member	Cabinet Member for Finance and Social Value
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides members with the revenue budget final outturn position for the Council Fund and Housing Revenue Account for the financial year 2023/24 (subject to audit).

The Accounts for 2023/24 are now effectively closed, and the formal Statement of Accounts and supporting notes were submitted to Audit Wales on 25th June which is within the timeframe set by Welsh Government.

As reported previously, a moratorium on non-contractually committed spend was put in place alongside a vacancy management process with the aim of reducing in-year expenditure to 'dampen' the projected overspend at that time. This work made a positive impact on the outturn position.

The final year end position is:

Council Fund

- An operating deficit of £1.466m which is a positive movement of (£0.979m) from the deficit figure of £2.445m reported at Month 10.
- A contingency reserve available balance as at 31 March 2024 of £2.972m (after taking account of previously approved allocations including those approved as part of the 2024/25 Budget).

The operating deficit (£1.466m) equates to 0.4% of the Approved Budget, which is below the target MTFS KPI for a variance against budget of 0.5%.

Housing Revenue Account

- Net in-year revenue expenditure (£0.315m) lower than budget which is a favourable movement of (£0.773m) from the figure reported at Month 10.
- The closing balance as at 31 March, 2024 is £3.512m

During the financial year, £2.144m of deferred and/or delayed expenditure has been identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue into the next financial year 2024/25, with updates provided in future reports.

RECOMMENDATIONS

1	To note the overall report and the Council Fund contingency sum available as at 31 March, 2024 (subject to audit)
2	To note the final level of balances on the Housing Revenue Account (HRA) (subject to audit)
3	Approve the carry forward requests as outlined in paragraph 1.13.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2023/24
1.01	<p>The final year end position is as follows:</p> <p>Council Fund</p> <ul style="list-style-type: none"> An operating deficit of £1.466m which is a positive movement of (£0.979m) from the deficit figure of £2.445m reported at Month 10. A projected contingency reserve available balance as at 31 March 2024 of £2.972m (after taking account of previously approved allocations including those approved as part of the 2024/25 Budget). <p>Housing Revenue Account</p> <ul style="list-style-type: none"> Net in-year revenue expenditure was (£0.315m) lower than budget which is a favourable movement of (£0.773m) from the position reported at Month 10. The projected closing balance as at 31 March, 2024 is £3.512m <p>During the financial year, £2.144m of deferred and/or delayed expenditure was identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue into the next financial year 2024/25, with updates provided in future reports.</p>

1.02	<p>Table 1. Final Outturn Position by Portfolio</p> <p>The table below shows the final outturn position by portfolio:</p>																																																								
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<p>The changes made to the approved budget since Month 10 relate to:</p>	<ul style="list-style-type: none"> • Transfer of £0.079m from Central and Corporate to Education & Youth to fund the shortfall in pay inflation for Soulbury staff. • Transfer of £0.038m from Schools to Education and Youth - Secondary and Primary permanent exclusions and managed moves of £0.034m and £0.004m for Fresh Start Provision • Transfer from Assets to Social Services for £0.001m devolved Repairs and Maintenance budget 																																																								
1.03	<p>The reasons for the monthly movements over £0.025m are shown in Appendix 1 and overall projected variances over £0.050m are summarised within Appendix 2 together with a summary of minor variances for each portfolio.</p>																																																								
<p>Significant Movements from Month 10</p>	<p>Social Services £0.129m</p>																																																								
1.04	<p>The net adverse movement relates to:</p> <p>Older People Services</p>																																																								

	<ul style="list-style-type: none"> • Localities £0.476m - increasing demand for residential care has resulted in additional costs of £0.551m. Homecare costs have reduced by £0.037m and demand seems to have become more manageable. Employee costs reduced by £0.034m due to vacancies. There were minor variances of £0.004m. • Resources & Regulated Services (£0.029m) - In-house homecare costs reduced by £0.078m due to staffing numbers. Residential care costs increased by £0.084m due to increased agency cover. Extra Care costs reduced by £0.040m. <p>Adults of Working Age</p> <ul style="list-style-type: none"> • Resources & Regulated Services £0.079m – due to net changes to care packages • Professional and Administrative Support (£0.025m) – due to vacancy savings • Supporting People (£0.060m) – additional Supporting People funding received in March. • Residential Placements (£0.040m) – the net reduction to Mental Health care packages • Substance Misuse (£0.026m) – due to vacancies within the team. <p>Children’s Services</p> <ul style="list-style-type: none"> • Family Group Meetings (£0.046m) – due to eligible costs being reallocated to Grant funding. • Family Placement £0.067m – resulting from a high-cost temporary placement. • Legal & Third Party £0.038m – a further increase to legal fees and court costs. • Professional Support (£0.267m) – due to eligible costs being reallocated to grant funding. The grant funding includes the Childrens Community Grant and Revenue Integration Fund. There has also been a decrease in Direct Payment costs. <p>Safeguarding and Commissioning</p> <ul style="list-style-type: none"> • Commissioning (£0.043m) – due to some employee costs being capitalised. • Management & Support £0.056m – due to an increase in legal costs for Adult Social Services and the central telephone recharge being higher than expected. <p>Minor variances across the Portfolio account for the remainder (£0.051m).</p>
1.05	<p>Out of County Placements (£0.306m)</p> <p>The favourable movement relates to:</p> <ul style="list-style-type: none"> • Childrens Services (£0.145m) – Ended placements and additional income for Unaccompanied Asylum-Seeking children (UASCs) • Education & Youth (£0.161m) – Due to ended placements.
1.06	<p>Schools (£0.080m)</p> <p>The favourable movement is as a result of flexible retirement exit costs absorbed by schools (£0.046m), actual Free School Meals up-take less than</p>

	<p>anticipated (£0.029m) and minor variances within specific elements of non-delegated (£0.005m).</p>
1.07	<p>Streetscene and Transportation (£0.061m)</p> <p>The favourable movement relates to:</p> <ul style="list-style-type: none"> • Service Delivery £0.044m – increase in traffic management costs. • Highways Network £0.104m – additional winter maintenance vehicle recharges. • Transportation (£0.196m) – Maximisation of the '20 MPH' Officer Time Grant offsetting Transport Strategy costs <p>Minor variances across the Portfolio account for the remainder (£0.013m).</p>
1.08	<p>Planning Environment and Economy (£0.084m)</p> <p>The favourable movement relates to:</p> <ul style="list-style-type: none"> • Business (£0.028m) - receipt of Supporting People of Grant Income £0.010m • Community £0.061m – carry forward of 3 and 5 year taxi licence fees received in advance and revised fee income levels within Licensing • Development £0.068m – carry forward of Planning Fee Income received in advance during March 2024. • Shared Service £0.034m – accommodation charge from Gwynedd County Council • Regeneration – (£0.172m) maximisation of Grant Income for budgeted staff costs • Management & Strategy – (£0.065m) reduced level of expenditure with Water Company than previously forecast. <p>Minor movements across the Portfolio account for the remainder £0.018m.</p>
1.09	<p>People and Resources (£0.062m)</p> <p>The favourable movement follows the maximisation of grant income within Corporate Finance.</p> <p>Minor variances across the Portfolio account for the remainder (£0.001m).</p>
1.10	<p>Governance (£0.184m)</p> <p>The favourable movement relates to:</p> <ul style="list-style-type: none"> • Internal Audit (£0.034m) – actual postages costs lower than previously anticipated • ICT (£0.082m) – revised expenditure on software packages and staff savings from vacant posts • Customer Services (£0.054m) – backdated 3-year rent increase for Holywell Connects office, Registrar income higher than previously anticipated. <p>Minor movements across the Portfolio account for the remainder (£0.014m).</p>

1.11	<p>Central and Corporate Finance (£0.403m)</p> <p>A further review of the Central Loans and Investment Account includes a further improvement on the position due to continued lower levels of borrowing and additional investment income.</p> <p>This is mitigated in part by additional Coroners and Audit Wales costs.</p>
1.12	<p>Cumulative minor variances across the Council of £0.072m account for the remainder of the total monthly movement.</p>
1.13	<p>Carry Forward Requests</p> <p><u>Social Services £0.059m</u></p> <p>A carry forward of £0.059m is requested from additional income generated for services delivered to meet Welsh Government programmes including Flying Start childcare.</p> <p>As childcare is registered with Care Inspectorate Wales (CIW) there are certain requirements that must be adheres, keeping sufficient reserves/funding aside in relation to staffing and on-costs, redundancies and notice periods, day-to-day running costs, continuity of service provision and meeting unexpected costs.</p> <p>Welsh Government is yet to confirm their longer-term plans for Flying Start 2-year-old childcare and the funding will enable the Council to meet CIW requirements and to take forward an updated operating model for 12 months.</p> <p><u>Housing & Communities £0.025m</u></p> <p>A carry forward of £0.025m is requested for property condition surveys at various Industrial Units for works which were not able to be carried out to completion before the end of March 2024.</p>
1.14	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.15	<p>Council Tax Income</p> <p>In 2023/24, the Council collected 97.4% of Council Tax ‘in-year’ which is the same as the previous year.</p> <p>Recently published performance statistics across Wales show that we are ranked in 1st place across the North Wales sub-region and 2nd place nationally.</p>
1.16	<p>Pay Award (Teacher and Non-Teacher)</p> <p><u>NJC (Green Book)</u></p>

	<p>The actual impact of the pay offer for 2023/24 was an additional £2.702m which was met from the Contingency Reserve.</p>
1.17	<p>Pay Modelling</p> <p>A review of the Council's pay model which is needed to address the difficulties currently being experienced in recruitment and retention is continuing. It is due to be completed in the 2024/25 financial year so there was no impact on the 2023/24 budget.</p>
1.18	<p>Waste Recycling Infraction Charge</p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has previously been confirmed.</p> <p>The statutory recycling targets were also not achieved in 2022/23 and 2023/24, which means that further infraction fines of £0.356m and £0.184m respectively could be levied. Therefore, the financial risk across all 3 financial years currently totals £1.203m.</p> <p>Further discussions will take place with Welsh Government on all of the above in July 2024.</p>
1.19	<p>Homelessness</p> <p>There continues to be a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 and continued to accelerate markedly through 2023/24 resulting in a final overspend of £ 2.546m.</p> <p>The mitigations options approved by Cabinet and Community and Housing Overview and Scrutiny Committee are now being actively progressed by a Housing Options officer working group with a view to increasing the supply of accommodation for Homeless persons as alternatives to the more expensive emergency accommodation.</p> <p>The Council will also continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.</p>
1.20	<p>Storm Babet</p> <p>Storm Babet was an intense extratropical cyclone which affected many parts of the County from 19 October through to the end of 21 October 2023. This was followed rapidly by Storm Ciaran, which although saw less impact, still necessitated significant resources in response.</p>

The storm caused severe disruption to travel with many roads closed, railways flooded, schools closed, and properties being affected by flood water. Storm Ciaran also required a priority response and caused some additional costs.

The Council has been incurring the significant additional costs for the emergency response, assessing damage to infrastructure and arranging the necessary remedial works to be carried out in the aftermath. This is currently estimated at £1.527m which will be incurred over both 2023/24 and 2024/25 financial years, by the time final work is completed.

There is an Emergency Financial Assistance Fund (EFAS) that Welsh Government have in place. However, Authorities are expected to make reasonable provision in their budgets to deal with contingencies, so the authority affected is expected to meet all eligible expenditure up to the level of its threshold.

Thresholds are calculated at 0.2% of authority's annual budget requirement and apply to the whole financial year, not to each incident within the financial year and for Flintshire, this amounts to emergency funding being provided at 85% for costs over and above the threshold of £0.711m.

Welsh Government provided confirmation that the Scheme has been activated by the Minister and that our claim will be met in line with the terms and conditions of the scheme.

There is a Severe Weather Earmarked Reserve totalling £0.250m which will also assist in funding some of the costs, which will be drawn down in 2024/25 when full costs have been incurred.

The financial impact of Storms Babet and Ciaran is estimated as follows: -

Description	Costs to 31/03/2024 £m	Projected 2024/25 costs £m	Total Costs £m
Total Projected Costs	0.959	0.668	1.527
Severe Weather Reserve			-0.250
EFAS Funding @ 85%*			-0.671
Projected net cost of storms			0.606

*£1.5m original estimate less £0.711m threshold = £0.789m x 85% = £0.671m

1.21 Out of County Placements

The risk includes continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs. An additional amount of £1m was approved in the 2023/24 budget to reflect this.

The final total of overspend for the current cohort of placements is reported as £1.285m. An additional amount of £1.5m has been included in the 2024/25 budget to reflect current demand.

	<p>The service areas within this pooled budget continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.22	<p>Streetscene and Transportation</p> <p><u>Fleet Contract Renewal</u> The fleet contract, which had been in operation for 7 years, was renewed for a temporary period of 7 months from October 2023. Unfortunately, the fleet contract provider went into administration in May 2024, and it was then necessary to purchase all the vehicles that were required to maintain service delivery at current market value. This means that the Fleet service will now be provided in-house, and all related costs monitored closely through 2024-25. A budget pressure has been allocated within the 2024/25 budget to allow for cost increases.</p> <p><u>Sustainable Waste Management Grant (SWMG)</u> The Minister for Climate Change has confirmed that the SWMG grant will be retained at the same level for this financial year. However, those local authorities that are not yet meeting the statutory recycling target of 70% will be required to use the grant to reach 70% and be required to demonstrate this. Confirmation from Welsh Government has recently been provided on the SWMG grant levels for 2024/25 at the current grant value of £0.742m per annum.</p> <p><u>Winter Maintenance</u> Due to the number of gritting callouts, the level of precautionary gritting required and increased demand on vehicles and workforce, there was an increased cost of Winter Maintenance in 2023/24 of £1.205m. It was, therefore, necessary to utilise the Winter Maintenance reserve of £0.250m in full, increasing the risk of an overspend going forward if another above average winter occurs in 2024/25 and beyond.</p>
1.23	<p>Education and Youth (Non-Schools)</p> <p><u>Inclusion and Progression</u> Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire provision.</p> <p>Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.</p>

	<p>The service continues to take steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.</p> <p>The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.</p> <p>Welsh Government have made additional grants available to support schools and councils. However, there are future risks over reliance on temporary grant funding and its ability to meet demand within existing budgets and available grants.</p>
1.24	<p>Harpur Trust vs Brazel Case</p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m has provided some funding towards these costs.</p>
1.25	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2023/24 budget contained £9.265m of specific efficiencies which were tracked and monitored throughout the year. The Council has achieved its aim of 99% rate in 2023/24 as reflected in the MTFS KPI's and fully achieved all efficiencies. Further details can be seen in Appendix 3.</p>
1.26	<p>Unearmarked Reserves</p> <p>The final level of Council Fund Contingency Reserve brought forward into 2023/24 was £9.508m as detailed in the 2022/23 outturn report (subject to Audit).</p> <p>The brought forward balance on the COVID-19 Hardship Reserve was £3.743m. Internal claims for the year 2023/24 totalled £0.527m for Holywell Leisure Centre, Cambrian Aquatics, Streetscene & Transportation and Free School Meals covering the Christmas holiday period were approved and the remaining balance of £3.216m will be added to our Base Level of Reserves in 2024/25 as approved by Council.</p> <p>After taking into account the outturn and previously approved allocations the final level of Council Fund Contingency Reserve available as at 31 March, 2024 is £2.972m including those approved as part of the 2024/25 budget, and is shown in Appendix 4.</p>

1.27 **Council Fund Earmarked Reserves 2023/24**

Reserve Type	Balance as at 01/04/23	Balance as at 31/03/24
Service Balances	6,184,486	3,326,381
Workforce Costs	843,190	843,190
Investment in Organisational Change	1,350,875	972,142
County Elections	74,777	374,693
Local Development Plan (LDP)	115,360	0
Warm Homes Admin Fee	315,985	294,835
Waste Disposal	48,771	0
Design Fees	250,000	238,684
Winter Maintenance	250,000	0
Severe Weather	250,000	250,000
Car Parking	88,059	88,059
Insurance Reserves	2,201,372	2,382,509
School HWB ICT Replacement	526,447	789,670
Free School Meals	30,398	0
Flintshire Trainees	562,948	321,614
Rent Income Shortfall	106,118	131,118
Plas Derwen Wave 4	3,560	5,339
Customer Service Strategy	22,468	7,468
Supervision Fees	48,798	48,798
IT COVID Enquiry	142,301	142,301
ICT Servers Reserve	170,000	0
IT Infrastructure HWB	312,442	139,442
Schools Intervention Reserve	705,836	51,251
Organisational Change/ADM	873,546	600,560
NWEAB	330,927	690,685
Solar Farms	62,416	180,192
20 MPH Scheme	111,186	0
Employment Claims	109,846	109,846
Community Benefit Fund NWRWTP	683,164	913,925
Total	10,590,790	9,576,321
Schools Balances	6,716,596	3,336,011
Grants & Contributions	7,066,214	6,768,523
TOTAL	30,558,085	23,007,236

As in previous years a review and challenge of all earmarked reserves will be undertaken over the summer to ensure that they are still relevant and required at the same level.

1.28	<p>Operating Surplus/(Deficit) and Contingency Reserve position</p> <p>The operating surplus and Contingency Reserve position over the last 5 financial years is as follows:</p> <table border="1" data-bbox="300 309 1342 629"> <thead> <tr> <th colspan="6">Final Outturn and Contingency Reserve</th> </tr> <tr> <th></th> <th>2023/24</th> <th>2022/23</th> <th>2021/22</th> <th>2020/21</th> <th>2019/20</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Revenue Outturn Surplus/ (Deficit)</td> <td>(1.466)</td> <td>3.013</td> <td>5.711</td> <td>2.185</td> <td>0.439</td> </tr> <tr> <td>Contingency Reserve</td> <td>2.972</td> <td>9.508</td> <td>7.098</td> <td>5.973</td> <td>2.370</td> </tr> </tbody> </table>	Final Outturn and Contingency Reserve							2023/24	2022/23	2021/22	2020/21	2019/20		£m	£m	£m	£m	£m	Revenue Outturn Surplus/ (Deficit)	(1.466)	3.013	5.711	2.185	0.439	Contingency Reserve	2.972	9.508	7.098	5.973	2.370
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1.29	<p>Housing Revenue Account</p> <p>The 2022/23 Outturn Report to Cabinet on 18th July 2023 showed an un-earmarked closing balance at the end of 2022/23 of £3.786m and a closing balance of earmarked reserves of £2.690m.</p>																														
1.30	<p>The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves.</p>																														
1.31	<p>The final outturn for the HRA shows an in-year revenue expenditure (£0.315m) lower than budget with a closing un-earmarked balance as at 31st March, 2024 of £3.512m, which at 8.99% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3% - see Appendix 5.</p>																														
1.32	<p>The favourable movement of (£0.773m) is as a result of:</p> <p>Income (£0.198m)</p> <ul style="list-style-type: none"> a further reduction in the requirement to 'top up' the Bad Debt Provision <p>Capital Financing – Loan Charges (£0.161m)</p> <ul style="list-style-type: none"> Reduction in interest charged to the HRA <p>Estate Management (£0.089m)</p> <ul style="list-style-type: none"> Vacancy savings (£0.040m) Additional allocation of the Housing Support Grant (£0.040m) and minor variances (£0.009m) account for the remainder. <p>Landlord Service Costs £0.077m</p> <ul style="list-style-type: none"> Increase in expenditure on Utilities £0.060m Minor variances £0.017m <p>Repairs and Maintenance (£0.296m)</p> <ul style="list-style-type: none"> Offset of spend from Transitional Accommodation Capital Funding (TACP) <p>Management & Support Services (£0.141m)</p> <ul style="list-style-type: none"> Staff savings (£0.046m) Reduction in IT costs (£0.052m) and Minor Variances (£0.044m). <p>Minor variances £0.035m account for the remainder</p>																														
1.33	<p>The budget contribution towards capital expenditure (CERA) is £12.712m.</p>																														

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2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 10 Appendix 2: Council Fund - Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Dave Ledsham Strategic Finance Manager</p> <p>Telephone: 01352 704503</p> <p>E-mail: dave.ledsham@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Budget: a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council’s revenue expenditure is charged.</p>

Financial Year: the period of twelve months commencing on 1 April.

Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.

Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.

Regional Integration Fund (RIF): funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.

Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.

Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.

Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.