

# Wiltshire Council

## Cabinet

15 July 2024

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**Subject:** Financial Year 2023/24 - Revenue Outturn Position

**Cabinet Member:** Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

**Key Decision:** Non-Key

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### **Executive Summary**

This report sets out the year end revenue position for the Council as at 31 March 2024 for the financial year 2023/24.

The report provides detail of the final position for services and provides details of variances against budgets following the quarter three budget monitoring reported to Cabinet on 6 February 2024. The overall variances for the financial year can be seen in Appendix A.

### **Year End Revenue Budget Monitoring**

The Net Budget set by Full Council for 2023/24 was £465.874m, and recommendations approved by Full Council at their meeting on 17 October 2023, included as part of the quarter one report increased this to £469.029m. This reflects the increased grant and funding from the additional Market Sustainability Improvement Fund grant of £2.773m and the £0.382m additional share of retained Business Rates for Council assets. The 2023/24 budget ensured that vital services to the residents, businesses and communities of Wiltshire continued to be provided and the council continued to deliver on the commitments set out in the Business Plan. The budget included over £26m of savings to be delivered in 2023/24.

The quarter three budget monitoring report presented to Cabinet showed a net underspend for the year of £0.634m. As the forecast variance was small and still exposed to change no proposal was made for this balance.

For quarter three it was forecast that remaining pressures in services could be mainly offset by activity in corporate services through finance and investment income and levies and the overachievement of income in Leisure Services due to the earlier than forecast delivery of the saving from VAT changes confirmed by HMRC. In addition, Highways and Transport had increased income from Street Works and Permits and Public Transport is maximising the use of Government grant, Bus Service Improvements Plan plus to manage the increasing pressures on Public Transport.

The final position for the year has improved during the last quarter by £5.071m which leaves the final underspend at £5.705m. However, it should also be borne in mind that as approved at quarter three £8.666m of gain in retained Business Rates was set aside in a new High Needs reserve and this together with the final reported underspend totals £14.371m.

Requests are made to transfer £5.789m, of which some relate to government grants, into specific earmarked reserves to support planned activity in 2024/25 and future years. Transfers from reserves of £8.129m to support activity and cost in 2023/24 are also included in line with plans. The final year end position, after taking into account those reserve movements and the proposed changes to reserves approved as part of the quarter three budget monitoring report allows for £5.705m to be set aside to support additional investment in highways improvements works, including road surfacing, road safety and highways flooding alleviation works.

In addition, £5m of CIL contributions are being allocated to increase the overall investment in highways to £10.705m in this report and over £20m this financial year. When including the amounts allocated from the Business Plan Priority Reserve, a total investment of over £25m has been made available to invest in delivering the Councils business plan priorities

In addition to the £8.666m of gain in retained Business Rates set aside in a new High Needs reserve, the £14.572m Collection Fund Volatility reserve was repurposed to allow for a £6m transfer to the General Fund reserve, a £6m transfer to the Insurance reserve to provide funding for this critical risk area for the council and a further £2.572m transfer to the High Needs reserve. £2.007m from the Latent Demand reserve was also repurposed and transferred to the Transformation reserve to provide additional funding for transformation activity across the council. This report sets out the continued prudent approach and proposals are included to set aside funding to ensure the financial sustainability and resilience of the Council to continue to deliver services over the medium term.

## **Proposals**

Cabinet is asked to approve:

- a) the transfer of £0.368m to a new earmarked reserve for Health & Safety requirements as detailed in the paragraph 53 and Appendix B;
- b) the allocation of the £5.705m underspend to invest in highways improvements works;
- c) a further allocation of £5m of Community Infrastructure Levy (CIL) to increase the investment in highways improvements to £10.705m;
- d) that the balance of £0.281m from the Business Plan Priority reserve be allocated to fund additional highways litter picking activity in 2024/25 and Armed Forces Covenant in 2023/24 and 2024/25.
- e) the transfer of £0.181m to a new earmarked reserve for Local Nature Recovery Strategy (LNRS) as detailed in the paragraph 87 and Appendix B;

Cabinet is asked to note:

- f) the general fund revenue budget outturn position for the financial year 2023/24;
- g) the Dedicated Schools revenue budget outturn position for the financial year 2023/24;
- h) the Housing Revenue Account outturn position for the financial year 2023/24;
- i) the contributions to and from earmarked reserves as planned and detailed in Appendix B;
- j) the final year end position of savings delivery.

## **Reason for Proposals**

To inform effective decision making and ensure sound financial management as part of the Councils overall control environment.

To inform Cabinet on the financial year end revenue outturn position for the Council for the financial year 2023/24, including delivery of approved savings.

To improve the Councils financial resilience by increasing the balance on the General Fund reserve and setting aside funds in earmarked reserves to prudently assist in managing the Councils financial risks and future pressures.

**Terence Herbert**  
**Chief Executive**

**Andy Brown**  
**Deputy Chief Executive and Corporate Director of Resources**

**Lizzie Watkin**  
**Director of Finance and Procurement (S.151 Officer)**

# Wiltshire Council

## Cabinet

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**Subject:** Financial Year 2023/24 - Revenue Outturn Position

**Cabinet Member:** Cllr Nick Botterill – Cabinet Member for Finance, Development Management and Strategic Planning

**Key Decision:** Non-Key

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### Purpose of Report

1. To advise Members of the final year end revenue position for the financial year 2023/24 (31 March 2024) for revenue with the necessary approvals and with suggested actions as appropriate.

### Relevance to the Council's Business Plan

2. Budget monitoring and reporting supports effective decision making and the alignment of resources and financial performance to the Council's priorities and objectives as laid down in the Business Plan.

### Background

#### Revenue Final Financial Year End Position 2023/24

3. The Council approved a net budget for 2023/24 of £465.874m at its meeting on 21 February 2023. Recommendations included within the quarter one budget monitoring report were approved by Full Council at their meeting on 17 October 2023 that increased the net budget to £469.029m. This reflects the increased grant and funding from the additional Market Sustainability Improvement Fund grant of £2.773m and the £0.382m additional share of retained Business Rates for Council assets.
4. For quarter three it was forecast that remaining pressures in services could be mainly offset by activity in corporate services through finance and investment income and levies and the overachievement of income in Leisure Services due to the earlier than forecast delivery of the saving from VAT changes confirmed by HMRC. In addition, Highways and Transport had increased income from Street Works and Permits and Public Transport is maximising the use of Government grant, Bus Service Improvements Plan plus to manage the increasing pressures on Public Transport.
5. The quarter three report forecasts were the best estimates at that point in time, and the variance in the last quarter has been as a result of many different elements. The main movements and reasons are explained in the following paragraphs.

6. The final outturn position of a £5.705m underspend which is a £5.071m improvement. However, it should also be born in mind that as approved at quarter three £8.666m of gain in retained Business Rates was set aside in a new High Needs reserve and this together with the final reported underspend totals £14.371m.
7. The additional request to set the final year end underspend aside for highways enhancements recognises the importance of maintaining infrastructure and supports delivery of the priorities set out in the Business Plan.
8. In addition to the £5.705m allocation, a further £5m of CIL contributions will be added to this amount to bring the overall additional investment into Highways to £10.705m for this report.
9. Over the course of 2023/24 over £20m additional investment has now been identified and allocated to highway improvements, including road surfacing, road safety and highways flooding alleviation works. When including the amounts allocated from the Business Plan Priority Reserve, detailed in paragraph 131, a total investment of over £25m has been made available to be spent on delivering against our business plan priorities.

#### Revenue Budget

10. The following elements of this report reflect the management responsibility in line with the approved management hierarchy. The breakdown of the outturn position is set out in table 2 below.

Table 1 – Summary Position 2023/24 Final Year End Position

	<b>Revised Budget</b>	<b>Requested EMR Movements</b>	<b>Financial Year End Position</b>	<b>Financial Year End Position variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Corporate Director People</b>	274.002	(1.928)	282.508	8.506
<b>Corporate Director Resources</b>	43.613	(0.028)	43.460	(0.153)
<b>Corporate Director Place</b>	101.269	(0.784)	95.012	(6.257)
<b>Chief Executive Directorates</b>	13.309	0.126	13.964	0.655
<b>Corporate</b>	36.836	0.274	36.206	(0.629)
	-	-	-	-
<b>NET BUDGET</b>	<b>469.029</b>	<b>(2.340)</b>	<b>471.150</b>	<b>2.122</b>
<b>Funding</b>	(469.029)	-	(476.855)	(7.827)
<b>TOTAL GENERAL FUND VARIANCE</b>	<b>-</b>	<b>(2.340)</b>	<b>(5.705)</b>	<b>(5.705)</b>

## Overview of revenue outturn position 2023/24

11. Overall, this outturn report presents a positive financial position for the council, an underspend of £5.705m, reflecting the tight control of budgets and strong financial management, and the detail of this can be seen in Appendix A. The underspend is requested to be set aside to support additional highways enhancement works, further supporting the delivery of Business Plan outcomes.
12. As approved at quarter three £6m has been transferred to the General Fund Reserve achieving the objective of the reserve strategy in having a General Fund reserve that meets or is at around the level of financially assessed risk for 2024/25.
13. Additional activity funded by the Business Plan Priority reserve is shown in paragraph 132 and it is proposed that additional funding is allocated to highways litter picking.
14. The position of the Collection Fund reported at quarter three was a significant gain of income from Business Rates of £8.666m, which reflected the prudent approach the council has taken because of the significant volatility experienced over the past few years. It was approved that this gain was set aside to off-set the increasing financial risk liability the council faces on the High Needs deficit in a new High Needs reserve. The year end position shows an adverse movement from this position of £0.840m due to the mechanism and timings of s31 grant income recognition and retained Business Rates in the final calculations of the Collection Fund.
15. Details of significant variances within service areas are included below.

### **Corporate Director – People**

Table 2 – Outturn Position 2023/24 Corporate Director People

		Revised Budget	Requested EMR Movements	Financial Year End Position	Financial Year End Position variance
		£m	£m	£m	£m
<b>Corporate Director People</b>					
Adults Services	Gross	252.085	(2.720)	256.619	4.534
	Income	(71.572)	-	(70.047)	1.525
	<b>Net Exp</b>	<b>180.513</b>	<b>(2.720)</b>	<b>186.572</b>	<b>6.059</b>
Public Health	Gross	21.374	-	22.869	1.495
	Income	(21.374)	-	(22.869)	(1.495)
	<b>Net Exp</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Education & Skills	Gross	165.102	0.110	172.092	6.990
	Income	(135.860)	-	(142.713)	(6.853)
	<b>Net Exp</b>	<b>29.242</b>	<b>0.110</b>	<b>29.379</b>	<b>0.137</b>
Families & Children Services	Gross	70.199	0.682	76.892	6.693
	Income	(5.952)	-	(10.335)	(4.383)
	<b>Net Exp</b>	<b>64.247</b>	<b>0.682</b>	<b>66.557</b>	<b>2.310</b>
<b>TOTAL PEOPLE</b>	<b>Gross</b>	<b>508.760</b>	<b>(1.928)</b>	<b>528.472</b>	<b>19.712</b>
	<b>Income</b>	<b>(234.758)</b>	<b>-</b>	<b>(245.964)</b>	<b>(11.206)</b>
	<b>Net Exp</b>	<b>274.002</b>	<b>(1.928)</b>	<b>282.508</b>	<b>8.506</b>

Adult Services: Budget £180.513m, £6.059m overspend

16. The Adult Social Care forecast overspend of £6.059m includes £0.282m of unachievable savings. These are £0.200m Day Services Utility and £0.042m of the £0.300m saving for Wiltshire Care Home Efficiency. These are due to contract negotiation delays and are mitigated through in year savings made on the reduced need to purchase 24 and 12 hour care. The remaining £0.040m unachievable saving was for Tech Enabled Care, due to the limited uptake of TEC as an alternative provision of support, work is being done to improve uptake in 2024/25.
17. The majority of the overspend is due to the increased costs of packages of care above that budgeted as a result of increased provider costs and the areas of the care market that are less sustainable. This is also, in the main, the reason for the £2.081m adverse movement from quarter three.
18. In Whole Life Pathway it has been necessary to increase the price of packages of care to keep the market sustainable. As previously reported, there are a number of extremely high-cost packages coming through for existing and new service users. The customers that are being referred to the service are increasing in complexity with a notable increase in the people who have autism and mental health needs. Supporting the market by paying increased prices has been possible due to the receipt of the additional Market Sustainability funding but there has still been a significant impact to the budget which was built into the MTFs for 2024/25 onwards.
19. Transforming Adult Social Care (TASC) has had a number of priorities in 2023/24. The Self-Directed Support (SDS) project is focusing on improving people's access to Direct Payments and Individual Service Funds which can increase individual's choice and control in terms of how they manage their care needs. TASC also has a focus on prevention, and this is evident in the Technology Enabled Care (TEC), Practice development and quality assurance, and prevention and community projects. practice development guidance is being developed to ensure that all staff within the department are using a strength based, preventative approach which will benefit people who use adult social care whilst at the same time delivering savings. A draw of £1.152m from the Transformation reserve is required to fund the delivery of these projects in 2023/24 and is assumed in the overall Adults position.
20. The Better Care Fund had a final underspend of £0.027m and iBCF an underspend of £0.204m. Both these underspends will be utilised in 2024/25 to further support the continuation of schemes.
21. The above position also includes a draw of £2.346m from the Homes for Ukraine reserve for revenue spend. As previously reported this reserve is to be used now and in future years to support local authorities to provide wrap around support to individuals and families to rebuild their lives and fully integrate into communities. This includes the approved £10m to be utilised for the purchase of properties.
22. There are a number of other reserves movements included in this position which are detailed in appendix B.



Public Health: Budget £0.000m, nil variance

23. In 2023/24 the Public Health Grant is £18.718m, this is an increase from the £18.602m reported at quarter two due to an uplift given for Non-NHS pay. The grant was spent on activities such as the Public Health Nursing service, Drug and go services, Domestic Abuse services for Wiltshire and a wide range of health improvement services such as health improvement coaches. In addition a draw of £0.636m from the public health reserve was required to fund these activities as well as a draw of £0.180m from the Domestic Abuse reserve. Public Health have achieved the £0.616m of savings in the budget for 2023/24

Education & Skills (School Effectiveness, SEND & Inclusion): Budget £29.242m, £0.137m overspend

24. The services in this area fulfil numerous statutory duties with a mixture of local authority and Dedicated Schools Grant (DSG) funding. The majority of the local authority funded services are largely aligned with budget. The largest exceptions are outlined below.

25. Where eligible, 5–16-year-old school children with an Education, Health and Care Plan (EHCP) can take up free school transport. The quarter 3 forecast expenditure for school transport for learners with an EHCP was £1.530m overspent. The outturn position overspend is £1.059m – this is significantly improved due in part to an error in forecasting around new leased vehicles servicing Silverwood School of £0.313m and £158m where costs of January starters was lower than anticipated. The travel savings of £0.500m have been achieved to date following route planning and re-contracting. The budgeted numbers of pupils are not significantly different from forecast however the average unit cost has increased from a budgeted £8,743 to a forecast £9,552 per pupil. New operating arrangements with leased vehicles and council drivers to support Silverwood school campuses continue to have a positive impact on both sufficiency of transport provision and pricing in the wider marketplace.

26. Premature retirement costs including where restructure costs are funded for schools in deficit were previously forecast to overspend by £0.108m. At year end, the actual costs were significantly less; £0.139m underspent. Although increasing numbers of schools have been struggling with deficits, they have not required support at the previously anticipated level.

27. Recruitment difficulties that services have faced this year have resulted in projected underspends for both School Effectiveness, Targeted and SEND and Inclusion service areas and although recruitment is ongoing, recruitment has been slower than anticipated and the underspend has increased to £0.898m less than budget. With the support of HR recruitment, some of these challenges have been overcome with recruitment of new Education Welfare Officers now developing well. Recruitment of Educational Psychologists (EPs) in Wiltshire is progressing steadily and positively, although the context of a national shortage of EPs (as reported by the LGO, February 2024) remains relevant to us locally.

28. A number of reserve movements are requested for the 2023/24 financial year – many of which are adjustments to withdrawals previously approved to reflect actual usage of the reserve. The largest of which are a deposit of £0.376m to a reserve to hold commissioning funding held in partnership with the ICB and withdrawals of £0.682m of flexible pastoral support programmes, funded from COMF grant funding this must be fully utilised by September 2024. A full breakdown is provided in Appendix B.
29. MTFs savings in this service total £1.141m. The majority of these are fully achieved, on track or had alternative funding arrangements in place for 2023/24.

Families & Children Services: Budget £64.247m, £2.310m overspend

30. This service protects, cares for and supports vulnerable children and families with the greatest needs, including children in care, disabled children, and those at risk of harm in a demand driven service area, offset by successful prevention.
31. The budgeted number of children in care for 2023/24 financial year is 464. The actual number of children in care is 462 (March 2024) which is within the service set target range of 407-469. Our rate per 10,000 children and young people of 43.5 is below our comparators, although closer to other Outstanding LA and South West rates. The proportion of children and young people in external residential placements is 10% (equivalent 46 young people) all placement types remain consistent and broadly within expected ranges.
32. The main factor causing budget pressure and overspend is the cost of individual residential placements, in the context of a national placement sufficiency crisis. Whilst Wiltshire has been able to keep the number of children in care stable due to its successful prevention work, other neighbouring Local Authorities have not; meaning an overall increased demand for placements in a market that cannot meet the demand. This results in significant competition for placements and has led to the market increasing prices. This issue is being addressed within the government's reforms and strategy Stable Homes, Built on Love, but this is yet to see impact. The main strategy to reduce residential placement costs is the new contract that will deliver residential placements in Wiltshire, as previously approved by Cabinet. This provider was originally expected to commence delivery in October 2023 however, delays including Ofsted registration mean this is now expected from June 2024, and this has subsequently had a negative impact on forecast expenditure in external residential placements. Working in partnership with the provider to expand this contract will ensure additional capacity in Wiltshire.
33. There are a number of over 18 young people who are supported as care leavers and the length of time these young people remain supported and the price of their packages of care are also leading to a significant cost pressure as many of them are resident outside Wiltshire. In response to this Members approved a capital budget in the MTFs to facilitate the purchase of accommodation including solo use children's homes, supported accommodation and accommodation for care experienced young people. Purchase of the first 6 properties is being finalised and tendering will take place in July aiming for a go live date of early 2025. Future savings are based on this local provision specifically commissioned at a reduced cost.

34. Placement saving plans are on-going but are offset by significant market price increase pressures which, despite steady numbers of children in care lead to a forecast overspend of £3.202m for social care and SEN social care placements. Increases since the quarter three report include 2 secure remand and 4 new parent and child placements, these costs are not on going. The pressure remains largely for external residential placements and, support and accommodation costs of 16 to 25-year-old young people. 56% of our children are placed with in house foster carers, the target being 65%. The recruitment of foster carers remains a challenge, despite best efforts. This is due to a national sufficiency crisis in the placement market. This challenge applies to independent fostering agencies also, meaning that more children are being placed in residential care which have significantly increased in unit cost post pandemic. A placement sufficiency strategy action plan is in place, led and reviewed monthly by the Director to ensure tight grip on the progress and spend in this area.

35. The DfE funded fostering recruitment and retention hub went live on 29 April 2024. All 15 local authorities in the Southwest have joined it and Wiltshire and Cornwall are the lead local authorities. The programme is designed to deliver end-to-end improvements that support boosting foster carer numbers: starting with attracting new leads to and expanded support offer to those already fostering. The programme includes a) A regional recruitment support hub to provide information about fostering and support alongside the assessment and approval process to maximise the number of people who take forward a fostering application, b) A regional marketing campaign to attract new foster carers and c) Roll out of Mockingbird in all 15 local authorities.

The DfE have set 2 targets:

- 30% increase in enquiries to become foster carers per year by March 2026.
- 20% increase in foster carer household approvals per year by March 2026.

For the Southwest that would be an addition 361 fostering households.

36. Assumptions made around increases in special guardianship and adoption orders have not come to fruition presenting a forecast underspend of £0.210m in these areas. Subsequently there is a negative counter effect on the placements budget.

37. Young people can be supported as Care Experienced young people until 25 years, and we are seeing higher numbers of young people choosing to be supported for longer periods due to the current challenging economic climate, which is resulting in additional support costs, leading to a forecast overspend of £0.347m in addition to the support and placement cost pressure of £1.035m included in the overall placement pressure above. This position has improved since quarter three as young people are supported into independence and work is on-going to ensure consistent support and for all young people. These additional burdens are not funded by central government and despite additional MTFS growth in this area, the length of time young people is supported continues to grow and push costs up. Market expansion and sufficiency in this area alongside care experienced young people is being progressed including more preparation for independent living placements within Wiltshire.

38. The council provides placements for unaccompanied asylum-seeking children (UASC) and current numbers of these young people under 18 years of age are 45. In addition to this we have 87 unaccompanied asylum-seeking young people who are care experienced. Based on our quota of 0.1% of Wiltshire's population we should be taking 106 UASC who are under 18 years of age from the National Transfer Scheme (NTS) scheme so we can expect a further 61, although the timing of this is unclear at this point. Regional arrangements may change in this and the next few financial years. This is in addition to any spontaneous arrivals. Grant funding is available for under 18s is a daily rate which on average, covers support and accommodation costs. Grant funding for over 18s is a weekly rate which does not cover costs adequately. There is pressure on Wiltshire support and accommodation marketplace due to lack of available independent housing options for these young people to move onto once they have right to remain – this work is part of the overall placement strategy programme.
39. New Home Office guidance for unaccompanied minors travelling from Ukraine, means that they will be eligible for a private fostering service up until they are 18 (the mainstream service is up to 16). We have 18 children subject to private fostering arrangements currently and 1 of these are from the Ukraine. Home Office funding has been provided to contribute to the staff cost of supporting these children.
40. These pressures are offset by underspends in legal and non-salary areas and where external funding has been achieved.
41. In addition, the national social work recruitment and retention challenge continues. A specific workforce strategy is in place and remains a priority. As part of this campaign, Wiltshire is committed to "growing its own" social workers so a greater number of staff on the ASYE (Assessed and Supported Year in Employment) (Assessed and Supported Year in Employment) for newly qualified social workers are employed. The result of this approach is that these staff are at the beginning of their careers and there are reduced salary costs. Despite agency spend of £1.168m, there is a net forecast underspend across all teams of £0.942m. This reflects the challenge in recruiting high calibre agency staff to manage the permanent vacancies, rather than a lack of desire to recruit. Creative approaches, such as recruiting non-social work qualified staff to support work temporarily are adopted.
42. Total savings approved for 2023/24 are £1.110m for this service, and due to factors described above, delivery of these is challenging. Robust delivery plans are in place and two staff savings, within the families and children's service, risk rated as red have mitigations proposed for 2023/24 until these savings are achieved in full in 2024/25.
43. A number of reserve movements are requested for the 2023/24 financial year – many of which are adjustments to withdrawals previously approved to reflect actual usage of the reserve. The largest of which is a deposit of £0.219m to the transformation reserve returning unspent funds in the FACT programme and £0.129m withdrawal of flexible pastoral support funding for care experienced young people to provide additional personal advisers which has been key. A full breakdown is provided in Appendix B.

## Corporate Director - Resources

Table 3 – Outturn Position 2023/24 Corporate Director Resources

		Revised Budget	Requested EMR Movements	Financial Year End Position	Financial Year End Position variance
		£m	£m	£m	£m
<b>Corporate Director Resources</b>					
Finance	Gross	83.170	(0.226)	88.812	5.642
	Income	(76.712)	-	(82.064)	(5.352)
	<b>Net Exp</b>	<b>6.458</b>	<b>(0.226)</b>	<b>6.748</b>	<b>0.290</b>
Assets	Gross	24.608	0.299	24.444	(0.164)
	Income	(6.841)	-	(7.046)	(0.205)
	<b>Net Exp</b>	<b>17.767</b>	<b>0.299</b>	<b>17.398</b>	<b>(0.369)</b>
HR&OD	Gross	6.625	-	6.912	0.287
	Income	(2.508)	-	(3.110)	(0.602)
	<b>Net Exp</b>	<b>4.117</b>	<b>-</b>	<b>3.802</b>	<b>(0.315)</b>
Transformation	Gross	2.202	(0.101)	2.075	(0.127)
	Income	(1.642)	-	(1.515)	0.127
	<b>Net Exp</b>	<b>0.560</b>	<b>(0.101)</b>	<b>0.560</b>	<b>-</b>
Information Services	Gross	14.760	-	14.446	(0.314)
	Income	(2.848)	-	(2.779)	0.069
	<b>Net Exp</b>	<b>11.912</b>	<b>-</b>	<b>11.667</b>	<b>(0.245)</b>
Commissioning	Gross	6.036	-	6.839	0.803
	Income	(3.237)	-	(3.554)	(0.317)
	<b>Net Exp</b>	<b>2.799</b>	<b>-</b>	<b>3.285</b>	<b>0.486</b>
<b>TOTAL RESOURCES</b>	<b>Gross</b>	<b>137.401</b>	<b>(0.028)</b>	<b>143.528</b>	<b>6.127</b>
	<b>Income</b>	<b>(93.788)</b>	<b>-</b>	<b>(100.068)</b>	<b>(6.280)</b>
	<b>Net Exp</b>	<b>43.613</b>	<b>(0.028)</b>	<b>43.460</b>	<b>(0.153)</b>

### Finance & Procurement: Budget £6.458m, £0.290m overspend

44. Overall, the position for Finance & Procurement represents an increase in the overspend reported at quarter three of £0.276m. The main factors that have contributed towards this movement are higher costs of consultancy in Accountancy, a higher than previously forecast cost of printing and photocopying in the Revenues and Benefits team plus other smaller movements.
45. During the year, additional resources were in place to support the ongoing work on the outstanding Accounts and Audit work and to support the roll out of the Evolve and other work programmes. This resulted in a net overspend against staffing and consultancy of £0.185m. This was partly managed during the year by holding vacancies in various teams across Finance & Procurement.
46. Council Tax discounts are awarded to qualifying low-income families under a local discretionary hardship scheme. Whilst hardship funding is used to help offset the cost of the scheme, increased demand to the scheme has resulted in a net cost of £0.133m.
47. The Revenue and Benefits service has been working to clear uncollected debt due relating to previous years. This resulted in additional fees of £0.226m being recovered in 2023/24.

48. New Burdens grant of £0.105m was received in 2023/24 to cover the administration costs of the Energy Bill Support Scheme (EBSS). This scheme provided a one off £400 non repayable support payment for eligible households that were facing increased energy costs but had not received any other support payment to help with their bills. The scheme closed in September 2023. Significant support has been provided to financially vulnerable households in 2023/24 through the Local Welfare Provision scheme and £0.108m is requested to be drawn down from the Local Welfare Provision Reserve to cover the cost of support provided in 2023/24.
49. The remaining reserve transfers relate to technical accounting around the housing and north wilts schools PFIs.

Assets: Budget £17.767m, £0.369m underspend

50. Assets is reporting a final-year underspend position of £0.369m for 2023/24 which reflects the reported position at quarter three.
51. The main drivers of the position include underspend on utilities £1.205m. Energy Consumption has been lower than expected due to investment in energy improvement projects delivered through carbon reduction programme and have exceeded their forecast performance this year resulting in lower consumption. A relatively cool spring and summer have also helped to reduce air cooling costs.
52. There has also been an underspend against Business Rates from revaluations totalling £0.460m and in-year staff savings due to vacancies from staff turnover.
53. One-off unbudgeted 'windfall' income has also contributed to the position. This mainly relates to income generated from rental of property in the Council's operational estate (through generation of new tenants or renewal of existing lease agreements) and via generation of mesne profit which can be difficult to predict.
54. Due to increased inflation on both labour and materials and increased demand, the maintenance budget has been under pressure of £0.848m. There are multiple variables that impact the maintenance spend aside from inflation, including the availability of materials, contractor capacity, weather and condition of the buildings that have both favourable and adverse financial impacts.
55. As part of 2023/24 budget, a saving proposal in relation to income generation from letting space at County Hall was approved for £0.313m, despite best efforts, lettings as originally planned have not been achieved; however other opportunities continue to be progressed.
56. Following the transfer of health and safety responsibility to this service area, approval is requested for a £0.368m transfer to a new reserve to support health and safety requirements in 2024/25 which includes the provision of investment in software and hardware devices for lone workers across the organisation and to cover the cost of an interim agency HOS (needed to perform the Competent Person role for Health and Safety for the Council, until a permanent post has been recruited to). The funding for the reserve is largely from the windfall income generated during 2023/24.

57. It is also requested to transfer £0.070m from the Community Housing Fund reserve to cover the costs of Community Led Housing Hub in 2023/24. These requests are included in Appendix B along side all transfers to and from reserves.

Information Services: Budget £11.912m, £0.245m underspend

58. Information Services is reporting a final outturn position of £0.245m underspend; a small reduction in the reported underspend at quarter three of £0.011m.

59. The service has carried several vacancies during the year, particularly in the Applications Team and there was an overall underspend against staffing budgets of £0.240m by the end of the financial year. Revenue funds have been transferred from the corporate budget from 2024/25 to fund the staff working in the new Evolve support function. Other smaller movements account for the remaining variance.

Commissioning: Budget £2.799m, £0.486m overspend

60. In light of a 2022/23 outturn overspend position a base budget review was undertaken during 2023/24. The outcome identified a pressure across the service in terms of staffing establishment not fully funded and identified income budgets that will not be achieved.

61. Priority is to maintain capacity to deliver a functional commissioning service to support People and Children's services. Income sources are mainly derived from Government grants e.g., Improved Better Care Fund, and these have been allocated to posts, identifying a shortfall which has been adjusted in the MTFS for 2024/25.

62. An overspend position of £0.486m is being reported for Commissioning for 2023/24; an improvement in the position since quarter three of £0.580m. This is mostly due to one-off income above what was anticipated at quarter three received into Resource Specialists of £0.408m. £0.075m relates to Adult Social Care contract payments that did not materialise. The rest of the movement mostly relates to agency costs which were lower than anticipated at quarter three.

Human Resources & Organisational Development: Budget £4.117m, £0.315m underspend

63. Human Resources & Organisational Development is reporting a final year position of £0.319m underspend.

64. During 2023/24 a number of staff have been redeployed to support key capital and transformational programmes such as Evolve and Adult Social Care.

65. In addition, the pilot of a new training provision has reduced costly demand which has contributed to the underspend position. With the introduction of the new Oracle system and improved talent management it is anticipated that demand will increase in future years.

66. This is an improvement in the position reported at quarter three and the underspend has increased by £0.070m (from £0.249m), due to recruitment which has been slower than originally anticipated.

Transformation: Budget £0.560m - balanced position

67. This directorate provides a consistent and consolidated business transformation service that is central to supporting effective delivery of many business plan priorities. It also includes the corporate Data & Insight team, as well as overseeing strategic programme management. These teams are primarily funded through the flexible use of capital receipts and the Transformation Reserve, with very limited revenue base budget provision. Any unused transformation funding is returned, resulting in a zero variance at the end of the financial year.
68. The Transformation Board has approved drawdowns from the transformation reserve totalling £2.149m to fund several key transformation portfolio programmes including Customer Experience, Transformation of Adult Social Care (TASC), Community Conversations, Families and Children Transformation (FACT), SEN service improvement, and development of our Fostering services (Mockingbird model). Cabinet has already approved £1.661m of these transfers from the Transformation Reserve for quarter one to quarter three allocations.
69. The reserve balance has been supplemented during the year, with £0.120m from COMF and £2.007m from the latent demand reserves allocated.
70. Some of the agreed schemes did not require the full amount of funds approved in 2023/24, so Cabinet are asked to approve a further £0.176m (representing the unspent balance of those schemes) to be transferred back into the Transformation Reserve so they can be utilised in 2024/25.



Table 4 – Transformation Reserve Summary

	Quarter 1 to Quarter 3 Approvals	Quarter 4 Approvals (including return of funds for future years useage)	2023/24 Financial Year - Total use of Reserve	Previous Years Approvals - Use in Future Years	24/25 and 25/26 Future Years Board Approvals	Total Scheme 23/24 onwards
	£m	£m	£m	£m	£m	£m
<b>Balance Brought forward</b>			<b>10.962</b>		<b>10.945</b>	
Families & Children Transformation (FACT)	(0.402)	0.219	(0.183)	(0.219)	(0.230)	(0.412)
Customer Experience	(0.289)	0.095	(0.194)	(0.095)	(0.327)	(0.520)
Adults Transformation Schemes (all)	(0.565)	(0.587)	(1.152)	(0.637)		(1.152)
Community Led Community Development Bids	(0.250)	0.204	(0.046)	(0.204)	(1.954)	(2.000)
High Needs Block Recovery	(0.156)	(0.013)	(0.169)	0.013	(1.438)	(1.607)
Transformation directorate financing arrangements		(0.400)	(0.400)		(2.320)	(2.720)
Mockingbird Project - Fostering					(0.483)	(0.483)
Waste Transformation (Phase 1)					(0.502)	(0.502)
Bids		0.120	0.120			
Transfer from Latent Demand reserve	2.007		2.007			
<b>Quarter 1 to Quarter 3 Approvals</b>	<b>0.346</b>					
<b>Quarter 4 Approvals</b>		<b>(0.362)</b>				
<b>Balance Carried Forward 2023/24</b>			<b>10.945</b>			
<b>Approvals to be carried forward to 2024/25</b>				<b>(1.142)</b>		
<b>Future Years Board Approvals</b>					<b>(7.253)</b>	
<b>Unallocated reserve</b>					<b>2.550</b>	

### Corporate Director – Place

Table 5 – Outturn Position 2023/24 Corporate Director Place

		Revised Budget	Requested EMR Movements	Financial Year End Position	Financial Year End Position variance
		£m	£m	£m	£m
<b>Corporate Director Place</b>					
Highways & Transport	Gross	56.824	(1.819)	60.363	3.539
	Income	(16.666)	-	(22.791)	(6.125)
	<b>Net Exp</b>	<b>40.158</b>	<b>(1.819)</b>	<b>37.572</b>	<b>(2.586)</b>
Economy & Regeneration	Gross	3.842	0.624	4.767	0.925
	Income	(1.322)	-	(2.313)	(0.991)
	<b>Net Exp</b>	<b>2.520</b>	<b>0.624</b>	<b>2.454</b>	<b>(0.066)</b>
Planning	Gross	10.074	0.092	9.465	(0.609)
	Income	(6.678)	-	(6.110)	0.568
	<b>Net Exp</b>	<b>3.396</b>	<b>0.092</b>	<b>3.355</b>	<b>(0.041)</b>
Environment	Gross	59.841	0.329	58.424	(1.417)
	Income	(11.356)	-	(11.031)	0.325
	<b>Net Exp</b>	<b>48.485</b>	<b>0.329</b>	<b>47.393</b>	<b>(1.092)</b>
Leisure Culture & Communities	Gross	22.620	(0.010)	22.311	(0.309)
	Income	(15.910)	-	(18.073)	(2.163)
	<b>Net Exp</b>	<b>6.710</b>	<b>(0.010)</b>	<b>4.238</b>	<b>(2.472)</b>
<b>TOTAL PLACE</b>	<b>Gross</b>	<b>153.201</b>	<b>(0.784)</b>	<b>155.330</b>	<b>2.129</b>
	<b>Income</b>	<b>(51.932)</b>	<b>-</b>	<b>(60.318)</b>	<b>(8.386)</b>
	<b>Net Exp</b>	<b>101.269</b>	<b>(0.784)</b>	<b>95.012</b>	<b>(6.257)</b>

71. As shown above £51.932m of the Place Services revised budget is derived from income, the table below breaks this down further by department.

Table 6 – Place Income Budgets by Department

Service		Fees & Charges, Other Income £'m	Grants, Contributions, Recharges £'m	Total Income Budgets £'m	Actual Income 2023/24 £'m	Variance £m
Highways & Transport	Highways	4.932	1.779	6.711	10.805	4.094
	Car Parking	8.379	-	8.379	8.660	0.281
	Passenger Transport	0.452	1.124	1.576	3.326	1.750
		13.763	2.903	16.666	22.791	6.125
Economy & Regeneration	Enterprise Network	1.244	(0.137)	1.107	1.435	0.328
	Major Projects	-	-	-	0.039	0.039
	Economic Regeneration	-	0.215	0.215	0.839	0.624
		1.244	0.078	1.322	2.313	0.991
Planning	Building Control	1.156	(0.005)	1.151	0.985	(0.166)
	Development Management	4.597	(0.005)	4.592	4.277	(0.315)
	Local Land Charges	0.884	-	0.884	0.858	(0.026)
	Spatial Planning	-	0.050	0.050	(0.010)	(0.060)
		6.637	0.040	6.677	6.110	(0.567)
Environment	Public Protection	0.828	0.018	0.846	1.067	0.221
	Natural & Historic Environment	0.055	0.017	0.072	0.593	0.521
	Climate Programme	-	-	-	0.088	0.088
	Waste	10.398	0.040	10.438	9.283	(1.155)
		11.281	0.075	11.356	11.031	(0.325)
Leisure Culture & Communities	Leisure	13.837	1.491	15.328	17.399	2.071
	Libraries & Heritage	0.350	0.232	0.582	0.674	0.092
		14.187	1.723	15.910	18.073	2.163
<b>TOTAL PLACE</b>		<b>47.112</b>	<b>4.819</b>	<b>51.931</b>	<b>60.318</b>	<b>8.387</b>

72. Fees & Charges income is difficult to forecast as it is influenced by many different factors outside of the council's control and can fluctuate. The outturn position shows that Highways & Transport overachieved against their budget due to grant funding and additional income from Street works, Permits and other areas. Leisure Centres exceeded budget, including the stretch target due to the change in VAT treatment of income and continued leisure membership growth. These have helped to offset other pressures across the directorate including pay award, various contract issues explained in the below paragraphs and the underachievement of income for Planning.

Highways & Transport: Budget £40.158m, £2.586m underspend

73. The Highways and Transport service are reporting an outturn position of £2.586m underspend which is an increased underspend of £1.902m from the position reported at quarter three. A combination of factors have contributed to this.

74. Highways Operations have achieved additional income and are reporting an underspend on the Streetscene contract through efficiency negotiations with the contractor.

75. Stretch income targets for Car Parking have been closely monitored throughout the year and managed across the service to report an over achievement of income of £0.280m.

76. Efficiency savings have also been delivered in Asset Management for street lighting.

77. Within Local Highways, the mobilisation of the new Highways Term Maintenance Contract has led to changes in roles and some vacancies. Winter maintenance operations meant staff, including Parish Stewards, were re-deployed to enable overnight operations. The prolonged cold and wet weather has resulted in contractor payments being less than originally forecast.
78. The Passenger Transport service continue to face inflationary pressure when retendering contracts due to their early termination by contractors. This pressure has been managed within the service for 2023/24.
79. The award of the Bus Service Improvement plus (BSIP plus) grant of £2.1m per year for 2023/24 and 2024/25 has the condition that the Council will not reduce Public Transport budgets during this period which has resulted in some savings proposals being delayed to 2025/26. The pressure from this has been covered by the Extended Rights to Travel grant of £0.635m.
80. The Capital Investment Programme Board has £0.600m available in an earmarked reserve to support services with feasibility funding. At its meeting held on 13 September 2023, the Capital Investment Programme Board reviewed a feasibility funding request from Passenger Transport to assess the bus infrastructure and service improvements required to deliver the preferred priority Super Bus route. Pending the outcome of this feasibility study a subsequent request for capital would be made along with grant funding applications. The Board recommended that £0.068m is funded for this and Cabinet approved that the funding is provided from the earmarked reserves. This work is progressing and the funds will be drawn down in 2024/25

Economy & Regeneration: Budget £2.520m, £0.066m underspend

81. Economy & Regeneration are reporting an underspend of £0.066m which is a movement of £0.073m from the overspend of £0.007m forecast at quarter three due to vacancies within the team.

Planning: Budget £3.396m, £0.041m underspend

82. Planning are reporting an outturn position of £0.041m underspend which is an improvement of £0.228m from the position forecast at quarter three.
83. The government set planning application fee increased from December 2023 however there was still significant under achievement of income in Development Management of £0.315m and Building Control of £0.166m. This is as a result of continuing pressure on the housing market as a national issue.
84. The under achievement of income has been offset by an underspend of £0.500m on staffing across the teams. A full service restructure has been undertaken in 2023/24 as a result of the Planning Peer Review and has now been implemented. This will address structural and capacity issues across the service and will help to address recruitment and retention difficulties, reducing the reliance on agency staff.

85. Expected pressure from appeals and legal costs have not come to fruition resulting in the improved outturn position, however this is something that continues to be a risk area for the service and is being closely monitored.

Environment: Budget £48.485m, £1.092m underspend

86. Environmental Services are reporting an outturn position of £1.092 underspend. This is an increase in underspend of £0.480m from the position reported for quarter three.

87. There has been significant pressure on waste services income due to the national economic position and it's impact on volumes and income from the sale of recyclable waste materials. As a result of this the waste income underachieved by £1.155m.

88. This was mitigated by a saving across the Waste Management contracts of £1.904m due to tonnages being less than budgeted, a better rate than forecast for landfill tax, a successful shredder trial and a realignment on collection services contracts from finalising financial models and indexation increases. Indexation pressure for 2023/24 has been mitigated by this reduced tonnage.

89. The table below shows the tonnages and rates for the significant Waste contracts against the budgeted position, which are the main cost drivers for the Waste service.

Table 7 – Waste Contracts

Service:	2023-24 BUDGET								Budget outturn Variance (£m)
	Tonnes				£/Tonne *				
	Budget setting F'cast (T)	Current Yr End Outturn (T)	Var (T)	Var (%)	£/Tonne (Budget Setting)	£/Tonne (Outturn)	Var (£)	Var (%)	
Provision and operation of Waste Transfer Stations (WTS), a Materials Recovery Facility (MRF) and two Household Recycling Centres (HRCs)	81,600	75,050	-6,550	-8.0%	£72.95	£75.79	£2.84	3.9%	-0.204
Management and operation of 8 council-owned HRCs									
Composting services (0-25,000 tonnes pa)	39,700	41,066	1,365	3.4%	£44.34	£46.45	£2.11	4.8%	-0.125
Composting services (>25,000 tonnes pa)					£25.45	£29.27	£3.82	15.0%	0.025
Residual waste - Non-haz waste to LF	14,500	10,756	-3,744	-25.8%	£23.67	£24.90	£1.23	5.2%	0.068
Residual waste - Haz waste - to LF	100	66	-34	-34.1%	£86.84	£98.10	£11.26	13.0%	-0.002
Residual waste - Street sweepings	3,900	0	-3,900	-100.0%	£90.20	£0.00	£-90.20	-100.0%	-0.350
Residual waste - Shredding to EFW	0	1,359	1,359	0.0%	£0.00	£ 37.43	£37.43	0.0%	0.000
Residual waste - POPs waste	1,800	1,755	-45	-2.5%	£250.00	£297.32	£47.32	18.9%	0.055
Waste and recycling collections									
Tax payable on all waste sent to landfill	34,300	26,940	-7,360	-21.5%	£104.34	£102.10	£-2.24	-2.1%	-0.934
Energy from waste landfill diversion contract.	50,000	50,415	415	0.8%	£143.42	£144.08	£0.66	0.5%	-0.087
Mechanical biological treatment (MBT) Landfill diversion contract (exc LFT)	58,850	55,522	-3,328	-5.7%	£177.22	£194.02	£16.81	9.5%	0.617

\* £/T excludes income

90. There was an improvement in the Public Protection income received during the year resulting in a £0.150m underspend in this area and Natural & Historic Environment have effectively managed a wide range of projects to come in online. Work on the Local Nature Recovery Strategy (LNRS) preparation is on-going and it is requested that the DEFRA grant funding received to support this is retained in a new earmarked reserve as detailed in appendix B.

## Leisure Culture & Communities: Budget £6.710m, £2.472m underspend

91. Leisure Culture and Communities are reporting an outturn position of £2.472m underspend. An overachievement of Leisure Operations income of £2.069m is largely due to the change in VAT treatment that has enabled the £1.172m saving proposal in 2025/26 to be brought forward but is also as a result of income outperforming forecasts. Quarter four is the strongest trading quarter in Leisure Operations where there has been a focus on increasing memberships and a number of promotions have been available to drive growth in this area, in quarter four total membership grew by 1,636 members. The swimming lesson programme has also been under review with the introduction of Programme Co-ordinators who have been concentrating on activating the waiting lists and increasing lesson occupancy.
92. This helped to offset pressure in the Libraries service which is reporting an overspend of £0.103m mainly on staffing due to the use of relief staff to ensure the libraries remain open. The service has been through a peer challenge and is working towards the actions relating to that.
93. Prudent management of the Area Boards has resulted in an underspend of £0.036m.
94. Leisure Culture and Communities Development are also reporting an underspend of £0.356m, this is due to a delay in their restructure which has resulted in under spends on staffing and various programmes not being undertaken as originally planned.

## **Chief Executive Directorates**

Table 8 – Outturn Position 2023/24 Chief Executive Directorates

		Revised Budget	Requested EMR Movements	Financial Year End Position	Financial Year End Position variance
		£m	£m	£m	£m
<b>Chief Executive Directorates</b>					
Legal & Governance	Gross	12.759	0.126	13.680	0.921
	Income	(2.597)	-	(3.244)	(0.647)
	<b>Net Exp</b>	<b>10.162</b>	<b>0.126</b>	<b>10.436</b>	<b>0.274</b>
Corporate Directors & Members	Gross	3.161	-	3.542	0.381
	Income	(0.014)	-	(0.014)	-
	<b>Net Exp</b>	<b>3.147</b>	<b>-</b>	<b>3.528</b>	<b>0.381</b>
<b>TOTAL CEX DIRECTORATES</b>	<b>Gross</b>	<b>15.920</b>	<b>0.126</b>	<b>17.222</b>	<b>1.302</b>
	<b>Income</b>	<b>(2.611)</b>	<b>-</b>	<b>(3.258)</b>	<b>(0.647)</b>
	<b>Net Exp</b>	<b>13.309</b>	<b>0.126</b>	<b>13.964</b>	<b>0.655</b>

## Legal & Governance: £10.162m, £0.274m overspend

95. The £0.274m overspend is a result of the use of agency staff in legal services due to recruitment issues, and increased Coroners costs as a result of price increases. However, this is offset in part by income being higher than anticipated across the service and underspends in staffing budgets. This position is an adverse movement of £0.148m from quarter three due to agency staffing required in legal services and income received in Registration Services not being as high as previously forecast. There is a red saving of £0.050m for the restructure of the

Communications team, which was covered in year by staff vacancies and a replacement saving has been approved in the MTFS for the 2024/25 – 2026/27 MTFS. This position includes a deposit of £0.153m to the Elections reserve and a draw of £0.028m from the Business Plan Priority reserve.

Corporate Directors & Members: Budget £3.147m, £0.381m overspend

96. The overspend in Corporate Directors & Members is a result of non-delivery of the vacancy factor the pay award pressure and increased Members costs.

### Corporate Expenditure

Table 9 – Outturn Position 2023/24 Corporate

		Revised Budget	Requested EMR Movements	Financial Year End Position	Financial Year End Position variance
		£m	£m	£m	£m
<b>Corporate</b>					
Movement on Reserves	Gross Income	2.363	-	11.029	8.666
		-	-	-	-
	<b>Net Exp</b>	<b>2.363</b>	<b>-</b>	<b>11.029</b>	<b>8.666</b>
Finance & Investment Income & Expense	Gross Income	29.390	-	29.201	(0.189)
		(4.445)	-	(12.143)	(7.698)
	<b>Net Exp</b>	<b>24.945</b>	<b>-</b>	<b>17.058</b>	<b>(7.887)</b>
Corporate Costs	Gross Income	6.506	0.274	6.768	0.262
		(1.071)	-	(1.579)	(0.508)
	<b>Net Exp</b>	<b>5.435</b>	<b>0.274</b>	<b>5.189</b>	<b>(0.246)</b>
Corporate Levies	Gross Income	6.750	-	6.972	0.222
		(2.657)	-	(4.041)	(1.384)
	<b>Net Exp</b>	<b>4.093</b>	<b>-</b>	<b>2.931</b>	<b>(1.162)</b>
<b>TOTAL CORPORATE</b>	<b>Gross Income</b>	<b>45.009</b>	<b>0.274</b>	<b>53.970</b>	<b>8.961</b>
	<b>Income</b>	<b>(8.173)</b>	<b>-</b>	<b>(17.763)</b>	<b>(9.590)</b>
	<b>Net Exp</b>	<b>36.836</b>	<b>0.274</b>	<b>36.207</b>	<b>(0.629)</b>

Total Corporate: Budget £36.826m, underspend £0.629m

Movement on Reserves: Budget £2.363, Overspend £8.666m

97. As reported in the quarter three report additional retained business rates were approved to be transferred to a new High Needs reserve to support the High Needs Sustainability plan, as part of the Safety Value agreement. This remains a critical financial risk for the council and the council is committed to setting aside funding to meet this financial commitment.

Finance & Investment, Income & Expenditure: Budget £24.945m, £7.887m underspend

98. The final value of capital spend funded by borrowing figure for 2022/23 sets the Minimum Revenue Provision (MRP) charge for year 2023/24. As a result of the slippage in the 2022/23 capital programme there is a £2.549m MRP underspend in 2023/24.

99. A treasury management decision to borrow £80m was made in March 2022 and the cashflow position of the council during 2023/24 meant that further borrowing was not required in 2023/24. Interest payable and interest receivable budgets were realigned as part of 2023/24 budget however interest rates remained higher than forecast, which has resulted in an overachievement on interest receivable income of £6.641m. Loan interest from Stone Circle is included within this position. Interest expense was higher than budget by £1.324m.
100. There is an overspend of £0.198m for Monkton Park financing costs in line with 2022/23 final year end position due to higher-than-expected interest rates. This pressure was built into the 2024/25 budget.

Corporate Costs: Budget £5.435, £0.246m underspend

101. In the main, the forecast underspend relates to £1.080m in relation to the redundancy budget. These costs are dependent on the timing of restructures and any redundancy decisions. This has been offset by the debt provision requirement mainly for Adults Services.

Corporate Levies: Budget £4.093m, £1.162m underspend

102. This underspend is as a result of an overachievement in the retained income from Renewable Energy Business Rates. Income from Renewable Energy Business Rates is retained locally, with the risks and rewards retained locally. The council has to manage the risk associated with rating appeals and therefore this specific source of income is exposed to uncertainty during the year and forecasting based on prudent assessments.

**Dedicated Schools Grant – Total Grant £452.254m, variance including agreed transfer from the DSG adjustment account £20.293m overspend**

103. The overall in year forecast for dedicated schools grant (DSG) is an overspend of £3.645m after the transfer from the deficit reserve agreed at quarter three. This is a favourable movement of £0.741m from the quarter three forecast. The overspend is driven by increases in activity across high needs block budgets with the main areas of increase being mainstream provision, additional expenditure in Wiltshire special schools, and independent sector placements. Total expenditure against the high needs block is £96.7m compared with a funding allocation of £70.8m.

Table 10 – DSG Block Summary

	<b>DSG Allocation from the DfE £m</b>	<b>Wiltshire Transfers £m</b>	<b>Current Annual Budget £m</b>	<b>Outturn £m</b>	<b>Outturn Variance £m</b>	<b>% Variance</b>
Early Years Block	32.563	0.180	32.135	30.972	(1.162)	-4%
Schools Block	346.293	(1.717)	344.577	344.359	(0.218)	0%
High Needs block	70.798	1.797	91.492	96.683	5.190	6%
Central Block	2.600	(0.260)	2.340	2.175	(0.166)	-7%
<b>Overall</b>	<b>452.254</b>	<b>0.000</b>	<b>470.544</b>	<b>474.188</b>	<b>3.645</b>	<b>1%</b>
<b>Planned transfer from DSG reserve (overspend)</b>					<b>16.648</b>	
<b>Net in year movement to the DSG reserve</b>					<b>20.293</b>	

104. The underspend in the early years block largely relates to actual take up by parents and carers of the 2, 3 & 4 year old grant offer compared with the census data collected in January 2023. There will be a post year adjustment done by the DfE in July and it is anticipated that this will reduce local authority grant and therefore the impact of this underspend on the DSG reserve.
105. Small underspends in other blocks are due to staff vacancies in teams.
106. The reason for the overall spend above grant continues to be driven by demand for statutory support for vulnerable children with SEND, reflected in increased numbers of education health and care plans (EHCPs.) The number of EHCPs at the end of the financial year 2023/24 is 5,664; an increase of 757 plans (13.7%) on the same quarter last year.
107. As shown in Table 11 below, the forecast total outturn will result in a forecast cumulative year end deficit, before DfE Safety Valve payments, of £55.506m, an increase of £20.257m from the previous year.

Table 11 – Impact on the Dedicated schools Grant Deficit Reserve

	<b>Total 23/24 FY £m</b>	<b>For Info: Safety Valve Agreement £m</b>
Balance Brought Forward from 22/23	35.249	35.249
Early Years Adjustment (prior year)	(0.035)	(0.035)
Planned drawdown from reserve	16.648	16.648
Actual Variance 23/24	3.644	4.385
<b>Balance 2023/24 C/F <u>Before</u> SV Payments</b>	<b>55.506</b>	<b>56.247</b>
Safety Valve DSG Payment	(26.800)	(26.800)
<b>Deficit C/F after SV Payments</b>	<b>28.706</b>	<b>29.447</b>



108. A statutory override for DSG deficits is currently in place until the end of the 2025/26 financial year. The statutory override, whilst in place, protects the council from having to make good any DSG deficit from its own reserves. As it currently stands, local authorities will need to demonstrate their ability to cover DSG deficits from their available reserves from 2025/26 onwards unless the override is extended. This presents a significant financial risk to the Council.
109. The Council has a Safety Valve agreement in place with the Department for Education (DfE). Under Safety Valve the DfE will provide additional DSG to offset an element of the historic deficit if the council can develop a plan to bring the DSG into in-year financial balance. In the 2023/24 financial year the DfE made an additional DSG payment of £26.8m to reduce the cumulative DSG deficit. The deficit to be carried forward after the Safety Valve payment is £28.706m.
110. The Council will be monitored on its progress towards the reduction of the in year DSG deficit to zero by the end of the 2028/29 financial year and against the agreed maximum DSG deficit for each of the intervening years. The outturn for 2023/24 is within the terms of the Safety Valve agreement as the final position is £0.741m below the maximum allowable cumulative deficit for the year.

**Housing Revenue Account (HRA) : Final balance - drawdown from reserves; £0.257m**

Table 12 – Transfers - HRA Reserve

	<b>2023/24 Budget</b>	<b>2023/24 Outturn</b>	<b>2023/24 Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Gross Income	(29.852)	(29.728)	0.124
Gross Expenditure	27.739	29.984	2.246
Transfer to / from Reserve	2.113	(0.257)	(2.370)
<b>Housing Revenue Account</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

111. The Housing Revenue Account (HRA) is reporting an overspend of £2.370m adverse variance against budget at outturn. This is a provisional figure which will be finalised once the depreciation charge has been provided. The service had budgeted for a £2.113m contribution to reserves, due to the high levels of expenditure on repairs and maintenance, this is not possible and a withdrawal from HRA reserves of £0.257m will now be required to balance the HRA account to a nil variance.
112. The balance brought forward on the HRA reserve at the beginning of the financial year was £1.889m, with the requested movement above, the closing balance will be £1.632m.
113. This represents a significant movement since quarter three and is primarily because costs against the HRA Repairs & Maintenance Service are £2.111m higher than the position reported at quarter three. Much of this is reactive maintenance and addressing a historical backlog of void properties with a 20%

increase in overall spend from 2021/22 to 2022/23 financial year and a 38% increase in overall spend from 2022/23 to 2023/24 financial year.

114. The service has been signalling for some time the risk of inflationary pressure on construction related costs, and it appears that some of the increased costs are inflation related and are now having a significant impact on the business. In addition, the service is seeking to undertake more activity for example in relation to landlord compliance as we respond to the increasing requirements of the social housing regulatory agenda. Responsive repairs are demand driven and must be undertaken as such cost containment is challenging, works volumes also appear to be substantially increasing over recent years. Lastly, works on empty properties (voids) will expediate new tenancies and income, the service is working hard to address the historic backlog arising from multiple contract failure, in addition we are generally seeing more works required when properties are handed back, increasing cost and time.
115. The charts below show the increase in related repairs and maintenance costs throughout the year, and the increase in work volumes over the last three years illustrating increased demand and greater focus on void works.

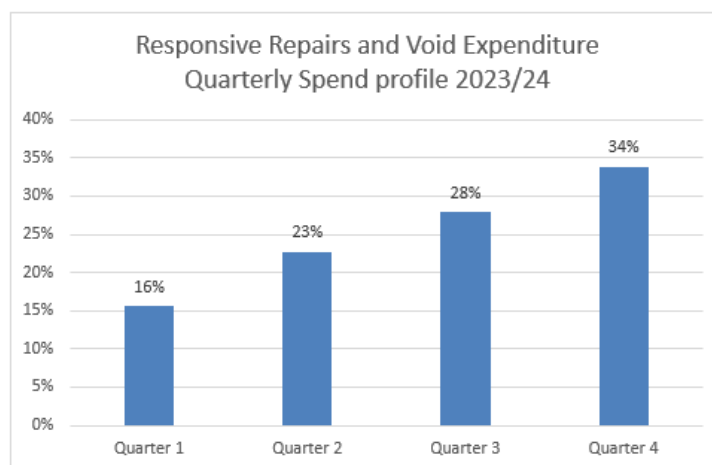


Table 13 – Changes in repair volumes over time

	Number	YoY Change %
<b>Quantity of Repairs orders completed in financial year</b>		
2021-22	18,133	N/A
2022-23	19,887	+9.60%
2023-24	27,596	+38.70%
<b>Voids completed in financial year</b>		
2021-22	272	N/A
2022-23	203	-25.07%
2023-24	396	+95.07%
<b>Total Void repairs completed in period</b>		
2021-22	800	N/A
2022-23	639	-20.12%
2023-24	1,543	+141.47%

116. The HRA generated rental income of £28.188m in 2023/24, an underspend against budget of £0.052m (an improvement since quarter three of £0.206m). The improvement in the rental income projection is due to reduction in the level of voids and an increase in the number of properties being built and purchased during the financial year. The rental increase for 24/25 will go some way to mitigate the impact of increased repairs and maintenance costs described above in the current year, with more analysis is underway on this point.
117. The balance of the position comprises variances against various other lines.

### **Savings Delivery 2023/24**

118. For 2023/24 savings were required to deliver a balanced revenue budget totalling £26.099m (with £19.673m budgeted for 2024/25 and £14.151m budgeted for 2025/26 following Full Council in February 2024). The 2023/24 savings are reflected in the revenue budget aligned to services and have to be met in full or they will result in an overspent position and will have a direct impact on the scale of savings to be delivered in future years. As such, a significant risk remains for any shortfall in savings achieved and the impact this has on future years.
119. Following detailed monitoring by each manager responsible for a revenue budget saving, it is possible to quantify the amount and status of savings and the inherent risks associated with them. The final position on the deliverability of the savings at the end of 2023/24 is shown in the table below, and these assessments are included in the General Fund figures set out in this report.
120. At outturn 2023/24 of the £26.099m savings targets £23.404m (89.68%) is assessed as having been fully delivered. This leaves £2.695m (10.33%) as not achieved. These are included as overspends within the service forecasts reported in the above paragraphs along with any mitigations.
121. The delivery of savings remains a focus for the Council and the status of the undelivered savings is considered as part of the future year financial planning processes to ensure the budget remains robust and deliverable and any undelivered saving adversely affects any budget gap in future years if not addressed or mitigated on an on-going basis. Savings were reviewed as part of the MTFS process and reprofiling or non delivery of savings was factored in to the 2024/25 to 2026/27 budget.
122. An assessment has been made on the delivery of the savings identified for 2024/25 and is included in the tables below. The Extended Leadership Team are charged with the delivery of savings and where savings are assessed as not being able to be delivered Directors are expected to find on-going replacement savings to ensure the budget can be effectively managed including in the future years. It is critical that focus remains on the delivery of savings as part of the approach of tight financial management. Savings will be reviewed during the year, and any reprofiling or non-delivery will be addressed as part of the MTFS process and budget for 2025/26 to 2027/28.

Table 14 - Savings Summary 2023/24

Directorate	Service	2023/24 Budgeted Savings Target £'m	Savings Delivered £m	Savings not Delivered £m
Increment Freeze	Increment Freeze	0.454	0.454	0.000
<b>Increment Freeze TOTAL</b>		<b>0.454</b>	<b>0.454</b>	<b>0.000</b>
Corporate Director People	Adults	6.455	6.173	0.282
	Public Health	0.616	0.616	0.000
	Education & Skills	1.141	0.795	0.346
	Families & Children Services	1.110	0.873	0.237
<b>Corporate Director People TOTAL</b>		<b>9.322</b>	<b>8.457</b>	<b>0.865</b>
Corporate Director Resources	Finance	0.550	0.550	0.000
	Assets	1.886	1.542	0.344
	HR&OD	0.231	0.231	0.000
	Transformation	0.380	0.374	0.006
	Information Services	0.629	0.629	0.000
	Commissioning	0.366	0.366	0.000
<b>Corporate Director Resources TOTAL</b>		<b>4.042</b>	<b>3.692</b>	<b>0.350</b>
Corporate Director Place	Highways & Transport	3.539	2.981	0.558
	Car Parking	0.250	0.250	0.000
	Economy & Regeneration	0.255	0.255	0.000
	Planning	0.057	0.057	0.000
	Environment	1.159	0.492	0.667
	Leisure Culture & Communities	1.470	1.452	0.018
<b>Corporate Director Place TOTAL</b>		<b>6.730</b>	<b>5.487</b>	<b>1.243</b>
Chief Executive Directorates	Legal & Governance	0.540	0.303	0.237
<b>Chief Executive Directorates TOTAL</b>		<b>0.540</b>	<b>0.303</b>	<b>0.237</b>
Corporate	Corporate Costs	1.419	1.419	0.000
	Capital Financing	3.592	3.592	0.000
<b>Corporate TOTAL</b>		<b>5.011</b>	<b>5.011</b>	<b>0.000</b>
<b>Grand Total</b>		<b>26.099</b>	<b>23.404</b>	<b>2.695</b>
% of total Budget			89.68%	10.33%

Directorate	2024/25 Budgeted Savings Target £m	Blue £m	Green £m	Amber £m	Red £m
		<i>Fully Achieved</i>	<i>On Track</i>	<i>Some issues</i>	<i>Significant issues</i>
People	11.733	2.065	7.369	2.176	0.123
Resources	2.208	1.110	1.077	0.000	0.021
Place	3.712	0.271	1.613	1.798	0.030
Chief Executive	0.592	0.306	0.219	0.067	0.000
Corporate	1.428	1.428	0.000	0.000	0.000
<b>Total £'m</b>	<b>19.673</b>	<b>5.180</b>	<b>10.278</b>	<b>4.041</b>	<b>0.174</b>
% of total Budget		26.33%	52.24%	20.54%	0.88%

Directorate	2025/26 Budgeted Savings Target £m	Blue £m	Green £m	Amber £m	Red £m
		<i>Fully Achieved</i>	<i>On Track</i>	<i>Some issues</i>	<i>Significant issues</i>
People	10.308	0.000	8.401	1.907	0.000
Resources	1.072	0.000	0.822	0.000	0.250
Place	3.421	0.000	2.217	1.204	0.000
Chief Executive	0.750	0.000	0.000	0.490	0.260
Corporate	-1.400	-1.400	0.000	0.000	0.000
<b>Total £'m</b>	<b>14.151</b>	<b>-1.400</b>	<b>11.440</b>	<b>3.601</b>	<b>0.510</b>
% of total Budget		-9.89%	80.84%	25.45%	3.60%

Directorate	2026/27 Budgeted Savings Target £m	Blue £m	Green £m	Amber £m	Red £m
		<i>Fully Achieved</i>	<i>On Track</i>	<i>Some issues</i>	<i>Significant issues</i>
People	1.102	0.000	0.724	0.378	0.000
Resources	0.054	0.000	0.054	0.000	0.000
Place	0.344	0.000	0.144	0.200	0.000
Chief Executive	0.000	0.000	0.000	0.000	0.000
Corporate	0.000	0.000	0.000	0.000	0.000
<b>Total £'m</b>	<b>1.500</b>	<b>0.000</b>	<b>0.922</b>	<b>0.578</b>	<b>0.000</b>
<b>% of total Budget</b>		<b>0.00%</b>	<b>61.47%</b>	<b>38.53%</b>	<b>0.00%</b>

### **Capital Receipts Flexibilities 2023/24**

123. The government allows Local Authorities to fund transformational activity that is designed to deliver ongoing revenue savings and/or transform service delivery to reduce costs or reduce demand for services in the future. This is known as Capital Receipts flexibilities. It is important that any Local Authority using this flexibility is transparent in reporting its plans and the individual projects that are to be funded or part funded and report the previous years' activity and whether the planned savings and/or service transformation have been or are being delivered as planned.
124. As part of budget setting the council anticipated the use of £1m of Capital Receipts to fund transformational activity across the council in areas of priority such as Adults Transformation, Family and Children's Transformation and Customer Experience. This funding solution was used to fund elements of the Transformation and Business Change team costs, supporting the transformation programmes across the council totalling £0.776m in 2023/24.

### **Collection Fund 2023/24**

125. The Collection Fund is the ring-fenced fund which comprises all income and expenditure for both the Council Tax and Business Rates. Over the past few years, the Collection Fund has seen significant changes due to the economic impact of COVID-19 and the steps taken by government to support businesses and households during that period and more recently the impact of the cost of living crisis and impacts of high levels of inflation on the economy and households. Due to the mechanism and regulations significant volatility has been seen in business rates, with s31 grant funding received to compensate councils where significant deficits arise.
126. The approach the council has taken as a result of these uncertainties has been one of prudence. The final modelling of the income to be received in this financial year has now been carried out and across the s31 grants, and Collection Fund income a £7.826m gain in income compared to budget was achieved. Proposals were approved as part of the quarter three budget monitoring report that set the forecast of £8.666m aside to off-set the increasing financial risk liability the council faces on the High Needs deficit in a new High Needs reserve. It is not proposed to amend the value of monies set aside, due to the final year end position.

## Reserves Position and Forecast

Table 15 - Reserves Summary

Reserve	Opening Balance 2023/24 £'m	Projected Closing Balance 2023/24 £'m	Projected Closing Balance 2024/25 £'m	Projected Closing Balance 2025/26 £'m	Projected Closing Balance 2026/27 £'m
<b>General Fund</b>	<b>28.056</b>	<b>34.056</b>	<b>34.056</b>	<b>34.056</b>	<b>34.056</b>
Latent Demand	7.794	2.570	0.123	-	-
Collection Fund Volatility	9.470	0.220	0.575	-	-
Public Health	6.964	6.328	5.626	5.052	4.466
Homes for Ukraine	13.209	10.284	5.296	-	-
Transformation	10.962	10.945	7.004	3.991	2.829
Business Plan Priority	3.844	2.446	0.771	-	-
Pay Award	2.000	0.700	0.700	0.700	0.700
PFIs	5.198	5.080	4.346	3.613	2.847
Insurance	3.019	9.042	8.016	7.516	7.016
Accommodation Needs	10.000	9.672	2.895	0.895	-
High Needs	-	11.238	18.209	18.209	18.209
Other Earmarked	21.795	21.305	14.490	11.880	10.441
<b>Total Earmarked</b>	<b>94.254</b>	<b>89.831</b>	<b>68.052</b>	<b>51.856</b>	<b>46.507</b>
<b>Schools Balances</b>	14.148	13.185	10.185	7.185	4.185
<b>DSG</b>	(35.249)	(28.706)	(51.027)	(72.881)	(85.896)
<b>TOTAL</b>	<b>101.209</b>	<b>108.365</b>	<b>61.266</b>	<b>20.216</b>	<b>(1.148)</b>

127. Reserves are an important element of the Council's finances, and a sufficient level of balances should be held, to mitigate risks within the budget and operations of the Council.
128. The level of general fund reserves and earmarked reserves (excluding DSG) held by the Council were increased as part of the final financial year end position for 2022/23. This brought the level of the reserves up to the value that was set out in risk assessed level of reserves required to support the council's budget for 2023/24 and included in the budget report in February 2024. This provides additional capacity and resilience to support the financial position in 2024/25, supports the financial risks within the budget and allows lead in time for transformation across services to deliver on-going financial resilience and sustainability.
129. The annual risk assessment has been carried out as part of the budget setting process for the 2024/25 financial year and the overall risk assessed level has increased. This risk assessment can be seen in the Budget 2024/25 and MTFs 2024/25 – 2026/27 report. An element of this general assessment is the financial risk within the Collection Fund, the fund for the income from both Council Tax and Business Rates. In previous years a separate earmarked reserve, the Collection Fund Volatility reserve has been held to mitigate this financial risk. As the overall assessment includes this risk £6m from the Collection Fund Volatility reserve was transferred to the General Fund reserve to bring this reserve up to the risk

assessed level. The balance of that reserve was approved to be reallocated as part of the quarter three budget monitoring report with £6m transferred to the Insurance reserve to mitigate insurance liabilities across the council and £2.572m to the new High Needs reserve.

130. The council continues to hold a balance of £2.570m in the Latent Demand reserve to meet existing commitments from that reserve in both 2024/25 and 2025/26. Ongoing pressures were included in the budget setting process for 2024/25 to ensure sufficient base budgets meet the assessed new demand. The balance of that reserve was reallocated to the Transformation reserve, as approved as part of the quarter three budget monitoring report to support the funding of future transformation activity that will be required across the council to remain financially sustainable. The Transformation reserve provides funding for transformational activity across the council. The use of this reserve is overseen by the Transformation Executive Board, who agree the prioritisation of the activity and agree the funding.
131. £2m was set aside in a specific pay award reserve to support the expected pressure in these costs for 2023/24. A draw from this reserve is not required as permanent staff saving proposals have been delivered for 2023/24 or are replaced by vacancies and have balanced the base budget for 2024/25. As this reserve is not required for its original purpose some of the reserve is being redirected to support the acquisition of Northwood House (previously known as Calder House) as approved as part of the quarter one budget monitoring reporting.
132. The Business Plan Priority Reserve was created to set aside funding to specific address the delivery of outcomes set out in the Business Plan where budget was not sufficient funding to deliver within the desired timescale. The funding has been allocated to specific activities and the table below sets out the spend across 2022/23 and 2023/24 and the allocated funding across the next 2 years. As part of the budget setting proposals £0.250m has been allocated for each of the next two financial years to increase the capacity of the planning enforcement team and address complex and contentious cases and ensuring the Council increases its presence and activity in this area. £0.821m of other elements of enforcement activity are being identified and delivered over the course of the next 2 years to ensure the safety of our communities remains priority. There is a request to allocate the small balance remaining on this reserve, £0.050m to Armed Forces Covenant and £0.231mm to fund additional highways litter picking activity.

<b>Business Plan Priority Reserve</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening Balance</b>	<b>2.080</b>	<b>3.844</b>	<b>2.446</b>	<b>0.771</b>	<b>2.080</b>
Gully Emptying	(0.168)	(0.497)	(0.335)	-	(1.000)
Fly Tipping	(0.041)	(0.252)	(0.150)	-	(0.443)
Litter - Cameras & Picking	-	-	-	-	-
Parish Stewards	(0.076)	(0.269)	(0.233)	-	(0.578)
Road Markings and Lining	-	-	-	-	-
Road Signage	-	(0.434)	-	-	(0.434)
Litter Enforcement	-	-	(0.105)	-	(0.105)
Fly Posting	-	(0.007)	(0.049)	-	(0.056)
Litter Picking + Communications Plan (£10k)	-	(0.263)	(0.231)	-	(0.494)
Approved additional funding	2.049	0.352	-	-	2.401
Planning Enforcement	-	-	(0.250)	(0.250)	(0.500)
Council Wide Enforcement Activity Commitment	-	-	(0.300)	(0.521)	(0.821)
Armed Forces Covenant	-	(0.028)	(0.022)	-	(0.050)
<b>Closing Balance</b>	<b>3.844</b>	<b>2.446</b>	<b>0.771</b>	<b>0.000</b>	<b>0.000</b>

### **Overview and Scrutiny Engagement**

133. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position. This report is being considered at the meeting of Financial Planning Task Group on 9 July 2024.

### **Safeguarding Implications**

134. None have been identified as arising directly from this report.

### **Public Health Implications**

135. None have been identified as arising directly from this report.

### **Procurement Implications**

136. None have been identified as arising directly from this report.

### **Equalities Impact of the proposal**

137. None have been identified as arising directly from this report.

### **Environmental and Climate Change Considerations**

138. None have been identified as arising directly from this report.

### **Risks that may arise if the proposed decision and related work is not taken**

139. If the Council fails to take actions to address forecast shortfalls, overspends or increases in its costs it will need to draw on reserves. The level of reserves is limited and a one-off resource that cannot be use as a long-term sustainable strategy for financial stability.



## **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

140. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken. Risks associated with service delivery and the level of reserves will be raised as and when proposals are brought forward as part of the budget setting process.

### **Financial Implications – Section 151 Officer Commentary**

141. The final position for the 2023/24 financial year reflects a significant improvement (just over £5m) from quarter three. Against the backdrop of continued higher levels of inflation than expected and a position of having over £26m of savings to deliver in the year the position reflects the commitment by the Extended Leadership Team and all budget managers within the council in tight financial management.
142. There are some more significant variances presented in the final year end position and it is critical that the variances are fully understood to ensure on-going impacts on the base budget for the current financial year (2024/25) and future years is known. Any on-going changes will need to be built into the assumptions on which the 2025/26 budget and MTFs will be based. Work is underway to analyse these variances and the position will be reflected in the first budget monitoring report for 2024/25.
143. The improved position ensures that the prudent decision to transfer the surplus retained business rates to a reserve to start to set aside funding for the High Needs (DSG) deficit and transfers between reserves that were approved as part of the quarter three budget monitoring report stand.
144. The General Fund at the end of the year stands at £34m and at this stage sufficiently covers the assessed financial risks (excluding High Needs DSG deficit) and ensures the base budget is financially sustainable in the longer term. This is critical, and ensures that the in year budget is more stable and easier to manage without detriment to service provision.
145. The Council yet again is demonstrating a strong delivery in savings with just less than 90% of savings being delivered in the financial year and many of those not delivered were mitigated by services. The focus on the delivery of the savings identified across the MTFs period forecasts show the vast majority of savings already put forward are on course. This supports the assurance that management action is taken so that the budget is managed, and strong financial management continues. It also sets out a confident basis for any future additional savings delivery and confidence in delivering the balance budgets over 2024/25 and 2025/26 that were set by Council in February. Focus on the delivery of savings must remain a priority.
146. The underspend position allows for additional funding to be set aside for one-off purposes. Proposals are included within the report allocate this to additional highways enhancement works, to support the continued delivery of this high priority work adding further funds to deliver on the Business Plan priorities.

147. The council recognised during the year the deficit on the DSG presents the most significant risk to the Councils financial future resilience given the uncertainty over the Government's current override, which is expected to end in March 2026. A positive step was taken during the year to allocate the surplus funding that has arisen from the prudent budgeting on Business Rates to create a new High Needs reserve. This alongside a transfer from the Collection Fund Volatility reserve results in over £11m being set aside. This is a step towards mitigating the significant impact of any residual deficit balance the council needs to fund. However, as reported to and supported by Cabinet, the plan must set aside further funding in this reserve to meet the current forecast residual deficit, which across the plan period is estimated to be in excess of £70m. The approach must be built upon, and every opportunity taken to set aside surpluses to minimise the need to find savings in the future to fund this liability. Any balance of the cumulative deficit that is not funded by the DfE through the Safety Valve agreement will have to be made good by reserves held by the Council and any annual deficit either reduced or covered by other general fund savings to the same value should the council fail to manage the in-year position effectively. The impacts of this may be seen by services if reserves have to be redirected or additional savings made.
148. If funding is not available to meet any residual deficit exceptional financial support will be required from government. If agreed exceptional support is likely to result in government allowing the council to borrow to fund this deficit, and this borrowing attracts a premium interest charge, which is currently 1%. Where opportunities are not taken to set monies aside to meet this liability there will be a need to budget for the cost of the borrowing in future years, which will include the principal amount and additional interest cost. As an example £5m would attract an annual interest cost of £0.300m at current premium interest rates over a 10 year period, with a total cost (principal and interest) over that period of £8m.
149. The financial year end is always a time to reflect and there are many positives in the Councils financial standing and ongoing financial health, where many in the sector are facing financial strain. It is vital for the ongoing financial sustainability of the council to continue to deliver against these financial expectations of a well run authority. The risks the council face in terms of savings delivery in 2024/25, service delivery and exposure to liabilities, as well as unexpected events can still have a significant impact on the council's financial position.

### **Legal Implications**

150. None have been identified as arising directly from this report.

### **Workforce Implications**

151. If the Council fails to take actions to address in-year forecast shortfalls, overspends or increases in its costs it may need to implement further spend controls, or if the position is deemed critical unplanned service rationalisation may be required. This could impact on the workforce and may include changes to roles or redundancies. Ongoing budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken.

## **Options Considered**

152. Budget monitoring forms part of the financial control environment and it is important to provide reporting on all aspects of financial management and performance to Cabinet and the public, including delivery to plans, variances and risks and impacts.

## **Conclusions**

153. The report supports effective decision making, ensures a sound financial control environment and ensures members are updated on the latest position for the budget for 2023/24.

**Lizzie Watkin – Director of Finance & Procurement (S151 Officer)**

**Andy Brown – Deputy Chief Executive and Corporate Director of Resources**

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## **Appendices**

Appendix A: Service Outturn Variance 2023/24

Appendix B: Earmarked Reserves

## **Background Papers**

The following documents have been relied on in the preparation of this report:

Financial Year 2023/24 - Quarter Three Revenue Budget Monitoring – Cabinet 6  
February 2024

[Agenda for Cabinet on Tuesday 6th February 2024, 10.00 am, Wiltshire Council](#)

Budget 2024/25 and Medium-Term Financial Strategy 2024/25 to 2026/27 –  
Council 20 February 2024

[Agenda for Council on Tuesday 20 February, 10.30 am, Wiltshire Council](#)

## Appendix A – SERVICE OUTTURN VARIANCE 2023/24 – FULL YEAR POSITION

	Revised Budget	Requested EMR Movements	Financial Year End Position	Financial Year End Position variance
	£m	£m	£m	£m
<b>Corporate Director People</b>				
Adults Services	180.513	(2.720)	186.572	6.059
Public Health	0.000	-	-	-
Education & Skills	29.242	0.110	29.379	0.137
Families & Children Services	64.247	0.682	66.557	2.310
<b>TOTAL PEOPLE</b>	<b>274.002</b>	<b>(1.928)</b>	<b>282.508</b>	<b>8.506</b>
<b>Corporate Director Resources</b>				
Finance	6.458	(0.226)	6.748	0.290
Assets	17.767	0.299	17.398	(0.369)
HR&OD	4.117	-	3.802	(0.315)
Transformation	0.560	(0.101)	0.560	0.000
Information Services	11.912	-	11.667	(0.245)
Commissioning	2.799	-	3.285	0.486
<b>TOTAL RESOURCES</b>	<b>43.613</b>	<b>(0.028)</b>	<b>43.460</b>	<b>(0.153)</b>
<b>Corporate Director Place</b>				
Highways & Transport	40.158	(1.819)	37.572	(2.586)
Economy & Regeneration	2.520	0.624	2.454	(0.066)
Planning	3.396	0.092	3.355	(0.041)
Environment	48.485	0.329	47.393	(1.092)
Leisure Culture & Communities	6.710	(0.010)	4.238	(2.472)
<b>TOTAL PLACE</b>	<b>101.269</b>	<b>(0.784)</b>	<b>95.012</b>	<b>(6.257)</b>
<b>Chief Executive Directorates</b>				
Legal & Governance	10.162	0.126	10.436	0.274
Corporate Directors & Members	3.147	-	3.528	0.381
<b>TOTAL CEX DIRECTORIES</b>	<b>13.309</b>	<b>0.126</b>	<b>13.964</b>	<b>0.655</b>
<b>Corporate</b>				
Movement on Reserves	2.363	-	11.028	8.666
Finance & Investment Income & Expense	24.945	-	17.058	(7.887)
Corporate Costs	5.435	0.274	5.189	(0.246)
Corporate Levies	4.093	-	2.931	(1.162)
Covid	-	-	-	-
<b>TOTAL CORPORATE</b>	<b>36.836</b>	<b>0.274</b>	<b>36.206</b>	<b>(0.629)</b>
<b>NET BUDGET</b>	<b>469.029</b>	<b>(2.340)</b>	<b>471.150</b>	<b>2.122</b>
<b>Funding</b>				
General Government Grants	(80.548)	-	(80.260)	0.287
Council Tax	(332.187)	-	(332.187)	-
Collection Fund Surplus	(6.850)	-	(8.080)	(1.230)
Business Rates Retention Scheme	(49.444)	-	(56.328)	(6.884)
<b>TOTAL FUNDING</b>	<b>(469.029)</b>	<b>-</b>	<b>(476.855)</b>	<b>(7.827)</b>
<b>TOTAL GENERAL FUND VARIANCE</b>	<b>-</b>	<b>(2.340)</b>	<b>(5.705)</b>	<b>(5.705)</b>

## Appendix B – EARMARKED RESERVES 2023/24

Reserve	Opening Balance 2023/24	In Year Contributions TO/(FROM) Reserve	Year End Contributions TO/(FROM) Reserve (Proposal i)	New Reserve Request (Proposals a&d)	Closing Balance 2023/24
	£m	£m	£m	£m	£m
Accommodation Needs	10.000	-	(0.328)	-	9.672
Active Travel	0.044	-	-	-	0.044
Active Travel Capability Fund 22-23	0.183	-	0.255	-	0.439
Adults Programmes	0.824	-	(0.744)	-	0.079
Afghan Resettlement	0.070	-	(0.070)	-	-
Area Board	0.070	-	-	-	0.070
Ash Die Back	0.507	-	-	-	0.507
Asylum Seekers	0.023	-	0.089	-	0.111
Biodiversity Net Gain	0.020	-	(0.020)	-	-
Bridging Support	0.865	-	(0.267)	-	0.598
Business Plan Priority	3.844	0.352	(1.750)	-	2.446
Car Parking Machines	0.017	-	-	-	0.017
Cardiac & Stroke Project	0.082	-	-	-	0.082
CCG Short Breaks	0.055	(0.055)	0.055	-	0.055
Childrens Programmes	2.265	(0.599)	(0.287)	-	1.379
Client Level Data Flows Support Grant	0.019	(0.019)	-	-	-
Collection Fund S31 Grant	0.304	-	-	-	0.304
Collection Fund Volatility	9.470	(9.250)	-	-	0.220
Community Housing Fund	0.462	-	(0.070)	-	0.392
Council Tax Hardship Relief	0.172	-	-	-	0.172
Covid 19 Grant Workstreams	0.264	-	-	-	0.264
Covid 19 Test and Trace	0.146	-	-	-	0.146
Covid Vulnerable	1.147	-	-	-	1.147
Covid Wellbeing for Education Return	0.089	(0.089)	-	-	-
Depot Phase Two Feasibility	0.395	-	-	-	0.395
Domestic Abuse	0.735	(0.180)	-	-	0.555
Early Years Professional Development Programme	0.100	(0.100)	0.100	-	0.100
Elections	0.600	-	0.154	-	0.754
Employee Health and Safety	-	-	-	0.368	0.368
English Heritage Monument Funding	0.005	-	-	-	0.005
Feasibility Studies	0.600	-	-	-	0.600
Flexible Housing Support Grant	0.412	-	0.831	-	1.244
Future High Street Fund	0.105	-	-	-	0.105
Health Management	0.120	-	(0.120)	-	-
High Needs	-	11.238	-	-	11.238
Highways & Environment	0.713	-	-	-	0.713
Homes For Ukraine	13.209	-	(2.925)	-	10.284
Improved Better Care Fund (IBCF)	-	-	0.204	-	0.204
Inquests	0.158	-	0.250	-	0.408
Insurance	3.019	6.000	0.024	-	9.042
Latent Demand	7.794	(5.224)	-	-	2.570
Leisure	0.008	-	-	-	0.008
Leisure - Disability Sport Programme	0.010	-	-	-	0.010
Leisure - Free Gym Referral Programme	0.007	-	-	-	0.007
LEVI Capability Fund	0.086	-	0.197	-	0.283
Libraries & Leisure Programmes	0.270	(0.055)	-	-	0.215
Local Nature Recovery Strategy (LNRS)	-	-	-	0.181	0.181
Local Plan	0.549	-	0.030	-	0.579
Local Transport Authority Capacity	0.136	-	-	-	0.136
Local Welfare Provision Grant	0.158	-	(0.108)	-	0.049
Lord Methuen Charitable Trust	0.001	-	-	-	0.001
Museum Development	0.045	-	(0.010)	-	0.035
NAAS	0.099	(0.099)	-	-	-
NEET	0.057	(0.057)	0.057	-	0.057
Neighbourhood Planning	0.017	-	0.062	-	0.078
Olympian & Paralympian Sponsorship Funding	0.024	0.139	-	-	0.163
One Public Estate	0.382	-	-	-	0.382
Passenger Transport	0.640	-	-	-	0.640
Passenger Transport Grants	1.700	-	(0.549)	-	1.151
Pay Award 2023/24	2.000	-	(1.300)	-	0.700
PFI Housing	2.311	-	(0.168)	-	2.143
Porton Science Park	0.387	-	0.187	-	0.574
Primary Mental Health ICB income	0.222	(0.222)	0.376	-	0.376
Public Health Grant	6.964	(0.636)	-	-	6.328

## Appendix B – EARMARKED RESERVES 2023/24

Reserve	Opening Balance 2023/24	In Year Contributions TO/(FROM) Reserve	Year End Contributions TO/(FROM) Reserve (Proposal i)	New Reserve Request (Proposals a&d)	Closing Balance 2023/24
	£m	£m	£m	£m	£m
Salisbury Recovery	0.058	-	-	-	0.058
School Led Tutoring LA Contribution	0.023	(0.023)	-	-	-
Schools PFI	2.887	-	0.050	-	2.937
SEN Inspection	0.110	(0.110)	0.110	-	0.110
SIMB School Improvement	0.220	(0.100)	0.100	-	0.220
Skills for Care Grant	0.018	-	(0.018)	-	-
Sports Development	0.058	-	-	-	0.058
Statutory Notices	0.021	-	-	-	0.021
Streamline Adult Social Care Assessments	0.178	-	(0.089)	-	0.090
Street games	0.001	-	-	-	0.001
Streetscenes Contract issues	0.353	-	-	-	0.353
Supporting Families	0.210	(0.210)	0.086	-	0.086
Syrian Refugee Programme	1.000	-	0.248	-	1.248
Transformation	10.962	0.346	(0.362)	-	10.945
Ukrainian Education Funding	0.772	(0.772)	-	-	-
Virtual Schools Head Extended Duties	0.105	(0.060)	0.006	-	0.052
Waste LOT	0.505	-	0.168	-	0.674
Wiltshire Foundation Trust	0.077	(0.077)	-	-	-
Wiltshire Towns fund (WTF)	1.698	-	0.437	-	2.135
Woolmore Farm Rights of Way - Slow Worms	0.006	-	-	-	0.006
World Heritage Site Trust Transition	0.015	-	-	-	0.015
<b>General Fund Earmarked Reserves</b>	<b>94.254</b>	<b>0.136</b>	<b>(5.109)</b>	<b>0.549</b>	<b>89.831</b>
DSG	(35.249)	6.542	-	-	(28.706)
Locally Managed Schools Balances	14.148	(0.963)	-	-	13.185
<b>Total Earmarked Reserves</b>	<b>73.153</b>	<b>5.716</b>	<b>(5.109)</b>	<b>0.549</b>	<b>74.309</b>