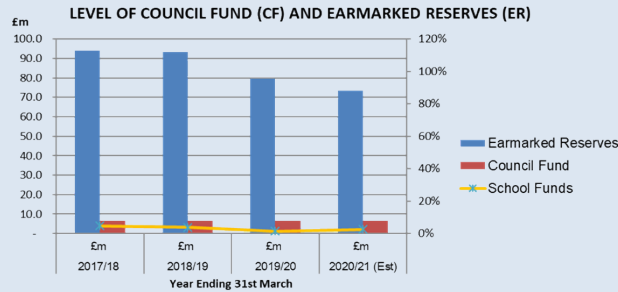


Appendix 5 - Financial Resilience

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts

Level of Council Fund (CF) and Earmarked Reserves (ER)



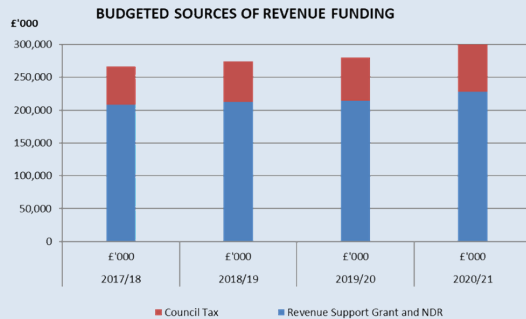
Level of Reserves

| | 2017/18 £m | 2018/19 £m | 2019/20 £m | 2020/21 (Est) £m |
|--------------------|---------------|---------------|---------------|---------------------|
| Earmarked Reserves | 93.9 | 93.4 | 79.5 | 73.4 |
| Council Fund | 6.5 | 6.5 | 6.5 | 6.5 |
| School Funds | 3.9 | 3.1 | 1.1 | 2.1 |

Budgeted Sources of Funding

| | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|-------------------------------|------------------|------------------|------------------|------------------|
| Total Revenue Funding | 208,250 | 212,790 | 214,343 | 228,077 |
| Revenue Support Grant and NDR | 58,122 | 61,806 | 66,268 | 72,193 |
| Council Tax | | | | |

Budgeted Revenue Funding Split



Financial Performance and Ratios

| Ratio | Calculation | 2016/2017 £'000 | 2017/2018 £'000 | 2018/2019 £'000 | 2019/2020 £'000 |
|----------------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Net Worth (Assets - Liabilities) | (Asset - Liabilities) | 20,785 | 20,213 | 48,973 | 7,812 |
| Net Worth (exc Pension Liab.) | (Asset - Liabilities) | 345,530 | 344,230 | 351,614 | 339,338 |
| Working Capital Ratio | (Curr. Assets / Curr. Liabilities) | 1.17 | 1.10 | 1.08 | 1.03 |
| Gearing Ratio | (Borrowing / Total Reserves) | 49.9% | 66.9% | 52.8% | 51.9% |

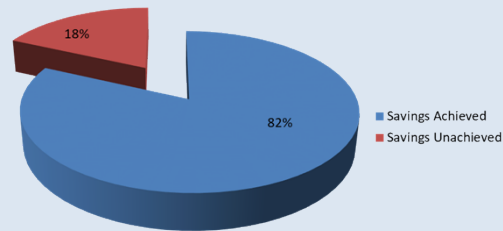
The figures below shows the 20/21 forecast position for both revenue and capital

2020/21 Revenue Forecast Position - December

| Directorate | Current Budget £'000 | Budget Forecast £'000 | Variance £'000 | Variance % |
|--------------------------------------|-------------------------|--------------------------|-------------------|---------------|
| Children & Young People | 25,855 | 26,595 | 740 | 2.9 |
| Adult & Community Services | 49,216 | 47,477 | (1,739) | (3.5) |
| Education | 15,364 | 14,745 | (619) | (4.0) |
| Schools | 106,527 | 105,575 | (952) | (0.9) |
| Regeneration, Investment & Housing | 10,043 | 10,151 | 108 | 1.1 |
| City Services | 24,624 | 24,699 | 75 | 0.3 |
| Corporate Services | 18,954 | 18,419 | (535) | (2.8) |
| Total Directorates | 250,583 | 247,661 | (2,922) | (1.2) |
| Capital Financing | 23,316 | 23,316 | - | - |
| Contingency/ Provisions | 2,932 | 2,170 | (762) | (26.0) |
| Levies / other | 23,738 | 22,331 | (1,407) | (5.9) |
| Reserves / Transfer | (299) | 654 | 953 | (318.7) |
| Total Budget | 300,270 | 296,132 | (4,138) | (1.4) |
| Additional funding - CT surplus | - | 800 | 800 | - |
| Projected Over/ (Under) spend | 300,270 | 296,932 | (3,338) | (1.1) |

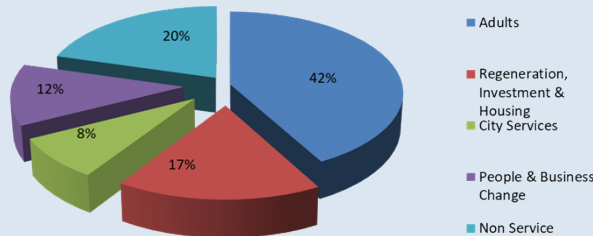
Revenue Savings Achieved and Unachieved (December 2020/21)

2020/21 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



Analysis of Unachieved Savings

ANALYSIS OF UNACHIEVED SAVINGS - 2020/21



2020/21 Capital Forecast Position - December

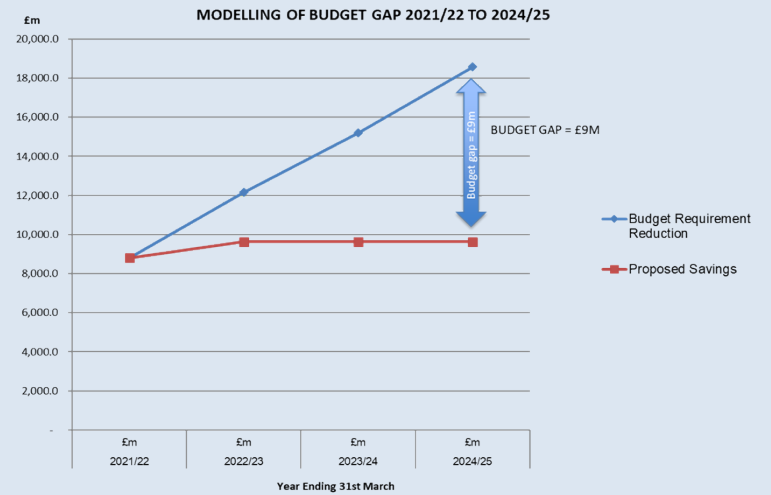
| Directorate | Final Budget £'000 | Budget Forecast £'000 | Variance Slippage £'000 | Variance (Under) £'000 |
|------------------------------------|-----------------------|--------------------------|----------------------------|---------------------------|
| Education | 8,271 | 8,223 | (48) | (33) |
| Regeneration, Investment & Housing | 10,318 | 10,129 | (189) | - |
| People & Business Change | 636 | 636 | - | - |
| Adult & Community Services | 250 | 249 | (1) | (1) |
| Children & Young People Services | 1,056 | 1,056 | - | - |
| City Services | 11,641 | 11,210 | (431) | (287) |
| Total Budget | 32,172 | 31,503 | (669) | (321) |

The tables below show the Medium Term Financial Plan (MTFP) and the risks facing the Council.

MTFP Scenario

| | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | Total £'000 |
|------------------------------|------------------|------------------|------------------|------------------|----------------|
| Financial Pressures | 19,071 | 10,053 | 8,284 | 8,323 | 45,731 |
| Funding Uplift | (13,219) | (4,297) | (2,755) | (2,350) | (22,621) |
| Budget Requirement Reduction | 5,852 | 5,756 | 5,529 | 5,973 | 23,110 |
| Increase in Ctax/ tax base | (2,461) | (2,404) | (2,501) | (2,601) | (9,967) |
| Savings | (3,391) | (812) | 0 | 0 | (4,203) |
| Budget Gap | 0 | 2,540 | 3,028 | 3,372 | 8,940 |

Modelling of Budget Gap 2021/22 to 2024/25



Capital Expenditure & Need to borrow

| Capital Expenditure | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total capital expenditure | 32.7 | 60.7 | 50.9 | 17.9 |
| Capital Financing Requirement | | | | |
| Investments or (new borrowing) CFR | 0.4 | 27.3 | 43.7 | 55.0 |
| | 281.9 | 295.4 | 295.4 | 319.8 |

APPENDIX 5a - Projected Earmarked Reserves

| Reserve | Balance at 31-Mar-20 | Balance at 31-Mar-21 | Balance at 31-Mar-22 | Balance at 31-Mar-23 | Balance at 31-Mar-24 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Council Fund: | (6,500) | (6,500) | (6,500) | (6,500) | (6,500) |
| Balances held by schools for future use | (1,113) | (2,066) | (2,066) | (2,066) | (2,066) |
| | | | | | |
| Earmarked Reserves: | | | | | |
| Music Service | (127) | (127) | (127) | (127) | (127) |
| Pay Reserve | (1,418) | (1,418) | (1,418) | (1,418) | (1,418) |
| Insurance Reserve | (664) | (664) | (234) | 196 | 626 |
| MMI Insurance Reserve | (602) | (602) | (602) | (602) | (602) |
| Health & Safety | (16) | (16) | (16) | (16) | (16) |
| Education Achievement Service | (92) | (92) | (92) | (92) | (92) |
| Schools Redundancies | (725) | (516) | (110) | 296 | 701 |
| General Investment Risk Reserve | (658) | (658) | (658) | (658) | (658) |
| European Funding I2A & CFW | (394) | (394) | (394) | (394) | (394) |
| Metro Bus | (9) | - | - | - | - |
| GEMS Redundancies | (78) | (78) | (78) | (78) | (78) |
| SUB TOTAL - RISK RESERVES | (4,783) | (4,565) | (3,729) | (2,893) | (2,058) |
| | | | | | |
| Capital Expenditure | (5,344) | (5,269) | (5,269) | (5,269) | (5,269) |
| Invest to Save | (9,938) | (8,180) | (4,672) | (4,672) | (4,672) |
| Super Connected Cities | (426) | (298) | (170) | (42) | 86 |
| Landfill (fines reserve) | (332) | (332) | (307) | (307) | (307) |
| School Reserve Other | (182) | - | - | - | - |
| School Works | (452) | (452) | (452) | (452) | (452) |
| Investment Reserve | (342) | (324) | - | - | - |
| Usable Capital Receipts | (8,259) | (6,139) | (5,691) | (5,103) | (5,103) |
| Streetscene Manager Support | (117) | - | - | - | - |
| SUB TOTAL - ENABLING RESERVES | (25,391) | (20,993) | (16,560) | (15,844) | (15,716) |
| | | | | | |
| Municipal Elections | (130) | (166) | (168) | (206) | - |
| Local Development Plan | (625) | (640) | (498) | (356) | (142) |
| Strategic Development Plan | - | (55) | (55) | (55) | (55) |
| Business Support Reserve | - | (53) | (53) | (53) | (53) |
| Glan Usk PFI | (1,607) | (1,603) | (1,639) | (1,649) | (1,633) |
| Southern Distributor Road PFI | (40,691) | (40,364) | (39,959) | (39,417) | (38,741) |
| Loan modification technical reserve (IFRS 9) | (1,085) | (910) | (835) | (755) | (665) |
| Building Control | (104) | (124) | (124) | (124) | (124) |
| SUB TOTAL - SMOOTHING RESERVES | (44,242) | (43,916) | (43,332) | (42,616) | (41,414) |
| | | | | | |
| Works of art | (21) | (21) | (21) | (21) | (21) |
| Theatre & Arts Centre | (232) | (232) | (232) | (232) | (232) |
| Cymorth Income | (25) | (25) | (17) | (8) | (0) |

| Reserve | Balance at 31-Mar-20 | Balance at 31-Mar-21 | Balance at 31-Mar-22 | Balance at 31-Mar-23 | Balance at 31-Mar-24 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Blaen Y Pant | (18) | (10) | (10) | (10) | (10) |
| Homelessness Prevention | (38) | (147) | (121) | (121) | (121) |
| Environmental Health - Improve Air Quality | (49) | (49) | - | - | - |
| Refurbishment of a Children / Older People Homes | (41) | (21) | (21) | (21) | (21) |
| Apprenticeship Scheme | (29) | (29) | (21) | (21) | (21) |
| City Economic Development Reserve | (90) | (90) | (90) | (90) | (90) |
| Welsh Language Standards | (169) | (169) | (89) | (89) | (89) |
| Port Health | (16) | (16) | (16) | (16) | (16) |
| CRM | (244) | - | - | - | - |
| Financial System Upgrade | (400) | - | - | - | - |
| Events | (216) | (216) | (216) | (216) | (216) |
| MTFP Reserve | (2,037) | (2,037) | (2,037) | (2,037) | (2,037) |
| Voluntary Sector Grants | (49) | (37) | 0 | 0 | 0 |
| Bus Wifi | (17) | - | - | - | - |
| Bus Subsidy | (15) | (11) | - | - | - |
| Feasibility Reserve | (117) | (117) | (117) | (117) | (117) |
| IT Development | (53) | - | - | - | - |
| Leisure Delivery Plan | (103) | (103) | (103) | (103) | (103) |
| Chartist Tower | (256) | - | - | - | - |
| Joint Committee City Deal Reserve | (626) | (626) | (626) | (626) | (626) |
| NEW - Civil Parking Enforcement | (175) | - | - | - | - |
| SUB TOTAL - OTHER RESERVES | (5,036) | (3,955) | (3,736) | (3,728) | (3,720) |
| RESERVES TOTAL | (87,065) | (81,995) | (75,923) | (73,646) | (71,473) |