

MANAGEMENT COMMENTARY

In 2023/24 the council continued to perform well in key priority areas for West Lothian. This included; improving attainment, minimising poverty through effective housing and tenancy management and welfare support for the most deprived in our community, providing support for business, providing high quality and technology-enabled care for older people and providing care and support for vulnerable adults and vulnerable young people.

The council will continue to target improvement in performance service processes and waiting times in customer services. We will target reductions in the cost of providing a range of services through transformation and digitisation activities.

7. Financial Performance Review

The financial performance review outlines the key financial issues affecting the council during the year and the overall financial position of the council.

7.1 Financial Ratios

The following ratios assist evaluation of the council's financial sustainability and affordability of financial plans.

Council Tax	2023/24	2022/23	Notes on Ratios
In-year collection rate	96.7%	97.2%	This shows the % of council tax collected during the financial year that relates to bills issued for that year. It does not include collection of funding relating to previous financial years.
Target for year	96.7%	96.9%	
Council tax income as a percentage of overall funding	20.5%	20.2%	This shows the proportion of total funding that is derived from council tax. In terms of the budget strategy for 2023/24, council tax increased by 5.8% with a budgeted increase in council tax from additional house completions in year.
Debt and Borrowing – Prudence			
Capital Financing Requirement (£'000)	823,487	810,049	The capital financing requirement represents the underlying need to borrow to fund expenditure on assets. The council continues to invest in its assets, and in particular building new council houses and schools. The council's borrowing requirement increased in 2023/24 due to the continued borrowing for new council house supply, and General Services borrowing to deliver significant investment in the learning estate and RAAC remediation works.
Debt and Borrowing – Affordability			
Financing costs to net revenue stream – General Fund	5.8%	5.1%	These ratios show the proportion of total revenue funding that is used to meet financing costs. The ratios exclude any voluntary repayments of debt made during the year. For General Fund the percentage increased as a consequence of higher debt servicing costs in 2023/24 compared to 2022/23 due to higher levels of borrowing and interest rates. For HRA the percentage increased to reflect higher debt servicing costs in 2023/24 compared to 2022/23 following the Loans Fund review as well as increased debt servicing costs associated with the continued borrowing to deliver new council houses. These percentages are deemed to be affordable as outlined in the 2023/24 treasury plan and approved indicators.
Financing costs to net revenue stream – HRA	28.5%	24.6%	