



CABINET

Date of Meeting	Tuesday, 17th March 2020
Report Subject	Revenue Budget Monitoring 2019/20 (Month 10)
Cabinet Member	Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position for 2019/20 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 10. The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating deficit of £1.625m which is a favourable movement of £0.041m from the deficit figure of £1.666m reported at Month 9.
- A projected contingency reserve balance as at 31 March 2020 of £3.244m.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.062m lower than budget which is a positive movement of £0.165m from the deficit figure of £0.103m reported at Month 9.
- A projected closing balance as at 31 March 2020 of £1.385m.

As reported in previous reports and to assist with mitigating the overall projected overspend the following measures were introduced from Month 6:-

- 1) All non-essential spend be reviewed and challenged with a view to ceasing/delaying where able and

2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying.

At Month 6, this resulted in identifying a one-off delay in spend of £0.530m which helped to significantly reduce the overall overspend position. Further reductions in the overspend since Month 7 have been achieved predominantly from the continuation of these measures. Work will continue from Month 11 and beyond with the same rigour and challenge in an attempt to further improve the overall position.

The current position meets the Chief Officer Team target of reducing the overspend position to within a range of £1.500m - £1.750m by the end of the financial year, although this would still be in excess of the performance indicator target set within the MTFs of £1.350m, being 0.5% of the Net Revenue Budget.

Some examples of specific areas currently under tactical review are shown below :

- Winter Maintenance – monitoring the level of ongoing operations based around weather conditions
- Parc Adfer – taking account of the site becoming fully operational from December and the subsequent change to haulage and disposal arrangements
- School Transport – maximising the benefits of re-procurement and rationalisation of routes
- Single Person Discount Scheme – subject to on-going review
- Planning – maximisation of Planning Fee Income in year
- Central Loans and Investment Account – further review to determine potential financing split across Revenue and Capital

In addition, as in previous years towards the end of the financial year, there is always potential for late awards of Grant from Welsh Government that could be allocated against existing or future profiled spend, resulting in a positive effect on outturn.

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2020.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).
3	To approve the carry forward request included in paragraph 1.22

REPORT DETAILS

1.00	EXPLAINING THE MONTH 10 POSITION
1.01	<p>Council Fund - Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p>

- An operating deficit of £1.625m
- A projected contingency reserve balance as at 31 March 2020 of £3.244m

To assist with mitigating the overall projected overspend the following measures have previously been introduced:-

- 1) All non-essential spend is subject to ongoing review and challenge with a view to ceasing/delaying where able and
- 2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying

At Month 6, this resulted in identifying a one-off delay in spend of £0.530m which helped to significantly reduce the overall overspend position. Further reductions in the overspend since Month 7 have been achieved predominantly from the continuation of these measures. Work will continue from Month 11 and beyond with the same rigour and challenge in an attempt to further improve the overall position.

The Chief Officer Team has set a target of reducing the overspend position to within a range of £1.500m - £1.750m by the end of the financial year, although this would still be in excess of the performance indicator target set within the MTFS of £1.350m, being 0.5% of the Net Revenue Budget.

Some examples of specific areas currently under review are shown below :

- Winter Maintenance – monitoring the level of ongoing operations based around weather conditions
- Parc Adfer – taking account of the site becoming fully operational from December and the subsequent change to haulage and disposal arrangements
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- Single Person Discount Scheme – subject to on-going review
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As in previous years towards the end of the financial year, there is always potential for late awards of Grant from Welsh Government that could be allocated against existing or future profiled spend, resulting in a positive effect on outturn. An example being Additional Winter Pressures Grant in Social Services (paragraph 1.07 refers).

1.02

Table 1. Projected Position by Portfolio

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m

	Social Services	65.944	65.940	(0.004)
	Out of County Placements	9.033	11.089	2.056
	Education & Youth	8.534	8.188	(0.345)
	Schools	91.941	91.941	0.000
	Streetscene & Transportation	30.467	31.894	1.427
	Planning & Environment	5.897	5.941	0.044
	People & Resources	4.439	4.470	0.031
	Governance	9.203	8.995	(0.208)
	Strategic Programmes	5.272	5.272	0.000
	Housing & Assets	15.171	14.551	(0.620)
	Chief Executive	2.760	2.634	(0.126)
	Central & Corporate Finance	22.688	22.060	(0.628)
	Total	271.350	272.975	1.625
1.03	The reasons for the favourable movement of £0.041m from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio. This provides the overall position for each portfolio and the overall position for the Council Fund.			
1.04	Enhancements to the format of the Revenue Budget monitoring report have been made which aim to highlight the following key information for Members: <ul style="list-style-type: none">• The key major variances to bring to the attention of Cabinet• The tracking of in year financial risks• Potential MTFS Impact of the current in year monitoring position			
	Major Variances to highlight this Month			
1.05	Out of County Placements <p>At this stage in the financial year, there is a projected overspend of £2.056m for the provision of Out of County Placements.</p> <p>The Council included an additional amount of £1.655m in the 2019/20 budget to reflect the number of clients and care packages at that particular time. However, throughout 2019/20 to date, there has been an increase in the number of high cost placements.</p> <p>This has created a projected overspend of £1.515m in Children's Social Services and a projected overspend of £0.541m within Education & Youth Inclusion Services. This is based on current clients and their assessed need.</p>			

	<p>The projection includes externally provided placement costs for over 150 children, some of which lie within Flintshire's geographic boundary.</p> <p>A Report on 'Improving the in-house offer for Out of County Placements for Children' taken to the Joint Education & Youth and Social & Health Care Overview and Scrutiny Committees in July, 2019 outlined the Council's strategy and commitment in ensuring safe, high quality, support for Children's Services.</p> <p>A separate report was also presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September.</p>
1.06	<p>Streetscene and Transportation</p> <p>A considerable amount of financial challenge work is ongoing within the Streetscene and Transportation portfolio to address the overspend position and through the mitigation measures identified below, are committed to reducing this overspend further by financial year end.</p> <p>Transportation and Logistics - £0.976m Overspend</p> <p>The pressure in school transport costs totalling £0.928m is as a result of several factors:-</p> <ul style="list-style-type: none"> - The effect of non-statutory school transport arrangements and ongoing transport policy anomalies; - An increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with increases in the number of school escorts to accompany SEN pupils and in the number of single occupancy routes; - Transporting enrolment cohort to Connah's Quay High School and placing duplicate vehicles on public bus services as a response to non-eligible pupil displacement; - An increase in number of school days for 2019/20 <p>A separate report was presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September.</p> <p>Increased transport provision to Social Services service users of £0.048m.</p> <p>Service Delivery – £0.316m Overspend</p> <p>Following the extreme weather event during June 2019, the service has incurred additional revenue pressures from responding and resolving flooding issues across the County. The network damage was widespread and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding and repairing the highway along with costs of plant and materials and currently total £0.150m. A claim to Welsh Government was</p>

	<p>submitted for these additional costs but unfortunately was not approved for funding.</p> <p>In addition to the above, further costs have been incurred in recent weeks dealing with both Storm Ciara and Storm Dennis which although flooding was not as bad as some parts of North Wales, there were still a number of road closures to provide traffic management provision and coordinate clean-up operations across the County which have all incurred additional costs.</p> <p>Following ongoing vandalism to Household Recycling Centres, additional costs of £0.055m have been incurred, with further costs of £0.015m-£0.020m projected to maintain security and safety of the sites.</p> <p>During the period before Christmas, staffing resources were considerably impacted by an outbreak of Norovirus and this has resulted in unprecedented levels of sickness throughout the workforce. The level of absence due to sickness was averaging around 49 staff which included 30 operatives, for which additional overtime or agency cover is required in order to maintain service delivery which is projected to cost in the region of £0.095m.</p> <p>Regulatory Services - £0.124m Overspend</p> <p>The car park income shortfall of £0.200m is based on the average shortfall in income against monthly projections for each town using the first full ten months of implementation (received in 2018/19) of the increased tariff charges and projected for 2019/20. A large section of car parking at Flint Retail Park has closed for development, which will result in a displacement of vehicles into Council car parks providing a potential increase in car parking income for the remaining months of 2019/20.</p> <p>The waste strategy service are currently projecting an improved position of £0.070m, based on the commissioning period for the North Wales Residual Waste Treatment Project (NWRWTP) being shorter than anticipated compared to when the original £0.425m pressure was calculated. Maximum WG grant funding is available from the full service period commencement in December 2019 and the service are currently reviewing the delivery of residual waste into the Parc Adfer site based on the most efficient method.</p> <p>A reduction in the level of recycling income from cardboard and paper has occurred totalling £0.043m due to the third party implementing an immediate change to the tariff in January.</p> <p>Other cumulative variances across the service reflect a £0.011m overspend.</p>
1.07	<p>Social Services</p> <p>The overall position for Social Services is a projected underspend of £0.004m, a favourable movement of £0.124m since Month 9.</p> <p>There are some significant variances both adverse and favourable that underpin this position due to overpends within Children's Services and net underspends within Adults Services.</p>

	<p>All details of variances are provided in Appendix 2 and consideration has been given to further realignment of budgets within the Portfolio to address changes in service delivery.</p> <p><u>Additional Winter Pressures Grant</u></p> <p>On 1 October Welsh Government announced additional funding of £30 million to support the delivery of frontline health and social care services this winter.</p> <p>Of the £30 million, £17 million will be allocated to Regional Partnership Boards to promote integrated, regional planning. For Flintshire the allocation from this regional funding is £0.805m and will be awarded between Flintshire County Council and BCUHB. This funding is to be used towards additional services to meet demands on social care resources linked to winter pressures. Some of these additional pressures have already been drawn down from budgets and are reflected in the projected outturn. Therefore, it is estimated that there will be £0.320m in funding to support these additional in-year front line pressures and this has been built into the figures since Month 7.</p> <p>On 24 January, 2020, a further £10 million funding was confirmed by the Minister for Health and Social Services. This is on top of the £30m from earlier this financial year, to support health and social care delivery in recognition of increased pressure this winter. It was confirmed that these funds should be channeled through the Regional Partnership Board (RPB) for approval and allocation across North Wales. It is intended that this funding should be invested across both Health and Social Care, with the priority being for spend on discharge services, step down capacity and home care/domiciliary care.</p> <p>Once confirmation is received of how much will be allocated via the RPB, a subsequent update will be provided to report on any funding that can be allocated against in-year front line pressures.</p>
1.08	<p>Central & Corporate Finance</p> <p>Pension Fund Contributions; £0.945m underspend</p> <p>There was a significant underspend on the pension contribution account in 2018/19 with £0.600m contributing towards the 2019/20 budget. Current monitoring analysis suggests that there is a further efficiency in-year.</p> <p>There are various factors affecting the position including the financial impact of the transfer of various services being less than anticipated and the recovery of a higher level of contribution to the deficit due to the increased pay award. The position is under review as part of the current work on the 2020/21 budget.</p> <p>Income Target; £0.150m un-achieved</p> <p>The Council is continuing to review its fees and charges and to investigate new sources of income. A Report to Cabinet in July recommended a</p>

	<p>process for the annual review of fees and charges with the aim of achieving full cost recovery wherever possible. The position will continue to be reviewed in-year and any further improvement reported on in future monitoring reports.</p>
1.09	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2019/20 a number of significant risks were identified and an update is provided below.</p>
1.10	<p>Out of County Placements</p> <p>A key risk identified at the time of setting the 2019/20 budget was the general rising costs of social care and the upward trend in the number of cases of Out of County placements across Wales. The main influence on this increase is the Social Services and Wellbeing Act which has led to a higher number of court outcomes and placements which has increased the financial pressure on this service area.</p> <p>The impact of the current pressures on Out of County Placements have resulted in an increase in the Councils updated forecast for 2020/21.</p>
1.11	<p>School Transport</p> <p>Managing the increasing demand into future years in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with further potential increases in the number of school escorts to accompany SEN pupils and the number of single occupancy routes.</p>
1.12	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2019/20 budget contains £6.939m of specific efficiencies which are tracked and monitored throughout the year. In 2018/19 the level of efficiency achievement was 98% which was an improvement on the 94% achieved during the previous year. The Council aims to achieve a 95% rate in 2019/20 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2019/20 shows that £6.197m or 90% of the efficiencies will be achieved. However when taking into account of the conscious decision of Cabinet to re-phase the efficiency target from the reduction in Aura Subsidy this improves the achievement rate to 91%.</p> <p>The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2020/21 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with the overall impact in relation to any impact for 2020/21 being reviewed as part of the ongoing work on the MTFS.</p>
1.13	<p>Income</p>

	<p>The Council introduced its Income Strategy in late 2017. A target of £0.150m remained to be achieved from the identification of new sources of income and the review of fees and charges. The Council now has additional capacity to pursue this strategy with a number of potential opportunities being considered as part of business planning and annual review.</p>																								
1.14	<p>Recycling Income</p> <p>The market rate for income received from recycling plastic, paper and card are extremely volatile and can fluctuate rapidly. Recycling income has reduced over recent years and there is always a risk that the market rates may reduce further. In recent months, there has been a reduction in recycling income due to the tariff in place being reduced at very short notice by the third party purchaser.</p>																								
1.15	<p>Schools Pressures</p> <p>In recent years there has been considerable pressure on secondary school budgets. 7 out of 11 secondary schools in Flintshire carried forward deficits into 2019/20 and a summary is provided below. Schools are required to submit a licensed deficit application to the Council and this is reviewed by the Chief Officer, Education & Youth and the Section 151 Officer.</p> <table><tr><th>School</th><th>Deficit Balance brought forward</th><th>% of budget</th></tr><tr><td>Connah's Quay High School</td><td>-£34,477</td><td>-0.8%</td></tr><tr><td>St. Richard Gwyn</td><td>-£508,276</td><td>-16.2%</td></tr><tr><td>Ysgol Treffynnon</td><td>-£646,173</td><td>-29.5%</td></tr><tr><td>Castell Alun High School</td><td>-£8,674</td><td>-0.2%</td></tr><tr><td>Ysgol Maes Garmon</td><td>-£173,177</td><td>-6.7%</td></tr><tr><td>Argoed High School</td><td>-£56,000</td><td>-2.2%</td></tr><tr><td>St. David's High School</td><td>-£452,609</td><td>-23.9%</td></tr></table> <p>This position is being reviewed by the Council on a school by school basis due to concerns about the deteriorating position. The issue has also been highlighted by Estyn as a specific recommendation in its recent inspection report.</p>	School	Deficit Balance brought forward	% of budget	Connah's Quay High School	-£34,477	-0.8%	St. Richard Gwyn	-£508,276	-16.2%	Ysgol Treffynnon	-£646,173	-29.5%	Castell Alun High School	-£8,674	-0.2%	Ysgol Maes Garmon	-£173,177	-6.7%	Argoed High School	-£56,000	-2.2%	St. David's High School	-£452,609	-23.9%
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1.16	<p>Winter Maintenance</p> <p>The winter period has already resulted in over 4,000 tonnes of salt being used on the roads and over 90 turnouts for the gritters to the end of February. With potential continuing uncertain weather through March, this will place further risk on maintaining a balanced position within the overall Winter Maintenance budget of £0.841m. As reported in paragraph 1.21, one-off Winter Maintenance Reserves totalling £0.250m are held in addition to the annual budget to meet extra costs in the event of an above average winter.</p>																								
1.17	<p>Other In-Year Issues</p> <p>Inflation</p>																								

	<p>Included within the 2019/20 budget are provision for Non Standard Inflation fuel (£0.034m), Energy (£0.329m) and NDR/Price (£0.204m). As in previous years, these amounts are held centrally until later in the year when actual cost pressures are known. It is currently assumed that all of these allocations will be required in 2019/20 but this will be kept under review throughout the financial year.</p> <p>In previous years, the Council has had to make a payment associated with the Carbon Reduction Scheme. This scheme has now ended and the impact of this is likely to result in higher energy charges for the Council. The funding associated with this has now been added to the central inflation budget and will be allocated according to need.</p>
1.18	<p>MTFS Impact</p> <p>Throughout the year all in-year variances have been reviewed with any pressures that are recurring in nature being included in the MTFS. The budget for 2020/21 was approved on 18th February and includes pressures and efficiencies that are included in the current monitoring.</p> <p>All Portfolios will continue to consider their final position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings and work is underway to review the financial forecast for the next three years 2021/22 – 2023/24 with an update to Cabinet to be reported in April.</p> <p>The County Council report on the MTFS and Council Fund Revenue Budget 2020/21 from 18th February can be accessed via the link in 6.01.</p>
1.19	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The 2018/19 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2019 (above the base level of £5.769m) of £8.252m.</p> <p>As approved in the 2019/20 budget an amount of £2.221m was utilised as part of the strategy to balance the budget. In addition an amount of £0.062m was approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB), £1.000m for investment in change and an amount of £0.100m for the ongoing resourcing of the Victim Contact Team within Social Services.</p>
1.20	<p>Taking into account the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2020 is projected to be £3.244m as detailed in Appendix 4.</p>
1.21	<p>The projected level of school balances are currently being reviewed in detail as we near the end of the financial year. At this stage however, there is a significant risk that overall balances could fall into an overall net negative position. However, in the past schools have benefitted from the notification of late in-year external grant funding opportunities which would positively impact on year end balances. More detail on the secondary school deficit position is included in paragraph 1.13. The final overall position will be reported in the final outturn report.</p>

1.22	<p>Request for Carry Forward of Funding</p> <p>The Council has been awarded funding from Welsh Government (WG) of £0.382m in relation to the Hwb In-Schools Infrastructure grant scheme which equates to 15% of the total grant.</p> <p>The purpose of the funding is to ensure school ICT networks are adequate and maximise the opportunities digital can offer to teaching and learning alongside underpinning the delivery of the new curriculum in Wales.</p> <p>WG have requested that the funding is claimed by before the end of the financial year 2019/20, however the implementation period will not start until 2020/21. The Council has been able to allocate the funding to existing spend in 2019/20 and it is recommended that the resulting underspend is carried forward for the implementation phase.</p>
1.23	<p>Housing Revenue Account</p> <p>The 2018/19 Outturn Report to Cabinet on 16 July 2019 showed an un-earmarked closing balance at the end of 2018/19 of £1.165m and a closing balance of earmarked reserves of £1.056m.</p>
1.24	The 2019/20 budget for the HRA is £36.239m which includes a movement of £0.158m to reserves.
1.25	The monitoring for the HRA is projecting in year expenditure to be £0.062m lower than budget and a closing un-earmarked balance as at 31 March 2020 of £1.385m, which at 3.83% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
1.26	The budget contribution towards capital expenditure (CERA) is £13.717m.

2.00	RESOURCE IMPLICATIONS
2.01	The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first four months and the risks as known.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The Revenue Budget Monitoring Report reflects the three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.09 to 1.17.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None required

5.00	APPENDICES
5.01	<p>Appendix 1: Council Fund – Movement in Variances from Month 9</p> <p>Appendix 2: Council Fund – Budget Variances</p> <p>Appendix 3: Council Fund – Programme of Efficiencies</p> <p>Appendix 4: Council Fund – Movement on Un-earmarked Reserves</p> <p>Appendix 5: Housing Revenue Account Variances</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Medium Term Financial Strategy and Council Fund Revenue Budget 2020/21 Stage Three</p> <p>http://committeemeetings.flintshire.gov.uk/documents/g4580/Public%20reports%20pack%2018th-Feb-2020%2014.00%20Flintshire%20County%20Council.pdf?T=10&LLL=0</p>

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Dave Ledsham (Strategic Finance Manager)</p> <p>Telephone: 01352 704503</p> <p>E-mail: dave.ledsham@flintshire.gov.uk</p>
8.00	GLOSSARY OF TERMS
8.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council's revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer</p> <p>Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges</p>

	<p>for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Underspend: when referring to expenditure the actual expenditure incurred is less than budget. When referring to income the actual income achieved exceeds the budget.</p> <p>Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.</p> <p>Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.</p> <p>Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>
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Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	-0.081	There has been an increase in the number of service users who are eligible for a charge to be placed against their property, the estimated increase in property income is £0.044m. Some surplus Direct Payment balances amounting to £0.020m have been returned to the service. Care costs over the Christmas period were lower than expected by £0.020m. Minor variances £0.005m.
Minor Variances	-0.021	
Adults of Working Age		
Resources & Regulated Services	0.052	There has been some increases in care packages and one particular package has increased by £0.035m due to a provider previously undercharging for additional agreed services, this has now charged for at the correct rate and a backdated amount has been paid.
Administrative Support	-0.046	Variance due to decrease in staff projections connected with vacancy management
Residential Placements	0.029	Due to fluctuations in care packages
Minor Variances	0.013	
Children's Services		
Minor Variances	-0.038	
Safeguarding & Commissioning		
Minor Variances	-0.033	
Total Social Services (excl Out of County)	-0.124	
Out of County		
Children's Services	-0.007	
Education & Youth	0.008	
Total Out of County	0.001	
Education & Youth		
Minor Variances	-0.013	
Total Education & Youth	-0.013	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	0.027	Increase in staffing costs due to continuing sickness absence levels.
Highways Network	0.033	Accumulation of minor variances across the service.
Regulatory Services	-0.036	Reduced staffing costs in Business and Strategy and minor movements across the service.
Other Minor Variances	-0.003	
Total Streetscene & Transportation	0.021	
Planning, Environment & Economy		
Development	0.045	Reduced levels of fee income received across the service
Minor Variances	0.003	
Total Planning & Environment	0.048	
People & Resources		
HR & OD	-0.010	
Corporate Finance	-0.005	
Total People & Resources	-0.015	
Governance		

MONTH 10 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
ICT	0.031	Within IT Infrastructure additional cost of employing non matrix agency staff £0.023m. Minor variances across the service
Minor Variances	-0.005	
Total Governance	0.025	
Strategic Programmes		
Minor Variances	0.000	
Total Strategic Programmes	0.000	
Housing & Assets		
Centralised Costs	-0.070	One-off benefit of part occupation relief for NDR at County Hall, Mold following full vacation of Phases 3 and 4
Housing Solutions	0.109	Utilisation of underspend to fund costs of expenditure of £0.120m previously costed to the capital programme in respect of relocation of CCTV unit (£0.083m) and office moves to Ty Dewi Sant, Ewloe (£0.037m).
Minor Variances	-0.043	
Total Housing & Assets	-0.005	
Chief Executive's	0.002	
Central & Corporate Finance	0.020	
Grand Total	-0.041	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services						
Older People						
Localities	18.803	17.644	-1.159	-1.078	Residential and Nursing Care is projecting a £0.626m underspend due to fluctuation in demand for residential and nursing care placements and increases to capital limits. Staff budgets are underspending within Intake/First Contact and Localities Teams, not all staff are top of grade and there are in-year savings due to short term vacancies. One off funding for Winter Pressures Grant from Welsh Government (WG) totalling £0.320m.	
Resources & Regulated Services	7.155	7.531	0.376	0.393	Council provided residential care is expected to be £0.388m overspent mostly due to relief and agency cover. Relief and agency staff are required to maintain the mandatory level of staff within the residential homes, however the amount of budget to fund this is low and does not contain contingencies to cover sickness absences. There are also pressures from buildings expenditure such as repairs and maintenance. Council provided homecare is projected to be £0.138m overspent due to demand. Extra care is reporting an underspend of £0.143m as the extra care facility in Holywell opened part way through the year so full year costs have not been incurred.	
Minor Variances	1.224	27.559	26.334	-0.028		
Adults of Working Age						
Resources & Regulated Services	24.170	23.976	-0.194	-0.247	The outturn represents the current cost of care packages until the end of the financial year.	The service is subject to changes in demand for services. There are always a number of potential service users which may require services in the future. Although these service users are known to us at present, the most appropriate care package has not yet been determined and full costs associated for their care cannot yet be estimated and included within this months financial projections.
Disability Services	0.648	0.564	-0.084	-0.085	The outturn represents the current cost of care packages and contributions from Welsh Government.	
Residential Placements	1.241	1.929	0.688	0.660	The overspend is due to the number of residential placements based on service demand.	This service is demand led and can experience volatility in terms of new service users entering the service.
Professional Support	0.821	0.761	-0.060	-0.044	There exists a number of in-year vacantees and not all staff are top of scale.	
Minor Variances	3.010	2.872	-0.138	-0.121		

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Children's Services						
Family Placement	2.564	2.870	0.306	0.313	The overspend is due to current demands on the service from the number of fostering placements, which in some instances avoid making an Out of County placement which would be more expensive. The main pressure areas are payments for foster carers, foster agencies and special guardianship payments.	
Family Support	0.371	0.513	0.143	0.146	This is due to the number of court directed contact sessions which require support workers to attend. Sessional workers were historically used, however the need to use sessional workers increased to a level whereby, under employment regulations, sessional workers are required to be issued fixed term contracts.	
Legal & Third Party	0.178	0.456	0.278	0.301	Legal costs are overspent due to the number of cases going through the courts and the use of external legal professionals. Direct payments have also increased in demand.	
Professional Support	5.237	5.373	0.137	0.126	To support adequate levels of child protection, the established staffing structure needs to be maintained at the required standard as much as possible. Vacancies are therefore minimised and challenges to recruitment leads to the use of agency staff. This leads to an increase in agency costs as agency rates are higher than non-agency staff. The use of agency staff is monitored and kept to a minimum as much as possible but it is not possible to avoid altogether.	
Minor Variances	1.132	1.140	0.008	0.024		
Safeguarding & Commissioning						
Business Support Service	1.202	1.129	-0.073	-0.072	The underspend is due to a number of short term vacancy savings and some posts are occupied by staff who are not paid at top of grade.	
Commissioning	0.624	0.563	-0.061	-0.059	One off external funding has been used to fund posts on a temporary basis.	
Management & Support	-1.929	-1.720	0.209	0.209	There is a shortfall from the assumed proportion of grant allocations announced by Welsh Government which were included within the 2019/20 budget. The total shortfall across the three grants is £0.283m, although some of this is partly mitigated by one off refunds from the Regional Collaboration Unit.	
Vacancy Management	-0.007	-0.231	-0.224	-0.224	Short term vacancy savings transferred from across the portfolio.	
Minor Variances	-0.501	-0.625	-0.123	-0.093		
Total Social Services (excl Out of County)	65.944	65.940	-0.004	0.120		
Out of County						

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Children's Services	5.288	6.803	1.515	1.522	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by : 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
Education & Youth	3.745	4.286	0.541	0.533	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by : 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
Total Out of County	9.033	11.089	2.056	2.055		
Education & Youth						
Inclusion & Progression	4.094	3.995	-0.099	-0.082	Savings identified as part of in year spend review - Education Welfare Service due to delay in recruitment and PRU Management saving on training and capitation.	
Integrated Youth Provision	1.290	1.194	-0.097	-0.111	Underspends across the whole of the service identified through the challenge of non-essential spend	
School Improvement Systems	1.702	1.596	-0.106	-0.112	In year savings identified through the challenge of non-essential spend across School Improvement and Early Entitlement. A significant majority of the underspend relates solely to Early Entitlement due to demography and a reduction in the number of settings requiring funding.	
Minor Variances	1.447	1.403	-0.044	-0.027		
Total Education & Youth	8.533	8.188	-0.345	-0.331		
Schools	91.942	91.942	0.000	0.000		
Streetscene & Transportation						

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Service Delivery	8.558	8.874	0.316	0.289	The service has incurred additional revenue pressures from responding to and resolving flooding issues across the County. The impact of this has been previously reported in detail. The costs include the additional staffing costs towards responding to, and repairing the highway along with costs of plant and materials. Potential total cost up to £0.180m. The flooding has also impacted the capital programme creating an additional pressure of £0.350m for highway repairs. Previously reported pressures due to vandalism at Household Recycling Centres continues to be of concern and costs are now over £0.050m. The current cost incurred is running at around £0.005m each month and is ongoing. Managers are actively working to support the staff operating the sites and taking action to ensure the safety of the sites and the additional security has been provided at a cost of £0.007m per month. The levels of sickness absence experienced across the portfolio have not abated through January and has resulted in overall increased staffing costs of £0.095m.	
Highways Network	8.473	8.485	0.011	-0.022	Minor movements across the service.	
Transportation	8.598	9.574	0.976	0.979	The pressure in school transport costs are as a result of several factors across the service which have been previously reported in detail. Unfortunately, the commencement of new solo routes during December and January have resulted in an increase in costs offsetting the benefit of retendering routes. Increased transport provision to Social Services of £0.048m.	The Transportation service are looking to mitigate this pressure through a route optimisation exercise.
Regulatory Services	4.838	4.962	0.124	0.160	Car Parking Income continues to cause a pressure as income is not achieving budgeted levels by £0.200m. The waste strategy service is currently subject to review in respect of the seamless operation of disposals to Parc Adfer. Additional costs have been incurred in relation to the movement to full operation of the site. A tariff change by a third party purchaser in respect of recycling income has resulted in an additional pressure of £0.043m which was only notified at very short notice in December. Reduced staffing costs in the Business and Strategy team have assisted in moving the position positively at Month 10.	
Total Streetscene & Transportation	30.467	31.894	1.427	1.406		
Planning, Environment & Economy						
Business	1.582	1.638	0.056	0.048	Increasing service demands and expectations in relation to unlicensed and unsafe residential properties. Minor variances across the service.	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Development	0.030	0.010	-0.020	-0.065	Lower than expected levels of Planning Fee Income received in the during the month of January resulting in a reduced projected outturn, albeit it still remains in an over recovery position. The projection is dependant on the number and value of the applications received, resulting in a changeable outturn to ensure an accurate reflection.	
Access	1.337	1.407	0.071	0.063	Historic Income Target not realised due to cessation of Environment Single Revenue Grant in March, 2019 £0.027m. Service Review in Rights of Way resulting in increased staffing costs £0.028m Minor Variances £0.016m	
Management & Strategy	1.421	2.711	1.291	-0.072	Vacant posts across the service: Land Drainage and Planning Policy	
Minor Variances	1.528	0.175	-1.353	0.022		
Total Planning & Environment	5.897	5.941	0.044	-0.004		
People & Resources						
HR & OD	2.367	2.389	0.022	0.032	The launch of the salary sacrifice scheme for AVSC was undertaken earlier this year and all existing employees paying AVSC have been written to encouraging them to take up the scheme together with information for all staff via the infonet workforce news. To date only £0.009m has been achieved through this scheme and this has been estimated to a full year efficiency at £0.018m.	
Corporate Finance	2.073	2.081	0.009	0.014		
Total People & Resources	4.439	4.470	0.031	0.046		
Governance						
Legal Services	0.723	0.890	0.166	0.172	Overspend as a result of employing locums to March, 2020 covering absence to ensure continuing client service delivery in the area of child protection £0.146m; together with previous years efficiency target that was dependant on demand reduction in another service that has not occurred, thereby preventing the consequent achievement of the efficiency £0.091m. Total overspend is mitigated by higher than expected fee income and commitment challenge across the service £0.065m	
Internal Audit	0.834	0.787	-0.047	-0.049	Vacancy Savings	
Customer Services	0.726	0.672	-0.054	-0.039	Higher levels than anticipated for Citizenship Registration fees over recovery by £0.018m. Minor variances across the service £0.036m	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Revenues	0.197	-0.103	-0.300	-0.317	An early indication of a potential surplus on the Council Tax Fund, Revenues is projecting a favourable variance as a direct result of the ongoing review of council tax single person discount entitlements and the removal of discounts where taxpayers are determined as not entitled to the 25% discount. The review is still ongoing and the efficiency savings projection is based on current information at the time of reporting.	
Minor Variances	6.722	6.749	0.026	-0.000		
Total Governance	9.203	8.995	-0.208	-0.234		
Strategic Programmes						
Minor Variances	5.272	5.272	0.000	-0.000		
Total Strategic Programmes	5.272	5.272	0.000	-0.000		
Housing & Assets						
Property Asset And Development	0.443	0.378	-0.066	-0.042	Savings on salaries which are partly offset by provision for professional services	
Caretaking & Security	0.263	0.212	-0.051	-0.050	Savings identified arising from the review and challenge of non-essential spend, of which £0.034m relates to staff cost savings from vacancies and reduced overtime payments. A further £0.015m saving on R and M of buildings arose from the challenge of non essential spend making a total of £0.049m for this service, with the remaining £0.001m relating to other minor savings.	Continue to review and challenge all non essential spend in future months.
CPM & Design Services	0.673	0.594	-0.079	-0.079	Mainly due to a surplus of income recovered via Service Level Agreements (SLAs) and also £0.012m arising from the review and challenge of non-essential spend.	Continue to review and challenge all non essential spend in future months.
Centralised Costs	2.668	2.598	-0.070	0.000	One-off benefit of part occupation relief for NDR at County Hall, Mold following full vacation of Phases 3 and 4	
Benefits	11.566	11.242	-0.324	-0.328	Projected underspend on the Council Tax Reduction Scheme (CTRS) of -£0.480m, which is partly offset by other service pressures including Postages (+£0.050m) and Discretionary Housing Payments (+£0.058m) and other minor variances amounting to a net +£0.048m.	
Housing Solutions	1.044	0.965	-0.079	-0.188	Management savings due to ongoing vacancies and savings on Bed and Breakfast accommodation charges due to the success and effectiveness of use of temporary accommodation.	Continue to monitor and review
Minor Variances	-1.485	-1.437	0.049	0.072		
Total Housing & Assets	15.171	14.551	-0.620	-0.615		
Chief Executive's	2.760	2.634	-0.126	-0.129	Vacant Posts across the service	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Central & Corporate Finance	22.688	22.060	-0.628	-0.648	Over recovery of planned pension contributions recoupment against actuarial projections due to pay award increase, mitigated by the under achievement of Income efficiencies and Workforce efficiencies.	
Grand Total	271.350	272.975	1.625	1.666		

APPENDIX A

2019/20 Efficiencies Outturn Tracker (Month 10)									
Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Confidence in Achievement of Efficiency - Based on (see below) R = High Assumption A = Medium Assumption G = Figures Confirmed	Reason for variation	Mitigating Action if Amber or Red	
Portfolio		2019/20 £m	2019/20 £m	2019/20 £m					
Corporate									
Minimum Revenue Provision	Change in accounting Policy for MRP	Liz Thomas	1.400	1.400	0.000	C	G	N/A	N/A
New Income Targets* (See below for further breakdown)	Additional Income Target 19/20	All	0.100	0.000	(0.100)	O	A	See income analysis below	
Management of Workforce and Inflation cost pressures	Corporate Financing Efficiency for Pensions/Auto Enrolment & 17/18 Inflation	Gary Ferguson	1.144	1.144	0.000	C	G	N/A	N/A
Workforce Terms and Conditions	Essential Car User Allowance/Travel/AVC	Sara Dulson/Sharon Carney	0.250	0.100	(0.150)	O	A	To be confirmed	Full impact will need to be assessed during the financial year
ADM Subsidies		Rachael Corbelli	0.400	0.285	(0.115)	C	G	Agreed re-profiling of subsidy reduction	
Reduction in Corporate Management Costs		Joanne Pierce	0.250	0.256	0.006	C	G	£0.256m achieved to date though further efficiencies from CO post (Oct-March) may be achieved pending confirmation of resourcing	N/A
HRA/Council Fund Recharges		Rachael Corbelli	0.158	0.158	0.000	O	G		
Newsletter & Promotions		Karen Armstrong	0.029	0.029	0.000	O	G		
Workforce Reduction		Karen Armstrong	0.015	0.015	0.000	O	G		
IT Infrastructure		Gareth Owen	0.097	0.097	0.000	O	G		
Democratic Services		Gareth Owen	0.009	0.009	0.000	O	G		
Total Corporate Services			3.852	3.493	(0.359)				
Social Services									
Domiciliary Care Charging Cap		Neil Ayling	0.264	0.264	0.000	O	G		
Business Systems Mobiles and Hardware			0.005	0.005	0.000	O	G		
Older Peoples Day Services			0.020	0.020	0.000	O	G		
Reduction in Voids			0.025	0.025	0.000	O	G		
Regional Efficiency			0.020	0.020	0.000	O	G		
Strategic Use of Grants			0.170	0.170	0.000	O	G		
Telecare			0.010	0.010	0.000	O	G		
Deferral of Recruitment			0.050	0.050	0.000	O	G		
Social Care Additional Funding			1.410	1.303	(0.107)	C	G	Grant allocation of £1.303m advised by WLGA	
Children's Services Additional Funding			0.110	0.000	(0.110)	O	A	Grant allocated to National Adoption Service arrangement with WCBC as lead - funding being fully spent on new staff	
Regional Allocation Health and Social Care			0.705	0.639	(0.066)	O	G	ICF funding £0.639m for Children's Services Edge of Care and complex needs	
Total Social Services			2.789	2.506	(0.283)				
Education & Youth									
Integrated Youth Provision			0.014	0.014	0.000	O	G		
School Planning and Provision			0.005	0.005	0.000	O	G		
School Improvement Systems			0.058	0.058	0.000	O	G		
Gwe Efficiency			0.006	0.006	0.000	O	G		
Total Education & Youth			0.083	0.083	0.000				
Housing & Assets									
Housing Solutions; Reduction to temporary accommodation		Jenny Griffiths	0.030	0.030	0.000	O	G		
Housing Programmes; Reductions in bond applications		Mel Evans	0.005	0.005	0.000	O	G	Delay to reviewing processes	
Total Housing & Assets			0.035	0.035	0.000				
Streetscene & Transportation									
School Transport		Anthony Stanford	0.100	0.000	(0.100)	C	R	Decision not to review historic transport anomalies in year.	Impact of not achieving the efficiency included in the Additional School Transport Costs range in the Month 2 report.
Review Security Arrangements in depot		Katie Wilby	0.005	0.005	0.000	O	G		
Total Streetscene & Transportation			0.105	0.005	(0.100)				
Planning, Environment & Economy									
Service Review - Trading Standards		Sian Jones	0.035	0.035	0.000	O	G		
Supplies and Services review		Lynne Fensome	0.005	0.005	0.000	O	G		
Regeneration review of spending		Niall Waller	0.023	0.023	0.000	O	A		
Greenfield Valley Management Fee (10% £68k)		Tom Woodall	0.007	0.007	0.000	O	G		
Minerals & Waste shared service		Gary Nancarrow	0.005	0.005	0.000	O	A		
Total Planning, Environment & Economy			0.075	0.075	0.000				
Total 2019/20 Budget Efficiencies			6.939	6.197	(0.742)				

Less Previously agreed Decision	Agreed Re-profiling of Subsidy - AURA	(0.115)		0.115
Revised 2019/20 Budget Efficiencies		<u>6.824</u>	<u>6.197</u>	<u>(0.627)</u>

		%	£
Total 2019/20 Budget Efficiencies		100	6.939
Total Projected 2019/20 Budget Efficiencies Underachieved		-11	(0.742)
Total Projected 2019/20 Budget Efficiencies Achieved		89	6.197
Total 2019/20 Budget Efficiencies (Less Previously agreed Decisions)		100	6.824
Total Projected 2019/20 Budget Efficiencies Underachieved		-9	(0.627)
Total Projected 2019/20 Budget Efficiencies Achieved		91	6.197

* New Income Targets	£m	
Income Target Efficiency from Previous Years	(0.207)	
Income Efficiency 19/20	(0.100)	
Total Income Efficiency	<u>(0.307)</u>	

	Efficiency 2019/20	Amount Achieved 2019/20	(Under)/Over Achievement 2019/20
	£m	£m	£m
19/20 New Income Efficiencies from Business Planning			
Corporate			
Graphics Income	(0.005)	(0.005)	0.000
Management Recharge	(0.016)	(0.016)	0.000
Social Services			
Integrated Services	(0.010)	(0.010)	0.000
Workforce Development Income	(0.005)	(0.005)	0.000
Streetscene			
Income from external works within fleet services	(0.010)	(0.010)	0.000
Garden Waste Charges	(0.050)	(0.050)	0.000
Bereavement Services (01.10.19 to 31.03.20)	(0.003)	(0.003)	0.000
Planning, Environment & Economy			
Planning Fee Income	(0.025)	(0.025)	0.000
Countryside & Conservation	(0.023)	(0.023)	0.000
Business & Community - Food Safety, Taxi Licences, Pest Control & Weights & Measures (01.10.19 to 31.03.20)	(0.010)	(0.010)	0.000
Total 19/20 Income Efficiency	<u>(0.157)</u>	<u>(0.157)</u>	<u>0.000</u>
Total Balance Remaining	<u>(0.150)</u>		

New against target due to increase in fees from 1/10/19
Remaining amount is from from BP efficiencies in 19/20 budget

Appendix 4

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2019	14.021	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		8.252
Less - amount committed as part of balancing 2019/20 budget		(2.221)
Less - amount approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB)		(0.062)
Less - amount approved for investment in change		(1.000)
Less - allocation for ongoing resourcing of the Victim Contact Team		(0.100)
Less - projected outturn overspend		1.625
Total Contingency Reserve available for use		3.244

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(36.239)	(36.244)	(0.006)	0.140	There is a projected efficiency of £0.006m on income. Of this pressure, £0.128m relates to loss of rental income on void properties, £0.084m relates to void water charges and £0.052m relates to loss of income on garages which are not tenanted. Additional rental income due to the handover of new properties is projected to be (£0.065m). Adjustment to Bad Debt Provision based on current levels of debt (£0.160m) and underspend of in year budget set aside for bad debts (£0.070m). The remaining £0.025m relates to other minor variances.	
Capital Financing - Loan Charges	8.380	8.380				
Estate Management	1.707	1.644	(0.063)	(0.036)	Additional expenditure of £0.051m is anticipated during the year in respect of the purchase of software. Salaries efficiency arising from vacancy savings and grant recharges of (£0.109m). Other minor variances of (£0.005m).	
Landlord Service Costs	1.429	1.398	(0.031)	(0.027)	Net saving in respect of the gardening and hedge cutting contract and other subcontractor expenditure of (£0.052m). Other minor variances £0.021m.	
Repairs & Maintenance	8.560	8.519	(0.041)	(0.046)	Saving in respect of DLO salaries of (£0.060m). Increase in Fleet charges £0.23m. Other minor variances (£0.004m).	Continue to monitor and review.
Management & Support Services	2.442	2.518	0.076	0.070	Anticipated additional expenditure of £0.230m in respect of insurance excesses which will be partially mitigated by salary savings of (£0.077m), a reduction in IT expenditure of (£0.035m), reduced training costs of (£0.010m) and other minor variances of (£0.032m).	
Capital Expenditure From Revenue (CERA)	13.717	13.717				
HRA Projects	(0.155)	(0.153)	0.003	0.001	Minor variances.	
Contribution To / (From) Reserves	0.158	0.220	0.062	(0.103)	Increased contribution to reserves of £0.062m arising from cumulative savings from across the HRA.	
Total Housing Revenue Account	(0.000)	(0.001)	(0.000)	0.000		