

CABINET

Date of Meeting	Tuesday 25 th April, 2023
Report Subject	Revenue Budget Monitoring Report 2022/23 (Month 11)
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position for the Council Fund and Housing Revenue Account for the financial year 2022/23 and presents the position, based on actual income and expenditure as at Month 11.

Council Fund

- An operating surplus of (£2.106m) (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of (£1.413m) from the figure of (£0.693m) reported at Month 10.
- A projected contingency reserve available balance as at 31 March 2023 of £8.364m.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £2.839m higher than budget
- A projected closing balance as at 31st March, 2023 of £3.635m

We have continued to claim payments totalling £4.8m in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments and Winter Fuel Payments within their eligible periods.

RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2022/23 budget.
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2	To approve the carry forward requests included in Appendix 6
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REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2022/23
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position as at Month 11 is as follows:</p> <ul style="list-style-type: none"> • An operating surplus of (£2.106m) (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of (£1.413m) from the figure of (£0.693m) reported at Month 10. • A projected contingency reserve available balance as at 31 March 2023 of £8.364m. <p>To assist with managing risks and maximising the financial resources available to the Council, a review of non-essential spend and a vacancy management process has continued throughout the year.</p>
1.02	<p>We have continued to claim payments totalling £5.3m in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments and Winter Fuel Payments within their eligible periods.</p>

1.03

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	79.985	80.006	0.021
Out of County Placements	15.101	15.772	0.671
Education & Youth (Non Schools)	10.323	9.935	(0.388)
Schools	108.376	108.376	0.000
Streetscene & Transportation	39.931	41.050	1.120
Planning, Environment & Economy	7.222	6.802	(0.419)
People & Resources	4.670	4.610	(0.060)
Governance	11.281	10.841	(0.440)
Strategic Programmes	6.116	6.185	0.069
Assets	1.034	0.780	(0.255)
Housing & Communities	14.964	14.973	0.009
Chief Executive	1.692	1.599	(0.093)
Central & Corporate Finance	25.987	23.646	(2.341)
Total	326.682	324.576	(2.106)

1.04

The reasons for the projected variances are summarised within Appendix 1 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.

Significant Movements from Month 10

1.05

Social Services (£0.391m)

The net favourable movement comprises:

Older People:

- Localities £0.055 - Residential care costs have increased by £0.132m due to demand. Domiciliary care costs have reduced by £0.058m and workforce costs have decreased by £0.025m due to vacancies. The remaining balance of £0.006m is due to minor variances.
- Resources & Regulated Services (£0.060m) – Extra Care service costs have reduced by (£0.079m) due to an additional (£0.047m) of Regional Integration Fund (RIF) funding and a reduction in workforce and supplies costs of £0.032m. There were minor adverse variances of £0.012m for day centres and £0.009m for homecare.

	<p>Adults of Working Age:</p> <ul style="list-style-type: none"> Resources & Regulated Services (£0.136m) – This is the net change for Disability Services care package costs. There has been recoupment of surpluses on Direct Payment accounts of £0.080m and additional RIF allocation of £0.067m Professional & Administrative Support (£0.027m) – Vacancy savings have increased due to posts not being filled. Supporting People (£0.043m) – A further allocation from Supporting People funding has been received Residential Placements (£0.066m) – Net reduction on care package costs supporting people with mental ill health. Professional Support (£0.040m) – An additional £0.025m contribution towards a post has been received from Health (BCUHB). <p>Children’s Services:</p> <ul style="list-style-type: none"> Legal and Third Party (£0.034m) - Children and Young People RIF slippage has been allocated against Direct Payments. Residential Placements (£0.041m) –Welsh Government grant slippage has been allocated against a Flintshire Family Project contract. Professional Support (£0.063m) - Projected adoption costs are unlikely to be incurred this financial year due to length of time for these to be completed. In addition, there has been some additional grant funding allocated to previously reported costs. <p>Safeguarding & Commissioning:</p> <ul style="list-style-type: none"> Business Systems & Financial Assessments £0.097m – Additional software costs for the first two payments of a new Social Services finance system plus project management costs. Safeguarding Unit £0.025m – This is the net result of a number of minor variances within this service for example an increase in workforce costs of £0.009m and a £0.005m increase in liberty safeguard assessment fees. Good Health (£0.049m) – This variance is mostly due to receipt of a Welsh Government grant of £0.040m for previously incurred costs. <p>Further minor variances across the Portfolio account for the remainder of the movement totalling (£0.006m).</p>
1.06	<p>Out of County Placements (£0.295m)</p> <p>The movement relates to:</p> <ul style="list-style-type: none"> Children’s Services (£0.230m) – Impact of allocation of (£0.285m) from Regional Integration Fund offset by costs of new placement and other rate changes Education & Youth (£0.065m) - Removal of remaining contingency provision
1.07	<p>Planning Environment & Economy £0.088m</p>

	<p>The movement relates to:</p> <ul style="list-style-type: none"> • Additional costs for Ash Die Back works and Rights of Way £0.054m committed to 31st March 2023. <p>Minor variances across the Portfolio account for the remainder £0.034m.</p>
1.08	<p>Governance £0.115m</p> <p>The movement relates to the carry forward requests within the ICT service £0.098m, and Revenues £0.050m (Appendix 6 refers)</p> <p>Minor variances across the Portfolio account for the remainder (£0.033m).</p>
1.09	<p>Assets (£0.183m)</p> <p>The favourable movement relates to the receipt of additional Design Service fee income (£0.153m).</p> <p>Minor variances across the Portfolio account for the remainder (£0.030m).</p>
1.10	<p>Central & Corporate (£0.841m)</p> <p>The positive movement relates to:</p> <ul style="list-style-type: none"> • One off windfall income from NDR savings (£0.558m). The Valuation Office Agency (VOA) have recently reduced rateable values on a number of schools, some of which are effective from April 2017 • Further reduction in short-term borrowing costs in the Central Loans & Investment Account (CLIA) in addition to increasing income from temporary investments in line with rising bank interest rates (£0.250m). <p>Minor movements account for the remainder (£0.036m).</p>
1.11	<p>There are a number of minor variances across the other Portfolios each below £0.050m that account for the remainder of the overall movement £0.093m.</p>
1.12	<p>Carry Forward Requests</p> <p>Some requests to carry forward funding into the 2023/24 financial have been received and are recommended for approval (See Appendix 6)</p>
1.13	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.14	<p>Council Tax Income</p> <p>'In-year' Council Tax collection levels, up to February 2023, are 96.1% compared to 96.6% in the previous year. Collections remain challenging as</p>

	<p>the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time.</p>
1.15	<p>Pay Award (Teacher and Non-Teacher)</p> <p>The offer from the National employers for NJC employees of £1,925 on all spinal column points has now been accepted with back pay made to employees in November. This equated to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p> <p>The Minister for Education has previously confirmed the pay award for teachers at 5%. However, negotiations on a further supplementary allocation are still ongoing.</p> <p>The Council has provided for an uplift of 3.5% for Teaching and Non-Teaching staff – the increase above this level requires the Council to utilise reserves to fund the difference in the current financial year. Additional funding is expected to be available from Welsh Government for the supplementary allocation to Teachers.</p> <p>The impact on 2022/23 is as follows: The in-year additional cost to date of the 2022/23 pay awards that have been met from reserves is £3.955m after taking into account the reversal of the additional 1.25% rate of National Insurance (NI) from November.</p>
1.16	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.17	<p>Medium Term Financial Strategy (MTFS) Impact</p> <p>The Council met to approve a balanced budget for 2023/24 on 23 February 2023.</p> <p>The budget report included an updated medium-term position for 2024/25 and 2025/26 and work on this will continue over the coming months.</p> <p>All Portfolios consider their financial 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.</p>
1.18	<p>Out of County Placements</p> <p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs.</p>
1.19	<p>Benefits</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.713m below budget.</p>

	<p>There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future. There is a significant pressure on recovery of overpayments which is a combination of a shortfall of recovery against the level of income target budget which is partly influenced by lower number of overpayments occurring, and also the need to increase the bad debt provision on historic debt.</p>
1.20	<p>Homelessness</p> <p>The service demand currently impacting on 2022/23 outturn will continue into 2023/24 and a pressure of £1.000m has been approved in the 2023/24 budget to reflect this.</p>
1.21	<p>School Transport</p> <p>Increased costs currently impacting on 2022/23 outturn will continue into 2023/24 and a pressure has been included in the 2023/24 budget to reflect this.</p>
1.22	<p>Winter Maintenance</p> <p>Due to some severe weather events over the period December to March, spend is anticipated to exceed the £0.846m annual budget. Therefore, there is likely to be a required drawdown of £0.200m-£0.250m from the Winter Maintenance Reserve in 2022/23.</p> <p>Cabinet approved last month a 'top up' of £0.200m to the Winter Maintenance Reserve to mitigate the risk of increasing costs from more severe winter weather in future years.</p>
1.23	<p>Waste Recycling Infraction Charge</p> <p>Due to the Council not meeting the statutory minimum target for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010 (64%) in 2021/22 - Welsh Government can now take steps to impose a penalty on the Council by way of an infraction fine.</p> <p>A penalty of up to £0.663m has been confirmed so presents a significant financial risk to the Council. Discussions have taken place in March between Welsh Government and the Council as to the reasons for not achieving the target and a decision is still awaited as to whether the penalty will be levied.</p>
1.24	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2022/23 budget contains £1.341m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2022/23 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year</p> <p>It is projected that all efficiencies will be achieved in 2022/23 and further details can be seen in Appendix 3.</p>

1.25	<p>Unearmarked Reserves</p> <p>The final level of Council Fund Contingency Reserve brought forward into 2022/23 was £7.098m as detailed in the 2021/22 outturn report.</p> <p>After taking into account the projected outturn and previously approved allocations there is a projected contingency reserve available as at 31 March 2023 of £8.364m.</p> <p>In addition, the Council set-aside a further £3.250m to the carried forward £2.066m COVID-19 Emergency Reserve being a total of £5.316m as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).</p> <p>Some claims for March 2022 were disallowed by WG and Internal claims for Quarter 1, 2 and 3 have been made in 2022/23 relating to additional costs in Schools, Streetscene & Transportation and for income losses within AURA and Holywell Leisure Centre. These currently total £1.706m and the balance on the COVID-19 Emergency Reserve is currently £3.610m.</p>
1.26	<p>Housing Revenue Account</p> <p>The 2021/22 Outturn Report to Cabinet on 12 July 2022 showed an un-earmarked closing balance at the end of 2021/22 of £3.616m and a closing balance of earmarked reserves of £1.622m.</p>
1.27	<p>The 2022/23 budget for the HRA is £37.755m which includes a movement of £2.858m to reserves.</p>
1.28	<p>The monitoring for the HRA is projecting in year expenditure to be £2.839m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.635m, which at 9.77% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers.</p>
1.29	<p>The monthly movement of (£0.263m) from Month 10 is as follows:</p> <ul style="list-style-type: none"> • Estate Management (£0.037m) – Reduction in Agency costs (£0.020m) and minor movements (£0.017m) • Debt Management (£0.208m) – Reduction in Interest charge forecasted <p>Minor movements account for the remainder (£0.018m).</p>
1.30	<p>The budget contribution towards capital expenditure (CERA) is £10.898m with the actual contribution projected to be £13.755m at outturn.</p>

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

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

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 10 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances Appendix 6: Carry Forward Requests

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

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

8.00	GLOSSARY OF TERMS
8.01	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. Council Fund: the fund to which all the Council's revenue expenditure is charged. Financial Year: the period of twelve months commencing on 1 April.

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

Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.

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

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

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

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

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

Budget Monitoring Report
Council Fund Variances

MONTH 11 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.055	Residential care costs have increased by £0.132m due to demand. Domiciliary care has reduced by £0.058m and workforce budgets have decreased by £0.025m due to post vacancies. The movement balance of £0.006m is due to minor variances.
Resources & Regulated Services	-0.060	The Extra Care service has reduced by (£0.079m) due to an additional (£0.047m) of RIF funding and a reduction in workforce and supplies costs of (£0.032m). There were minor variances of £0.012m for day centres and £0.009m for homecare.
Impact of Covid-19	0.000	
Minor Variances	-0.003	
Adults of Working Age		
Resources & Regulated Services	-0.136	This is the net change for Disability Services care package costs. There has been recoupment of surpluses on Direct Payment accounts of £0.080m and additional RIF allocation of £0.067m
Professional and Administrative Support	-0.027	Vacancy savings have increased due to posts not being filled.
Supporting People	-0.043	A further allocation from Supporting People funding has been received
Residential Placements	-0.066	Net reduction on care package costs supporting people with mental ill health.
Professional Support	-0.040	An additional £0.025m contribution towards a post has been received from BCUHB.
Minor Variances	-0.027	
Children's Services		
Legal & Third Party	-0.034	Children and Young People RIF slippage has been allocated against Direct Payments.
Residential Placements	-0.041	Welsh Government grant slippage has been allocated against a Flintshire Family Project contract.
Professional Support	-0.063	Projected adoption costs are unlikely to be incurred this financial year due to length of time for these to be completed. In addition there has been some grant funded built in against previously reported costs.
Minor Variances	-0.035	
Safeguarding & Commissioning		
Business Systems & Financial Assessments	0.097	Additional software costs for the first two payments of a new Social Services finance system plus project management costs.
Safeguarding Unit	0.025	This is the net result of a number of minor variances within this service for example an increase in workforce costs of £0.009m and a £0.005m increase in liberty safeguard assessment fees.
Good Health	-0.049	This variance is mostly due to receipt of a Welsh Government grant of £0.040m for which previously incurred costs have been allocated against.
Impact of Covid-19	0.002	
Minor Variances	0.055	
Total Social Services (excl Out of County)	-0.391	
Out of County		
Children's Services	-0.230	Impact of allocation of £0.285m from Regional Integration Fund due to slippage offset by costs of new placement and other rate changes
Education & Youth	-0.065	Removal of remaining contingency provision
Total Out of County	-0.295	
Education & Youth (Non-Schools)		
School Improvement Systems	-0.056	Favourable movement in the Early Entitlement service due to a combination of £30k maximisation of Early Years Pupil Development Grant against established staff and £19k Demography due to Spring Term 23 payments to non-maintained settings being less than anticipated, despite the hourly increase from £4.50 to £5.00
Archives	0.025	Increased costs of recharge from Denbighshire CC re. joint service arrangements
Minor Variances	0.053	
Total Education & Youth (Non-Schools)	0.022	
Schools	-0.000	

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Streetscene & Transportation		
Other Minor Variances	-0.009	
Total Streetscene & Transportation	-0.009	
Planning, Environment & Economy		
Access	0.054	Additional costs for Ash Die Back works and Rights of Way
Impact of Covid-19	0.000	
Minor Variances	0.035	
Total Planning & Environment	0.088	
People & Resources		
HR & OD	0.035	Additional costs for Course/Training Providers
Corporate Finance	0.012	
Total People & Resources	0.047	
Governance		
ICT	0.098	Movement as a result of the carry forward requests £0.075m and £0.036m mitigated in part by vacancy savings and commitment challenge
Revenues	0.028	Movement includes carry forward request £0.050m mitigated by vacancy savings and fee income
Minor Variances	-0.011	
Total Governance	0.115	
Strategic Programmes		
Minor Variances	0.008	
Total Strategic Programmes	0.008	
Assets		
CPM & Design Services	-0.153	Additional fee income earned above budgeted amount
Minor Variances	-0.030	Cumulative variances across the service
Total Assets	-0.183	
Housing and Community		
Minor Variances	0.011	
Total Housing and Community	0.011	
Chief Executive's	0.015	
Central & Corporate Finance	-0.851	At Month 11, receipt of NDR Revaluation Windfall from Flintshire Schools (£0.558m), further reduction in short term borrowing costs due to increasing income from investments in line with rising bank interest rates
Soft Loan Mitigation	0.010	
Grand Total	-1.413	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services							
Older People							
Localities	20.868	20.385	-0.483		-0.538	The commissioned Older People Domiciliary and Direct Payment budget is projecting a £0.979m underspend based on current level of demand. There continues to be recruitment and retention challenges within the care sector which limits the amount of homecare that can be commissioned. The residential care budget is projecting a £0.461m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund (RIF) contributions and property income. The Localities workforce budget is expected to overspend by £0.016m. There is an underspend on Day Care of £0.032m and an overspend of £0.050m on the Minor Adaptations budget.	
Regional Integration Fund	0.000	0.151	0.151		0.151	The Step Down Regional Integration Fund (RIF) scheme, which enables quicker hospital discharges by placing people into short term care before they can return home safely, has been spent in full and additional funding has not been provided.	
Resources & Regulated Services	9.472	9.422	-0.050		0.010	In-house residential care is expected to overspend by £0.095m due to employee and running costs and in-house homecare is estimated to underspend by £0.066m. The Extra Care budget is underspent by £0.026m and day care by £0.053m.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	1.315	1.312	-0.002		0.001		
Adults of Working Age							
Resources & Regulated Services	29.890	30.215	0.325		0.461	The PDSI (physically disabled and sensory impaired) budget is reporting a £0.092m overspend due to net costs of care packages. The in-house supported living service is £0.427m overspent, there have been significant recruitment challenges which have lead to increased agency costs, additionally there has been increased hours of support required due to care needs. The day care and workscheme budget is underspending by £0.009m. Learning Disability care package costs are £0.186m under budget.	
Children to Adult Transition Services	0.951	1.067	0.116		0.115	These are the costs of care for young adults who are transferring to Adult Social Care services from Childrens Services within this financial year. Care costs are initially estimated but once services have been confirmed the actual costs may be different.	
Professional and Administrative Support	0.439	0.373	-0.065		-0.038	Savings from vacant posts	
Transition & Disability Services Team	0.847	0.766	-0.081		-0.058	There has been an allocation of RIF funding towards a post	
Supporting People	-0.323	-0.460	-0.137		-0.094	Additional Supporting People funding has been allocated within this financial year	
Residential Placements	1.956	2.386	0.430		0.496	Overspend is due to the net cost of care packages to support people with mental ill health	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	3.115	3.031	-0.084		-0.040		
Children's Services							
Family Placement	2.862	2.705	-0.156		-0.136	Reduced numbers of in-house foster carers are resulting in lower costs, however this will mean an increased number of Independent Foster Agency placements, which are more expensive, within the Out of County budget.	
Family Support	0.403	0.478	0.075		0.094	Costs are based upon the current activity levels over the last few months and projected forward for the rest of the year. Employee costs, which are mostly sessional staff, are the primary cost driver for this service.	
Legal & Third Party	0.232	0.605	0.373		0.407	Legal costs are overspent by £0.222m due to the number of cases going through the courts and some use of external legal professionals. Direct Payments are subject to high demand and are overspending by £0.151m.	
Residential Placements	1.312	0.641	-0.672		-0.630	The in-year opening of in-house Childrens Residential Care settings will mean one off cost savings. There are also a number of Welsh Government grants being used to offset expenditure.	
Professional Support	6.447	6.972	0.525		0.588	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies need to be minimised and additional temporary posts are sometimes required to meet the challenges and demand of Childrens Services.	
Minor Variances	0.717	0.718	0.002		-0.003		
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.906	1.061	0.156		0.059	There are additional costs for an IT system upgrade and also for development of a Social Services finance system. There are also temporary uplift in hours and additional support assistants, which is being funded from the underspend projected in the Business Support Service.	
Charging Policy income	-3.104	-3.182	-0.078		-0.081	Income is generated by demand for chargeable services and based upon each individuals ability to pay resulting from a financial assessment.	
Business Support Service	1.282	1.226	-0.056		-0.072	The underspend is due to vacant posts which are highly unlikely to be recruited to this financial year.	
Finance /Deputyship	0.027	0.079	0.052		0.041	There is an overspend on workforce costs for £0.027m and a shortfall in projected income of £0.022m plus minor variances equalling £0.003m.	
Safeguarding Unit	1.344	1.153	-0.191		-0.216	A consultation for updated Liberty Protection Safeguard legislation continues to be undertaken. Due to the delay in implementing the legislation there will be an in-year saving. In addition there has been some Welsh Government grant funding to offset in-year costs.	
Good Health	0.748	0.691	-0.057		-0.008	Welsh Government have provided an in-year grant of £0.040m which is offsetting costs within this service.	
Impact of Covid-19	0.000	-0.018	-0.018	-0.018	-0.020		

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	-1.721	-1.771	-0.050		-0.105		
Total Social Services (excl Out of County)	79.985	80.006	0.021	-0.015	0.412		
Out of County							
Children's Services	10.097	11.193	1.095		1.325	The projected overspend reflects significant additional demands on the service in the year to date with 37 new placements having been made in the year to date - most of which are high cost residential placements. The projection now includes an allocation of £0.285m from the Regional Integration Fund due to slippage on other projects	
Education & Youth	5.004	4.579	-0.424		-0.360	The latest underspend reflects projected costs for the current cohort of placements and there have been 26 new placements in the year to date with further new placements also likely to emerge in the remainder of the year, for which contingency provision of £0.050m has been made.	
Total Out of County	15.101	15.772	0.671	0.000	0.966		
Education & Youth (Non-Schools)							
Inclusion & Progression	5.496	5.489	-0.008		-0.005	Small variance within the service resulting from a budget c/f request for the underspend, which has occurred by utilising all grants to offset core budget and staff vacancies throughout the year. A c/f request of £280k for the Inclusion service has been agreed. A significant cost pressure has been identified as a portfolio risk. This c/f is required to support the education of pupils who are not attending school, either due to medical difficulties, inc mental health and anxiety, permanent exclusion and the lack of available specialist provision. There is an anticipated £300k pressure for 23-24 and the c/f would help to mitigate some of this pressure. A further £95k c/f has been requested from the EAL/Traveller service. This c/f is required to support schools in enabling them to meet the needs of a large number of children who have experienced Trauma, including the refugee learners, Looked After Children etc. The work will be part of the Corporate Strategy, to ensure that all schools are fully informed and are able to implement Trauma Informed Practice. The aim is to improve wellbeing, reduce exclusions and to increase attendance. Plas Derwen have also submitted a budget c/f request for £35k to use towards the cost of hiring two minibuses. This will enable students to continue to access a range of alternative curriculum activities to support their educational packages. Total budget c/f request = £410k	
Integrated Youth Provision	1.042	0.997	-0.044		-0.068		
Youth Justice	0.335	0.323	-0.012		-0.032		

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.909	1.637	-0.272		-0.216	Favourable variance relates to several Welsh Government Grants that are being used against core staff within Early Entitlement and School Improvement Service. Movement of £49k in the Early Entitlement service as a result of maximising further grant against established staff and non maintained payments to settings for the Spring Term have also been lower than anticipated.	
School Planning & Provision	0.694	0.620	-0.074		-0.078	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	2.223	2.189	-0.034		-0.111		
Total Education & Youth (Non-Schools)	10.323	9.935	-0.388	0.000	-0.410		
Schools	108.376	108.376	0.000		0.000		
Streetscene & Transportation							
Service Delivery	10.273	10.557	0.283		0.273	The service has a recurring revenue pressure of £0.100m for security costs due to vandalism/break-ins at the Household Recycling Centres. Street lighting is also incurring a £0.070m revenue pressure on the community council income budget. The remaining £0.100m is attributable to high sickness levels/agency costs. The service is also expected to cover costs of £0.060m related to the State Funeral and Proclamation Events. The overall overspend is partially offset by additional income achieved through in-house construction work.	
Highways Network	8.165	8.631	0.466		0.478	Highways is incurring a Revenue pressure of £0.400m in Fleet services as a result of rising fuel costs. An additional £0.050m is due to an increase in contractor costs for weed spraying following recommendations made at Scrutiny Committee, which cannot be covered by existing budgets.	
Transportation	10.354	10.803	0.448		0.450	Local bus subsidy is incurring additional overspend of £0.100m due to Park and Ride Service and Service 5 re-procurement. School Transport is incurring a revenue pressure of £0.090m, due to a shortfall in budget for 3 school days driven by Easter timelines in this financial year. Additional pressure of £0.200m in School Transport due to additional routes (PRUs/ALN) for 6 routes in total equating to £2,700 extra per day. School Transport is also facing an additional revenue pressure of £0.030m due to capacity issues on a commercial bus service. Any further cost increases due to rising transport operator costs (fuel, driver wages, insurance, energy etc.) will be closely monitored.	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Regulatory Services	11.138	11.060	-0.078		-0.072	The Service is incurring £0.060m revenue pressure due to increased residual waste tonnages, which is creating a risk in achieving WG Recycling Targets. The overspend is largely offset by an underspend of £0.053m due to vacancies within the service, increased rebate rates for the sale of electricity, recycling income and car parking income, which has increased income by £0.064m, including other minor variances with reduction in recycling disposal costs of £0.030m.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Holding Accounts	0.000	0.000	0.000		0.000		
Other Minor Variances	0.000	0.000	0.000		0.000		
Total Streetscene & Transportation	39.931	41.050	1.120	0.000	1.129		
Planning, Environment & Economy							
Community	0.973	1.038	0.064		0.061	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.203	-0.458	-0.661		-0.673	Favourable variance based on projected over recovery of Fee Income which includes the receipt of two high value one off Planning Fee each approx £0.300m	
Access	1.529	1.713	0.184		0.130	Adverse variance relates to the projected costs of Ash Die Back to March, 2023, together with historic grant income target not realised	
Regeneration	0.835	0.745	-0.090		-0.089	Savings from vacant posts and expenditure on Wales Rally GB not realised as previously anticipated.	
Management & Strategy	1.411	1.482	0.071		0.052	The new Agile Case Management System requiring a commitment for a potential renewal of the contract with Civica for a further one year use of Flare.	
Minor Variances	2.269	2.282	0.013		0.012		
Total Planning & Environment	7.222	6.802	-0.419	0.000	-0.508		
People & Resources							
HR & OD	2.412	2.471	0.059		0.024	Variance relates to the Historic Business Efficiency Income Target for DBS Checks unachieved, mitigated by minor favourable movements	
Corporate Finance	2.257	2.139	-0.119		-0.131	Variance includes the receipt of a 50% Welsh Government Admin Grant for administering the Free School Meals Programme together with staff savings from vacant posts	
Total People & Resources	4.670	4.610	-0.060	0.000	-0.107		
Governance							
Legal Services	0.934	1.043	0.110		0.097	Additional costs for locum services covering vacant posts	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Democratic Services	2.468	2.378	-0.090		-0.084	Variance as a result of the Members Allowances new rate not being implemented until May, 2022 and lower than anticipated take up of both Broadband and Pension Allowances (£0.108m) ; mitigated by the inception of the new Climate Change Committee Chair person Allowance plus minor variances across the service	
Internal Audit	1.050	0.969	-0.082		-0.086	Vacancy savings together with revised/reduced projected cost for Postage within Central Despatch	
Revenues	0.295	-0.051	-0.346		-0.374	The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.312m) based on current information; minor variance across the service	
Impact of Covid-19	0.000	0.001	0.001	0.001	0.001		
Minor Variances	6.535	6.501	-0.033		-0.108		
Total Governance	11.281	10.841	-0.440	0.001	-0.555		
Strategic Programmes							
ADM's & CAT's	6.069	6.138	0.068		0.061	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.018m minor variances.	
Minor Variances	0.047	0.047	0.000		-0.000		
Total Strategic Programmes	6.116	6.185	0.069	0.000	0.061		
Assets							
Caretaking & Security	0.314	0.259	-0.054		-0.055	Savings on staffing due to vacancies	
CPM & Design Services	0.694	0.541	-0.153		-0.000	Additional fee income earned above budgeted amount	
Industrial Units	-1.527	-1.608	-0.081		-0.064	Reduced costs of Repair and Maintenance plus some additional rent income	
Minor Variances	1.553	1.587	0.034		0.047		
Total Assets	1.034	0.780	-0.255	0.000	-0.071		
Housing and Community							
Minor Variances	14.964	14.973	0.009		-0.002		
Total Housing and Community	14.964	14.973	0.009	0.000	-0.002		
Chief Executive's	1.692	1.599	-0.093		-0.107	Vacancy savings and staff not at top of scale	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Central & Corporate Finance	23.204	20.793	-2.411		-1.560	Over recovery of planned pension contributions recouperment against actuarial projections based on the current level of contributions together with a further revised projection on the Central Loans and investment Account (CLIA) at Month 10 where as reported earlier in the year, the Council had not taken out new short or long term borrowing and has invested a significant amount of funds. This pattern has continued during the remaining months of this financial year resulting in no short term borrowing costs being incurred and the Council and generating increased income from investments, which have increased in line with bank interest rates. Mitigated at Month 11 by receipt of NDR Revaluation Windfall for FCC Schools	
Centralised Costs	2.783	2.778	-0.005		-0.005		
Soft Loan Mitigation	0.000	0.075	0.075		0.065	IFRS 9 requires that for soft loans interest is accrued at the Effective Interest Rate (EIR) rather than the Contract Interest Rate. Capital financing regulations require that soft loan accounting doesnt impact on Council Tax levels.	
Grand Total	326.682	324.576	-2.106	-0.015	-0.693		

2022/23 Efficiencies Outturn Tracker - Month 11

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
		2022/23 £m	2022/23 £m	2022/23 £m		
Portfolio						
Corporate						
Increase in Reserves	Rachel Parry Jones	0.471	0.471	0.000	C	G
Utility Inflation	Rachael Corbelli	0.085	0.085	0.000	C	G
Efficiency from Restructure	Corporate Policy Rachel Parry Jones	0.025	0.025	0.000	C	G
Recharge to HRA	Chief Executive post to HRA 50% Rachel Parry Jones	0.027	0.027	0.000	C	G
Total Corporate Services		0.608	0.608	0.000		
Housing & Assets						
Connahs Quay Power Station	Neal Cockerton	0.290	0.290	0.000	C	G
Rent Newydd	Neal Cockerton	0.020	0.020	0.000	C	G
Total Housing & Assets		0.310	0.310	0.000		
Social Services						
Sleep in Pressure not Required	Neil Ayling	0.123	0.123	0.000	C	G
Total Social Services		0.123	0.123	0.000		
Governance						
Single Person Discount Review (One Off)	Gareth Owens	0.300	0.300	0.000	O	G
Total Governance		0.300	0.300	0.000		
Total 2022/23 Budget Efficiencies		1.341	1.341	0.000		

	%	£
Total 2022/23 Budget Efficiencies	100	1.341
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	100	1.341
Total 2022/23 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	0	0.000

Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m	
Income Target Efficiency remaining from Previous Years	All Portfolios	0.041
Fees and charges increase 1st October, 2022	Full Year effect 1st April 2023	(0.026)
Total Income Efficiency Remaining		0.015

(0.015)

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2022	18.438	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		12.669
Less - COVID-19 Emergency Funding Allocation		5.316
Less - Childrens Services Social Work Costs (approved 21/22)		0.157
Less - Children's Services front door service - agency workers (approved by Cabinet on 28th June)		0.300
Add - Total Balances Released to Reserves (Month 5)		1.208
Add - Additional Revenue Support (Month 8)		2.432
Add - Local Development Fund (LDP) Reserve (Month 10)		0.127
Less - impact of the final pay awards		3.955
Less - Children's Services Legal Costs (Month 9)		0.250
Less - Winter Maintenance Reserve (Month 10)		0.200
Add - Month 11 projected outturn		(2.106)
Total Contingency Reserve available for use		8.364

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(37.755)	(37.230)	0.525	0.526	We are currently projecting a variance of £0.525m due to loss of rental income in relation to void properties. Of this, £0.401m relates to void properties, £0.098m relates to utilities costs on void properties and £0.050m relates to void garages. Additional income in respect of new properties transferred into the stock during the year (£0.046m). Pressure relating to the draw down of grant in respect of delayed SHARP schemes £0.158m. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of (£0.150). The remaining £0.014m relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.515	(0.208)		Estimated reduction in interest to be recharged to the HRA (£0.208m).	
Estate Management	2.263	1.961	(0.303)	(0.266)	Additional cost of agency positions of £0.160m, which is offset by vacancy savings of (£0.251m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.092m).	
Landlord Service Costs	1.265	1.343	0.078	0.083	Salary savings of (£0.054m) are currently being projected within the service which offset agency costs of £0.023. There is a forecasted pressure on utilities costs of £0.079m. The remaining variance of £0.030m is down to other minor movements.	
Repairs & Maintenance	10.908	10.965	0.057	0.060	Additional net cost of £0.066m in relation to vacant trades positions currently being covered by agency. Admin Vacancy savings of (£0.034m) due to delayed recruitment. Savings on the cost of materials of (£0.102m). Additional cost of fleet forecasted to be £0.154m. Other minor variances of (£0.027m).	
Management & Support Services	2.716	2.549	(0.168)	(0.159)	Savings of (£0.063m) have been projected based on current vacancies within the service and a further (£0.171m) efficiency has been identified through a review of central support recharges. Costs of legal advice in respect of the Renting Homes Wales Act £0.020m. Pressure in relation to insurance costs currently forecasted to be £0.077m. Other minor variances of (£0.031m).	
Capital Expenditure From Revenue (CERA)	10.898	13.755	2.857	2.857		
HRA Projects	0.122	0.123	0.000	0.000		
Contribution To / (From) Reserves	2.858	2.858				
Total Housing Revenue Account	(0.000)	2.839	2.839	3.101		

Carry Forward Requests – Month 11

Governance – ICT

The carry forward of a **£0.070m** in year service underspend is requested to supplement Citrix License budget due to increasing costs. Flintshire had to sign a new contract for the current Citrix license to avoid a significant price increase. In December 2020 the Council Paid £0.297m for a three-year Citrix license to cover all of the authorities IT users. The contract was recently signed and cost the Authority £0.367m, which is a £0.070m or 24% increase. In signing the new agreement recently, this prevented the authority from incurring an additional increase of around £0.073m. The ICT service only has budget to fund the £0.297m renewal in 2023/24.

The carry forward of a **£0.036m** in-year service underspend is requested to assist in resourcing higher level apprenticeships due for completion in August 2023.

Governance – Performance

The carry forward of a **£0.004m** underspend to support the procurement of additional specialist external InPhase training and development for newly recruited staff members to the Performance Team. InPhase is the cloud-based business Management solution used by the Council that supports integrated reporting, together with the creation of infographics. There is currently no available resource within current budget constraints to support this.

Governance – Revenues

The carry forward of a **£0.050m** underspend to provide additional resilience in 2023/24 for the deployment of overtime. During 2022/23 the main focus was on the administering of the 'Cost of Living Support Grants' and as a result there is a considerable volume of work including exemption and discount reviews that were deferred as a direct consequence. In order to reduce and ultimately clear the backlog, overtime requirements are expected to increase and as such would add further pressure to the service, which is already facing the potential for reduced levels of fee income as the current cost of living continues to hinder collections and recovery of fees.

People & Resources

The carry forward of **£0.070m** underspend in Feasibility Studies budget in order to support strategic work around the longer-term options for a number of sites namely Standard, Greenfield Housing Recycling Centre and Alltami Depot.

Education & Youth – School Planning & Provision

The carry forward of **£0.020m** to fund the delayed costs of feasibility studies for future projects at three school sites. In addition, it is requested that **£0.054m** be carried forward to fund costs of future transition requirements.

Education & Youth - Inclusion service

The carry forward an underspend of **£0.095m** for the EAL service to meet the ongoing education needs of children who have experienced trauma, including refugee learners, children looked after, and others who have experienced early childhood experiences and/or the COVID-19 pandemic.

Education & Youth - Pupil Referral Unit

The carry forward of **£0.035m** to facilitate hire of two x 8-seater cars for transport provision. This will enable Plas Derwen students to continue to access a range of alternative curriculum activities to support their educational packages.

Housing & Communities - Carelink

The carry forward an underspend of **£0.084m** to fund new equipment costs for non HRA customers as part of the switchover to digital equipment which must be completed by 2025.

Housing & Communities – Benefits

The carry forward of a further **£0.214m** of the CTRS underspend to mitigate against future unbudgeted service pressures particularly relating to overpayments.

Planning, Environment & Economy

The carry forward of in year underspend **£0.020m** is sought to provide short term agency cover in 2023/24 for the Public Protection Admin Team whilst a permanent member of staff is recruited. This is already a small team, however the long-term absence of one team member, and the imminent departure of another team member to a new post, will mean that some key tasks and duties will not be able to be undertaken – which will have a direct impact on frontline regulatory services in the Planning, Environment and Economy Portfolio.

Assets - Policy

The carry forward of in year underspend of **£0.044m** in respect of core funding agreements to provide support to voluntary organisations. The budget has been reduced in 2023/24 due to an approved budget efficiency item, but there are some legal costs outstanding which will need to be funded in 2023/24.

Assets - Property Asset team

The carry forward of in year underspend of **£0.093m** due to salary savings arising from vacancies to be used in 2023/24 to fund costs of staff to conduct outstanding surveys of the various property and estates and which in some cases may lead to future rent reviews and potential efficiency savings.

Assets - Industrial Units

The carry forward an underspend of **£0.081m** to invest in ongoing R&M of buildings and grounds in order that the assets within these estates are maintained to an appropriate standard.

Streetscene & Transportation

Sustainable Waste Management Grant **£0.090m** – request to carry over the grant received in addition to the anticipated annual target for 2022/23 to address Waste related workforce pressures in the 2023/24 financial year.

Due to delays in getting the work completed in 2022/23, it is requested that **£0.020m** be carried forward to carry out Solar Panel repairs in 2023/24, in order to maximise the future income return from solar energy.

Waste Management Pilot Costs of **£0.070m** are requested to be carried forward, following delays in incurring these costs in the intended timeframe during 2022/23.

Central & Corporate Finance

It is proposed that the unutilised Real Living Wage budget allocation of **£0.254m** is earmarked to support potential financial impacts resulting from the Supreme Court decision in the Harpur Trust vs Brazel case in the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). The carry forward would be used to resource any holiday pay liability and mitigate any historic risk, challenge and to support the necessary amendments to Holiday Pay entitlements to ensure future compliance.

Summary of Requests:

Portfolio/Service Area	Carry Forward Request £m
Governance	0.160m
People & Resources	0.070m
Education & Youth	0.204m
Housing & Communities	0.298m
Planning, Environment & Economy	0.020m
Assets	0.218m
Streetscene & Transportation	0.180m
Central & Corporate Finance	0.254m
Total Carry Forward Requests	1.404m