

Budget Monitoring Report
Council Fund Variances

APPENDIX 2

FINAL OUTTURN - 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	18.753	17.109	-1.644	-1.238	Residential and Nursing Care is projecting a £0.592m underspend due to a fluctuation in demand for residential and nursing care placements and increases to capital limits. Staff budgets are underspent within Intake/First Contact and under Localities Teams, not all staff are top of grade and there are in-year savings due to short term vacancies. In-year Additional Winter Pressures Grant from Welsh Government totalling £0.573m. Additional Funded Nursing Care income £0.050m.	
Resources & Regulated Services	7.117	7.351	0.235	0.325	Council provided residential care is £0.331m overspent, due mostly 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 and holiday absences. There are also pressures from buildings expenditure such as repairs and maintenance. Council provided homecare is £0.100m overspent due to demand. Extra care is reporting an underspend of £0.176m as the extra care facility in Holywell did not open this financial year.	

Budget Monitoring Report
Council Fund Variances

APPENDIX 2

FINAL OUTTURN - SUMMARY

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Minor Variances	1.208	1.147	-0.061	-0.034		
Adults of Working Age						
Resources & Regulated Services	24.170	24.050	-0.120	0.001	The outturn position is the cost of current care packages.	
Disability Services	0.648	0.592	-0.057	-0.102	The outturn is the cost of current care packages offset by some Welsh Government contributions.	
Transition & Disability Services	0.697	0.645	-0.052	-0.038	Not all staff are paid at top of scale and there were in-year vacancy savings.	
Residential Placements	1.241	1.772	0.531	0.527	The overspend is due to the number of residential placements based on service demand	
Professional Support	0.817	0.741	-0.076	-0.073	There were a number of in-year vacancies and not all staff are top of scale.	
Minor Variances	2.275	2.164	-0.111	-0.116		
Children's Services						
Family Placement	2.564	2.828	0.264	0.309	The overspend is due to current demands on the service from the number of fostering placements, which in some instances avoid making Out of County placements which would be more expensive. The main pressure areas are payments for foster carers, foster agencies and special guardianship payments.	

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Council Fund Variances

APPENDIX 2

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Family Support	0.371	0.501	0.130	0.138	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	0.470	0.292	0.292	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	5.197	5.404	0.208	0.174	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	1.142	0.010	0.017		
Safeguarding & Commissioning						

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Council Fund Variances

APPENDIX 2

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Business Systems & Financial Assessments	0.784	0.732	-0.051	-0.052	There has been a number of in-year vacancies which have not been back-filled which have resulted in in-year savings.	
Business Support Service	1.202	1.110	-0.093	-0.074	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 scale.	
Commissioning	0.590	0.523	-0.067	-0.068	One off external funding has been used to fund posts on a temporary basis.	
Management & Support	-1.929	-1.672	0.257	0.225	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	0.224	0.000	-0.224	-0.224	Short term vacancy savings transferred from across the portfolio.	
Minor Variances	-1.285	-1.370	-0.085	-0.077		
Total Social Services (excl Out of County)	65.956	65.241	-0.716	-0.090		
Out of County						
Children's Services	5.288	6.881	1.594	1.584	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which first emerged during 2018/19.	A budget pressure sum was approved for the 2020/21 budget which should address the current pressure going forward.

Budget Monitoring Report
Council Fund Variances

APPENDIX 2

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Education & Youth	3.745	4.191	0.446	0.441	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which first emerged during 2018/19.	A budget pressure sum was approved for the 2020/21 budget which should address the current pressure going forward.
Total Out of County	9.033	11.073	2.040	2.024		
Education & Youth						
Inclusion & Progression	4.105	3.953	-0.152	-0.114	Savings identified as part of the in year spend review due to delays in recruitment in the EWO service area.	
Integrated Youth Provision	1.290	1.180	-0.110	-0.085	Underspends across the whole of the service identified through the challenge of non-essential spend	

Budget Monitoring Report
Council Fund Variances

APPENDIX 2

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School Improvement Systems	1.702	1.576	-0.126	-0.102	Variance in the Early Entitlement service area due to a reduction in maintained and non-maintained setting payments, as a result of demography and a reduction of the number of settings requiring funding. Variance also includes hourly reductions in established staff. A further influence is the full year impact of the cessation from January 2019 of minimum of 5 children payments for playgroup. The variance in the Primary Learning area is as a result of the in year spend review savings identified. In previous years the service have also paid a contribution to the music service, however, this charge was not applied for 19-20, resulting in a further undepend of £0.011m.	
Minor Variances	1.422	1.371	-0.050	-0.053		
Total Education & Youth	8.519	8.080	-0.439	-0.353		
Schools	91.958	91.958	-0.000	0.000		
Streetscene & Transportation						

Budget Monitoring Report
Council Fund Variances

APPENDIX 2

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Service Delivery	8.514	9.035	0.521	0.487	The service has incurred additional revenue pressures from responding to and resolving flooding issues across the County, both during June and more recently in February when there were three significant events. The costs include the additional staffing costs towards responding to and repairing the highway along with costs of plant and materials. Costs up to £0.180m for June and over £0.250m during February. It should be noted that whilst this has caused considerable pressure to the financial position, the value has not met the baseline threshold to facilitate a Grant Claim from Welsh Government and therefore the Portfolio cannot recover these costs. The flooding has also impacted the capital programme creating an additional pressure of £0.350m for highway repairs. The costs for vandalism at Household Recycling Centres were in excess of £0.050m. Prior to the COVID-19 pandemic, Managers were actively working to support the staff operating	
Highways Network	8.490	8.458	-0.033	-0.013	Following an extensive piece of work, fleet recharges have been aligned to secure full cost recovery and this has resulted in a marginally improved position overall.	

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Council Fund Variances

APPENDIX 2

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Transportation	8.598	9.631	1.033	0.976	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.	
Regulatory Services	4.838	4.940	0.102	0.078	Car Parking Income caused a pressure as income did not reach budgeted levels. This has been exacerbated by the suspension of car parking charges during the COVID-19 pandemic. The waste strategy service is currently subject to review by managers 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 and this is now fully reflected in the position.	It should also be noted that additional cost will be incurred going forward by the bereavement service in relation to remedial grounds work that will be necessary once Social Distancing Regulations are relaxed.
Holding Accounts	0.000	-0.000	-0.000	0.000		
Other Minor Variances	0.000	-0.000	-0.000	-0.000		
Total Streetscene & Transportation	30.441	32.063	1.623	1.528		

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Council Fund Variances

APPENDIX 2

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Planning, Environment & Economy						
Management & Strategy	1.421	1.375	-0.045	-0.063	Vacant posts across the service: Land Drainage and Planning Policy	
Minor Variances	4.477	4.554	0.077	0.088		
Total Planning & Environment	5.897	5.929	0.032	0.025		
People & Resources						
HR & OD	2.367	2.440	0.074	0.031	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. Only £0.009m has been achieved through this scheme. The Cycle to work income target was revised due to lower than expected take up of the scheme. Minor variances across the service.	
Corporate Finance	2.073	2.035	-0.038	0.019		
Holding Accounts	0.000	0.000	0.000	0.000		
Total People & Resources	4.439	4.475	0.036	0.050		
Governance						

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Council Fund Variances

APPENDIX 2

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Legal Services	0.723	0.860	0.137	0.167	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 £0.100m	
Internal Audit	0.744	0.671	-0.073	-0.061	Commitment challenge across the Services and reduced postage expenditure with Central Despatch	
Customer Services	0.726	0.583	-0.143	-0.078	Final outturn higher than anticipated due to over recovery of Certificate Registration fees. Increased staffing recharges to Housing Revenue Account and Sarth. Minor variances across the services each less than £0.025m.	

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Council Fund Variances

APPENDIX 2

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Revenues	0.256	-0.139	-0.395	-0.320	The final reported surplus on the Council Tax Fund stands at £0.408m, a £0.060m increase from the previous projected figure. This favourable variance is a direct result of the review of council tax single person discount entitlements and the removal of discounts where taxpayers are determined as not entitled to the 25% discount. Minor variances across the service.	
Minor Variances	6.722	6.620	-0.102	0.018		
Total Governance	9.171	8.595	-0.576	-0.274		
Strategic Programmes						
Public Libraries & Arts, Culture & Events	0.000	0.000	0.000	0.000	Minor variances.	
Leisure	4.678	4.678	0.000	0.000	Minor variances.	Request to carry forward £0.037m as a provision for future support towards Alternative Delivery Model programmes. Request to carry forward £0.256m in respect of utilities inflation to support future project work relating to reducing the Councils energy costs.
Minor Variances	0.000	0.000	0.000	-0.005		
Total Strategic Programmes	4.678	4.678	0.000	-0.005		
Housing & Assets						
Administrative Buildings	0.575	0.514	-0.061	-0.026	Additional rent income for Mold Town Hall (£0.020m), savings on Premises costs - mainly Energy and Cleaning (£0.030m) and other minor savings (£0.011m).	

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Council Fund Variances

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Agricultural Estates	-0.213	-0.137	0.076	0.049	Reduced rent income due to disposal of assets to generate capital receipts and additional costs of professional services	
Property Holdings	-0.095	-0.038	0.058	0.032	Increased Premises costs of £0.035m and reduced income of £0.018m plus other minor pressures of £0.005m.	
Property Asset And Development	0.443	0.381	-0.062	-0.066	Savings on salaries which are partly offset by increased provision for professional services	
CPM & Design Services	0.495	0.434	-0.061	-0.064	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.	
Centralised Costs	3.247	2.736	-0.511	-0.070	Final outturn for combined utilities show a (£0.511m) underspend. The Climate Levy charge (CLC) is now reflected within the actual individual service area utility invoices and not as a one off payment at year end, therefore the budget of £0.318m for CLC was not required. Additional NDR efficiencies of (£0.064m). (£.020m) underspend on Gas and (£0.037m) underspend on Water.	
Benefits	11.597	11.852	0.254	-0.310	Pressure resulting from benefit subsidy claim shortfall offset by underspend on the Council Tax Reduction scheme (CTRS).	

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Council Fund Variances

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Housing Solutions	0.924	0.732	-0.192	-0.073	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.	
Minor Variances	-1.208	-1.256	-0.049	-0.053		
Total Housing & Assets	15.766	15.217	-0.549	-0.580		
Chief Executive's	2.760	2.529	-0.231	-0.163	Vacant posts across the Service, budget saving from Procurement Printing not required, but previously committed. Minor variances across the service each less than £0.025m.	
Central & Corporate Finance	22.732	21.073	-1.659	-0.638	Variance due to the final outturn on Corporate Loans and Investment Account £0.572m not fully realised, Pension Fund and Apprentice Tax Levy over recovery, Non Standard Inflation on Catering for Newydd not required, increased recharges to HRA and Pension Fund and minor variances across the Service.	
Grand Total	271.350	270.911	-0.439	1.524		