

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

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	19.218	18.624	-0.595	-0.058	-0.639	The net cost of residential care is £0.483m underspent. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. There is a decline in the demand for residential care placements due to COVID-19. Day Care is £0.058m under budget, this service is currently closed and will reopen only when it is considered safe to do so. Domiciliary and Direct Payments are reporting a combined overspend of £0.142m and are projected based on recent levels of care provision. The Localities Teams staff budget is underspending by £0.130m due to a number of staff not yet on top of scale, some temporary reduced hours and in-year savings on travel costs. The minor adaptations budget is £0.058m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0,008m.	
Resources & Regulated Services	8.027	7.782	-0.245		-0.169	The Councils in-house care provision is reporting an underspend of £0.245m. Day care is reporting an overspend of £0.012m, day centres are currently closed and assumed to be so until it is safe to reopen. The day centre staff are deployed to residential care to assist in delivering care, however the staff costs are still recorded against the day care budget. Homecare is overspent by £0.004m. Staff costs are incurred as a result of the amount of homecare delivered, and projected forward based on estimated activity. Residential care is overspent by £0.019m due to a number of small variances. Extra care is underspending by £0.279m. Plas yr Ywen in Holywell has not yet opened and a full complement of staff is not yet recruited. Care staff already recruited are currently redeployed to alternate in-house care services and this has meant significant costs due to COVID-19 have been avoided. It is anticipated Plas yr Ywen will open in January 2021.	
Impact of Covid-19	0.000	0.000	0.000	0.000	-0.000		
Minor Variances	1.228	1.203	-0.026		-0.028		
Adults of Working Age							
Administrative Support	0.328	0.241	-0.087		-0.088	Not all staff are currently paid at top of grade and there are also some staff seconded from this service. There have also been in-year savings on staff travel costs.	
Residential Placements	1.297	2.022	0.725		0.688	This outturn is the cost of social care for people within the Mental Health service. These costs include nursing and residential care, domiciliary care and Direct Payments. Care needs for individuals within this service vary over time, sometimes suddenly, and costs are subject to these same changes.	
Minor Variances	29.581	29.345	-0.236		-0.220		
Children's Services							

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Family Placement	2.621	2.792	0.171		0.169	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.	
Legal & Third Party	0.225	0.547	0.322		0.332	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	5.293	5.659	0.366		0.396	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies are therefore minimised and additional temporary posts are sometimes required.	
Minor Variances	1.475	1.479	0.004		-0.004		
Safeguarding & Commissioning							
Charging Policy income	-3.060	-3.138	-0.078		-0.078	Charging Policy income is expected to exceed the budget and is based on the weekly charge cap and the number of service users who financially contribute to their care.	
Business Support Service	1.224	1.164	-0.059		-0.060	This variance is on salaries and due to some staff not yet paid top of scale and some staff opting out from the pension scheme.	
Management & Support	-2.057	-2.185	-0.129		-0.125	The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21.	
Minor Variances	3.058	3.048	-0.009		-0.006		
Total Social Services (excl Out of County)	68.458	68.584	0.126	-0.058	0.166		
Out of County							
Children's Services	7.437	8.074	0.637		0.337	The pressure reflects the current cohort of placements with significant numbers of new placements in recent months together with a number of placement changes at higher cost due to breakdowns of placements	Continue to robustly challenge placement proposals presented to the Out of County panel and explore opportunities for cost reductions across the whole of the current cohort.
Education & Youth	4.504	4.351	-0.153		-0.199	The projected underspend reflects the current cohort of Education placements with demand for new placements still being maintained	Continue to robustly challenge placement proposals presented to the Out of County panel and explore opportunities for cost reductions across the whole of the current cohort.
Total Out of County	11.940	12.424	0.484	0.000	0.138		
Education & Youth							
Integrated Youth Provision	1.351	1.110	-0.242	-0.148	-0.235	Includes a projected underspend of -£0.139m on Youth Centres due to closures arising from COVID-19 safety measures producing savings on building cleaning and some relief staffing costs. Also includes a total saving of -£0.103m on the Youth Justice Service mainly due to a delay in recruitment to a new post and savings on equipment purchase and training.	
School Improvement Systems	1.709	1.530	-0.179	-0.149	-0.183	Savings arising from the challenge of non-essential spend. Early Entitlement savings due to demography and reduced number of settings requiring funding.	

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School Planning & Provision	0.676	0.611	-0.065		-0.056	Mainly a saving against the provision for third party/public liability insurance claims	
Minor Variances	5.040	4.997	-0.043		-0.037		
Total Education & Youth	8.776	8.247	-0.529	-0.297	-0.510		
Schools	98.722	98.722	0.000		-0.000		
Streetscene & Transportation							
Service Delivery	8.911	9.046	0.136		0.279	The service has incurred additional revenue pressures from responding to and resolving previously reported security measures and remedial actions following vandalism at the Household Recycling Centres. This matter was widely reported during 2019-20 and has not abated. The monthly costs are now running at over £0.006m per month, mainly due to the introduction of a night time presence on the sites. This has resulted in a forecast pressure in the sum of £0.072m for the year. The forecast pressure has reduced by £0.143m since that reported at month 6 due to a refresh of the workforce demand plan.	
Highways Network	7.764	7.862	0.098		0.167	Following a stringent review of fuel costs and advice from market advisors, the Fuel cost forecast for this area has been reduced accordingly. However, as a result of increased usage of private contractors across the Street Lighting network, additional costs are now anticipated.	
Transportation	9.366	9.072	-0.294		-0.187	Operators have been supported during school closures by receiving 75% of their contracted values, in addition a number of routes have been re-procured to reflect current arrangements for operation in the new school year. The forecast position for this service has now been clarified and accommodates both matters. It should be noted however that this improvement will only impact during 2020-21 and the underlying impact of the current circumstances. There are also risks around this position in that the updated forecast is based on the assumption that Colleges will honour their agreement to support Post 16 transport in the sum of £0.600m. However, if this income is not realised in full, the position will be impacted accordingly.	
Regulatory Services	4.609	4.780	0.170		-0.001	This service has experienced a downturn in the levels of income generated by sales of Electricity and this is currently anticipated to reach a level of some £0.120m during the year. There has also been a downturn in the rebate for co-mingled waste due to a considerable drop in the value of approximately £70-£80 per ton. The variance also now reflects the projected loss of car park income in Quarter 2 and 3 following amendments to WG Income Loss Funding eligibility criteria.	

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Impact of Covid-19	0.000	0.987	0.987	0.987	0.987	Following a full reconciliation and review of Streetscene expenditure and income loss relating to the Coronavirus Pandemic, all relevant details have now been consolidated to one code. This has been done in order to facilitate enhanced reporting and monitoring of the impact. All risks identified are now recorded in this forecast and at month 7 they include; £0.050m Agency and overtime, £0.550m car parking income loss, £0.099m in relation to potential PCN and FPN reveues, £0.080m in relation to additional vehicles and fuel and £0.075m in relation to additional private contractors and plant hire. In addition, there is also a risk around free school meal transport provided and submitted as part of the COVID-19 Hardship claim; this has been challenged by Welsh Government and discussions are ongoing around the potential outcome.	Following the disallowing of expenditure from claims to Welsh Government of the Grass Cutting contract, let due to all operatives being diverted to waste routes, an application has been made for the release of part of the £3m COVID-19 Contingency Reserve allocation. In addition, a level of additional disposal expenditure as a result of increased kerbside waste collections due to people working and remaining at or close to home has now been quantified; this is in the sum of £0.133m which was included in the September claim, if this is not successful an application will be made for a further release of the Contingency. If successful, this will result in an improved position for the Portfolio and the Council.
Other Minor Variances	0.000	0.000	0.000		0.000		
Total Streetscene & Transportation	30.650	31.748	1.098	0.987	1.246		
Planning, Environment & Economy							
Business	1.692	1.755	0.062		0.057	Historic income target £0.025m remains unrealised, minor variances across the service	
Development	0.023	0.236	0.214	0.295	0.198	Pressure within the Building Control service is due in the main, to delays sourcing core materials meaning that the construction industry is operating at a low level of capacity. This results in a projected reduced Building Control fee income. A lull in the property market is affecting a reduced need for Land Charge Searches adding to the overspend. The current economic conditions are having an adverse affect the Planning Applications, the projection is dependant on the number and value of applications received, resulting in a changeable outturn to ensure an accurate reflection. The overall variance is mitigated by the Fee Increase for planning and related applications of approx 20% that came into effect August, 2020	
Regeneration	0.511	0.584	0.073	0.110	0.135	There has been a significant impact on income levels following the closure of the markets in the first quarter of the financial year. Admin Fee receivable for Lockdown Business Fund Grant reflected at Month 7.	
Minor Variances	3.536	3.586	0.050	0.050	0.064		
Total Planning & Environment	5.762	6.161	0.399	0.455	0.454		
People & Resources							
HR & OD	2.398	2.377	-0.021		0.003		
Corporate Finance	2.094	2.087	-0.006		-0.019		
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Holding Accounts	0.000	0.000	0.000		0.000		
Total People & Resources	4.491	4.464	-0.027	0.000	-0.016		
Governance							

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Legal Services	0.736	0.900	0.164		0.164	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.171m. Historical 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 vacant posts, expected fee income and commitment challenge across the service.	
Democratic Services	2.098	2.038	-0.059	0.071	-0.058	Favourable variance following reduced take up of Members Allowances £0.024m. Minor variances across the service.	
Revenues	0.037	0.113	0.076	0.249	0.322	The national lockdown restrictions have resulted in the cessation of all recovery activities, especially enforcement/bailiff duties during the first 5 months of the year (and during the recent firebreak). All debt recovery activities, with the exception of enforcement/bailiff duties re-commenced during August. The level of financial risk from fee income remains a risk but with the first court hearing took place in October and with further hearings scheduled on a monthly basis from November to March income from fees is projected to increase over the next 5 months. Admin Fee receivable of £0.130m for Lockdown Business Fund Grant reflected at Month 7.	
Minor Variances	6.323	6.282	-0.040		-0.017		
Total Governance	9.193	9.334	0.141	0.320	0.411		
Strategic Programmes							
Strategic Programmes	4.943	4.636	-0.307		-0.287	Variance due to reduced utility costs.	
Total Strategic Programmes	4.943	4.636	-0.307	0.000	-0.287		
Housing & Assets							
Enterprise Centres	-0.217	-0.104	0.112		0.112	Pressure due to loss of income in respect of void units	
Property Asset And Development	0.444	0.367	-0.077		-0.077	Mainly staffing cost savings pending completion of restructure	
Caretaking & Security	0.262	0.201	-0.062		-0.062	Mainly staffing cost savings due to vacancies	
Centralised Costs	3.353	2.492	-0.860		-0.769	Underspend on NDR totalling £0.509m, predominantly due to the demolition of Phase 3&4 County Hall. -£0.073m underspend on Gas due to lower usage. -£0.100m underspend on Electricity reflected at Month 7 due to lower usage and reduced rates and -£0.059m underspend on Water.	
Benefits	11.665	11.876	0.211	0.119	0.222	Potential net pressure of up to £0.750m on the Council Tax reduction scheme due to additional take up arising from the COVID-19 pandemic impact on employment. This figure takes account of £0.147m of WG emergency funding support in respect of the April to September element of the overall pressure but the £0.750m is not included in the variance figures. Variance includes pressure of £0.119m on staffing costs due the additional demand caused by the COVID-19 pandemic and overpayments.	

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Council Fund Housing	-0.324	-0.208	0.117		0.125	Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink	
Minor Variances	0.932	0.996	0.064		0.061		
Total Housing & Assets	16.115	15.620	-0.495	0.119	-0.387		
Chief Executive's	2.789	2.497	-0.292		-0.257	Vacant Posts across the Service	
Central & Corporate Finance	24.147	23.745	-0.402		-0.388	Over recovery of planned pension contributions recoupment against actuarial projections based on the level of contributions received to date and forecast to the end of the financial year.	
Grand Total	285.986	286.182	0.196	1.526	0.569		