

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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	18.640	-0.579	-0.058	-0.595	The net cost of residential care is £0.484 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 be reopened only when it is considered safe to do so. Domiciliary and Direct Payments are reporting a combined overspend of £0.163m and are projected based on recent levels of care provision. The Localities Teams staff budget is underspending by £0.129m due to a number of staff not yet paid at top of scale, some temporary reduced hours and in-year savings on travel costs. The minor adaptations budget is £0.063m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0.009m.	
Resources & Regulated Services	8.027	7.728	-0.298		-0.245	The Councils in-house care provision is reporting an underspend of £0.298m. Day care is reporting an overspend of £0.005m, 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 underspent by £0.009m. Staff costs are incurred as a result of the number of hours of homecare delivered and projected forward based on estimated future activity. Residential care is overspent by £0.005m due to a number of small variances. Extra care is underspending by £0.289m as Plas yr Ywern in Holywell has not yet opened and staff already recruited to 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 that Plas yr Ywern will open in January 2021.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	0.000		
Minor Variances	1.228	1.198	-0.030		-0.026		
Adults of Working Age							
Resources & Regulated Services	25.462	25.411	-0.050		-0.008	The outturn reflects the current cost of residential placements, supported living, domiciliary care, Direct Payments and day care. Currently day care services are either closed or running a reduced service.	
Administrative Support	0.328	0.247	-0.081		-0.087	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	2.017	0.720		0.725	The overspend is due to the costs of care services provided to people with mental health care needs. These costs include nursing and residential care, domiciliary care and Direct Payments. Care needs for individuals supported by this service vary over time, sometimes unexpectedly, and costs are subject to these same changes.	
Minor Variances	4.119	3.897	-0.223		-0.228		
Children's Services							

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Family Placement	2.621	2.783	0.162		0.171	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	0.546	0.321		0.322	Legal costs are overspent due to the number of cases going through the courts and the use of some external professionals. Direct Payments have also increased in demand.	
Professional Support	5.293	5.576	0.283		0.366	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 required.	
Minor Variances	1.482	1.499	0.017		0.004		
Safeguarding & Commissioning							
Charging Policy income	-3.060	-3.139	-0.079		-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		-0.059	This variance is on salaries and due to some staff not yet paid at top of scale and some staff opting out of the pension scheme.	
Management & Support	-2.057	-2.187	-0.130		-0.129	The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21	
Minor Variances	3.058	3.050	-0.008		-0.009		
Total Social Services (excl Out of County)	68.465	68.429	-0.036	-0.058	0.126		
Out of County							
Children's Services	7.437	8.134	0.697		0.637	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	4.373	-0.131		-0.153	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	12.506	0.566	0.000	0.484		
Education & Youth							
Integrated Youth Provision	1.345	1.117	-0.228	-0.148	-0.242	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	1.528	-0.181	-0.149	-0.179	Savings arising from the challenge of non-essential spend. Early Entitlement savings due to demography and reduced number of settings requiring funding.	
School Planning & Provision	0.676	0.611	-0.065		-0.065	Mainly a saving against the provision for third party/public liability insurance claims	
Minor Variances	5.040	4.989	-0.051		-0.043		

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Total Education & Youth	8.770	8.246	-0.524	-0.297	-0.529		
Schools	98.728	98.728	0.000		0.000		
Streetscene & Transportation							
Service Delivery	8.911	9.141	0.230		0.136	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. Further impacts for hire of transport, additional stores recharges and HRC site costs are reflected at Month 8.	
Highways Network	7.764	7.702	-0.061		0.098	Following a stringent review of fuel costs and advice from market advisors, the fuel cost forecast for fleet vehicles has been reduced accordingly. In addition, updated projections on a number of services across Highways Network has resulted in reduced commitments.	
Transportation	9.366	9.120	-0.246	-0.150	-0.294	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. Additional costs in relation to school transport provision have been recognised at Month 8.	
Regulatory Services	4.609	4.817	0.208		0.170	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. There have been some additional disposal costs reflected at Month 8 in relation to soil and rubble and medical waste.	

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Impact of Covid-19	0.000	0.975	0.975	0.975	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 8 they include; £0.050m HRC sites and overtime, £0.550m car parking income loss, £0.099m in relation to potential PCN and FPN revenues, £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. 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 up to October totalling £0.133m has already been approved by WG. A further £0.121m for the November to March period is now reflected in the Month 8 variance position.	It should also be noted that 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 Funding. In addition, there is also a risk around free school meal transports provided in good faith and submitted as a part of the COVID claim; this has been challenged by Welsh Government and discussions are ongoing around the potential outcome.
Total Streetscene & Transportation	30.650	31.756	1.106	0.825	1.098		
Planning, Environment & Economy							
Development	0.023	0.213	0.190	0.270	0.214	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	0.575	0.064	0.098	0.073	There has been a significant impact on income levels following the closure of the markets in the first half of the financial year.	
Minor Variances	5.228	5.330	0.102	0.050	0.112	Minor Variances across the Portfolio each below £0.050m	
Total Planning & Environment	5.762	6.118	0.356	0.418	0.399		
People & Resources							
HR & OD	2.398	2.308	-0.090		-0.021	Favourable variance due to the agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region	
Corporate Finance	2.094	2.057	-0.036		-0.006		
Total People & Resources	4.491	4.365	-0.126	0.000	-0.027		
Governance							

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Legal Services	0.736	0.897	0.161		0.164	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.176m. 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	2.023	-0.074		-0.059	Favourable variance following reduced take up of Members Allowances £0.024m. Further Commitment challenge across a number of service areas and £0.015m relates to minor variances.	
Revenues	0.037	0.092	0.055	0.249	0.076	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 following the first court hearing 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 4 months.	
Minor Variances	6.323	6.252	-0.070	0.071	-0.040	Impact of Covid-19 across other Portfolio Services : Customer Services, Central Despatch	
Total Governance	9.193	9.264	0.071	0.320	0.141		
Strategic Programmes							
Leisure	4.943	4.636	-0.307		-0.307	Variance due to reduced utility costs.	
Total Strategic Programmes	4.943	4.636	-0.307	0.000	-0.307		
Housing & Assets							
Enterprise Centres	-0.217	-0.109	0.108		0.112	Pressure due to loss of income in respect of void units	Agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region
Property Asset And Development	0.444	0.368	-0.076		-0.077	Mainly staffing cost savings pending completion of restructure	
Caretaking & Security	0.262	0.201	-0.061		-0.062	Mainly staffing cost savings due to vacancies	
Centralised Costs	3.353	2.421	-0.931		-0.860	Underspend on NDR totalling £0.600m, predominantly due to the demolition of Phase 3 & 4 at County Hall. -£0.073m underspend on Gas due to lower usage. -£0.100m underspend on Electricity due to lower usage and reduced rates and -£0.059m underspend on Water.	
Benefits	11.665	11.839	0.173	0.119	0.211	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.	
Housing Solutions	1.091	0.991	-0.100		0.000	Savings on Bed and Breakfast accommodation due to managing demand through use of temporary accommodation	

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Council Fund Housing	-0.324	-0.204	0.120		0.117	Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink	
Minor Variances	-0.126	-0.076	0.050		0.064		
Total Housing & Assets	16.149	15.431	-0.718	0.119	-0.495		
Chief Executive's	2.748	2.440	-0.308		-0.292	Vacant posts across the service	
Central & Corporate Finance	24.147	23.796	-0.351		-0.402	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	285.716	-0.270	1.327	0.195		