

CABINET

Date of Meeting	Tuesday, 16th February 2021
Report Subject	Revenue Budget Monitoring Report 2020/21 (Month 9)
Cabinet Member	Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position 2020/21 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 9. This report projects how the budget would stand at the close of the financial year if all things remain unchanged; it also takes into account the latest position on Welsh Government Emergency Grant Funding announcements.

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

Council Fund

- An operating surplus of £0.372m (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of £0.102m from the surplus figure of £0.270m reported at Month 8.
- A projected contingency reserve balance as at 31st March, 2021 of £1.787m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £1.641m lower than budget
- A projected closing balance as at 31st March, 2021 of £3.814m

As reported in previous reports and to assist with mitigating the overall projected overspend the following measures were introduced from Month 5:-

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

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2021.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).
3	To approve the carry forward requests included in paragraph 1.22

REPORT DETAILS

1.00	EXPLAINING THE MONTH 9 POSITION
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none">• An operating surplus of £0.372m (excluding the impact of the pay award which will be met by reserves)• A projected contingency reserve available balance as at 31 March 2021 of £1.787m. <p>To assist with mitigating the overall projected overspend the following measures have been introduced:-</p> <ol style="list-style-type: none">1) All non-essential spend is being reviewed and challenged with a view to ceasing/delaying where able and2) Introduction of a vacancy management process to consider new recruitment requests <p>The outcome of this work is shown within the report and will continue as part of the robust challenge of the future monthly monitoring position.</p>

1.02

Table 1. Projected Position by Portfolio

The table below shows the projected position by portfolio:

Portfolio/ Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	68.465	68.629	0.164
Out of County Placements	11.940	12.571	0.631
Education & Youth	8.770	8.174	(0.596)
Schools	98.728	98.728	0.000
Streetscene & Transportation	30.650	31.446	0.796
Planning & Environment	5.762	6.071	0.310
People & Resources	4.491	4.350	(0.141)
Governance	9.193	9.112	(0.081)
Strategic Programmes	4.943	4.677	(0.266)
Housing & Assets	16.149	15.426	(0.723)
Chief Executive	2.748	2.429	(0.319)
Central & Corporate Finance	24.147	24.002	(0.145)
Total	285.986	285.615	(0.372)

1.03

The reasons for the favourable net movement of £0.102m from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio.

Within the projected underspend position of £0.372m, there are COVID-19 related cost pressures and income shortfalls totalling £1.268m which are shown in a separate column in Appendix 2 (cost savings of £0.175m, cost pressures of £0.343m and income shortfalls of £1.100m). We will continue to look at legitimate funding opportunities from the Welsh Government Hardship Fund which if confirmed will have a positive impact on the overall position.

Significant Movement from Month 8

1.04

Social Services £0.200m

Due to a misinterpretation of the complex Financial Assessment Regulations a number of service users have been incorrectly charged with the estimated value required to be reimbursed being in the region of £0.750m-£0.800m. However, this is partly mitigated by an increase in Direct Payment funds which are due to be drawn back in line with the

Direct Payment Contract (£0.200m). In addition, there is a further positive movement following confirmation of further Welsh Government Hardship funding claimed to support the Council's in-house care provision (£0.360m-£0.400m) leaving a projected month on month movement of up to £0.200m.

Increased care service costs in Mental Health totaling £0.075m are mitigated by the delay in opening of Plas yr Ywen extra care facility (£0.039m) and additional funding contributing to a care package in Disability Services for (£0.035m).

Out of County Placements £0.064m

The aggregate impact of new placements and changes of placements forecast to the end of the financial year.

Streetscene & Transportation (£0.310m)

There has been a reduction in costs for January and early February due to school closures as school transport providers have been reimbursed at 75% of contracted price as per Welsh Government guidance.(£0.205m).

There has been a reduction in the projected costs of risks associated with the pandemic following a review of costs and an updated position on the Hardship Claims agreed by Welsh Government (£0.254m).

The above are offset by additional workforce costs in Waste Services and additional security costs at the Council's Household Recycling Centres (£0.108m), together with minor variances across the portfolio of £0.041m.

Governance (£0.126m)

Part of the positive movement relates to an increase to the projected surplus on the Council Tax Collection Fund (£0.025m).

The Revenues Service have received a number of Administration Grant awards for resourcing and disseminating Welsh Government Emergency Business Grants (£0.045m). There has also been an increase in income from fines, over and above previously anticipated levels (£0.038m).

Education & Youth (£0.072m)

The positive movement is due to delays in recruitment within Schools Inclusion and Progression Service (£0.027m); further reduction of costs at non maintained settings payments (£0.025m); and other minor variances across the service (£0.021m).

Central & Corporate Finance £0.206m

Due to the rising level of outstanding debt across the Council due to the impact of the pandemic and the current economic climate on business and service clients of the Council, a prudent approach has been adopted by increasing the overall bad debt provision by £0.250m. This is partly mitigated by other positive movements for the projected outturn on Apprentice Tax levy and Pensions Added Years contributions totaling (£0.044m).

1.05	<p>Key Financial Risks – Council Tax Income and Council Tax Reduction Scheme</p> <p>There have been significant impacts on Council Tax income and the Council Tax Reduction Scheme.</p> <p>The potential financial impact of these two areas is being reported separately due to 1) the difficulties in predicting the impacts of these risks and 2) the potential for these areas to be further supported by additional Welsh Government funding.</p> <p>An update on the latest position on each area is detailed below.</p>
1.06	<p>Council Tax Income</p> <p>As with all Councils the pandemic has significantly impacted on council tax collection. At this stage council tax income is 1.1% below target which equates to £1.1m. Income is expected to continue to recover now that recovery processes have resumed in full and when agreed payment deferrals are settled. Welsh Government have recently announced financial support of £22.6m across Wales as a contribution towards these potential losses.</p>
1.07	<p>Council Tax Reduction Scheme (CTRS)</p> <p>During the pandemic there has been a significant increase in demand with additional costs of £0.294m identified as at the second quarter. Welsh Government previously confirmed funding for the first two quarters totalling £0.147m and have also recently confirmed the final two quarters of the financial year will be supported by grant funding totalling £5.5m across Wales.</p>
1.08	<p>OPEN RISKS</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>
1.09	<p>Pay Award</p> <p>The Teachers Pay Award which is effective from September 2020 has been set at 3.1% and the financial impact of this for 2020/21 is estimated to be £0.535m. Welsh Government have previously announced grant funding of £0.200m to part fund this increase. The remainder will need to be met from Schools delegated budgets.</p>
1.10	<p>Charging for Post 16 Transport</p> <p>The budget for 2020/21 provides for expected additional income of £0.449m based on the assumption that charging would be introduced from September 2020. This policy decision was reversed by Cabinet in May.</p>

	<p>The developing financial solution through effective partnership working with Coleg Cambria will assist with mitigating the financial risk for 2020/21. An agreement has been reached with the college that a level of the anticipated value of the journeys would be reimbursed to the Portfolio and that is now reflected in the projected outturn.</p>
1.11	<p>Out of County Placements</p> <p>Additional funding of £2.7m was included in the budget for 2020/21 to address the historic significant increase in demand. At this stage, based on current activity there is an overall net projected overspend of £0.631m (underspend of £0.156m within Education together with an overspend of £0.787m within Children's Services). The impact of this increase in demand will need to be considered as part of the budget considerations for 2021/22.</p>
1.12	<p>NEW EMERGING RISKS</p> <p>Free School Meals (FSM)</p> <p>Schools have a delegated budget for free school meals which is based on the number of pupils eligible. The budget for 2020/21 is £1.256m. Following the closure of schools in March, the Council made direct payments to families and there was a marked increase in the number of claims. Based on current free school meal claims and making projections for a range of take-up percentages in the remainder of the year, it is estimated that the budget could overspend by between £0.222m and £0.344m.</p>
1.13	<p>Severe Weather / Flood Risks</p> <p>The recent severe weather in January has impacted a number of services across the Council. As a result, there are likely to be significant costs being incurred, having both Revenue and Capital implications.</p> <p>Welsh Government have confirmed that the Emergency Financial Assistance Scheme (EFAS) threshold will not apply for the costs incurred.</p> <p>Welsh Government have advised with regard to revenue and capital funding which indicates that costs can be claimed for between 85% and 100% of expenditure incurred, subject to further confirmation. Costs at this stage are estimated to be in the region of £0.900m.</p>
1.14	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2020/21 budget contains £5.206m of specific efficiencies which are being tracked and monitored. The Council aims to achieve a 95% rate in 2020/21 as reflected in the MTFs KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2020/21 shows that £5.357m or 100% of the efficiencies will be achieved, with an over recovery of £0.151m on Discretionary Transport Review – Post 16 Transport.</p>

	Further details on the current status on efficiencies can be seen in Appendix 3 with the overall impact in relation to any impact for 2021/22 being reviewed as part of the ongoing work on the MTFs.																																								
1.15	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The level of Council Fund Contingency Reserve brought forward into 2020/21 was £2.370m as detailed in the 2019/20 outturn report. This is the amount available for general purposes following the set-aside of £3.0m for Emergency Funding.</p>																																								
1.16	<p>Taking into account the above and, the current projected underspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2021 is projected to be £1.787m as detailed in Appendix 4.</p> <p>This assumes that the projected underspend of £0.372m increases the overall Reserve.</p> <p>The £3m emergency ring-fenced fund would have an amount of £2.377m remaining after allowing for currently known ineligible items, However, there are a number of holding items and Income Loss claims still being considered by the Grants Panel. Therefore, it is estimated that the final amount remaining will be in the range £1.5m to £2m.</p>																																								
1.17	A review of the Earmarked Balances and Reserves is on-going, balances are challenged and some identified as no longer required, which can then be returned to the Contingency Reserve.																																								
1.18	<p>Earmarked Reserves</p> <p>The table below gives a summary of earmarked reserves as at 1 April 2020 and provides an estimate of projected balances as at the end of the current financial year.</p> <p>Council Fund Earmarked Reserves 2020/21 Monitoring Summary Month 9</p> <table border="1"> <thead> <tr> <th>Reserve Type</th> <th>Balance as at 01/04/20</th> <th>Balance as at Month 9</th> <th>Balance as at 31/03/21</th> </tr> </thead> <tbody> <tr> <td>Service Balances</td> <td>1,614,705</td> <td>1,139,498</td> <td>1,219,850</td> </tr> <tr> <td>Specific Service Balances</td> <td>213,991</td> <td>213,991</td> <td>189,670</td> </tr> <tr> <td>Single Status/Equal Pay</td> <td>1,120,944</td> <td>1,120,944</td> <td>729,615</td> </tr> <tr> <td>Investment in Organisational Change</td> <td>1,693,937</td> <td>1,670,552</td> <td>1,355,815</td> </tr> <tr> <td>Benefits Equalisation</td> <td>132,822</td> <td>132,822</td> <td>132,822</td> </tr> <tr> <td>County Elections</td> <td>211,990</td> <td>211,990</td> <td>211,990</td> </tr> <tr> <td>Local Development Plan (LDP)</td> <td>180,000</td> <td>180,000</td> <td>180,000</td> </tr> <tr> <td>Waste Disposal</td> <td>82,648</td> <td>82,648</td> <td>22,806</td> </tr> <tr> <td>Enterprise Centres</td> <td>6,993</td> <td>6,993</td> <td>0</td> </tr> </tbody> </table>	Reserve Type	Balance as at 01/04/20	Balance as at Month 9	Balance as at 31/03/21	Service Balances	1,614,705	1,139,498	1,219,850	Specific Service Balances	213,991	213,991	189,670	Single Status/Equal Pay	1,120,944	1,120,944	729,615	Investment in Organisational Change	1,693,937	1,670,552	1,355,815	Benefits Equalisation	132,822	132,822	132,822	County Elections	211,990	211,990	211,990	Local Development Plan (LDP)	180,000	180,000	180,000	Waste Disposal	82,648	82,648	22,806	Enterprise Centres	6,993	6,993	0
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Design Fees	200,000	200,000	0
Winter Maintenance	250,000	250,000	250,000
Car Parking	45,403	45,403	45,403
Insurance Reserves	2,203,010	2,203,010	2,503,010
Cash Receipting Review	3,181	3,181	3,181
Flintshire Trainees	524,106	524,106	524,106
Rent Income Shortfall	30,979	30,979	30,979
Customer Service Strategy	22,468	22,468	22,468
Capita One	18,827	18,827	0
Supervision Fees	48,798	48,798	48,798
LMS Curriculum	420,896	431,106	338,531
Organisational Change/ADM	33,500	33,500	0
Carbon Reduction	25,221	25,221	25,221
Employment Claims	107,998	103,613	103,613
Property Claims	36,363	20,763	20,763
Community Benefit Fund NWRWTP	64,727	64,727	64,727
Total B823 Balances	7,678,801	7,645,640	6,803,517
Schools Balances	111,957	111,957	111,957
Grants & Contributions	3,887,337	3,337,553	3,255,187
TOTAL	13,292,799	12,234,648	11,390,511

The projected level of school balances are currently being reviewed in detail as we near the end of the financial year. At this stage however, there is a significant risk that overall balances could fall into an overall net negative position. However, in the past schools have benefitted from the notification of late in-year external grant funding opportunities which would positively impact on year end balances.

1.19 **Request for Carry Forward of Funding**

Education & Schools

Transition of the Plas Derwen Pupil Referral Unit into the new build on the Queensferry site is due to open in September 2021. The service has a projected underspend of £0.020m in 2020/21 and approval is sought to carry forward this funding to support additional TLRs (Teaching and Learning Responsibilities) for staff to lead on curriculum development across the age ranges and to enable the purchase of resources to support the new curriculum.

Planning Environment & Economy

One off funding of £0.024m is currently being utilised to fund a short term contract Clerk of Works to assist the team in providing greater resilience to the Empty Homes Scheme and clearing a backlog and administration. The delay in acquiring additional resource due to the Pandemic means that this post will now be required to continue on into the 1st quarter of the new financial year. This is an area of work which appears in the Council Plan and is measured by a Public Accountability Measure (PAM). Approval is sought to carry forward this funding.

	<p><u>Streetscene & Transportation</u> Due to the amount of late Welsh Government grant funding being made available to the Council, some of the spend that is normally allocated to the capital programme via a revenue contribution on the Highways Asset Management Plan works is now not required because of the need to maximise this grant funding (£0.150m) Approval is sought to carry forward this funding to be utilised in full on Highways schemes during 2021/22.</p>
1.20	<p>Housing Revenue Account</p> <p>The 2019/20 Outturn Report to Cabinet on 16 June 2020 showed an un-earmarked closing balance at the end of 2019/20 of £2.009m and a closing balance of earmarked reserves of £0.437m.</p>
1.21	<p>The 2020/21 budget for the HRA is £36.672m which includes a movement of £0.164m to reserves.</p>
1.22	<p>The monitoring for the HRA is projecting in year expenditure to be £1.641m lower than budget and a closing un-earmarked balance as at 31 March 2021 of £3.650m, which at 10.48% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers.</p>
1.23	<p>Housing Revenue Account (£0.051m)</p> <p>Positive movement is in the main due to a reduction in court costs due to the suspension of action as a result of the pandemic (£0.030m); minor variances across the service (£0.021m).</p>
1.24	<p>The budget contribution towards capital expenditure (CERA) is £12.928m.</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 of the emergency 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 8 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

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

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

8.00	GLOSSARY OF TERMS
8.01	<p>Budget: a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council’s revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p>Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the</p>

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 9 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Resources & Regulated Services	-0.039	This variance is due to the delay in opening of the Plas Yr Ywen extra care facility.
Minor Variances	0.015	
Adults of Working Age		
Resources & Regulated Services	0.025	This is due to increased care service costs within Disability Services.
Disability Services	-0.035	The favourable variance is due to additional funding identified to contribute to a care package.
Residential Placements	0.074	This is due to increased care service costs within Mental Health services.
Minor Variances	-0.008	
Safeguarding & Commissioning		
Charging Policy income	0.544	It has been identified that there have been a number of service users who have been overcharged due to a misinterpretation of complex financial assessment rules. This dates back a number of years and the variance is the estimated amount to be reimbursed to the service users. This amount has been offset by an estimated recoupment of Direct Payments
Impact of Covid-19	-0.360	This is hardship funding received from Welsh Government to support the Councils in-house care provision. Most additional costs due to COVID-19 are staff costs, which have been reported within their respective services.
Minor Variances	-0.016	
Total Social Services (excl Out of County)	0.200	
Out of County		
Children's Services	0.090	Mainly due to new placements
Education & Youth	-0.025	Reduced costs for some recent new placements due to delayed start dates due to COVID-19
Total Out of County	0.064	
Inclusion & Progression	-0.027	Movement of £0.026m in month 9 as a result from delays in recruitment
Integrated Youth Provision	-0.020	
School Improvement Systems	-0.025	At month 9 Non-maintained settings payments are projected lower than previously anticipated
Business Change & Support	-0.008	
School Planning & Provision	0.008	
Minor Variances	-0.021	
Total Education & Youth	-0.072	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	0.130	Additional staffing costs totalling £0.060m due to pay arrears for charge hand roles. £0.048m relating to HRC additional security costs which are deemed to be not eligible to claim from the WG Hardship Claim. Other minor variances totalling £0.022m.
Highways Network	0.021	Minor Variances across the service
Transportation	-0.205	Impact of 75% payable to School Transport providers from January due to school closures into February and reflects the projected 25% saving.
Regulatory Services	-0.003	Minor Variances
Impact of Covid-19	-0.254	Reduction in Covid-19 risks following a review of costs and risks, together with an updated position on the proposed Hardship claims to Welsh Government, including Car Parks.
Other Minor Variances	0.000	
Total Streetscene & Transportation	-0.310	
Planning, Environment & Economy		

Development	-0.037	Higher than anticipated Planning Fees/ Land Charges income received during December
Regeneration	-0.016	A further Admin Management Fee for Welsh Government COVID Business Restrictions Fund
Minor Variances	0.007	
Total Planning & Environment	-0.046	
People & Resources		
HR & OD	-0.009	
Corporate Finance	-0.006	
Total People & Resources	-0.015	
Governance		
Revenues	-0.126	At Period 09 the movement is due to an early indication of a potential surplus on the Council Tax Fund increased by £0.025m; underspends calculated on the Welsh Government Admin Grants for Covid Funding £0.045m; review of Income expected from Fines £0.038m
Minor Variances	-0.026	
Total Governance	-0.152	
Strategic Programmes		
Public Libraries & Arts, Culture & Events		
Minor Variances	0.041	Extension of the Income Strategy Post £0.029m, minor variances across the service
Total Strategic Programmes	0.041	
Housing & Assets		
Housing Solutions	0.040	Claims from WG COVID-19 Hardship fund
Impact of Covid-19	-0.040	Claims from WG COVID-19 Hardship fund
Minor Variances	-0.005	
Total Housing & Assets	-0.005	
Chief Executive's		
Impact of Covid-19	0.000	
Central & Corporate Finance		
	0.206	Favourable movement of (£0.044m) is due to revised outturn projections for Apprentice Tax Levy costs to March, 2021 and Pension Recharges Added years. Due to the rising level of outstanding debt within the Council due to the impact of COVID-19 on business and service clients of the Council, a prudent approach has been adopted by increasing the bad debt provision by £0.250m across the Council.
Impact of Covid-19	0.000	
Grand Total	-0.101	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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	18.656	-0.563		-0.579	The net cost of residential care is £0.488m underspent. This includes the cost of residential care placements net of income received 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 safe to do so. Domiciliary and Direct Payments are reporting a combined overspend of £0.215m and are projected based on recent levels of care provision. The Localities Team staff budget is underspending by £0.161m 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	7.689	-0.337		-0.298	The Councils in-house care provision is reporting an underspend of £0.337m. Day care is reporting an overspend of £0.003m, 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 £0.018m. 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 £0.007m due to a number of small variances. Extra care is underspending by £0.330m. Plas Yr Ywern in Holywell has not yet opened an a full compliment of staff is yet to be recruited. Care staff already recruited to Plas Yr Ywern 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 March 2021.	
Minor Variances	1.228	1.197	-0.031		-0.030		
Adults of Working Age							
Administrative Support	0.328	0.255	-0.073		-0.081	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.	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Residential Placements	1.297	2.090	0.793		0.720	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 corresponding costs are subject to the same changes.	
Minor Variances	29.581	29.281	-0.300		-0.273		
Children's Services							
Family Placement	2.621	2.786	0.165		0.162	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	0.540	0.316		0.321	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	5.572	0.279		0.283	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	1.482	1.504	0.022		0.017		
Safeguarding & Commissioning							
Charging Policy income	-3.060	-2.595	0.465		-0.079	A misinterpretation of complex financial assessment rules has been detected. This has resulted in a number of service users being overcharged over a number of years. The overspend is due to the cost to reimburse service users of any overcharges. This is being partially offset by an estimated recoupment of Direct Payments.	
Business Support Service	1.224	1.162	-0.062		-0.059	This variance is on salaries and due to some staff not yet paid top of scale and some staff opting out of the pension scheme.	
Management & Support	-2.057	-2.192	-0.135		-0.130	The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21.	
Impact of Covid-19	0.000	-0.360	-0.360		0.000	This underspend is due to hardship funding received from Welsh Government to support the Councils in-house care provision for homecare, residential care and supported living. Most additional costs incurred due to Covid are staff costs which have already been reported within their respective services areas.	
Minor Variances	3.058	3.042	-0.016		-0.008		
Total Social Services (excl Out of County)	68.465	68.629	0.164	-0.000	-0.036		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Out of County							
Children's Services	7.437	8.223	0.787		0.697	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	4.348	-0.156		-0.131	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	12.571	0.631	0.000	0.566		
Education & Youth							
Integrated Youth Provision	1.347	1.099	-0.248	-0.135	-0.228	Includes a projected underspend of -£0.135 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 -£0.111m 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	1.504	-0.205		-0.181	Savings arising from the challenge of non-essential spend. Early Entitlement savings due to demography and reduced number of settings requiring funding. COVID-19 has caused a significant reduction of non-maintained settings requiring funding.	
School Planning & Provision	0.676	0.618	-0.058		-0.065	Mainly a saving against the provision for third party/public liability insurance claims	
Minor Variances	5.038	4.953	-0.086		-0.051		
Total Education & Youth	8.770	8.174	-0.596	-0.135	-0.524		
Schools	98.728	98.728	0.000		0.000		
Streetscene & Transportation							

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Service Delivery	8.911	9.271	0.360		0.230	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 9.	
Highways Network	7.764	7.724	-0.040		-0.061	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	8.915	-0.452		-0.246	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. Impact of 75% payable to School Transport providers from January due to school closures into February and reflects the projected 25% saving has been recognised at Month 9	
Regulatory Services	4.609	4.815	0.206		0.208	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 reflects the projected loss of car park income in Quarter 2 and 3 following amendments to WG Income Loss Funding eligibility criteria, with further car park income loss risks shown under the COVID-19 variances.	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Impact of Covid-19	0.000	0.721	0.721	0.721	0.975	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 9 they include; £0.450m car parking income loss, £0.099m in relation to potential PCN and FPN revenues, £0.040m in relation to additional vehicles and fuel and £0.075m in relation to additional private contractors and plant hire. 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 was approved by WG. A further £0.057m for the November to March period is now reflected in the Month 9 variance position.	It should also be noted that Welsh Government has approved 50% funding 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 to fund the other 50%. In addition, there has only been part funding approved of the free school meal transport provided to homes and hubs and submitted as a part of the COVID claim; the balance of funding will also need to be met from the £3m COVID-19 Contingency Reserve.
Holding Accounts	0.000	0.000	0.000		0.000		
Total Streetscene & Transportation	30.650	31.446	0.796	0.721	1.106		-0.310
Planning, Environment & Economy							
Development	0.023	0.175	0.153	0.228	0.190	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. The current economic conditions are having an adverse effect on 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	0.559	0.048		0.064	There has been a significant impact on income levels following the closure of the markets in the first half of the financial year. Market rents remain suspended as a result of the ongoing pandemic. The overspend has been mitigated in part due to the receipt of a proportion of Welsh Government Admin Grants for COVID funding for business Grants	
Impact of Covid-19	0.000	0.000	0.000	0.044	0.000		
Minor Variances	5.228	5.337	0.109		0.102		
Total Planning & Environment	5.762	6.071	0.310	0.272	0.356		
People & Resources							

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
HR & OD	2.398	2.299	-0.098		-0.090	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	2.051	-0.043		-0.036		
Total People & Resources	4.491	4.350	-0.141	0.000	-0.126		
Governance							
Legal Services	0.736	0.893	0.157		0.161	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.193m. 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	2.018	-0.080	0.004	-0.074	Favourable variance following reduced take up of Members Allowances £0.024m, saving from non requirement to resource Electoral Canvassers £0.022m Commitment challenge and minor variances across the service.	
ICT	4.445	4.394	-0.051		-0.038	Minor variances across the service each less than £0.025m	
Revenues	0.037	-0.035	-0.071	0.293	0.055	Favourable variance at Month 9 following review of Council Tax Collection Fund potential surplus, committed spend against Welsh Government Admin Grants received for COVID business grants; potential fee income for fines anticipated by March, 2021	
Impact of Covid-19	0.000	-0.000	-0.000	0.030	-0.000		
Minor Variances	1.878	1.842	-0.036		-0.032		
Total Governance	9.193	9.112	-0.081	0.327	0.071		
Strategic Programmes							
Minor Variances	4.943	4.677	-0.266		-0.307		
Total Strategic Programmes	4.943	4.677	-0.266	0.000	-0.307		
Housing & Assets							
Enterprise Centres	-0.217	-0.109	0.107		0.108	Pressure due to loss of income in respect of void units	
Property Asset And Development	0.444	0.368	-0.076		-0.076	Mainly staffing cost savings pending completion of restructure	
Caretaking & Security	0.262	0.201	-0.062		-0.061	Mainly staffing cost savings due to vacancies	
Centralised Costs	3.353	2.409	-0.943		-0.931	Favourable variance of £(0.943)m for utilities. £(0.570)m NDR savings predominantly due to the demolition of Phases 3&4 . £(0.228)m savings on electricity, £(0.085)m savings on gas, and £(0.059)m savings on water.	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Benefits	11.665	11.839	0.174	0.119	0.173	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	1.031	-0.060		-0.100	Savings on Bed and Breakfast accommodation due to managing demand through use of temporary accommodation	
Council Fund Housing	-0.324	-0.202	0.122		0.120	Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink	
Impact of Covid-19	0.000	-0.040	-0.040	-0.040	0.000		
Minor Variances	-0.126	-0.071	0.055		0.050		
Total Housing & Assets	16.149	15.426	-0.723	0.079	-0.718		
Chief Executive's	2.748	2.429	-0.319	0.004	-0.308	Vacant Posts across the service; commitment challenge	
Central & Corporate Finance	24.147	24.002	-0.145		-0.351	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. At Month 9 committed £0.250m against a revised Bad Debt Provision following re-evaluation of aged debt and the current economic climate and COVID conditions.	
Impact of Covid-19	0.000	0.000	0.000	0.000	-0.000		
Grand Total	285.986	285.615	-0.372	1.268	-0.270		

2020/21 Efficiencies Outturn Tracker - Master Mth 9

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	
		2020/21 £m	2020/21 £m	2020/21 £m			
Portfolio							
Corporate							
Employer Pension Contributions	Reduced requirement due to recovery	Rachel Parry Jones	0.800	0.800	0.000	C	G
Actuarial Review	Reduced contribution rate	All	2.646	2.646	0.000	C	G
Single Person Discount Review	One Off Efficiency	David Barnes	0.300	0.300	0.000	O	G
Total Corporate Services			3.746	3.746	0.000		
Social Services							
Reviewing Function	Reduction of Post	Neil Ayling	0.025	0.000	(0.025)	C	G
Supported Living	Reduction of Voids	Neil Ayling	0.025	0.000	(0.025)	C	G
Communications	Reduction in Mobile Hardware	Neil Ayling	0.030	0.000	(0.030)	C	G
Vacancy Management Saving	Appropriate Vacancy Management	Neil Ayling	0.030	0.070	0.040	C	G
Strategic Use of Grant Funding	Core Funding Replacement Solution	Neil Ayling	0.100	0.170	0.070	C	G
Regional Collaboration Wrexham CBC	Reduction in Posts	Neil Ayling	0.030	0.000	(0.030)	C	G
Additional Social Services Grant	Social Services Grant	Neil Ayling	0.426	0.426	0.000	C	G
Total Social Services			0.666	0.666	0.000		
Education & Youth							
Integrated Youth Provision	Youth Centres - Premises	Claire Homard	0.014	0.014	0.000	O	G
Total Education & Youth			0.014	0.014	0.000		
Streetscene & Transportation							
Discretionary Transport Review - Post 16 Transport	Joint with Education	Stephen O Jones	0.449	0.600	0.151	O	G
Income from External Works		Stephen O Jones	0.010	0.010	0.000	O	G
Garden Waste Charges	Additional take up of service	Stephen O Jones	0.030	0.030	0.000	O	G
NWRWTP Gate Fee Benefit	Utilisation of WG Grant funding	Stephen O Jones	0.200	0.200	0.000	O	G
Total Streetscene & Transportation			0.689	0.840	0.151		
Planning, Environment & Economy							
Countryside	Additional Tree Income	Tom Woodall	0.010	0.010	0.000	O	G
Countryside	Review of Spending	Tom Woodall	0.017	0.017	0.000	O	G
Review of Pest Control	Trading Standards Investigations and Community Safety	Sian Jones	0.035	0.035	0.000	O	G
Development Management	Increased Planning Fee Income	Mandy Lewis	0.015	0.015	0.000	O	G
Minerals & Waste	Adoption of new SLA with Partners	Gary Nancarrow	0.005	0.005	0.000	O	G
Portfolio Admin	Supplies and Services Review	Lynne Fensome	0.005	0.005	0.000	O	G
Regeneration	Bus Dev, Housing and Markets	Niall Waller	0.004	0.004	0.000	O	G
Total Planning, Environment & Economy			0.091	0.091	0.000		
Total 2020/21 Budget Efficiencies			5.206	5.357	0.151		

	%	£
Total 2020/21 Budget Efficiencies	100	5.206
Total Projected 2020/21 Budget Efficiencies Underachieved	3	0.151
Total Projected 2020/21 Budget Efficiencies Achieved	103	5.357
Total 2020/21 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2020/21 Budget Efficiencies Underachieved	0	0.000
Total Projected 2020/21 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	-0.150	
Pressure 2020/21		0.100	
Total Income Efficiency Remaining		-0.050	0.050

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2020	11.025	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		5.256
Less - amount approved for Childrens Services ' Front Door Pressures'		(0.134)
Less - COVID-19 Emergency Funding Allocation*		(2.886)
Plus Month 9 projected outturn		0.372
Less - projected national pay award increase		(0.821)
Total Contingency Reserve available for use		1.787

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(36.676)	(36.477)	0.200	0.210	There is a pressure forecast of £0.200m. Of this £0.090m relates to loss of income voids which are currently running at 2.00% void rate compared to 1.75% in the Business Plan. £0.070m relates to garages, £0.068m relates to void water charges. Additional new build rental income projected at £0.054m. The remaining £0.026m is attributed to Minor Variances	
Capital Financing - Loan Charges	9.027	7.916	(1.111)	(1.111)	Reduction in spend on SHARP has reduced Prudential borrowing required.	
Estate Management	1.846	1.634	(0.212)	(0.174)	Additional expenditure of £0.061m is anticipated during the year in respect of the purchase of software. This is offset by salary efficiencies arising from vacancy savings and the pay award of £0.197m. There is also a saving of £0.030m relating to court costs as action has been suspended due to Covid. The remaining £0.046m is minor variances	
Landlord Service Costs	1.434	1.378	(0.056)	(0.041)	There is a saving of £0.044m which relates to servicing costs which are lower due to some Covid restrictions, and £0.012m of minor variances	
Repairs & Maintenance	8.907	8.409	(0.498)	(0.500)		
Management & Support Services	2.523	2.558	0.035	0.024	There is a pressure projected of £0.035m of this £0.020m relates to salary savings. £0.011m relates to underspend on training due to Covid restrictions. There has been an increase in insurance costs of £0.084m. -£0.018m minor variances.	
Capital Expenditure From Revenue (CERA)	12.928	12.928				
HRA Projects	(0.153)	(0.151)	0.002	0.002		
Contribution To / (From) Reserves	0.164	0.164				
Total Housing Revenue Account	0.000	(1.641)	(1.641)	(1.590)		