

CABINET

Date of Meeting	Tuesday, 16th March 2021
Report Subject	Revenue Budget Monitoring Report 2020/21 (Month 10)
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 10. 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 £0.924m (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of £0.552m from the surplus figure of £0.372m reported at Month 9.
- The operating surplus of £0.924m equates to 0.3% of the Approved Budget, which is within the target MTFS KPI for a variance against budget of 0.5%.
- A projected contingency reserve balance as at 31st March, 2021 of £2.339m

The improved position has predominantly arisen from a detailed review of the risks included within the Streetscene and Transportation portfolio as a consequence of the pandemic in conjunction with confirmation of further funding from the Welsh Government Hardship Fund.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £1.642m lower than budget
- A projected closing balance as at 31st March, 2021 of £3.815m

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 1.18.

REPORT DETAILS

1.00	EXPLAINING THE MONTH 10 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 £0.924m (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 £2.339m. <p>To assist with mitigating a previously reported 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 and 2) 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	<p>Table 1. Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1" data-bbox="320 255 1374 1211"> <thead> <tr> <th data-bbox="320 255 786 450">Portfolio/ Service Area</th> <th data-bbox="786 255 975 450">Approved Budget £m</th> <th data-bbox="975 255 1182 450">Projected Outturn £m</th> <th data-bbox="1182 255 1374 450">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>68.463</td> <td>68.468</td> <td>0.005</td> </tr> <tr> <td>Out of County Placements</td> <td>11.940</td> <td>12.568</td> <td>0.627</td> </tr> <tr> <td>Education & Youth</td> <td>8.766</td> <td>8.142</td> <td>(0.624)</td> </tr> <tr> <td>Schools</td> <td>98.732</td> <td>98.732</td> <td>0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>30.650</td> <td>31.045</td> <td>0.395</td> </tr> <tr> <td>Planning & Environment</td> <td>5.762</td> <td>6.088</td> <td>0.326</td> </tr> <tr> <td>People & Resources</td> <td>4.491</td> <td>4.328</td> <td>(0.163)</td> </tr> <tr> <td>Governance</td> <td>9.193</td> <td>9.034</td> <td>(0.159)</td> </tr> <tr> <td>Strategic Programmes</td> <td>4.943</td> <td>4.676</td> <td>(0.266)</td> </tr> <tr> <td>Housing & Assets</td> <td>16.149</td> <td>15.431</td> <td>(0.718)</td> </tr> <tr> <td>Chief Executive</td> <td>2.750</td> <td>2.427</td> <td>(0.322)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>24.147</td> <td>24.123</td> <td>(0.024)</td> </tr> <tr> <td>Total</td> <td>285.986</td> <td>285.062</td> <td>(0.924)</td> </tr> </tbody> </table>	Portfolio/ Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	68.463	68.468	0.005	Out of County Placements	11.940	12.568	0.627	Education & Youth	8.766	8.142	(0.624)	Schools	98.732	98.732	0.000	Streetscene & Transportation	30.650	31.045	0.395	Planning & Environment	5.762	6.088	0.326	People & Resources	4.491	4.328	(0.163)	Governance	9.193	9.034	(0.159)	Strategic Programmes	4.943	4.676	(0.266)	Housing & Assets	16.149	15.431	(0.718)	Chief Executive	2.750	2.427	(0.322)	Central & Corporate Finance	24.147	24.123	(0.024)	Total	285.986	285.062	(0.924)
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1.03	<p>The reasons for the favourable net movement of £0.552m 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.</p> <p>Within the projected underspend position of £0.924m, there are net COVID-19 related pressures totalling £0.353m which are shown in a separate column in Appendix 2 (cost savings of £0.525m, cost pressures of £0.228m and income shortfalls of £0.650m). 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.</p>																																																								
	<p>Significant Movement from Month 9</p>																																																								
1.04	<p>Social Services (£0.158m)</p> <p>The expected contribution from Betsi Cadwaladr Health Board towards joint funded care packages is less than originally anticipated. Negotiations are still on-going but it is expected that the contribution received will be £0.133m less than previously forecast.</p> <p>This is mitigated by a number of factors :</p>																																																								

	<ul style="list-style-type: none"> • Reduction in Homecare and Extra Care Staffing costs (£0.048m) • Decrease in care package costs across Disability Services and Mental Health Services (£0.115m) • Reduced expenditure within some Children’s Services Grants allowing eligible costs to be moved from base budget funding to grant funding (£0.131m) <p>Streetscene & Transportation (£0.401m)</p> <p>There has been a reduction in Covid-19 commitments following a review of outstanding costs and risks, together with an updated position on the outstanding Hardship claims with Welsh Government, including car park income, contractor payments and additional vehicle costs (£0.415m).</p> <p>Governance (£0.078m)</p> <p>Part of the positive movement relates to a recharge of staff costs within Legal Services (£0.022m).</p> <p>The remaining positive movement is across the Portfolio and relates to minor movements each below £0.015m.</p> <p>Central and Corporate Finance £0.120m</p> <p>The adverse movement follows a follow-up review of the Corporate Bad Debt Provision by increasing the contribution by a further £0.150m to meet outstanding debt risk, which is partly mitigated by a one off benefit of Matrix Agency rebates received totaling £0.030m.</p>
1.05	<p>Emergency Funding Announcements</p> <p>As part of the Welsh Government third supplementary budget on 16 February, the following additional funding streams were agreed for the Hardship Fund:</p> <p>Free School Meals (£7.5m)</p> <p>To cover the period between half term and Easter as majority of pupils will still be out of school.</p> <p>Unachieved Savings (£25m)</p> <p>As a contribution to the pressure of planned savings not being achieved. This funding will be distributed on the RSG formula as all authorities are in different places in terms of which year savings have been planned and what has been achieved.</p> <p>Digital transformation (£25m)</p> <p>As a contribution to the pressure that digital transformation has put on authorities, especially as many plans have had to be brought forward. Again this funding will be distributed on the RSG formula as all authorities were at different stages.</p> <p>Further details are awaited and the impact will be reported in future budget monitoring reports. Wherever possible, these additional funds will be aligned to expenditure to enable the build-up of reserves.</p>

1.06	<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>
1.07	<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 recovering slower than anticipated, but is expected to recover over time 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. As a result of this, the Council has received an additional £1.051m from the Welsh Government COVID Hardship Fund Council Tax Collection which has been set aside in a provision to safeguard against potential future bad debts arising from the current shortfall.</p>
1.08	<p>Council Tax Reduction Scheme (CTRS)</p> <p>During the early stages of the pandemic there was a significant increase in demand with additional costs of £0.294m identified. Welsh Government have recently confirmed funding is available to meet the additional costs in full which closes the risk for the current financial year.</p>
1.09	<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>
1.10	<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>
1.11	<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>
1.12	<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 £0.627m (underspend of £0.151m within Education together with an overspend of £0.778m within Children's Services). The impact of this increase in demand has been considered as part of the budget considerations for 2021/22 and additional provision of £0.750m provided.</p>
1.13	<p>ADDITIONAL 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 2020, the Council made direct payments to families and there was a marked increase in the number of claims. However, based on updated free school meal claims and making projections for a range of take-up percentages in the remainder of the year, this is now estimated to be within budget, but will be closely monitored for February and March.</p>
1.14	<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>Revenue costs are being claimed through the Welsh Government Hardship Fund with the Council required to meet the first £0.030m. Discussions on some of the capital impacts are still ongoing and the outcome will be reported in future Capital reports.</p>
1.15	<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 reports that £5.357m or 100% of the efficiencies will be achieved. This includes an over recovery of £0.151m on Discretionary Transport Review – Post 16 Transport. As we are entitled to the funding even if we achieve the 100% internal efficiency target, the benefit of the increase is reflected within the Streetscene and Transportation monitoring position.</p> <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.</p>
1.16	<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>
1.17	<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 £2.339m as detailed in Appendix 4.</p> <p>This assumes that the projected underspend of £0.924m increases the overall Reserve.</p> <p>The £3m emergency ring-fenced fund would have an amount of £2.375m remaining after allowing for currently known ineligible items, However, there are a number of holding items and some 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>
1.18	<p>Request for Carry Forward of Funding</p> <p><u>Governance – Revenues</u></p> <p>During various points in 2020/21 we have received a number of WG administration grants to support the Business Grants work. Resources have been diverted over the past eleven months from several areas in the Revenues service to support this emergency response work, much to the cost of other work in the service, including planned tax base reviews of discounts, exemptions and other vital debt recovery work.</p> <p>While a proportion of the administration grants has been used to fund additional overtime costs to support the Business Grant work, there remains a significant amount of ‘catch up’ work to undertake in 2021/22, especially as resources are diverted back to mainstream Revenues work in Quarter 1 of 2021/22 to improve income streams and collection levels. The request for a carry forward balance of £0.173m promotes the Finance recovery objective of recovering income/debt over time.</p>

	<p><u>Governance – Internal Audit</u></p> <p>Due to the pandemic some key resources have been re-directed to supporting work on other priorities such as the introduction of a temporary hospital and Test, Track and Protect. This has resulted in the re-tender of Audit Software being delayed.</p> <p>The re-tender process has now started and the new system will be implemented during 2021/22. It is requested that £0.046m be carried forward into the 2021/22 financial year.</p>
1.19	<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>
1.20	<p>The 2020/21 budget for the HRA is £36.672m which includes a movement of £0.164m to reserves.</p>
1.21	<p>The monitoring for the HRA is projecting in year expenditure to be £1.642m lower than budget and a closing un-earmarked balance as at 31 March 2021 of £3.651m, which at 10.49% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers.</p>
1.22	<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 9 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 10 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Resources & Regulated Services	-0.048	Homecare salary costs have reduced by £0.016m due to slightly lower demand than expected. Extra Care staff costs have reduced by £0.009m. Residential care is expecting slightly more income from client contributions of £0.009m. The balance is due to minor variances.
Minor Variances	0.012	
Adults of Working Age		
Resources & Regulated Services	-0.033	This has been caused by changes to care package costs within Disability Services.
Disability Services	0.133	The expected contribution from health towards joint funded care costs is less than originally anticipated. Negotiations are ongoing, however it is doubtful the contribution will be as high as originally expected.
Residential Placements	-0.082	There has been a decrease in expected costs of services supporting people with mental health needs
Minor Variances	-0.001	
Children's Services		
Children's Development	-0.025	Reduced expenditure from Childrens Services grants has allowed eligible costs to be transferred from base budget to grant funding
Flintshire Independent Co-Ordinator	-0.026	Reduced expenditure from Childrens Services grants has allowed eligible costs to be transferred from base budget to grant funding
Professional Support	-0.080	Reduced expenditure from Childrens Services grants has provided the opportunity for eligible costs normally funded from base budget to be funded by grant instead.
Minor Variances	-0.019	
Safeguarding & Commissioning		
Charging Policy income	0.038	The bad debt provision has been increased due to increases to the latest estimated level of bad debt
Impact of Covid-19	-0.020	
Minor Variances	-0.009	
Total Social Services (excl Out of County)	-0.158	
Out of County		
Children's Services	-0.009	
Education & Youth	0.005	
Total Out of County	-0.003	
Education & Youth		
School Improvement Systems	-0.049	Movement due to significantly decreased attendance within maintained and non-maintained settings due to Covid 19
Minor Variances	0.021	
Total Education & Youth	-0.028	
Schools	-0.000	
Streetscene & Transportation		
Service Delivery	-0.026	Minor Variances across the service
Highways Network	0.045	Private hire contractor costs of £0.023m in Grounds Maintenance and £0.013m in Highways Maintenance.
Transportation	-0.048	Further Impact of 75% payable to School Transport providers due to school closures to the end of February and reflects the projected 25% saving.
Regulatory Services	0.043	Additional sweeper costs £0.020m, haulage cost increases £0.010m costs and reduced materials Income £0.010m.
Impact of Covid-19	-0.415	Reduction in COVID-19 risks following a thorough review of outstanding costs and risks, together with an updated position on the proposed Hardship claims to Welsh Government, including Car Park income, private contractors and additional fleet costs.
Total Streetscene & Transportation	-0.401	
Planning, Environment & Economy		

MONTH 10 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Impact of Covid-19		
Minor Variances	0.017	
Total Planning & Environment	0.017	
People & Resources		
HR & OD	-0.019	
Corporate Finance	-0.004	
Total People & Resources	-0.022	
Governance		
Minor Variances	-0.078	
Total Governance	-0.078	
Strategic Programmes		
Minor Variances	-0.000	
Total Strategic Programmes	-0.000	
Housing & Assets		
Property Asset And Development	0.038	Use of underspend to fund costs of feasibility studies at Deeside Leisure centre and Industrial estates
Housing Solutions	-0.030	Offsetting movement with impact of COVID-19
Impact of Covid-19	0.030	offsetting movement with Housing Solutions
Minor Variances	-0.033	
Total Housing & Assets	0.005	
Chief Executive's	-0.003	
Central & Corporate Finance	0.120	Further Corporate Bad Debt Provision of £0.150m to meet increased outstanding debt risk, offset by one-off benefit of Matrix Agency rebates (-£0.030m).
Grand Total	-0.552	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - 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	19.215	18.666	-0.549		-0.563	The net cost of residential care is £0.471m 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 £0.218m and are projected based on recent levels of care provision. The Localities Team staff budget is underspending by £0.162m 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 £0.063m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0.013m.	
Resources & Regulated Services	8.027	7.642	-0.385		-0.337	The Councils in-house care provision is reporting an underspend of £0.385m. 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 £0.035m. 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 £0.005m due to a number of small variances. Extra care is underspending by £0.342m. Plas Yr Ywern in Hollywell has not yet opened and a full complement of staff is yet to be recruited. Care staff already recruited to Plas Yr Ywern are currently redeployed to alternative 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 on 15 March 2021.	
Impact of Covid-19	0.000	0.000	0.000	0.000	-0.000		
Minor Variances	1.228	1.195	-0.033		-0.031		
Adults of Working Age							
Resources & Regulated Services	25.464	25.406	-0.058		-0.025	The outturn represents the current cost of care packages projected to the end of the financial year.	
Disability Services	0.657	0.749	0.092		-0.041	The outturn is the net cost of care packages for young adults transferring from children service into adult services. Many of these costs are for further education placements which can be joint funded between Flintshire County Council, Welsh Government and health	
Administrative Support	0.328	0.254	-0.075		-0.073	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	2.009	0.712		0.793	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	3.463	3.231	-0.232		-0.233		
Children's Services							
Family Placement	2.621	2.770	0.149		0.165	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	0.538	0.313		0.316	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	5.492	0.199		0.279	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	1.453	-0.029		0.022		

Budget Monitoring Report
Council Fund Variances

MONTH 10 - 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
Safeguarding & Commissioning							
Charging Policy income	-3.060	-2.556	0.503		0.465	Previous interpretation of complex financial assessment rules has resulted in a number of service users being overcharged over a period 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	1.158	-0.066		-0.062	This variance is due to some staff not yet paid top of scale and some staff opting out from the pension scheme.	
Management & Support	-2.057	-2.193	-0.136		-0.135	The underspend is due to not having to contribute to the Regional Collaboration Unit in 2020/21	
Impact of Covid-19	0.000	-0.380	-0.380	-0.380	-0.360	The 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 because of Covid are staff costs which are reported within their respective service areas.	
Minor Variances	3.058	3.038	-0.019		-0.016		
Total Social Services (excl Out of County)	68.463	68.468	0.005	-0.380	0.164		
Out of County							
Children's Services	7.437	8.215	0.778		0.787	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	4.353	-0.151		-0.156	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	12.568	0.627	0.000	0.631		
Education & Youth							
Inclusion & Progression	4.281	4.218	-0.064		-0.066	Variance is due to a delay in recruitment in the Ed Psych's service and CLASS. Savings in travel expenses have also contributed to the variance due to the COVID-19 pandemic	
Integrated Youth Provision	1.353	1.119	-0.234	-0.135	-0.248	Includes a projected underspend of -£0.123m 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 -£0.105m 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	1.454	-0.254		-0.205	Savings arising from the challenge of non-essential spend. Early Entitlement savings due to demography and reduced number of settings requiring funding. Covid has caused a significant reduction of non-maintained settings requiring funding	
School Planning & Provision	0.676	0.623	-0.053		-0.058	Mainly a saving against the provision for third party/public liability insurance claims	
Archives	0.304	0.304	0.000		0.000	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 have now been revised in this forecast and at month 10 they include; £99k for grass cutting and £75k for increased tonnages. 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 10 variance position.	
Minor Variances	0.443	0.423	-0.020		-0.020		
Total Education & Youth	8.766	8.142	-0.624	-0.135	-0.596		

**Budget Monitoring Report
Council Fund Variances**

MONTH 10 - 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
Schools	98.732	98.732	-0.000		0.000		
Streetscene & Transportation							
Service Delivery	8.911	9.245	0.334		0.360	The service has incurred an additional revenue pressure of £0.050m for security costs following vandalism at the Household Recycling Centres. There has been additional costs of £0.057m on JCB purchases that were not eligible for capital grant funding and an additional £0.130m on hire & repairs in Waste Operations. Streetlighting is also incurring a £0.065m pressure on the Community Income Budget. There has been an additional £0.030m Security overspend and £0.030m for Alltami depot cleaning costs which have not been covered at budget setting and is an ongoing pressure in Operations. There has been a £0.026m underspend in the Workforce area which is slightly reducing current pressures across the service.	Late notification of grant income totalling £0.160m from WG relating to Circular Economy funding may have the potential to utilise service related costs, thus reducing the overspend in this service area.
Highways Network	7.764	7.768	0.005		-0.040	Highways Network has incurred a revenue pressure of £0.040m for private hire contractor costs in grounds/highways maintenance and additional £0.035m for staffing costs. In addition, there is a £0.090m underspend in Fleet Services following market reductions in fuel during the COVID-19 pandemic, which is due to be followed by a stringent forecast review. This has been partly offset by cumulative pressures totalling £0.020m in Highways Strategy.	The recent severe weather in January resulted in a major response from the portfolio. As a result, there are likely to be significant costs being incurred, having both Revenue and Capital implications. Welsh Government have confirmed that the Emergency Financial Assistance Scheme (EFAS) threshold will not apply for the costs incurred. Revenue costs are being claimed through the Welsh Government Hardship Fund with the Council required to meet the first £0.030m.
Transportation	9.366	8.867	-0.499		-0.452	School Transport operators have been supported during school closures by receiving 75% of their contracted values. In addition, a number of school routes have been re-procured to reflect current arrangements for operation in the school year. This has resulted in a projected net underspend in School Transport of £0.415m. It should be noted however that the improvement from the 75% will only impact during COVID-19 circumstances. There are increased cost pressures for Social Services and Children's Services transport totalling £0.080m. There are also risks around Post 16 transport and the College meeting the agreement to support this to the sum of £0.600m. However, if this additional income of £0.200m income is not realised in full, the position will be impacted accordingly.	
Regulatory Services	4.609	5.008	0.398		0.356	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 £0.143m during the year. The variance also reflects the projected loss of car park income of £0.300m following amendments to WG Income Loss Funding eligibility criteria, with further car park enforcement charges loss risks shown under the COVID-19 variances.	
Impact of Covid-19	0.000	0.157	0.157	0.157	0.571	Following a full reconciliation and review of Streetscene expenditure and income loss relating to the Coronavirus Pandemic, all relevant details are consolidated in one code. This has been done to facilitate enhanced reporting and monitoring of the impact. All risks identified are now recorded in this forecast and at Month 10 they include; £0.099m for Car Park enforcements and £0.057m for waste tonnage. 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 totalling £0.057m for the November to March period is now reflected in the Month 10 variance position. The reduction at Month 10 reflects a review of outstanding COVID-19 costs and risks, resulting in reductions for Car Park income, private contractors and additional fleet costs.	
Total Streetscene & Transportation	30.650	31.045	0.395	0.157	0.796		
Planning, Environment & Economy							
Community	0.847	0.918	0.071		0.047	At month 10 revised projections on Licensing Income, lower than anticipated fee levels	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - 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
Development	0.023	0.187	0.165	0.228	0.153	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	0.577	0.066		0.048	There has been a significant impact on income levels following the closure of the markets for the year to date. 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	4.381	4.406	0.025		0.062		
Total Planning & Environment	5.762	6.088	0.326	0.272	0.310		
People & Resources							
HR & OD	2.398	2.280	-0.117		-0.098	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	2.047	-0.046		-0.043		
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Total People & Resources	4.491	4.328	-0.163	0.000	-0.141		
Governance							
Legal Services	0.736	0.871	0.135		0.157	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.197m. 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	2.005	-0.093	0.004	-0.080	Favourable variance following reduced take up of Members Allowances £0.042m and savings from travelling expenses due to remote working, non requirement to resource Electoral Canvassers £0.020m Commitment challenge and minor variances across the service.	
Internal Audit	0.826	0.769	-0.058		-0.047	Vacant post within Internal Audit (£0.049m); reduced expenditure on postage within Central Despatch	
ICT	4.445	4.382	-0.063		-0.051	At month 10 reduced expenditure on Records Management costs £0.020m together with minor variances across the Service	
Revenues	0.037	-0.042	-0.079	0.293	-0.071	Favourable variance at Month 10 following review of Council Tax Surplus 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	1.051	1.050	-0.001		0.011		
Total Governance	9.193	9.034	-0.159	0.327	-0.081		
Strategic Programmes							
Minor Variances	4.943	4.676	-0.266		-0.266		
Total Strategic Programmes	4.943	4.676	-0.266	0.000	-0.266		
Housing & Assets							
Enterprise Centres	-0.217	-0.119	0.098		0.107	Pressure due to loss of income in respect of void units	
Caretaking & Security	0.262	0.196	-0.066		-0.062	Mainly staffing cost savings due to vacancies	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - 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
Centralised Costs	3.353	2.409	-0.943		-0.943	£(0.943)m positive variance across utilities. NDR reduced due to the savings from County hall P3&4 demolition. Electric and Gas also reduced due to a combination of a reduction in rates and reduced usage.	
Benefits	11.665	11.819	0.154	0.119	0.174	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. Funding support has also now been confirmed for the remainder of 2020/21. Variance includes pressure of £0.077m on overpayments due to the suspension of recovery action caused by the COVID-19 pandemic	
Housing Solutions	1.091	1.001	-0.090		-0.060	Savings on Bed and Breakfast accommodation due to managing demand through use of temporary accommodation	
Council Fund Housing	-0.324	-0.199	0.125		0.122	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	-0.010	-0.010	-0.010	-0.040		
Minor Variances	0.318	0.333	0.015		-0.022		
Total Housing & Assets	16.149	15.431	-0.718	0.109	-0.723		
Chief Executive's	2.750	2.427	-0.322		-0.319	Vacant Posts across the Service	
Impact of Covid-19	0.000	0.000	0.000	0.004	0.000		
Central & Corporate Finance	24.147	24.123	-0.024		-0.145	Further Corporate Bad Debt Provision of £0.150m to meet increased outstanding debt risk offset by one off benefit of Matrix Agency rebates (-£0.030m).	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	0.000		
Grand Total	285.986	285.062	-0.924	0.353	-0.372		

2020/21 Efficiencies Outturn Tracker - Master Mth 10

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)

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 10 projected outturn		0.924
Less - projected national pay award increase		(0.821)
Total Contingency Reserve available for use		2.339

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 10 - 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)	(36.467)	0.209	0.200	There is a pressure forecast of £0.209m. Of this £0.097m relates to loss of income voids which are currently running at 2.00% void rate compared to 1.75% in the Business Plan. £0.071m relates to garages, £0.068m relates to void water charges. Additional new build rental income projected at £0.055m. The remaining £0.028m is attributed to Minor Variances	
Capital Financing - Loan Charges	9.027	7.916	(1.111)	(1.111)	Reduced spend on SHARP has reduced the the level of prudential borrowing required for 20.21.	
Estate Management	1.846	1.637	(0.208)	(0.212)	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 £0.184m. There is also a saving of £0.030m relating to court costs as action has been suspended due to Covid. The remaining £0.055m is minor variances	
Landlord Service Costs	1.434	1.371	(0.063)	(0.056)	There is a saving of £0.044m which relates to servicing costs which are lower due to some Covid restrictions, and £0.019m of minor variances	
Repairs & Maintenance	8.907	8.403	(0.504)	(0.498)	Reduction in Materials for Responsive and Voids expenditure due to Covid restrictions (£0.161m). Reduced projection of Responsive sub-contractor spend on basis of Covid restrictions (£0.221m). Staffing Vacancy savings (£0.109m). Overall NI staffing saving (£0.089m). Increased Fleet projection based on Q2 charges £0.084m. Minor variances (0.008m).	
Management & Support Services	2.523	2.555	0.032	0.035	There is a pressure projected of £0.032m of this £0.020m relates to salary savings. £0.011m relates to underspend on training due to Covid restrictions. There has been a increase in insurance costs of £0.084m. -£0.021m minor variances.	
Capital Expenditure From Revenue (CERA)	12.928	12.928	0.000	0.000		
HRA Projects	(0.153)	(0.150)	0.003	0.002		
Contribution To / (From) Reserves	0.164	0.164	0.000	0.000		
Total Housing Revenue Account	0.000	(1.642)	(1.642)	(1.641)		