

## CABINET

<b>Date of Meeting</b>	Tuesday, 16 <sup>th</sup> November 2021
<b>Report Subject</b>	Revenue Budget Monitoring 2021/22 (Month 6)
<b>Cabinet Member</b>	Cabinet Member for Finance, Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position in 2021/22 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 6.

This report projects how the budget would stand at the close of the financial year, 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 (£0.227m) (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of (£0.045m) from the surplus figure of (£0.182m) reported at Month 5.
- A projected contingency reserve balance as at 31<sup>st</sup> March, 2022 of £6.322m

#### **Housing Revenue Account**

- Net in-year revenue expenditure forecast to be £0.755m higher than budget
- A projected closing balance as at 31<sup>st</sup> March, 2022 of £3.717m

To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.

### RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2021/22 budget.
---	--

## REPORT DETAILS

1.00	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2021/22</b>																																																				
1.01	<p><b>Council Fund Projected Position</b></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"> <li>• An operating surplus of (£0.227m) (excluding the impact of the pay award which will be met by reserves)</li> <li>• A projected contingency reserve available balance as at 31 March 2022 of £6.322m.</li> </ul> <p>To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.</p> <p>Our ability to mitigate financial risks arising from the pandemic largely depends on the continuation of funds for hardship and income loss by Welsh Government which is now confirmed to March 2022, which includes some changes to eligibility criteria.</p>																																																				
1.02	<p><b>Table 1. Projected Position by Portfolio</b></p> <p>The table below shows the projected position by portfolio:</p> <table border="1" data-bbox="320 1189 1334 2089"> <thead> <tr> <th data-bbox="325 1196 772 1384">Portfolio/Service Area</th> <th data-bbox="772 1196 970 1384">Approved Budget £m</th> <th data-bbox="970 1196 1161 1384">Projected Outturn £m</th> <th data-bbox="1161 1196 1329 1384">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td data-bbox="325 1384 772 1440">Social Services</td> <td data-bbox="772 1384 970 1440">70.627</td> <td data-bbox="970 1384 1161 1440">70.922</td> <td data-bbox="1161 1384 1329 1440">0.295</td> </tr> <tr> <td data-bbox="325 1440 772 1496">Out of County Placements</td> <td data-bbox="772 1440 970 1496">12.921</td> <td data-bbox="970 1440 1161 1496">13.772</td> <td data-bbox="1161 1440 1329 1496">0.851</td> </tr> <tr> <td data-bbox="325 1496 772 1552">Education &amp; Youth</td> <td data-bbox="772 1496 970 1552">9.030</td> <td data-bbox="970 1496 1161 1552">8.649</td> <td data-bbox="1161 1496 1329 1552">(0.381)</td> </tr> <tr> <td data-bbox="325 1552 772 1608">Schools</td> <td data-bbox="772 1552 970 1608">101.937</td> <td data-bbox="970 1552 1161 1608">101.937</td> <td data-bbox="1161 1552 1329 1608">0.000</td> </tr> <tr> <td data-bbox="325 1608 772 1664">Streetscene &amp; Transportation</td> <td data-bbox="772 1608 970 1664">31.466</td> <td data-bbox="970 1608 1161 1664">32.078</td> <td data-bbox="1161 1608 1329 1664">0.612</td> </tr> <tr> <td data-bbox="325 1664 772 1720">Planning Env &amp; Economy</td> <td data-bbox="772 1664 970 1720">6.160</td> <td data-bbox="970 1664 1161 1720">6.100</td> <td data-bbox="1161 1664 1329 1720">(0.061)</td> </tr> <tr> <td data-bbox="325 1720 772 1776">People &amp; Resources</td> <td data-bbox="772 1720 970 1776">4.631</td> <td data-bbox="970 1720 1161 1776">4.395</td> <td data-bbox="1161 1720 1329 1776">(0.236)</td> </tr> <tr> <td data-bbox="325 1776 772 1832">Governance</td> <td data-bbox="772 1776 970 1832">10.223</td> <td data-bbox="970 1776 1161 1832">9.586</td> <td data-bbox="1161 1776 1329 1832">(0.637)</td> </tr> <tr> <td data-bbox="325 1832 772 1888">Strategic Programmes</td> <td data-bbox="772 1832 970 1888">4.648</td> <td data-bbox="970 1832 1161 1888">4.641</td> <td data-bbox="1161 1832 1329 1888">(0.007)</td> </tr> <tr> <td data-bbox="325 1888 772 1944">Housing &amp; Assets</td> <td data-bbox="772 1888 970 1944">17.172</td> <td data-bbox="970 1888 1161 1944">16.790</td> <td data-bbox="1161 1888 1329 1944">(0.382)</td> </tr> <tr> <td data-bbox="325 1944 772 2000">Chief Executive</td> <td data-bbox="772 1944 970 2000">2.350</td> <td data-bbox="970 1944 1161 2000">2.257</td> <td data-bbox="1161 1944 1329 2000">(0.093)</td> </tr> <tr> <td data-bbox="325 2000 772 2078">Central &amp; Corporate Finance</td> <td data-bbox="772 2000 970 2078">26.292</td> <td data-bbox="970 2000 1161 2078">26.103</td> <td data-bbox="1161 2000 1329 2078">(0.189)</td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	70.627	70.922	0.295	Out of County Placements	12.921	13.772	0.851	Education & Youth	9.030	8.649	(0.381)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.466	32.078	0.612	Planning Env & Economy	6.160	6.100	(0.061)	People & Resources	4.631	4.395	(0.236)	Governance	10.223	9.586	(0.637)	Strategic Programmes	4.648	4.641	(0.007)	Housing & Assets	17.172	16.790	(0.382)	Chief Executive	2.350	2.257	(0.093)	Central & Corporate Finance	26.292	26.103	(0.189)
Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m																																																		
Social Services	70.627	70.922	0.295																																																		
Out of County Placements	12.921	13.772	0.851																																																		
Education & Youth	9.030	8.649	(0.381)																																																		
Schools	101.937	101.937	0.000																																																		
Streetscene & Transportation	31.466	32.078	0.612																																																		
Planning Env & Economy	6.160	6.100	(0.061)																																																		
People & Resources	4.631	4.395	(0.236)																																																		
Governance	10.223	9.586	(0.637)																																																		
Strategic Programmes	4.648	4.641	(0.007)																																																		
Housing & Assets	17.172	16.790	(0.382)																																																		
Chief Executive	2.350	2.257	(0.093)																																																		
Central & Corporate Finance	26.292	26.103	(0.189)																																																		

	<b>Total</b>	<b>297.457</b>	<b>297.230</b>	<b>(0.227)</b>
1.03	The reasons for the favourable net movement of (£0.045m) 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.			
	<b>Significant Movements from Month 5</b>			
1.04	<b>Social Services £0.098m</b>			
	The adverse movement in the projected overspend is as a result of a number of factors :			
	<ul style="list-style-type: none"> <li>• <u>Adult Social Care - Older People £0.059m</u> The movement represents an increased demand for Council provided Homecare.</li> <li>• <u>Adult Social Care - Adults of Working Age £0.078m</u> The movement represents an increase in the cost of care packages.</li> <li>• Minor movements across the Portfolio account for the remainder (£0.039m)</li> </ul>			
1.05	<b>Out of County Placements £0.171m</b>			
	<u>Children's Services £0.172m</u>			
	<ul style="list-style-type: none"> <li>• Increased costs of 2 new placements (£0.124m) with the remainder mainly due to rate changes and some offsetting reductions due to an existing placement change</li> </ul>			
	<u>Education &amp; Youth (£0.001m)</u>			
	<ul style="list-style-type: none"> <li>• Minor reduction in placements costs.</li> </ul>			
1.06	<b>Education &amp; Youth (£0.053m)</b>			
	<u>Integrated Youth Provision (£0.033m)</u>			
	<ul style="list-style-type: none"> <li>• Vacancy savings due to delayed recruitment</li> </ul>			
	Minor movements across the Portfolio account for the remainder (£0.020m)			
1.07	<b>Housing &amp; Assets (£0.095m)</b>			
	<u>Centralised Costs (£0.072m)</u>			
	<ul style="list-style-type: none"> <li>• A positive movement follows the reduced consumption on Gas, Electric and Water. The expenditure will be closely monitored over the winter months.</li> </ul>			
	<u>Benefits (£0.046m)</u>			

	<ul style="list-style-type: none"> <li>A positive movement is the reflection of continuing funding support from the Welsh Government COVID-19 Hardship Fund for additional staffing costs for the period October to March, 2022.</li> </ul> <p>Minor adverse variances across the Portfolio account for the remainder of £0.023m.</p>
1.08	<p><b>Governance (£0.096m)</b></p> <p><u>Revenues (£0.071m)</u></p> <ul style="list-style-type: none"> <li>The favourable movement is due to an increase in the projected potential surplus on the Council Tax Collection Fund at the half year stage (£0.025m)</li> <li>Higher than anticipated fee income from Council Tax Fines (£0.033m)</li> <li>Vacancy savings (£0.013m)</li> </ul> <p>Minor movements across the Portfolio account for the remainder (£0.025m).</p>
1.09	<p><b>Tracking of In-Year Risks and Emerging Issues</b></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><b>Council Tax Income</b></p> <p>57.23% of Council Tax has been collected up to month 6 and latest projections indicate this as being 0.1% ahead of monthly targets to eventually achieve an outturn collection rate of at least 97.6% by 31<sup>st</sup> March 2022. Collection rates are steadily improving and are on track to achieve targets for 2021/22, although they still remain 0.53% lower than pre-pandemic levels. Collection levels, along with write off levels, continue to be tracked on a monthly basis.</p>
1.11	<p><b>Pay Award (Teacher and Non Teacher)</b></p> <p>Based on the UK Government position on public sector pay no general provision was included in the 2021/22 budget other than funding to reflect the intention to provide for those staff earning less than £0.024m.</p> <p><u>NJC (Green Book)</u></p> <p>National negotiations are ongoing and the initial offer by Employers of a 1.5% uplift would add a minimum further £0.160m to the pay bill for schools and £0.799m for non-schools. In the absence of any further funding being made available this will need to be met from the Contingency Reserve and built into the base budget from 2022/23. This offer has been increased to 1.75% which will further increase the impact on reserves.</p> <p>Teachers</p>

	<p>The September 2021 national pay award for Teachers has now been confirmed at 1.75% which adds a further £0.736m to the pay bill for schools in 2021/22, with the full year impact in 2022/23 being £1.282m. The Minister for Education in announcing the pay award, also confirmed additional funding of £6.4m across Wales to support the cost of the pay award in schools. The Council's share of the allocation is £0.304m for schools and £0.019m for Post 16. This additional funding will fund the pay award in part and as in previous years the Council will share the shortfall in costs in 2021/22 equally with schools.</p>
1.12	<p><b>Council Tax Reduction Scheme</b></p> <p>Based on current demand, costs are currently projected to be within budget although there is potential for a surge in demand from October when the UK Government furlough scheme ends.</p> <p>No additional funding is currently anticipated from Welsh Government in 2021/22 although this is expected to be subject to review in the event of significant pressures emerging across Wales in the second half of the year.</p>
1.13	<p><b>Social Care Grant Funding</b></p> <p>Further details are awaited from Welsh Government following an additional funding announcement for Social Care and Health totalling £42.72m across Wales. The grant will support Children's Services, Integrated Health and Social Care, unpaid carer direct payments, early intervention and prevention, along with improved advertising and recruitment for social care. It is anticipated that some of this funding can be assigned to existing cost pressures within the Portfolio which will have a positive impact on the outturn – updates will be provided in future reports.</p>
1.14	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.15	<p><b>Medium Term Financial Strategy (MTFS) Impact</b></p> <p>Stage 1 of the Budget Process 2022/23 was concluded in July and an additional budget requirement of £16.750m was reported to Cabinet and Corporate Resources Overview and Scrutiny Committee. This is expected to rise significantly due to the recent announcement of increases to National Insurance employer contributions.</p> <p>Stage 2 of the budget process was undertaken through September and October with feedback from all Overview and Scrutiny Committees reported to Cabinet and this Committee in October.</p> <p>Stage 3 will be undertaken following receipt of the Welsh Government Provisional Settlement which is due to be received on 21<sup>st</sup> December.</p>

	<p>All Portfolios will continue to consider their financial position, the risks within their service and the impacts over the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.16	<p><b>Out of County Placements</b></p> <p>There continues to be significant pressure on this volatile budget arising from the full year impacts of new placements made during 2020/21, including several new high cost placements which were agreed in March after the budget for 2021/22 had been set.</p> <p>A contribution of £0.500m has been made from the Social Care Recovery Fund which leaves a projected overspend of £0.851m for the remainder of the year. However, this is likely to increase with another 6 months of the year remaining.</p>
1.17	<p><b>Homelessness</b></p> <p>There is a risk that demands on the service will continue to increase with the impacts of removal of restrictions on landlords to seek repossessions.</p> <p>In addition, the economic impacts on residents in the rented sector and owner occupiers following the end of the furlough scheme at the end of September continue to cause concern.</p> <p>There is additional support in place with strategic use of the increased Housing Support Grant funding, but this may still not be sufficient.</p>
1.18	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2021/22 budget contains £2.363m of specific efficiencies which are tracked and monitored throughout the year. In 2020/21 the level of efficiency achievement was 100% which was an improvement on the 90% achieved during the previous year. The Council aims to achieve a 95% rate in 2021/22 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2021/22 shows that 100% of the efficiencies will be achieved. The risk remains that any under-achievement of efficiencies will have a negative impact on the 2021/22 budget. Further details on the current status on efficiencies can be seen in Appendix 3.</p>
1.19	<p><b>Emergency Funding</b></p> <p>The Local Government Hardship fund was initially allocated £206.6m to support local government for the first six months of 2021-22 in the Welsh Government Final Budget 2021-22. In addition £23.3m was allocated to support free school meals during the school holidays.</p> <p>A further £97.5m has subsequently been allocated until the end of the financial year based on spend patterns to date, any changes to policy approaches (for example tapering of social care uplifts and void payments) and the current alert level.</p>

	<p>The Principles and Guidance for the Hardship Fund have been revised by WG from 1<sup>st</sup> October with changes impacting on eligibility for various service areas including schools costs, additional waste tonnages (reduced to 50%) and vehicle costs due to social distancing being removed from eligibility altogether. Costs for additional cover where staff are off sick due to COVID or self-isolating are eligible until December, pending further review. The potential significant impacts of this will be reflected in future reports, although where able mitigating actions will be put in place.</p> <p>During 2021/22 to date, additional cost claims for April to September have totalled £5.009m and Quarter 1 and 2 Income Loss claims were £1.096m (which include claims for Aura, Newydd and Cambrian Aquatics).</p>
1.20	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2021/22 was £5.973m as detailed in the 2020/21 outturn report. However, this increased to £6.444m when taking account of the budgeted contribution to Reserves in the 2021/22 budget. This is the amount available for general purposes following the set-aside of £3.0m for a COVID-19 Emergency Funding.</p> <p>However, there will be a requirement to meet the unfunded impacts of the pay awards from the Contingency Reserve as detailed in para 1.11 following the outcome of the national pay award negotiations.</p> <p>Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £6.322m (prior to the impact of pay awards) (Appendix 4).</p> <p>The £3m emergency ring-fenced fund would have an amount of £2.009m remaining after allowing for currently known ineligible items. However, there are still a number of holding items and income loss claims still being considered by the Grants Panel. In addition, the impacts of the grant eligibility criteria changing from the 1<sup>st</sup> October will also need to be factored in.</p>
1.21	<p><b>Housing Revenue Account</b></p> <p>The 2020/21 Outturn Report to Cabinet on 13 July 2021 showed an un-earmarked closing balance at the end of 2020/21 of £5.039m and a closing balance of earmarked reserves of £1.869m.</p>
1.22	<p>The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.</p>
1.23	<p>The adverse movement this month of £0.122m is as a result of :</p> <ul style="list-style-type: none"> <li>• increase in void losses £0.031m</li> <li>• increased insurance premium costs £0.054m</li> <li>• early recruitment of new posts £0.035m</li> </ul> <p>Minor movements account for the remainder £0.002m</p>

1.24	The monitoring for the HRA is projecting in year expenditure to be £0.755m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £3.717m, which at 9.73% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 provides further detail.
1.25	The budget contribution towards capital expenditure (CERA) is £13.442m.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The Revenue Budget Monitoring Report reflects the three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.04 to 1.17.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None specific.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Movement in Variances from Month 5 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

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Various budget records.

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

--	--

8.00	GLOSSARY OF TERMS
	<p><b>Budget:</b> 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><b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> 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><b>Intermediate Care Fund:</b> Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p><b>Reserves:</b> 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 level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p><b>Revenue:</b> 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.</p> <p><b>Variance:</b> 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.</p> <p><b>Virement:</b> 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.</p>

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - SUMMARY**

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
<b>Social Services</b>		
<b>Older People</b>		
Resources & Regulated Services	0.059	Increased demand for Council provided homecare
Minor Variances	-0.021	
<b>Adults of Working Age</b>		
Resources & Regulated Services	0.078	Increased care package costs
Minor Variances	-0.022	
<b>Children's Services</b>		
Minor Variances	0.017	
<b>Safeguarding &amp; Commissioning</b>		
Impact of Covid-19	-0.009	
Minor Variances	-0.006	
<b>Total Social Services (excl Out of County)</b>	<b>0.098</b>	
<b>Out of County</b>		
Children's Services	0.172	In the main, this is due to 2 new placements totalling £0.124m, with the remainder relating to rate changes and some offsetting reductions due to a placement change.
Education & Youth	-0.001	
<b>Total Out of County</b>	<b>0.171</b>	
<b>Education &amp; Youth</b>		
Integrated Youth Provision	-0.033	Vacancy savings due to delayed recruitment to a vacant position
Minor Variances	-0.020	
<b>Total Education &amp; Youth</b>	<b>-0.053</b>	
<b>Schools</b>	<b>-0.000</b>	
<b>Streetscene &amp; Transportation</b>		
Service Delivery	0.083	Increase in Workforce due to agency costs driven by high sickness rates and cover for absent staff.
Transportation	-0.027	School Transport and Social Services transport costs reduced due to a reduced demand in services required.
Regulatory Services	-0.073	Positive movement due to improving market rates for the sale of recyclable materials.
Impact of Covid-19		
Other Minor Variances	-0.010	
<b>Total Streetscene &amp; Transportation</b>	<b>-0.027</b>	
<b>Planning, Environment &amp; Economy</b>		
Development	-0.023	Higher than anticipated fee income within Development Management
Minor Variances	0.003	
<b>Total Planning &amp; Environment</b>	<b>-0.020</b>	
<b>People &amp; Resources</b>		
HR & OD	-0.024	Minor movements across the service
Corporate Finance	0.004	
Impact of Covid-19	-0.000	
<b>Total People &amp; Resources</b>	<b>-0.020</b>	
<b>Governance</b>		
Internal Audit	-0.023	Minor movements across the service
Customer Services	-0.024	Minor movements across the service
Revenues	-0.071	Favourable Movement due to increase in the projected potential surplus on the Council Tax Collection Fund (£0.025m) at the half year stage; increase in anticipated fee income from Fines (£0.033m); minor movements across the service
Minor Variances	0.022	
<b>Total Governance</b>	<b>-0.096</b>	

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - SUMMARY**

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
<b>Strategic Programmes</b>		
ADM's & CAT's	-0.002	
<b>Total Strategic Programmes</b>	<b>-0.002</b>	
<b>Housing &amp; Assets</b>		
Centralised Costs	-0.072	Reduced consumption on Gas, Electric and Water contributing to the positive variance. To be monitored closely over the winter months.
Benefits	-0.046	Improvement is due to the reflection of continuing funding support from the WG COVID-19 Hardship fund for additional staffing costs from October to March
Minor Variances	0.023	
<b>Total Housing &amp; Assets</b>	<b>-0.095</b>	
<b>Chief Executive's</b>	<b>-0.006</b>	
Impact of Covid-19		
<b>Central &amp; Corporate Finance</b>	<b>0.003</b>	
Impact of Covid-19		
<b>Grand Total</b>	<b>-0.045</b>	

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - 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
<b>Social Services</b>							
<b>Older People</b>							
Localities	19.316	19.175	-0.142		-0.138	The net cost of residential care is reporting an overspend of £0.077m. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. Day care is £0.025m under budget and will not resume until safe to do so, this is currently assumed to be at the beginning of January 2022. Domiciliary and Direct Payments are reporting a combined underspend of £0.078m. The Localities staff budget is underspent by £0.075m due to temporary vacancies and not all staff being paid top of grade. The Minor Adaptations budget is £0.030m underspent based on current demand.	
Resources & Regulated Services	8.627	8.355	-0.272		-0.330	The Councils in-house care provision is projected to underspend by £0.272m. Day care is underspent by £0.010m, day centres are closed and will only reopen once safe to do so. Homecare is £0.066m overspent and there continues to be a growing demand for this service. Residential care is expected to underspend by £0.259m although there is an assumption that ICF slippage and Winter Pressure funding will occur this year and contributions from these are included within the financial projections. Extra care is underspent by £0.069m due to service demand.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	1.235	1.205	-0.029		-0.011		
<b>Adults of Working Age</b>							
Resources & Regulated Services	26.875	27.058	0.183		0.104	The overspend is the cost of social care for people with learning disabilities or physical disabilities. These costs include nursing and residential care, domiciliary care and Direct Payments which are required to meet their care needs.	
Professional and Administrative Support	0.339	0.267	-0.072		-0.062	Not all staff are currently paid at top of grade and there are also some staff who are seconded from this service.	
Residential Placements	1.791	2.139	0.349		0.353	The overspend 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.	
Minor Variances	4.038	3.954	-0.084		-0.077		
<b>Children's Services</b>							
Family Placement	2.700	2.826	0.126		0.129	The overspend is due to service demand from the number of foster placements. In some instances these avoid having to make expensive Out of County placements. The main pressures are payments to foster carers, foster agencies and special guardianship payments.	

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - 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
Grants	0.268	0.210	-0.059		-0.059	There is an assumption that the Welsh Government will allow for a flexible approach in the use of grants, similar to that which occurred in 2020/21, which would result in some costs within this service to be funded from grant.	
Legal & Third Party	0.210	0.563	0.353		0.349	Legal costs are overspent due to the number of cases going through the courts and use of some external legal professionals. Direct Payments have also increased in demand.	
Residential Placements	0.549	0.443	-0.106		-0.104	This is an in-year underspend associated with the opening of a registered Childrens Home within Flintshire, in-year grant funding from the Young People and Childrens Services Transformation Fund is being used to offset start-up costs.	
Professional Support	5.387	5.723	0.335		0.325	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	0.843	0.864	0.021		0.013		
<b>Safeguarding &amp; Commissioning</b>							
Impact of Covid-19	0.000	-0.309	-0.309	-0.309	-0.300	Welsh Government is providing financial assistance, through the hardship funding, for the Councils in-house residential, supported living, homecare and extra care services. Most additional costs incurred due to Covid are staff costs which are reported within their respective service areas.	
Minor Variances	-1.552	-1.551	0.001		0.009		
<b>Total Social Services (excl Out of County)</b>	<b>70.627</b>	<b>70.922</b>	<b>0.295</b>	<b>-0.309</b>	<b>0.197</b>		
<b>Out of County</b>							
Children's Services	8.417	9.284	0.868		0.695	The projected overspend reflects the costs of the current cohort of placements with the budget pressure being influenced by the full year impacts in 2021/22 of significant numbers of new placements made in the latter part of 2020/21. This has continued during 2021/22 with a further influx of new placements. The true pressure level has been partly mitigated by an allocation of one-off grant income of £0.500m from the WG Social Care Recovery Fund.	
Education & Youth	4.504	4.488	-0.016		-0.015		
<b>Total Out of County</b>	<b>12.921</b>	<b>13.772</b>	<b>0.851</b>	<b>0.000</b>	<b>0.680</b>		
<b>Education &amp; Youth</b>							

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - 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
Inclusion & Progression	4.462	4.386	-0.076		-0.071	Favourable variance due to in year efficiencies identified within the MEAG (Minority Ethnic Achievement Grant) service and Education Psychology service. The MEAG service received £200k more in WG funding for 2021-22, which has been used to recruit temporary posts, resulting in core budget being underspent. The Education Psychology service have recruited 3 Assistant EPs. The saving here has arisen due to posts not being at full year cost. Underspend also due to minor variances across all services within Inclusion.	
Integrated Youth Provision	1.018	1.018	0.000		-0.059	Due to savings on building cleaning at Youth Centres closed due to the COVID-19 pandemic	
School Improvement Systems	1.823	1.671	-0.152		-0.155	The underspend in Early Entitlement includes the maximisation of the Early Years Pupil Deprivation Grant (EYPDG) by allocating existing staff against the grant - £18,500. An efficiency of £0.100m has been identified in relation to WG top-up funding for non-maintained settings, releasing core budget of £0.095m and resources mitigated by utilising EYPDG £0.005m. £0.050m contingency remains within the budget to cover any increased Spring Term 22 costs.	
Minor Variances	1.726	1.573	-0.153		-0.044		
<b>Total Education &amp; Youth</b>	<b>9.030</b>	<b>8.649</b>	<b>-0.381</b>	<b>0.000</b>	<b>-0.328</b>		
<b>Schools</b>	<b>101.937</b>	<b>101.937</b>	<b>-0.000</b>		<b>0.000</b>		
<b>Streetscene &amp; Transportation</b>							
Service Delivery	8.696	8.792	0.096		0.013	The service has a recurring revenue pressure of £0.050m for security costs following vandalism at the Household Recycling Centres. Plant hire and repairs incurring additional costs of £0.050m, which is attributable to aging plant and equipment. Street lighting is also incurring a £0.120m revenue pressure on the Community Council Income Budget. However, this has largely been offset by workforce agency costs, which have been recovered through Covid Hardship funding claims.	
Highways Network	7.847	7.939	0.091		0.101	Highways service area incurred overspend in excess of £0.050m in staff costs relating to flooding and drainage costs. There are also cumulative minor variances totalling £0.037m across the service, including some additional staff recharges.	

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - 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
Transportation	9.750	9.854	0.104		0.132	Local bus services incurred a revenue pressure of: £0.100m as a result of the Service 5 reprourement and £0.115m implementation of the Deeside Shuttle Bus Service at the new DIP Park and Ride. Also, additional costs incurred of £0.049m due to the increased number of school days, 7 days as opposed to budgeted 5 additional school days. The total additional costs have been partially offset by projected Underspend of (£0.149) in Social Services Transport has offset some of the overspend as not all services have returned to full operation following the pandemic. However, this underspend could significantly reduce, once services start to resume.	Risk that the cost of the reprourement of Service 5 could increase further.
Regulatory Services	5.173	5.173	0.001		0.073	Car parking income currently reflects a loss of £0.239m, through maximising eligible funding from the WG Income Loss fund. There has been a positive movement of (£0.073m) due to improving market rates for the sale of recyclable materials. The service has been largely offset by savings in recruitment and maintenance costs of parking machines.	
Impact of Covid-19	0.000	0.320	0.320	0.320	0.320	Service Delivery has a recurring revenue pressure of £0.050m for additional cleaning and maintenance costs in Alltami depot as a result of the pandemic. Waste operations are showing additional costs of £0.090m in receptacles due to higher demand in waste collections as an impact of people working from home. This service area is also experiencing additional an revenue pressure of £0.090m in plant hire, maintenance and repairs. Additional costs of £0.090m incurred in contractors spend and Traffic Management, as the service was unable to provide the required training and has also faced recruitment delays during the Covid-19 Pandemic.	
<b>Total Streetscene &amp; Transportation</b>	<b>31.466</b>	<b>32.078</b>	<b>0.612</b>	<b>0.320</b>	<b>0.639</b>		
<b>Planning, Environment &amp; Economy</b>							
Community	0.883	0.993	0.110		0.093	Adverse variance due to the shortfall in Fee Income in Licensing and Pest Control Services	
Development	0.019	-0.037	-0.056		-0.033	Favourable variance following higher than anticipated Fee Income for Development Management and Land Charges	
Management & Strategy	1.311	1.188	-0.123		-0.111	Staff savings due to vacant posts	
Impact of Covid-19	0.000	-0.000	-0.000	0.116	0.000		
Minor Variances	3.947	3.955	0.008		0.009		
<b>Total Planning &amp; Environment</b>	<b>6.160</b>	<b>6.100</b>	<b>-0.061</b>	<b>0.116</b>	<b>-0.041</b>		
<b>People &amp; Resources</b>							

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - 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	2.465	2.315	-0.149		-0.126	Favourable variance is due to the projected income from the agreed recharge for overheads claimed for the Test, Trace, Project Project for hosting the service on behalf of the region to March, 2022	
Corporate Finance	2.166	2.080	-0.086		-0.090		
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
<b>Total People &amp; Resources</b>	<b>4.631</b>	<b>4.395</b>	<b>-0.235</b>	<b>0.000</b>	<b>-0.216</b>		
<b>Governance</b>							
Democratic Services	2.125	2.033	-0.092		-0.098	The majority of the favourable variance follows the reduced take up of Members Allowances and savings from travel expenses due to remote meetings, together with commitment challenge across the service	
Customer Services	1.030	0.943	-0.087		-0.063	Favourable variance is due to higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of COVID restrictions	
Revenues	0.475	0.127	-0.348		-0.277	Favourable variance is in the main due to the projected potential surplus on the Council Tax Collection Fund (£0.193m), Welsh Government Lockdown Admin Grant and minor variances across the service	
Impact of Covid-19	0.000	0.000	0.000	0.038	0.000		
Minor Variances	6.593	6.483	-0.110		-0.103	Cumulative minor variances across the portfolio	
<b>Total Governance</b>	<b>10.223</b>	<b>9.586</b>	<b>-0.637</b>	<b>0.038</b>	<b>-0.541</b>		
<b>Strategic Programmes</b>							
ADM's & CAT's	4.648	4.641	-0.007		-0.006		
<b>Total Strategic Programmes</b>	<b>4.648</b>	<b>4.641</b>	<b>-0.007</b>	<b>0.000</b>	<b>-0.006</b>		
<b>Housing &amp; Assets</b>							
Caretaking & Security	0.262	0.200	-0.062		-0.057	Projected underspend is due to salary savings on vacant posts	
Industrial Units	-1.237	-1.467	-0.230		-0.230	Additional unbudgeted income from new power generation lease	
Centralised Costs	2.783	2.585	-0.197		-0.125	Underspend on Gas and Electric due to continued reduced consumption	
Minor Variances	15.364	15.472	0.107		0.125		
<b>Total Housing &amp; Assets</b>	<b>17.172</b>	<b>16.790</b>	<b>-0.382</b>	<b>0.000</b>	<b>-0.287</b>		
<b>Chief Executive's</b>							
Staff savings due to vacant posts	2.350	2.257	-0.093		-0.087		
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 6 - 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
Central & Corporate Finance	26.292	26.103	-0.189		-0.192	Over recovery of planned pension contributions recouped against actuarial projections based on the level of contributions received during the year. Projected outturn on Matrix rebates and inflation pressures anticipated, but not required to date.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
<b>Grand Total</b>	<b>297.457</b>	<b>297.230</b>	<b>-0.227</b>	<b>0.165</b>	<b>-0.182</b>		

## 2021/22 Efficiencies Outturn Tracker - M6

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
		2021/22 £m	2021/22 £m	2021/22 £m		
<b>Portfolio</b>						
<b>Corporate</b>						
Employer Pension Contributions	Reduced requirement due to recovery	Rachel Parry Jones	0.300	0.300	0.000	C G
Workforce - Vacant Post	Reduction of Post	Rachel Parry Jones	0.030	0.030	0.000	C G
Remote Working Impacts	Reduced Operating Costs	Rachel Parry Jones	0.070	0.070	0.000	C G
Remote Working Impacts	Reduced Travel	All	0.200	0.200	0.000	C G
Price Inflation	Removal of Price Inflation	Rachel Parry Jones	0.113	0.113	0.000	C G
<b>Total Corporate Services</b>			<b>0.713</b>	<b>0.713</b>	<b>0.000</b>	
<b>Housing &amp; Assets</b>						
Property Savings (inc Demolition of Phases 3&4; utility savings)		Neal Cockerton	0.450	0.450	0.000	C G
NDR Inflationary Savings		Neal Cockerton	0.120	0.120	0.000	C G
Climate Change Levy		Neal Cockerton	0.295	0.295	0.000	C G
<b>Total Housing &amp; Assets</b>			<b>0.865</b>	<b>0.865</b>	<b>0.000</b>	
<b>Social Services</b>						
Vacancy Management Saving	Appropriate Vacancy Management	Neil Ayling	0.030	0.030	0.000	O G
Strategic Use of Grant Funding	Core Funding Replacement Solution	Neil Ayling	0.060	0.060	0.000	O G
Social Care Workforce Grant		Neil Ayling	0.430	0.430	0.000	O G
<b>Total Social Services</b>			<b>0.520</b>	<b>0.520</b>	<b>0.000</b>	
<b>Education &amp; Youth</b>						
Integrated Youth Provision	Youth Centres - Premises	Claire Homard	0.020	0.020	0.000	O G
<b>Total Education &amp; Youth</b>			<b>0.020</b>	<b>0.020</b>	<b>0.000</b>	
<b>Streetscene &amp; Transportation</b>						
Discretionary Transport Review - Post 16 Transport	Joint with Education	Steve O Jones	0.200	0.200	0.000	O R
<b>Total Streetscene &amp; Transportation</b>			<b>0.200</b>	<b>0.200</b>	<b>0.000</b>	
<b>Planning, Environment &amp; Economy</b>						
Planning Policy	Reduction of Post	Andy Roberts	0.045	0.045	0.000	C G
<b>Total Planning, Environment &amp; Economy</b>			<b>0.045</b>	<b>0.045</b>	<b>0.000</b>	
<b>Total 2021/22 Budget Efficiencies</b>			<b>2.363</b>	<b>2.363</b>	<b>0.000</b>	

	%	£
Total 2021/22 Budget Efficiencies	100	2.363
Total Projected 2021/22 Budget Efficiencies Underachieved	0	0.000
Total Projected 2021/22 Budget Efficiencies Achieved	100	2.363
Total 2021/22 Budget Efficiencies (Less Previously agreed Decisions)		
Total Projected 2021/22 Budget Efficiencies Underachieved	0	0.000
Total Projected 2021/22 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 0.051
<b>Total Income Efficiency Remaining</b>	<b>0.051</b> (0.051)

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2021	14.061	
Less - Base Level	(5.769)	
<b>Total Reserves above base level available for delegation to Cabinet</b>		8.292
Add - Transfer to Reserve Budget 2021/22		0.471
Add - Transfer from Earmarked Reserves (approved Month 5)		0.585
Less - COVID-19 Emergency Funding Allocation*		(2.317)
Less - Investment in Change (approved Month 2)		0.400
Less - Severe Weather (approved Month 2)		0.250
Less - Organisational Capacity Estimate (approved month 5)		0.103
Less - Childrens Services Social Work Costs (approved Month 5)		0.183
Add - Month 6 projected outturn		(0.227)
Less - projected national pay award increase		
<b>Total Contingency Reserve available for use</b>		<b>6.322</b>

**Budget Monitoring Report**  
**Housing Revenue Account Variances**

**MONTH 6 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Housing Revenue Account</b>						
Income	(37.259)	(36.728)	0.530	0.500	We are currently projecting a pressure of £0.441m due to loss of income in relation to vacant properties. Of this, £0.311m relates to void properties, £0.056m relates to the utilities charges on void properties and £0.074m relates to void garages. There is also a pressure of £0.083m relating to an assumed reduction in rental income on new build properties which were included in the Business Plan. There are other minor variances of £0.006m.	
Capital Financing - Loan Charges	8.047	8.047				
Estate Management	1.931	1.938	0.006	(0.028)	Minor variances	
Landlord Service Costs	1.469	1.505	0.036	0.036	Minor variances	
Repairs & Maintenance	10.431	10.414	(0.017)	(0.020)	Minor variances	Early indications from our supplier suggest an increase in the costs of some sourced Materials, this will be monitored closely over the next couple of months.
Management & Support Services	2.658	2.857	0.199	0.145	Efficiency in respect of salary costs of (£0.059m). Additional cost of the IT project work £0.050m. Pressure in relation to insurance costs of £0.208m.	
Capital Expenditure From Revenue (CERA)	13.442	13.442				
HRA Projects	(0.153)	(0.152)	0.001	0.001	Minor variances	
Contribution To / (From) Reserves	(0.566)	(0.566)				
<b>Total Housing Revenue Account</b>	<b>(0.000)</b>	<b>0.755</b>	<b>0.755</b>	<b>0.633</b>		