

**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	19.195	18.556	-0.639	-0.058	-0.633	The net cost of residential care is £0.467m underspent. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. There is a decline in the demand for residential care placements due to COVID-19. Day care is £0.058m under budget, as a projection has been made that day care provision will not resume until much later in the financial year. Domiciliary and Direct Payments are reporting a combined overspend of £0.084m and are projected based on recent levels of care provision. The Localities Teams staff budget is underspending by £0.131m due to a number of staff not yet on top of scale, some temporary reduced hours and in-year savings on travel costs. The minor adaptations budget is £0.058m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0.009m.	
Resources & Regulated Services	7.980	7.811	-0.169		-0.147	The Councils in-house care provision is reporting an underspend of £0.169m. Day care is reporting an overspend of £0.013m, day centres are currently closed and are anticipated to be so for the foreseeable future and the staff are deployed to residential care. The overspend on day centres is due to several small variances. Homecare is underspent by £0.001m. 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 £0.036m due to a number of small variances. Extra care is underspending by £0.216m. Plas Yr Ywen in Holywell has not yet opened and a full compliment of staff is not yet recruited. Care staff already recruited are currently redeployed to alternate in-house care services and this has meant significant costs due to Covid 19 have been avoided. It is anticipated Plas Yr Ywen will open early 2021.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		
Minor Variances	1.217	1.190	-0.028		-0.029		
<b>Adults of Working Age</b>							
Administrative Support	0.321	0.233	-0.088		-0.088	Not all staff are currently paid at top of grade and there are also some staff seconded from this service. There have also been in-year savings on staff travel costs.	
Residential Placements	1.297	1.985	0.688		0.593	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 at short notice and costs are subject to the same changes.	
Minor Variances	29.602	29.382	-0.220		-0.139		
<b>Children's Services</b>							
Family Placement	2.621	2.790	0.169		0.172	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	0.557	0.332		0.341	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.	

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Professional Support	5.270	5.666	0.396		0.392	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	1.469	1.465	-0.004		0.004		
<b>Safeguarding &amp; Commissioning</b>							
Charging Policy income	-3.060	-3.138	-0.078		-0.076	Charging policy income is expected to exceed the budget and is based on the weekly charge cap and the number of service users who financially contribute to their care.	
Business Support Service	1.214	1.154	-0.060		-0.056	This variance is on salaries and due to some staff not yet paid top of sale and some staff opting out of the pension scheme.	
Management & Support	-2.057	-2.183	-0.125		-0.125	The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21	
Minor Variances	3.165	3.158	-0.006		0.002		
<b>Total Social Services (excl Out of County)</b>	<b>68.458</b>	<b>68.624</b>	<b>0.166</b>	<b>-0.058</b>	<b>0.211</b>		
<b>Out of County</b>							
Children's Services	7.437	7.774	0.337		0.345		
Education & Youth	4.504	4.305	-0.199		-0.204		
<b>Total Out of County</b>	<b>11.940</b>	<b>12.079</b>	<b>0.138</b>	<b>0.000</b>	<b>0.141</b>		
<b>Education &amp; Youth</b>							
Integrated Youth Provision	1.351	1.116	-0.235	-0.148	-0.215	Includes a projected underspend of -£0.148m 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 -£0.074m 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	1.526	-0.183	-0.149	-0.149	In year savings identified through the challenge of non-essential spend across School Improvement and Early Entitlement. A significant majority of the underspend relates solely to Early Entitlement due to demography and a reduction in the number of settings requiring funding.	
School Planning & Provision	0.676	0.621	-0.056		-0.062	Mainly a saving against the provision for third party/public liability insurance claims	
Minor Variances	5.040	5.003	-0.037		-0.024		
<b>Total Education &amp; Youth</b>	<b>8.775</b>	<b>8.265</b>	<b>-0.510</b>	<b>-0.297</b>	<b>-0.450</b>		
<b>Schools</b>	<b>98.508</b>	<b>98.508</b>	<b>-0.000</b>		<b>-0.000</b>		
<b>Streetscene &amp; Transportation</b>							

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Service Delivery	8.685	8.963	0.279		0.273	The service has incurred additional revenue pressures from responding to and resolving previously reported security measures and remedial actions following vandalism at the Household Recycling Centres. This matter has been widely reported during 2019-20 and has not abated. The monthly costs are now running at over £0.006m per month, mainly due to the introduction of a night time presence on the sites. In addition a pressure has arisen around Hire of Plant in operations which is a direct result of the delayed delivery of equipment from JCB due to staff being currently on furlough, every effort is being made to secure coverage of this pressure via Welsh Government Grant Claims as a direct result of COVID-19.	
Highways Network	7.734	7.901	0.167		0.092	The pressure previously reported in the Insurance Premium has been removed following confirmation of a lower premium for 2020/21. A pressure for Fuel NSI increases remains reported as, despite fuel prices being deflated during the initial phase of the Pandemic, prices are now increasing rapidly alongside increases in volumes of consumption. Increase in street lighting costs and revised projection on rechargeable works orders income at Month 6.	
Transportation	9.297	9.110	-0.187		-0.036	Operators have been supported during school closures by receiving 75% of their contracted values, in addition a number of routes have been re-procured to reflect current arrangements for operation in the new school year. The forecast position for this service has now been clarified and accommodates both matters. There are also risks around this position in that the forecast is based on the assumption that Colleges will honour their agreement to support Post 16 transport in the sum of £0.600m. If this does not crystallise, the position will be adversely impacted. In addition, there is also a risk around free school meal transports provided in good faith and submitted as a part of the COVID claim; this has been challenged by Welsh Government and discussions are ongoing around the potential outcome.	It should be noted however that this improvement will only impact during 2020-21 and the underlying impact of the current circumstances. Therefore Pressure Method statements for 2021-22 previously reported still stand.
Regulatory Services	4.870	4.869	-0.001		0.178	This service has experienced a downturn in the levels of income generated by sales of Electricity and this is currently anticipated to reach a level of some £0.120m during the year. The increased cost of disposals to Parc Adfer were reported last month and a full stringent review of these has taken place. A value of £0.133m has been evidenced as relating directly to increased tonnages as a result of many people working and staying at or close to home. This increased cost of disposal has been moved to the COVID code and will form a part of the claim for September. There has been a downturn in the rebate for Co-mingled waste due to a considerable drop in the value per ton of approximately £70 - £80 per ton. Confirmation of NDR value for Parc Adfer and reallocation of additional tonnage due to lockdown collection levels has resulted in a saving of £0.179m.	

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Impact of Covid-19	0.000	0.987	0.987	0.987	0.755	Following a full reconciliation and review of Streetscene expenditure and income loss relating to the Coronavirus Pandemic, all relevant details have now been consolidated to one code. This has been done in order to facilitate enhanced reporting and monitoring of the impact. All risks identified are now recorded in this forecast and at month 6 they include; £0.050m Agency and overtime, £0.550m car parking income loss, £0.099m in relation to potential PCN and FPN revenues, £0.080m in relation to additional vehicles and fuel and £0.075m in relation to additional private contractors and plant hire. In addition, a level of additional disposal expenditure as a result of increased kerbside waste collections due to people working and remaining at or close to home has now been quantified; this is in the sum of £0.133m which will be included in the September claim, if this is not successful an application will be made for a further release of the Contingency. If successful, this will result in an improved position for the Portfolio and the Council.	It should be noted that following the disallowing of expenditure from claims to Welsh Government of the Grass Cutting contract, let due to all operatives being diverted to waste routes, an application has been made for the release of part of the £3m Contingency Reserve set aside for COVID-19 related pressures.
Other Minor Variances	0.000	0.000	0.000		0.000		
<b>Total Streetscene &amp; Transportation</b>	<b>30.585</b>	<b>31.831</b>	<b>1.246</b>	<b>0.987</b>	<b>1.263</b>		
<b>Planning, Environment &amp; Economy</b>							
Business	1.684	1.741	0.057		0.047	Historic income target £0.025m remains unrealised, minor variances across the service	
Development	0.015	0.213	0.198	0.295	0.210	Pressure within the Building Control service is due in the main, to delays sourcing core materials meaning that the construction industry is operating at a low level of capacity. This results in a projected reduced Building Control fee income. A lull in the property market is affecting a reduced need for Land Charge Searches adding to the overspend. The current economic conditions are having an adverse affect the Planning Applications, the projection is dependant on the number and value of applications received, resulting in a changeable outturn to ensure an accurate reflection. The overall variance is mitigated by the Fee Increase for planning and related applications of approx 20% that came into effect August, 2020	
Regeneration	0.508	0.643	0.135	0.110	0.157	There has been a significant impact on income levels following the closure of the markets in the first quarter of the financial year.	
Minor Variances	3.555	3.619	0.064	0.050	0.045		
<b>Total Planning &amp; Environment</b>	<b>5.762</b>	<b>6.216</b>	<b>0.454</b>	<b>0.455</b>	<b>0.459</b>		
<b>People &amp; Resources</b>							
HR & OD	2.418	2.421	0.003		-0.019		
Corporate Finance	2.073	2.054	-0.019		-0.002		
<b>Total People &amp; Resources</b>	<b>4.491</b>	<b>4.475</b>	<b>-0.016</b>	<b>0.000</b>	<b>-0.021</b>		
<b>Governance</b>							
Legal Services	0.730	0.894	0.164		0.177	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.153m. 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.	

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Democratic Services	2.094	2.036	-0.058		-0.056	Favourable variance following reduced take up of Members Allowances £0.024m. Minor variances across the service.	
Customer Services	0.724	0.766	0.042	0.071	0.062	Within the Registration Service there is an estimated loss of income for the remainder of the year due to the cancellation/suspension of wedding ceremonies due to the pandemic. This is mitigated in part by vacancies and commitment challenge across the service,	
Revenues	0.030	0.352	0.322	0.292	0.432	The national lockdown restrictions have resulted in the cessation of all recovery activities, especially enforcement/bailiff duties during the first 5 months of the year. All debt recovery activities, with the exception of enforcement/bailiff duties re-commenced during August, starting with the issues of first reminder notices. The level of financial risk from fee income will be dependant on re-commencement of court action to secure Liability Orders - income from fees is projected to re-commence during October as court summonses are issued. however this will be mitigated by the potential for an additional resource to assist in clearing the backlog of cases and provide service resilience.	
Minor Variances	5.615	5.556	-0.060		-0.063		
<b>Total Governance</b>	<b>9.193</b>	<b>9.604</b>	<b>0.411</b>	<b>0.363</b>	<b>0.553</b>		
<b>Strategic Programmes</b>							
Leisure	4.943	4.656	-0.287		-0.216	Variance due to reduced utility costs. Consideration of budget reduction for 2021/22	
<b>Total Strategic Programmes</b>	<b>4.943</b>	<b>4.656</b>	<b>-0.287</b>	<b>0.000</b>	<b>-0.215</b>		
<b>Housing &amp; Assets</b>							
Enterprise Centres	-0.217	-0.105	0.112		0.094	Pressure due to loss of income in respect of void units	
Property Asset And Development	0.442	0.365	-0.077		-0.079	Mainly staffing cost savings pending completion of restructure	
Caretaking & Security	0.262	0.201	-0.062		-0.064	Mainly staffing cost savings due to vacancies	
Centralised Costs	3.353	2.584	-0.769		-0.773	Overall savings predominantly as a result of the demolition of Phase 3 & 4 of County Hall. A reduction in gas and electric prices also contributing to the underspend.	
Benefits	11.657	11.879	0.222	0.119	0.217	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 £0.058m of WG emergency funding support in respect of the April to June element of the overall pressure but the £0.750m is not included in the variance figures. Variance includes pressure of £0.119m on staffing costs due the additional demand caused by the COVID-19 pandemic and overpayments.	
Council Fund Housing	-0.328	-0.203	0.125		0.163	Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink	
Minor Variances	0.947	1.007	0.061		0.060		
<b>Total Housing &amp; Assets</b>	<b>16.115</b>	<b>15.727</b>	<b>-0.387</b>	<b>0.119</b>	<b>-0.382</b>		
<b>Chief Executive's</b>	<b>2.789</b>	<b>2.533</b>	<b>-0.257</b>		<b>-0.259</b>	Vacant posts across the service	
<b>Central &amp; Corporate Finance</b>	<b>24.427</b>	<b>24.039</b>	<b>-0.388</b>		<b>-0.379</b>	Over recovery of planned pension contributions recoupment against actuarial projections based on the level of contributions received to date and forecast to the end of the financial year.	

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<b>Grand Total</b>	285.986	286.556	0.569	1.569	0.921		