

CABINET

Date of Meeting	Tuesday, 15th December, 2020
Report Subject	Revenue Budget Monitoring Report 2020/21 (Month 7)
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 7. 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 deficit of £0.196m (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of £0.373m from the deficit figure reported at Month 6.
- A projected contingency reserve balance as at 31st March, 2021 of £1.415m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.460m lower than budget
- A projected closing balance as at 31st March, 2021 of £2.633m

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).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 7 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 deficit of £0.196m (excluding the impact of the pay award which will be met by reserves)• A projected contingency reserve available balance as at 31 March 2021 of £1.415m. <p>To assist with mitigating the overall projected overspend the following measures have been introduced:-</p> <ol style="list-style-type: none">1) All non-essential spend is being reviewed and challenged with a view to ceasing/delaying where able and2) Introduction of a vacancy management process to consider new recruitment requests <p>The outcome of this work is shown within the report and will continue as part of the robust challenge of the future monthly monitoring position.</p>

1.02	<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 1388 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 1388 450">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>68.458</td> <td>68.584</td> <td>0.126</td> </tr> <tr> <td>Out of County Placements</td> <td>11.940</td> <td>12.424</td> <td>0.484</td> </tr> <tr> <td>Education & Youth</td> <td>8.776</td> <td>8.247</td> <td>(0.529)</td> </tr> <tr> <td>Schools</td> <td>98.722</td> <td>98.722</td> <td>0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>30.650</td> <td>31.748</td> <td>1.098</td> </tr> <tr> <td>Planning & Environment</td> <td>5.762</td> <td>6.161</td> <td>0.399</td> </tr> <tr> <td>People & Resources</td> <td>4.491</td> <td>4.464</td> <td>(0.027)</td> </tr> <tr> <td>Governance</td> <td>9.193</td> <td>9.334</td> <td>0.141</td> </tr> <tr> <td>Strategic Programmes</td> <td>4.943</td> <td>4.636</td> <td>(0.307)</td> </tr> <tr> <td>Housing & Assets</td> <td>16.115</td> <td>15.620</td> <td>(0.495)</td> </tr> <tr> <td>Chief Executive</td> <td>2.789</td> <td>2.497</td> <td>(0.292)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>24.147</td> <td>23.745</td> <td>(0.402)</td> </tr> <tr> <td>Total</td> <td>285.986</td> <td>286.182</td> <td>0.196</td> </tr> </tbody> </table>	Portfolio/ Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	68.458	68.584	0.126	Out of County Placements	11.940	12.424	0.484	Education & Youth	8.776	8.247	(0.529)	Schools	98.722	98.722	0.000	Streetscene & Transportation	30.650	31.748	1.098	Planning & Environment	5.762	6.161	0.399	People & Resources	4.491	4.464	(0.027)	Governance	9.193	9.334	0.141	Strategic Programmes	4.943	4.636	(0.307)	Housing & Assets	16.115	15.620	(0.495)	Chief Executive	2.789	2.497	(0.292)	Central & Corporate Finance	24.147	23.745	(0.402)	Total	285.986	286.182	0.196
Portfolio/ Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m																																																						
Social Services	68.458	68.584	0.126																																																						
Out of County Placements	11.940	12.424	0.484																																																						
Education & Youth	8.776	8.247	(0.529)																																																						
Schools	98.722	98.722	0.000																																																						
Streetscene & Transportation	30.650	31.748	1.098																																																						
Planning & Environment	5.762	6.161	0.399																																																						
People & Resources	4.491	4.464	(0.027)																																																						
Governance	9.193	9.334	0.141																																																						
Strategic Programmes	4.943	4.636	(0.307)																																																						
Housing & Assets	16.115	15.620	(0.495)																																																						
Chief Executive	2.789	2.497	(0.292)																																																						
Central & Corporate Finance	24.147	23.745	(0.402)																																																						
Total	285.986	286.182	0.196																																																						
1.03	<p>The reasons for the favourable net movement of £0.373m 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 overspend position of £0.196m, there are COVID-19 related cost pressures and income shortfalls totalling £1.526m which are shown in a separate column in Appendix 2 (net costs pressures of £0.102m and income shortfalls of £1.424m). 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 deficit position.</p>																																																								
	<p>Significant Movement from Month 6</p>																																																								
1.04	<p>Social Services (£0.040m)</p> <p>The favourable movement follows the rescheduled opening of Plas yr Ywen Extra Care facility in Holywell, reducing the overall projected spend. Within Disability Services, a contribution from Welsh Government towards some education placements has been agreed at a higher rate than originally forecast.</p>																																																								

	<p>Out of County Placements £0.345m</p> <p>The net impact of new placements and changes of placements forecast to the end of the financial year with some mitigation of costs being approved from the Integrated Care Fund Grant.</p> <p>Streetscene & Transportation (£0.148m)</p> <p>An improved position for the Portfolio as a result of a number of factors:</p> <ul style="list-style-type: none"> • a refresh of the service demand plan and the use of agency to fill vacant posts at a reduced rate • Revised projection on the pressure relating to fuel costs following market update and revision of actual usage • Increased Post 16 income contribution projections, partially offset by an increase in the re-procurement of bus routes. • Adjustment to the level of income recoverable on car parking income losses from the WG Hardship Fund <p>Planning Environment & Economy (£0.055m)</p> <p>Receipt of the Lockdown Business Grant 2% Admin Fee in association with Revenues improved the Portfolio position by £0.033m with the remainder due to minor variances across the portfolio.</p> <p>Governance (£0.270m)</p> <p>The Council received an award of funding in relation to Lockdown Business Grant in October, 2020. With this award, Welsh Government introduced a 2% admin fee £0.163m, shared 80/20 between the Revenues and Regeneration services in order to ensure disbursement of the grant conditions in a timely manner.</p> <p>All debt recovery activities, with the exception of enforcement/bailiff duties re-commenced during August. The levels of fee income remain a risk, but the first court hearing has taken place in October and with further hearings scheduled on a monthly basis from November to March, income from fees is projected to increase over the next 5 months, projected income therefore improved by £0.100m.</p> <p>Housing & Assets (£0.107m)</p> <p>Positive movement on Electricity projections following detailed analysis of usage comparisons from the previous year, together with a confirmed reduction in tariff prices from October, 2020.</p> <p>Chief Executives (£0.035m)</p> <p>An agreed salary recharge for Chief Officer time due to an agreed temporary arrangement with Wrexham County Borough Council.</p>
1.05	<p>Key Financial Risks – Council Tax Income and Council Tax Reduction Scheme</p> <p>There have been significant impacts on Council Tax income and the Council Tax Reduction Scheme.</p>

	<p>The potential financial impact of these two areas is being reported separately due to 1) the difficulties in predicting the impacts of these risks and 2) the potential for these areas to be further supported by additional Welsh Government funding.</p> <p>However, if these cost pressures are not met by additional funding they will add to the projected overspend of £0.196m. An update on the latest position on each area is detailed below.</p>
1.06	<p>Council Tax Income</p> <p>As with all Councils the pandemic has significantly impacted on council tax collection. At this stage council tax income is 1.4% below target which equates to £1.37m. Income is expected to continue to recover now that recovery processes have resumed in full and when agreed payment deferrals are settled. Welsh Government are monitoring the situation, but taking a longer term view as to any potential support when the recovery impacts are more certain.</p>
1.07	<p>Council Tax Reduction Scheme (CTRS)</p> <p>During the pandemic there has been a significant increase in demand with additional costs of £0.294m identified as at the second quarter. Welsh Government have confirmed funding for the first two quarters estimated at £0.147m. However, the risk remains for the remaining two quarters of the year for existing clients together with the costs of any further increases in demand which is likely in the current economic climate.</p>
1.08	<p>OPEN RISKS</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.09	<p>Pay Award</p> <p>The Teachers Pay Award which is effective from September 2020 has now been set at 3.1% and the financial impact of this for 2020/21 is estimated to be £0.535m. Welsh Government recently announced grant funding of £0.200m to part fund this increase. The remainder will need to be met from Schools delegated budgets.</p>
1.10	<p>Charging for Post 16 Transport</p> <p>The budget for 2020/21 provides for expected additional income of £0.449m based on the assumption that charging would be introduced from September 2020. This policy decision was reversed by Cabinet in May.</p> <p>The developing financial solution through effective partnership working with Coleg Cambria will assist with mitigating the financial risk for 2020/21 and the outcome will be included in future reports. An agreement has been</p>

	<p>reached with the college that a level of the anticipated value of the journeys would be reimbursed to the Portfolio. However, the level of this reimbursement is currently £0.047m less than that included in the budget. Therefore this remains a risk to the containment of any costs associated with the journey provision.</p>
1.11	<p>Out of County Placements</p> <p>Additional funding of £2.7m was included in the budget for 2020/21 to address the historic significant increase in demand. At this stage, based on current activity there is an overall net projected overspend of £0.484m (underspend of £0.153m within Education together with an overspend of £0.637m within Children’s Services).</p>
1.12	<p>NEW EMERGING RISKS</p> <p>Free School Meals</p> <p>Schools have a delegated budget for free school meals (FSM) which is based on the number of pupils eligible for FSM. The budget for 2020/21 is £1.256m. Following the closure of schools in March, the Council made direct payments to families and there was a marked increase in the number of claims. Based on current free school meal claims and making projections for a range of take-up percentages in the remainder of the year, it is estimated that the budget could overspend by between £0.222m and £0.344m.</p>
1.13	<p>Transportation</p> <p>Under School Transport, there has been a significant financial increase in private hire coach, minibus and taxi quotations, which is due to the operators including the cost of the cleaning of vehicles, driver PPE and the fact the school contract is the only business they are receiving at the moment, i.e. no private hire for weekends, during the day such as swimming lessons, school trips or private tour excursions. There has also been additional financial pressure in relation to the re-procurement of a subsidised local bus contract in which we have seen a significant cost increase due to the operator now building the loss of fare revenue (reduced patronage) into their quotations.</p> <p>The Transport team have been assessing the overall financial impact of this and some of these costs are included in the Month 7 monitoring report.</p>
1.14	<p>Emergency Funding</p> <p>In addition to the Hardship Fund, Welsh Government has previously confirmed further funding of £264 million across Wales to continue to support local government for additional costs and income losses. Eligibility criteria for this funding has now been confirmed and income loss claims will continue to be made on a quarterly basis for the remainder of the financial year.</p>

	<p>Welsh Government have previously confirmed that additional costs for Social Care and Schools will continue to be a priority when considering the use of this funding which is encouraging to ensure that the Council can continue to meet the impact of these additional costs.</p> <p>The announcements on funding for the first two quarters of increased demand for the Council Tax Reduction Scheme is also a positive outcome and is currently under consideration for the remainder of the financial year as well as any further increases in demand.</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 shows that £4.982m or 96% of the efficiencies will be achieved.</p> <p>Further details on the current status on efficiencies can be seen in Appendix 2 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 overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2021 is projected to be £1.415m as detailed in Appendix 3.</p> <p>This assumes that the projected overspend of £0.196m is met from the £3m emergency ring-fenced fund which would leave an amount of £2.446m remaining after allowing for other known ineligible items.</p>
1.18	<p>A review of the Earmarked Balances and Reserves is on-going, balances challenged and identified as no longer required are to be returned to the Contingency Reserve.</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	The 2020/21 budget for the HRA is £36.672m which includes a movement of £0.164m to reserves.
1.21	The monitoring for the HRA is projecting in year expenditure to be £0.460m lower than budget and a closing un-earmarked balance as at 31 March 2021 of £2.469m, which at 6.86% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers.
1.22	The budget contribution towards capital expenditure (CERA) is £12.928m.

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 6 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	Contact Officer: Dave Ledsham Strategic Finance Manager

	Telephone: 01352 704503
	E-mail: dave.ledsham@flintshire.gov.uk

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 level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
<i>Older People</i>		
Localities	0.044	The demand for homecare has increased and resulted in an increase to the forecasted expenditure by £0.058m. This was mitigated slightly by a drop in demand in residential care which reported a decreased outturn of £0.015m.
Resources & Regulated Services	-0.075	A postponement in opening Plas Yr Ywen extra care facility has resulted in a decrease of the projected spend by £0.030m. Some employee costs, £0.033m, have been identified as eligible for external funding. The balance is due to minor variances.
Minor Variances	0.002	
<i>Adults of Working Age</i>		
Disability Services	-0.047	The contribution from Welsh Government towards some education placements have been agreed at a higher amount than originally forecast.
Residential Placements	0.038	Increased cost of services to support people with mental health needs.
Minor Variances	0.032	
<i>Children's Services</i>		
Professional Support	-0.030	The variance is mostly due to one less newly qualified social worker joining Childrens Services than had previously been expected following a recent recruitment exercise.
Minor Variances	0.001	
<i>Safeguarding & Commissioning</i>		
Minor Variances	-0.005	
Total Social Services (excl Out of County)	-0.040	
Out of County		
Children's Services	0.300	Net impact of new placements, changes of placements and an allocation of grant income from the Integrated Care Fund
Education & Youth	0.045	Mainly due to new placements with some offsetting mitigation from minor changes
Total Out of County	0.345	
Education & Youth		
Minor Variances	-0.019	
Total Education & Youth	-0.019	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	-0.143	Movement due to recognition of vacancies filled by agency staff at lesser cost and refresh of service demand plan.
Highways Network	-0.068	Reduction in fuel costs following advice from market advisors and actual usage to date.
Transportation	-0.107	Recognition of full value of Post 16 income from Coleg Cambria of £0.200m, partially offset by increase in reprocurment of bus routes.
Regulatory Services	0.171	Materialisation of partial Income loss for Quarter 2 and 3 following amendment to WG grant funding criteria for Car Park income losses.
Other Minor Variances	-0.000	
Total Streetscene & Transportation	-0.148	
Planning, Environment & Economy		
Regeneration	-0.061	Admin Fee for Lockdown Business Fund Grant £0.032m, agreement with Flint Town Council for the 2019/20 Contribution to Flint THl project £0.020m ; minor variances across the service
Minor Variances	0.007	
Total Planning & Environment	-0.055	
People & Resources		
HR & OD	-0.024	Minor variances across the service
Corporate Finance	0.013	
Total People & Resources	-0.011	
Governance		
Revenues	-0.245	Admin Fee for Lockdown Business Fund Grant £0.130m, re-commencement of Court fines projected to 31 March, £0.100m, minor variances across the service of £0.015m.
Minor Variances	-0.024	
Total Governance	-0.270	
Strategic Programmes		
Minor Variances	-0.020	
Total Strategic Programmes	-0.020	
Housing & Assets		
Centralised Costs	-0.092	Positive movement on Electricity projections of £0.100m following detailed analysis of usage comparisons from 19.20 to date. Also, confirmation of a reduction in the tariff from October 2020.
Minor Variances	-0.016	
Total Housing & Assets	-0.107	
Chief Executive's	-0.035	An agreed salary recharge for Chief Officer time due to an agreed temporary arrangement with Wrexham CBC; Minor variances across the service
Central & Corporate Finance	-0.014	
Grand Total	-0.373	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services							
Older People							
Localities	19.218	18.624	-0.595	-0.058	-0.639	The net cost of residential care is £0.483m underspent. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. There is a decline in the demand for residential care placements due to COVID-19. Day Care is £0.058m under budget, this service is currently closed and will reopen only when it is considered safe to do so. Domiciliary and Direct Payments are reporting a combined overspend of £0.142m and are projected based on recent levels of care provision. The Localities Teams staff budget is underspending by £0.130m due to a number of staff not yet on top of scale, some temporary reduced hours and in-year savings on travel costs. The minor adaptations budget is £0.058m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0,008m.	
Resources & Regulated Services	8.027	7.782	-0.245		-0.169	The Councils in-house care provision is reporting an underspend of £0.245m. Day care is reporting an overspend of £0.012m, 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 overspent by £0.004m. 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 £0.019m due to a number of small variances. Extra care is underspending by £0.279m. Plas yr Ywen in Holywell has not yet opened and a full complement 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 in January 2021.	
Impact of Covid-19	0.000	0.000	0.000	0.000	-0.000		
Minor Variances	1.228	1.203	-0.026		-0.028		
Adults of Working Age							
Administrative Support	0.328	0.241	-0.087		-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	2.022	0.725		0.688	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 costs are subject to these same changes.	
Minor Variances	29.581	29.345	-0.236		-0.220		
Children's Services							

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Family Placement	2.621	2.792	0.171		0.169	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	0.547	0.322		0.332	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	5.659	0.366		0.396	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	1.475	1.479	0.004		-0.004		
Safeguarding & Commissioning							
Charging Policy income	-3.060	-3.138	-0.078		-0.078	Charging Policy income is expected to exceed the budget and is based on the weekly charge cap and the number of service users who financially contribute to their care.	
Business Support Service	1.224	1.164	-0.059		-0.060	This variance is on salaries and due to some staff not yet paid top of scale and some staff opting out from the pension scheme.	
Management & Support	-2.057	-2.185	-0.129		-0.125	The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21.	
Minor Variances	3.058	3.048	-0.009		-0.006		
Total Social Services (excl Out of County)	68.458	68.584	0.126	-0.058	0.166		
Out of County							
Children's Services	7.437	8.074	0.637		0.337	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	4.351	-0.153		-0.199	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	12.424	0.484	0.000	0.138		
Education & Youth							
Integrated Youth Provision	1.351	1.110	-0.242	-0.148	-0.235	Includes a projected underspend of -£0.139m on Youth Centres due to closures arising from COVID-19 safety measures producing savings on building cleaning and some relief staffing costs. Also includes a total saving of -£0.103m on the Youth Justice Service mainly due to a delay in recruitment to a new post and savings on equipment purchase and training.	
School Improvement Systems	1.709	1.530	-0.179	-0.149	-0.183	Savings arising from the challenge of non-essential spend. Early Entitlement savings due to demography and reduced number of settings requiring funding.	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
School Planning & Provision	0.676	0.611	-0.065		-0.056	Mainly a saving against the provision for third party/public liability insurance claims	
Minor Variances	5.040	4.997	-0.043		-0.037		
Total Education & Youth	8.776	8.247	-0.529	-0.297	-0.510		
Schools	98.722	98.722	0.000		-0.000		
Streetscene & Transportation							
Service Delivery	8.911	9.046	0.136		0.279	The service has incurred additional revenue pressures from responding to and resolving previously reported security measures and remedial actions following vandalism at the Household Recycling Centres. This matter was widely reported during 2019-20 and has not abated. The monthly costs are now running at over £0.006m per month, mainly due to the introduction of a night time presence on the sites. This has resulted in a forecast pressure in the sum of £0.072m for the year. The forecast pressure has reduced by £0.143m since that reported at month 6 due to a refresh of the workforce demand plan.	
Highways Network	7.764	7.862	0.098		0.167	Following a stringent review of fuel costs and advice from market advisors, the Fuel cost forecast for this area has been reduced accordingly. However, as a result of increased usage of private contractors across the Street Lighting network, additional costs are now anticipated.	
Transportation	9.366	9.072	-0.294		-0.187	Operators have been supported during school closures by receiving 75% of their contracted values, in addition a number of routes have been re-procured to reflect current arrangements for operation in the new school year. The forecast position for this service has now been clarified and accommodates both matters. It should be noted however that this improvement will only impact during 2020-21 and the underlying impact of the current circumstances. There are also risks around this position in that the updated forecast is based on the assumption that Colleges will honour their agreement to support Post 16 transport in the sum of £0.600m. However, if this income is not realised in full, the position will be impacted accordingly.	
Regulatory Services	4.609	4.780	0.170		-0.001	This service has experienced a downturn in the levels of income generated by sales of Electricity and this is currently anticipated to reach a level of some £0.120m during the year. There has also been a downturn in the rebate for co-mingled waste due to a considerable drop in the value of approximately £70-£80 per ton. The variance also now reflects the projected loss of car park income in Quarter 2 and 3 following amendments to WG Income Loss Funding eligibility criteria.	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Impact of Covid-19	0.000	0.987	0.987	0.987	0.987	Following a full reconciliation and review of Streetscene expenditure and income loss relating to the Coronavirus Pandemic, all relevant details have now been consolidated to one code. This has been done in order to facilitate enhanced reporting and monitoring of the impact. All risks identified are now recorded in this forecast and at month 7 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, there is also a risk around free school meal transport provided and submitted as part of the COVID-19 Hardship claim; this has been challenged by Welsh Government and discussions are ongoing around the potential outcome.	Following the disallowing of expenditure from claims to Welsh Government of the Grass Cutting contract, let due to all operatives being diverted to waste routes, an application has been made for the release of part of the £3m COVID-19 Contingency Reserve allocation. 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 was 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.
Other Minor Variances	0.000	0.000	0.000		0.000		
Total Streetscene & Transportation	30.650	31.748	1.098	0.987	1.246		
Planning, Environment & Economy							
Business	1.692	1.755	0.062		0.057	Historic income target £0.025m remains unrealised, minor variances across the service	
Development	0.023	0.236	0.214	0.295	0.198	Pressure within the Building Control service is due in the main, to delays sourcing core materials meaning that the construction industry is operating at a low level of capacity. This results in a projected reduced Building Control fee income. A lull in the property market is affecting a reduced need for Land Charge Searches adding to the overspend. The current economic conditions are having an adverse affect the Planning Applications, the projection is dependant on the number and value of applications received, resulting in a changeable outturn to ensure an accurate reflection. The overall variance is mitigated by the Fee Increase for planning and related applications of approx 20% that came into effect August 2020.	
Regeneration	0.511	0.584	0.073	0.110	0.135	There has been a significant impact on income levels following the closure of the markets in the first quarter of the financial year. Admin Fee receivable for Lockdown Business Fund Grant reflected at Month 7.	
Minor Variances	3.536	3.586	0.050	0.050	0.064		
Total Planning & Environment	5.762	6.161	0.399	0.455	0.454		
People & Resources							
HR & OD	2.398	2.377	-0.021		0.003		
Corporate Finance	2.094	2.087	-0.006		-0.019		
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Holding Accounts	0.000	0.000	0.000		0.000		
Total People & Resources	4.491	4.464	-0.027	0.000	-0.016		
Governance							

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Legal Services	0.736	0.900	0.164		0.164	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.171m. 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	2.038	-0.059	0.071	-0.058	Favourable variance following reduced take up of Members Allowances £0.024m. Minor variances across the service.	
Revenues	0.037	0.113	0.076	0.249	0.322	The national lockdown restrictions have resulted in the cessation of all recovery activities, especially enforcement/bailiff duties during the first 5 months of the year (and during the recent firebreak). All debt recovery activities, with the exception of enforcement/bailiff duties re-commenced during August. The level of financial risk from fee income remains a risk but with the first court hearing took place in October and with further hearings scheduled on a monthly basis from November to March income from fees is projected to increase over the next 5 months. Admin Fee receivable of £0.130m for Lockdown Business Fund Grant reflected at Month 7	
Minor Variances	6.323	6.282	-0.040		-0.017		
Total Governance	9.193	9.334	0.141	0.320	0.411		
Strategic Programmes							
Strategic Programmes	4.943	4.636	-0.307		-0.287	Variance due to reduced utility costs.	
Total Strategic Programmes	4.943	4.636	-0.307	0.000	-0.287		
Housing & Assets							
Enterprise Centres	-0.217	-0.104	0.112		0.112	Pressure due to loss of income in respect of void units	
Property Asset And Development	0.444	0.367	-0.077		-0.077	Mainly staffing cost savings pending completion of restructure	
Caretaking & Security	0.262	0.201	-0.062		-0.062	Mainly staffing cost savings due to vacancies	
Centralised Costs	3.353	2.492	-0.860		-0.769	Underspend on NDR totalling £0.509m, predominantly due to the demolition of Phase 3&4 County Hall. -£0.073m underspend on Gas due to lower usage. -£0.100m underspend on Electricity reflected at Month 7 due to lower usage and reduced rates and -£0.059m underspend on Water.	
Benefits	11.665	11.876	0.211	0.119	0.222	Potential net pressure of up to £0.750m on the Council Tax reduction scheme due to additional take up arising from the COVID-19 pandemic impact on employment. This figure takes account of £0.147m of WG emergency funding support in respect of the April to September element of the overall pressure but the £0.750m is not included in the variance figures. Variance includes pressure of £0.119m on staffing costs due the additional demand caused by the COVID-19 pandemic and overpayments.	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Council Fund Housing	-0.324	-0.208	0.117		0.125	Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink	
Minor Variances	0.932	0.996	0.064		0.061		
Total Housing & Assets	16.115	15.620	-0.495	0.119	-0.387		
Chief Executive's	2.789	2.497	-0.292		-0.257	Vacant Posts across the Service	
Central & Corporate Finance	24.147	23.745	-0.402		-0.388	Over recovery of planned pension contributions recoupment against actuarial projections based on the level of contributions received to date and forecast to the end of the financial year.	
Grand Total	285.986	286.182	0.196	1.526	0.569		

2020/21 Efficiencies Outturn Tracker - M7

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	0.264	0.239	O	G
Supported Living	Reduction of Voids	Neil Ayling	0.025	0.005	(0.020)	O	G
Communications	Reduction in Mobile Hardware	Neil Ayling	0.030	0.020	(0.010)	O	G
Vacancy Management Saving	Appropriate Vacancy Management	Neil Ayling	0.030	0.025	(0.005)	O	G
Strategic Use of Grant Funding	Core Funding Replacement Solution	Neil Ayling	0.100	0.170	0.070	O	G
Regional Collaboration Wrexham CBC	Reduction in Posts	Neil Ayling	0.030	0.010	(0.020)	O	G
Additional Social Services Grant	Social Services Grant	Neil Ayling	0.426	0.000	(0.426)	O	G
Total Social Services			0.666	0.494	(0.172)		
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	Steve O Jones	0.449	0.402	(0.047)	O	R
Income from External Works		Steve O Jones	0.010	0.010	0.000	O	G
Garden Waste Charges	Additional take up of service	Steve O Jones	0.030	0.030	0.000	O	G
NWRP Gate Fee Benefit	Utilisation of WG Grant funding	Steve O Jones	0.200	0.200	0.000	O	A
Total Streetscene & Transportation			0.689	0.642	(0.047)		
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	0.000	(0.005)	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	0.086	(0.005)		
Total 2020/21 Budget Efficiencies			5.206	4.982	(0.224)		

	%	£
Total 2020/21 Budget Efficiencies	100	5.206
Total Projected 2020/21 Budget Efficiencies Underachieved	-4	(0.224)
Total Projected 2020/21 Budget Efficiencies Achieved	96	4.982
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

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)
*Month 7 projected outturn of £0.196m will be funded from this		
Less - projected national pay award increase		0.821
Total Contingency Reserve available for use		1.415

MONTH 7 - 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)	(36.471)	0.206	0.206	There is a pressure forecast of £0.206m. Of this £0.115m relates to loss of income voids which are currently running at 2.01% void rate compared to 1.75% in the Business Plan. £0.068m relates to garages, £0.066m relates to void water charges. Additional new build rental income projected at £0.061m. The remaining £0.018m is attributed to <u>Minor Variances</u>	
Capital Financing - Loan Charges	9.027	9.027				
Estate Management	1.846	1.680	(0.166)	(0.158)	Additional expenditure of £0.058m 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 £0.195m. The remaining £0.029 is minor variances is minor variances	
Landlord Service Costs	1.434	1.423	(0.011)	(0.000)	There is a saving of £0.049k which relates to servicing costs which are lower due to some Covid restrictions, these offset minor variances of £0.039k	
Repairs & Maintenance	8.907	8.420	(0.487)	(0.481)	Reduction in Materials for Responsive and Voids expenditure due to Covid restrictions (£0.221m). Reduced projection of Responsive sub contractor spend on basis of Covid restrictions (£0.138m). Staffing Vacancy savings (£0.109m). Overall NI staffing saving (£0.089m). Increased Fleet projection based on Q1 charges £0.050m. Minor variances £0.020m.	
Management & Support Services	2.523	2.519	(0.004)	(0.044)	Efficiency projected of £0.004m of this £0.020m relates to salary savings. £0.021m relates to underspend on training due to Covid restrictions. There has been a increase in insurance costs of £0.045k.	
Capital Expenditure From Revenue (CERA)	12.928	12.928	0.000			
HRA Projects	(0.153)	(0.151)	0.002	0.000		
Contribution To / (From) Reserves	0.164	0.164	0.000			
Total Housing Revenue Account	0.000	(0.460)	(0.460)	(0.478)		