

CABINET

Date of Meeting	Tuesday, 19th January, 2021
Report Subject	Revenue Budget Monitoring Report 2020/21 (Month 8)
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 8. This report projects how the budget would stand at the close of the financial year if all things remain unchanged; it also takes into account the latest position on Welsh Government Emergency Grant Funding announcements.

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

Council Fund

- An operating surplus of £0.270m (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of £0.466m from the deficit figure of £0.196m reported at Month 7.
- A projected contingency reserve balance as at 31st March, 2021 of £1.685m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £1.590m lower than budget
- A projected closing balance as at 31st March, 2021 of £3.763m

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 8 POSITION
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none">• An operating surplus of £0.270m (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 £1.685m. <p>To assist with mitigating the overall projected overspend the following measures have been introduced:-</p> <ol style="list-style-type: none">1) All non-essential spend is being reviewed and challenged with a view to ceasing/delaying where able and2) Introduction of a vacancy management process to consider new recruitment requests <p>The outcome of this work is shown within the report and will continue as part of the robust challenge of the future monthly monitoring position.</p>

1.02

Table 1. Projected Position by Portfolio

The table below shows the projected position by portfolio:

Portfolio/ Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	68.465	68.429	(0.036)
Out of County Placements	11.940	12.506	0.566
Education & Youth	8.770	8.246	(0.524)
Schools	98.728	98.728	0.000
Streetscene & Transportation	30.650	31.756	1.106
Planning & Environment	5.762	6.118	0.356
People & Resources	4.491	4.365	(0.126)
Governance	9.193	9.264	0.071
Strategic Programmes	4.943	4.636	(0.307)
Housing & Assets	16.149	15.431	(0.718)
Chief Executive	2.748	2.440	(0.308)
Central & Corporate Finance	24.147	23.796	(0.351)
Total	285.986	285.716	(0.270)

1.03

The reasons for the favourable net movement of £0.466m from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio.

Within the projected underspend position of £0.270m, there are COVID-19 related cost pressures and income shortfalls totalling £1.327m which are shown in a separate column in Appendix 2 (cost savings of £0.505m, cost pressures of £0.516m and income shortfalls of £1.316m). We will continue to look at legitimate funding opportunities from the Welsh Government Hardship Fund which if confirmed will have a positive impact on the overall position.

Significant Movement from Month 7

1.04

Social Services (£0.161m)

The favorable movement is as a result of the following, mitigated by minor variances across the Portfolio

- Small reductions in costs across in-house care services, together with a reduction in staff costs which are driven by the demand for care (£0.054m)

	<ul style="list-style-type: none"> • Reduction in the cost of care packages for people supported within the Resources and Regulated Service (£0.043m) • An award of a Welsh Government Grant to meet eligible costs incurred (£0.083m) <p>Out of County Placements £0.082m</p> <p>The aggregate 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>Governance (£0.070m)</p> <p>Updated expenditure projections on postage costs within Central Despatch following review and additional projected court fee income.</p> <p>Housing & Assets (£0.223m)</p> <p>Positive movement of (£0.100m) on Homelessness due to reduced projection for Bed and Breakfast accommodation as demand is being managed by use of temporary accommodation. Receipt of a Welsh Government Admin Grant for self-isolation payments for (£0.035m) and an additional (£0.060m) savings on National Domestic Rates Charges.</p> <p>People & Resources (£0.099m)</p> <p>The agreed recharge for overheads claimed for the Track and Trace Project for hosting the service across the North Wales region being (£0.072m) in HR&OD and (£0.013m) for Corporate Finance.</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 reduce the projected underspend of £0.270m. 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% below target which equates to £1m. Income is expected to continue to recover now that recovery processes have resumed in full and when agreed payment deferrals are settled. Welsh Government 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. An agreement has been reached with the college that a level of the anticipated value of the journeys would be reimbursed to the Portfolio and that is now reflected in the projected outturn.</p>
1.11	<p>Out of County Placements</p> <p>Additional funding of £2.7m was included in the budget for 2020/21 to address the historic significant increase in demand. At this stage, based on current activity there is an overall net projected overspend of £0.566m (underspend of £0.131m within Education together with an overspend of £0.697m 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</p>

	<p>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.</p> <p>The Transport team will be assessing the overall financial impact of this.</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 £1.685m as detailed in Appendix 3.</p> <p>This assumes that the projected underspend of £0.270m increases the overall Reserve.</p> <p>The £3m emergency ring-fenced fund would have an amount of £2.641m remaining after allowing for currently 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	<p>The 2020/21 budget for the HRA is £36.672m which includes a movement of £0.164m to reserves.</p>
1.21	<p>The monitoring for the HRA is projecting in year expenditure to be £1.590m lower than budget and a closing un-earmarked balance as at 31 March 2021 of £3.599m, which at 10.32% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 attached refers.</p>
1.22	<p>Housing Revenue Account (£1.130m)</p> <p>This significant positive movement at Month 8 is due to a review of the borrowing requirements for the year as dealing with COVID-19 has caused delays within a number of areas:</p> <ul style="list-style-type: none"> • capital spend on the SHARP Programme has reduced from previously projected (£1.111m) • the Welsh Quality Standards (WHQS) completion deadline has been extended to the end of 2021 <p>Due to the reduced spend, the borrowing requirement has reduced from previously anticipated levels. The savings created from reduced in-year borrowing requirements have been allocated as CERA in the draft 2021/22 business plan to offset the increased borrowing levels required next year to complete the delayed works into 2021/22.</p>
1.23	<p>The budget contribution towards capital expenditure (CERA) is £12.928m.</p>

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts of the emergency as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely and mitigation actions taken wherever possible.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 7 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	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.

Council Fund: the fund to which all the Council's revenue expenditure is charged.

Financial Year: the period of twelve months commencing on 1 April.

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.

Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.

Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.

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.

Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.

Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Resources & Regulated Services	-0.054	There have been a number of small reductions in costs across the various in-house care services. This includes day centres (£0.006m), homecare (£0.014m), residential care (£0.024m) and extra care (£0.010m). Collectively there was a reduction of £0.033m on staff costs, which are driven by the demand for care and can fluctuate over time.
Impact of Covid-19	-0.000	
Minor Variances	0.011	
Adults of Working Age		
Resources & Regulated Services	-0.043	This change is due to the overall change in care package costs of people supported by this service.
Minor Variances	0.005	
Children's Services		
Professional Support	-0.083	This is due to an award of Welsh Government grant, some costs previously incurred within this budget are eligible to be funded by this grant.
Minor Variances	0.002	
Safeguarding & Commissioning		
Impact of Covid-19	0.000	
Minor Variances	-0.001	
Total Social Services (excl Out of County)	-0.161	
Out of County		
Children's Services	0.060	Aggregate impact of new placements, placement changes and increase in grant income (ICF)
Education & Youth	0.022	
Total Out of County	0.082	
Education & Youth		
Minor Variances	0.005	
Total Education & Youth	0.005	
Schools	-0.000	
Streetscene & Transportation		
Service Delivery	0.095	Additional hire of transport, increased stores recharges and HRC site costs
Highways Network	-0.160	Reduction in fleet fuel costs (£0.084m) based on updated projections and reduced commitments across Highways Network services
Transportation	0.048	Increase in projected cost of school transport
Regulatory Services	0.038	Updated projection on PCN and FPN income, increased disposal costs for soil and rubble and medical waste.
Impact of Covid-19	-0.012	
Other Minor Variances	-0.000	
Total Streetscene & Transportation	0.008	
Planning, Environment & Economy		
Business	-0.023	Receipt of Rent Smart Grant Income and reduced commitment on Contaminated Land projects.
Development	-0.024	Higher than anticipated level of actual Land Charges Fees received during the period favourably affecting the projection
Minor Variances	0.004	
Total Planning & Environment	-0.043	
People & Resources		

HR & OD	-0.069	Agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region
Corporate Finance	-0.030	Agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region
Impact of Covid-19	0.000	
Total People & Resources	-0.099	
Governance		
Internal Audit	-0.024	Re-profile of commitments for postage within Central Despatch
Minor Variances	-0.045	Minor Variances across the Service
Total Governance	-0.070	
Strategic Programmes		
Minor Variances	0.000	
Total Strategic Programmes	0.000	
Housing & Assets		
Centralised Costs	-0.071	Revised outturn on NDR savings includes £0.030m adjustment from 2019/20, plus other minor variances.
Benefits	-0.037	WG Admin grant allocation for self isolation payments from COVID-19 hardship fund
Housing Solutions	-0.100	Reduced projection for Bed and Breakfast accommodation as demand is being managed by use of temporary accommodation
Impact of Covid-19	0.000	
Minor Variances	-0.015	
Total Housing & Assets	-0.223	
Chief Executive's		
Impact of Covid-19	0.000	
Central & Corporate Finance		
Impact of Covid-19	-0.000	Increase in Apprentice Tax Levy due to Pay Award allocated in November.
Grand Total	-0.466	

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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	18.640	-0.579	-0.058	-0.595	The net cost of residential care is £0.484 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 be reopened only when it is considered safe to do so. Domiciliary and Direct Payments are reporting a combined overspend of £0.163m and are projected based on recent levels of care provision. The Localities Teams staff budget is underspending by £0.129m due to a number of staff not yet paid at top of scale, some temporary reduced hours and in-year savings on travel costs. The minor adaptations budget is £0.063m underspent based on expected activity and there is a small underspend on service level agreements paid to the third sector of £0.009m.	
Resources & Regulated Services	8.027	7.728	-0.298		-0.245	The Councils in-house care provision is reporting an underspend of £0.298m. Day care is reporting an overspend of £0.005m, day centres are currently closed and assumed to be so until it is safe to reopen. The day centre staff are deployed to residential care to assist in delivering care, however the staff costs are still recorded against the day-care budget. Homecare is underspent by £0.009m. Staff costs are incurred as a result of the number of hours of homecare delivered and projected forward based on estimated future activity. Residential care is overspent by £0.005m due to a number of small variances. Extra care is underspending by £0.289m as Plas yr Ywern in Holywell has not yet opened and staff already recruited to are currently redeployed to alternate in-house care services and this has meant significant costs due to COVID-19 have been avoided. It is anticipated that Plas yr Ywern will open in January 2021.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	0.000		
Minor Variances	1.228	1.198	-0.030		-0.026		
Adults of Working Age							
Resources & Regulated Services	25.462	25.411	-0.050		-0.008	The outturn reflects the current cost of residential placements, supported living, domiciliary care, Direct Payments and day care. Currently day care services are either closed or running a reduced service.	
Administrative Support	0.328	0.247	-0.081		-0.087	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	2.017	0.720		0.725	The overspend is due to the costs of care services provided to people with mental health care needs. These costs include nursing and residential care, domiciliary care and Direct Payments. Care needs for individuals supported by this service vary over time, sometimes unexpectedly, and costs are subject to these same changes.	
Minor Variances	4.119	3.897	-0.223		-0.228		
Children's Services							

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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	2.783	0.162		0.171	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	0.546	0.321		0.322	Legal costs are overspent due to the number of cases going through the courts and the use of some external professionals. Direct Payments have also increased in demand.	
Professional Support	5.293	5.576	0.283		0.366	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 required.	
Minor Variances	1.482	1.499	0.017		0.004		
Safeguarding & Commissioning							
Charging Policy income	-3.060	-3.139	-0.079		-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 the their care.	
Business Support Service	1.224	1.164	-0.059		-0.059	This variance is on salaries and due to some staff not yet paid at top of scale and some staff opting out of the pension scheme.	
Management & Support	-2.057	-2.187	-0.130		-0.129	The underspend is due to not having to contribute to the Regional Collaboration unit in 2020/21	
Minor Variances	3.058	3.050	-0.008		-0.009		
Total Social Services (excl Out of County)	68.465	68.429	-0.036	-0.058	0.126		
Out of County							
Children's Services	7.437	8.134	0.697		0.637	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	4.373	-0.131		-0.153	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	12.506	0.566	0.000	0.484		
Education & Youth							
Integrated Youth Provision	1.345	1.117	-0.228	-0.148	-0.242	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	1.528	-0.181	-0.149	-0.179	Savings arising from the challenge of non-essential spend. Early Entitlement savings due to demography and reduced number of settings requiring funding.	
School Planning & Provision	0.676	0.611	-0.065		-0.065	Mainly a saving against the provision for third party/public liability insurance claims	
Minor Variances	5.040	4.989	-0.051		-0.043		

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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
Total Education & Youth	8.770	8.246	-0.524	-0.297	-0.529		
Schools	98.728	98.728	0.000		0.000		
Streetscene & Transportation							
Service Delivery	8.911	9.141	0.230		0.136	The service has incurred additional revenue pressures from responding to and resolving previously reported security measures and remedial actions following vandalism at the Household Recycling Centres. This matter was widely reported during 2019-20 and has not abated. The monthly costs are now running at over £0.006m per month, mainly due to the introduction of a night time presence on the sites. This has resulted in a forecast pressure in the sum of £0.072m for the year. Further impacts for hire of transport, additional stores recharges and HRC site costs are reflected at Month 8.	
Highways Network	7.764	7.702	-0.061		0.098	Following a stringent review of fuel costs and advice from market advisors, the fuel cost forecast for fleet vehicles has been reduced accordingly. In addition, updated projections on a number of services across Highways Network has resulted in reduced commitments.	
Transportation	9.366	9.120	-0.246	-0.150	-0.294	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. Additional costs in relation to school transport provision have been recognised at Month 8.	
Regulatory Services	4.609	4.817	0.208		0.170	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. There have been some additional disposal costs reflected at Month 8 in relation to soil and rubble and medical waste.	

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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	0.975	0.975	0.975	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 8 they include; £0.050m HRC sites and overtime, £0.550m car parking income loss, £0.099m in relation to potential PCN and FPN reveues, £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. A level of additional disposal expenditure as a result of increased kerbside waste collections due to people working and remaining at or close to home up to October totalling £0.133m has already been approved by WG. A further £0.121m for the November to March period is now reflected in the Month 8 variance position.	It should also 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 COVID-19 Contingency Reserve Funding. 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.
Total Streetscene & Transportation	30.650	31.756	1.106	0.825	1.098		
Planning, Environment & Economy							
Development	0.023	0.213	0.190	0.270	0.214	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	0.575	0.064	0.098	0.073	There has been a significant impact on income levels following the closure of the markets in the first half of the financial year.	
Minor Variances	5.228	5.330	0.102	0.050	0.112	Minor Variances across the Portfolio each below £0.050m	
Total Planning & Environment	5.762	6.118	0.356	0.418	0.399		
People & Resources							
HR & OD	2.398	2.308	-0.090		-0.021	Favourable variance due to the agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region	
Corporate Finance	2.094	2.057	-0.036		-0.006		
Total People & Resources	4.491	4.365	-0.126	0.000	-0.027		
Governance							

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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	0.897	0.161		0.164	Overspend as a result of employing locums covering absence to ensure continuing client service delivery in the area of child protection £0.176m. 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	2.023	-0.074		-0.059	Favourable variance following reduced take up of Members Allowances £0.024m. Further Commitment challenge across a number of service areas and £0.015m relates to minor variances.	
Revenues	0.037	0.092	0.055	0.249	0.076	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 following the first court hearing 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 4 months.	
Minor Variances	6.323	6.252	-0.070	0.071	-0.040	Impact of Covid-19 across other Portfolio Services : Customer Services, Central Despatch	
Total Governance	9.193	9.264	0.071	0.320	0.141		
Strategic Programmes							
Leisure	4.943	4.636	-0.307		-0.307	Variance due to reduced utility costs.	
Total Strategic Programmes	4.943	4.636	-0.307	0.000	-0.307		
Housing & Assets							
Enterprise Centres	-0.217	-0.109	0.108		0.112	Pressure due to loss of income in respect of void units	Agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region
Property Asset And Development	0.444	0.368	-0.076		-0.077	Mainly staffing cost savings pending completion of restructure	
Caretaking & Security	0.262	0.201	-0.061		-0.062	Mainly staffing cost savings due to vacancies	
Centralised Costs	3.353	2.421	-0.931		-0.860	Underspend on NDR totalling £0.600m, predominantly due to the demolition of Phase 3 & 4 at County Hall. -£0.073m underspend on Gas due to lower usage. -£0.100m underspend on Electricity due to lower usage and reduced rates and -£0.059m underspend on Water.	
Benefits	11.665	11.839	0.173	0.119	0.211	Potential net pressure of up to £0.750m on the Council Tax reduction scheme due to additional take up arising from the COVID-19 pandemic impact on employment. This figure takes account of £0.147m of WG emergency funding support in respect of the April to September element of the overall pressure but the £0.750m is not included in the variance figures. Variance includes pressure of £0.119m on staffing costs due the additional demand caused by the COVID-19 pandemic and overpayments.	
Housing Solutions	1.091	0.991	-0.100		0.000	Savings on Bed and Breakfast accommodation due to managing demand through use of temporary accommodation	

Budget Monitoring Report
Council Fund Variances

MONTH 8 - 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	-0.204	0.120		0.117	Reduction of internal Housing Support grant allocation due to eligibility issues and pressure arising from new service contract for Carelink	
Minor Variances	-0.126	-0.076	0.050		0.064		
Total Housing & Assets	16.149	15.431	-0.718	0.119	-0.495		
Chief Executive's	2.748	2.440	-0.308		-0.292	Vacant posts across the service	
Central & Corporate Finance	24.147	23.796	-0.351		-0.402	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	285.716	-0.270	1.327	0.195		

2020/21 Efficiencies Outturn Tracker - M8

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)
Plus Month 8 projected outturn		0.270
Less - projected national pay award increase		(0.821)
Total Contingency Reserve available for use		1.685

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 8 - 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)	(36.466)	0.210	0.206	There is a pressure forecast of £0.210m. Of this £0.112m relates to loss of income voids which are currently running at 2.01% void rate compared to 1.75% in the Business Plan. £0.069m relates to garages, £0.068m relates to void water charges. Additional new build rental income projected at £0.060m. The remaining £0.021m is attributed to Minor Variances	
Capital Financing - Loan Charges	9.027	7.916	(1.111)	0.000	Reduction in spend on SHARP Programme has reduced the prudential borrowing required.	
Estate Management	1.846	1.672	(0.174)	(0.166)	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 £0.037 is minor variances	
Landlord Service Costs	1.434	1.393	(0.041)	(0.011)	There is a saving of £0.041m which relates to servicing costs which are lower due to some Covid restrictions, these offset minor variances of £0.008m	
Repairs & Maintenance	8.907	8.407	(0.500)	(0.487)	Reduction in Materials for Responsive and Voids expenditure due to Covid restrictions (£0.152m). Reduced projection of Responsive sub-contractor spend on basis of Covid restrictions (£0.221m). Staffing Vacancy savings (£0.109m). Overall NI staffing saving (£0.089m). Increased Fleet projection based on Q2 charges £0.074m. Minor variances £0.003m.	
Management & Support Services	2.523	2.547	0.024	(0.004)	There is a pressure projected of £0.024m of this £0.020m relates to salary savings. £0.011m relates to underspend on training due to Covid restrictions. There has been a increase in insurance costs of £0.063m. - £0.008m minor variances.	
Capital Expenditure From Revenue (CERA)	12.928	12.928	0.000	0.000		
HRA Projects	(0.153)	(0.151)	0.002	0.002		
Contribution To / (From) Reserves	0.164	0.164	0.000	0.000		
Total Housing Revenue Account	0.000	(1.590)	(1.590)	(0.460)		