



## CABINET

<b>Date of Meeting</b>	Tuesday, 21 September 2021
<b>Report Subject</b>	Revenue Budget Monitoring 2021/22 (Month 4)
<b>Cabinet Member</b>	Cabinet Member for Finance, Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

An interim budget monitoring report was presented to Cabinet in July. Based on high level assumptions the potential variations to budget identified by Portfolios equated to a minimum net additional expenditure requirement of £1m.

This is the first detailed update and takes into account grant funding being claimed through the Welsh Government Hardship Fund.

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 £0.739m (excluding the impact of the pay award which will be met by reserves)
- A projected contingency reserve balance as at 31<sup>st</sup> March, 2022 of £5.057m

#### **Housing Revenue Account**

- Net in-year revenue expenditure forecast to be £0.495m higher than budget
- A projected closing balance as at 31<sup>st</sup> March, 2022 of £3.978m

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

### RECOMMENDATIONS

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1	To note the report and the estimated financial impact on the 2021/22 budget.
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**REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2021/22</b>																																
1.01	<p><b>Council Fund Projected Position</b></p> <p>An interim budget monitoring report was presented to Cabinet in July. Based on high level assumptions the potential variations to budget identified by Portfolios equated to a minimum net additional expenditure requirement of £1m. This is the first detailed update and takes into account grant funding being claimed through the Welsh Government Hardship Fund.</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> <li>• An operating deficit of £0.739m (excluding the impact of the pay award which will be met by reserves)</li> <li>• A projected contingency reserve available balance as at 31 March 2022 of £5.057m.</li> </ul> <p>To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.</p> <p>Our ability to mitigate financial risks arising from the pandemic largely depends on the continuation of funds for hardship and income loss by Welsh Government which is now confirmed to March, 2022.</p>																																
1.02	<p><b>Table 1. Projected Position by Portfolio</b></p> <p>The table below shows the projected position by portfolio:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d9ead3;"> <th style="text-align: center;">Portfolio/Service Area</th> <th style="text-align: center;">Approved Budget</th> <th style="text-align: center;">Projected Outturn</th> <th style="text-align: center;">In-Year Over / (Under) spend</th> </tr> <tr style="background-color: #d9ead3;"> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td style="text-align: right;">70.587</td> <td style="text-align: right;">71.375</td> <td style="text-align: right;">0.788</td> </tr> <tr> <td>Out of County Placements</td> <td style="text-align: right;">12.921</td> <td style="text-align: right;">13.818</td> <td style="text-align: right;">0.897</td> </tr> <tr> <td>Education &amp; Youth</td> <td style="text-align: right;">9.030</td> <td style="text-align: right;">8.692</td> <td style="text-align: right;">(0.338)</td> </tr> <tr> <td>Schools</td> <td style="text-align: right;">101.937</td> <td style="text-align: right;">101.937</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>Streetscene &amp; Transportation</td> <td style="text-align: right;">31.466</td> <td style="text-align: right;">32.022</td> <td style="text-align: right;">0.556</td> </tr> <tr> <td>Planning Env &amp; Economy</td> <td style="text-align: right;">6.160</td> <td style="text-align: right;">6.106</td> <td style="text-align: right;">(0.054)</td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	Social Services	70.587	71.375	0.788	Out of County Placements	12.921	13.818	0.897	Education & Youth	9.030	8.692	(0.338)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.466	32.022	0.556	Planning Env & Economy	6.160	6.106	(0.054)
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	People & Resources	4.631	4.537	(0.094)
	Governance	10.196	9.659	(0.537)
	Strategic Programmes	4.648	4.658	0.010
	Housing & Assets	17.172	17.001	(0.171)
	Chief Executive	2.417	2.287	(0.130)
	Central & Corporate Finance	26.292	26.104	(0.188)
	<b>Total</b>	<b>297.457</b>	<b>298.196</b>	<b>0.739</b>
1.03	The reasons for the projected variances are summarised within Appendix 1 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.			
	<b>Significant Variances to highlight this month</b>			
1.04	<p><b>Social Services £0.788m</b></p> <p>The net projected overspend is as a result of a number of factors :</p> <ul style="list-style-type: none"> <li>• <u>Adult Social Care - Older People (£0.231m)</u> In house care provision is projected to underspend by £0.312m, day centres currently remain closed with service provision projected to resume January, 2022, Integrated Care Fund (ICF) slippage and Winter Pressures funding are anticipated to occur this year and are projected to fund a proportion of Residential Care. Extra Care is underspent due to reduced levels of demand</li> <li>• <u>Adult Social Care - Adults of Working Age £0.292m</u> A projected overspend on the cost of social care for people within the Mental Health Service including nursing, residential, domiciliary care and direct payments. This is mitigated by reduced care package costs for young people transferring into Adult Social Services and a saving in staffing costs resulting from a number of staff have been seconded to other Services</li> <li>• <u>Children's Services £1.008m</u> Legal costs are anticipated to overspend due to the number of cases on-going and the requirement to engage external legal professionals. Foster placements are increasing in demand and payments to foster carers, foster agencies and special guardianship payments have all contributed to an overspend position. The overspend is further exacerbated by an increase in staffing costs ensuring that adequate levels of child protection are maintained. This is mitigated by the flexible use of grant funding from Welsh Government resulting in some saving in the base budget allocation, together with a projected in-year underspend within Residential Placements associated with the opening of a registered Children's Home within the County.</li> <li>• <u>Safeguarding and Commissioning £0.023m</u></li> </ul>			

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	<p>There has been a requirement to appoint an additional Independent Reviewing Officer on a temporary fixed term basis to mitigate current service risks and pressures</p> <p>The Portfolio overspend as a whole is mitigated due to the Welsh Government Hardship Fund supporting in-house residential, supported living, homecare and extra care services. The majority of this funding relates to staff costs (£0.300m) which are reported within their respective service areas.</p>
1.05	<p><b>Education and Youth (£0.338m)</b></p> <p><u>Inclusion and Progression</u></p> <ul style="list-style-type: none"> <li>In-year efficiencies have been identified in the Minority Ethnic Achievement Grant (MEAG) and Educational Psychology Services. The MEAG service has received in excess of (£0.200m) grant funding for 2021/22 which is being utilised to recruit temporary fixed term posts resulting in an underspend within the core budget allocation. The Educational Psychology Service have recruited to 3 posts for part year costs only of (£0.072m).</li> </ul> <p><u>Integrated Youth Provision</u></p> <ul style="list-style-type: none"> <li>Savings on building cleaning expenditure at Youth Centres closed due to the pandemic contribute a further (£0.058m) of savings.</li> </ul> <p><u>School Improvement Systems</u></p> <ul style="list-style-type: none"> <li>An underspend in Early Entitlement following the maximisation of grant funding and the release of core budget also contributes (£0.149m) for the Portfolio.</li> </ul>
1.06	<p><b>Streetscene &amp; Transportation £0.556m</b></p> <p><u>Highways Network</u></p> <ul style="list-style-type: none"> <li>Flooding and additional drainage costs totalling £0.050m within Highways Network.</li> </ul> <p><u>Transportation</u></p> <ul style="list-style-type: none"> <li>Additional bus re-procurement and park and ride costs of £0.200m, two additional school days costing £0.049m, offset by (£0.144m) in underspends on local bus services due to not all services returning fully due to the pandemic.</li> </ul> <p><u>Regulatory Services</u></p> <ul style="list-style-type: none"> <li>Car Parking income shortfalls of £0.100m through non-charging up to 30<sup>th</sup> September and based on WG Income Loss funding criteria.</li> </ul> <p><u>Impact of COVID-19</u></p> <ul style="list-style-type: none"> <li>Additional costs as a result of COVID-19 total £0.320m and these do not currently meet the criteria of Hardship Funding. Additional cleaning/maintenance costs at Alltami Depot £0.050m, additional Waste receptacles £0.090m, hired plant maintenance and repairs £0.090m plus contractors and traffic management costs of</li> </ul>

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	<p>£0.090m. The eligibility of these costs will continue to be discussed and challenged with WG.</p>
1.08	<p><b>Housing &amp; Assets (£0.171m)</b></p> <p><u>Industrial Units</u></p> <ul style="list-style-type: none"> <li>This relates to unbudgeted additional income received as result of a new power generation lease (£0.230m)</li> </ul> <p><u>Caretaking &amp; Security</u></p> <ul style="list-style-type: none"> <li>Salary savings from vacant posts totalling (£0.063m).</li> </ul> <p><u>Benefits</u></p> <ul style="list-style-type: none"> <li>Increase in the bad debt provision in respect of overpayments within Benefits totalling £0.099m.</li> </ul> <p>Minor variances across the Portfolio account for the remainder of £0.023m.</p>
1.09	<p><b>Governance (£0.537m)</b></p> <p><u>Revenues</u></p> <ul style="list-style-type: none"> <li>Potential projected surplus on the Council Tax Collection Fund (£0.193m) together with the balance brought forward from Welsh Government COVID Admin Grants (£0.080m)</li> </ul> <p><u>Customer Services</u></p> <ul style="list-style-type: none"> <li>Higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of the majority of COVID restrictions (£0.065m)</li> </ul> <p><u>Democratic Services</u></p> <ul style="list-style-type: none"> <li>Reduced take up of Members Allowances and efficiencies on travelling expenses due to remote meetings (£0.097m)</li> </ul> <p><u>ICT</u></p> <ul style="list-style-type: none"> <li>Reduced expenditure on Records Management costs and minor variances across the service (£0.050m)</li> </ul> <p>The remaining underspend is as a result of minor variances and commitment challenge across the Portfolio (£0.059m)</p>
1.10	<p><b>Central &amp; Corporate Finance (£0.188m)</b></p> <p>There was a significant underspend on the pension contribution account in 2020/21 with (£0.300m) contributing towards the 2021/22 budget. Based on the contributions to date a positive variance of around (£0.290m) is projected at this stage of the current year. This is mitigated by the shortfall in historic workforce efficiencies together with the forfeiture of staff car parking permit income.</p>
1.11	<p><b>Tracking of In-Year Risks and Emerging Issues</b></p>

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	<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>
1.12	<p><b>Council Tax Income</b></p> <p>Council Tax collection figures in quarter 1 for 2021/22 are 29.39%, this is compared to 28.50% for the same period in 2020/21 - an increase of 0.89% or £0.900m in cash terms.</p> <p>This current position is showing significant signs of improvement, and the quarter 1 outturn in 2021/22 is only 0.2% off pre-pandemic collection rates in 2019/20. All recovery processes have now been resumed to maximise income whilst still providing support to residents in need. This performance data will continue to be closely monitored and tracked on a monthly basis to ensure collections continue to improve.</p>
1.13	<p><b>Pay Award (Teacher and Non Teacher)</b></p> <p>Based on the UK Government position on public sector pay no general provision was included in the 2021/22 budget other than funding to reflect the intention to provide for those staff earning less than £0.024m.</p> <p><u>NJC (Green Book)</u> National negotiations are ongoing and the initial offer by Employers of a 1.5% uplift would add a minimum further £0.160m to the pay bill for schools and £0.799m for non-schools. In the absence of any further funding being made available this will need to be met from the Contingency Reserve and built into the base budget from 2022/23. This offer has recently been increased to 1.75% which will further increase the impact on reserves.</p> <p><u>Teachers</u> National negotiations are ongoing although based on a 1.75% uplift this would add a minimum further £0.736m to the pay bill for schools in 2021/22, with the full year impact in 2022/23 being £1.282m. Representations will continue to be made for further funding to meet these additional costs, although if unsuccessful it is likely that the council and schools will need to cost share the burden.</p>
1.14	<p><b>Council Tax Reduction Scheme</b></p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be within budget although there is potential for a surge in demand from October when the UK Government furlough scheme ends.</p> <p>No additional funding is currently anticipated from Welsh Government in 2021/22 although this is expected to be subject to review in the event of significant pressures emerging across Wales in the second half of the year.</p>

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1.15	<p><b>Social Care Recovery Funding</b></p> <p>Further details are awaited from Welsh Government on potential funding that may become available under the Social Care Recovery Fund. The purpose of the grant will be to support appropriate recovery of social care services in local authority areas across Wales. It is anticipated that this funding can be assigned to existing cost pressures within the Portfolio which will have a positive impact on the outturn – updates will be provided in future reports.</p>
1.16	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.17	<p><b>MTFS Impact</b></p> <p>Cabinet considered the latest projection for the MTFS in July which showed a budget gap of £16.750m, with individual scrutiny meetings scheduled to take place during September and October. Further work is ongoing with close alignment to the revenue budget monitoring throughout the year to consider any emerging issues.</p> <p>Any efficiencies not achievable during 2021/22 will need to be included as a further pressure together with the impact on any grant funding that does not continue into 2022/23.</p> <p>All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.18	<p><b>Out of County Placements</b></p> <p>There continues to be significant pressure on this volatile budget arising from the full year impacts of new placements made during 2020/21, including several new high cost placements which were agreed in March after the budget for 2021/22 had been set. At present, the projected overspend for the current cohort of placements is £0.897m. With 8 months of the year remaining and the high potential for further new placements to emerge, it is anticipated that the final overspend may be significantly in excess of £1m.</p>
1.19	<p><b>Homelessness</b></p> <p>There is a risk that demands on the service will continue to increase with the impacts of removal of restrictions on landlords to seek repossessions. In addition, the economic impacts on residents in the rented sector and owner occupiers following the end of the furlough scheme at the end of September continue to cause concern.</p> <p>There is additional support in place with strategic use of the increased Housing Support Grant funding, but this may still not be sufficient.</p>

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1.20	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2021/22 budget contains £2.363m of specific efficiencies which are tracked and monitored throughout the year. In 2020/21 the level of efficiency achievement was 100% which was an improvement on the 90% achieved during the previous year. The Council aims to achieve a 95% rate in 2021/22 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2021/22 shows that all of the efficiencies will be achieved. The risk remains that any under-achievement of efficiencies will have a negative impact on the 2021/22 budget. Further details on the current status on efficiencies can be seen in Appendix 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>
1.21	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2021/22 was £5.973m as detailed in the 2020/21 outturn report. However, this increased to £6.444m when taking account of the budgeted contribution to Reserves in the 2021/22 budget. This is the amount available for general purposes following the set-aside of £3.0m for a COVID-19 Emergency Funding. There will be a requirement to meet any unfunded impacts of the pay awards from the Contingency Reserve as detailed in para 1.13 following the outcome of the national pay award negotiations.</p> <p>Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £5.057m. (Appendix 3)</p>
1.22	<p><b>Earmarked Reserves</b></p> <p>A summary of earmarked reserves as at 1 April 2021 and an estimate of projected balances as at the end of the financial year will be included in the month 5 report.</p>
1.23	<p><b>Housing Revenue Account</b></p> <p>The 2020/21 Outturn Report to Cabinet on 13 July 2021 showed an un-earmarked closing balance at the end of 2020/21 of £5.039m and a closing balance of earmarked reserves of £1.869m.</p>
1.24	<p>The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.</p>
1.25	<p>The monitoring for the HRA is projecting in year expenditure to be £0.495m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £3.978m, which at 10.5% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.</p>

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1.26	The budget contribution towards capital expenditure (CERA) is £13.442m.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

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

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

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Budget Variances Appendix 2: Council Fund – Programme of Efficiencies Appendix 3: Council Fund – Movement on Un-earmarked Reserves Appendix 4: Housing Revenue Account Variances

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

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b> These are provided corporately on the Infonet (link) and maintained by the Executive Office
	<b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.

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<p><b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p><b>Intermediate Care Fund:</b> Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p><b>Reserves:</b> these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p><b>Revenue:</b> a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p><b>Variance:</b> difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.</p> <p><b>Virement:</b> the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.</p>
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**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 4 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Social Services</b>						
<b>Adult Social Care - Older People</b>						
Localities	19.211	19.179	-0.032		The net cost of residential care is reporting an overspend of £0.043m. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. Day care is £0.023m under budget and will not resume until safe to do so, this is currently assumed to be at the beginning of January 2022. Domiciliary and Direct Payments are reporting a combined overspend of £0.059m, this service is under considerable demand pressures.	
Resources & Regulated Services	8.627	8.450	-0.177		The Councils in-house care provision is projected to underspend by £0.312m. Day care is underspent by £0.013m, day centres are closed and will only be opened once it is safe to do so. The day centre staff are being deployed to residential care to assist in delivering the service, however the staff costs are still recorded against the day care budget. Homecare is £0.130m overspent and there is increasing demand for this service. Residential care is expected to underspend by £0.237m although there is an assumption that ICF slippage and Winter Pressure funding will occur this year and contributions from these are included within the financial projections. Extra care is underspent by £0.056m due to the level of demand.	
Minor Variances	1.263	1.240	-0.022			
<b>Adult Social Care - Adults of Working Age</b>						
Children to Adult Transition Services	0.503	0.450	-0.054		The underspend is due to the current costs of care packages for young people transferring into Adult Social Services, net of any contributions from Welsh Government and health.	
Professional and Administrative Support	0.329	0.269	-0.060		Not all staff are currently paid at top of grade and there are also some staff who have been seconded from this service.	
Residential Placements	1.791	2.195	0.404		The overspend is the cost of social care for people within the Mental Health service. These costs include nursing and residential care, domiciliary care and Direct Payments.	

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

**MONTH 4 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	30.474	30.476	0.001			
<b>Children's Services</b>						
Family Placement	2.700	2.853	0.153		The overspend is due to service demand from the number of foster placements. In some instances these avoid having to make expensive Out of County placements. The main pressures are payments to foster carers, foster agencies and special guardianship payments.	
Grants	0.268	0.213	-0.055		There is an assumption that the Welsh Government will allow for a flexible approach in the use of grants as occurred in 2020/21 which would result in some costs within this service to be grant funded.	
Family Support	0.368	0.422	0.054		Increased number of support worker hours are required due to current demand.	
Legal & Third Party	0.210	0.581	0.371		Legal costs are overspent due to the number of cases going through the courts and use of some external legal professionals. Direct Payments have also increased in demand.	
Residential Placements	0.599	0.449	-0.150		This is an in-year underspend associated with the opening of a registered Childrens Home within Flintshire, in-year grant funding from the Young People and Childrens Services Transformation Fund is being used to offset start up costs.	
Professional Support	5.387	5.963	0.576		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. There are £0.110m agency adoption costs included within the projected spend, these costs are normally avoided as adoptions are made through the North Wales Adoption Agency, however due to a drop in the number of available adopters alternative agencies are required.	
Minor Variances	0.425	0.484	0.059			
<b>Safeguarding &amp; Commissioning</b>						
Safeguarding Unit	0.953	1.014	0.061		There has been a requirement to appoint an additional Independent Reviewing Officer on a temporary fixed term basis to mitigate current service risks and pressures.	

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

**MONTH 4 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Impact of Covid-19	0.000	-0.300	-0.300	-0.300	Welsh Government is providing financial assistance through the hardship funding for the Councils in-house residential, supported living, homecare and extra care services. Most additional costs incurred due to Covid are staff costs which are reported within their respective service areas.	
Minor Variances	-2.523	-2.561	-0.038			
<b>Total Social Services (excl Out of County)</b>	<b>70.587</b>	<b>71.375</b>	<b>0.788</b>	<b>-0.300</b>		
<b>Out of County</b>						
Children's Services	8.417	9.338	0.921		The pressure reflects the current cohort of placements - a significant number of new placements were made in the second half of 2020/21 resulting in full year impacts in 2021/22 -	
Education & Youth	4.504	4.480	-0.024		The current projected underspend on this element of the pooled budget reflects the current cohort of placements however this may reduce if further new placements are made in the remainder of the year	
<b>Total Out of County</b>	<b>12.921</b>	<b>13.818</b>	<b>0.897</b>	<b>0.000</b>		
<b>Education &amp; Youth</b>						
Inclusion & Progression	4.462	4.390	-0.072		In year efficiencies have been identified in the MEAG (Minority Ethnic Achievement Grant) service £0.040m and Educational Psychologists service £0.020m. The MEAG service received £0.200m more in grant funding for 21-22. This funding has been used to recruit temporary posts, resulting in core budget being underspent. The Educational Psychologists service have recruited 3 Assistant EPs. The in year saving has arisen due to posts not being a full year cost.	
Integrated Youth Provision	1.018	0.959	-0.059		Due to savings on building cleaning at Youth Centres closed due to the COVID-19 pandemic	

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

**MONTH 4 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.823	1.669	-0.155		The underspend in Early Entitlement includes the maximisation of the Early Years Pupil Deprivation Grant (EYPDG) by allocating existing staff against the grant - £18,500. An efficiency of £0.100m has been identified in relation to WG top-up funding for non-maintained settings, releasing core budget of £0.095m and resources mitigated by utilising EYPDG £0.005m. £0.050m contingency remains within the budget to cover any increased Spring Term 22 costs.	
Minor Variances	1.727	1.674	-0.052			
<b>Total Education &amp; Youth</b>	<b>9.030</b>	<b>8.692</b>	<b>-0.338</b>	<b>0.000</b>		
<b>Schools</b>	<b>101.937</b>	<b>101.937</b>	<b>-0.000</b>			
<b>Streetscene &amp; Transportation</b>						
Service Delivery	8.696	8.654	-0.042		The service has a recurring revenue pressure of £0.050m security costs following vandalism at the Household Recycling Centres from prior years. Street-lighting is also incurring a £0.120m pressure on the Community Council Income Budget target. This has been largely offset by Workforce Agency costs in excess of £0.200m which have been recovered through Covid Claims.	
Highways Network	7.847	7.911	0.064		Additional overspend of £0.050m in staff costs related to flooding and drainage costs.	
Transportation	9.750	9.879	0.129		Local Bus transport incurred a revenue pressure of: £0.100m in Service 5 local Bus re-procurement and £0.100m implementation of the Deeside shuttle bus Park and Ride. Also additional costs of £0.049m due to increased number of 7 school days opposed to budgeted 5 school days. The total additional costs have been partially offset by projected underspend of (£0.144m) in local bus services contributed by the global pandemic as not all services have returned. However this underspend could significantly reduce once the service recovers from the pandemic.	
Regulatory Services	5.173	5.258	0.085		Car parking income currently reflects the projected loss of £0.100m, in line with the WG Income Loss funding eligibility criteria.	

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

**MONTH 4 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Impact of Covid-19	0.000	0.320	0.320	0.320	Service Delivery has a recurring revenue pressure of £0.050m for additional cleaning/maintenance costs in Alltami depot as a result of the Pandemic. Waste operations are showing additional costs of £0.090m in receptacles due to higher demand in waste collections as an effect of people working from home. This service area is also experiencing additional revenue pressure of £0.090m in Hired Plant maintenance and repairs. Additional costs of £0.090m incurred in Contractors spend and Traffic Management. The service was unable to provide required training and recruitment delays during the Covid-19 Pandemic.	The eligibility of these costs will continue to be discussed and challenged with WG.
<b>Total Streetscene &amp; Transportation</b>	<b>31.466</b>	<b>32.022</b>	<b>0.556</b>	<b>0.320</b>		
<b>Planning, Environment &amp; Economy</b>						
Community	0.883	0.978	0.095		Overspend is as a result of fee income shortfalls in both Licensing and Pest Control.	This may improve following the second quarter of the year as the Welsh Government COVID Fee Income Loss grant panel will assess delayed income and may address the shortfall.
Management & Strategy	1.311	1.188	-0.123		Vacant posts across the service	
Minor Variances	3.966	3.939	-0.027			
<b>Total Planning &amp; Environment</b>	<b>6.160</b>	<b>6.106</b>	<b>-0.055</b>	<b>-0.000</b>		
<b>People &amp; Resources</b>						
HR & OD	2.465	2.455	-0.009			
Corporate Finance	2.166	2.082	-0.084			
<b>Total People &amp; Resources</b>	<b>4.631</b>	<b>4.537</b>	<b>-0.093</b>	<b>0.000</b>		
<b>Governance</b>						
Democratic Services	2.121	2.028	-0.092	0.001	The underspend in the main follows the reduced take up of Members Allowances and savings from travelling expenses due to remote meetings, together with commitment challenge across the service	
ICT	4.445	4.395	-0.050	0.019	Reduced expenditure on Records Management and minor variances across the service. Revised contribution to Denbighshire CC for Procurement Contract	

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

**MONTH 4 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Customer Services	0.998	0.935	-0.063		Favourable variance is due to higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of the majority of COVID restrictions.	
Revenues	0.476	0.200	-0.275		Favourable variance as a result of the potential projected surplus on the Council Tax Collection Fund (£0.193m), Welsh Government Lockdown Grant Admin grant and minor variances across the service	
Minor Variances	2.157	2.100	-0.057			
<b>Total Governance</b>	<b>10.196</b>	<b>9.659</b>	<b>-0.538</b>	<b>0.020</b>		
<b>Strategic Programmes</b>						
ADM's & CAT's	4.648	4.657	0.010			
<b>Total Strategic Programmes</b>	<b>4.648</b>	<b>4.658</b>	<b>0.010</b>	<b>0.000</b>		
<b>Housing &amp; Assets</b>						
Caretaking & Security	0.262	0.199	-0.063		Projected underspend is due to salary savings on vacant posts	
Industrial Units	-1.237	-1.467	-0.230		Additional unbudgeted income from new power generation lease	
Benefits	12.850	12.949	0.099		Pressures arising from bad debt provision increase in respect of overpayments - there is a potential however for an improvement in the overall position for the service if WG confirm ongoing support from COVID-19 Hardship Fund for additional staffing costs beyond September	
Minor Variances	5.296	5.320	0.024			
<b>Total Housing &amp; Assets</b>	<b>17.172</b>	<b>17.001</b>	<b>-0.171</b>	<b>0.000</b>		
<b>Chief Executive's</b>	<b>2.417</b>	<b>2.287</b>	<b>-0.130</b>		Vacant Posts across the Service	
<b>Central &amp; Corporate Finance</b>	<b>26.292</b>	<b>26.104</b>	<b>-0.188</b>		Over recovery of planned pension contributions recoupment against actuarial projections based on the level of contributions received during the year. Final outturn on Matrix rebates, and inflation pressures anticipated but not required	
<b>Grand Total</b>	<b>297.457</b>	<b>298.195</b>	<b>0.738</b>	<b>0.040</b>		

## 2021/22 Efficiencies Outturn Tracker - M4

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

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

## Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m
Income Target Efficiency remaining from Previous Years	All Portfolios 0.051
<b>Total Income Efficiency Remaining</b>	<b>0.051</b> (0.051)

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2021	14.061	
Less - Base Level	(5.769)	
<b>Total Reserves above base level available for delegation to Cabinet</b>		8.292
Add - Transfer to Reserve Budget 2021/22		0.471
Less - COVID-19 Emergency Funding Allocation*		(2.317)
Less - Investment in Change (approved Month 2)		0.400
Less - Severe Weather (approved Month 2)		0.250
Less Month 4 projected outturn		0.739
Less - projected national pay award increase		
<b>Total Contingency Reserve available for use</b>		<b>5.057</b>

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

**MONTH 4 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
<b>Housing Revenue Account</b>					
Income	(37.259)	(36.770)	0.489	We are currently projecting a pressure of £0.380m due to loss of income in relation to vacant properties. Of this, £0.267m relates to void properties, £0.044m relates to the utilities charges on void properties and £0.063m relates to void garages. There is also a pressure of £0.105m relating to an assumed reduction in rental income on new build properties which were included in the Business Plan. There are other minor variances of £0.010m.	
Capital Financing - Loan Charges	8.047	8.047			
Estate Management	1.931	1.928	(0.004)	Minor variances	
Landlord Service Costs	1.469	1.501	0.032	Minor variances	
Repairs & Maintenance	10.431	10.414	(0.017)	Minor variances	Early indications from our supplier suggest an increase in the costs of some sourced Materials, this will be monitored closely over the next couple of months.
Management & Support Services	2.658	2.653	(0.005)	Efficiency in respect of salary costs of (£0.065m). Additional cost of the IT project work £0.050m. Other minor variances of £0.010m.	
Capital Expenditure From Revenue (CERA)	13.442	13.442			
HRA Projects	(0.153)	(0.153)	(0.001)	Minor variances	
Contribution To / (From) Reserves	(0.566)	(0.566)			
<b>Total Housing Revenue Account</b>	<b>(0.000)</b>	<b>0.495</b>	<b>0.495</b>		