

CABINET

Date of Meeting	Tuesday, 18 th January, 2022
Report Subject	Revenue Budget Monitoring 2021/22 (Month 8)
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position in 2021/22 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 8.

This report projects how the budget would stand at the close of the financial year without new actions to reduce cost pressures and/or improve the financial return on efficiency planning, and is as follows:

Council Fund

- An operating surplus of (£0.716m) (excluding the impact of the NJC pay award which will be met by reserves), which is a favourable movement of (£0.061m) from the surplus figure of (£0.655m) reported at Month 7.
- A projected contingency reserve balance as at 31st March, 2022 of £6.586m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.548m higher than budget
- A projected closing balance as at 31st March, 2022 of £3.924m

To assist with managing risks and maximising available resources, the review of non-essential spend and a vacancy management process continues.

RECOMMENDATIONS

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

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2021/22																																							
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 (£0.716m) (excluding the impact of the NJC pay award which will be met by reserves) A projected contingency reserve available balance as at 31 March 2022 of £6.586m. <p>To assist with managing risks and maximising available resources, 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 has previously been confirmed to March 2022, although does include some changes to eligibility criteria.</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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Portfolio/Service Area</th> <th style="text-align: center;">Approved Budget £m</th> <th style="text-align: center;">Projected Outturn £m</th> <th style="text-align: center;">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td style="text-align: right;">70.624</td> <td style="text-align: right;">70.813</td> <td style="text-align: right;">0.190</td> </tr> <tr> <td>Out of County Placements</td> <td style="text-align: right;">12.921</td> <td style="text-align: right;">13.834</td> <td style="text-align: right;">0.913</td> </tr> <tr> <td>Education & Youth</td> <td style="text-align: right;">9.030</td> <td style="text-align: right;">8.606</td> <td style="text-align: right;">(0.423)</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 & Transportation</td> <td style="text-align: right;">31.517</td> <td style="text-align: right;">32.321</td> <td style="text-align: right;">0.804</td> </tr> <tr> <td>Planning Env & Economy</td> <td style="text-align: right;">6.160</td> <td style="text-align: right;">5.863</td> <td style="text-align: right;">(0.298)</td> </tr> <tr> <td>People & Resources</td> <td style="text-align: right;">4.631</td> <td style="text-align: right;">4.377</td> <td style="text-align: right;">(0.253)</td> </tr> <tr> <td>Governance</td> <td style="text-align: right;">10.233</td> <td style="text-align: right;">9.558</td> <td style="text-align: right;">(0.675)</td> </tr> </tbody> </table>				Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	70.624	70.813	0.190	Out of County Placements	12.921	13.834	0.913	Education & Youth	9.030	8.606	(0.423)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.517	32.321	0.804	Planning Env & Economy	6.160	5.863	(0.298)	People & Resources	4.631	4.377	(0.253)	Governance	10.233	9.558	(0.675)
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Strategic Programmes	4.648	4.613	(0.035)
Housing & Assets	14.380	14.164	(0.216)
Chief Executive	2.354	2.184	(0.170)
Central & Corporate Finance	29.023	28.471	(0.552)
Total	297.457	296.741	(0.716)

1.03	<p>The reasons for the favourable net movement of (£0.061m) 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>Significant Movements from Month 7</p>
1.04	<p>Out of County Placements £0.126m</p> <p>The adverse movement in the projected overspend relates to:</p> <p>Children’s Services £0.098m – net impact of additional support requirements and a number of recent placement end date changes</p> <p>Education & Youth £0.028m – impact of new placements less additional recoupment income</p> <p>This position is net of the £0.150m funding from the Social Care Recovery Fund.</p>
1.05	<p>Streetscene & Transportation £0.184m</p> <p>There have been significant costs incurred in the region of £0.150m following Storm Arwen at the end of November for the clean-up and making safe of the highways network.</p> <p>An increase in seasonal overtime and agency costs totalling £0.026m with minor variances accounting for the remainder.</p>
1.06	<p>Housing & Assets £0.258m</p> <p>The projected underspend on centralised property costs (£0.286m) is now reported in Central & Corporate Finance as approved in the Revenue Budget Monitoring Report (Month 7).</p> <p>Minor variances across the Portfolio account for the remainder £0.028m</p>

1.07	<p>Planning Economy & Environment (£0.206m)</p> <p>The favourable movement follows the receipt of a large Planning Application fee (£0.200m), together with other minor variances across the Portfolio (£0.006m).</p>
1.08	<p>Central & Corporate Finance (£0.349m)</p> <p>The projected underspend has increased following the transfer of the centralised property costs variance (£0.286m) from Housing & Assets as detailed in the Month 7 Report. The variance at Month 8 has increased further by (£0.031m) to a total of (£0.317m) due to lower than anticipated rates and reduced usage.</p> <p>The remaining favourable movement relates to one off income from Matrix Rebates (£0.032m).</p>
1.09	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.10	<p>Council Tax Income</p> <p>Collection levels (up to month 8) are currently 0.58% ahead of collection levels in 2020/21, but 0.46% below the 2019/20 pre-pandemic level. These along with write off levels, continue to be tracked on a monthly basis.</p>
1.11	<p>Pay Award (Teacher and Non Teacher)</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 current offer by Employers of a 1.75% uplift would add a minimum further £0.261m to the pay bill for schools and £0.990m 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.</p> <p><u>Teachers</u> The September 2021 national pay award for Teachers has now been confirmed at 1.75% which adds a further £0.737m to the pay bill for schools in 2021/22, with the full year impact in 2022/23 being £1.282m. The Minister for Education in announcing the pay award, also confirmed additional funding of £6.4m across Wales to support the cost of the pay award in schools. The Council's share of the allocation is £0.304m for schools and £0.019m for Post 16. This additional funding will fund the pay award in part and as in previous years the Council will share the shortfall in costs in 2021/22 of £0.414m equally with schools. In addition, centrally funded Teachers Pay totals £0.018m and the overall Council Fund commitment is now reflected in Appendix 4.</p>

1.12	<p>Council Tax Reduction Scheme</p> <p>Based on current demand, costs are currently projected to be within budget although the position continues to be monitored closely following recent changes to Universal Credit and the UK Government furlough scheme ending.</p>
1.13	<p>Social Care Grant Funding</p> <p>Welsh Government have made an additional funding announcement for Social Care and Health totalling £42.72m across Wales. The grant will support Children's Services, Integrated Health and Social Care, unpaid carer direct payments, early intervention and prevention, along with improved advertising and recruitment for social care. This has increased the Social Care Recovery Fund 2021-22 allocation for the Council from £1.733m to £2.772m.</p>
1.14	<p>Storm Christoph residual costs</p> <p>Delays have been encountered from seeking necessary site permissions from Network Rail and Natural Resources Wales, to carry out essential drainage works as a result of Storm Christoph totalling in the region of £0.200m. The majority of the initial response costs relating to Storm Christoph were covered by WG Hardship Funding which have been claimed. However, the eligible period for that has now ended. Therefore, if following further discussion with WG, there is still no funding available for these additional costs, they will be required to be met from the drainage works budget.</p>
1.15	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.16	<p>Medium Term Financial Strategy (MTFS) Impact</p> <p>Stage 1 of the Budget Process 2022/23 was concluded in July and an additional budget requirement of £16.750m was reported to Cabinet and Corporate Resources Overview and Scrutiny Committee.</p> <p>Stage 2 of the budget process was undertaken through September and October with feedback from all Overview and Scrutiny Committees reported to Cabinet and this Committee in October. The additional budget requirement had risen to £18m at this time partly due to the announcement of increases to National Insurance employer contributions.</p> <p>Cabinet received a further update in December that the additional budget requirement had risen to £20.696m due to increased pressures mainly on pay, social care and the North Wales Fire and Rescue levy.</p> <p>Stage 3 will be undertaken following receipt of the Welsh Government Provisional Settlement which was received on 21st December (See separate report on the agenda)</p>

	<p>All Portfolios will continue to consider their financial position, the risks within their service and the impacts over the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.17	<p>Out of County Placements</p> <p>There continues to be significant pressure on this volatile budget arising from the full year impacts of new placements made during 2020/21, including several new high cost placements which were agreed in March after the budget for 2021/22 had been set.</p> <p>A total contribution of £0.650m has now been made from the Social Care Recovery Fund which leaves a projected overspend of £0.913m for the remainder of the year. However, this is likely to increase with another 4 months of the year remaining.</p>
1.18	<p>Homelessness</p> <p>There is a risk that demands on the service will continue to increase with the impacts of removal of restrictions on landlords to seek repossessions.</p> <p>In addition, the economic impacts on residents in the rented sector and owner occupiers following the end of the furlough scheme continue to cause concern.</p> <p>There is additional support in place with strategic use of the increased Housing Support Grant funding, but this may still not be sufficient.</p>
1.19	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2021/22 budget contains £2.363m of specific efficiencies which are tracked and monitored throughout the year. In 2020/21 the level of efficiency achievement was 100% which was an improvement on the 90% achieved during the previous year. The Council aims to achieve a 95% rate in 2021/22 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2021/22 shows that 100% of the efficiencies will be achieved. The risk remains that any under-achievement of efficiencies will have a negative impact on the 2021/22 budget. Further details on the current status of efficiencies can be seen in Appendix 3.</p>
1.20	<p>Emergency Funding</p> <p>The Local Government Hardship fund was initially allocated £206.6m to support local government for the first six months of 2021-22 in the Welsh Government Final Budget 2021-22. In addition £23.3m was allocated to support free school meals during the school holidays.</p> <p>A further £97.5m has subsequently been allocated until the end of the financial year based on spend patterns to date, any changes to policy approaches (for example tapering of social care uplifts and void payments) and the current alert level. In addition three new allocations to the fund have recently been confirmed - £38m for winter fuel support, £0.600m for</p>

	<p>Community hubs and £2m for homelessness support (Homelessness Prevention Fund). The £2m has been added to specifically provide a top up to the discretionary homelessness prevention funds currently utilised by the Council.</p> <p>The Principles and Guidance for the Hardship Fund were revised by WG from 1st October with changes impacting on eligibility for various service areas including schools costs and additional waste tonnages (reduced to 50%). Costs for additional cover where staff are off sick due to COVID or self-isolating and vehicle costs due to social distancing are all now eligible until the end of 2021/22. Any potential significant impacts of the changes will be reflected in future reports, although where able mitigating actions will be put in place.</p> <p>During 2021/22 to date, additional cost claims for April to November have totalled £6.941m and Quarter 1 and 2 Income Loss claims were £1.096m (which include claims for Aura, Newydd and Cambrian Aquatics).</p>
1.21	<p>Unearmarked Reserves</p> <p>The final level of Council Fund Contingency Reserve brought forward into 2021/22 was £5.973m as detailed in the 2020/21 outturn report. However, this increased to £6.444m when taking account of the budgeted contribution to Reserves in the 2021/22 budget. This is the amount available for general purposes following the set-aside of £3.0m for a COVID-19 Emergency Funding.</p> <p>However, there will be a requirement to meet the unfunded impacts of the pay awards from the Contingency Reserve as detailed in para 1.11 following the outcome of the national pay award negotiations.</p> <p>Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £6.586m (prior to the impact of NJC pay award) (Appendix 4).</p> <p>The £3m emergency ring-fenced fund would have an amount of £1.920m remaining after allowing for currently known ineligible items. However, there are still a number of holding items and income loss claims still being considered by the Grants Panel. In addition, the impacts of the grant eligibility criteria changing from the 1st October will also need to be factored in.</p>
1.22	<p>Housing Revenue Account</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>
1.23	<p>The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.</p>

1.24	The monitoring for the HRA is projecting in year expenditure to be £0.548m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £3.924m, which at 10.28% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 provides further detail.
1.25	The budget contribution towards capital expenditure (CERA) is £13.442m.

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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.

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
	<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 8 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Resources & Regulated Services	-0.109	Welsh Government have allocated an additional £0.116m to Community Transformation Grant funding which is being used to support quicker discharges from hospital by utilising beds within one of the Councils residential care homes.
Impact of Covid-19	0.000	
Minor Variances	0.003	
Adults of Working Age		
Resources & Regulated Services	0.110	There is a care package required for a new service user, in addition the amounts expected from Direct Payment recoupments have reduced.
Minor Variances	-0.020	
Children's Services		
Family Placement	-0.077	There were some overpayments made earlier in the year which are now being recouped.
Legal & Third Party	0.040	Increased legal costs as a result of court activity
Professional Support	0.060	Recruitment challenges to senior Social Worker posts have led to some agency costs having to increase. An additional Childrens Support Assistant has been appointed.
Minor Variances	-0.008	
Safeguarding & Commissioning		
Finance /Deputyship	-0.031	The budget has been transferred from Charging Policy (£0.016m) and Business Support Service (£0.008m) to fund an urgently required post due to increased workloads.
Minor Variances	0.034	
Total Social Services (excl Out of County)	0.001	
Out of County		
Children's Services	0.098	Rate changes due to additional support requirements and a number of placement end date changes
Education & Youth	0.028	Net impact of new placements less additional recoupment income
Total Out of County	0.126	
Education & Youth		
Minor Variances	-0.004	
Total Education & Youth	-0.004	
Schools	-0.000	
Streetscene & Transportation		
Service Delivery	0.026	Increase in seasonal overtime and agency costs
Highways Network	0.173	Impact of Storm Arwen and associated clean up at the end of November
Other Minor Variances	-0.015	
Total Streetscene & Transportation	0.184	
Planning, Environment & Economy		
Development	-0.175	Favourable movement in Month 8 following receipt of a large planning application fee
Regeneration	-0.039	Minor movements across the Service, commitment challenge and higher than anticipated fee income levels in Markets
Minor Variances	0.008	
Total Planning & Environment	-0.206	
People & Resources		
HR & OD	-0.014	
Corporate Finance	-0.005	
Total People & Resources	-0.019	
Governance		
Revenues	-0.038	Minor increase to the anticipated potential surplus on the Council Tax Collection Fund (£0.010m); higher than anticipated fee income in Bailiffs (£0.028m)
Minor Variances	0.002	
Total Governance	-0.036	
Strategic Programmes		
Minor Variances	-0.004	
Total Strategic Programmes	-0.004	
Housing & Assets		
Benefits	0.028	Additional staffing costs not eligible for WG Hardship funding support
Housing Solutions	-0.062	Funding of Bed and Breakfast costs via the WG COVID-19 Hardship Fund
Impact of Covid-19	0.001	
Minor Variances	0.005	
Total Housing & Assets	-0.028	
Chief Executive's	-0.013	
Impact of Covid-19	-0.000	
Central & Corporate Finance	-0.032	Favourable movement due to an increase in 'one off' matrix rebates
Centralised Costs	-0.030	Further reduction in consumption levels
Impact of Covid-19	-0.000	
Grand Total	-0.061	

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	19.308	19.183	-0.125		-0.129	The net cost of residential care is reporting an overspend of £0.272m. 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 £0.029m under budget and will not resume until safe to do so. Domiciliary and Direct Payments are reporting an underspend of £0.206m. The Localities staff budget is underspent by £0.120m, significant recruitment and retention challenges mean that there are several temporary vacancies. The Minor Adaptations budget is £0.018m underspent based on current demand.	
Resources & Regulated Services	8.627	8.238	-0.389		-0.280	The Councils in-house care provision is projected to underspend by £0.421m. Day care is underspent by £0.010m, day centres are closed and will reopen once safe to do so. Homecare is £0.085m overspent, demand for the service is high but there are considerable challenges recruiting care staff. Residential care is expected to underspend by £0.421m. Extra care is underspend by £0.043m.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	1.235	1.203	-0.032		-0.030		
Adults of Working Age							
Resources & Regulated Services	26.880	27.209	0.329		0.219	The overspend is the cost of social care for people with learning disabilities or physical disabilities. These costs include nursing and residential care, domiciliary care Direct Payments which are required to meet their care needs.	
Professional and Administrative Support	0.329	0.250	-0.080		-0.076	Not all staff are currently paid at top of grade and there are also some staff seconded from this service.	
Residential Placements	1.791	2.149	0.358		0.380	The overspend is the cost of social care for people within the Mental Health service. These costs include nursing and residential care, domiciliary and Direct Payments.	
Minor Variances	3.974	3.857	-0.117		-0.123		
Children's Services							
Family Placement	2.700	2.750	0.050		0.127	The overspend is due to service demand from the number of foster payments. In some instances these avoid having to make expensive residential placements. The main pressures are payments to foster carers, foster agencies and special guardianship payments.	
Grants	0.268	0.205	-0.063		-0.063	Grant awards have allowed for some costs usually funded from revenue to be funded by grant instead.	

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 & Third Party	0.210	0.547	0.336		0.296	Legal costs are overspent due to the number of cases going through the courts and use of some external legal professionals. Direct Payments have also increased in demand.	
Residential Placements	0.549	0.376	-0.174		-0.173	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	5.774	0.386		0.326	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies try to be minimised however current recruitment and retention challenges have meant vacancies are required to be covered in alternative ways.	
Minor Variances	0.843	0.867	0.024		0.031		
Safeguarding & Commissioning							
Impact of Covid-19	0.000	-0.300	-0.300	-0.300	-0.300	Welsh Government is providing financial assistance, through the hardship funding for the Councils in-house care services. Most additional costs incurred due to Covid are staff costs which are reported within their respective service areas.	
Minor Variances	-1.478	-1.493	-0.015		-0.016		
Total Social Services (excl Out of County)	70.624	70.813	0.190	-0.303	0.189		
Out of County							
Children's Services	8.417	9.352	0.935		0.838	The projected overspend reflects the costs of the current cohort of placements with the budget pressure being influenced by the full year impacts in 2021/22 of a number of new placements made in the second half of 2020/21. This has continued in 2021/22 with a further influx of new placements. The true pressure level has also been partly mitigated by an allocation of £0.650m of one-off grant income from the Welsh Government Social Care Recovery Fund.	
Education & Youth	4.504	4.481	-0.023		-0.051		
Total Out of County	12.921	13.834	0.913	0.000	0.787		
Education & Youth							
Inclusion & Progression	4.462	4.394	-0.068		-0.067	Reduction in underspend at Month 7 due to the current pressures within the EHE service. If demand continues to increase, some of the £0.060m in-year savings offered will need to be used to fund the demand.	
Integrated Youth Provision	1.018	1.018	0.000		-0.101	Due to savings on building cleaning charges at Youth Centres which have been closed due to the COVID-19 pandemic	

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
School Improvement Systems	1.823	1.645	-0.179		-0.183	The underspend of £0.035m in School Improvement is as a result of maximising all grants. The underspend in Early Entitlement includes the maximisation of the 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 setting resources mitigated by using EYPDG/RRRS £0.005m. A £0.050m contingency remains within the budget to cover any increased Spring Term 2022 costs.	
Minor Variances	1.726	1.549	-0.177		-0.068		
Total Education & Youth	9.030	8.606	-0.423	0.000	-0.420		
Schools	101.937	101.937	-0.000		0.000		
Streetscene & Transportation							
Service Delivery	8.696	8.845	0.149		0.123	The service has a recurring revenue pressure of £0.050m for security costs following vandalism at the Household Recycling Centres. Plant hire and repairs incurring additional costs of £0.050m, which is attributable to ageing plant and equipment. Street lighting is also incurring a £0.120m revenue pressure on the Community Council Income Budget. However, this has largely been offset by workforce agency costs, which have been recovered through Covid hardship funding claims.	
Highways Network	7.899	8.166	0.267		0.094	Highways service area incurred overspend in excess of £0.050m in staff costs relating to flooding and drainage costs. There are also cumulative minor variances totalling £0.037m across the service, including some additional staff recharges. Fuel costs of £0.032m continue to rise above projections. Impact of Storm Arwen at the end of November and subsequent clean up costs totalling £0.150m.	
Transportation	9.750	9.802	0.052		0.063	Local bus services incurred a revenue pressure of: £0.100m as a result of the Service 5 reprocurement and £0.100m implementation of the Deeside Shuttle Bus Service at the new DIP Park and Ride. Also, additional costs incurred of £0.100m in School Transport due to 5 emergency routes at Maes Hyfryd and 4 new PRU routes. Overspend also from the increased number of school days, 7 days as opposed to budgeted 5 additional school days. The total additional costs have been largely offset by a projected underspend in Social Services Transport as not all services have returned to full operation following the pandemic. However, this underspend could significantly reduce once services start to resume.	

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
Regulatory Services	5.173	5.179	0.007		0.024	Car parking income currently reflects a loss of £0.235m, through maximising eligible funding from the WG Income Loss fund. The service has also incurred savings in recruitment and maintenance costs of parking machines. The overall overspend has been largely offset by favourable market rates for the sale of recyclable materials, but the markets remain volatile.	
Impact of Covid-19	0.000	0.326	0.326	0.326	0.315	Service Delivery has a recurring revenue pressure of £0.050m for additional cleaning and maintenance costs in Alltami depot as a result of the pandemic. Waste operations are showing additional costs of £0.090m in receptacles due to higher demand in waste collections as an effect of people working from home. This service area is also experiencing additional an revenue pressure of £0.090m in plant hire, maintenance and repairs. Additional costs of £0.090m incurred in contractors spend and Traffic Management, as the service was unable to provide the required training and has also faced recruitment delays during the Covid-19 Pandemic.	Maximise WG Hardship Funding opportunities
Other Minor Variances	0.000	0.004	0.004		0.000		
Total Streetscene & Transportation	31.517	32.322	0.804	0.326	0.620		
Planning, Environment & Economy							
Community	0.878	0.970	0.091		0.113	Adverse variance due to the shortfall in Fee Income in both Licensing and Pest Control Services	
Development	0.019	-0.200	-0.219		-0.045	Favourable variance at Month 8 following a receipt of a large one-off Planning Fee and higher than anticipated fee income in Land Charges.	
Regeneration	0.721	0.664	-0.056		-0.017	Favourable variance due to commitment challenge across the Service and higher than anticipated fee income for Markets	
Management & Strategy	1.311	1.172	-0.139		-0.130	Staff savings due to vacant posts	
Impact of Covid-19	0.000	0.000	0.000	0.143	-0.000		
Minor Variances	3.232	3.257	0.025		-0.013		
Total Planning & Environment	6.160	5.863	-0.298	0.143	-0.092		
People & Resources							
HR & OD	2.465	2.300	-0.164	0.013	-0.151	Favourable variance is due to the projected income from the agreed recharge for overheads claimed for the Test, Trace, Protect Project for hosting the service on behalf of the region to March, 2022.	
Corporate Finance	2.166	2.077	-0.089		-0.083	Staff savings due to vacant posts	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Total People & Resources	4.631	4.377	-0.253	0.013	-0.234		

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
Governance							
Democratic Services	2.125	2.046	-0.079	0.003	-0.084	The majority of the variance relates to the reduced take up of Members Allowances and savings from travel expenses due to remote meetings, together with commitment challenge across the service.	
Customer Services	1.030	0.940	-0.090	0.009	-0.088	Favourable variance is due to higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of COVID restrictions.	Impact of any new COVID restrictions will be monitored closely.
Revenues	0.475	0.067	-0.409		-0.371	Favourable variance is in the main, due to the projected potential surplus on the Council Tax Collection Fund (£0.0260m), Welsh Government Lockdown Admin Grant and minor variances across the service.	
Impact of Covid-19	0.000	0.000	0.000	0.028	0.000		
Minor Variances	6.603	6.505	-0.098		-0.096		
Total Governance	10.233	9.558	-0.675	0.040	-0.639		
Strategic Programmes							
Minor Variances	4.648	4.612	-0.035		-0.031		
Total Strategic Programmes	4.648	4.612	-0.035	0.000	-0.031		
Housing & Assets							
Caretaking & Security	0.262	0.200	-0.062		-0.062	Savings on staffing due to vacancies	
Industrial Units	-1.237	-1.467	-0.230		-0.230	Due to unbudgeted income from new lease at power generation site	
Benefits	12.850	12.909	0.058		0.030	Net pressure within the overall service due to bad debts re. overpayments not being fully offset by savings elsewhere within the service including additional staffing costs which are being supported by the WG COVID-19 Hardship fund	
Housing Solutions	1.049	0.963	-0.086		-0.024	Underspend on Bed and Breakfast costs due to demand pressures in this area currently being funded by the WG COVID-19 Hardship fund	
Impact of Covid-19	0.000	0.001	0.001	0.001	0.000		
Minor Variances	1.455	1.557	0.102		0.097	Cumulative minor variances across the portfolio	
Total Housing & Assets	14.380	14.164	-0.216	0.001	-0.188		
Chief Executive's	2.354	2.184	-0.170		-0.157	Staff savings due to vacant posts	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		
Central & Corporate Finance	26.241	26.006	-0.235		-0.203	Over recovery of planned pension contributions recoupment against actuarial projections based on the current level of contributions received during the year. Projected outturn on Matrix Rebates and inflation pressures anticipated but not required to date.	

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
Centralised Costs	2.783	2.466	-0.317		-0.286	Favourable variance due to the fixed electricity rate being set lower than current market levels and an overall reduction in consumption levels	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	0.000		
Grand Total	297.457	296.741	-0.716	0.220	-0.655		

2021/22 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
		2021/22 £m	2021/22 £m	2021/22 £m		
Portfolio						
Corporate						
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
Total Corporate Services			0.713	0.713	0.000	
Housing & Assets						
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
Total Housing & Assets			0.865	0.865	0.000	
Social Services						
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
Total Social Services			0.520	0.520	0.000	
Education & Youth						
Integrated Youth Provision	Youth Centres - Premises	Claire Homard	0.020	0.020	0.000	O G
Total Education & Youth			0.020	0.020	0.000	
Streetscene & Transportation						
Discretionary Transport Review - Post 16 Transport	Joint with Education	Katie Wilby	0.200	0.200	0.000	O A
Total Streetscene & Transportation			0.200	0.200	0.000	
Planning, Environment & Economy						
Planning Policy	Reduction of Post	Andy Roberts	0.045	0.045	0.000	C G
Total Planning, Environment & Economy			0.045	0.045	0.000	
Total 2021/22 Budget Efficiencies			2.363	2.363	0.000	

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

Corporate Efficiencies Remaining from Previous Years

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

Movements on Council Fund U earmarked Reserves

	£m	£m
Total Reserves as at 1 April 2021	14.061	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		8.292
Add - Transfer to Reserve Budget 2021/22		0.471
Add - Transfer from Earmarked Reserves (approved Month 5)		0.585
Less - COVID-19 Emergency Funding Allocation*		(2.317)
Less - Investment in Change (approved Month 2)		0.400
Less - Severe Weather (approved Month 2)		0.250
Less - Organisational Capacity Estimate (approved month 5)		0.103
Less - Childrens Services Social Work Costs (approved Month 5)		0.183
Less - Teachers Pay Award (after additional funding)		0.225
Add - Month 8 projected outturn		(0.716)
Less - projected national pay award increase		
Total Contingency Reserve available for use		6.586

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	(37.259)	(36.928)	0.331	0.355	Currently projecting a pressure of £0.331m due to loss of income in relation to vacant properties. Of this, £0.301m relates to void properties, £0.050m relates to the utilities charges on void properties and £0.074m relates to void garages. There is also a pressure of £0.084m relating to a projected reduction in rental income on new build properties which were included in the Business Plan. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of £0.153m. Additional Affordable Housing Grant allocation of £0.053m. There are other minor variances of £0.028m.	
Capital Financing - Loan Charges	8.047	8.047				
Estate Management	1.931	1.928	(0.004)	(0.013)	Minor variances	
Landlord Service Costs	1.469	1.531	0.062	0.042	Additional cost in relation to agency staff £0.035m. Other minor variances £0.027m.	
Repairs & Maintenance	10.431	10.404	(0.026)	(0.027)		
Management & Support Services	2.658	2.841	0.183	0.182	Efficiency in respect of salary costs of (£0.053m). Additional cost of the IT project work £0.050m. Pressure in relation to insurance costs of £0.208m. Minor Variances (£0.022m).	
Capital Expenditure From Revenue (CERA)	13.442	13.442				
HRA Projects	(0.153)	(0.150)	0.003	0.001		
Contribution To / (From) Reserves	(0.566)	(0.566)				
Total Housing Revenue Account	(0.000)	0.548	0.548	0.539		