

CABINET

Date of Meeting	Tuesday 18 th October, 2022
Report Subject	Revenue Budget Monitoring Report 2022/23 (Month 5)
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position in 2022/23 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 5.

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 cost control is:

Council Fund

- An operating deficit of £0.680m (excluding the impact of the pay award which will need to be met by reserves)
- A projected contingency reserve available balance as at 31 March 2023 of £7.724m (before the impact of final pay awards)

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £3.308m higher than budget
- A projected closing balance as at 31st March, 2023 of £3.166m

Hardship Funding from Welsh Government helped secure £16m of direct financial help last year and we have continued to claim payments in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments within their eligible periods.

A brought forward amount of £2.066m remains available from the original £3m emergency ring-fenced fund. The 2022/23 budget approved in February included a further top up of £3.250m to this Reserve to provide a prudent safeguard against

any ongoing impacts of the pandemic. Early indications are that whilst the risks due to COVID-19 has diminished considerably, the inflationary risk has increased.

The position will be monitored closely over the coming months and any impacts reflected in future reports.

RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2022/23 budget.
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REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2022/23
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none">• An operating deficit of £0.680m (excluding the impact of the pay award which will need to be met by reserves)• A projected contingency reserve available balance as at 31 March 2023 of £7.724m (before the impact of pay awards) <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>
1.02	Hardship Funding from Welsh Government helped secure over £16m direct financial help last year and we have continued to claim payments in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments within their eligible periods.

1.03 **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	77.969	78.447	0.478
Out of County Placements	15.101	16.112	1.011
Education & Youth	9.935	9.590	(0.344)
Schools	108.420	108.420	0.000
Streetscene & Transportation	38.466	39.562	1.096
Planning Env & Economy	6.797	6.188	(0.610)
People & Resources	4.324	4.270	(0.055)
Governance	10.772	10.396	(0.376)
Strategic Programmes	6.116	6.108	(0.009)
Assets	0.312	0.293	(0.019)
Community Housing & Poverty	14.662	14.448	(0.215)
Chief Executive	2.256	2.187	(0.069)
Central & Corporate Finance	31.552	31.343	(0.209)
Total	326.682	327.362	0.680

1.04 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.

Significant Movements from Month 4

1.05 **Social Services £0.155m**

Resources & Regulated Services £0.077m

In-House residential care costs Older People Services have reduced by (£0.031m) whereas in Adult of Working Age there is an adverse movement of £0.104m resulting from changes to Care Packages and increased staff costs.

Children's Services Professional Support £0.072m

Additional staff costs to support adequate levels of child protection service pressures.

	Minor variances across the Portfolio account for the remainder of the movement totalling £0.006m.
1.06	<p>Out of County Placements £0.186m</p> <ul style="list-style-type: none"> • Children's Services £0.211m • Education & Youth (£0.025m) <p>The movement is in the main due to one new high cost residential placement in Children's Services mitigated by an increase in income recharges from placements to Flintshire schools in Education and Youth.</p>
1.07	<p>Education & Youth (£0.054m)</p> <p>Minor movements across the Portfolio</p>
1.08	<p>Streetscene & Transportation £0.032m</p> <p>The adverse movement relates to :</p> <ul style="list-style-type: none"> • Transportation £0.198m - increased costs in the provision of additional key service routes equating to £270 per day from re-procurement and additional statutory provision. • Impact of COVID-19 (£0.190m) – COVID-19 costs agreed to be funded from the COVID-19 Emergency Reserve. <p>Minor variances across the Portfolio account for the remainder £0.024m.</p>
1.09	<p>Planning, Environment & Economy (£0.374m)</p> <p>The favourable movement follows :</p> <ul style="list-style-type: none"> • An increase to projected Planning Fee income outturn following receipt of a further 'one off' large planning application fee (£0.300m) in the second quarter of the financial year within Development Management. • Vacant post within the Business Service (£0.035m) and receipt of Rent Smart Grant (£0.010m) not previously projected. <p>Cumulative minor variances account for the remainder of (£0.029m).</p>
1.10	<p>Governance (£0.046m)</p> <ul style="list-style-type: none"> • Revenues (£0.025m) – increase to potential surplus on the Council Tax Collection Fund <p>Minor variances across the Portfolio account for the remainder (£0.021m).</p>
1.11	<p>Housing & Communities £0.303m</p> <p><u>Benefits £0.130m</u> Reduction in the projected underspend on the Council Tax Reduction Scheme (CTRS) of £0.039m, increased expenditure on Discretionary</p>

	<p>Housing Payments (DHPs) and an increase to the pressure relating to recovery of overpayments £0.024m.</p> <p><u>Housing Solutions £0.163m</u> Increased demand for temporary accommodation for Homelessness.</p> <p>Minor variances across the Service account for the remainder of £0.010m.</p>
1.12	<p>Corporate Services</p> <p><u>People & Resources £0.106m</u></p> <ul style="list-style-type: none"> • £0.055m – initial charge incurred as a result of entering into a new contract with MHR Global for payroll services. • Successful recruitment to Occupational Health Nurse £0.041m <p>Minor variances across the Service account for the remainder of £0.010m.</p>
1.13	<p>Central & Corporate Finance £0.048m</p> <p>Movement relates to IFRS 9 accounting adjustments for soft loan mitigation of £0.053m.</p> <p>Minor variances account for the remainder of (£0.005m).</p>
1.14	<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>
1.15	<p>Council Tax Income</p> <p>In 2021/22 the Council achieved an ‘in-year’ collection level of 97.73% - the second highest collection rate in Wales.</p> <p>For 2022/23 up to August, the ‘in-year’ collection level is 47.60%, compared to 47.75% in the previous year. The marginal fall in collection levels is mainly due to resources being diverted to administering the Cost of Living Support Scheme as well as the impact on households more generally of rising costs-of-living.</p>
1.16	<p>Pay Award (Teacher and Non-Teacher)</p> <p>National negotiations have commenced between Employers and Trade Unions. The Council has provided for an uplift of 3.5% for Teaching and Non-Teaching staff – any increase above this level would require the Council to utilise reserves to fund the difference in the current financial year and would add to the additional budget requirement for 2023/24.</p> <p>The current pay offer for teachers is 5% and there is an offer from the National employers for NJC employees of £1,925 on all spinal column points. This equates to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p>

	<p>The impact on 2022/23 is as follows:</p> <p>Teachers pay - in year impact of an additional £0.674m for the period September to March (full year effect 2023/24 of £1.144m) over and above the budgeted level of 3.5%.</p> <p>NJC pay - in year impact of an additional £4.594m (Schools £1.637m and non-schools £2.957m) over and above the budgeted level of 3.5%.</p> <p>Additional amount needing to be met from reserves in 2022/23 based on the above is £5.268m.</p> <p>The above will also impact on the MTFs with the full year impact of the teachers' pay award increasing the impact for 2023/24 to £5.738m.</p> <p>The above pay offers are subject to agreement and out for consultation with the Trade Unions.</p>
1.17	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.18	<p>Medium Term Financial Strategy (MTFS) Impact</p> <p>Cabinet considered the latest projection for the MTFs in September which showed an increase in the additional budget requirement to £24.348m. The forecast includes the latest position on pay awards, which are still subject to agreement and revisions to forecasts for energy and fuel inflation which remains subject to constant change due to market volatility.</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>
1.19	<p>Out of County Placements</p> <p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher placement costs.</p> <p>There is a projected overspend for the current cohort of placements of circa £1.011m, although with 7 months of the year remaining this is likely to increase and a contingency of £0.300m is currently built into the outturn position for this with £0.250m in for Children's Services and £0.050m for Education placements.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>

1.20	<p>Benefits</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.609m below budget, although this will be monitored closely throughout the year due to the potential for growth.</p> <p>There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future. There is a significant pressure on recovery of overpayments which is a combination of a shortfall of recovery against the level of income target budget which is partly influenced by lower number of overpayments occurring, and also the need to increase the bad debt provision on historic debt. There is also a small pressure on Discretionary Housing Payments for which the Council receives an allocation from the DWP.</p> <p>The increased staffing levels are still required and those costs are now being met in full from the additional funding of £0.300m previously approved to provide the service with the additional flexibility needed to adapt to and meet the sustained increase in customer demand.</p>
1.21	<p>Homelessness</p> <p>The risk is a consequence of the cessation of funding support from the Welsh Government COVID-19 Hardship Fund at the end of 2021/22.</p> <p>Although, there is continued support via the new Homelessness – No One Left Out grant, this still falls well below the amount of support we received via the Hardship Fund in 2020/21 and 2021/22.</p> <p>Although it has been possible to contain some of the expected pressure through prepaid accommodation to the end of September 2022, which has been funded by the COVID-19 Hardship Fund, the expected continued high demand for temporary accommodation including short term Bed & Breakfast provision will continue to present significant challenges.</p> <p>We continue to strategically use increased allocations of Housing Support Grant working with external partners, but there remains a risk that the costs of statutory provision of support for Homelessness may exceed existing funding provision from base budget and available grant funding.</p>
1.22	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2022/23 budget contains £1.341m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2022/23 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year</p> <p>It is projected that all efficiencies will be achieved in 2022/23 and further details can be seen in Appendix 3.</p>
1.23	<p>Earmarked Reserves</p> <p>A detailed review of earmarked reserves has been undertaken over the summer and an amount of £1.208m has been identified for release to the</p>

Contingency Reserve which will provide an additional safeguard against some of the financial risks across the Council.

The table below provides a summary of earmarked reserves as at 1 April 2022 and an estimate of projected balances as at the end of the current financial year.

Council Fund Earmarked Reserves 2022/23

Monitoring Summary Month 5

Reserve Type	Balance as at 01/04/22	Balance as at Month 5	Estimated Balance as at 31/03/23	Release to General Reserve
Service Balances	4,697,596	3,474,711	1,402,499	226,000
Workforce Costs	877,786	877,786	854,567	0
Investment in Organisational Change	1,617,975	1,617,975	1,102,846	0
County Elections	291,851	291,851	235,913	0
Local Development Plan (LDP)	242,360	242,360	242,360	0
Warm Homes Admin Fee	297,925	297,925	202,068	0
Waste Disposal	48,771	48,771	40,638	0
Design Fees	250,000	250,000	125,000	0
Winter Maintenance	250,000	250,000	250,000	0
Severe Weather	250,000	250,000	119,550	0
Car Parking	45,403	45,403	0	0
Insurance Reserves	2,135,817	2,135,817	2,350,000	0
Cheque Book Schools	3,814	3,814	0	3,814
School HWB ICT Replacement	263,223	263,223	263,223	0
Free School Meals	115,522	115,522	0	0
Flintshire Trainees	696,631	696,631	612,843	0
Rent Income Shortfall	12,779	12,779	0	0
Plas Derwen Wave 4	1,780	1,780	1,780	0
Customer Service Strategy	22,468	22,468	0	0
Supervision Fees	48,798	48,798	48,798	0
ICT Servers Reserve	85,000	85,000	0	0
IT Infrastructure HWB	327,442	312,442	0	0
Schools Intervention Reserve	491,133	491,133	231,540	0
Organisational Change/ADM	274,154	274,154	240,654	0
NWEAB	210,644	210,644	210,644	0
Employment Claims	109,846	109,846	109,846	0
Community Benefit Fund	450,653	450,653	229,792	0
NWRWTP				
Total B823 Balances	9,421,775	9,406,775	7,472,062	3,814
Schools Balances	12,291,688	12,291,688	5,100,000	0
Inflation/Budget Risk (additional RSG)	2,432,022	2,432,022	2,432,022	

Social Care (additional RSG)	400,000	400,000	400,000	
Grants & Contributions	7,944,134	6,417,730	3,722,245	977,758
TOTAL	37,187,216	34,422,927	20,528,828	1,207,572

The release to reserves as shown above increases the Contingency Reserve by £1.208m to £7.724m.

1.24 **Unearmarked Reserves**

The final level of Council Fund Contingency Reserve brought forward into 2022/23 was £7.098m as detailed in the 2021/22 outturn report (subject to Audit). In addition, the Council has set-aside a further £3.250m to the carried forward £2.066m COVID-19 Emergency Reserve as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).

Internal claims for Quarter 1 have been made in 2022/23 relating to additional costs in Schools, Streetscene & Transportation and for income losses within AURA.

After taking into account the transfer from earmarked reserves of £1.208m a projected contingency reserve available balance as at 31 March 2023 is anticipated of £7.724m (before the impact of final pay awards – currently estimated at £5.268m).

1.25 **Housing Revenue Account**

The 2021/22 Outturn Report to Cabinet on 12 July 2022 showed an un-earmarked closing balance at the end of 2021/22 of £3.616m and a closing balance of earmarked reserves of £1.622m.

1.26 The 2022/23 budget for the HRA is £38.119m which includes a movement of £2.858m to reserves.

1.27 The monitoring for the HRA is projecting in year expenditure to be £3.308m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.166m, which at 8.29% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.

1.28 Significant movement of £3.121m at month 5 results from :

- Contribution to meet the additional Capital Works that are due to be undertaken in year £2.857m
- Increase in salaries cost across Services £0.118m
- Increase in projected cost of insurance claims £0.163m
- Mitigated by savings in respect in reduced projection in court costs (£0.027m)

Minor variances account for the remainder £0.010m

1.29 The budget contribution towards capital expenditure (CERA) is £10.898m with the actual contribution projected to be £13.755m at outturn.

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2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts 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 4 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.

MONTH 5 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Resources & Regulated Services	-0.031	The reduction in spend is mostly due to reduced spend within the in-house residential service by £0.022m
Minor Variances	-0.008	
Adults of Working Age		
Resources & Regulated Services	0.104	A net change to care packages has resulted in an increase of £0.061m on the Learning Disability budget. Supported Living cost have increased by £0.028m due to staff costs.
Children to Adult Transition Services	0.029	This is due to net changes to care packages for young people transferring from Children Services to Adult Social Care.
Residential Placements	0.041	This is due to a net increase to Mental Healthcare support packages.
Minor Variances	0.015	
Children's Services		
Professional Support	0.072	This is mostly due to additional staff costs required to meet service pressures
Minor Variances	-0.016	
Safeguarding & Commissioning		
Management & Support	-0.044	Expected reduction to the in-year contribution for the Regional Collaboration Team
Minor Variances	-0.007	
Total Social Services (excl Out of County)	0.155	
Out of County		
Children's Services	0.211	Mostly due to one new high cost residential placement with some other offsetting minor changes
Education & Youth	-0.025	Mostly due to an increase in recoupment income from other LA's placements to Flintshire schools
Total Out of County	0.186	
Education & Youth		
Minor Variances	-0.054	Cumulative minor variances across the portfolio
Total Education & Youth	-0.054	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	0.018	
Transportation	0.198	Movement due to additional routes (PRU's) 6 in total equating to £270.00 per day
Regulatory Services	-0.011	
Impact of Covid-19	-0.190	COVID related costs now funded from the Corporate Emergency Hardship Contingency Fund.
Other Minor Variances	0.023	
Total Streetscene & Transportation	0.032	
Planning, Environment & Economy		
Business	-0.049	At Month 5 Vacant post and receipt of Rent Smart Grant Income result in a favourable movement
Development	-0.348	One-off receipt of £0.300m planning application fee resulting in a revised projected outturn, plus minor variances across the Service
Impact of Covid-19	0.011	
Minor Variances	0.012	
Total Planning & Environment	-0.374	
People & Resources		
HR & OD	0.106	At Month 5 the successful recruitment to Occupational Health Nurse £0.040m and an Initial charge incurred as a result of entering a new contract with MHR for Payroll iTrent Services £0.056m result in an adverse movement, minor variances £0.010m
Corporate Finance	-0.001	
Total People & Resources	0.105	
Governance		

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Revenues	-0.025	At Month 5 the potential surplus on the Council Tax Collection fund has been reviewed and increased accordingly
Minor Variances	-0.021	
Total Governance	-0.046	
Strategic Programmes		
Minor Variances	0.012	
Total Strategic Programmes	0.012	
Assets		
Minor Variances	0.027	Cumulative minor variances across the portfolio
Total Assets	0.027	
Housing and Communities		
Benefits	0.130	Increased expenditure on Discretionary Housing Payments (DHPs), Reduction of underspend on CTRS of £0.039m and increased shortfall in recovery of overpayments of £0.024m
Housing Solutions	0.163	Increased demand for temporary accommodation for Homelessness
Minor Variances	0.009	
Total Housing and Communities	0.303	
Chief Executive's		
	0.001	
Central & Corporate Finance		
	-0.005	
Central Loans & Investment Account	0.053	IFRS 9 accounting transaction for soft loan mitigation
Grand Total	0.395	

Budget Monitoring Report

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	20.679	20.063	-0.616		-0.612	The commissioned Older Peoples domiciliary and Direct Payment budget is expected to underspend by £0.834m based on recent months activity. There are recruitment and retention challenges within this service which is limiting the amount of required care purchased. The residential care budget is projecting a £0.364m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund contributions and property income. The Localities staffing budget is expected to underspend by £0.070m as not all staff are currently top of grade and some costs are to be recharged. There are also underspends on the Day Care budget of £0.033m and the Sensory service level agreement budget of £0.042m	
Resources & Regulated Services	8.921	9.139	0.218		0.249	In-house residential care is expected to overspend by £0.255m due to staff and running costs and in-house homecare is estimated to overspend by £0.022m. The Extra Care budget is underspent by £0.025m, and Day Care by £0.034m. There is an assumption that we will receive £0.185m Winter Pressures funding built into these projections.	
Minor Variances	1.269	1.245	-0.024		-0.021		
Adults of Working Age							
Resources & Regulated Services	29.481	29.683	0.202		0.098	The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.113m overspend due to net costs of care packages. The in-house Supported Living service is £0.077m overspent but will likely increase if required recruitment is successful. The Learning Disability Daycare and Work Scheme budget is £0.067m overspend due in part to recent inflationary pressures. The care package costs for independently provided care for Learning Disability services is a £0.054m underspend.	
Children to Adult Transition Services	0.951	1.065	0.113		0.084	These are the costs of care for young adults who are transferring to Adult Social Care, from Children Services, this financial year. Care costs are initially estimated but once services have been agreed the actual cost may be different.	
Residential Placements	1.956	2.350	0.394		0.353	This is the cost of current commissioned care packages within the Mental Health service.	
Minor Variances	4.033	4.004	-0.029		-0.044		
Children's Services							
Family Support	0.375	0.502	0.127		0.139	Costs are based upon the current activity levels over the last few months and projected forward for the rest of the year. Workforce costs, primarily sessional staff are the primary cost driver for this service.	
Legal & Third Party	0.232	0.743	0.511		0.516	Legal costs are overspent by £0.276m due to the number of cases going through the courts and some use of external legal professionals. Direct Payments also continue to increase in demand and are overspending by £0.234m.	
Residential Placements	1.312	0.917	-0.395		-0.406	The in-year opening of some Children's Residential care settings will mean that there will be one off cost savings, in addition it is expected that one off, non-recurring grant from Welsh Government will be received for start up costs.	
Professional Support	6.173	6.423	0.250		0.178	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 minimised and additional temporary posts are sometimes required to meet the challenges and demands of Childrens Services. There is an assumption that Welsh Government will allow for flexible use of Childrens Services grants which will allow for some cost pressures to be offset.	

Budget Monitoring Report

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
Minor Variances	3.537	3.567	0.030		0.040		
Safeguarding & Commissioning							
Business Support Service	1.195	1.144	-0.051		-0.027	The underspend is due to a decrease in staff costs because of vacancies which are unlikely to be filled within year.	
Safeguarding Unit	1.291	1.082	-0.209		-0.210	A consultation for the updated Liberty Protection Safeguard legislation continue to be undertaken. Due to the delay in implementing the legislation there will be an in-year saving	
Management & Support	-2.267	-2.328	-0.061		-0.017	An expected reduction of £0.040m on Flintshires contribution to the Regional Collaboration Team is expect this year	
Minor Variances	-1.170	-1.150	0.020		0.004		
Total Social Services (excl Out of County)	77.969	78.447	0.478	-0.000	0.323		
Out of County							
Children's Services	10.097	11.497	1.400		1.189	The projected overspend reflects significant additional demands on the service in the year to date with 25 new placements having been made in the year to date - most of which are high cost residential placements - there is provision for a contingency sum of £0.250m, for net impacts of further new placements and other placement changes but this may not prove to be enough.	
Education & Youth	5.004	4.615	-0.389		-0.364	The underspend reflects projected costs for the current cohort of placements and there have been 16 new placements in the year to date with further new placements also likely to emerge as the year progresses, for which contingency provision of £0.050m has been made.	
Total Out of County	15.101	16.112	1.011	0.000	0.825		
Education & Youth							
School Improvement Systems	1.889	1.756	-0.133		-0.132	Payments to Non-maintained and maintained settings projected similar to those of 21/22. Welsh Government have announced continuation of top-up funding to £5 p/hour, so gives the Early Entitlement budget increasing financial capacity. Alongside this, the Recruit, Recover and Raise Standards grant and the Early Years Pupil Development Grant increases announced allow core budget to be released. Proposed efficiency savings are currently under review.	
School Planning & Provision	0.671	0.619	-0.053		-0.036	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	7.374	7.215	-0.159		-0.122		
Total Education & Youth	9.935	9.590	-0.344	0.000	-0.290		
Schools	108.420	108.420	-0.000		-0.000		
Streetscene & Transportation							
Service Delivery	9.147	9.412	0.265		0.247	The service has a recurring revenue pressure of £0.100m for security costs due to vandalism at the Household Recycling Centres. Additional £0.050m Repair/Plant Hire costs across the Service. Street lighting is also incurring a £0.070m revenue pressure on the Community Council Income Budget. Remaining £0.170m is attributable to high sickness levels/Agency costs.	
Highways Network	8.096	8.599	0.503		0.487	Highways is incurring a Revenue pressure of £0.400m in Fleet services as a result of rising Fuel costs. Also additional £0.050m costs increase in weed spraying following concerns raised in Scrutiny, which cannot be covered by our existing Budget.	

Budget Monitoring Report

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
Transportation	10.031	10.393	0.362		0.164	Local Bus is incurring additional overspend of £0.100m due to Park and Ride Service and Service 5 re-procurement. School Transport is incurring a revenue pressure of £0.090m, due to a shortfall in budget for 3 school days driven by Easter timelines in this financial Year. In Period 5 there has been an additional pressure of £0.200m in School Transport due to additional routes (PRU's) 6 in total equating to £270.00 per day.	
Regulatory Services	11.192	11.158	-0.034		-0.023	Following changes to Council Policy the Service is seeing a reduction in recycling disposal waste. Sustained and improved recycling rebate prices have improved our projected Income.	
Total Streetscene & Transportation	38.466	39.562	1.096	-0.000	1.064		
Planning, Environment & Economy							
Community	0.890	0.963	0.073		0.077	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.146	-0.448	-0.594		-0.246	Favourable variance following receipt of a small number of high value one off Planning Fee each approx £0.300m	
Management & Strategy	1.385	1.274	-0.111		-0.116	Staff savings from vacant posts	
Impact of Covid-19	0.000	0.047	0.047	0.047	0.036	COVID-19 related additional cleaning costs for Countryside Service and Environmental Health Officer costs	
Minor Variances	4.376	4.350	-0.026		0.014		
Total Planning & Environment	6.797	6.188	-0.610	0.047	-0.236		
People & Resources							
HR & OD	2.284	2.257	-0.027		-0.133	Staff savings due to vacant posts and commitment challenge across the service	
Corporate Finance	2.041	2.013	-0.028		-0.027		
Total People & Resources	4.324	4.270	-0.055	0.000	-0.160		
Governance							
Democratic Services	2.374	2.283	-0.091		-0.089	Variance as a result of the Members Allowances new rate not being implemented until May, 2022 and lower than anticipated take up of both Broadband and Pension Allowances (£0.108m) ; plus minor variances across Service	
ICT	4.960	4.910	-0.050		-0.038	Staff savings from vacant posts and minor variances across the Service	
Customer Services	1.018	0.893	-0.125		-0.116	Registrars Fee Income higher than anticipated and savings from vacant posts	
Revenues	0.201	0.063	-0.138		-0.113	The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.117m) based on current information; minor variance across the service	
Impact of Covid-19	0.000	0.001	0.001	0.001	0.001		
Minor Variances	2.220	2.246	0.027		0.026		
Total Governance	10.772	10.396	-0.376	0.001	-0.330		
Strategic Programmes							
Minor Variances	6.116	6.108	-0.009		-0.020		
Total Strategic Programmes	6.116	6.108	-0.009	0.000	-0.020		
Assets							
Caretaking & Security	0.264	0.183	-0.081		-0.082	Due to vacancy savings	
Minor Variances	0.048	0.109	0.061		0.036		

Budget Monitoring Report

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 Assets	0.312	0.293	-0.019	0.000	-0.046		
Housing and Communities							
Benefits	13.260	13.040	-0.220		-0.350	Projected underspend of -£0.609m on the Council Tax Reduction Scheme (CTRS) which is offset by pressures of £0.367m on recovery of overpayments including a shortfall against the income budget target which has previously been compensated by the WG COVID-19 Hardship Fund and also due to the need to increase the bad debt provision for recovery of overpayments	
Minor Variances	1.402	1.407	0.005		-0.168		
Total Housing and Communities	14.662	14.448	-0.215	0.000	-0.518		
Chief Executive's	2.256	2.187	-0.069		-0.071	Variance due to vacant post and not all staff at top of scale, together with commitment challenge across the Services	
Central & Corporate Finance	28.769	28.538	-0.231		-0.226	Over recovery of planned pension contributions recoupment against actuarial projections based on the current level of contributions	
Centralised Costs	2.783	2.752	-0.031		-0.030		
Central Loans & Investment Account	0.000	0.053	0.053		0.000	IFRS 9 requires that for soft loans interest is accrued at the Effective Interest Rate (EIR) rather than the Contract Interest Rate.	
Grand Total	326.682	327.363	0.680	0.048	0.285		

2022/23 Efficiencies Outturn Tracker - Mth 5

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
		2022/23 £m	2022/23 £m	2022/23 £m		
Portfolio						
Corporate						
Increase in Reserves	Rachel Parry Jones	0.471	0.471	0.000	C	G
Utility Inflation	Rachael Corbelli	0.085	0.085	0.000	C	G
Efficiency from Restructure	Corporate Policy Rachel Parry Jones	0.025	0.025	0.000	C	G
Recharge to HRA	Chief Executive post to HRA 50% Rachel Parry Jones	0.027	0.027	0.000	C	G
Total Corporate Services		0.608	0.608	0.000		
Housing & Assets						
Connahs Quay Power Station	Neal Cockerton	0.290	0.290	0.000	C	G
Rent Newydd	Neal Cockerton	0.020	0.020	0.000	C	G
Total Housing & Assets		0.310	0.310	0.000		
Social Services						
Sleep in Pressure not Required	Neil Ayling	0.123	0.123	0.000	C	G
Total Social Services		0.123	0.123	0.000		
Governance						
Single Person Discount Review (One Off)	Gareth Owen	0.300	0.300	0.000	O	G
Total Governance		0.300	0.300	0.000		
Total 2022/23 Budget Efficiencies		1.341	1.341	0.000		

	%	£
Total 2022/23 Budget Efficiencies	100	1.341
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	100	1.341
Total 2022/23 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	0	0.000

Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m	
Income Target Efficiency remaining from Previous Years	0.041	
Fees and charges increase 1st October, 2022	(0.026)	
Total Income Efficiency Remaining	0.015	(0.015)

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2022	18.438	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		12.669
Less - COVID-19 Emergency Funding Allocation		5.316
Less - Childrens Services Social Work Costs (approved 21/22)		0.157
Add - Total Balances Released to Reserves (Month 5)		1.208
Less - impact of the final pay awards (still awaited)		
Less - Month 5 projected outturn		0.680
Total Contingency Reserve available for use		7.724

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(38.119)	(37.720)	0.399	0.405	Currently projecting a variance of £0.399m due to loss of rental income in relation to void properties. Of this, £0.308m relates to void properties, £0.067m relates to utilities costs on void properties and £0.039m relates to void garages. The remaining (£0.015m) relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.723			£2.857 contribution to meet the additional Capitalworks that are due to be undertaken in year	
Estate Management	2.321	2.195	(0.126)	(0.159)	Additional cost of agency positions of £0.158m, which is offset by vacancy savings of (£0.134m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.030m).	
Landlord Service Costs	1.572	1.630	0.058	0.051	Salary savings of (£0.038m) are currently being projected within the service which offset agency costs of £0.020m. There is a forecasted pressure on utilities costs of £0.062m. The remaining variance of £0.014m is down to other minor movements.	
Repairs & Maintenance	10.908	10.992	0.084	0.017	There are a number of vacant trades positions which are being covered by agency, leading to an additional net cost of £0.059m. Vacancy savings of (£0.034m) in respect of Admin posts have also been identified. Savings on the cost of materials of (£0.102m). Additional cost of fleet forecasted to be £0.154m due to factors such as rising fuel costs. Other minor variances of £0.007m.	
Management & Support Services	2.716	2.752	0.036	(0.127)	Savings of (£0.059m) have been projected based on current vacancies within the service and a further (£0.100m) efficiency has been identified through a review of central support recharges. Costs of legal advice in respect of the Renting Homes Wales Act £0.017m. Pressure in relation to insurance costs currently forecasted to be £0.163m. Other minor variances of £0.015m.	
Capital Expenditure From Revenue (CERA)	10.898	13.755	2.857		£2.857 contribution to meet the additional Capital works that are due to be undertaken in year	
HRA Projects	0.122	0.122	(0.000)	(0.000)		
Contribution To / (From) Reserves	2.858	2.858				
Total Housing Revenue Account	0.000	3.308	3.308	0.188		