

CABINET

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| Date of Meeting | Tuesday 22nd November, 2022 |
| Report Subject | Revenue Budget Monitoring Report 2022/23 (Month 6) |
| 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 6.

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 £0.033m (excluding the impact of the pay award which will need to be met by reserves), which is a favourable movement of (£0.647m) from the deficit figure reported at Month 5.
- A projected contingency reserve available balance as at 31 March 2023 of £8.071m (before the impact of final pay awards)

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £3.324m higher than budget
- A projected closing balance as at 31st March, 2023 of £3.150m

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.

RECOMMENDATIONS

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

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| 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 £0.033m (excluding the impact of the pay award which will need to be met by reserves), which is a favourable movement of (£0.647m) from the figure reported at Month 5. • A projected contingency reserve available balance as at 31 March 2023 of £8.071m (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 | <p>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.</p> |

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 | 78.604 | 0.635 |
| Out of County Placements | 15.101 | 16.323 | 1.222 |
| Education & Youth | 9.953 | 9.512 | (0.442) |
| Schools | 108.401 | 108.401 | 0.000 |
| Streetscene & Transportation | 38.466 | 39.505 | 1.039 |
| Planning Env & Economy | 6.797 | 6.218 | (0.579) |
| People & Resources | 4.324 | 4.255 | (0.069) |
| Governance | 10.772 | 10.249 | (0.523) |
| Strategic Programmes | 6.116 | 6.109 | (0.008) |
| Assets | 0.312 | 0.293 | (0.019) |
| Housing & Communities | 14.662 | 14.431 | (0.231) |
| Chief Executive | 2.256 | 2.171 | (0.085) |
| Central & Corporate Finance | 31.552 | 30.644 | (0.907) |
| | | | |
| Total | 326.682 | 326.715 | 0.033 |

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 5

1.05 **Social Services £0.157m**

The net adverse movement relates to :

Older People Services :

- Localities £0.100m – Domiciliary and Direct Payment costs have increased by £0.078m due to demand, Localities staff costs increased by £0.062m due to extended agency contracts, mitigated by a reduction in Residential care (£0.040m)
- Regional Integration Fund (RIF) £0.086m – Step Down RIF grant scheme has fully realised its annual allocation and further costs are expected to continue to the end of the financial year.

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| | <ul style="list-style-type: none"> Resources and Regulated Services (£0.181m) – Increase in the projected client contribution income of (£0.151m) in addition to reduced staff costs relating to decrease in holiday cover and sickness levels. <p>Adults of Working Age :</p> <ul style="list-style-type: none"> Resources and Regulated Services £0.056m – Supported living costs have increased resulting from engaging agency cover for vacant posts to ensure service delivery need are met Children to Adult Transition £0.092m – resulting from an additional high cost placement <p>Children’s Services :</p> <ul style="list-style-type: none"> Family Placement (£0.032m)_– reduction in costs based on current foster allowance payments and special guardianship allowance payments Residential Placements £0.060m – resulting from an additional placement <p>Minor variances across the Portfolio account for the remainder of the movement totalling (£0.024m).</p> |
| 1.06 | <p>Out of County Placements £0.211m</p> <ul style="list-style-type: none"> Children’s Services £0.123m – Due to 3 new placements and a change of placement at a higher cost with additional intensive support costs mitigated by 2 ended placements Education & Youth £0.088m – due to 4 new placements <p>Costs are projected to the end of the financial year.</p> |
| 1.07 | <p>Education & Youth (£0.097m)</p> <ul style="list-style-type: none"> Integrated Youth Provision has a favourable movement due to vacancy savings (£0.028m) Inclusion & Progression have maximised Welsh Government grants for core staff costs together with vacancy savings has resulted in a favourable movement of (£0.024m) <p>Minor movements across the Portfolio (£0.045m)</p> |
| 1.08 | <p>Streetscene & Transportation (£0.057m)</p> <p>The net positive movement relates to:</p> <ul style="list-style-type: none"> Service Delivery (£0.085m) – additional income due to increased ‘in house’ construction works Transportation £0.055m - increased costs in the provision of additional key service routes <p>Minor variances across the Portfolio account for the remainder (£0.027m).</p> |

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| 1.09 | <p>Governance (£0.147m)</p> <p>Revenues (£0.086m)</p> <ul style="list-style-type: none"> • Further increase (£0.050m) to the projected potential surplus on the Council Tax Collection Fund; vacancy savings (£0.036m) • Vacancy Savings identified in Customer Services (£0.035m) <p>Minor variances across the Portfolio account for the remainder (£0.026m).</p> |
| 1.10 | <p>Central & Corporate Finance (£0.700m)</p> <p>A detailed review the Central Loans and Investment Account has been undertaken at Month 6 to reflect recent changes to bank interest rates. At this stage of the year no new short or long term borrowing has been required due in part to the level of additional grant funding received from Welsh Government towards the end of the last financial year improving the cash flow position.</p> <p>This has had the effect of significantly reducing projected borrowing costs in addition to an increase in investment income which could potentially increase further during the year should the pattern continue.</p> <p>In addition there has been a reduction in the Councils finance lease liabilities and an underspend on the Minimum Revenue Provision Account.</p> |
| 1.11 | <p>There are a number of minor variances across the other Portfolios each below £0.030m that account for the remainder of the overall movement (£0.015m).</p> |
| 1.12 | <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> |
| 1.13 | <p>Council Tax Income</p> <p>'In-year' council tax collection levels, up to September 2022, are 57.0% compared to 57.2% in the previous year. Collections remain challenging as the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time. The marginal drop in collection levels is also consistent with other Welsh local authorities who are also seeing similar trends.</p> |
| 1.14 | <p>Pay Award (Teacher and Non-Teacher)</p> <p>The offer from the National employers for NJC employees of £1,925 on all spinal column points has now been accepted with back pay anticipated to be made to employees in November. This equates to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p> |

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| | <p>However, National negotiations are continuing between Employers and Trade Unions on a current pay offer for teachers of 5%. 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 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>However, all the above figures are pending a National Insurance (NI) reduction following the UK Government announcement on reversing the NI increase and this will be updated in the Month 7 report.</p> <p>The Teachers pay offer is still subject to agreement and out for consultation with the Trade Unions.</p> |
| 1.15 | <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> |
| 1.16 | <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.</p> <p>The forecast included the position on pay awards at that time 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> <p>An update on the latest budget position prior to the formal Overview and Scrutiny Process in December is reported elsewhere on this agenda and shows a potential increase in the additional budget requirement for 2023/24 to around £32m.</p> |
| 1.17 | <p>Out of County Placements</p> |

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| | <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 costs.</p> <p>There is a projected overspend of £1.222m for the current cohort of placements, however, this is likely to increase if demand for new placement remains at the current levels. There have been 48 new placements in the year to date with costs totaling £3.3m within the total projected spend for the year of £16.3m, which amounts to over 20%.</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> |
| 1.18 | <p>Benefits</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.610m 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.</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> |
| 1.19 | <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> |
| 1.20 | <p>Achievement of Planned In-Year Efficiencies</p> |

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| | <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> |
| 1.21 | <p>Unearmarked Reserves</p> <p>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 being a total of £5.316m as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).</p> <p>Some claims for March 2022 were disallowed by WG and Internal claims for Quarter 1 and 2 have been made in 2022/23 relating to additional costs in Schools, Streetscene & Transportation and for income losses within AURA. These total £0.928m and the revised balance on the COVID-19 Emergency Reserve is currently £4.388m.</p> <p>At Cabinet on the 28th June, an amount of £0.300m was approved to fund a team of agency workers to support our Children's front door service whilst an action plan is developed and implemented to reset and rebuild service resilience due to current shortages of experienced social workers.</p> <p>After taking into account all of the above there is a projected contingency reserve available balance as at 31 March 2023 of £8.071m (before the impact of final pay awards – currently estimated at £5.268m).</p> |
| 1.22 | <p>Housing Revenue Account</p> <p>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.</p> |
| 1.23 | <p>The 2022/23 budget for the HRA is £37.755m which includes a movement of £2.858m to reserves.</p> |
| 1.24 | <p>The monitoring for the HRA is projecting in year expenditure to be £3.324m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.150m, which at 8.34% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.</p> |
| 1.25 | <p>Significant movements from month 5 include :</p> <ul style="list-style-type: none"> • Void Properties – increased net pressure of £0.055m • Estate Management – increased net vacancy savings of (£0.037m) <p>Minor variances account for the remainder (£0.013m)</p> |

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| 1.26 | 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. |

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| 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. |

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| 4.00 | CONSULTATIONS REQUIRED/CARRIED OUT |
| 4.01 | None specific. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix 1: Council Fund – Movement in Variances from Month 5 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 |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | Various budget records. |

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| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | Contact Officer: Dave Ledsham Strategic Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk |

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| 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 6 - SUMMARY

| Service | Movement between Periods (£m) | Narrative for Movement between Periods greater than £0.025m |
|---|-------------------------------|---|
| Social Services | | |
| Older People | | |
| Localities | 0.100 | Domiciliary and Direct Payment costs have increased by £0.078m due to demand. The residential care budget reduced by (£0.040m). Localities staffing costs increased by £0.062m mostly due to a requirement to extend agency contracts. |
| Regional Integration Fund | 0.086 | The Step Down Regional Integration Fund (RIF) grant scheme which enables quicker hospital discharge by placing older people into short term residential placements before they can safely return home has already spent its annual allocation. Costs will continue to be incurred and it is not expected that there will be slippage from other RIF schemes to offset this spend. |
| Resources & Regulated Services | -0.181 | There has been an increase to the number of residents who contribute to the cost of their care resulting in the projected client contribution income to increase by £0.150m. In addition there are reduced costs for staff as there has been a decrease in holiday cover and sickness cover requirements. |
| Adults of Working Age | | |
| Resources & Regulated Services | 0.056 | Supported Living costs have increased by £0.053m due to having to cover vacancies via agency to ensure service requirements are being met. |
| Children to Adult Transition Services | 0.092 | Due to an additional high cost placement |
| Minor Variances | -0.023 | |
| Children's Services | | |
| Family Placement | -0.032 | Reduced costs based on current foster allowance payments and special guardianship allowance payments |
| Residential Placements | 0.060 | This is a result of an additional placement |
| Minor Variances | -0.007 | |
| Safeguarding & Commissioning | | |
| Minor Variances | 0.005 | |
| Total Social Services (excl Out of County) | 0.157 | |
| Out of County | | |
| Children's Services | 0.123 | Due to 3 new placements, one necessary change of placement to one at higher cost and additional intensive support costs - less two ended placements |
| Education & Youth | 0.088 | Due to 4 new placements |
| Total Out of County | 0.211 | |
| Education & Youth | | |
| Inclusion & Progression | -0.024 | The service have maximised some WG grants for core staff. There are also vacancy savings within the PRU management budget. |
| Integrated Youth Provision | -0.028 | Vacancy savings |
| Minor Variances | -0.045 | |
| Total Education & Youth | -0.097 | |
| Schools | 0.000 | |
| Streetscene & Transportation | | |
| Service Delivery | -0.085 | Additional Income this month due to increased in-house construction work. |
| Transportation | 0.055 | Additional Service routes requested in School Transport. |
| Other Minor Variances | -0.028 | |
| Total Streetscene & Transportation | -0.057 | |
| Planning, Environment & Economy | | |
| Minor Variances | 0.024 | |
| Total Planning & Environment | 0.031 | |
| People & Resources | | |
| Total People & Resources | -0.015 | |
| Governance | | |
| Customer Services | -0.035 | Positive movement relates to vacancy savings identified as potential efficiencies |
| Revenues | -0.086 | Positive movement following increase in the potential projected surplus of the Council Tax Collection Fund at Month 6 £0.050m and vacancy savings |
| Minor Variances | -0.026 | |
| Total Governance | -0.147 | |
| Strategic Programmes | | |
| Minor Variances | 0.001 | |
| Total Strategic Programmes | 0.001 | |
| Assets | | |
| Total Assets | 0.001 | |
| Housing and Community | | |
| Minor Variances | -0.017 | |
| Total Housing and Community | -0.017 | |
| Chief Executive's | -0.016 | |
| Impact of Covid-19 | 0.000 | |
| Central & Corporate Finance | -0.700 | To date in 2022/23, no new long or short term borrowing has been undertaken, due to the level of additional grant funding received from Welsh Government towards the end of the last financial year improving the cashflow position. This has therefore reduced the borrowing costs that would have been incurred and allowed the Council to maximise investments where possible to generate investment income. We have seen further return on investment as the bank rate has risen, resulting in a proportion of this favourable movement. It could potentially increase further in this financial year, should the pattern continue. Savings have also been identified on the Council's finance lease liabilities and Minimum Revenue Provision (MRP). |
| Grand Total | -0.648 | |

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 | 20.163 | -0.516 | | -0.616 | The commissioned Older Peoples domiciliary and Direct Payment budget is expected to underspend by £0.757m based on current activity. There are recruitment and retention challenges within this service which is limiting the amount of care which can be purchased. The residential care budget is projecting a £0.324m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund contributions and property income. The Localities staff budgets are expected to underspend by £0.050m as not all staff are currently top of grade and some costs are to be recharged. The day care budget is underspending by £0.033m. | |
| Regional Integration Fund | 0.000 | 0.086 | 0.086 | | 0.000 | The Step Down Regional Integration Fund (RIF) grant scheme which enables quicker hospital discharge times by placing older people into short term residential care before they can safely return home has already spent its annual allocation. Costs will continue to be incurred and it is not expected that slippage from other RIF schemes will be available to offset the spend. | |
| Resources & Regulated Services | 8.921 | 8.958 | 0.037 | | 0.218 | In-house residential care was previously reported to overspend by £0.218m due to staff and running costs. However, there has been an increase to the number of residents who contribute to the cost of their care resulting in the projected client contribution income to increase by £0.150m. In addition there are reduced costs for staff as there has been a decrease in holiday cover and sickness cover requirements. | |
| Impact of Covid-19 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | | |
| Minor Variances | 1.269 | 1.245 | -0.024 | | -0.024 | | |
| Adults of Working Age | | | | | | | |
| Resources & Regulated Services | 29.481 | 29.739 | 0.258 | | 0.202 | The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.115m overspend due to net costs of care packages. The in-house Supported Living service is £0.129m overspent and this will likely increase further if agency cover is required to cover vacancies. The Learning Disability Daycare and Workscheme budget is £0.069m overspent due mostly to recent inflationary pressures. The care package costs for independently provided care for Learning Disability services is a £0.055m underspend. | |
| Children to Adult Transition Services | 0.951 | 1.156 | 0.205 | | 0.113 | These are the costs of care for young adults who are transferring to Adult Social Care from Childrens Services this financial year. Care costs are initially estimated, but once services have been finalised the actual cost may be different. | |
| Residential Placements | 1.956 | 2.336 | 0.380 | | 0.394 | This is the cost of current commissioned care packages within the Mental Health Service | |
| Minor Variances | 4.033 | 3.995 | -0.038 | | -0.029 | | |
| Children's Services | | | | | | | |
| Family Support | 0.375 | 0.513 | 0.137 | | 0.127 | Costs are based upon the current activity levels over the last few months and projected forward for the rest of the year. Workforce costs, mostly sessional staff, are the primary cost driver for this service. | |
| Legal & Third Party | 0.232 | 0.741 | 0.509 | | 0.511 | 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 overspent by £0.233m. | |

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 |
|---|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|--|-----------------|
| Residential Placements | 1.312 | 0.977 | -0.336 | | -0.395 | The in-year opening of some Childrens 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 recieved for start up costs. | |
| Professional Support | 6.173 | 6.416 | 0.243 | | 0.250 | 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 presures to be offset. | |
| Minor Variances | 3.537 | 3.526 | -0.011 | | 0.030 | | |
| Safeguarding & Commissioning | | | | | | | |
| Business Systems & Financial Assessments | 0.831 | 0.894 | 0.063 | | 0.044 | There are additional one off costs of £0.018m for an IT system upgrade. Additionally there are some extra staff costs due from temporary increases in hours and business support assistant posts. These additional posts are funded from the underspend within the Business Support Service budget. | |
| Business Support Service | 1.195 | 1.141 | -0.054 | | -0.051 | The underspend is due to vacancies which will not be filled this year | |
| Safeguarding Unit | 1.291 | 1.076 | -0.214 | | -0.209 | A consultation for the updated Liberty Protection Safeguard legislation continues to be undertaken. Due to the delay in implementing the legislation there wil be an in-year saving. | |
| Management & Support | -2.267 | -2.330 | -0.063 | | -0.061 | A reduction of £0.040m on Flintshire's contribution to the Regional Collaboration Team is expected this year. | |
| Impact of Covid-19 | 0.000 | 0.000 | 0.000 | 0.000 | -0.000 | | |
| Minor Variances | -2.001 | -2.029 | -0.029 | | -0.024 | | |
| Total Social Services (excl Out of County) | 77.969 | 78.604 | 0.635 | 0.000 | 0.478 | | |
| Out of County | | | | | | | |
| Children's Services | 10.097 | 11.620 | 1.523 | | 1.400 | The projected overspend reflects significant additional demands on the service in the year to date with 28 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 | 4.703 | -0.301 | | -0.389 | The latest underspend reflects projected costs for the current cohort of placements and there have been 20 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 | 16.323 | 1.222 | 0.000 | 1.011 | | |
| Education & Youth | | | | | | | |
| Inclusion & Progression | 5.251 | 5.196 | -0.055 | | -0.031 | The service have maximised some WG grants for core staff. There are also vacancy savings within the PRU management budget. | |
| School Improvement Systems | 1.889 | 1.747 | -0.142 | | -0.133 | 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 | 0.595 | -0.076 | | -0.053 | Projected underspend on insurance liability claims costs and some salary savings | |

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 | 2.141 | 1.973 | -0.169 | | -0.128 | | |
| Total Education & Youth | 9.953 | 9.512 | -0.442 | 0.000 | -0.344 | | |
| Schools | 108.401 | 108.401 | 0.000 | | -0.000 | | |
| Streetscene & Transportation | | | | | | | |
| Service Delivery | 9.277 | 9.457 | 0.180 | | 0.265 | The service has a recurring revenue pressure of £0.100m for security costs at the Household Recycling Centres. Street lighting is also incurring a £0.070m revenue pressure on the Community Council Income Budget. Improved position from last month due to additional income achieved through in-house construction work. Remaining £0.090m is attributable to high sickness levels and agency costs. | |
| Highways Network | 8.096 | 8.585 | 0.489 | | 0.503 | Highways is incurring a revenue pressure of £0.400m in Fleet Services as a result of rising fuel costs. Also additional £0.050m increase in weed spraying contractor costs following recommendation from Scrutiny Committee, which cannot be covered by our existing budget. | |
| Transportation | 10.031 | 10.449 | 0.418 | | 0.362 | Local bus subsidy is incurring additional overspend of £0.100m due to the Park and Ride Service and Service 5. School Transport is incurring a revenue pressure of £0.090m, due to a shortfall in budget for 3 additional school days driven by Easter timelines in this financial year. There has been an additional pressure of £0.220m identified in School Transport due to additional demand (PRUs/ALN) 6 routes in total equating to £270.00 per day. | |
| Impact of Covid-19 | 0.000 | 0.000 | 0.000 | 0.000 | -0.000 | | |
| Other Minor Variances | 11.062 | 11.015 | -0.048 | | -0.034 | | |
| Total Streetscene & Transportation | 38.466 | 39.505 | 1.039 | 0.000 | 1.096 | | |
| Planning, Environment & Economy | | | | | | | |
| Community | 0.890 | 0.963 | 0.073 | | 0.073 | Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised | |
| Development | 0.146 | -0.443 | -0.589 | | -0.594 | Favourable variance following receipt of two high value one off Planning Fee each approx £0.300m | |
| Management & Strategy | 1.385 | 1.290 | -0.095 | | -0.111 | Staff savings from vacant posts | |
| Impact of Covid-19 | 0.000 | 0.054 | 0.054 | 0.054 | 0.047 | COVID-19 related additional cleaning costs for Countryside Service and Environmental Health Officer costs | |
| Minor Variances | 4.376 | 4.353 | -0.022 | | -0.026 | | |
| Total Planning & Environment | 6.797 | 6.218 | -0.579 | 0.054 | -0.610 | | |
| People & Resources | | | | | | | |
| HR & OD | 2.284 | 2.241 | -0.043 | | -0.027 | | |
| Corporate Finance | 2.041 | 2.007 | -0.034 | | -0.028 | | |
| Impact of Covid-19 | 0.000 | 0.008 | 0.008 | 0.008 | 0.000 | COVID-19 Flu Vaccine purchase | |
| Total People & Resources | 4.324 | 4.255 | -0.069 | 0.008 | -0.055 | | |
| Governance | | | | | | | |
| Democratic Services | 2.374 | 2.295 | -0.079 | | -0.091 | 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) ; mitigated by the inception of the new Climate Change Committee Chair person Allowance plus minor variances across Service | |

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 |
|--|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|---|-----------------|
| ICT | 4.960 | 4.909 | -0.051 | | -0.050 | Staff savings from vacant posts and minor variances across the Service | |
| Customer Services | 1.018 | 0.858 | -0.160 | | -0.125 | Registrars Fee Income higher than anticipated and savings from vacant posts | |
| Revenues | 0.201 | -0.023 | -0.223 | | -0.138 | The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.167m) based on current information; minor variance across the service | |
| Impact of Covid-19 | 0.000 | 0.001 | 0.001 | | 0.001 | | |
| Minor Variances | 2.220 | 2.209 | -0.010 | | 0.027 | | |
| Total Governance | 10.772 | 10.249 | -0.523 | 0.000 | -0.376 | | |
| Strategic Programmes | | | | | | | |
| Minor Variances | 6.116 | 6.109 | -0.008 | | -0.009 | | |
| Total Strategic Programmes | 6.116 | 6.109 | -0.008 | 0.000 | -0.009 | | |
| Assets | | | | | | | |
| Enterprise Centres | -0.163 | -0.128 | 0.035 | | 0.032 | | |
| Agricultural Estates | -0.165 | -0.133 | 0.032 | | 0.032 | | |
| Caretaking & Security | 0.264 | 0.183 | -0.080 | | -0.081 | Underspend is due to vacancy savings | |
| Minor Variances | 0.376 | 0.371 | -0.005 | | -0.002 | | |
| Total Assets | 0.312 | 0.293 | -0.019 | 0.000 | -0.019 | | |
| Housing and Community | | | | | | | |
| Benefits | 13.260 | 13.019 | -0.241 | | -0.220 | Projected underspend of -£0.610m on the Council Tax Reduction Scheme (CTRS) which is offset by pressures of £0.334m 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 | 1.412 | 0.009 | | 0.005 | | |
| Total Housing and Community | 14.662 | 14.431 | -0.231 | 0.000 | -0.215 | | |
| Chief Executive's | | | | | | | |
| Impact of Covid-19 | 2.256 | 2.171 | -0.085 | | -0.069 | Variance due to vacant post and not all staff at top of scale | |
| Impact of Covid-19 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | | |
| Central & Corporate Finance | | | | | | | |
| | 28.769 | 27.838 | -0.931 | | -0.231 | Over recovery of planned pension contributions recouperment against actuarial projections based on the current level of contributions, as at Month 6 no new long or short term borrowing has been undertaken, due to the level of additional grant funding received from Welsh Government towards the end of the last financial year improving the cashflow position. This has therefore reduced the borrowing costs that would've been incurred and allowed the Council to maximise investments where possible to generate investment income. We have seen further return on investment as the bank rate has risen, resulting in a proportion of this favourable movement. It could potentially increase further in this financial year, should the pattern continue. Savings have also been identified on the Councils finance lease liabilities and Minimum Revenue Provision (MRP). | |
| Centralised Costs | 2.783 | 2.753 | -0.030 | | -0.031 | | |
| Soft Loan Mitigation | 0.000 | 0.053 | 0.053 | | 0.053 | | |

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 |
|--------------------|-------------------------|---------------------------|-------------------------|----------------------------|-----------------------------|---|-----------------|
| Grand Total | 326.682 | 326.715 | 0.033 | 0.062 | 0.680 | | |

2022/23 Efficiencies Outturn Tracker - Mth 6

| 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 |
| Less - Children's Services front door service - agency workers (approved by Cabinet on 28th June) | | 0.300 |
| | | |
| Add - Total Balances Released to Reserves (Month 5) | | 1.208 |
| | | |
| Less - impact of the final pay awards (still awaited) | | |
| | | |
| Less - Month 6 projected outturn | | 0.033 |
| | | |
| Total Contingency Reserve available for use | | 8.071 |

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 6 - SUMMARY

| Service | Revised Budget (£m) | Projected Outturn (£m) | Variance (£m) | Last Month Variance (£m) | Cause of Major Variance | Action Required |
|---|---------------------|------------------------|---------------|--------------------------|---|-----------------|
| Housing Revenue Account | | | | | | |
| Income | (37.755) | (37.300) | 0.454 | 0.399 | We are currently projecting a variance of £0.454m due to loss of rental income in relation to void properties. Of this, £0.356m relates to void properties, £0.084m relates to utilities costs on void properties and £0.029m relates to void garages. The remaining (£0.015m) relates to other minor variances. | |
| Capital Financing - Loan Charges | 6.723 | 6.723 | | | | |
| Estate Management | 2.263 | 2.101 | (0.162) | (0.126) | Additional cost of agency positions of £0.190m, which is offset by vacancy savings of (£0.196m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.036m). | |
| Landlord Service Costs | 1.265 | 1.326 | 0.061 | 0.068 | Salary savings of (£0.044m) are currently being projected within the service which offset agency costs of £0.024. There is a forecasted pressure on utilities costs of £0.062m. The remaining variance of £0.019m is down to other minor movements. | |
| Repairs & Maintenance | 10.908 | 10.987 | 0.079 | 0.084 | There are a number of vacant trades positions which are being covered by agency, leading to an additional net cost of £0.066m. 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 (£0.005m). | |
| Management & Support Services | 2.716 | 2.751 | 0.035 | 0.036 | Savings of (£0.072m) 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 £0.179m. Other minor variances of £0.011m. | |
| Capital Expenditure From Revenue (CERA) | 10.898 | 13.755 | 2.857 | 2.857 | £2.857 contribution to meet the additional Capitalworks 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) | 3.324 | 3.324 | 3.318 | | |