

CABINET

Date of Meeting	Tuesday 17th January, 2023
Report Subject	Revenue Budget Monitoring Report 2022/23 (Month 8)
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 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 cost control is:

Council Fund

- An operating deficit of £0.352m (excluding the impact of the pay award which has been met by reserves), which is an adverse movement of £0.258m from the deficit figure reported at Month 7.
- A projected contingency reserve available balance as at 31 March 2023 of £3.797m.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £3.076m higher than budget
- A projected closing balance as at 31st March, 2023 of £3.398m

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 and Winter Fuel Payments within their eligible periods.

RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2022/23 budget.
2	To support the carry forward request included in paragraph 1.11
3	To increase the Contingency Reserve by £2.4m from the additional Revenue Support allocation it received at the end of the 2022/23 financial year to enhance the level remaining to safeguard the Council against risks and other unforeseen events.

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 £0.352m (excluding the impact of the pay award which has been met by reserves), which is an adverse movement of £0.258m from the figure reported at Month 7.• A projected contingency reserve available balance as at 31 March 2023 of £3.797m. <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. From the end of September, Winter Fuel Payments were also eligible to be claimed.

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	78.767	0.798
Out of County Placements	15.101	16.089	0.988
Education & Youth	9.953	9.444	(0.510)
Schools	108.401	108.401	0.000
Streetscene & Transportation	38.466	39.596	1.130
Planning Env & Economy	6.797	6.343	(0.454)
People & Resources	4.332	4.292	(0.040)
Governance	10.755	10.110	(0.645)
Strategic Programmes	6.116	6.117	0.001
Assets	0.932	0.862	(0.070)
Housing & Communities	14.662	14.787	0.125
Chief Executive	1.636	1.549	(0.087)
Central & Corporate Finance	31.562	30.677	(0.885)
Total	326.682	327.034	0.352

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 7

1.05 **Social Services £0.126m**

The net adverse movement relates to:

Older People Services:

- Localities £0.049m – Demand for older people’s residential care has increased and resulted in a £0.098m adverse variance. The projected costs for homecare have decreased by (£0.055m). There are also a number of other minor variances which contribute to this movement.
- Regional Integration Fund (RIF) £0.058m – The “Step Down” RIF scheme which enables quicker hospital discharge times by placing people into short term residential care placements before they return home has already fully utilised. At this time, it is unlikely slippage

from other RIF schemes will be able to offset the additional pressure and any additional costs on this budget will increase unless Welsh Government provide additional funding.

Adults of Working Age:

- Resources and Regulated Services £0.093m – There have been changes to care packages to the clients supported in this service which has resulted in increased costs for Physical Disability and Sensory Impairment of £0.024m and Learning Disabilities £0.027m. Supported Living has also increased by £0.039m as recruitment challenges persist resulting in higher agency usage. There are minor variances of £0.003m.
- Residential Placements Mental Health Services £0.027m - This is the result of changes to cost of care packages for people requiring support with mental illness.

Children's Services:

- Family Placements (£0.027m) – This is a reduction to in-house foster care costs, which include fostering payments and special guardianship orders.
- Residential Placements (£0.148m) – This is due to additional Welsh Government Grant income which has recently been confirmed.
- Professional Support £0.194m – Assumed within the outturn of Children's Services was flexibility in use of government grants which had been provided in the previous two years. To date Welsh Government has not announced this flexibility and therefore, this assumption has been reduced to £0.100m from £0.294m. However, the additional grant included in the residential budget above has allowed for this adjustment to be made with minimal impact on the Children's Services budget.

Safeguarding & Commissioning:

- Charging Policy Income (£0.083m) - Increased demand for older people's residential service should result in an increase in the income received as a contribution to this care.

Minor variances across the Portfolio account for the remainder of the movement totalling (£0.037m).

1.06 Out of County Placements (£0.117m)

Reduction of projected net overspend as follows:

- Children's Services (£0.123m) – Movement reflects the net impact of 4 ended placements less some other minor changes including expected start dates of future adoptions.
- Education & Youth £0.006m – Minor movements

1.07	<p>Streetscene & Transport £0.059m</p> <p>The adverse movement relates to:</p> <ul style="list-style-type: none"> • Service Delivery £0.057m – additional costs relating to the Proclamation Event and Queen’s State Funeral Costs. <p>Minor variances across the Portfolio account for the remainder £0.002m.</p>
1.08	<p>Planning, Environment & Economy £0.102m</p> <p>The movement relates to:</p> <ul style="list-style-type: none"> • An increase in the actual costs for Ash Die Back works with further expected to March, 2023 £0.065m • Additional Covid-19 Recovery costs now committed to March 2023 totalling £0.027m which are being absorbed by the portfolio <p>Minor variances across the Portfolio account for the remainder £0.010m</p>
1.09	<p>Housing & Communities £0.124m</p> <p>The movement is due to continued high demand for Bed and Breakfast and temporary accommodation for Homeless persons and families.</p>
1.10	<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 (£0.036m).</p>
1.11	<p>Carry Forward Request</p> <p>People & Resources – Human Resources & Organisational Development</p> <p>To request a carry forward of the £0.022m COVID Test & Trace Project Management fee received to support the transition from Learning Pool to another platform by the extension of a current post-holder by 6 months.</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 November 2022, are 75.34% compared to 75.65% 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 0.31% 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 made to employees in November. This equated to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p> <p>The Minister for Education has confirmed the pay award for teachers at 5%.</p> <p>The Council has provided for an uplift of 3.5% for Teaching and Non-Teaching staff – the increase above this level requires the Council to utilise reserves to fund the difference in the current financial year.</p> <p>The impact on 2022/23 is as follows:</p> <p>The in-year additional cost of the 2022/23 pay awards that have been met from reserves is £3.955m after taking into account the reversal of the additional 1.25% rate of National Insurance (NI) from November.</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>An update on the latest budget position was reported in November prior to the formal Overview and Scrutiny Process in December which showed a potential increase in the additional budget requirement for 2023/24 to £32.4m.</p> <p>The Welsh Local Government Provisional Settlement was received on 14 December and the details and impacts of this is reported elsewhere on the agenda.</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>
1.17	<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 costs.</p> <p>There is a projected overspend of £0.988m for the current cohort of placements. However, this is likely to increase if demand for new placements remains at the current levels. There have been 57 new placements in the year to date with costs totaling £3.3m within the total projected spend for the year of £16.1m, 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 the Council 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 and this has increased by £0.123m at Month 8.</p> <p>The service continues 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>School Transport</p> <p>Since the start of the Autumn school term from September 2022, there have been a number of transport pressures emerging relating to increased costs in the provision of additional key service routes for Additional Learning Needs (ALN) and Pupil Referral Units (PRU) from re-procurement increases and additional statutory provision that is necessary, as well as increased transport contractor costs due to fuel, insurance, driver costs etc. It is anticipated that these increased costs currently totalling in excess of £0.200m will continue into 2023/24.</p>
1.21	<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</p>

	<p>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>
1.22	<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 and Holywell Leisure Centre. These currently total £1.252m and the balance on the COVID-19 Emergency Reserve is currently £4.064m.</p> <p>After taking into account all of the above there is a projected contingency reserve available balance as at 31 March 2023 of £3.797m.</p> <p>In addition, the Council also has an earmarked reserve of £2.4m from the additional Revenue Support allocation it received at the end of the 2022/23 financial year, and it is recommended that this is transferred to the Contingency Reserve to enhance the level remaining.</p> <p>As always it will be important to maintain an adequate level of reserves to safeguard the Council against risks and other unforeseen events.</p>
1.23	<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>
1.24	<p>The 2022/23 budget for the HRA is £37.755m which includes a movement of £2.858m to reserves.</p>
1.25	<p>The monitoring for the HRA is projecting in year expenditure to be £3.076m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.398m, which at 9.06% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.</p>
1.26	<p>The monthly movement of (£0.246m) from Month 7 is as follows:</p> <ul style="list-style-type: none"> • Income (£0.032m) – projected underspend in Bad Debt Provision top-up (£0.050m), movement in voids £0.016m and minor movements £0.002m. • Estate Management (£0.063m) – further vacancy savings (£0.030m), reduction in forecast Agency costs (£0.013m), other minor movements (£0.020m).

	<ul style="list-style-type: none"> • Landlord Service Costs £0.033m – Increase in utilities forecast of £0.042m, other minor movements (£0.009m). • Management & Support Services (£0.186m) – further savings relating to central support services recharges (£0.071m), reduction in forecast insurance costs based on the latest information (£0.075m), minor movements (£0.040m).
1.27	The budget contribution towards capital expenditure (CERA) is £10.898m with the actual contribution projected to be £13.755m at outturn.

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 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	<p>Contact Officer: Dave Ledsham, Strategic Finance Manager</p> <p>Telephone: 01352 704503</p> <p>E-mail: dave.ledsham@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<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		
Localities	0.049	Demand for older peoples residential care has increased and resulted in a £0.098m adverse variance. The projected costs for homecare have decreased by £0.055m. There are also a number of other minor variances which contribute to this movement
Regional Integration Fund	0.058	The "Step Down" Regional (RIF) scheme which enables quicker hospital discharge times by placing people into short term residential care placements before they return home has already fully spent. At this time it is unlikely slippage from other RIF schemes will be able to offset the additional pressure and any additional costs on this budget will increase unless Welsh Government provide additional funding.
Minor Variances	-0.006	
Adults of Working Age		
Resources & Regulated Services	0.093	There have been changes to care packages to the people supported in this service and has resulted in increased costs for Physical Disability and Sensory Impairment of £0.024m, Learning Disabilities £0.027m. Supported Living has also increased by £0.039m as recruitment challenges persist resulting in higher agency usage. There are minor variances of £0.003m.
Residential Placements	0.027	This is the result of changes to cost of care packages for people requiring mental ill health support.
Minor Variances	-0.012	
Children's Services		
Family Placement	-0.027	This is a reduction to in-house foster care costs, which include fostering payments and special guardianship orders.
Residential Placements	-0.148	This is due to additional Welsh Government Grant income which has recently been confirmed.
Professional Support	0.194	Assumed within Childrens Services was flexibility in use of government grants which had been provided in the previous two years. To date Welsh Government has not announced this flexibility and therefore, this assumption has been reduced to £0.100m. However, the additional grant included in the residential budget has allowed for this adjustment to be made with minimal impact on the Childrens Services budget.
Minor Variances	-0.022	
Safeguarding & Commissioning		
Charging Policy income	-0.083	Increased demand for older peoples residential service should result in an increase in the income charged and received as a contribution to this care.
Minor Variances	0.003	
Total Social Services (excl Out of County)	0.126	
Out of County		
Children's Services	-0.123	Movement reflects the net impact of 4 ended placements less some other minor changes including expected start dates of future adoptions
Education & Youth	0.005	
Total Out of County	-0.117	
Education & Youth		
Inclusion & Progression	-0.031	Movement reflects staff finishing within the Additional Learning Needs (ALN) service and delayed start for the Autism post.
Minor Variances	0.002	
Total Education & Youth	-0.028	
Schools	-0.000	
Streetscene & Transportation		
Service Delivery	0.057	Proclamation Event and Queen's State Funeral Costs.
Other Minor Variances	0.002	
Total Streetscene & Transportation	0.059	
Planning, Environment & Economy		
Access	0.065	At Month 8 increase in the actual costs for Ash Die Back works to date, plus further expenditure is expected to March, 2023.
Impact of Covid-19	0.027	Costs now projected to March, 2023 being absorbed by the portfolio
Minor Variances	0.011	
Total Planning & Environment	0.102	
People & Resources		
HR & OD	0.022	
Corporate Finance	0.003	
Impact of Covid-19	-0.001	
Total People & Resources	0.025	
Governance		
Minor Variances	-0.025	
Total Governance	-0.025	
Strategic Programmes		
Minor Variances	0.006	
Total Strategic Programmes	0.006	
Assets		
Minor Variances	-0.019	
Total Assets	-0.019	
Housing and Community		
Housing Solutions	0.123	Due to continued high demand for Bed and Breakfast and temporary accommodation for Homeless persons and families.
Minor Variances	0.001	
Total Housing and Community	0.124	
Chief Executive's	-0.004	
Central & Corporate Finance	0.017	
Soft Loan Mitigation	-0.009	
Grand Total	0.258	

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	20.136	-0.543		-0.591	The commissioned Older Peoples domiciliary and Direct Payment budget is projecting an underspend of £0.902m based on current activity. There are recruitment and retention challenges within this service which is severely limiting the amount of homecare which can be commissioned. The residential care care budget is projecting a £0.339m 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 overspend by £0.009m. There is an underspend on the Day Care budget of £0.033m and an overspend of £0.044m on the Minor Adaptations budget.	
Regional Integration Fund	0.000	0.223	0.223		0.165	The Step Down Regional Integration Fund (RIF) scheme which enables quicker hospital discharges by placing people into short term residential care placements before they can return home safely has already been spent in full. At this time it seems unlikely that slippage from other RIF schemes will be able to offset the additional pressure.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	10.190	10.206	0.017		0.023		
Adults of Working Age							
Resources & Regulated Services	29.481	29.825	0.344		0.251	The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.149m overspend due to net costs of care packages. The in-house Supported Living service is £0.202m overspent and will likely increase if continued agency cover is required while recruitment challenges continue. The Learning Disability Daycare and Workscheme budget in £0.079m overspent due in part to recent inflationary pressures. The care package costs for independently provided care for Learning Disability services is a £0.086m underspend.	
Children to Adult Transition Services	0.951	1.102	0.150		0.149	These are the costs of care for young adults who are transferring to Adult Social Care, from Children's Services, within this financial year. Care costs are initially estimated but once services have been confirmed the actual costs may be different.	
Residential Placements	1.956	2.436	0.481		0.453	This is due to the current cost of commissioned care packages to support people with mental ill health.	
Professional Support	0.774	0.824	0.050		0.060	Increased contributions to the joint Emergency Duty Team have resulted in the majority of the overspend on this budget.	
Minor Variances	3.259	3.137	-0.122		-0.118		
Children's Services							
Family Placement	2.862	2.782	-0.080		-0.052	The underspend is due to current spend for in-house Foster Placements and Special Guardianship Orders.	
Grants	0.236	0.287	0.051		0.051	There are a number of smaller variances which contribute to the overspend on the integrated working budget. These include a £0.010m additional costs for advocacy and variation to pay forecasts for the Accommodation/Supporting People Team.	

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
Family Support	0.375	0.513	0.138		0.137	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	0.694	0.461		0.485	Legal costs are overspent by £0.226m due to the number of cases going through the courts and some use of external professionals. Direct Payments also continue to increase in demand and are overspending by £0.235m.	
Residential Placements	1.312	0.834	-0.479		-0.331	The in-year opening of in-house Childrens Residential Care settings will mean there will be one off cost savings. There is also one off non recurring Welsh Government grant confirmed.	
Professional Support	6.173	6.632	0.459		0.265	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 Service. There is an assumption that Welsh Government will allow for flexible use of grants which will allow for some of these costs to be offset.	
Minor Variances	0.440	0.441	0.002		0.001		
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.831	0.908	0.077		0.077	There are additional one off costs for £0.018m for an IT system upgrade. In addition there are additional staff costs due to temporary uplift in hours and addition business support assistants. These additional posts are being funded using the underspend from the Business Support Service.	
Charging Policy income	-3.104	-3.224	-0.120		-0.037	Increased demands on the Older People Residential Care budget are expected to result in higher income achievement	
Business Support Service	1.195	1.140	-0.055		-0.055	The underspend is due to a decrease in staff costs because of vacancies which are unlikely to be filled this year.	
Safeguarding Unit	1.291	1.099	-0.191		-0.194	A consultation for the updated Liberty Protection Safeguard legislation continues to be undertaken. Due to the delay in implementing the legislation there will be an in-year saving.	
Commissioning	0.679	0.628	-0.051		-0.051	Vacancies which are not being filled immediately are resulting in this in-year underspend.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	0.000		
Minor Variances	-1.843	-1.858	-0.015		-0.015		
Total Social Services (excl Out of County)	77.969	78.767	0.798	-0.000	0.672		
Out of County							
Children's Services	10.097	11.477	1.380		1.502	The projected overspend reflects significant additional demands on the service in the year to date with 32 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	4.612	-0.392		-0.397	The latest underspend reflects projected costs for the current cohort of placements and there have been 25 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	16.089	0.988	0.000	1.105		

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
Education & Youth							
Inclusion & Progression	5.251	5.144	-0.108		-0.077	The underspend position reflects savings within the ALN (Additional Learning Needs) service by maximising grants. There has also been a member of staff on long-term sick, who has now left, therefore reducing costs further. Savings have also been captured within the EAL (English as an Additional Language) service, also by maximising grants against core staff. Further savings have been identified from the Autism post due to a delayed start in the Adviser post. Part year vacancy savings captured within Plas Derwen.	
Integrated Youth Provision	1.035	0.974	-0.061		-0.057	The projected underspend is mainly due to staffing savings	
School Improvement Systems	1.889	1.725	-0.164		-0.154	Payments to Non Maintained Settings and Maintained Settings projected similar to those in 21/22. Welsh Government announced a continuation in top up funding to £5 per hour, so gives the Early Entitlement budget increasing financial capacity. Alongside this, RRRS (Recruit, Recover and Raise Standards grant) and Early Year Pupil Development grant increases announced, which has allowed core budget to be released. Proposed efficiency savings are under review. Savings also identified within the School Improvement service due to grant funding against core staff from the Adult Community Learning and Post 16 grants.	
School Planning & Provision	0.671	0.575	-0.096		-0.091	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	1.106	1.025	-0.081		-0.103		
Total Education & Youth	9.953	9.444	-0.510	0.000	-0.481		
Schools	108.401	108.401	-0.000		0.000		
Streetscene & Transportation							
Service Delivery	9.277	9.543	0.266		0.209	The service has a recurring pressure of £0.100m for security costs at the Household Recycling Centres. Street lighting is also incurring a £0.070m shortfall on the Town/Community Council income budget. An additional £0.100m overspend is attributable to high sickness levels/agency costs. The service is also absorbing year to date costs of £0.060m related to Queens State Funeral and Proclamation events. The overall overspend is partially offset by additional income achieved through in-house construction work.	
Highways Network	8.096	8.588	0.492		0.486	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 recommendations made at Overview & Scrutiny Committee, which are not covered by existing budgets.	

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	10.489	0.458		0.451	Local bus subsidy is incurring an overspend of £0.100m due to the Park and Ride Service and Service 5. School Transport is incurring a pressure of £0.090m, due to the cost for 3 additional school days based on Easter timelines in this financial year. In Period 5 there was an additional pressure of £0.200m identified in School Transport due to additional demand (PRUs/ALN) 6 routes in total equating to £270.00 per day. School transport is also facing an additional pressure of £0.030m due to capacity issues on a commercial bus service. There may be further cost increases towards the end of this financial year due to rising transport operator costs (fuel, driver wages, insurance, energy etc).	
Regulatory Services	11.062	10.976	-0.087		-0.074	The Service is incurring £0.060m pressure in Residual Waste Disposals, which is creating a risk in reaching WG Recycling Targets. This pressure is largely offset by an underspend of £0.053m due to vacancies within the service, increased rebate rates for the sale of electricity, recycling income and car parking has increased income by £0.064m, including other minor variances with a reduction in recycling disposal costs of £0.030m.	
Total Streetscene & Transportation	38.466	39.596	1.130	0.000	1.072		
Planning, Environment & Economy							
Community	0.890	0.968	0.078		0.074	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.146	-0.427	-0.574		-0.584	Favourable variance following receipt of two high value one off Planning Fee each approx £0.300m	
Access	1.446	1.531	0.085		0.020	Adverse variance relates to the actual costs of Ash Die Back to date with further expenditure expected to March, 2023, together with historic grant income target not realised	
Management & Strategy	1.343	1.256	-0.086		-0.092	Staff savings from Vacant Posts	
Impact of Covid-19	0.000	0.102	0.102	0.102	0.075	COVID-19 related additional cleaning costs for Countryside Service and Environmental Health Officer costs	
Minor Variances	2.973	2.913	-0.060		-0.049		
Total Planning & Environment	6.797	6.343	-0.454	0.102	-0.557		
People & Resources							
HR & OD	2.291	2.276	-0.015		-0.037		
Corporate Finance	2.041	2.009	-0.032		-0.035		
Impact of Covid-19	0.000	0.007	0.007	0.007	0.008		
Total People & Resources	4.332	4.292	-0.040	0.007	-0.065		
Governance							
Legal Services	0.884	0.949	0.065		0.056	Additional costs for locum services covering vacant posts	
Democratic Services	2.374	2.296	-0.078		-0.074	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	4.953	4.886	-0.067		-0.068	Vacancy Savings and reduced Contribution to Denbighshire County Council for the Procurement Service	
Customer Services	1.008	0.845	-0.164		-0.162	Registrars Fee Income higher than anticipated and savings from vacant posts	
Revenues	0.201	-0.137	-0.338		-0.314	The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.277m) 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	1.336	1.271	-0.065		-0.059		
Total Governance	10.755	10.110	-0.645	0.001	-0.620		
Strategic Programmes							
Minor Variances	6.116	6.117	0.001		-0.005		
Total Strategic Programmes	6.116	6.117	0.001	0.000	-0.005		
Assets							
Caretaking & Security	0.309	0.227	-0.082		-0.094	Savings on staffing due to vacancies	
Minor Variances	0.623	0.635	0.012		0.043		
Total Assets	0.932	0.862	-0.070	0.000	-0.051		
Housing and Community							
Housing Solutions	1.154	1.277	0.123		-0.000	The projected overspend is due to continued high demand for emergency accommodation for homeless persons which is creating a pressure of £0.284m which is offset by salary savings due to vacancies of -£0.142m and other minor savings on the Bond grant scheme. The overspend would have been significantly greater but for the use of prepaid accommodation in the first half of the year funded by the former WG COVID-19 Hardship fund and a b/f underspend of £0.250m from 2021/22	
Minor Variances	13.508	13.510	0.002		0.001		
Total Housing and Community	14.662	14.787	0.125	0.000	0.001		
Chief Executive's							
	1.636	1.549	-0.087		-0.083	Variance relates to vacant post and not all staff at top of scale	
Central & Corporate Finance							
	28.779	27.855	-0.924		-0.941	Over recovery of planned pension contributions recoupage against actuarial projections based on the current level of contributions together with a revised projection on the Central Loans & investment Account (CLIA) reported at Month 6	
Centralised Costs	2.783	2.778	-0.005		-0.005		
Soft Loan Mitigation	0.000	0.044	0.044		0.053		
Grand Total	326.682	327.034	0.352	0.110	0.094		

2022/23 Efficiencies Outturn Tracker - Month 8

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
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 Owens	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	All Portfolios	0.041	
Fees and charges increase 1st October, 2022	Full Year effect 1st April 2023	(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		3.955
Less - Month 8 projected outturn		0.352
Total Contingency Reserve available for use		3.797

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	(37.755)	(37.309)	0.445	0.477	We are currently projecting a variance of £0.445m due to loss of rental income in relation to void properties. Of this, £0.387m relates to void properties, £0.095m relates to utilities costs on void properties and £0.029m relates to void garages. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of (£0.050). The remaining (£0.016m) relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.723				
Estate Management	2.263	2.004	(0.259)	(0.197)	Additional cost of agency positions of £0.147m, which is offset by vacancy savings of (£0.226m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.060m).	
Landlord Service Costs	1.265	1.360	0.095	0.062	Salary savings of (£0.054m) are currently being projected within the service which offset agency costs of £0.023. There is a forecasted pressure on utilities costs of £0.104m. The remaining variance of £0.022m is down to other minor movements.	
Repairs & Maintenance	10.908	10.987	0.079	0.077	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	2.576	(0.140)	0.045	Savings of (£0.090m) have been projected based on current vacancies within the service and a further (£0.171m) 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 £0.102m. Other minor variances of £0.002m.	
Capital Expenditure From Revenue (CERA)	10.898	13.755	2.857	2.857		
HRA Projects	0.122	0.122	(0.000)	(0.000)		
Contribution To / (From) Reserves	2.858	2.858				
Total Housing Revenue Account	(0.000)	3.076	3.076	3.321		