

CABINET

Date of Meeting	Thursday 23rd February, 2023
Report Subject	Revenue Budget Monitoring Report 2022/23 (Month 9)
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 9.

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 £0.117m (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of £0.235m from the deficit figure reported at Month 8.
- A projected contingency reserve available balance as at 31 March 2023 of £6.464m.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £3.208m higher than budget
- A projected closing balance as at 31st March, 2023 of £3.266m

Hardship Funding from Welsh Government helped secure over £16m of direct financial help in 2021/22 and we have continued to claim payments totalling £4.8m 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 1.09
3	To support the funding from Contingency Reserve in paragraph 1.10

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 £0.117m (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of £0.235m from the figure reported at Month 8.• A projected contingency reserve available balance as at 31 March 2023 of £6.464m. <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 of direct financial help in 2021/22 and we have continued to claim payments totalling £4.8m 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 are also eligible to be claimed.</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	78.658	0.689
Out of County Placements	15.101	16.070	0.969
Education & Youth	9.953	9.433	(0.520)
Schools	108.401	108.401	0.000
Streetscene & Transportation	38.466	39.602	1.136
Planning Env & Economy	6.797	6.351	(0.446)
People & Resources	4.332	4.255	(0.077)
Governance	10.755	10.092	(0.663)
Strategic Programmes	6.116	6.190	0.074
Assets	0.932	0.836	(0.096)
Housing & Communities	14.662	14.669	0.006
Chief Executive	1.636	1.540	(0.096)
Central & Corporate Finance	31.562	30.702	(0.859)
Total	326.682	326.781	0.117

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 8

1.05

Social Services (£0.109m)

The net favourable movement relates to:

Older People Services:

- Localities (£0.033m) – Betsi Cadwaladr University Health Board have agreed to some additional joint funded care packages which has resulted in additional income.
- Regional Integration Fund (RIF) (£0.072m) – The “Step Down” RIF scheme enables quicker hospital discharge times by placing people into short term residential care placements before they return home. The costs which had been allocated to the Regional Integration Fund for short term care are no longer being projected to this budget heading. Current and future costs are now being incorporated into the

	<p>Localities budget. Additionally agreed health funding within the Localities budget has offset the impact of the additional expenditure.</p> <p>Adults of Working Age:</p> <ul style="list-style-type: none"> Resources and Regulated Services £0.052m and Transition and Disability Services (£0.039m) – Increased service demands and continued challenges in recruitment for the in-house supported living service have resulted in increased costs. Supporting People (£0.047m) - There has been additional Supporting People funding provided this year. Residential Placements Mental Health Services £0.041m - This is the result of changes to the cost of care packages for people requiring support with mental illness. <p>Children’s Services:</p> <ul style="list-style-type: none"> Family Placements (£0.040m) – Additional Revenue Integration Fund income has been offset against eligible allowances Legal and Third Party £0.069m - Legal Costs for a high-cost court case. Residential Placements (£0.038m) – The precise amount for an in-year Welsh Government grant has been confirmed. <p>Minor variances across the Portfolio account for the remainder of the movement totalling (£0.002m).</p>
1.06	<p>Strategic Programmes £0.073m</p> <p>The movement relates to an agreed £0.050m contribution to support the Aura Pay award</p> <p>Minor variances across the Portfolio account for the remainder £0.023m.</p>
1.07	<p>Housing & Communities (£0.119m)</p> <p>This is due in the main to an additional in-year allocation of No One Left Out grant from Welsh Government totalling £0.256m which has resulted in a positive movement of (£0.124m).</p> <p>Minor variances across the Portfolio account for the remainder £0.005m.</p>
1.08	<p>There are a number of minor variances across the other Portfolios each below £0.040m that account for the remainder of the overall movement (£0.080m).</p>
1.09	<p>Carry Forward Request</p> <p><u>Governance – ICT</u></p> <p>To request a carry forward of the £0.085m allocated to the procurement of replacement Servers for Schools. Due to other work pressures and the need for detailed consultation with the schools the Service have been unable to finalise the order and delivery of the server equipment for replacement of school servers. It is an expectation that ICT will be able to place and order in</p>

	<p>this financial year 2022/23, but delivery of the equipment will not occur before 31st March 2023 due to extended lead-in times.</p>
1.10	<p>Request for funding from Contingency Reserve</p> <p>A finding of fact hearing has concluded for a significant legal case within Children’s Services. The outcome of the hearing has resulted in a further court case being required. Legal expertise required to support the Council for this case is creating additional financial pressure and to date £0.108m of legal fees have been incurred and are being reported within the Children’s Services legal cost budget within this report. These fees will continue to increase until the court proceedings are finalised. Therefore, it is requested for a contribution of £0.250m from the Contingency Reserve to be allocated to offset current and future legal costs for these proceedings.</p>
1.11	<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>
1.12	<p>Council Tax Income</p> <p>‘In-year’ Council Tax collection levels, up to December 2022, are 84.3% compared to 84.6% 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. Current collections for 2022/23 are still 0.2% ahead of 2020/21 collections during the height of the pandemic.</p>
1.13	<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: 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>
1.14	<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>
1.15	<p>Medium Term Financial Strategy (MTFS) Impact</p>

	<p>An update on the latest budget position was reported in January and provided an update on the impact of the Welsh Local Government Provisional Settlement together with feedback from the specific overview and scrutiny committees that were held throughout December. The report also reported on changes and risks to the additional budget requirement for 2023/24 which has increased to £32.978m.</p> <p>Work on the remaining risks has now been concluded and the final budget will be considered as part of the agenda for this meeting together and will include a projection of the medium-term position for 2024/25 and 2025/26.</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>
1.16	<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 net overspend of £0.969m 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 62 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>
1.17	<p>Benefits</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.732m 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>

1.18	<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, with a further allocation of £0.256m being confirmed recently, 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. There is a recent trend of increased numbers of households in Bed & Breakfast accommodation with numbers increasing progressively month on month from 29 in October to 61 in January, so more than doubling over a period of three months. This is due to a combination of more new placements and fewer households moving on. At this rate of net growth there remains a clear risk of overspend despite additional in-year funding having been provided by Welsh Government.</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>
1.19	<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. These increased costs currently impacting on 2022/23 outturn will continue into 2023/24 and these demands and increases will be considered within the final 2023/24 budget considerations.</p>
1.20	<p>Winter Maintenance</p> <p>Due to the amount of more severe winter weather encountered in January, in addition to the prolonged period of icy weather through December, spend is anticipated to exceed the £0.846m annual budget. Therefore, there is now likely to be a requirement of up to £0.150m required from the Winter Maintenance Reserve in 2022/23. It is recommended that consideration be given to replenishing the Winter Maintenance Reserve up to £0.250m from Contingency Reserve to mitigate the risk of increasing costs from more severe winters into the future.</p>

1.21	<p>Waste Recycling Infraction Charge</p> <p>Due to the Council not meeting the statutory minimum target for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010 (64%) in 2021/22, Welsh Government can now take steps to impose a penalty on the Council by way of an infraction fine. This has been confirmed as a penalty of up to £0.663m so is a very significant financial risk to the Council. Discussions are set to take place between WG and the Council as to the reason for not achieving the target and whether the penalty will be levied.</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>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 £1.594m and the balance on the COVID-19 Emergency Reserve is currently £3.722m.</p> <p>The earmarked reserve of £2.432m from the additional Revenue Support allocation received at the end of the 2021/22 financial year has been transferred to the Contingency Reserve to enhance the level remaining as reported at Month 8.</p> <p>After taking into account all of the above there is a projected contingency reserve available balance as at 31 March 2023 of £6.464m.</p>								
1.24	<p>Council Fund Earmarked Reserves</p> <p>The table below gives 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.</p> <p>Monitoring Summary Month 9</p> <table border="1" data-bbox="316 1995 1404 2098"> <thead> <tr> <th data-bbox="316 1995 802 2098">Reserve Type</th> <th data-bbox="810 1995 999 2098">Balance as at 01/04/22</th> <th data-bbox="1007 1995 1195 2098">Balance as at Month 9</th> <th data-bbox="1203 1995 1404 2098">Estimated Balance as at 31/03/23</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Reserve Type	Balance as at 01/04/22	Balance as at Month 9	Estimated Balance as at 31/03/23				
Reserve Type	Balance as at 01/04/22	Balance as at Month 9	Estimated Balance as at 31/03/23						

	Service Balances	4,697,596	2,793,850	1,187,565
	Workforce Costs	877,786	877,786	854,567
	Investment in Organisational Change	1,617,975	1,552,674	1,061,545
	County Elections	291,851	291,851	235,913
	Local Development Plan (LDP)	242,360	242,360	242,360
	Warm Homes Admin Fee	297,925	297,925	202,068
	Waste Disposal	48,771	48,771	48,771
	Design Fees	250,000	250,000	125,000
	Winter Maintenance	250,000	250,000	250,000
	Severe Weather	250,000	250,000	119,550
	Car Parking	45,403	45,403	0
	Insurance Reserves	2,135,817	2,135,817	2,350,000
	Cheque Book Schools	3,814	0	0
	School HWB ICT Replacement	263,223	263,223	263,223
	Free School Meals	115,522	115,522	0
	Flintshire Trainees	696,631	696,631	612,843
	Rent Income Shortfall	12,779	12,779	0
	Plas Derwen Wave 4	1,780	1,780	1,780
	Customer Service Strategy	22,468	22,468	0
	Supervision Fees	48,798	48,798	48,798
	IT COVID Enquiry	0	160,000	160,000
	ICT Servers Reserve	85,000	85,000	0
	IT Infrastructure HWB	327,442	312,442	0
	Schools Intervention Reserve	491,133	467,133	434,023
	Organisational Change/ADM	274,154	274,154	240,654
	NWEAB	210,644	210,644	210,644
	Solar Farms	0	57,940	57,940
	Employment Claims	109,846	109,846	109,846
	Community Benefit Fund NWRWTP	450,653	450,653	229,792
	Total B823 Balances	9,421,775	9,531,600	7,859,317
	Schools Balances	12,291,688	12,291,688	5,100,000
	Grants & Contributions	10,776,156	7,930,312	6,055,888
	TOTAL	37,187,216	32,547,450	20,202,770
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 £37.755m which includes a movement of £2.858m to reserves.			
1.27	The monitoring for the HRA is projecting in year expenditure to be £3.208m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.266m, which at 8.71% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.			

1.28	The monthly movement of £0.132m from Month 9 is as follows: <ul style="list-style-type: none"> Income £0.148m – Delay in the introduction of grant income relating to SHARP Schemes <p>Minor movements account for the remainder (£0.016m)</p>
1.29	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 8 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
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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>
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MONTH 9 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	-0.033	Betsi Cadwaladr University Health Board have agreed to some additional joint funded care packages which has resulted in additional income.
Regional Integration Fund	-0.072	The costs which had been allocated to the Regional Integration Fund for short term care are no longer being projected to this budget heading. Current and future costs are now being incorporated into the Localities budget. Additional health funding agreed within the Localities budget has offset the impact of the additional expenditure.
Minor Variances	-0.011	
Adults of Working Age		
Resources & Regulated Services	0.052	Increased service demands and continued challenges in recruitment for the in-house supported living service have resulted in increased costs.
Transition & Disability Services Team	-0.039	Budget has been increased to fund a post designated specifically for ensuring a successful process around joint funded care package applications. Increasing budgets where additional income from Health was agreed across commissioned care budgets within adult social care has enabled this.
Supporting People	-0.047	There has been additional Supporting People funding provided this year.
Residential Placements	0.041	This reflects the change to to costs of care packages for people requiring support for mental ill health
Minor Variances	-0.001	
Children's Services		
Family Placement	-0.040	Additional Revenue Integration Fund income has been offset against eligible allowances
Legal & Third Party	0.069	Legal Costs for a high cost court case.
Residential Placements	-0.038	The precise amount for an in-year Welsh Government grant has been confirmed.
Minor Variances	0.011	
Total Social Services (excl Out of County)	-0.109	
Out of County		
Children's Services	-0.038	Net impact of cost of 4 new placements less partial reduction of contingency provision
Education & Youth	0.018	
Total Out of County	-0.020	
Education & Youth		
School Planning & Provision	0.027	Reduced savings on salaries
Minor Variances	-0.037	
Total Education & Youth	-0.011	
Schools	0.000	
Streetscene & Transportation		
Other Minor Variances	0.006	
Total Streetscene & Transportation	0.006	
Planning, Environment & Economy		
Development	-0.119	One off Application Fee received £0.117m in Highways Development Control, revised projections in Fee Income Development Management
Access	0.069	Revised projection for Ash Die Back Costs to March, 2023
Management & Strategy	0.054	At Month 9 resulting from issues with the new Agile Case Management System requiring a commitment for a potential renewal of the contract with Civica for a further one year use of Flare.
Impact of Covid-19	0.000	COVID Costs covered from Contingency Reserve
Minor Variances	0.005	
Total Planning & Environment	0.008	
People & Resources		
HR & OD	0.006	
Corporate Finance	-0.043	At Month 9 receipt of Welsh Government Admin Fee for Administering the Free School Meals Programme
Total People & Resources	-0.037	
Governance		
Minor Variances	-0.017	
Total Governance	-0.017	
Strategic Programmes		
ADM's & CAT's	0.073	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.023m minor variances.
Total Strategic Programmes	0.073	
Assets		
Minor Variances	-0.026	Industrial Units (£0.021m) and other services combined (£0.005m)
Total Assets	-0.026	
Housing and Community		
Housing Solutions	-0.123	Additional allocation of No One Left Out grant from WG
Minor Variances	0.005	
Total Housing and Community	-0.119	
Chief Executive's	-0.009	
Central & Corporate Finance	0.009	
Central Loans & Investment Account	0.016	
Grand Total	-0.235	

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	20.104	-0.575		-0.543	The commissioned Older People domiciliary and Direct Payment budget is projecting an underspend of £0.903m based on recent 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 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	0.151	0.151		0.223	The Step Down Regional Integration Fund (RIF) scheme which enables quicker hospital discharges by placing people into short term care before they can return home safely has been spent in full. At this time it seems unlikely that additional funding will be allocated.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	10.190	10.195	0.006		0.017		
Adults of Working Age							
Resources & Regulated Services	29.481	29.877	0.396		0.344	The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.142m overspend due to net costs of care packages. The in-house supported living service £0.261m overspent and will likely increase further as recruitment challenges continue and service demand increases. The Learning Disability Daycare and Workscheme budget is £0.079m overspent due in part to recent inflationary pressures. The care package costs for independently provided care for Learning Disability Services is a £0.087m underspend.	
Children to Adult Transition Services	0.951	1.086	0.134		0.150	These are the costs of care for young adults who are transferring to Adult Social Care from Childrens 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	2.477	0.522		0.481	The overspend is due to the current cost of commissioned care packages to support people with mental ill health.	
Professional Support	0.774	0.831	0.057		0.050	Increased contributions to the Emergency Duty Team have resulted in the majority of the overspend on this budget.	
Minor Variances	3.259	3.059	-0.200		-0.122		

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
Children's Services							
Family Placement	2.862	2.742	-0.120		-0.080	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 cost for advocacy and variation to pay forecasts for the Accommodation/Supporting People Team.	
Family Support	0.375	0.503	0.128		0.138	Costs are based upon the current activity levels over the laast 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	0.762	0.530		0.461	Legal costs are overspent by £0.311m due to the number of cases going through the courts and some use of external professionals. One particular significant court case is resulting in costs to date of £0.108m. Direct Payments also continue to increase in demand and are overspending by £0.220m.	
Residential Placements	1.312	0.795	-0.517		-0.479	The in-year opening of in-house Childrens Residential Care settings will mean one off costs savings. There is also one off Welsh Government Grant funding.	
Professional Support	6.173	6.653	0.480		0.459	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 the Welsh Government will allow for some flexible use of grants which would allow for some costs to be offset.	
Minor Variances	0.440	0.442	0.002		0.002		
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.831	0.904	0.073		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 additional business suport assistants. These additional posts are being funded using the underspend from the Business Support Service.	
Charging Policy income	-3.104	-3.224	-0.120		-0.120	Increased demands on the Older People Residential Care budget are expected to result in higher income achievement	
Business Support Service	1.195	1.145	-0.050		-0.055	The underspend is due to a decrease in staff costs because of vacancies which are unlikely to be filled this year.	

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
Safeguarding Unit	1.291	1.103	-0.187		-0.191	A consultation for 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	0.623	-0.056		-0.051	Vacancies are not being filled immediately and are resulting in one off savings.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		
Minor Variances	-1.843	-1.857	-0.014		-0.015		
Total Social Services (excl Out of County)	77.969	78.658	0.689	-0.000	0.798		
Out of County							
Children's Services	10.097	11.439	1.342		1.380	The projected overspend reflects significant additional demands on the service in the year to date with 36 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 £0.150m, for net impacts of further new placements and other placement changes, but this may not prove to be enough.	
Education & Youth	5.004	4.631	-0.373		-0.392	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	16.070	0.969	0.000	0.988		
Education & Youth							
Inclusion & Progression	5.251	5.132	-0.119		-0.108	The underspend position reflects savings within the Additional Learning Needs service by maximising grants. Staff on long term sick and now left, reducing costs within the ALN service further. Savings have also been captured within the EAL (English as an Additional Language) service by maximising grants against core staff. Further savings have been identified from the Autism post due to a delayed start. Savings in Plas Derwen are as a result of part year vacancies and delays in filling posts.	
Integrated Youth Provision	1.035	0.962	-0.073		-0.061	The projected underspend is mainly due to staffing 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
School Improvement Systems	1.889	1.702	-0.187		-0.164	Payments to Non Maintained Settings and Maintained Settings projected similar to those in 21/22. Welsh Government have announced continuation of Top-up funding to £5 per hr, so gives the Early Entitlement budget increasing financial capacity. Alongside this, RRRS (Recruit, Recover and Raise Standards) and Early Years Pupil Development grant increases announced, allow core budget to be released. Savings have also been identified within the School Improvement service by maximising Post 16 and Adult Community Learning grants to offset core staff.	
School Planning & Provision	0.671	0.602	-0.069		-0.096	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	1.106	1.035	-0.071		-0.081		
Total Education & Youth	9.953	9.433	-0.520	0.000	-0.510		
Schools	108.401	108.401	-0.000		-0.000		
Streetscene & Transportation							
Service Delivery	9.277	9.550	0.273		0.266	The service has a recurring revenue pressure of £0.100m for security costs due to vandalism/break-ins at the Household Recycling Centres. Street lighting is also incurring a £0.070m revenue pressure on the community council income budget. The remaining £0.100m is attributable to high sickness levels/agency costs. The service is also expected to cover YTD costs of £0.060m related to the 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		0.492	Highways is incurring a pressure of £0.400m in Fleet services as a result of rising fuel costs. An additional £0.050m is due to an increase in contractor costs for weed spraying following a recommendation from Scrutiny Committee, which cannot be covered from 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	10.487	0.456		0.458	Local bus subsidy 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. Since P5, there has been an additional pressure of £0.200m in School Transport due to additional routes (PRUs/ALN) for 6 routes in total equating to £2,700 extra per day. School transport is also facing an additional revenue pressure of £0.030m in P7 due to capacity issues on a commercial bus service. There may be further cost increases towards the end of this financial year end due to rising transport operator costs (fuel, driver wages, insurance, energy etc.).	
Regulatory Services	11.062	10.977	-0.085		-0.087	The Service is incurring £0.060m pressure due to increased residual waste tonnages, which is creating a risk in achieving WG Recycling targets. The overspend is largely offset by an underspend of £0.053m due to vacancies within the service, increased rebates for the sale of electricity, recycling income and car parking income, which has increased income by £0.064m, including other minor variances with reduction in recycling disposal costs of £0.030m.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Total Streetscene & Transportation	38.466	39.602	1.136	0.000	1.130		
Planning, Environment & Economy							
Community	0.890	0.967	0.077		0.078	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.146	-0.547	-0.693		-0.574	Favourable variance following receipt of two high value one off Planning Fee each approx £0.300m	
Access	1.446	1.600	0.154		0.085	Adverse variance relates to the projected costs of Ash Die Back to March, 2023, together with historic grant income target not realised	
Regeneration	0.807	0.738	-0.069		-0.047	Review and reduction of commitments; minor variances across the service	
Management & Strategy	1.343	1.412	0.069		0.016	At Month 9 resulting from issues with the new Agile Case Management System requiring a commitment for a potential renewal of the contract with Civica for a further one year use of Flare.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	2.166	2.181	0.015		-0.012		
Total Planning & Environment	6.797	6.351	-0.446	0.000	-0.454		
People & Resources							
HR & OD	2.291	2.289	-0.002		-0.008		

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
Corporate Finance	2.041	1.966	-0.075		-0.032	At Month 9, receipt of a 50% Welsh Government Admin Grant for administering the Free School Meals Programme	
Total People & Resources	4.332	4.255	-0.077	0.000	-0.040		
Governance							
Legal Services	0.884	0.957	0.074		0.065	Additional costs for locum services covering vacant posts	
Democratic Services	2.374	2.297	-0.076		-0.078	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	
Internal Audit	1.016	0.953	-0.063		-0.049	Vacancy savings together with revised/reduced projected cost for Postage within Central Despatch	
ICT	4.953	4.889	-0.064		-0.067	Vacancy Savings and reduced Contribution to Denbighshire County Council for the Procurement Service	
Customer Services	1.008	0.843	-0.165		-0.164	Registrars Fee Income higher than anticipated and savings from vacant posts	
Revenues	0.201	-0.150	-0.351		-0.338	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	0.320	0.303	-0.017		-0.017		
Total Governance	10.755	10.092	-0.663	0.001	-0.645		
Strategic Programmes							
ADM's & CAT's	6.069	6.143	0.074		0.001	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.024m minor variances.	
Total Strategic Programmes	6.116	6.190	0.074	0.000	0.001		
Assets							
Caretaking & Security	0.309	0.229	-0.080		-0.082	Savings on staffing due to vacancies	
Industrial Units	-1.527	-1.585	-0.058		-0.038	Reduced costs of Repair and Maintenance plus some additional rent income	
Minor Variances	2.150	2.192	0.042		0.049		
Total Assets	0.932	0.836	-0.096	0.000	-0.070		
Housing and Community							
Minor Variances	14.662	14.669	0.006		0.125		
Total Housing and Community	14.662	14.669	0.006	0.000	0.125		

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
Chief Executive's	1.636	1.540	-0.096		-0.087	Variance relates to vacant post and not all staff at top of scale	
Central & Corporate Finance	28.779	27.864	-0.915		-0.924	Over recovery of planned pension contributions recoupement 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		
Central Loans & Investment Account	0.000	0.060	0.060		0.044	IFRS 9 requires that for soft loans interest is accrued at the Effective Interest Rate (EIR) rather than the Contract Interest Rate. Capital financing regulations require that soft loan accounting doesn't impact on Council Tax levels.	
Grand Total	326.682	326.799	0.117	0.000	0.352		

2022/23 Efficiencies Outturn Tracker - Month 9

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 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
Add - Additional Revenue Support (Month 8)		2.432
Less - impact of the final pay awards		3.955
Less - Month 9 projected outturn		0.117
Total Contingency Reserve available for use		6.464

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 9 - 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)	(37.161)	0.593	0.445	We are currently projecting a variance of £0.530m 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 £0.048m relates to void garages. Additional income in respect of new properties transferred into the stock during the year (£0.045m). Pressure relating to the draw down of grant in respect of delayed SHARP schemes £0.158m. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of (£0.075). The remaining £0.025m relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.723				
Estate Management	2.263	2.010	(0.253)	(0.259)	Additional cost of agency positions of £0.170m, which is offset by vacancy savings of (£0.230m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.073m).	
Landlord Service Costs	1.265	1.349	0.084	0.095	Salary savings of (£0.057m) 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 £0.014m is down to other minor movements.	
Repairs & Maintenance	10.908	10.974	0.065	0.079	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 (£0.019m).	
Management & Support Services	2.716	2.578	(0.139)	(0.140)	Savings of (£0.067m) 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 £0.019m. Pressure in relation to insurance costs currently forecasted to be £0.102m. Other minor variances of (£0.022m).	
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)	3.208	3.208	3.076		