

Budget Monitoring Report - Month 10

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	20.690	20.152	-0.538		-0.575	The commissioned Older People domiciliary and Direct Payment budget is projecting a £0.920m underspend based on current activity. There continue to be recruitment and retention challenges within the care sector which is limiting the amount of homecare which can be commissioned. The residential care budget is projecting a £0.329m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund contributions and property income. The Localities workforce budget is expected to overspend by £0.035m. There is an underspend on the Day Care budget of £0.031m and an overspend of the Minor Adaptations budget of £0.049m.	
Regional Integration Fund	0.000	0.151	0.151		0.151	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 available to cover additional costs.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	1.269	1.265	-0.004		-0.005		
Adults of Working Age							
Resources & Regulated Services	29.316	29.776	0.461		0.396	The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.171m overspend due to net costs of care packages. The in-house supported living service is £0.302m overspent and will likely increase further a recruitment challenges continue and service demand increases. This is offset by Learning Disability day services and work scheme budget being £0.006m underspent. In addition, the care package costs for independently provided care for Learning Disability Services is a £0.006m underspend.	
Children to Adult Transition Services	0.951	1.066	0.115		0.134	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.	
Transition & Disability Services Team	0.903	0.845	-0.058		-0.008	The underspend is due to the use of RIF funding to pay for a post.	
Supporting People	-0.323	-0.417	-0.094		-0.047	The in-year allocation of Supporting People funding has increased above the expected amount.	
Residential Placements	1.956	2.452	0.496		0.522	The overspend is due to the current care cost of commissioned care packages to support people with mental illness.	
Minor Variances	3.576	3.498	-0.078		-0.088		
Children's Services							
Family Placement	2.862	2.725	-0.136		-0.120	Due to current spend for in-house Foster Placements and Special Guardianship Orders.	
Family Support	0.375	0.469	0.094		0.128	Costs are based upon the current activity levels over the last few months and projected forward for the rest of the year. Employee costs, mostly sessional staff, are the primary cost driver for this service.	
Legal & Third Party	0.232	0.639	0.407		0.530	Legal costs are overspent by £0.207m due to the number of cases through the courts and some use of legal professionals. Direct Payment demand and resulting costs continue to be in excess of the budget by £0.200m. Funding from Contingency Reserve has reduced this pressure at Month 10.	
Residential Placements	1.312	0.682	-0.630		-0.517	The in-year opening of in-house Childrens Residential Care settings will mean one off cost savings. There are also a number of time limited Welsh Government Grants being used to offset expenditure.	

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Professional Support	6.193	6.781	0.588		0.480	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies need to be minimised and additional temporary posts are sometimes required to meet the challenges and demands of Childrens Services.	
Minor Variances	0.676	0.673	-0.003		0.053		
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.831	0.890	0.059		0.073	There are additional one off costs of £0.018m for an IT system upgrade. In addition there are additional staff costs due to temporary uplift in hours and additional support assistants. These additional posts are fund using the underspend from the Business Support Services.	
Charging Policy income	-3.104	-3.185	-0.081		-0.120	Income results from the demand for chargeable services and is based upon each individuals ability to pay resulting from a financial assessment.	
Business Support Service	1.195	1.123	-0.072		-0.050	Due to decreasing staff costs from vacant posts which are unlikely to be appointed to this financial year.	
Safeguarding Unit	1.302	1.086	-0.216		-0.187	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. In addition there is some Welsh Government grant funding.	
Commissioning	0.686	0.634	-0.052		-0.056	The underspend is a result of posts being vacant during part of the financial year.	
Impact of Covid-19	0.000	-0.020	-0.020	-0.020	-0.000		
Minor Variances	0.166	0.181	0.015		-0.014		
Total Social Services (excl Out of County)	79.985	80.397	0.412	-0.020	0.689		
Out of County							
Children's Services	10.097	11.423	1.325		1.342	The projected overspend reflects significant additional demands on the service in the year to date with 37 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 £0.100m, for net impacts of further new placements and other placement changes, but this may not prove to be enough.	
Education & Youth	5.004	4.644	-0.360		-0.373	The latest underspend reflects projected costs for the current cohort of placements and there have been 26 new placements in the year to date with further new placements also likely to emerge in the remainder of the year, for which contingency provision of £0.050m has been made.	
Total Out of County	15.101	16.067	0.966	0.000	0.969		
Education & Youth							
Inclusion & Progression	5.472	5.466	-0.005		-0.119	The £0.119m variance as reported at Month 9 has been removed on the assumption that the budget c/f request will be agreed for reasons outlined in Appendix 1.	
Integrated Youth Provision	1.042	0.974	-0.068		-0.073	The projected underspend is mainly due to staffing savings	
School Improvement Systems	1.909	1.693	-0.216		-0.187	Favourable variance relates to several Welsh Government grants that are being used against core staff within the Early Entitlement service and School Improvement.	
School Planning & Provision	0.694	0.617	-0.078		-0.069	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	1.181	1.137	-0.044		-0.071		
Total Education & Youth	10.299	9.888	-0.410	0.000	-0.520		
Schools	108.401	108.401	0.000		-0.000		
Streetscene & Transportation							

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Service Delivery	9.277	9.550	0.273		0.273	The service has a recurring 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 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 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	8.574	0.478		0.492	Highways is incurring a pressure of £0.400m in Fleet services as a result of increased 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 by existing budgets.	
Transportation	10.031	10.481	0.450		0.456	Local bus subsidy is incurring additional overspend of £0.100m due to the Park and Ride Service and Service 5 re-procurement. School Transport is incurring a pressure of £0.090m, due to a shortfall in budget for 3 school days related to Easter timelines in this financial year. Since Month 5, there has been an additional pressure of £0.200m in School Transport due to 6 additional routes (PRUs/ALN) in total equating to £2,700 extra per day. School transport is also facing an additional revenue pressure of £0.030m from Month 7 due to capacity issues on a commercial bus service. There may be further cost increases up to the end of the financial year end due to rising transport operator costs (fuel, driver wages, insurance, energy etc.).	
Regulatory Services	12.527	12.455	-0.072		-0.085	The Service is incurring £0.060m revenue 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 rebate rates for the sale of electricity, recycling income and car parking income, which has increased income by £0.064m, including other minor variances with a reduction in recycling disposal costs of £0.030m.	
Other Minor Variances	0.000	0.000	0.000		0.000		
Total Streetscene & Transportation	39.931	41.060	1.129	0.000	1.136		
Planning, Environment & Economy							
Community	0.979	1.040	0.061		0.077	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.180	-0.493	-0.673		-0.693	Favourable variance based on projected over recovery of Fee Income which includes the receipt of two high value one off Planning Fee each approx £0.300m	
Access	1.522	1.652	0.130		0.154	Adverse variance relates to the projected costs of Ash Die Back to March, 2023, together with historic grant income target not realised	
Regeneration	0.841	0.753	-0.089		-0.069	Revised projection in Markets Fee Income over recovery, minor variances across the Service	
Management & Strategy	1.445	1.497	0.052		0.069	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.	
Minor Variances	2.269	2.281	0.012		0.015		
Total Planning & Environment	7.238	6.730	-0.508	0.000	-0.446		
People & Resources							
HR & OD	2.412	2.436	0.024		-0.002		
Corporate Finance	2.257	2.126	-0.131		-0.075	Variance includes the receipt of a 50% Welsh Government Admin Grant for administering the Free School Meals Programme together with staff savings from vacant posts	
Total People & Resources	4.670	4.562	-0.107	0.000	-0.077		

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Governance							
Legal Services	0.934	1.030	0.097		0.074	Additional costs for locum services covering vacant posts	
Democratic Services	2.468	2.384	-0.084		-0.076	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 the service	
Internal Audit	1.050	0.964	-0.086		-0.063	Vacancy savings together with revised/reduced projected cost for Postage within Central Despatch	
ICT	5.095	5.009	-0.086		-0.064	Vacancy Savings	
Revenues	0.295	-0.079	-0.374		-0.351	The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.320m) 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	1.439	1.418	-0.022		-0.182		
Total Governance	11.281	10.727	-0.555	0.001	-0.663		
Strategic Programmes							
ADM's & CAT's	6.069	6.130	0.061		0.074	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.011m minor variances.	
Minor Variances	0.047	0.047	-0.000		-0.000		
Total Strategic Programmes	6.116	6.177	0.061	0.000	0.074		
Assets							
Caretaking & Security	0.314	0.259	-0.055		-0.080	Savings on staffing due to vacancies	
Industrial Units	-1.527	-1.591	-0.064		-0.058	Reduced costs of Repair and Maintenance plus some additional rent income	
Minor Variances	2.247	2.295	0.047		0.042	Cumulative minor movemens across the portfolio	
Total Assets	1.034	0.963	-0.071	0.000	-0.096		
Housing and Community							
Minor Variances	14.964	14.963	-0.002		0.006		
Total Housing and Community	14.964	14.963	-0.002	0.000	0.006		
Chief Executive's	1.692	1.584	-0.107		-0.096	Variance relates to vacant post and not all staff at top of scale	
Central & Corporate Finance	23.188	21.628	-1.560		-0.915	Over recovery of planned pension contributions recouperment against actuarial projections based on the current level of contributions together with a further revised projection on the Central Loans and investment Account (CLIA) at Month 10 where as reported earlier in the year, the Council had not taken out new short or long term borrowing and has invested a significant amount of funds. This pattern has continued during the remaining months of this financial year resulting in no short term borrowing costs being incurred and the Council and generating increased income from investments, which have increased in line with bank interest rates.	The benefit on the Central Loans & Investment Account is expected to be a temporary benefit as the Council is likely to revert to a borrowing requirement during 2023/24.
Centralised Costs	2.783	2.778	-0.005		-0.005		
Soft Loan Mitigation	0.000	0.065	0.065		0.060	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	325.989	-0.693	-0.020	0.117		