

## CABINET

<b>Date of Meeting</b>	Tuesday 19 <sup>th</sup> September, 2023
<b>Report Subject</b>	Revenue Budget Monitoring Report 2023/24 (Month 4)
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

This report provides the first detailed overview of the budget monitoring position for the 2023/24 financial year.

The projected year end position is as follows:

#### **Council Fund**

- An operating deficit of £2.644m (excluding the impact of the pay award which will need to be met by reserves – currently estimated as £2.727m)
- A projected contingency reserve available balance as at 31 March 2024 of £4.043m (after the estimated impact of pay awards)

#### **Housing Revenue Account**

- Net in-year revenue expenditure is forecast to be £0.065m lower than budget
- A projected closing balance as at 31 March, 2024 of £3.262m

Hardship Funding from Welsh Government helped secure £16m of direct financial help in 2022/23 for areas such as self-isolation payments, statutory sick pay enhancement, free school meals direct payments and winter fuel payments. However, this funding ceased on 31 March 2023.

The economic outlook remains challenging due to inflation levels remaining high. The impacts of this, together with continued increases in service demand is becoming increasingly hard to deal with as our funding fails to keep up with the scale of these pressures.

To assist with managing these risks and mitigating the overall projected overspend, a moratorium through the review of non-essential spend and a vacancy management process continues.

## RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2023/24 budget.
2	To approve a budget virement of £0.400m from Localities within Older People's Services to the Residential Placements budget within Adults of Working Age (paragraph 1.05 refers).
3	To request a separate report from Housing and Communities Portfolio on the reasons for the significant projected overspend within the Homelessness Service and the mitigations being put in place.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2023/24</b>
1.01	<p>The report provides the first detailed overview of the budget monitoring position for the 2023/24 financial year (an interim report on known financial risks was reported in July)</p> <p>The projected year end position is as follows:</p> <p><b>Council Fund</b></p> <ul style="list-style-type: none"> <li>• An operating deficit of £2.644m (excluding the impact of the pay award which will need to be met by reserves – currently estimated as £2.727m)</li> <li>• A projected contingency reserve available balance as at 31 March 2024 of £4.043m (after the estimated impact of pay awards)</li> </ul> <p><b>Housing Revenue Account</b></p> <ul style="list-style-type: none"> <li>• Net in-year revenue expenditure forecast to be £0.065m lower than budget</li> <li>• A projected closing balance as at 31 March, 2024 of £3.262m</li> </ul>
1.02	Hardship Funding from Welsh Government helped secure £16m of direct financial help in 2022/23 for areas such as self-isolation payments, statutory sick pay enhancement, free school meals direct payments and winter fuel payments. However, this funding ceased on 31 March 2023.

1.03 **Table 1. Projected Position by Portfolio**

The table below shows the projected position by portfolio:

<b>Portfolio/Service Area</b>	<b>Approved Budget</b>	<b>Projected Outturn</b>	<b>In-Year Over / (Under) spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Social Services	86.821	87.134	0.313
Out of County Placements	17.285	18.286	1.001
Education & Youth	9.902	9.832	(0.070)
Schools	114.081	114.081	0.000
Streetscene & Transportation	40.745	41.382	0.637
Planning Env & Economy	7.057	6.573	(0.484)
People & Resources	4.321	4.281	(0.041)
Governance	11.435	11.410	(0.025)
Assets	11.045	10.916	(0.128)
Housing & Communities	15.698	18.103	2.405
Chief Executive	1.608	1.614	0.006
Central & Corporate Finance	32.121	31.151	(0.970)
<b>Total</b>	<b>352.121</b>	<b>354.765</b>	<b>2.644</b>

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 Variances to highlight this month**

1.05 **Social Services £0.313m**

The reasons for the variance are as follows:

**Older People**

- Localities (£0.741m) The Residential Care budget is projected to underspend by (£0.527m) due to client income from property recharges and expected reimbursements where decisions on deputyships are required and assets held in trust. Commissioned Homecare is (£0.257m) underspent caused by continued recruitment challenges within the care sector, although an improving picture from last year. Locality staffing and professional support budgets are overspent by £0.072m due to the loss of Health Equalities funding £0.030m, increased legal costs £0.029m and service level agreement increases of £0.013m. Day Care is underspending by (£0.029m).

- Resources & Regulated Services £0.077m – due to additional staffing and operating costs of £0.274m within In-House Residential Care and £0.082m within Extra Care. However, this is offset by an estimated underspend of (£0.184m) within In-house homecare due to vacancies as recruitment of home carers continues to be challenging and a projected underspend of (£0.095m) within Day Care as most day settings remain closed.

### **Adults of Working Age**

- Resources & Regulated Services (£0.173m) – projected overspend of £0.244m within the Physically Disabled and Sensory Impaired (PDSI) service due to the increasing cost of care packages and an In-house Supporting Living overspend of £0.102m due to increased care hours and agency costs. Commissioned care packages for Learning Disability service are reporting a (£0.475m) underspend due to placement demand and Day Service is (£0.044m) underspent
- Residential Placements £0.588m – due to the overall cost of care packages for mental health placements. This is a volatile service with additional services needs identified during the year leading to increased costs.

### **Children's Services**

- Family Group Meetings £0.050m Demand for the service is resulting in an increase for sessional worker hours.
- Integrated Working £0.059m - Cost pressures arising from contribution towards the Integrated Family Support service and a shortfall in Supporting People funding.
- Family Placement (£0.270m) – based on current demand for in-house Foster Placements and Special Guardianship Orders.
- Legal & Third Party £0.387m - due to the number of cases going through the courts and the use of external professionals £0.137m. Client Support and Section 17 costs are overspent by £0.232m. Direct payments are overspending by £0.019m due to demand.
- Residential Placements (£0.414m) The in-house residential care provision continues to expand with an additional group home planned to open this financial year. In-year costs for the service are being offset by a significant Welsh Government grant. The grant has been confirmed for 2023/24 and 2024/25 but is not expected to be extended beyond this time.
- Professional Support £0.813m. To support adequate levels of child protection, the established staffing structure needs to be a sufficient level to meet mandatory safeguarding standards. Vacancies are

	<p>minimised and additional temporary posts are required to meet the challenges and demands of the service, the overspend resulting from such arrangements is £0.228m. Two managed agency teams are currently being contracted to support the service, reserves are being utilised to mitigate most of the costs, but there is an overspend of £0.341m as a result. Costs may change if there is a requirement to extend the contracts further. The Leaving Care budget, which supports young people who were LAC (looked after children), is overspending by £0.143m due to increasing number of care leavers. Some external service contracts are £0.102m overspent due to inflationary pressures.</p> <p><b>Safeguarding &amp; Commissioning</b></p> <ul style="list-style-type: none"> <li>• Business Systems &amp; Financial Assessments £0.060m – due to the implementation of a new ICT system requiring additional project management and development.</li> <li>• Charging Policy Income (£0.138m) – due to projected additional income received from service users who are to be charged a contribution for their care following a financial assessment.</li> </ul> <p>Minor variances account for the remainder totalling £0.015m.</p> <p><b>Budget Virement</b></p> <p>It is recommended that a budget amount of £0.400m is transferred from the Localities budget within Older People to the Residential Placements budget within Adults of Working Age. There are increasing numbers of deputyship requests and placements where a person’s assets are held in trust within the Older People Localities service, which is resulting in greater income contributions, as most of the initial costs paid by the Council are reimbursed. In contrast the Mental Health Residential Placement budget is coming under greater financial pressure as demands for mental health services within Flintshire continually increase. A budget virement is recommended as this will mean the budgets for these services will closer reflect the expected outturn for each.</p>
1.06	<p><b>Out of County Placements £1.001m</b></p> <ul style="list-style-type: none"> <li>• Children’s Services £0.775m - The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 21 new placements made in the year to date and contingency provision of £0.250m for new placements.</li> <li>• Education &amp; Youth £0.226m - The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 17 new placements made in the year to date and contingency provision of £0.250m for new placements.</li> </ul>
1.07	<p><b>Streetscene &amp; Transportation £0.637m</b></p>

	<ul style="list-style-type: none"> <li>• Service Delivery £0.382m – £0.200m relates to Alltami Depot maintenance and repair costs, and a combination of increases in NEWydd cleaning charges and security costs. The remaining £0.182m relates to increasing inflationary pressures and demand for temporary repairs on the road network because the available funding for investment in the highway network has reduced.</li> <li>• Highways Network £0.084m –Street lighting energy costs increase following the annual renewal of the contract on an all-Wales basis being higher than originally anticipated.</li> <li>• Regulatory Services £0.167m – Sustained high volumes of residual waste being collected, together with the reduction in income levels from both recycle and electricity generation from gas and solar at the former landfill sites.</li> </ul>
1.08	<p><b>Planning, Environment &amp; Economy (£0.484m)</b></p> <ul style="list-style-type: none"> <li>• Projected over recovery of Planning Fee income levels following receipt of a 'one off' large planning application fee (£0.300m) in the first quarter of the financial year within Development Management.</li> <li>• Vacancy savings across the Land Drainage Service (£0.265m) and Climate Change (£0.064m).</li> <li>• Estimated cost of further Ash Die Back works required to 31 March 2024 totalling £0.145m.</li> </ul>
1.09	<p><b>Housing &amp; Communities £2.405m</b></p> <ul style="list-style-type: none"> <li>• Housing Solutions £2.407m This is mainly due to a projected overspend of £3.413m on temporary accommodation within Hotels and Bed and Breakfast provision, which is being offset by additional Housing Benefit income of (£0.562m). There are also other projected underspends and mitigation impacts within the wider Housing Solutions service amounting to a net figure of (£0.444m), including use of reserves, minor salary savings due to vacancies and use of Welsh Government grant income. As required by the Council's Finance Procedure Rules it is recommended that a separate report is prepared by the service to expand on the reasons for this significant overspend and the mitigations being put in place.</li> </ul>
1.10	<p><b>Central &amp; Corporate Finance (£0.970m)</b></p> <ul style="list-style-type: none"> <li>• The Central Loans and Investment Account (CLIA) is projecting an underspend of (£1.000m) due to the Council not taking out any new short or long-term borrowing and continuing to invest a significant amount of short-term cash flow funds gaining an investment return. This pattern has continued from the previous financial year and is partly due to continued high and increasing bank interest rates.</li> <li>• Minor variances account for the remainder of £0.030m.</li> </ul>

1.11	<p><b>Tracking of In-Year Risks and Emerging Issues</b></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><b>Council Tax Income</b></p> <p>For 2023/24 up to July, the ‘in-year’ collection level is 38.32%, compared 38.42%, in the previous year. The marginal reduction in collections of 0.1% is to be expected as the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time.</p>
1.13	<p><b>Pay Award (Teacher and Non-Teacher)</b></p> <p><u>NJC (Green Book)</u></p> <p>The latest pay offer for NJC (Green Book) employees for the current year (2023/24) has been rejected and Trade Union Members are currently being balloted for potential industrial action. The offer made is at a similar level to that awarded in 2022/23 with an increase on each scale point of £1,925. This equates to more than the 5% included in the 2023/24 budget. The amount of the final award in excess of the 5% will need to be funded from reserves in the current financial year. It will also have the impact of increasing the budget requirement for 2024/25.</p> <p>The estimated impact of the current pay offer is an additional £2.727m which is included in the forecast but may be subject to change.</p> <p>The assumptions for the 2024/25 pay award has been increased to 5% from the 3.5% previously included in the forecast.</p> <p><u>Teachers Pay</u></p> <p>Assumptions for teachers’ pay calculations are in line with current awards by the Minister for Education and Welsh Language. They are an increase of 6.5% from September 2022 and an increase of 5% in September 2023. These have not been accepted by all teaching unions and a formal dispute is ongoing.</p> <p>The 2023/24 budget contained funding for a 5% pay award for Teachers from September 2022. The Minister has increased the pay award to 8%, with 1.5% being a non-consolidated payment, leaving a recurring element of 6.5% which is now included in the forecast.</p> <p>Grant funding has been made available by Welsh Government to fully fund the additional September 2022 pay award in financial years 2022/23 and 2023/24 (over and above the 5% originally awarded).</p> <p>Funding from 2024/25 onwards is still uncertain and the additional annual cost to the council for the shortfall of £1.118m has been included in the forecast. However, it is expected that Welsh Government will provide</p>

	<p>additional funding in the Revenue Support Grant to cover the shortfall in Council's budgets.</p> <p><u>Pay Modelling</u> No figures are currently included for any impact of the pay modelling review which is needed to try and address the difficulties currently being experienced in recruitment and retention. It is due to be completed later this year.</p>
1.14	<p><b>Waste Recycling Infraction Charge</b></p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, 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. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has been confirmed so presents a significant financial risk to the Council.</p> <p>Discussions took place in March,2023 between Welsh Government (WG) and the Council as to the reasons for not achieving the target. The Council has subsequently been instructed by WG to engage with the Waste and Resources Action Programme (WRAP) and Local Partnerships to review our waste strategy and develop a new action plan. A report will go to the Committee cycle in November 2023. Depending on the outcome of the review, the Minister will take a decision at that point whether to levy the fine.</p> <p>Unfortunately, the statutory recycling targets have not been achieved in 2022/23 too (non-verified), which means that a further infraction fine could be levied of around £0.470m should WG choose to do so, and monitoring of the authority's recycling performance for 2023/24 to date shows that the rates of recycling and residual waste tonnages are not improving, which could lead to not achieving the targets in 2023/24 also.</p>
1.15	<p><b>Homelessness</b></p> <p>There is a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 and has accelerated markedly since the start of 2023.</p> <p>One of the more significant influences of many is the sparsity of affordable accommodation in the private rented sector which is being influenced by the cost-of-living crisis and also an increase in the numbers of no-fault evictions as many private rented sector landlords are leaving the sector and seeking to sell their properties. There is also an acute shortage of suitable available accommodation within the Council's own HRA housing stock and with other Registered Social Landlords (RSL's) within the area. This is particularly the case for single persons below age 55 which make up the highest proportion of those who are currently homeless in Flintshire. The Flintshire position in</p>

	<p>terms of both demand and supply pressures is known to be consistent on both a regional and national basis within Wales.</p> <p>The Council will continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.</p> <p>WG are currently providing support via the No One Left Out grant for which the 2023/24 allocation is currently £0.382m. One favourable impact of the increase in costs and demand is the ability to recover additional Housing Benefit income over and above the amount budgeted which is currently helping to offset the projected overspend by £0.562m.</p>
1.16	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.17	<p><b>Medium Term Financial Strategy (MTFS) Impact</b></p> <p>Cabinet considered the latest projection for the MTFS in July which showed an additional budget requirement of £32.222m. Further work has been undertaken over the summer and an update on the latest position is detailed in a separate report on this 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>
1.18	<p><b>Out of County Placements</b></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. An additional amount of £1m was approved in the 2023/24 budget to reflect this.</p> <p>However, there remains a projected overspend for the current cohort of placements of circa £1.001m, although with 8 months of the year remaining this is likely to increase and a contingency of £0.500m is currently built into the outturn position for this, £0.250m for Children's Services and £0.250m for Education placements.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.19	<p><b>Streetscene &amp; Transportation</b></p> <p><u>Fleet Contract Renewal</u></p> <p>The current fleet contract, which has been running for 7 years, is due for renewal from October 2023. Due to the current market conditions in re-procurement of contracts of this type, indications are that the cost of the new</p>

	<p>contract is going to be considerably more than what is currently being paid due to us being protected from inflationary increases during the current contract life. Negotiations will be finalised this month ahead of the renewal date in early October and an update provided at Month 5.</p> <p><u>Sustainable Waste Management Grant (SWMG)</u></p> <p>The Minister for Climate Change has confirmed that the SWMG grant will be retained at the same level for this financial year. However, those local authorities that are not yet meeting the statutory recycling target of 70% will be required to use the grant to reach 70% and be required to demonstrate this. It has also been confirmed that the SWMG grant will likely become part of the Revenue Support Grant (RSG) funding from 2024/25. The current value of the grant is £0.742m per annum, but it is not yet confirmed whether the proportion that Flintshire will receive within the RSG settlement going forward will be similar to current levels.</p>
1.20	<p><b>Harpur Trust vs Brazel Case</b></p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m will provide some funding towards these costs.</p>
1.21	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2023/24 budget contains £9.265m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2023/24 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year</p> <p>It is projected that 99% of efficiencies will be achieved in 2023/24 and further details can be seen in Appendix 2.</p>
1.22	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2023/24 was £9.508m as detailed in the 2022/23 outturn report (subject to Audit).</p> <p>The brought forward balance on the Hardship Reserve was £3.743m. Internal claims for Quarter 1 in 2023/24 relating to additional COVID-19 related costs totalling £0.023m for Holywell Leisure Centre have been approved with some other claims across various services being compiled for consideration.</p> <p>A projected contingency reserve available balance as at 31 March, 2024 is £4.043m (after the estimated impact of final pay awards) and is shown in Appendix 3.</p>
1.23	<p><b>Earmarked Reserves</b></p>

	A summary of earmarked reserves as at 1st April, 2023 and an estimate of projected balances as at the end of the financial year will be included in the Month 5 report.
1.24	<b>Housing Revenue Account</b>  The 2022/23 Outturn Report to Cabinet on 18th July 2023 showed an un-earmarked closing balance at the end of 2022/23 of £3.786m and a closing balance of earmarked reserves of £2.690m.
1.25	The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves.
1.26	Net in-year revenue expenditure forecast to be £0.065m lower than budget with a projected closing balance as at 31 <sup>st</sup> March, 2024 of £3.262m. A breakdown of the variance is in Appendix 4.
1.27	The budget contribution towards capital expenditure (CERA) is £12.712m.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
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.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None specific.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Budget Variances Appendix 2: Council Fund – Programme of Efficiencies Appendix 3: Council Fund – Movement on Un-earmarked Reserves Appendix 4: Housing Revenue Account Variances

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Various budget records.

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<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Dave Ledsham Strategic Finance Manager</p> <p><b>Telephone:</b> 01352 704503</p> <p><b>E-mail:</b> <a href="mailto:dave.ledsham@flintshire.gov.uk">dave.ledsham@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Budget:</b> 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><b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> 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><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p><b>Regional Integration Fund (RIF):</b> funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p><b>Reserves:</b> 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><b>Revenue:</b> 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><b>Variance:</b> 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><b>Virement:</b> 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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## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Social Services</b>						
<b>Older People</b>						
Localities	23.596	22.855	-0.741		The Older Peoples residential care budget is projecting an underspend of £0.527m, due to client income from property recharges and expected reimbursements where we are waiting on decisions for deputyships and assets held in trust. Commissioned homecare is £0.257m underspent caused by continued recruitment challenges to the care sector, although an improvement has been seen since last year. Locality staffing and professional support budgets are overspent by £0.072m due to a few reasons including loss of Health Inequalities Funding for £0.030m, increased legal costs £0.029m and increases to Service Level Agreements of £0.014m. Day care is underspent by £0.029m.	
Resources & Regulated Services	9.399	9.477	0.077		In-house residential care is expected to overspend by £0.274m due to staff and running costs. In-house homecare is predicted to underspend by £0.184m due to vacancies as recruitment of home carers continues to be challenging. The Extra Care budget is overspent by £0.082m due to staff costs and Day Care is underspent by £0.095m as most day settings are not open.	
Minor Variances	1.299	1.288	-0.011			
<b>Adults of Working Age</b>						
Resources & Regulated Services	33.469	33.296	-0.173		The Physically Disabled and Sensory Impaired (PDSI) budget is reporting a £0.244m overspend due to the costs of care packages. The in-house supported living service is £0.102m overspent due to care hours and agency costs, a £0.350m contribution from reserves is currently offsetting further costs. The care package costs for independently provided care for learning disabilities is a £0.475m underspend due to placement demand. The learning disability day service is £0.044m underspent.	
Residential Placements	2.207	2.794	0.588		This is the overall cost of care packages for mental health service users. This can be a volatile service and additional service needs can be identified during the year leading to increased costs.	
Minor Variances	5.019	5.003	-0.015			
<b>Children's Services</b>						
Family Group Meetings	0.122	0.172	0.050		Demand for the service is resulting in an increase in sessional worker hours	
Family Placement	3.175	2.906	-0.270		This is due to the current number of in-house Foster Carers within the service being less than the number which we have historically had.	
Integrated Working	0.206	0.265	0.059		Cost pressures are due to contributions towards the Integrated Family Support Service and a shortfall from Supporting People Funding	
Legal & Third Party	0.262	0.649	0.387		Legal costs are overspent by £0.137m due to the number of cases going through the courts and some use of external professionals. Client Support and Section 17 costs are overspent by £0.232m. Direct payments are overspending by £0.019m due to demand.	
Residential Placements	1.595	1.181	-0.414		The in-house residential care provision continues to expand with an additional group home planned to open this financial year, in year costs for the service are being offset by a significant Welsh Government grant. The grant has been confirmed for 2023/24 and 2024/25 but is not expected to be extended beyond this time	

## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	5.951	6.765	0.813		To support adequate levels of child protection, the established staffing structure needs to be 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 the service, the overspend resulting from such arrangements is £0.228m. Two managed agency teams are currently being contracted to support the service, reserves are being utilised to mitigate most of the costs but there is an overspend of £0.341m as a result, costs may change if there is a requirement to extend the contracts further. The Leaving Care budget, which supports young people who were LAC (looked after children), is overspending by £0.143m due to increasing number of care leavers. The cost of some external service contracts are £0.102m overspent due to inflationary pressures.	
Minor Variances	0.694	0.706	0.012			
<b>Safeguarding &amp; Commissioning</b>						
Business Systems & Financial Assessments	0.937	0.996	0.060		A new Social Services IT system is being implemented which requires additional project management and development costs	
Charging Policy income	-3.265	-3.402	-0.138		This is the income from service users who are charged a contribution towards the care they receive	
Minor Variances	2.157	2.184	0.027			
<b>Total Social Services (excl Out of County)</b>	<b>86.821</b>	<b>87.134</b>	<b>0.313</b>			
<b>Out of County</b>						
Children's Services	12.281	13.056	0.775		The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 21 new placements made in the year to date and contingency provision of £0.250m for new placements.	
Education & Youth	5.004	5.230	0.226		The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 17 new placements made in the year to date and contingency provision of £0.250m for new placements.	
<b>Total Out of County</b>	<b>17.285</b>	<b>18.286</b>	<b>1.001</b>			
<b>Education &amp; Youth</b>						
Integrated Youth Provision	0.947	0.877	-0.070		Mainly due to vacancy savings	
School Improvement Systems	1.836	1.756	-0.080		There has been a projected reduction in the Early Entitlement service in payments to settings due to demography. Top-up subsidy continuing and other Welsh Government grants, allowing core budget to be released within the service. There is also a reported £0.022m underspend within the School Improvement service. This is an underspend on the £0.028m pressure for the Digital Advisor post. The role has been appointed to, but is not starting until September 2023, creating a saving against the additional budget received.	
Business Change & Support	0.454	0.523	0.069		Overspend in the main relates to the cost of the annual Access System Licence fee £0.040m minor variances account for the remainder	
Archives	0.351	0.404	0.053		Overspend is due to increased recharge from Denbighshire CC towards costs of shared service	
Minor Variances	6.314	6.272	-0.041			
<b>Total Education &amp; Youth</b>	<b>9.902</b>	<b>9.832</b>	<b>-0.070</b>			

## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Schools</b>	<b>114.081</b>	<b>114.081</b>	<b>0.000</b>			
<b>Streetscene &amp; Transportation</b>						
Service Delivery	9.808	10.190	0.382		A variance of £0.200m relates to Alltami Depot costs. The overspend is a combination of Cleaning Price increases from Newydd, Security (new tender costs increased) and Repair Contractors costs. An additional £0.182m is mainly due to a pot holes repairs backlog over the last 6 months resulting in increased costs within 2023/24	
Highways Network	8.514	8.598	0.084		This is due to increased Streetlighting Energy costs following the annual renewal of the contract being higher than projections.	
Regulatory Services	11.305	11.472	0.167		The overspend variance is due to sustained high volumes of residual black waste being collected, together with the reduction in income levels for both recyclable materials and a reducing return on electricity generation from gas and solar at the former landfill sites.	
Other Minor Variances	11.118	11.122	0.004			
<b>Total Streetscene &amp; Transportation</b>	<b>40.745</b>	<b>41.382</b>	<b>0.637</b>			
<b>Planning, Environment &amp; Economy</b>						
Development	0.024	-0.267	-0.290		Receipt of a one off high value Planning Fee (£0.300m for Northern Gateway)	
Access	1.544	1.689	0.145		Variance relates to estimated costs for Ash Die Back works	
Climate Change	0.165	0.102	-0.063		Staff savings from vacant posts	
Management & Strategy	1.354	1.088	-0.266		Staff savings from vacant posts	
Minor Variances	3.971	3.961	-0.010			
<b>Total Planning &amp; Environment</b>	<b>7.057</b>	<b>6.573</b>	<b>-0.484</b>			
<b>People &amp; Resources</b>						
HR & OD	2.239	2.187	-0.053		Staff savings from vacant posts	
Corporate Finance	2.082	2.094	0.012			
<b>Total People &amp; Resources</b>	<b>4.321</b>	<b>4.281</b>	<b>-0.041</b>			
<b>Governance</b>						
Legal Services	0.942	1.120	0.178		Additional costs for locum services covering vacant posts	
Democratic Services	2.411	2.478	0.067		Backdated Superannuation costs and current level of Members Allowances	
ICT	5.143	5.193	0.050		In year pressure following the delay in Agile Apps Project requiring additional funding	
Customer Services	1.040	0.911	-0.129		Staff savings from vacant posts and higher than anticipated fee income levels	
Revenues	0.566	0.383	-0.183		Projected surplus on the Council Tax Collection Fund	
Minor Variances	1.333	1.324	-0.009			
<b>Total Governance</b>	<b>11.435</b>	<b>11.410</b>	<b>-0.025</b>			
<b>Assets</b>						
CPM & Design Services	0.674	0.587	-0.087		Staff savings from vacant posts	
Minor Variances	10.371	10.330	-0.041			
<b>Total Assets</b>	<b>11.045</b>	<b>10.916</b>	<b>-0.128</b>			
<b>Housing and Community</b>						

**Budget Monitoring Report**

<b>Service</b>	<b>Approved Budget (£m)</b>	<b>Projected Outturn (£m)</b>	<b>Annual Variance (£m)</b>	<b>Moratorium related variances (£m)</b>	<b>Cause of Major Variances greater than £0.050m</b>	<b>Action Required</b>
Housing Solutions	2.233	4.640	2.407		The Housing Solutions service is currently reflecting a net projected overspend of £2.407m. This is mainly due to a projected overspend of £3.413m on temporary accommodation within Hotels and B and B provision, which is being offset by additional Housing Benefit income of -£0.562m. There are also other projected underspends and mitigation impacts within the wider Housing Solutions service amounting to a net figure of £0.444m, including use of reserves, minor salary savings due to vacancies and use of WG grant income	
Minor Variances	13.466	13.463	-0.002			
<b>Total Housing and Community</b>	<b>15.698</b>	<b>18.103</b>	<b>2.405</b>			
<b>Chief Executive's</b>	<b>1.608</b>	<b>1.614</b>	<b>0.006</b>			
<b>Central &amp; Corporate Finance</b>	<b>32.121</b>	<b>31.151</b>	<b>-0.970</b>		The projection on the Central Loans and Investment Account (CLIA) at Month 4 is an underspend of (£1.000m) where the Council has not taken out new short or long term borrowing and continues to invest a significant amount of funds. This pattern has continued from the previous financial year resulting in no short term borrowing costs being incurred and the Council generating increased income from investments, which have increased in line with rising bank interest rates.	
<b>Grand Total</b>	<b>352.121</b>	<b>354.765</b>	<b>2.644</b>			

## 2023/24 Efficiencies Outturn Tracker - Month 4

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
		2023/24 £m	2023/24 £m	2023/24 £m			
<b>Portfolio</b>							
<b>Corporate</b>							
Reduction In CLIA	Chris Taylor	0.364	0.364	0.000	C		
Actuarial Review	Gary Ferguson	1.874	1.874	(0.000)	C		
NI Reversal	Rachel Parry Jones	0.474	0.474	0.000	C		
<b>Total Corporate Services</b>		<b>2.712</b>	<b>2.712</b>	<b>(0.000)</b>			
<b>Chief Executives / Assets</b>							
Transport Savings	Neal Cockerton	0.010	0.010	0.000	C		
Vacancy Savings	Neal Cockerton	0.048	0.048	0.000	C		
3rd Sector Budget	Neal Cockerton	0.041	0.041	0.000			
<b>Total Chief Executives</b>		<b>0.099</b>	<b>0.099</b>	<b>0.000</b>			
<b>People &amp; Resources</b>							
Modern Apprentices HR&OD	Sharon Carney	0.072	0.072	0.000	C		
Vacancy Savings Corporate Finance	Gary Ferguson	0.086	0.086	0.000	C		
Transport and Training Savings Corporate Finance	Gary Ferguson	0.016	0.016	0.000	C		
<b>Total People &amp; Resources</b>		<b>0.174</b>	<b>0.174</b>	<b>0.000</b>			
<b>Assets - ADMs</b>							
Newydd	Rachael Corbelli	0.019	0.019	0.000	C		
Newydd NI	Rachael Corbelli	0.023	0.023	0.000	C		
<b>Total Assets - ADMs</b>		<b>0.042</b>	<b>0.042</b>	<b>0.000</b>			
<b>Housing &amp; Communities</b>							
CTRS Reduction	Vicky Clark	0.147	0.147	0.000	C		
<b>Total Housing &amp; Communities</b>		<b>0.147</b>	<b>0.147</b>	<b>0.000</b>			
<b>Governance</b>							
Members Support Budget	Gareth Owen	0.016	0.016	0.000	C		
Members Allowances	Gareth Owen	0.060	0.060	0.000	C		
Central Despatch	Gareth Owen	0.022	0.022	0.000	C		
Mold & Buckley Connects	Gareth Owen	0.060	0.060	0.000	C		
<b>Total Governance</b>		<b>0.158</b>	<b>0.158</b>	<b>0.000</b>			
<b>Planning, Environment &amp; Economy</b>							
Vacancy Savings	Andrew Farrow	0.020	0.020	0.000	C		
Fee Income	Andrew Farrow	0.180	0.180	0.000	C		
<b>Total Planning, Environment &amp; Economy</b>		<b>0.200</b>	<b>0.200</b>	<b>0.000</b>			
<b>Streetscene &amp; Transportation</b>							
Enhanced Enforcement for Recycling	Katie Wilby					Side waste enforcement is already taking place with FPNs being issued, but the next steps for enforcing against those who do not habitually recycle will be to take enforcement action if residents place recyclable waste in their black bin. To introduce this will first require a period of education and engagement. Additional x3 recycling officers are currently being recruited and, once appointed, the aim is for these officers to support with door-knocking campaigns and community events in advance of introducing enhanced enforcement	Likely introduction is January 2024.
		0.046	0.046	0.000	O		
Part night Street Lighting	Katie Wilby	0.018	0.000	(0.018)	O	Difficult to implement in year due to the consultation required, and the limited opportunity following previous roll-outs. This will also require investment in the equipment to allow the switch-offs	Discussions being held with an update to come how we can achieve this saving.
Review Provision of Public Conveniences	Katie Wilby	0.012	0.000	(0.012)	O	The efficiency is largely reliant on the review of sites following the implementation of the Local Toilet Strategy and capital investment in FY 24/25-26/27.	
Extend, Repair & Reuse Initiatives	Katie Wilby	0.010	0.000	(0.010)	O	When this was put forward, we stated that the initiative would be dependent on investment funding either from WG Circular Economy grant funding or capital programme. We are still awaiting the outcome of our bid to WG, which is now unlikely given the current economic climate. Without the grant funding the initiative cannot be introduced and the efficiency will not be met.	
Waste & Recycling Round Review	Katie Wilby	0.075	0.075	0.000	C		
In House Highways Service	Katie Wilby	0.025	0.025	0.000	C		
Review of Security Arrangements Alltami Depot	Katie Wilby	0.050	0.050	0.000	C		
Apprenticeship Trainee Scheme Reduction	Katie Wilby	0.035	0.035	0.000	C		

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
		2023/24 £m	2023/24 £m	2023/24 £m			
<b>Portfolio</b>							
Increase Car Parking Charges	Income Generation	Katie Wilby	0.187	0.187	0.000	C	Decision approved and new charges will come into effect from October 2023 (original date planned was July 2023). Additional initiatives e.g. Free after Three and extension to parking times will mean that the original efficiency will be difficult to achieve unless the utilisation levels increase beyond current levels. Delays in being implemented.
Introduce Car Parking Charges on all Council Owned Car Parks	Income Generation	Katie Wilby	0.035	0.000	(0.035)	O	
Fleet Workshop	Income Generation	Katie Wilby	0.010	0.010	0.000	C	
Training Facility	Income Generation	Katie Wilby	0.010	0.010	0.000	C	
Funeral Services	Income Generation	Katie Wilby	0.010	0.010	0.000	C	
<b>Total Streetscene &amp; Transportation</b>			<b>0.523</b>	<b>0.448</b>	<b>(0.075)</b>		
<b>Social Services</b>							
Contribution to Regional Team	Reduction in Contribution	Neil Ayling	0.050	0.050	0.000	C	
Reduced Contribution to EDT	Contract Costs Reduced	Neil Ayling	0.011	0.011	0.000	C	
Retendering of HFT	Contract Costs Reduced	Neil Ayling	0.040	0.040	0.000	C	
<b>Total Social Services</b>			<b>0.101</b>	<b>0.101</b>	<b>0.000</b>		
<b>Education &amp; Youth</b>							
Central Management Budget	Vacant Post	Claire Homard	0.060	0.060	0.000	O	
ALN Advocacy	Offset costs from LAEG ALN Grant	Claire Homard	0.020	0.020	0.000	O	
ALN Legal	Offset costs from LAEG ALN Grant	Claire Homard	0.010	0.010	0.000	O	
ALN Resource Provisions	Offset costs from LAEG ALN Grant	Claire Homard	0.100	0.100	0.000	O	
Early Years Entitlement	Budget Reductions	Claire Homard	0.095	0.095	0.000	O	
Youth Club Buildings	Building Closure	Claire Homard	0.017	0.017	0.000	O	
Youth Services	Vacant Posts (1 FTE 1 PT)	Claire Homard	0.056	0.056	0.000	O	
Youth Justice	Offset costs from Grant	Claire Homard	0.016	0.016	0.000	O	
<b>Total Education &amp; Youth</b>			<b>0.374</b>	<b>0.374</b>	<b>0.000</b>		
<b>Schools</b>							
3% Reduction in Delegated Funding		Claire Homard	3.103	3.103	0.000	O	
NI Reversal (Schools & Teachers)		Claire Homard	0.857	0.857	0.000	O	
Actuarial Review		Claire Homard	0.776	0.776	0.000	O	
<b>Total Schools</b>			<b>4.736</b>	<b>4.736</b>	<b>0.000</b>		
<b>Total 2023/24 Budget Efficiencies</b>			<b>9.265</b>	<b>9.190</b>	<b>(0.075)</b>		

	%	£
<b>Total 2023/24 Budget Efficiencies</b>	<b>100</b>	<b>9.265</b>
<b>Total Projected 2023/24 Budget Efficiencies Underachieved</b>	<b>-1</b>	<b>(0.075)</b>
<b>Total Projected 2023/24 Budget Efficiencies Achieved</b>	<b>99</b>	<b>9.190</b>
<b>Total 2023/24 Budget Efficiencies (Less Previously agreed Decisions)</b>	<b>100</b>	<b>0.000</b>
<b>Total Projected 2023/24 Budget Efficiencies Underachieved</b>	<b>0</b>	<b>0.000</b>
<b>Total Projected 2023/24 Budget Efficiencies Achieved</b>	<b>0</b>	<b>0.000</b>

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2023	19.162	
Less - Base Level	(5.769)	
<b>Total Reserves above base level available for delegation to Cabinet</b>		13.393
Less - COVID-19 Hardship Funding Allocation		3.743
Less - Children's Services Legal Costs		0.142
Add - Transfer to Reserve Budget 2023/24		0.006
Less - Clwyd Theatr Cymru (Month 2)		0.100
Less - estimated impact of the pay award		2.727
Less - Month 4 projected outturn		2.644
<b>Total Contingency Reserve available for use</b>		<b>4.043</b>

Brought Forward 9.508

**Budget Monitoring Report**  
**Housing Revenue Account Variances**

**MONTH 4 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
<b>Housing Revenue Account</b>					
Income	(38.829)	(38.477)	0.352	There is a net pressure relating to void properties of £0.338m. This relates to costs such as void rent loss, council tax charges and service charges and is net of additional income relating to new build properties and voids moving to target rent. We are anticipating a variance of approximately £0.021m on garage rents. Other minor variances of (£0.007m).	
Capital Financing - Loan Charges	7.010	7.010			
Estate Management	3.125	2.891	(0.234)	Projected vacancy savings of approximately (£0.239m) which is being offset by agency costs of £0.120m. Additional allocation of Housing Support Grant (£0.120m). Other minor variances of £0.005m.	
Landlord Service Costs	1.617	1.544	(0.072)	Projected vacancy savings of approximately (£0.150m). We are also forecasting an increase in fleet costs of £0.024m and materials and hire of £0.059m. Other minor variances of (£0.005m).	
Repairs & Maintenance	12.150	12.067	(0.083)		
Management & Support Services	2.678	2.650	(0.028)	Projected vacancy savings of approximately (£0.058m). Other minor variances of £0.030m.	
Capital Expenditure From Revenue (CERA)	12.712	12.712			
HRA Projects	0.126	0.126	(0.000)		
Contribution To / (From) Reserves	(0.589)	(0.589)			
<b>Total Housing Revenue Account</b>	<b>(0.000)</b>	<b>(0.065)</b>	<b>(0.065)</b>		