

CABINET

Date of Meeting	Tuesday 17 th October, 2023
Report Subject	Revenue Budget Monitoring Report 2023/24 (Month 5)
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 for the 2023/24 financial year for the Council Fund and Housing Revenue Account and presents the position, based on actual income and expenditure as at Month 5.

The projected year end position is as follows:

Council Fund

- An operating deficit of £3.660 (excluding the impact of the pay award which will need to be met by reserves – currently estimated as £2.727m) which is an adverse movement of £1.016m from the deficit figure reported at Month 4.
- A projected contingency reserve available balance as at 31 March 2024 of £3.027m (after the estimated impact of pay awards)

Housing Revenue Account

- Net in-year revenue expenditure is forecast to be £0.006m higher than budget which is an adverse movement of £0.071m from the figure reported at Month 4.
- A projected closing balance as at 31 March, 2024 of £3.191m

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.
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REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2023/24
1.01	<p>The projected year end position is as follows:</p> <p>Council Fund</p> <ul style="list-style-type: none"> An operating deficit of £3.660m (excluding the impact of the pay award which will need to be met by reserves – currently estimated as £2.727m) which is an adverse movement of £1.016m from the deficit figure reported at Month 4. A projected contingency reserve available balance as at 31 March 2024 of £3.027m (after the estimated impact of pay awards) <p>Housing Revenue Account</p> <ul style="list-style-type: none"> Net in-year revenue expenditure forecast to be £0.006m higher than budget which is an adverse movement of £0.071m from the figure reported at Month 4. A projected closing balance as at 31 March, 2024 of £3.191m <p>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.</p>
1.02	<p>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.</p>

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

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m
Social Services	86.821	87.333	0.512
Out of County Placements	17.285	18.363	1.078
Education & Youth (Non-Schools)	9.902	9.837	(0.065)
Schools	114.081	114.081	0.000
Streetscene & Transportation	40.745	41.927	1.181
Planning Env & Economy	7.057	6.622	(0.435)
People & Resources	4.321	4.254	(0.067)
Governance	11.460	11.463	0.003
Assets	11.045	10.917	(0.128)
Housing & Communities	15.698	18.480	2.782
Chief Executive	1.608	1.607	(0.001)
Central & Corporate Finance	32.096	30.898	(1.198)
Total	352.121	355.781	3.660

The Approved Budget has had one virement since Month 4, this being £0.025m transferred from Central & Corporate Finance to Governance for Business Systems non-standard inflation.

1.04 The reasons for the monthly movements over £0.025m are shown in Appendix 1, overall projected variances over £0.050m are summarised within Appendix 2 together with a summary of minor variances for each portfolio.

Significant Movements from Month 4

1.05 **Social Services £0.199m**

The reasons for the adverse movement are as follows:

Older People

- Localities £0.098m. Additional costs due to a block bed contract for the Residential beds.

Adults of Working Age

- Children to Adult Transition Services (£0.103m) – A reduction in the Council’s funding commitment for a college placement.

	<ul style="list-style-type: none"> Residential Placements £0.097m – The movement is due to increased payment costs for some service users. <p>Children’s Services</p> <ul style="list-style-type: none"> Family Placement £0.121m – An increase in therapist costs and two new adoption orders contribute to the movement, together with costs for a parent/child placement which were transferred from the Legal and Third Party service. Legal & Third Party (£0.109m) – The costs for a parent/child placement were transferred to the Family Placement Service. <p>Minor variances across the Portfolio account for the remainder totalling £0.095m.</p>
1.06	<p>Out of County Placements £0.077m</p> <p>Net impact of new placements, rate changes and placements that have ended.</p>
1.07	<p>Streetscene and Transportation £0.544m</p> <p>The reasons for the adverse movement are as follows:</p> <ul style="list-style-type: none"> Service and Delivery (£0.084m) – reduced costs from the provision of in-house work rather than contracting the work externally Highways Network £0.626m – Fleet Contract extension to April 2024 resulting in additional cost of £0.532m, costs increase to both fuel and Streetlighting energy together with increasing Insurance Premiums £0.090m <p>Minor variances across the Portfolio account for the remainder totalling £0.003m.</p>
1.08	<p>Housing & Communities £0.376m</p> <ul style="list-style-type: none"> Housing Solutions £0.356m – Increase is mainly due to the projected cost of emergency accommodation for the remainder of the financial year, this being at a higher rate per night than currently charged in the year to date. The revised costs follow discussions with a number of the main providers who are increasing their rates including those who are block booked for the remaining six months of the year. There is also a lesser impact of a reduction in the projected amount of additional housing benefit income above target. <p>Minor variances across the Portfolio account for the remainder £0.020m.</p>
1.09	<p>Central & Corporate Finance (£0.250m)</p> <ul style="list-style-type: none"> The Central Loans and Investment Account (CLIA) is projecting a further positive improvement of (£0.250m) 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 through 2023/24 to date and is partly due to continued high and increasing bank interest rates.
1.10	Cumulative minor variances across the Council of £0.070m account for the remainder of the total monthly movement.
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>The 'in-year' collection level is 47.4% compared to 47.6% the previous year. The marginal reduction in collections of 0.2% 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>Pay Award (Teacher and Non-Teacher)</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</p>

	<p>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 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>Waste Recycling Infraction Charge</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>Homelessness</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</p>

	<p>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 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 £0.465m.</p>
1.16	<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>
1.17	<p>Medium Term Financial Strategy (MTFS) Impact</p> <p>Cabinet considered the latest projection for the MTFS in September which showed an additional budget requirement of £32.386m together with an update on the work completed over the summer on potential cost reduction options. These, together with service cost pressures, will be considered at individual overview and scrutiny meetings over the Autumn.</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>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. 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 £1.078m, although with 7 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>Streetscene & Transportation</p> <p><u>Fleet Contract Renewal</u> The current fleet contract, which has been running for 7 years, is being renewed from October 2023. Due to the current market conditions in re-procurement of contracts of this type, the cost of the new contract is considerably more than what was previously being paid, due to being protected from inflationary increases during the previous contract life. The cost of the contract will further increase from April 2024 and provision is being made within the 2024/25 budget considerations for this.</p> <p><u>Sustainable Waste Management Grant (SWMG)</u> 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>Education & Youth (Non-Schools)</p> <p><u>Inclusion and Progression</u> The services that the Inclusion and Progression teams provide within Education and Youth portfolio are under significant pressure.</p> <p>Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire provision.</p> <p>Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.</p> <p>The service is taking steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.</p> <p>The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.</p> <p>Welsh Government have made additional grants available to support schools and councils. However, there are risks over reliance on temporary</p>

	grant funding and its ability to meet demand within existing budgets and available grants.
1.21	<p>Schools</p> <p>Within the schools' line of the budget sits responsibility for the costs of providing free school meals to eligible pupils. The cost implications of recent decisions on the budget are currently being worked through and will be reported in the next monthly report. Recent decisions include the price of a meal increasing by £0.30 due to inflationary pressures from 2nd October, and funding free school meals during the Christmas holidays.</p>
1.22	<p>Harpur Trust vs Brazel Case</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>
1.23	<p>Achievement of Planned In-Year Efficiencies</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 3.</p>
1.24	<p>Unearmarked Reserves</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 totalling £0.139m for Holywell Leisure Centre and Cambrian Aquatics have been approved with some other claims across various services being compiled for consideration in Quarter 2. The current balance is £3.604m.</p> <p>A projected contingency reserve available balance as at 31 March, 2024 is £3.027m (after the estimated impact of final pay awards) and is shown in Appendix 4.</p>
1.25	<p>Earmarked Reserves</p> <p>A detailed review of earmarked reserves has been undertaken over the summer and an amount of £0.648m has been identified for release to the Contingency Reserve which will provide a much needed additional safeguard against some of the financial risks across the Council.</p>

The table below provides a summary of earmarked reserves as at 1 April 2023 and an estimate of projected balances as at the end of the current financial year.

Council Fund Earmarked Reserves 2023/24 – Monitoring Summary Month 5

Reserve Type	Balance as at 01/04/23	Balance as at Month 5	Release to General Reserve	Estimated Balance as at 31/03/24
Service Balances	6,184,486	4,345,293	274,703	1,335,223
Workforce Costs	843,190	843,190	0	819,971
Investment in Organisational Change	1,350,875	1,350,875	0	852,810
County Elections	74,777	74,777	0	74,777
Local Development Plan (LDP)	115,360	115,360	115,360	0
Warm Homes Admin Fee	315,985	315,985	0	315,985
Waste Disposal	48,771	48,771	8,133	40,638
Design Fees	250,000	250,000	0	125,000
Winter Maintenance	250,000	250,000	0	250,000
Severe Weather	250,000	250,000	0	119,550
Car Parking	88,059	88,059	0	88,059
Insurance Reserves	2,201,372	2,201,372	0	2,350,000
School HWB ICT Replacement	526,447	526,447	0	526,447
Free School Meals	30,398	30,398	0	0
Flintshire Trainees	562,948	562,948	0	524,000
Rent Income Shortfall	106,118	106,118	0	0
Plas Derwen Wave 4	3,560	3,560	0	1,780
Customer Service Strategy	22,468	7,468	0	0
Supervision Fees	48,798	48,798	0	48,798
IT COVID Enquiry	142,301	142,301	0	142,301
ICT Servers Reserve	170,000	170,000	0	0
IT Infrastructure HWB	312,442	194,442	0	0
Schools Intervention Reserve	705,836	316,127	0	316,127
Organisational Change/ADM	873,546	1,226,546	0	1,193,046
NWEAB	330,927	330,927	0	330,927
Solar Farms	62,416	62,416	0	62,416
20 MPH Scheme	111,186	111,186	0	0
Employment Claims	109,846	109,846	0	109,846
Community Benefit Fund				
NWRWTP	683,164	683,164	0	229,792
Total B823 Balances	10,590,790	10,421,081	123,493	8,522,270
Schools Balances	6,716,596	6,716,596	0	2,000,000
Grants & Contributions	6,899,323	4,740,964	250,000	2,900,664
TOTAL	30,391,195	26,223,934	648,196	14,758,157

1.26 **Housing Revenue Account**

	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.
1.27	The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves.
1.28	Net in-year revenue expenditure forecast to be £0.006m higher than budget with a projected closing balance as at 31 st March, 2024 of £3.191m. This is an adverse movement of £0.071m since Month 4. A breakdown of the variance is in Appendix 5.
1.29	The budget contribution towards capital expenditure (CERA) is £12.712m.

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 4 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
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>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>Regional Integration Fund (RIF): funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</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>

MONTH 5 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.098	The variance is due to a block bed contract for residential care beds.
Minor Variances	0.029	
Adults of Working Age		
Children to Adult Transition Services	-0.103	There has been a reduction to the amount Flintshire pay towards a college placement.
Residential Placements	0.097	There was an increase due to increased placement costs for some service users.
Minor Variances	0.007	
Children's Services		
Family Placement	0.121	There have been an increase in therapist bills and two new adoption orders. A parent/child placement costs were transferred from the Legal and Third Party service
Legal & Third Party	-0.109	Costs for a parent/child placement were transferred to the Family Placement service
Minor Variances	0.040	
Safeguarding & Commissioning		
Minor Variances	0.019	
Total Social Services (excl Out of County)	0.199	
Out of County		
Children's Services	0.036	Net impact of new placements, ended placements and rate changes
Education & Youth	0.041	Net impact of new placements, ended placements and rate changes
Total Out of County	0.077	
Education & Youth		
Minor Variances	0.005	
Total Education & Youth	0.005	
Schools	-0.000	
Streetscene & Transportation		
Service Delivery	-0.084	Performance of the commercial in-house team delivering traffic schemes more cost effectively
Highways Network	0.626	£0.532m Fleet Contract renewal, £0.090m increases in costs in both fuel and streetlighting energy, together with increased insurance premiums.
Transportation	-0.029	Local Bus Management Fee
Regulatory Services	0.032	Reduced income due to unfavourable market prices for recycling.
Total Streetscene & Transportation	0.545	
Planning, Environment & Economy		
Shared Services	0.036	Revised outturn on fee income shortfall
Management & Strategy	0.046	Successful recruitment to a vacant post
Minor Variances	-0.034	
Total Planning & Environment	0.048	
People & Resources		
HR & OD	0.005	
Corporate Finance	-0.031	Savings from Vacant Posts
Total People & Resources	-0.026	
Governance		
Minor Variances	0.027	
Total Governance	0.027	
Assets		
Minor Variances	0.000	
Total Assets	0.000	
Housing and Community		
Housing Solutions	0.356	The increase in projected overspend is mainly due to the projected cost of emergency accommodation for the remainder of the year being at a higher average rate per night than in the year to date. This is following recent discussions with a number of the main providers who are increasing their rates for the rooms including those which will be block booked for the second half of the year. There is also a lesser impact of a reduction in the projected amount of additional housing benefit income above budget
Minor Variances	0.021	
Total Housing and Community	0.376	
Chief Executive's	-0.007	
Central & Corporate Finance	-0.228	Further benefit from not taking out any new short or long term borrowing and continuing to invest a significant amount of funds.
Grand Total	1.016	

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services							
Older People							
Localities	23.196	22.553	-0.643	-0.741		The older people residential care budget is projecting an underspend of £0.422m, due to client income from property recharges and expected reimbursements where we are waiting decisions for deputyships and assets held in trust. Homecare is £0.233m underspent caused by continued recruitment challenges to the care sector. Locality staffing and professional support budgets are overspent by £0.039m, the reason for this is increased legal costs and service level agreement costs. Day care is underspending by £0.027m. A £0.400m budget transfer is also reflected in the overall variance.	
Resources & Regulated Services	9.494	9.592	0.099	0.077		In-house residential care is expected to overspend by £0.272m due to staff and running costs, the in-house homecare service is estimated to underspend by £0.173m. The Extra Care budget is overspent by £0.094m due to staff costs and Day Care is underspent by £0.055m.	
Minor Variances	1.731	1.728	-0.003	-0.011			
Adults of Working Age							
Resources & Regulated Services	33.469	33.315	-0.154	-0.173		The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.256m overspend due to net costs of care packages. The in-house Supported Living Service is £0.118m overspent due to care hours and agency costs, a £0.350m contribution from reserves is offsetting further costs. The care package costs for independently provided care for Learning Disability services is £0.477m underspent. The learning disability day provision budget is £0.060m underspent.	
Children to Adult Transition Services	1.001	0.935	-0.066	0.037		This is the cost of care packages for young adults transferring from Childrens Services to Adult Social Care. Care packages are usually new to this financial year and often estimated in the first instance, meaning costs can change throughout the year as service costs are finalised	
Residential Placements	2.607	3.291	0.684	0.588		This is the overall cost of care packages for service users with mental ill health. This can be a volatile service and additional services can be identified during the year leading to increased costs.	
Minor Variances	3.617	3.554	-0.063	-0.052			
Children's Services							
Family Group Meetings	0.122	0.174	0.053	0.050		Demand for this service is resulting in increased sessional worker hours	
Family Placement	3.175	3.027	-0.148	-0.270		The underspend is due to the 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	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	0.540	0.278	0.387		Legal costs are overspent by £0.139m 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 £0.119m. Direct Payments are overspending by £0.020m due to demand.	
Residential Placements	1.595	1.197	-0.398	-0.414		The in-house residential care provision continues to expand with an additional group home planned to open this financial year. Some 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
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	5.824	6.646	0.821	0.813		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 the service, the resulting overspend from such arrangements is £0.156m Two managed agency teams are currently being contacted to support the service, reserves are being used to mitigate most of the costs but there is an overspend of £0.428m 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 Looked After Children, is overspending by £0.134m due to increasing numbers of care leavers The cost of some external service contracts are £0.102m overspent due to inflationary pressures	
Minor Variances	0.694	0.720	0.026	0.012			
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.937	1.015	0.078	0.060		A new social service IT system is being implemented which requires additional project management and development costs	
Charging Policy income	-3.309	-3.452	-0.143	-0.138		This is the income from service users who are charged a contribution towards the care they receive	
Minor Variances	2.201	2.234	0.033	0.027			
Total Social Services (excl Out of County)	86.821	87.333	0.512	0.313	0.000		
Out of County							
Children's Services	12.281	13.092	0.811	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	5.271	0.267	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.	
Total Out of County	17.285	18.363	1.078	1.001	0.000		
Education & Youth							
Inclusion & Progression	5.377	5.350	-0.027	-0.023			
Integrated Youth Provision	0.947	0.888	-0.059	-0.070		Mainly due to vacancy savings	
Youth Justice	0.311	0.305	-0.006	-0.015			
School Improvement Systems	1.836	1.753	-0.084	-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	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	
School Planning & Provision	0.626	0.614	-0.012	-0.003			
Archives	0.351	0.404	0.053	0.053		Overspend is due to increased recharge from Denbighshire CC towards costs of shared service	
Holding Accounts	0.000	0.000	0.000	0.000			
Minor Variances	6.314	6.269	-0.045	-0.041			

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
Total Education & Youth	9.902	9.837	-0.065	-0.070	0.000		
Schools	114.081	114.081	0.000	0.000	0.000		
Streetscene & Transportation							
Service Delivery	9.808	10.105	0.297	0.381		A variance of £0.190m relates to Alltami Depot costs. The overspend is a combination of cleaning price increases from Newydd, security (new tender costs increased) and repair and maintenance costs. An additional £0.190m is mainly due to highway network repairs backlog over the last 6 months resulting in increased costs within 2023/24. The overall overspend is partly offset by the performance of the in-house construction team delivering traffic related schemes more cost effectively rather than contracting the work externally.	
Highways Network	8.514	9.224	0.710	0.084		The renewal of the fleet contract through contract extension from October 2023 has realised an in-year overspend of £0.532m. The remaining variance of £0.170m is attributable to increases in costs to both road fuel and streetlighting energy, increased insurance premiums, and defective highway network infrastructure repairs.	Further year increases on the Fleet Contract are being considered within the MTFS and 2024/25 budget.
Transportation	11.118	11.094	-0.025	0.004			
Regulatory Services	11.305	11.504	0.199	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	0.000	0.000	0.000	0.004			
Total Streetscene & Transportation	40.745	41.927	1.181	0.637	0.000		
Planning, Environment & Economy							
Business	2.047	2.062	0.016	0.014			
Community	0.943	0.942	-0.001	-0.008			
Development	0.024	-0.285	-0.308	-0.290		Receipt of a one-off high value Planning Fee (£0.300m for Northern Gateway)	
Access	1.544	1.687	0.142	0.145		Variance relates to estimated costs for Ash Die Back works	
Climate Change	0.165	0.102	-0.062	-0.063		Staff savings from vacant posts	
Shared Services	0.135	0.183	0.048	0.011			
Regeneration	0.846	0.796	-0.050	-0.028			
Management & Strategy	1.354	1.134	-0.220	-0.266		Staff savings from vacant posts	
Impact of Covid-19	0.000	0.000	0.000	0.000			
Minor Variances	3.971	3.983	0.013	-0.010			
Total Planning & Environment	7.057	6.622	-0.435	-0.484	0.000		
People & Resources							
HR & OD	2.239	2.192	-0.048	-0.053		Staff savings from vacant posts	
Corporate Finance	2.082	2.063	-0.019	0.012			
Holding Accounts	0.000	0.000	0.000	0.000			
Total People & Resources	4.321	4.254	-0.067	-0.041	0.000		
Governance							
Legal Services	0.942	1.142	0.200	0.178		Additional costs for locum services covering vacant posts	
Democratic Services	2.411	2.480	0.069	0.067		Backdated Superannuation costs and current level of Members Allowances	

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Moratorium related variances (£m)	Cause of Major Variances greater than £0.050m	Action Required
Internal Audit	1.013	1.026	0.012	0.013			
Procurement	0.320	0.298	-0.022	-0.022			
ICT	5.168	5.232	0.064	0.050		In year pressure following the delay in Agile Apps Project requiring additional funding	
Customer Services	1.040	0.912	-0.128	-0.129		Staff savings from vacant posts and higher than anticipated fee income levels	
Revenues	0.566	0.372	-0.194	-0.183		Projected surplus on the Council Tax Collection Fund	
Impact of Covid-19	0.000	0.000	0.000	0.000			
Minor Variances	1.333	1.324	-0.010	-0.009			
Total Governance	11.460	11.463	0.002	-0.025	0.000		
Assets							
CPM & Design Services	0.674	0.581	-0.093	-0.087		Staff savings from vacant posts	
Minor Variances	-0.674	10.336	11.010	0.087			
Total Assets	11.045	10.917	-0.128	-0.128	0.000		
Housing and Community							
Benefits	13.211	13.211	-0.000	-0.000			
Housing Solutions	2.232	4.996	2.763	2.407		The Housing Solutions service is currently reflecting a net projected overspend of £2.763m. This is mainly due to a projected overspend of £3.635m on temporary accommodation within Hotels and B and B provision, which is being offset by additional Housing Benefit income of -£0.465m. There are also other projected underspends and mitigation impacts within the wider Housing Solutions service amounting to a net figure of £0.407m, including use of reserves, minor salary savings due to vacancies and use of WG grant income. The service are actively exploring a number of mitigation measures, some of which may have operational impacts on other parts of the wider Housing service, which when approved will be incorporated within an action plan to reduce the current level of projected overspend within the Homelessness service.	
Housing Programmes	0.052	0.056	0.004	-0.004			
Travellers and Refugees	0.034	0.038	0.004	0.000			
Council Fund Housing	0.169	0.179	0.010	0.002			
Minor Variances	13.466	13.484	0.018	-0.002			
Total Housing and Community	15.698	18.480	2.782	2.405	0.000		
Chief Executive's	1.608	1.607	-0.001	0.006	0.000		
Central & Corporate Finance	32.096	30.898	-1.198	-0.970		The projection on the Central Loans and Investment Account (CLIA) at Month 4 was an underspend of (£1m) which has further increased by £0.250m at Month 5 where the Council has not taken out any 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 bank interest rates.	
Soft Loan Mitigation	0.000	0.000	0.000	0.000			
Grand Total	352.121	355.781	3.660	2.644	0.000		

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			
Portfolio							
Corporate							
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		
Total Corporate Services		2.712	2.712	(0.000)			
Chief Executives / Assets							
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			
Total Chief Executives		0.099	0.099	0.000			
People & Resources							
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		
Total People & Resources		0.174	0.174	0.000			
Assets - ADMs							
Newydd	Rachael Corbelli	0.019	0.019	0.000	C		
Newydd NI	Rachael Corbelli	0.023	0.023	0.000	C		
Total Assets - ADMs		0.042	0.042	0.000			
Housing & Communities							
CTRS Reduction	Vicky Clark	0.147	0.147	0.000	C		
Total Housing & Communities		0.147	0.147	0.000			
Governance							
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		
Total Governance		0.158	0.158	0.000			
Planning, Environment & Economy							
Vacancy Savings	Andrew Farrow	0.020	0.020	0.000	C		
Fee Income	Andrew Farrow	0.180	0.180	0.000	C		
Total Planning, Environment & Economy		0.200	0.200	0.000			
Streetscene & Transportation							
Enhanced Enforcement for Recycling	Katie Wilby	0.046	0.046	0.000	O	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.
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			
Portfolio							
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	
Total Streetscene & Transportation			0.523	0.448	(0.075)		
Social Services							
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	
Total Social Services			0.101	0.101	0.000		
Education & Youth							
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	
Total Education & Youth			0.374	0.374	0.000		
Schools							
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	
Total Schools			4.736	4.736	0.000		
Total 2023/24 Budget Efficiencies			9.265	9.190	(0.075)		

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

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2023	19.162	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		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 5 projected outturn		3.660
Total Contingency Reserve available for use		3.027

Brought Forward 9.508

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(38.829)	(38.545)	0.284	0.352	There is a net pressure relating to void properties of £0.270m. 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 £0.022m on garage rents. Other minor variances of (£0.008m).	
Capital Financing - Loan Charges	7.010	7.010				
Estate Management	3.125	2.871	(0.254)	(0.234)	Projected vacancy savings of approximately (£0.249m) which is being offset by agency costs of £0.118m. Additional allocation of Housing Support Grant (£0.120m). Other minor variances of (£0.003m).	
Landlord Service Costs	1.617	1.553	(0.064)	(0.072)	Projected vacancy savings of approximately (£0.130m). We are also forecasting an increase in fleet costs of £0.028m and materials and hire of £0.051m. Other minor variances of (£0.013m).	
Repairs & Maintenance	12.150	12.194	0.044	(0.083)	Projected vacancy savings of approximately (£0.114m). Other minor variances of £0.033m. Increased Fleet Contract renewal costs of £0.126m.	
Management & Support Services	2.678	2.672	(0.006)	(0.028)	Projected vacancy savings of approximately (£0.053m). Insurance Costs £0.021m. Other minor variances of £0.026m.	
Capital Expenditure From Revenue (CERA)	12.712	12.712				
HRA Projects	0.126	0.129	0.003	(0.000)		
Contribution To / (From) Reserves	(0.589)	(0.589)				
Total Housing Revenue Account	(0.000)	0.006	0.006	(0.065)		