

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 9 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Social Services</b>						
<b>Older People</b>						
Localities	18.815	17.737	-1.078	-1.039	Residential and Nursing Care is projecting a £0.583m underspend due to a fluctuation in demand for residential and nursing care placements and increases to capital limits. Staff budgets are underspending within Intake/First Contact and Localities Teams, not all staff are top of grade and there are in-year savings due to short term vacancies. One off funding for Additional Winter Pressures Grant from WG totalling £0.320m.	
Resources & Regulated Services	7.155	7.548	0.393	0.404	Council provided residential care is expected to be £0.390m overspent due mostly to relief and agency cover. Relief and agency staff are required to maintain the mandatory level of staff within the residential homes, however the amount of budget to fund this is low and does not contain contingencies to cover sickness absences. There are also pressures from buildings expenditure such as repairs and maintenance. Council provided homecare is projected to be £0.133m overspent due to demand. Extra care is reporting an underspend of £0.134m as the extra care facility in Holywell opened part way through the year so full year costs have not been incurred.	There has been increased sickness absences within this service area over the last month, absences are often covered by increasing some employees hours and sometimes using agency. There may be an increase in costs reported next month reflecting the cost of covering these absences.
Minor Variances	1.224	1.196	-0.028	-0.027		
<b>Adults of Working Age</b>						
Resources & Regulated Services	24.170	23.924	-0.247	-0.389	The outturn projection represents the current cost of care packages until the end of the financial year.	The service area is subject to changes in demand for services. There are always a number of potential service users which may require services in the future. Although these service users are known to us at this present time, the most appropriate care package has not yet been determined and full costs associated for their care cannot yet be estimated and included within this months financial projections.
Disability Services	0.648	0.564	-0.085	-0.040	The outturn represents the current cost of care packages and contribution from Welsh Government.	
Transition & Disability Services	0.718	0.661	-0.058	-0.060	This service is expected to underspend due to in-year vacancy savings and not all staff paid at top of scale.	
Residential Placements	1.241	1.901	0.660	0.612	The overspend is due to the number of residential placements based on service demand.	This service is demand led and can experience volatility in terms of new service users entering the service.

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Minor Variances	3.113	3.006	-0.107	-0.133	Net total of service variances under £0.050m	
<b>Children's Services</b>						
Family Placement	2.564	2.877	0.313	0.323	The overspend is due to current demands on the service from the number of fostering placements, which in some instances avoid making an Out of County placement which would be more expensive. The main pressure areas are payments for foster carers, foster agencies and special guardianship payments.	
Family Support	0.371	0.517	0.146	0.148	This is due to the number of court directed contact sessions which require support workers to attend. Sessional workers were historically used, however the need to use sessional workers increased to a level whereby, under employment regulations, sessional workers are required to be issued fixed term contracts.	
Legal & Third Party	0.178	0.479	0.301	0.309	Legal costs are overspent due to the number of cases going through the courts and the use of external legal professionals. Direct payments have also increased in demand.	
Professional Support	5.237	5.363	0.126	0.075	To support adequate levels of child protection, the established staffing structure needs to be maintained at the required standard as much as possible. Vacancies are therefore minimised and challenges to recruitment leads to the use of agency staff. This leads to an increase in agency costs as agency rates are higher than non agency staff. The use of agency staff is monitored and kept to a minimum as much as possible but it is not possible to avoid altogether.	
Minor Variances	1.132	1.156	0.024	0.020		
<b>Safeguarding &amp; Commissioning</b>						
Business Support Service	1.204	1.132	-0.072	-0.092	The underspend is due to a number of short term vacancy savings and some posts occupied by staff who are not top of grade.	
Commissioning	0.624	0.565	-0.059	-0.041	External funding has been used on a one off basis to fund posts on a temporary basis.	
Management & Support	-1.929	-1.720	0.209	0.207	There is a shortfall from the assumed proportion of grant allocations announced by Welsh Government which were included within the 2019/20 budget. The total shortfall across the three grants is £0.283m, although some of this is partly mitigated by one off refunds from the Regional Collaboration Unit.	
Vacancy Management	-0.019	-0.243	-0.224	-0.224	Short term vacancy savings transferred across the portfolio.	
Minor Variances	-0.503	-0.597	-0.093	-0.062	Net total of service variances under £0.050m	

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<b>Total Social Services (excl Out of County)</b>	<b>65.944</b>	<b>66.064</b>	<b>0.120</b>	<b>-0.007</b>		
<b>Out of County</b>						
Children's Services	5.288	6.810	1.522	1.576	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by :- 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
Education & Youth	3.745	4.278	0.533	0.503	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by :- 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
<b>Total Out of County</b>	<b>9.033</b>	<b>11.088</b>	<b>2.055</b>	<b>2.080</b>		
<b>Education &amp; Youth</b>						
Inclusion & Progression	4.095	4.013	-0.082	-0.082	Savings identified as part of non-essential spend review - Education welfare service savings - delays in recruitment and PRU management training and capitation saving	
Integrated Youth Provision	1.290	1.180	-0.111	-0.105	Underspends across the whole of the service identified through the challenge of non-essential spend	
School Improvement Systems	1.702	1.590	-0.112	-0.124	In year savings identified through the challenge of non-essential spend across School Improvement and Early Entitlement. A significant majority of the underspend relates solely to Early Entitlement due to demography and a reduction in the number of settings requiring funding.	
Minor Variances	1.447	1.420	-0.027	-0.031		
<b>Total Education &amp; Youth</b>	<b>8.534</b>	<b>8.203</b>	<b>-0.331</b>	<b>-0.341</b>		
<b>Schools</b>	<b>91.941</b>	<b>91.941</b>	<b>0.000</b>	<b>0.000</b>		
<b>Streetscene &amp; Transportation</b>						

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Service Delivery	8.558	8.847	0.289	0.200	<p>The service has incurred additional revenue pressures from responding to and resolving flooding issues across the County. The network damage was widespread and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding to and repairing the highway along with costs of plant and materials. A claim to Welsh Government was unsuccessful and the service is attempting to mitigate some of these costs. Potential total cost up to £0.180m. The flooding has also impacted the capital programme creating an additional pressure of £0.350m for highway repairs. It should be noted that the previously reported level of pressure due to vandalism at Household Recycling Centres of £0.050m, is anticipated to rise as the year progresses and has increasingly become a challenge at each of the sites. The current cost incurred is running at a level of around £0.005m each month and is ongoing. Managers are actively working to support the staff operating the sites and taking action to ensure the safety of the sites. During December, staff have been considerably impacted by an outbreak of Norovirus and this has resulted in unprecedented levels of sickness throughout the workforce. It should be noted that the level of staff absent due to sickness is averaging around 49 people which include 30 operatives who all require overtime or</p>	

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Transportation	8.598	9.577	0.979	0.986	The pressure in school transport costs are as a result of several factors across the service. Effect of non-statutory school transport arrangements and delay in implementing policy on removing historic transport anomalies. Increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in County and out of County placements, along with an increase in number of school escorts to accompany SEN pupils and growth in number of single occupancy routes. There is a risk that School Transport costs may rise as a result of SEN and operator increases, this is a Regional matter and the impact is being felt across all Councils in North Wales. There is also an increase in number of school days in 2019-20. The Transportation service have successfully reviewed high cost routes and retendered contracts where a more favourable rate may be secured. Unfortunately, the commencement of new routes during December have resulted in an increase in costs offsetting the benefit of retendering routes. Increased transport provision to Social Services of £0.048m. The Transportation service are looking to mitigate this pressure through a route optimisation exercise.	
Regulatory Services	4.838	4.998	0.160	0.124	Car Parking Income has been reflected as a pressure as income is not reaching budgeted levels, although the November and December takings have improved the position marginally, this will be closely monitored going forward to assure forecasts. The waste strategy service are likely to have an improved position of up to £0.076m, based on the commissioning period for the North Wales Residual Waste Treatment Project (NWRWTP) being shorter than anticipated compared to when the £0.425m pressure was calculated. Maximum WG grant funding is available from the full service period commencement in December 2019. This takes account of the recharge for Parc Adfer project support being updated. A tariff change by a third party purchaser in respect of recycling income has resulted in an additional pressure of £0.043m which was only notified at very short notice in December.	
Other Minor Variances	8.360	8.338	-0.022	-0.037		
<b>Total Streetscene &amp; Transportation</b>	<b>30.353</b>	<b>31.760</b>	<b>1.406</b>	<b>1.273</b>		

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<b>Planning, Environment &amp; Economy</b>						
Development	0.030	-0.035	-0.065	-0.061	Higher than expected levels of Planning Fee Income received in the first three quarters of the financial year. The projection is dependant on the number and value of the applications received, resulting in a changeable outturn to ensure an accurate reflection. Increased fee income in Highways Development Control also contributes to the overall favourable variance.	
Access	1.337	1.400	0.063	0.066	Historic income target not realised due to cessation of Environment Single Revenue Grant in March, 2019 £0.027m. Service Review in Rights of Way resulting in increased staffing costs £0.028m Minor Variances £0.008m	
Management & Strategy	1.467	1.396	-0.072	-0.059	Vacant posts across the service: Land Drainage and Planning Policy	
Minor Variances	3.064	3.133	0.070	0.044	Net total of service variances under £0.050m	
<b>Total Planning &amp; Environment</b>	<b>5.897</b>	<b>5.893</b>	<b>-0.004</b>	<b>-0.010</b>		
<b>People &amp; Resources</b>						
HR & OD	2.367	2.399	0.032	0.062	The launch of the salary sacrifice scheme for AVSC was undertaken earlier this year and all existing employees paying AVSC have been written to encouraging them to take up the scheme together with information for all staff via the infonet workforce news. To date only £0.009m has been achieved through this scheme and this has been estimated to a full year efficiency at £0.018m. At period 09 this has been mitigated by vacancy savings £0.030m	
Corporate Finance	2.073	2.086	0.014	0.026		
<b>Total People &amp; Resources</b>	<b>4.439</b>	<b>4.485</b>	<b>0.046</b>	<b>0.088</b>		
<b>Governance</b>						
Legal Services	0.723	0.895	0.172	0.160	Overspend as a result of employing locums to March, 2020 covering absence to ensure continuing client service delivery in the area of child protection £0.146m; together with previous years efficiency target that was dependant on demand reduction in another service that has not occurred, thereby preventing the consequent achievement of the efficiency £0.091m. Total overspend is mitigated by higher than expected fee income and commitment challenge across the service £0.065m	
Internal Audit	0.834	0.785	-0.049	-0.046	Vacancy Savings	

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Revenues	0.197	-0.120	-0.317	-0.240	An early indication of a potential surplus on the Council Tax Fund, Revenues is projecting a favourable variance as a direct result of the ongoing review of council tax single person discount entitlements and the removal of discounts where taxpayers are determined as not entitled to the 25% discount. The review is still ongoing and the efficiency savings projection is based on current information at the time of reporting. At Period 9 further efficiencies have been identified through delaying implementation of a Service Review and revised outturn projection for establishment costs of £0.077m.	
Minor Variances	7.449	7.410	-0.039	-0.061		
<b>Total Governance</b>	<b>9.203</b>	<b>8.969</b>	<b>-0.234</b>	<b>-0.186</b>		
<b>Strategic Programmes</b>						
Minor Variances	5.272	5.272	-0.000	0.000		
<b>Total Strategic Programmes</b>	<b>5.272</b>	<b>5.272</b>	<b>-0.000</b>	<b>0.000</b>		
<b>Housing &amp; Assets</b>						
Caretaking & Security	0.263	0.213	-0.050	-0.057	Savings identified arising from the review and challenge of non-essential spend, of which £0.034m relates to staff cost savings from vacancies and reduced overtime payments. A further £0.015m saving on R and M of buildings arose from the challenge of non essential spend making a total of £0.049m for this service, with the remaining £0.001m relating to other minor savings.	Continue to review and challenge all non essential spend in future months.
CPM & Design Services	0.673	0.593	-0.079	-0.077	Mainly due to a surplus of income recovered via Service Level Agreements (SLAs) and also £0.012m arising from the review and challenge of non-essential spend.	Continue to review and challenge all non essential spend in future months.
Benefits	11.566	11.238	-0.328	-0.275	Projected underspend on the Council Tax Reduction Scheme (CTRS) of -£0.480m, which is partly offset by other service pressures including Postages (+£0.050m) and Discretionary Housing Payments (+£0.058m) and other minor variances amounting to a net +£0.044m.	
Housing Solutions	1.062	0.873	-0.188	-0.105	Management savings due to ongoing vacancies and savings on Bed and Breakfast accommodation charges due to the success and effectiveness of use of temporary accommodation.	Continue to monitor and review
Minor Variances	1.608	1.638	0.030	0.050		
<b>Total Housing &amp; Assets</b>	<b>15.171</b>	<b>14.556</b>	<b>-0.615</b>	<b>-0.465</b>		
<b>Chief Executive's</b>	<b>2.760</b>	<b>2.631</b>	<b>-0.129</b>	<b>-0.144</b>	Vacant Posts across the Service	

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Central & Corporate Finance	22.802	22.154	-0.648	-0.395	Over recovery of planned pension contributions recoupment against actuarial projections due to pay award increase mitigated by the under achievement of Income efficiencies and Workforce efficiencies. Windfall income received of £0.130m for late payment of a VAT claim by HMRC which was due to the Council within an agreed timescale (5% of £2.6m).	
<b>Grand Total</b>	<b>271.350</b>	<b>273.016</b>	<b>1.666</b>	<b>1.892</b>		