

## CABINET

<b>Date of Meeting</b>	Tuesday, 19 <sup>th</sup> October 2021
<b>Report Subject</b>	Revenue Budget Monitoring 2021/22 (Month 5)
<b>Cabinet Member</b>	Cabinet Member for Finance, Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This monthly report provides the latest detailed revenue budget monitoring position in 2021/22 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 5.

This report projects how the budget would stand at the close of the financial year, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

#### **Council Fund**

- An operating surplus of (£0.182m) (excluding the impact of the pay award which will be met by reserves), which is a favourable movement of £0.921m from the deficit figure of £0.739m reported at Month 4.
- A projected contingency reserve balance as at 31<sup>st</sup> March, 2022 of £5.875m

#### **Housing Revenue Account**

- Net in-year revenue expenditure forecast to be £0.633m higher than budget
- A projected closing balance as at 31<sup>st</sup> March, 2022 of £3.839m

To assist with managing risks and mitigating the overall projected overspend, 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 2021/22 budget.
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2	To approve the change of use for a Planning Environment & Economy service balance (para 1.20 refers).
3	To recommend the release of £0.585m of unused balances and reserves back to the general reserve (para 1.21 refers)

## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2021/22</b>																																				
1.01	<p><b>Council Fund Projected Position</b></p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> <li>• An operating surplus of £0.182m (excluding the impact of the pay award which will be met by reserves)</li> <li>• A projected contingency reserve available balance as at 31 March 2022 of £5.875m.</li> </ul> <p>To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.</p> <p>Our ability to mitigate financial risks arising from the pandemic largely depends on the continuation of funds for hardship and income loss by Welsh Government which is now confirmed to March, 2022, but with some changes to eligibility criteria.</p>																																				
1.02	<p><b>Table 1. Projected Position by Portfolio</b></p> <p>The table below shows the projected position by portfolio:</p> <table border="1"> <thead> <tr> <th><b>Portfolio/Service Area</b></th> <th><b>Approved Budget</b></th> <th><b>Projected Outturn</b></th> <th><b>In-Year Over / (Under) spend</b></th> </tr> <tr> <td></td> <th><b>£m</b></th> <th><b>£m</b></th> <th><b>£m</b></th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>70.627</td> <td>70.825</td> <td>0.197</td> </tr> <tr> <td>Out of County Placements</td> <td>12.921</td> <td>13.601</td> <td>0.680</td> </tr> <tr> <td>Education &amp; Youth</td> <td>9.030</td> <td>8.701</td> <td>(0.328)</td> </tr> <tr> <td>Schools</td> <td>101.937</td> <td>101.937</td> <td>0.000</td> </tr> <tr> <td>Streetscene &amp; Transportation</td> <td>31.466</td> <td>32.105</td> <td>0.639</td> </tr> <tr> <td>Planning Env &amp; Economy</td> <td>6.160</td> <td>6.119</td> <td>(0.041)</td> </tr> <tr> <td>People &amp; Resources</td> <td>4.631</td> <td>4.415</td> <td>(0.216)</td> </tr> </tbody> </table>	<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	70.627	70.825	0.197	Out of County Placements	12.921	13.601	0.680	Education & Youth	9.030	8.701	(0.328)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.466	32.105	0.639	Planning Env & Economy	6.160	6.119	(0.041)	People & Resources	4.631	4.415	(0.216)
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	Governance	10.196	9.655	(0.541)
	Strategic Programmes	4.648	4.642	(0.006)
	Housing & Assets	17.172	16.886	(0.287)
	Chief Executive	2.377	2.290	(0.087)
	Central & Corporate Finance	26.292	26.100	(0.192)
	<b>Total</b>	<b>297.457</b>	<b>297.275</b>	<b>(0.182)</b>
1.03	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.			
	<b>Significant Movements from Month 4</b>			
1.04	<p><b>Social Services (£0.591m)</b></p> <p>The favourable movement in the projected overspend is as a result of a number of factors :</p> <ul style="list-style-type: none"> <li>• <u>Adult Social Care - Older People (£0.260m)</u> The Social Care Recovery Fund grant has been allocated to fund both the cost of commissioned Home Care and In-House provided Home Care, net of any increase in Home Care demand.</li> <li>• <u>Adult Social Care - Adults of Working Age (£0.250m)</u> The Social Care Recovery Fund grant has been allocated to support the increased staffing capacity required due to an increase in case-loads and to mitigate adoption costs placed outside of the North Wales Adoption Service due to current shortages of locally available adoptees.</li> <li>• <u>Safeguarding and Commissioning (£0.029m)</u> Additional in year Grants received.</li> <li>• Minor movements across the Portfolio account for the remainder (£0.052m)</li> </ul>			
1.05	<p><b>Out of County Placements (£0.217m)</b></p> <p><u>Children's Services (£0.225m)</u></p> <ul style="list-style-type: none"> <li>• Social Care Recovery Fund grant of £0.500m has offset the increased costs of new placements and known changes to existing ones £0.275m</li> </ul> <p><u>Education &amp; Youth £0.008m</u></p> <ul style="list-style-type: none"> <li>• Minor increase in placements costs.</li> </ul>			
1.06	<b>Streetscene &amp; Transportation £0.083m</b>			

	<p><b><u>Service Delivery £0.055m</u></b></p> <ul style="list-style-type: none"> <li>• Adverse movement resulting from Plant hire and repairs incurring an additional £0.050m due to deterioration of ageing plant and equipment. Minor movements £0.005m</li> </ul> <p>Minor favourable movements across the Portfolio account for the remaining movement of £0.028m.</p>
1.07	<p><b>Housing &amp; Assets (£0.117m)</b></p> <p><b><u>Centralised Costs (£0.125m)</u></b></p> <ul style="list-style-type: none"> <li>• Due to a continuation of reduced consumption for Gas and Electricity.</li> </ul> <p>Minor favourable variances across the Portfolio account for the remainder of £0.008m.</p>
1.08	<p><b>People &amp; Resources (£0.122m)</b></p> <p>The favourable movement is due to the agreed income recharge from the Track and Trace Project (TTP) for hosting the service on behalf of the region for the period April to September, and forecast to March, 2022 (£0.116m).</p> <p>Minor movements across the service account for the remainder (£0.006m).</p>
1.09	<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>
1.10	<p><b>Council Tax Income</b></p> <p>The projected Council Tax collection figures at quarter 2 are 57.10%. When compared to the same period last year of 56.39% this equates to an increase in collections of 0.71% or £0.710m in cash terms.</p> <p>Recovery processes continue for residents who fail to maintain their payments and do not engage with the Council.</p> <p>Whilst collection rates are steadily improving, they currently remain 0.66% lower than pre-pandemic levels. Collection levels, along with write off levels, will continue to be tracked on a monthly basis to assess the longer term financial impacts and risks.</p>
1.11	<p><b>Pay Award (Teacher and Non Teacher)</b></p> <p>Based on the UK Government position on public sector pay no general provision was included in the 2021/22 budget other than funding to reflect the intention to provide for those staff earning less than £0.024m.</p> <p>NJC (Green Book)</p>

	<p>National negotiations are ongoing and the initial offer by Employers of a 1.5% uplift would add a minimum further £0.160m to the pay bill for schools and £0.799m for non-schools. In the absence of any further funding being made available this will need to be met from the Contingency Reserve and built into the base budget from 2022/23. This offer has been increased to 1.75% which will further increase the impact on reserves.</p> <p><u>Teachers</u></p> <p>The September 2021 national pay award for Teachers has now been confirmed at 1.75% which adds a further £0.736m to the pay bill for schools in 2021/22, with the full year impact in 2022/23 being £1.282m. The Minister for Education in announcing the pay award, also confirmed additional funding of £6.4m across Wales to support the cost of the pay award in schools. The Council has not been notified of its share of the additional funding as yet. The additional funding announced will only fund the pay award in part and as in previous years the Council will share the shortfall in costs in 2021/22 equally with schools.</p> <p>.</p>
1.12	<p><b>Council Tax Reduction Scheme</b></p> <p>Based on current demand, costs are currently projected to be within budget although there is potential for a surge in demand from October when the UK Government furlough scheme ends.</p> <p>No additional funding is currently anticipated from Welsh Government in 2021/22 although this is expected to be subject to review in the event of significant pressures emerging across Wales in the second half of the year.</p>
1.13	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.14	<p><b>Medium Term Financial Strategy (MTFS) Impact</b></p> <p>Stage 1 of the Budget Process 2022/23 was concluded in July and an additional budget requirement of £16.750m was reported to Cabinet and Corporate Resources Overview and Scrutiny Committee. This is expected to rise significantly due to the recent announcement of increases to National Insurance employer contributions.</p> <p>Stage 2 of the budget process was undertaken through September and October and feedback from all Overview and Scrutiny Committees is also included on this agenda.</p> <p>All Portfolios will continue to consider their financial position, the risks within their service and the impacts over the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.15	<p><b>Out of County Placements</b></p>

	<p>There continues to be significant pressure on this volatile budget arising from the full year impacts of new placements made during 2020/21, including several new high cost placements which were agreed in March after the budget for 2021/22 had been set.</p> <p>A contribution of £0.500m has been made from the Social Care Recovery Fund which leaves a projected overspend of £0.680m for the remainder of the year. However, this is likely to increase with another 7 months of the year remaining.</p>
1.16	<p><b>Homelessness</b></p> <p>There is a risk that demands on the service will continue to increase with the impacts of removal of restrictions on landlords to seek repossessions.</p> <p>In addition, the economic impacts on residents in the rented sector and owner occupiers following the end of the furlough scheme at the end of September continue to cause concern.</p> <p>There is additional support in place with strategic use of the increased Housing Support Grant funding, but this may still not be sufficient.</p>
1.17	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2021/22 budget contains £2.363m of specific efficiencies which are tracked and monitored throughout the year. In 2020/21 the level of efficiency achievement was 100% which was an improvement on the 90% achieved during the previous year. The Council aims to achieve a 95% rate in 2021/22 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2021/22 shows that 100% of the efficiencies will be achieved. The risk remains that any under-achievement of efficiencies will have a negative impact on the 2021/22 budget. Further details on the current status on efficiencies can be seen in Appendix 2.</p>
1.18	<p><b>Emergency Funding</b></p> <p>The Local Government Hardship fund was initially allocated £206.6m to support local government for the first six months of 2021-22 in the Welsh Government Final Budget 2021-22. In addition £23.3m was allocated to support free school meals during the school holidays.</p> <p>A further £97.5m has subsequently been allocated until the end of the financial year based on spend patterns to date, any changes to policy approaches (for example tapering of social care uplifts and void payments) and the current alert level.</p> <p>The Principles and Guidance for the Hardship Fund have just been revised by WG from 1<sup>st</sup> October with changes impacting on eligibility for various service areas including schools costs, additional waste tonnages (reduced to 50%) and vehicle costs due to social distancing being removed from eligibility altogether. Costs for additional cover where staff are off sick due to COVID or self-isolating are eligible until October, pending further review.</p>

The potential significant impacts of this will be reflected in future reports although where able mitigating actions will be put in place.

During 2021/22 to date, additional cost claims for April to August have totalled £4.220m and Quarter 1 Income Loss claims were £0.465m.

**1.19 Unearmarked Reserves**

The final level of Council Fund Contingency Reserve brought forward into 2021/22 was £5.973m as detailed in the 2020/21 outturn report. However, this increased to £6.444m when taking account of the budgeted contribution to Reserves in the 2021/22 budget. This is the amount available for general purposes following the set-aside of £3.0m for a COVID-19 Emergency Funding.

However, there will be a requirement to meet the unfunded impacts of the pay awards from the Contingency Reserve as detailed in para 1.12 following the outcome of the national pay award negotiations.

Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £5.875m (prior to the impact of pay awards) (Appendix 4).

The £3m emergency ring-fenced fund would have an amount of £2.143m remaining after allowing for currently known ineligible items. However, there are still a number of holding items and income loss claims still being considered by the Grants Panel. In addition, the impacts of the grant eligibility criteria changing from the 1<sup>st</sup> October will need to be factored in.

**1.20 Earmarked Reserves**

The table below gives a summary of earmarked reserves as at 1 April 2021 and an estimate of projected balances as at the end of the current financial year.

**Council Fund Earmarked Reserves 2021/22**

**Monitoring Summary Month 5**

Reserve Type	Balance as at 01/04/21	Balance as at Month 5	Estimated Balance as at 31/03/22
Service Balances	3,698,164	2,618,926	826,882
Specific Service Balances	442,004	15,032	5,032
Single Status/Equal Pay	1,042,570	1,042,570	989,350
Investment in Organisational Change	1,464,329	1,411,654	673,910
County Elections	235,913	235,913	235,913
Local Development Plan (LDP)	242,360	242,360	242,360
Warm Homes Admin Fee	322,068	322,068	242,068
Waste Disposal	23,360	23,360	0
Design Fees	170,000	170,000	0
Winter Maintenance	250,000	250,000	250,000

Car Parking	45,403	45,403	0
Insurance Reserves	2,224,462	2,224,462	2,354,231
Cash Receipting Review	3,595	3,595	0
Flintshire Trainees	612,843	612,843	612,843
Rent Income Shortfall	30,979	30,979	0
Customer Service Strategy	22,468	22,468	0
Capita One	18,827	18,827	0
Supervision Fees	48,798	48,798	48,798
LMS Curriculum	427,268	418,518	300,000
Organisational Change/ADM	33,500	33,500	0
NWEAB	92,319	92,319	0
Employment Claims	124,846	124,846	0
Community Benefit Fund NWRWTP	229,792	229,792	229,792
<b>Total B823 Balances</b>	<b>8,107,703</b>	<b>7,619,306</b>	<b>6,184,296</b>
Schools Balances	6,902,451	6,902,451	3,000,000
Grants & Contributions	5,730,074	3,787,631	1,861,013
<b>TOTAL</b>	<b>24,438,392</b>	<b>20,928,314</b>	<b>11,872,191</b>

It is recommended that the previously held balance of £0.037m to support Trading Standards and Community Safety Teams with potential Legal fees, is now utilised to procure additional fixed term temporary capacity due to the unforeseen long term absence of a team member. This will enable the Team to continue supporting the Council's Covid response work as and when required until the end of March 2022.

#### 1.21 **Review of Reserves and Balances**

An update on the budget for 2022/23 was considered by Cabinet and Corporate Resources Overview and Scrutiny Committee (CROSC) in July where a request was made by CROSC for all service reserves and balances be reviewed to ensure that they were still required for their original purpose, and to see if any pressures could be met or eased from the release of any to the general reserve.

Throughout the summer further challenge has been made to reserves and service balances as well as a detailed review of historic grant balances and in total £0.585m has been identified as recommended to be moved from the earmarked reserves into the general (contingency) reserve (See Appendix 6)

There are still some areas under review which are more complex due to the conditions and timeframes (e.g. Section 106 balances) and work will continue on these with any further release reported in future updates.

It should be noted that as reserves are one off in nature, any use of them to assist the budget position should only be used for one-off and time limited cost pressures.

The overall position on reserves and the 2022/23 budget will be considered as part of stage 3 of the budget process.

1.22	<p><b>Housing Revenue Account</b></p> <p>The 2020/21 Outturn Report to Cabinet on 13 July 2021 showed an un-earmarked closing balance at the end of 2020/21 of £5.039m and a closing balance of earmarked reserves of £1.869m.</p>
1.23	The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.
1.24	The adverse movement this month of £0.139m is as a result of increased insurance premium costs £0.144m, mitigated by other minor variances (£0.005m).
1.25	The monitoring for the HRA is projecting in year expenditure to be £0.633m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £3.839m, which at 10.7% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 provides further detail.
1.26	The budget contribution towards capital expenditure (CERA) is £13.442m.

<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 Revenue Budget Monitoring Report reflects the three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.04 to 1.17.

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

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix 1: Council Fund – Movement in Variances from Month 4</p> <p>Appendix 2: Council Fund – Budget Variances</p> <p>Appendix 3: Council Fund – Programme of Efficiencies</p> <p>Appendix 4: Council Fund – Movement on Un-earmarked Reserves</p> <p>Appendix 5: Housing Revenue Account Variances</p> <p>Appendix 6: Challenge on Reserves and Service Balances</p>

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

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Dave Ledsham Strategic Finance Manager  <b>Telephone:</b> 01352 704503  <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>
	<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>Intermediate Care Fund:</b> Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</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>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**  
**Council Fund Variances**

**MONTH 5 - SUMMARY**

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
<b>Social Services</b>		
<b>Older People</b>		
Localities	-0.106	Contribution towards commissioned homecare costs from the Covid recovery fund
Resources & Regulated Services	-0.154	Contribution from Covid recovery fund to in-house provided homecare net of increased homecare demand
<b>Adults of Working Age</b>		
Resources & Regulated Services	0.084	Net increased changes to service user care packages.
Residential Placements	-0.051	Net decrease in costs resulting from changes to service user care packages.
Family Support	-0.079	£0.050m new grant funding. £0.050m temporary in-year virement from Childrens Residential Service to mitigate in-year increased demand
Residential Placements	0.046	£0,050 temporary virement to Family Support
Professional Support	-0.250	Contribution from Covid recovery fund to support increased staffing capacity required due to increased case loads, and to mitigate adoption costs placed outside of the North Wales Adoption Service due to current shortages of locally available adoptees.
<b>Safeguarding &amp; Commissioning</b>		
Good Health	-0.029	Additional small amounts from in-year grants
<b>Total Social Services (excl Out of County)</b>	<b>-0.591</b>	
<b>Out of County</b>		
Children's Services	-0.225	Increased costs of new placements and other changes (+£0.275m), offset by allocation of -0.500m from the Welsh Government one-off funding by way of the Social Care Recovery Fund grant.
<b>Total Out of County</b>	<b>-0.217</b>	
<b>Education &amp; Youth</b>		
<b>Total Education &amp; Youth</b>	<b>0.009</b>	
<b>Schools</b>	<b>0.000</b>	
<b>Streetscene &amp; Transportation</b>		
Service Delivery	0.055	Plant hire and repairs incurring additional costs of £0.050m, which is attributable to ageing plant and equipment
Highways Network	0.037	Cumulative minor variances across the service, including some staff recharges.
<b>Total Streetscene &amp; Transportation</b>	<b>0.083</b>	
<b>Planning, Environment &amp; Economy</b>		
<b>Total Planning &amp; Environment</b>	<b>0.013</b>	
<b>People &amp; Resources</b>		

HR & OD	-0.116	The favourable movement is due to the income from the agreed recharge for overheads claimed for the TTP project for hosting the service on behalf of the region for the period April to September, and forecast to March, 2022
<b>Total People &amp; Resources</b>	<b>-0.122</b>	
<b>Governance</b>		
<b>Total Governance</b>	<b>-0.003</b>	
<b>Strategic Programmes</b>		
<b>Total Strategic Programmes</b>	<b>-0.016</b>	
<b>Housing &amp; Assets</b>		
Centralised Costs	-0.125	£(0.125)m underspend on Gas and Electric due to continued reduced consumption.
Housing Programmes	0.044	Provision for site development costs at Queensferry Traveller site to enable possible future grant funded site development
<b>Total Housing &amp; Assets</b>	<b>-0.117</b>	
<b>Chief Executive's</b>	<b>0.043</b>	The adverse movement this month follows the backdated transfer of staffing costs from Strategic Programmes for the new Strategic Executive Officer post based within the service, and projected forward to March, 2022.
<b>Central &amp; Corporate Finance</b>	<b>-0.004</b>	
<b>Grand Total</b>	<b>-0.921</b>	

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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Social Services</b>							
<b>Older People</b>							
Localities	19.316	19.178	-0.138		-0.032	The net cost of residential care is reporting an overspend of £0.032m. This includes the cost of residential care placements net of the incomerecieved for this service, such as property charges and contributions from health. Day care is £0.023m under budget and will not resume until safe to do so, this is currentlyassumed to beat the beggining of January 2022. Domiciliary and Direct Payments are reporting a combined underspend of £0.032m, demand is increasing and current costs are being supported using the Covid recovery fund. The locality staff budget is underspent by £0.071m due to temporary vacancies and not all staff are currently paid to of grade. The Minor Adaptations budget is £0.041m underspent due to curent demand.	
Resources & Regulated Services	8.627	8.296	-0.330		-0.177	The Councils in-house care provision is projected to underspend by £0.330m. Day care is underspent by £0.015m, day centres are closed and will only reopen once it is safe to do so. The day centre staff are being deployed to residential care to asssist in delivering the service, however the staff costs are still recorded against the day care budget. Homecare is £0.016m underspent, demand is increasing and this increase in demand is being financialy supported from the Covid Social Care Recovery Fund. Residential care is expected to underspend by £0.237m although there is an assumption that ICF slippage and Winter Pressure funding will occur this year and contributions from these are included within the financial projections. Extra care is underspent by £0.062m due to the level of demand.	

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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Minor Variances	1.235	1.223	-0.011		-0.022		
<b>Adults of Working Age</b>							
Resources & Regulated Services	26.875	26.979	0.104		0.020	The overspend is the cost of social care for people with learning disabilities or physical disabilities. These costs include nursing and residential care, domiciliary care and Direct payments which are required to meet their care needs.	
Professional and Administrative Support	0.339	0.277	-0.062		-0.060	Not all staff are currently paid at top of grade and there are also some staff who have been seconded from this service.	
Residential Placements	1.791	2.143	0.353		0.404	The overspend is the cost of social care for people within the Mental Health service. These costs include Direct Payments, supported living and domiciliary care as well as residential and nursing placements.	
Minor Variances	4.038	3.961	-0.077		-0.073		
<b>Children's Services</b>							
Family Placement	2.700	2.829	0.129		0.153	The overspend is due to service demand from the number of foster placements. In some instances these avoid having to make expensive Out of County placements. The main pressures are payments to foster carers and special guardianship payments.	
Grants	0.268	0.209	-0.059		-0.055	There is an assumption that the Welsh Government will allow for a flexible approach in the use of grants as occurred in 2020/21 which would result in some costs within this service to be grant funded.	
Legal & Third Party	0.210	0.559	0.349		0.371	Legal costs are overspent due to the number of cases going through the courts and use of some external legal professionals. Direct Payments have also increased in demand.	

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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Residential Placements	0.599	0.495	-0.104		-0.150	This is an in-year overspend associated with the opening of a registered Childrens Home within Flintshire, in-year grant funding from the Young People and Childrens Services Transformation Fund is being used to offset start up costs.	
Professional Support	5.387	5.713	0.325		0.576	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 therefore minimised and additional temporary posts are sometimes necessary.	
Minor Variances	0.793	0.806	0.013		0.113		
<b>Safeguarding &amp; Commissioning</b>							
Impact of Covid-19	0.000	-0.300	-0.300	-0.300	-0.300	Welsh Government is providing financial assistance through the hardship funding for the Councils in-house residential, supported living, homecare and extra care services. Most additional costs incurred due to Covid are staff costs which are reported within their respective service areas.	
Minor Variances	-1.552	-1.543	0.009		0.023		
<b>Total Social Services (excl Out of County)</b>	<b>70.627</b>	<b>70.825</b>	<b>0.197</b>	<b>-0.300</b>	<b>0.788</b>		
<b>Out of County</b>							

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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Children's Services	8.417	9.112	0.695		0.921	The pressure reflects the current cohort of placements which includes 18 new placements made in the year to date. The pressure is also still influenced by full year impacts in 2021/22 of significant numbers of new placements made in the second half of 2020/21. The total pressure has been partly mitigated by an allocation of £0.500m has been made from the Councils total allocation of one-off support funding provided by Welsh Government through the Social Care Recovery Fund.	
Education & Youth	4.504	4.488	-0.015		-0.024		
<b>Total Out of County</b>	<b>12.921</b>	<b>13.601</b>	<b>0.680</b>	<b>0.000</b>	<b>0.897</b>		
<b>Education &amp; Youth</b>							
Inclusion & Progression	4.462	4.391	-0.071		-0.072	In year efficiencies have been identified in the MEAG service of £40k and the Ed Psychs service £20k. The MEAG service received more in grant funding for 21-22 which has been used to recruit temporary posts, resulting in core budget being underspent. The Education Psychologist service have recruited 3 Asst EPs. The in year saving has arisen due to posts not being a full year cost. In addition, there are minor variances across all of the Inclusion service.	
Integrated Youth Provision	1.018	0.960	-0.059		-0.058	Savings on Building Cleaning costs in Youth Centres due to the ongoing closures during the COVID-19 pandemic,	

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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.823	1.669	-0.155		-0.155	The underspend in Early Entitlement includes the maximisation of the EYPDG by badging already existing staff against the grant - £18,500. An efficiency of £100k has been identified in relation to WG top-up funding for non-maintained settings, releasing core budget of £95k and setting resources mitigated by using EYPDG/RRRS £5k. A £50k contingency has been left within the budget to cover any increased Spring Term 22 costs.	
Minor Variances	1.726	1.682	-0.044		-0.053		
<b>Total Education &amp; Youth</b>	<b>9.030</b>	<b>8.701</b>	<b>-0.328</b>	<b>0.000</b>	<b>-0.337</b>		
<b>Schools</b>	<b>101.937</b>	<b>101.937</b>	<b>0.000</b>		<b>-0.000</b>		
<b>Streetscene &amp; Transportation</b>							
Service Delivery	8.696	8.709	0.013		-0.042	The service has a recurring revenue pressure of £0.050m for security costs following vandalism at the Household Recycling Centres. Plant hire and repairs incurring additional costs of £0.050m, which is attributable to aging plant and equipment. Street lighting is also incurring a £0.120m revenue pressure on the Community Council Income Budget. However, this has largely been offset by workforce agency costs, which have been recovered through Covid hardship funding claims.	
Highways Network	7.847	7.949	0.101		0.064	Highways service area incurred overspend in excess of £0.050m in staff costs relating to flooding and drainage costs. There are also cumulative minor variances totalling £0.037m across the service, including some additional staff recharges.	



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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Planning, Environment &amp; Economy</b>							
Community	0.883	0.977	0.093		0.095	Overspend is as a result of fee income shortfalls in both Licensing and Pest Control.	
Management & Strategy	1.311	1.200	-0.111		-0.123	Vacant posts across the Service	
Minor Variances	3.966	3.942	-0.024		-0.027		
<b>Total Planning &amp; Environment</b>	<b>6.160</b>	<b>6.119</b>	<b>-0.041</b>	<b>0.000</b>	<b>-0.055</b>		
<b>People &amp; Resources</b>							
HR & OD	2.465	2.339	-0.126		-0.009	Favourable variance is due to the projected income from the agreed recharge for overheads claimed for the Track and Trace Project for hosting the service on behalf of the region to March, 2022.	
Corporate Finance	2.166	2.076	-0.090		-0.084	Staff Savings due to vacant posts	
<b>Total People &amp; Resources</b>	<b>4.631</b>	<b>4.415</b>	<b>-0.216</b>	<b>0.000</b>	<b>-0.093</b>		
<b>Governance</b>							
Democratic Services	2.125	2.027	-0.098	0.002	-0.092	The underspend in the main follows the reduced take up of Members Allowances and savings from travelling expenses due to remote meetings, together with commitment challenge across the service	
Customer Services	0.998	0.934	-0.063		-0.063	Favourable variance is due to higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of the majority of COVID restrictions.	
Revenues	0.475	0.198	-0.277		-0.275	Favourable variance as a result of the potential projected surplus on the Council Tax Collection Fund £(0.193m), Welsh Government Lockdown Grant Admin grant and minor variances across the service	
Minor Variances	6.599	6.496	-0.103	0.020	-0.107		
<b>Total Governance</b>	<b>10.196</b>	<b>9.655</b>	<b>-0.541</b>	<b>0.022</b>	<b>-0.538</b>		

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

**MONTH 5 - SUMMARY**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Strategic Programmes</b>							
Minor Variances	4.648	4.642	-0.006		0.010		
<b>Total Strategic Programmes</b>	<b>4.648</b>	<b>4.642</b>	<b>-0.006</b>	<b>0.000</b>	<b>0.010</b>		
<b>Housing &amp; Assets</b>							
Property Asset And Development	0.435	0.380	-0.055		-0.041	Staffing savings due to vacant posts	
Caretaking & Security	0.262	0.205	-0.057		-0.063	Staffing savings due to vacant posts	
Industrial Units	-1.237	-1.467	-0.230		-0.230	Income from new lease at powwer generation site	
Centralised Costs	2.783	2.657	-0.125		0.000	£(0.125)m underspend on Gas and Electric due to continued reduced consumption.	
Benefits	12.850	12.932	0.082		0.099	Pressures due to provision for bad debts on recovery of overpayments partly offset by income from WG Hardship Fund in respect of additional staffing costs	
Minor Variances	2.079	2.177	0.098		0.065		
<b>Total Housing &amp; Assets</b>	<b>17.172</b>	<b>16.886</b>	<b>-0.287</b>	<b>0.000</b>	<b>-0.170</b>		
<b>Chief Executive's</b>	<b>2.377</b>	<b>2.290</b>	<b>-0.087</b>		<b>-0.130</b>	Vacant Posts	
<b>Central &amp; Corporate Finance</b>	<b>26.292</b>	<b>26.100</b>	<b>-0.192</b>		<b>-0.188</b>	Over recovery of planned pension contributions recoupment against actuarial projections based on the level of contributions received during the year. Projected outturn on Matrix rebates, and inflation pressures anticipated but not required to date.	
<b>Grand Total</b>	<b>297.457</b>	<b>297.275</b>	<b>-0.182</b>	<b>0.042</b>	<b>0.739</b>		

**2021/22 Efficiencies Outturn Tracker - M5**

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Confidence in Achievement of Efficiency Based on (see below) R = High Assumption A = Medium Assumption G = Figures Confirmed
<b>Portfolio</b>		<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>		
		<b>£m</b>	<b>£m</b>	<b>£m</b>		
<b>Corporate</b>						
Employer Pension Contributions	Rachel Parry Jones	0.300	0.300	0.000	C	G
Workforce - Vacant Post	Rachel Parry Jones	0.030	0.030	0.000	C	G
Remote Working Impacts	Rachel Parry Jones	0.070	0.070	0.000	C	G
Remote Working Impacts	All	0.200	0.200	0.000	C	G
Price Inflation	Rachel Parry Jones	0.113	0.113	0.000	C	G
<b>Total Corporate Services</b>		<b>0.713</b>	<b>0.713</b>	<b>0.000</b>		
<b>Housing &amp; Assets</b>						
Property Savings (inc Demolition of Phases 3&4; utility savings)	Neal Cockerton	0.450	0.450	0.000	C	G
NDR Inflationary Savings	Neal Cockerton	0.120	0.120	0.000	C	G
Climate Change Levy	Neal Cockerton	0.295	0.295	0.000	C	G
<b>Total Housing &amp; Assets</b>		<b>0.865</b>	<b>0.865</b>	<b>0.000</b>		
<b>Social Services</b>						
Vacancy Management Saving	Appropriate Vacancy Management	0.030	0.030	0.000	O	G
Strategic Use of Grant Funding	Core Funding Replacement Solution	0.060	0.060	0.000	O	G
Social Care Workforce Grant	Neil Ayling	0.430	0.430	0.000	O	G
<b>Total Social Services</b>		<b>0.520</b>	<b>0.520</b>	<b>0.000</b>		
<b>Education &amp; Youth</b>						
Integrated Youth Provision	Youth Centres - Premises	0.020	0.020	0.000	O	G
<b>Total Education &amp; Youth</b>		<b>0.020</b>	<b>0.020</b>	<b>0.000</b>		
<b>Streetscene &amp; Transportation</b>						
Discretionary Transport Review - Post 16 Transport	Joint with Education	0.200	0.200	0.000	O	R
<b>Total Streetscene &amp; Transportation</b>		<b>0.200</b>	<b>0.200</b>	<b>0.000</b>		
<b>Planning, Environment &amp; Economy</b>						
Planning Policy	Reduction of Post	0.045	0.045	0.000	C	G
<b>Total Planning, Environment &amp; Economy</b>		<b>0.045</b>	<b>0.045</b>	<b>0.000</b>		
<b>Total 2021/22 Budget Efficiencies</b>		<b>2.363</b>	<b>2.363</b>	<b>0.000</b>		

	%	£
<b>Total 2021/22 Budget Efficiencies</b>	<b>100</b>	<b>2.363</b>
<b>Total Projected 2021/22 Budget Efficiencies Underachieved</b>	<b>0</b>	<b>0.000</b>
<b>Total Projected 2021/22 Budget Efficiencies Achieved</b>	<b>100</b>	<b>2.363</b>
<b>Total 2021/22 Budget Efficiencies (Less Previously agreed Decisions)</b>		
<b>Total Projected 2021/22 Budget Efficiencies Underachieved</b>	<b>100</b>	<b>0.000</b>
<b>Total Projected 2021/22 Budget Efficiencies Achieved</b>	<b>0</b>	<b>0.000</b>

**Corporate Efficiencies Remaining from Previous Years**

Income Target Remaining		£m
Income Target Efficiency remaining from Previous Years	All Portfolios	0.051
<b>Total Income Efficiency Remaining</b>		<b>0.051</b>

(0.051)

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2021	14.061	
Less - Base Level	(5.769)	
<b>Total Reserves above base level available for delegation to Cabinet</b>		8.292
Add - Transfer to Reserve Budget 2021/22		0.471
Less - COVID-19 Emergency Funding Allocation*		(2.317)
Less - Investment in Change (approved Month 2)		0.400
Less - Severe Weather (approved Month 2)		0.250
Less - Organisational Capacity Estimate (Sep Report)		0.103
Add - Month 5 projected outturn		(0.182)
Less - projected national pay award increase		
<b>Total Contingency Reserve available for use</b>		<b>5.875</b>

**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
<b>Housing Revenue Account</b>						
Income	(37.259)	(36.759)	0.500	0.489	We are currently projecting a pressure of £0.410m due to loss of income in relation to vacant properties. Of this, £0.292m relates to void properties, £0.046m relates to the utilities charges on void properties and £0.072m relates to void garages. There is also a pressure of £0.105m relating to an assumed reduction in rental income on new build properties which were included in the Business Plan. There are other minor variances of £0.015m.	
Capital Financing - Loan Charges	8.047	8.047				
Estate Management	1.931	1.903	(0.028)	(0.004)	Minor variances	
Landlord Service Costs	1.469	1.505	0.036	0.032	Minor variances	
Repairs & Maintenance	10.431	10.411	(0.020)	(0.017)	Minor variances	Early indications from our supplier suggest an increase in the costs of some sourced Materials, this will be monitored closely over the next couple of months.
Management & Support Services	2.658	2.802	0.145	(0.005)	Efficiency in respect of salary costs of (£0.058m). Additional cost of the IT project work £0.050m. Pressure in relation to insurance costs of £0.144m. Other minor variances of £0.009m.	
Capital Expenditure From Revenue (CERA)	13.442	13.442				
HRA Projects	(0.153)	(0.152)	0.001	(0.001)	Minor variances	
Contribution To / (From) Reserves	(0.566)	(0.566)				
<b>Total Housing Revenue Account</b>	<b>(0.000)</b>	<b>0.633</b>	<b>0.633</b>	<b>0.495</b>		

**Challenge on Reserves and Service Balances – Amounts identified for Release**

<b>Reserve/Grant Details</b>	<b>Justification of Release</b>	<b>Amount to be Released £</b>
Event & Log Management	Confirmed by Service Manager no longer required	22,044.00
Telephone & System Upgrade	Confirmed by Service Manager no longer required	8,526.00
Internal Audit	Confirmed by Service Manager no longer required	31,000.00
PEE - Directorate supporting Training	Confirmed by Service Manager no longer required	5,550.00
Reserve - Milk Quotas	No movement on Balance Sheet since 2015 - no planned use of this reserve	2,000.00
Purple Party Room	Confirmed by accountant and service balance no longer required - this was for renovation work for Newydd and work has now finished	2,957.99
Capita One	Confirmed by Service Manager that the balance can be released - ICT Regional Service delivery - no movement since 2017	18,827.03
Civil Contingencies	Unused grant from Emergency Planning windfall in 2005/06 - Grant no longer in existence	14,285.00
Tidy Towns (Gregory Bros)	Confirmed for release by Service Manager - no longer required	12,000.00
Tidy Towns (Essential Funding)	Confirmed for release by Service Manager - no longer required	2,115.21
Tidy Towns	Confirmed for release by Service Manager - no longer required	1,000.00
Tidy Towns	Confirmed for release by Service Manager - no longer required	2,785.00
Tidy Towns	Confirmed for release by Service Manager - no longer required	33,780.70
Cheque Book Schools	Confirmed for release by Finance Manager - no longer required	3,594.50
WG Supporting People	Service has confirmed WG will not be clawing back any surplus amounts this far back - confirmed by Chief Officer for release - no movement since 2015	250,519.13
WG Supporting People	Service has confirmed WG will not be clawing back any surplus amounts this far back - confirmed by Chief Officer for release - no movement since 2013	130,863.76
Ewloe Offices Upgrade	No longer required as confirmed by Service Manager	43,545.34

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Appendix 6

	<b>TOTAL TO BE RELEASED</b>	<b>585,393.66</b>
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