

CABINET

Date of Meeting	Tuesday, 14 th December 2021
Report Subject	Revenue Budget Monitoring 2021/22 (Month 7)
Cabinet Member	Cabinet Member for Finance, Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	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 7.

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 is as follows:

Council Fund

- An operating surplus of (£0.655m) (excluding the impact of the NJC pay award which will be met by reserves), which is a favourable movement of (£0.428m) from the surplus figure of (£0.227m) reported at Month 6.
- A projected contingency reserve balance as at 31st March, 2022 of £6.543m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.539m higher than budget
- A projected closing balance as at 31st March, 2022 of £3.933m

To assist with managing risks and maximising available resources, the review of non-essential spend and a vacancy management process continues.

RECOMMENDATIONS

1	To consider the report and the estimated financial impact on the 2021/22 budget.
2	To approve a budget virement of £2.731m for Centralised Utility Costs from the Housing & Assets Portfolio to Central and Corporate Finance (paragraph 1.06 refers).

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2021/22																										
1.01	<p>Council Fund Projected Position</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"> An operating surplus of (£0.655m) (excluding the impact of the NJC pay award which will be met by reserves) A projected contingency reserve available balance as at 31 March 2022 of £6.543m. <p>To assist with managing risks and maximising available resources, 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 has previously been confirmed to March 2022, although does include some changes to eligibility criteria.</p>																										
1.02	<p>Table 1. Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1"> <thead> <tr> <th>Portfolio/Service Area</th> <th>Approved Budget £m</th> <th>Projected Outturn £m</th> <th>In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>70.627</td> <td>70.816</td> <td>0.189</td> </tr> <tr> <td>Out of County Placements</td> <td>12.921</td> <td>13.708</td> <td>0.787</td> </tr> <tr> <td>Education & Youth</td> <td>9.030</td> <td>8.610</td> <td>(0.420)</td> </tr> <tr> <td>Schools</td> <td>101.937</td> <td>101.937</td> <td>0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>31.517</td> <td>32.137</td> <td>0.620</td> </tr> </tbody> </table>			Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	70.627	70.816	0.189	Out of County Placements	12.921	13.708	0.787	Education & Youth	9.030	8.610	(0.420)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.517	32.137	0.620
Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m																								
Social Services	70.627	70.816	0.189																								
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Schools	101.937	101.937	0.000																								
Streetscene & Transportation	31.517	32.137	0.620																								

Planning Env & Economy	6.160	6.068	(0.092)
People & Resources	4.631	4.397	(0.234)
Governance	10.233	9.594	(0.639)
Strategic Programmes	4.648	4.617	(0.031)
Housing & Assets	17.162	16.688	(0.475)
Chief Executive	2.350	2.193	(0.157)
Central & Corporate Finance	26.241	26.038	(0.203)
Total	297.457	296.802	(0.655)

1.03	The reasons for the favourable net movement of (£0.428m) from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio.
	Significant Movements from Month 6
1.04	<p>Social Services (£0.106m)</p> <p>The net favourable movement in the projected overspend is as a result of :</p> <p>Adults of Working Age</p> <ul style="list-style-type: none"> Increased care package costs £0.068m <p><u>Children's Services</u></p> <ul style="list-style-type: none"> Increased funding through the Children's Community Grant (CCG) has enabled a Team Manager post previously funded from base budget allocation, to be grant funded (£0.053m) The Safe Accommodation Grant £0.065m has been reallocated from Family Support to the Leaving Care Budget Welsh Government Family Intervention Grant is included within the projected outturn (£0.056m) Increased CCG funding has been included for the Flintshire Family Project (£0.067m) <p>Minor movements across the Portfolio account for the remainder (£0.063m).</p>
1.05	<p>Out of County Placements (£0.064m)</p> <p>The favourable movement in the projected overspend relates to:</p> <p>Children's Services (£0.030m) – net impact of recent placement changes</p> <p>Education & Youth (£0.034m) – impact of placement ending</p>

1.06	<p>Housing & Assets (£0.093m)</p> <p>The net favourable movement relates to centralised costs (£0.089m) following further reduced consumption in gas, water and electricity. This will be closely monitored over the winter period.</p> <p>Minor movements across the Portfolio account for the remainder (£0.004m)</p> <p><u>Budget Virement</u> In 2018/19, a number of property related budgets for energy costs, NDR, and water charges were centralised and transferred to the Housing & Assets portfolio. As the portfolio has no direct control on this expenditure it is recommended that these budgets are more appropriately reported within the Central and Corporate Finance budget.</p>
1.07	<p>Chief Executives (£0.064m)</p> <p>The favourable movement is a result of an adjustment to staff recharges to Housing Revenue Account (£0.064m)</p>
1.08	<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>
1.09	<p>Council Tax Income</p> <p>66.46% of Council Tax has been collected up to month 7 and the outturn 'in-year' collection rate is anticipated to be 97.6% by 31st March 2022.</p> <p>Collection levels, along with write off levels, continue to be tracked on a monthly basis.</p>
1.10	<p>Pay Award (Teacher and Non Teacher)</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><u>NJC (Green Book)</u> 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> The September 2021 national pay award for Teachers has now been confirmed at 1.75% which adds a further £0.737m to the pay bill for schools in 2021/22, with the full year impact in 2022/23 being</p>

	<p>£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's share of the allocation is £0.304m for schools and £0.019m for Post 16. This additional funding will fund the pay award in part and as in previous years the Council will share the shortfall in costs in 2021/22 of £0.414m equally with schools and this is now reflected in Appendix 4.</p>
1.11	<p>Council Tax Reduction Scheme</p> <p>Based on current demand, costs are currently projected to be within budget although the position continues to be monitored closely following recent changes to Universal Credit and the UK Government furlough scheme ending.</p>
1.12	<p>Social Care Grant Funding</p> <p>Welsh Government have made an additional funding announcement for Social Care and Health totalling £42.72m across Wales. The grant will support Children's Services, Integrated Health and Social Care, unpaid carer direct payments, early intervention and prevention, along with improved advertising and recruitment for social care. This has increased the Social Care Recovery Fund 2021-22 allocation for the Council from £1.733m to £2.772m.</p>
1.13	<p>Other Tracked Risks</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>Medium Term Financial Strategy (MTFS) Impact</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.</p> <p>Stage 2 of the budget process was undertaken through September and October with feedback from all Overview and Scrutiny Committees reported to Cabinet and this Committee in October. The additional budget requirement had risen to £18m at this time partly due to the recent announcement of increases to National Insurance employer contributions.</p> <p>Stage 3 will be undertaken following receipt of the Welsh Government Provisional Settlement which is due to be received on 21st December.</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>Out of County Placements</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 £0.787m for the remainder of the year. However, this is likely to increase with another 5 months of the year remaining.</p> <p>In addition, there is a further £0.150m from the Social Care Recovery Fund which has been earmarked for Out of County Placements as a contingency amount which can be allocated later in the financial year.</p>
1.16	<p>Homelessness</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 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>Achievement of Planned In-Year Efficiencies</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 3.</p>
1.18	<p>Emergency Funding</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 been revised by WG from 1st 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 December, pending further review. The potential significant impacts of this will be reflected in future reports, although where able mitigating actions will be put in place.</p> <p>During 2021/22 to date, additional cost claims for April to October have totalled £6.192m and Quarter 1 and 2 Income Loss claims were £1.096m (which include claims for Aura, Newydd and Cambrian Aquatics).</p>
1.19	<p>Unearmarked Reserves</p> <p>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.</p> <p>However, there will be a requirement to meet the unfunded impacts of the pay awards from the Contingency Reserve as detailed in para 1.10 following the outcome of the national pay award negotiations.</p> <p>Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £6.543m (prior to the impact of NJC pay award) (Appendix 4).</p> <p>The £3m emergency ring-fenced fund would have an amount of £2.009m 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 1st October will also need to be factored in.</p>
1.20	<p>Housing Revenue Account</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>
1.21	<p>The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.</p>
1.22	<p>The favourable movement this month of (£0.216m) is as a result of :</p> <ul style="list-style-type: none"> • Reduction in the top up of Bad Debt Provision (£0.153m) • Additional Affordable Housing Grant (AHG) Allocation (£0.053m) <p>Minor movements account for the remainder (£0.010m)</p>

1.23	The monitoring for the HRA is projecting in year expenditure to be £0.539m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £3.933m, which at 10.31% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 provides further detail.
1.24	The budget contribution towards capital expenditure (CERA) is £13.442m.

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
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.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 6 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
	<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>Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</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>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>

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Minor Variances	0.003	
Adults of Working Age		
Resources & Regulated Services	0.036	Increased care package costs
Residential Placements	0.032	Increased care package costs
Minor Variances	-0.042	
Children's Services		
Children's Development	-0.001	
Family Group Meetings	-0.053	Increased funding through the Childrens Community Grant (CCG) has enabled a team manager post, which had previously been paid from base budget, to be grant funded instead.
Family Support	0.065	The Safe Accommodation grant (£0.050m) was reallocated from this service area to the leaving care budget.
Legal & Third Party	-0.056	£0.050m Welsh Government Family Intervention grant is included within the projected outturn.
Residential Placements	-0.067	Increased CCG grant has been included for the Flintshire Family Project.
Minor Variances	-0.016	
Safeguarding & Commissioning		
Impact of Covid-19	0.009	
Minor Variances	-0.018	
Total Social Services (excl Out of County)	-0.106	
Out of County		
Children's Services	-0.030	Net impact of recent placement changes and rate changes and 2 recent new placements, one of which is a short term time limited placement
Education & Youth	-0.034	Mainly due to an ended placement with some other offsetting minor adverse impacts
Total Out of County	-0.064	
Education & Youth		
School Improvement Systems	-0.031	Movement in month 7 due to an increase in Post 16 funding applied to Post 16 Education officer and Senior Manager post.
Minor Variances	-0.008	
Total Education & Youth	-0.039	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	0.027	Movement in Month 7 due to increased security costs in recycling centres.
Transportation	-0.041	Reduced routes for Out of County placements and savings from recruitment delays.
Impact of Covid-19	-0.005	
Other Minor Variances	0.026	Cumulative movements across the portfolio.
Total Streetscene & Transportation	0.008	
Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m

Planning, Environment & Economy		
Business	-0.054	Favourable movement due to one-off windfall interest payments received £0.035m. Commitment Challenge across the Service has assisted with the remainder.
Minor Variances	0.023	
Total Planning & Environment	-0.031	
People & Resources		
HR & OD	-0.001	
Corporate Finance	0.003	
Total People & Resources	0.001	
Governance		
Minor Variances	-0.002	
Total Governance	-0.002	
Strategic Programmes		
Minor Variances	-0.024	
Total Strategic Programmes	-0.024	
Housing & Assets		
Facilities	-0.089	
Minor Variances	-0.003	
Total Housing & Assets	-0.092	
Chief Executive's	-0.064	Favourable movement due to increased 50% recharge of Chief Officer salary to Housing Revenue Account confirmed for the full year.
Central & Corporate Finance	-0.015	Higher than anticipated one-off income from Matrix Rebates
Impact of Covid-19		
Grand Total	-0.428	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Social Services							
Older People							
Localities	19.316	19.187	-0.129		-0.142	The net cost of residential care is reporting an overspend of £0.127m. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. Day care is £0.025m under budget and will not resume until safe to do so. Domiciliary and Direct Payments are reporting an underspend of £0.133m. The Localities staff budget is underspent by £0.065m due to temporary vacancies and not all staff being paid to of grade. The Minor Adaptations budget is £0.029m underspent based on current demand.	
Resources & Regulated Services	8.627	8.347	-0.280		-0.272	The Councils in-house care provision is projected to underspend by £0.280m. Day care is underspent by £0.010m, day centres are closed and will only reopen once safe to do so. Homecare is £0.069m overspent and there continues to be a growing demand for this service. Residential care is expected to underspend by £0.262m. Extra care is underspent by £0.077m due to service demand.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	1.235	1.204	-0.030		-0.029		
Adults of Working Age							
Resources & Regulated Services	26.875	27.094	0.219		0.183	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	0.263	-0.076		-0.072	Not all staff are currently paid at top of grade and there are also some staff seconded from this service	
Residential Placements	1.791	2.171	0.380		0.349	The overspend is the cost of social care for people within the Mental Health service. These costs include nursing and residential care, domiciliary and Direct Payments.	
Minor Variances	4.038	3.915	-0.123		-0.085		
Children's Services							
Family Placement	2.700	2.827	0.127		0.126	The overspend is due to service demand from the number of foster placements. In some instances these avoid having to make expensive residential placements. The main pressures are payments to foster carers, foster agencies and special guardianship payments.	
Grants	0.268	0.205	-0.063		-0.059	Grant awards have allowed for some costs usually funded from revenue budget to be funded from grants.	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Legal & Third Party	0.210	0.507	0.296		0.353	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.	
Residential Placements	0.549	0.376	-0.173		-0.106	This is an in-year underspend 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	0.326		0.335	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 required.	
Minor Variances	0.843	0.874	0.031		0.021		
Safeguarding & Commissioning							
Impact of Covid-19	0.000	-0.300	-0.300	-0.300	-0.309	Welsh Government is providing financial assistance, through the hardship funding for the Councils in-house care services. Most additional costs incurred due to Covid are staff costs which are reported within their respective service areas.	
Minor Variances	-1.552	-1.566	-0.014		0.003		
Total Social Services (excl Out of County)	70.627	70.816	0.189	-0.300	0.295		
Out of County							
Children's Services	8.417	9.255	0.838		0.868	The projected overspend reflects the costs of the current cohort of placements with the budget pressure being influenced by the full year impacts in 2021/22 of a number of new placements made in the second half of 2020/21. This has continued in 2021/22 with a further influx of new placements. The true pressure level has also been partly mitigated by an allocation of £0.500m of one-off grant income from the Welsh Government Social Care recovery fund.	
Education & Youth	4.504	4.453	-0.051		-0.016	The current projected underspend reflects costs of the current cohort of placements but there remains a high need and demand for Out of County Education provision	
Total Out of County	12.921	13.708	0.787	0.000	0.851		
Education & Youth							

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Inclusion & Progression	4.462	4.394	-0.067		-0.076	Reduction in underspend due to the current pressures within the EHE service. There has been a significant increase in the demand for the service resulting in an overspend. The majority of the underspend has been offset by maximising grants such as 14-19 and ALP, with the shortfall being met by reported underspends within the service. This needs to be highlighted as a risk as demand could increase further, which would then reduce the £0.060m in-year efficiencies.	
Integrated Youth Provision	1.018	0.917	-0.101		-0.091	Due to savings on building cleaning charges at Youth Centres which have been closed due to the COVID-19 pandemic	
School Improvement Systems	1.823	1.640	-0.183		-0.152	Increase in Post-16 funding of £0.020m applied to School Improvement Senior Manager post 0.2 fte. The underspend in Early Entitlement includes the maximisation of the EYPDG by allocating existing staff against the grant - £18,500. An efficiency of £0.100m has been identified in relation to WG top-up funding for non-maintained settings, releasing core budget of £0.095m and setting resources mitigated by using EYPDG/RRRS £0.005m. A £0.050m contingency remains within the budget to cover any increased Spring Term 2022 costs.	
Total Education & Youth	9.030	8.610	-0.420	0.000	-0.381		
Schools	101.937	101.937	0.000		-0.000		
Streetscene & Transportation							
Service Delivery	8.696	8.819	0.123		0.096	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	7.899	7.993	0.094		0.091	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 7 - 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
Transportation	9.750	9.813	0.063		0.104	Local bus services incurred a revenue pressure of: £0.100m as a result of the Service 5 procurement and £0.100m implementation of the Deeside Shuttle Bus Service at the new DIP Park and Ride. Also, additional costs incurred of £0.046m due to the increased number of school days, 7 days as opposed to budgeted 5 additional school days. The Service has benefited this month in Childrens Transport due to reduced routes for Out of County placements, which is offsetting by the pressure in response to the Arriva strike commitment. The total additional costs have been partially offset by projected underspend of (£0.149) in Social Services Transport as not all services have returned to full operation following the pandemic. However, this underspend could significantly reduce once services start to resume.	
Regulatory Services	5.173	5.197	0.024		0.001	Car parking income currently reflects a loss of £0.239m, through maximising eligible funding from the WG Income Loss fund. The service has also incurred savings in recruitment and maintenance costs of cash machines. The overall overspend has been largely offset by favourable market rates for the sale of recyclable materials.	
Impact of Covid-19	0.000	0.315	0.315	0.315	0.320	Service Delivery has a recurring revenue pressure of £0.050m for additional cleaning and maintenance costs in Alltami depot as a result of the pandemic. Waste operations are showing additional costs of £0.090m in receptacles due to higher demand in waste collections as an effect of people working from home. This service area is also experiencing an additional revenue pressure of £0.090m in plant hire, maintenance and repairs. Additional costs of £0.090m incurred in contractors spend and Traffic Management, as the service was unable to provide the required training and has also faced recruitment delays during the Covid-19 Pandemic.	
Other Minor Variances	31.517	32.137	0.620		0.612		
Total Streetscene & Transportation	31.517	32.137	0.620	0.315	0.612		
Planning, Environment & Economy							
Community	0.883	0.996	0.113		0.110	Adverse variance due to the shortfall in Fee Income in Licensing and Pest Control Services	
Development	0.019	-0.026	-0.045		-0.056	Favourable variance following higher than anticipated Fee Income for Development Management and Land Charges	
Management & Strategy	1.311	1.181	-0.130		-0.123	Staff savings from vacant posts	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		
Minor Variances	3.947	3.917	-0.030		0.008		
Total Planning & Environment	6.160	6.068	-0.092	-0.000	-0.061		
People & Resources							
HR & OD	2.465	2.314	-0.151		-0.149	Favourable variance is due to the projected income from the agreed recharge for overheads claimed for the Test, Trace & Protect (TTP) Project for hosting the service on behalf of the region to March, 2022	
Corporate Finance	2.166	2.083	-0.083		-0.086	Staff savings from vacant posts	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Total People & Resources	4.631	4.397	-0.234	0.000	-0.235		
Governance							
Democratic Services	2.125	2.041	-0.084		-0.092	The majority of the favourable variance follows the reduced take up of Members Allowances and savings from travel expenses due to remote meetings, together with commitment challenge across the service	
Customer Services	1.030	0.942	-0.088		-0.087	Favourable variance is due to higher than anticipated fee income levels resulting from the resumption of Ceremonies following the relaxation of COVID restrictions	
Revenues	0.475	0.105	-0.371		-0.348	Favourable variance is in the main due to the projected potential surplus on the Council Tax Collection Fund (£0.250m), Welsh Government Lockdown Admin Grant and minor variances across the service	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	6.603	6.507	-0.096		-0.110		
Total Governance	10.233	9.594	-0.639	0.000	-0.637		
Strategic Programmes							
ADM's & CAT's	4.648	4.617	-0.031		-0.007		
Total Strategic Programmes	4.648	4.617	-0.031	0.000	-0.007		
Housing & Assets							

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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
Caretaking & Security	0.262	0.201	-0.062		-0.062	Savings on staffing due to vacancies	
Industrial Units	-1.237	-1.467	-0.230		-0.230	Due to unbudgeted income from new lease at power generation site	
Centralised Costs	2.783	2.496	-0.286		-0.197	Positive variance of (£0.286)m. Electric rate less than anticipated and an overall reduction in consumption.	
Minor Variances	15.354	15.458	0.104		0.107		
Total Housing & Assets	17.162	16.688	-0.474	0.000	-0.382		
Chief Executive's	2.350	2.193	-0.157		-0.093	Favourable variance is due in the main to staff savings from vacant posts. At Month 7, the 50% recharge of Chief Officer salary to Housing Revenue Account is confirmed.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		
Central & Corporate Finance	26.241	26.038	-0.203		-0.189	Over recovery of planned pension contributions recouped 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.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Grand Total	297.457	296.802	-0.655	0.015	-0.227		

2021/22 Efficiencies Outturn Tracker - M7

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	
Portfolio		2021/22	2021/22	2021/22			
		£m	£m	£m			
Corporate							
Employer Pension Contributions	Reduced requirement due to recovery	Rachel Parry Jones	0.300	0.300	0.000	C	G
Workforce - Vacant Post	Reduction of Post	Rachel Parry Jones	0.030	0.030	0.000	C	G
Remote Working Impacts	Reduced Operating Costs	Rachel Parry Jones	0.070	0.070	0.000	C	G
Remote Working Impacts	Reduced Travel	All	0.200	0.200	0.000	C	G
Price Inflation	Removal of Price Inflation	Rachel Parry Jones	0.113	0.113	0.000	C	G
Total Corporate Services			0.713	0.713	0.000		
Housing & Assets							
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
Total Housing & Assets			0.865	0.865	0.000		
Social Services							
Vacancy Management Saving	Appropriate Vacancy Management	Neil Ayling	0.030	0.030	0.000	O	G
Strategic Use of Grant Funding	Core Funding Replacement Solution	Neil Ayling	0.060	0.060	0.000	O	G
Social Care Workforce Grant		Neil Ayling	0.430	0.430	0.000	O	G
Total Social Services			0.520	0.520	0.000		
Education & Youth							
Integrated Youth Provision	Youth Centres - Premises	Claire Homard	0.020	0.020	0.000	O	G
Total Education & Youth			0.020	0.020	0.000		
Streetscene & Transportation							
Discretionary Transport Review - Post 16 Transport	Joint with Education	Steve O Jones	0.200	0.200	0.000	O	R
Total Streetscene & Transportation			0.200	0.200	0.000		
Planning, Environment & Economy							
Planning Policy	Reduction of Post	Andy Roberts	0.045	0.045	0.000	C	G
Total Planning, Environment & Economy			0.045	0.045	0.000		
Total 2021/22 Budget Efficiencies			2.363	2.363	0.000		

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

Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m	
Income Target Efficiency remaining from Previous Years	All Portfolios	0.051
Increased income from Registrars service		(0.010)
Total Income Efficiency Remaining		0.041
		(0.041)

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2021	14.061	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		8.292
Add - Transfer to Reserve Budget 2021/22		0.471
Add - Transfer from Earmarked Reserves (approved Month 5)		0.585
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 (approved month 5)		0.103
Less - Childrens Services Social Work Costs (approved Month 5)		0.183
Less - Teachers Pay Award (after additional funding)		0.207
Add - Month 7 projected outturn		(0.655)
Less - projected national pay award increase		
Total Contingency Reserve available for use		6.543

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(37.259)	(36.904)	0.355	0.530	Currently projecting a pressure of £0.355m due to loss of income in relation to vacant properties. Of this, £0.329m relates to void properties, £0.049m relates to the utilities charges on void properties and £0.074m relates to void garages. There is also a pressure of £0.084m relating to an assumed reduction in rental income on new build properties which were included in the Business Plan. There is a forecasted reduction in the requirement to top up the Bad Debt Provision of (£0.153m). Additional Affordable Housing Grant allocation of £0.053m. There are other minor variances of £0.025m.	
Capital Financing - Loan Charges	8.047	8.047				
Estate Management	1.931	1.918	(0.013)	0.006	Minor variances	
Landlord Service Costs	1.469	1.511	0.042	0.036	Minor variances	
Repairs & Maintenance	10.431	10.404	(0.027)	(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	2.840	0.182	0.199	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 £0.208m. Minor Variances (£0.018)	
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)				
Total Housing Revenue Account	(0.000)	0.539	0.539	0.755		