

CABINET

Date of Meeting	Tuesday 18 th July, 2023
Report Subject	Revenue Budget Monitoring Report 2022/23 (Final Outturn)
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides members with the revenue budget final outturn position for the Council Fund and Housing Revenue Account for the financial year 2022/23 (subject to audit).

The Accounts for 2022/23 are now effectively closed, and we are on schedule to submit the formal Statement of Accounts and supporting notes to Audit Wales within the timeframe set by Welsh Government.

As reported previously, measures were introduced to review and challenge non-essential spend and recruitment to vacancies with the aim of reducing in-year expenditure to 'dampen' the projected overspend at that time. This work made a positive impact on the outturn position.

The final year end position is:

Council Fund

- An operating surplus of (£3.013m) which is a favourable movement of (£0.907m) from the last reported figure of (£2.106m) as at Month 11.
- A projected contingency reserve available balance as at 31st March 2023 of £9.508m.

The Council Fund final outturn surplus position of (£3.013m) does not include various one-off items of expenditure totaling £5.876m approved for funding from the Contingency Reserve such as the Pay Award of £3.826m, COVID related costs of £1.573m and Social Services one off costs within Children's Services of £0.477m. If these amounts had been taken from the in-year revenue budget, there would have been an overall net overspend of £2.863m for the financial year.

The operating surplus of (£3.013m) equates to 0.9% of the Approved Budget, which is above the target MTFs KPI for a variance against budget of 0.5%.

Housing Revenue Account

- Net in-year revenue expenditure was £2.688m higher than budget.
- A closing balance as at 31st March, 2023 of £3.786m.

RECOMMENDATIONS

1	To note the overall report and the Council Fund contingency sum as at 31 st March, 2023 (subject to audit)
2	To note the final level of balances on the Housing Revenue Account (HRA) (subject to audit)
3	To approve the carry forward of funding as detailed in Appendix 6.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING OUTTURN 2022/23
1.01	<p>Council Fund Final Outturn Position</p> <p>The final year end position is as follows:</p> <ul style="list-style-type: none">• An operating surplus of (£3.013m) (excluding the impact of the pay award which has been met by reserves).• A projected contingency reserve available balance as at 31 March 2023 of £9.508m. <p>The Council Fund final outturn surplus position of (£3.013m) does not include various one-off items of expenditure totaling £5.876m approved for funding from the Contingency Reserve such as the Pay Award of £3.826m, COVID related costs of £1.573m and Social Services one off costs within Children's Services of £0.477m. Taking these into account provides an overall net additional spend of £2.863m for the financial year.</p> <p>To assist with managing risks and maximising the financial resources available to the Council, a review of non-essential spend and a vacancy management process continued throughout the year which had a positive impact on the outturn.</p>
1.02	<p>We continued to claim payments totalling £5.419m in 2022/23 for self-isolation and statutory sick pay enhancement, free school meals direct payments and winter fuel payments. No further Welsh Government funding has been confirmed for 2023/24.</p>

1.03

Table 1. Final Outturn Position by Portfolio

The table below shows the final outturn position by portfolio:

Portfolio/Service Area	Approved Budget	Final Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	79.987	79.670	(0.317)
Out of County Placements	15.101	15.746	0.645
Education & Youth (Non Schools)	10.391	9.971	(0.420)
Schools	108.335	108.335	0.000
Streetscene & Transportation	39.931	40.913	0.982
Planning, Environment & Economy	7.222	6.871	(0.351)
People & Resources	4.644	4.542	(0.102)
Governance	11.280	10.684	(0.596)
Strategic Programmes	6.116	6.225	0.108
Assets	1.033	0.738	(0.296)
Housing & Communities	14.964	15.002	0.038
Chief Executive	1.692	1.606	(0.086)
Central & Corporate Finance	25.987	23.366	(2.620)
Total	326.682	323.669	(3.013)

1.04

The reasons for the variances are summarised within Appendix 1 and show details of all variances over £0.050m and a summary of minor variances for each portfolio.

Significant Movements from Month 11

1.05

Social Services (£0.338m)

The net positive movement comprises:

Older People:

- Localities (£0.488m) – additional income of £0.289m within the commissioned residential care service due to recoupment of residential fees paid on behalf of service users. Property income received £0.171m higher than previously anticipated. Maximisation of Regional Integration Fund (RIF) grant slippage (£0.083m). Commissioned domiciliary care costs increased by £0.061m due to increased activity. Net minor variance reduction of £0.006m.

	<ul style="list-style-type: none"> • Regional Integration Fund (RIF) (£0.148m) – previously reported overspend for short term residential care costs to improve hospital discharges has now been funded by grant. • Reablement Serves (£0.032m) – reduced expenditure on telecare appliances. • Resources & Regulated Services £0.035m – increased costs for in-house residential care of £0.53m offset by a decrease in in-house homecare costs of £0.020m. (£0.002m minor variances). <p>Adults of Working Age:</p> <ul style="list-style-type: none"> • Resources & Regulated Services £0.290m – Direct Payment recoupment from surplus balances have reduced costs by £0.080m. An allocation of £0.067m from RIF grant slippage towards commissioned supported living costs. Reduced costs from Health of £0.032m. The contribution to the bad debt provision was £0.019m less than expected. The in-house supported living service costs increased by £0.087m. • Children to Adult Transition Services (£0.038m) - final costs for care packages within this service were reduced. • Residential Placements £0.063m – increased costs of care packages for clients with mental ill health. <p>Children’s Services:</p> <ul style="list-style-type: none"> • Family Group Meetings (£0.069m) - Eligible costs transferred against slippage within the Children’s and Communities Grant (CCG). • Family Placement (£0.035m) – Transfer of foster costs which were eligible for Mockingbird funding. • Early Years & Family Support (£0.037m) - This is due to a number of minor variances across the service. • Residential Placements (£0.045m) – Due to a delay to building works for some of the in-house residential care settings. • Professional Support £0.288m - £0.199m of eligible costs were transferred to CCG slippage. Adoption costs of £0.077m which were previously anticipated not incurred in the financial year as the adoption process is ongoing. Eligible costs of £0.048m allocated against Childcare Offer Admin Grant (CCO). Reduced spend of £0.018m within the Leaving Care services as a young person left a placement and some late grant income received. <p>Safeguarding & Commissioning:</p> <ul style="list-style-type: none"> • Management & Support (£0.030m) – Mainly due to the transfer of eligible costs to be funded from the allocation of RIF slippage. <p>Further minor variances across the Portfolio account for the remainder of the movement totalling (£0.092m) each less than £0.025m individually.</p>
1.06	<p>Streetscene & Transportation (£0.137m)</p> <p>The net positive movement relates to:</p> <ul style="list-style-type: none"> • Service Delivery (£0.065m) – Additional income achieved through in-house construction work

	<ul style="list-style-type: none"> Highways Network (£0.047m) – Reduction in fuel costs compared with previous estimates. <p>Minor variances account for the remainder of the movement (£0.025m).</p>
1.07	<p>Planning, Environment & Economy £0.069m</p> <p>The net movement relates to:</p> <ul style="list-style-type: none"> Reallocation of three- and five-year taxi licences income totalling £0.046m into future years Capital Expenditure funded by Revenue Expenditure (CERA) contribution of £0.107m towards the Whole House Warmth and Crisis Fund to support those in need with the required support. WG Flood and Coastal Erosion Risk Management (FCERM) final grant claim higher than previously projected together with some land drainage works that will now go ahead in the new financial year instead of 2022/23, all totalling (£0.091m). <p>Minor variances across the Portfolio account for the remainder of £0.007m.</p>
1.08	<p>Governance (£0.156m)</p> <p>The net positive movement relates to:</p> <ul style="list-style-type: none"> Higher than anticipated Fee Income in the Registrars Service (£0.042m) Reduced end of year recharge from Denbighshire County Council for the Joint Procurement Service (£0.021m) Vacancy and budget savings in relation to in-house software and software maintenance costs (£0.069m) <p>Minor variances across the Portfolio account for the remainder of (£0.024m).</p>
1.09	<p>Central & Corporate (£0.261m)</p> <p>The net positive movement relates to:</p> <ul style="list-style-type: none"> One-off income from Matrix rebates and written-back out of date cheques (£0.084m) Further reduction in short-term borrowing costs in the Central Loans & Investment Account (CLIA) in addition to increasing income from temporary investments in line with rising interest rates (£0.177m).
1.10	<p>There are a number of minor variances across the other Portfolios each below £0.050m that account for the remainder of the overall movement with a cumulative total of £0.054m.</p>
1.11	<p>Carry Forward Requests</p> <p>Various requests to carry forward funding into the 2023/24 financial year have been identified and are recommended for approval (See Appendix 6).</p>
1.12	<p>Tracking of In-Year Risks</p>

	<p>Members were made aware when setting the budget that there were several open risks that would need to be kept under close review. An update on these is provided below.</p>
1.13	<p>Council Tax Income</p> <p>In 2022-23, the Council collected 97.4% of Council Tax – well ahead of the 96.1% Welsh national average, and Flintshire continues to be ranked as one of the highest performing Councils in Wales when it comes to collecting in-year Council Tax. The Council is also ranked as having the second lowest outstanding amounts per chargeable dwelling when considering longer-term arrears. The marginal reduction in collections of 0.29% is to be expected as the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time.</p> <p>Recent national publications also reflect that our ‘in-year’ collections, at 97.4%, are 1.4% above the English average and 1.2% above the Scottish average.</p>
1.14	<p>Out of County Placements</p> <p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs. An additional amount of £1m has been approved in the 2023/24 budget to reflect this.</p>
1.15	<p>Homelessness</p> <p>The service demand that impacted on 2022/23 outturn will continue into 2023/24 and an additional amount of £1m has been approved in the 2023/24 budget to reflect this.</p>
1.16	<p>School Transport</p> <p>Increased costs that impacted on 2022/23 outturn will continue into 2023/24 and an additional amount of £0.851m has been approved in the 2023/24 budget to reflect this.</p>
1.17	<p>Winter Maintenance</p> <p>In the month 10 report Cabinet approved a ‘top up’ of up to £0.200m to the winter maintenance reserve, in order to mitigate the risk of increasing costs from more severe winter weather in future years.</p> <p>Due to some severe weather events over the period December to March, spend has exceeded the annual budget leaving a requirement to drawdown £0.180m from the winter maintenance reserve in 2022/23.</p>

1.18	<p>Waste Recycling Infraction Charge</p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore now take steps to impose a penalty on the Council by way of an infraction fine.</p> <p>A potential penalty of up to £0.663m has been confirmed so presents a significant financial risk to the Council.</p> <p>Discussions took place in March between Welsh Government and the Council as to the reasons for not achieving the target. A decision is still awaited as to whether the penalty will be levied.</p>
1.19	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2022/23 budget contained £1.341m of specific efficiencies which were tracked and monitored throughout the year. The Council has achieved its aim of a 95% rate in 2022/23 as reflected in the MTFS KPI's and fully achieved all efficiencies. Further details can be seen in Appendix 3.</p>
1.20	<p>Unearmarked Reserves</p> <p>The final level of Council Fund contingency reserve brought forward into 2022/23 was £7.098m as detailed in the 2021/22 outturn report.</p> <p>After taking into account the projected outturn and previously approved allocations there is a contingency reserve available as at 31st March 2023 of £9.508m.</p> <p>In addition, the Council set-aside a further £3.250m to the carried forward £2.066m COVID-19 Emergency Reserve being a total of £5.316m as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).</p> <p>Some claims for March 2022 were disallowed by WG and Internal claims have been made in 2022/23 relating to additional costs in Schools, Streetscene & Transportation and for income losses within AURA and Holywell Leisure Centre.</p> <p>The final claims totalled £1.573m and the balance on the COVID-19 Emergency Reserve at 31st March 2023 was £3.743m.</p>

1.21

Council Fund Earmarked Reserves 2022/23**Summary Outturn (Subject to Audit)**

Reserve Type	Balance as at 01/04/22	Balance as at 31/03/23
Service Balances	4,697,596	6,184,486
Workforce Costs	877,786	843,190
Investment in Organisational Change	1,617,975	1,350,875
County Elections	291,851	74,777
Local Development Plan (LDP)	242,360	115,360
Warm Homes Admin Fee	297,925	315,985
Waste Disposal	48,771	48,771
Design Fees	250,000	250,000
Winter Maintenance	250,000	250,000
Severe Weather	250,000	250,000
Car Parking	45,403	88,059
Insurance Reserves	2,135,817	2,201,372
Cheque Book Schools	3,814	0
School HWB ICT Replacement	263,223	526,447
Free School Meals	115,522	30,398
Flintshire Trainees	696,631	562,948
Rent Income Shortfall	12,779	106,118
Plas Derwen Wave 4	1,780	3,560
Customer Service Strategy	22,468	22,468
Supervision Fees	48,798	48,798
COVID-19 Inquiry	0	142,301
ICT Servers Reserve	85,000	170,000
IT Infrastructure HWB	327,442	312,442
Schools Intervention Reserve	491,133	705,836
Organisational Change/ADM	274,154	873,546
NWEAB	210,644	330,927
Solar Farms	0	62,416
20 MPH Scheme	0	111,186
Employment Claims	109,846	109,846
Community Benefit Fund NWRWTP	450,653	683,164
Total B823 Balances	9,421,775	10,590,790
Schools Balances	12,291,688	6,716,596
Grants & Contributions	10,776,156	7,066,214
TOTAL	37,187,216	30,558,086

As in previous years a review and challenge of all earmarked reserves will be undertaken over the summer to ensure that they are still relevant and required at the same level.

1.22	<p>Operating Surplus and Contingency Reserve position</p> <p>The operating surplus and Contingency Reserve position over the last 5 financial years is as follows:</p> <table border="1" data-bbox="316 309 1355 645"> <thead> <tr> <th colspan="6">Final Outturn and Contingency Reserve</th> </tr> <tr> <th></th> <th>2022/23</th> <th>2021/22</th> <th>2020/21</th> <th>2019/20</th> <th>2018/19</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Revenue Outturn Surplus</td> <td>3.013</td> <td>5.711</td> <td>2.185</td> <td>0.439</td> <td>0.608</td> </tr> <tr> <td>Contingency Reserve</td> <td>9.508</td> <td>7.098</td> <td>5.973</td> <td>2.37</td> <td>6.031*</td> </tr> </tbody> </table> <p>* 2018/19 Contingency Reserve is after earmarking agreed contributions to 2019/20 budget (£2.221m)</p>	Final Outturn and Contingency Reserve							2022/23	2021/22	2020/21	2019/20	2018/19		£m	£m	£m	£m	£m	Revenue Outturn Surplus	3.013	5.711	2.185	0.439	0.608	Contingency Reserve	9.508	7.098	5.973	2.37	6.031*
Final Outturn and Contingency Reserve																															
	2022/23	2021/22	2020/21	2019/20	2018/19																										
	£m	£m	£m	£m	£m																										
Revenue Outturn Surplus	3.013	5.711	2.185	0.439	0.608																										
Contingency Reserve	9.508	7.098	5.973	2.37	6.031*																										
1.23	<p>Housing Revenue Account</p> <p>The 2021/22 Outturn Report to Cabinet on 12 July 2022 showed that, at the end of 2021/22, there was a closing balance for un-earmarked reserves of £3.616m and a closing balance of earmarked reserves of £1.622m.</p>																														
1.24	<p>The 2022/23 budget for the HRA was £37.755m which included a movement of £2.858m to reserves.</p>																														
1.25	<p>The final outturn for the HRA shows in year expenditure to be £2.688m higher than budget and a closing un-earmarked balance as at 31st March 2023 of £3.786m, which at 10.547% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3% - see Appendix 5.</p>																														
1.26	<p>The net positive movement of (£0.151m) from Month 11 is as follows:</p> <ul style="list-style-type: none"> • Repairs & Maintenance £0.371m – Additional void contractor expenditure of £0.581m mitigated by savings to Cyclical Works (£0.142m) and Contact Centres (£0.040m) • Management & Support Services (£0.106m) – Savings in respect of staff and other support recharges • Capital Expenditure from Revenue (£1.189m) – Reduction in overall contribution required in for schemes identified. • HRA Projects (£0.376m) – additional income generated in respect of energy efficiency schemes • Contribution to Reserves £1.150m – Balance of £1.150m to be carried forward to Earmarked Reserves in respect of CERA contributions, to allow additional Capital works identified in 2022/23 to be completed in 2023/24. <p>Minor movements account for the remainder £0.002m.</p>																														
1.27	<p>The budget contribution towards capital expenditure (CERA) was £10.898m with the actual contribution £12.566m at outturn.</p>																														

2.00	RESOURCE IMPLICATIONS
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2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts as set out in the report are based on actual costs and losses. The budget is monitored closely, and mitigation actions taken wherever possible.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 11 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 Appendix 6: Carry Forward Requests
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.
7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Dave Ledsham Strategic Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	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. Council Fund: the fund to which all the Council's revenue expenditure is charged. Financial Year: the period of twelve months commencing on 1 April. 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.

Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.

Regional Integration Fund (RIF): Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.

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.

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.

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.

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.

Council Fund Variances

FINAL OUTTURN 2022/23 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	-0.488	Within the commissioned residential service for older people there was additional income for £0.289m invoiced within the final month of the financial year. This was due to recoupment of residential fees paid on behalf of service users whereby there were some delays in outcomes for deputyship applications and determination if assets held in trust should be taken into consideration within financial assessments. Expected property income had previously been underestimated by £0.171m. In addition costs of £0.083m were transferred against Regional Integration Fund (RIF) grant slippage. Commissioned domiciliary care costs increased by £0.061m due to increased activity. Net minor variance reduction of £0.006m.
Regional Integration Fund	-0.148	RIF grant slippage meant that the previously reported overspend for short term residential care costs to improve hospital discharges has now been funded by grant.
Reablement Services	-0.032	Reduced expenditure on telecare appliances
Resources & Regulated Services	0.035	Increased costs for in-house older peoples residential of £0.53m offset by a decrease in in-house homecare costs of £0.020m £0.002m minor variances.
Impact of Covid-19	0.000	
Minor Variances	-0.015	
Adults of Working Age		
Resources & Regulated Services	0.290	Direct Payment recoupment from surplus balances have reduced costs by £0.080m. An allocation of £0.067m from RIF slippage towards commissioned supported living costs. Reduced costs from BCUHB £0.032m. The contribution to the bad debt provision was ££0.019m less than expected. The in-house supported living service costs increased by £0.087m
Children to Adult Transition Services	-0.038	Final costs for care packages within this service were reduced
Residential Placements	0.063	Increased costs of care packages for people with mental ill health
Minor Variances	-0.022	
Children's Services		
Family Group Meetings	-0.069	Eligible costs transferred against slippage within the Childrens and Communities Grant (CCG)
Family Placement	-0.035	Transfer of foster costs which were eligible for Mockingbird funding.
Flying Start	-0.028	This is the aggregate of a number of smaller variances whereby year end expenditure was less than previously anticipated
Early Years & Family Support	-0.037	This is due to a number of smaller variances across this service
Residential Placements	-0.045	A delay to building works for some of the in-house residential care settings has resulted in a decrease to expenditure.
Professional Support	0.288	£0.199m of eligible costs were transferred to CCG slippage. Adoption costs of £0.070m which were expected will not be incurred this financial year as the adoption process is ongoing. £0.048m of costs were allocated against Childcare Offer Admin grant (CCO). There was reduced spend of £0.018m within the Leaving Care services as a young person left a placement and some late grant income was received.
Minor Variances	-0.034	
Safeguarding & Commissioning		
Management & Support	-0.030	The reduced spend is mostly from the allocation of RIF slippage which offset expenditure
Impact of Covid-19	0.011	
Minor Variances	-0.003	
Total Social Services (excl Out of County)	-0.338	
Out of County		
Children's Services	0.071	Aggregate of a number of minor changes and 2 new placements
Education & Youth	-0.097	Due to ended placements and some one off grant income
Total Out of County	-0.026	
Education & Youth		
Inclusion & Progression	-0.040	Minor movements across the service areas, each less than £0.010m, other than ALN services £0.012m variance and Education Psychologists £0.015m. Anticipated legal fees and early years expenditure for the ALN service did not materialise. Variance in the Education Psychology service was as a result of locum costs being lower than anticipated and other minor variances.
Integrated Youth Provision	0.034	Additional expenditure on equipment in Youth Centres
Minor Variances	-0.026	
Total Education & Youth	-0.032	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	-0.065	Additional Income achieved through In-house construction work
Highways Network	-0.047	Fuel Costs reductions
Other Minor Variances	-0.025	
Total Streetscene & Transportation	-0.137	
Planning, Environment & Economy		
Community	0.046	Carry forward of fee income for 3 & 5 year taxi licences
Regeneration	0.107	At Outturn, a capital expenditure contribution was required towards the Whole House Warmth and Crisis Fund to support people in need with replacement boilers etc.

FINAL OUTTURN 2022/23 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Management & Strategy	-0.091	WG Flood and Coastal Erosion Risk Management (FCERM) final grant claim higher than previously anticipated plus delays encountered with some Land Drainage projects resulting in removal of projected commitments.
Minor Variances	0.006	
Total Planning & Environment	0.069	
People & Resources		
HR & OD	-0.031	Minor movements across the service each less than £0.010m
Corporate Finance	-0.011	
Total People & Resources	-0.042	
Governance		
ICT	-0.069	Vacancy savings / DCC Recharge for Procurement Service lower than anticipated
Customer Services	-0.042	Higher than anticipated fee income at Outturn
Impact of Covid-19	-0.001	
Minor Variances	-0.044	
Total Governance	-0.156	
Strategic Programmes		
ADM's & CAT's	0.040	
Total Strategic Programmes	0.040	
Assets		
Caretaking & Security	-0.023	Further vacancy savings
CPM & Design Services	-0.072	Additional fee income
Industrial Units	0.081	Approved c/f of underspends to 2023/24
Minor Variances	-0.027	
Total Assets	-0.041	
Housing and Communities		
Travellers and Refugees	0.028	Increased utility costs at traveller sites
Minor Variances	0.001	
Total Housing and Communities	0.029	
Chief Executive's		
	0.007	
Central & Corporate Finance		
	-0.258	Further reduction in CLIA at Outturn £0.177m, plus one-off income from Matrix Rebates and out of date cheques written back, account for the remainder
Centralised Costs	0.005	
Soft Loan Mitigation	-0.026	Actual charge at Outturn
Grand Total	-0.907	

Budget Monitoring Report

Service	Approved Budget (£m)	Actual 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	20.513	19.542	-0.971		-0.483	The commissioned Older People domiciliary and Direct Payment budget is £0.917m underspent, this was due to staff shortages within the homecare sector which meant demand for the service could not be fully met. The residential care budget was £0.042m underspent and was the net cost of care placements which includes Free Nursing contributions, client contributions and property income. The workforce budget was £0.030m underspent. The day care budget was £0.031m underspent and the Minor Adaptations budget was £0.049m overspent.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	10.757	10.695	-0.061		0.260		
Adults of Working Age							
Resources & Regulated Services	29.846	30.461	0.615		0.325	The PDSI (physically disabled and sensory impaired) budget was £0.039m overspent due to net costs of care packages. There was an overspend of £0.516m on the in-house supported living service, recruitment challenges lead to increase agency costs and increased support was provided to meet service user needs. The disability day care and workscheme service was £0.002m underspent. The commissioned Learning Disability care package costs were £0.337m under budget.	
Children to Adult Transition Services	0.951	1.029	0.077		0.116	These are the costs of young adults who are transferring to Adult Social Care services from Childrens Services within the 2022-23 financial year.	
Transition & Disability Services Team	0.847	0.757	-0.090		-0.081	Programmed grant allocation to posts resulted in in-year underspends.	
Supporting People	-0.323	-0.460	-0.137		-0.137	Additional Supporting People funding was allocated in-year	
Residential Placements	1.956	2.449	0.493		0.430	The overspend is due to the net cost of care packages for people with mental ill health	
Minor Variances	3.566	3.404	-0.163		-0.149		
Children's Services							
Family Group Meetings	0.124	0.070	-0.054		0.015	RIF grant was used to offset some expenditure which resulted in this underspend	
Family Placement	2.812	2.620	-0.192		-0.156	A reduced number of in-house foster carers resulted in lower costs, although this meant increased demand for more expensive independent foster carers from the Out of County budget	
Family Support	0.403	0.462	0.059		0.075	Costs are a result of activity undertaken of which employee costs, which are mostly sessional workers are the primary cost driver.	
Legal & Third Party	0.232	0.588	0.356		0.373	Legal costs were £0.182m overspent due to the number of cases going through the courts and some use of external legal professionals. Direct Payments are subject to high demand and were overspent by £0.173m.	
Residential Placements	1.312	0.596	-0.716		-0.672	Timings of the opening of in-house childrens residential care settings have resulted in one off cost savings, in addition a number of Welsh Government grants were used to offset expenditure.	
Professional Support	6.536	7.349	0.813		0.525	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies need to be minimised and additional temporary posts are sometimes required to meet the challenges and demand of Childrens Services.	
Minor Variances	0.560	0.481	-0.079		-0.014		
Safeguarding & Commissioning							
Business Systems & Financial Assessments	0.906	1.061	0.155		0.156	There were additional costs for an IT system upgrade and also development of a Social Services finance system. There were also temporary uplift in hours and additional support assistants.	
Charging Policy income	-3.104	-3.205	-0.101		-0.078	Income is generated by demand for chargeable services and based upon each individuals ability to pay resulting from a financial assessment	

Budget Monitoring Report

Service	Approved Budget (£m)	Actual Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Safeguarding Unit	1.344	1.152	-0.192		-0.191	A delay to the implementation of Liberty Protection Safeguard legislation resulted in decreased costs, in addition Welsh Government grant was received to offset some expenditure.	
Good Health	0.720	0.663	-0.057		-0.057	Welsh Government provided in-year grant of £0.040m which is offsetting costs within this service.	
Management & Support	-2.260	-2.335	-0.075		-0.045	There was £0.037m of RIF income allocated to this service to offset costs usually funded from revenue budget. In addition the central telephone recharge is £0.023m under the budgeted amount. The balance is due to minor variances.	
Impact of Covid-19	0.000	-0.007	-0.007	-0.007	-0.018		
Minor Variances	2.288	2.300	0.012		-0.009		
Total Social Services (excl Out of County)	79.987	79.670	-0.317	-0.007	0.021		
Out of County							
Children's Services	10.097	11.264	1.166		1.095	The overspend reflects significant additional demands on the service in the year with 39 new placements having been made in the year - most of which are high cost residential placements. The final outturn also includes an allocation of £0.273m from the Regional Integration Fund due to slippage on other projects across the region.	
Education & Youth	5.004	4.483	-0.521		-0.424	The final outturn underspend reflects costs for the current cohort of placements and there have been 28 new placements in the year.	
Total Out of County	15.101	15.746	0.645	0.000	0.671		
Education & Youth							
Inclusion & Progression	5.538	5.490	-0.048		-0.008	Anticipated legal fees and early years expenditure for the ALN service did not materialise. Variance in the Education Psychology service was as a result of locum costs being lower than anticipated and other minor variances.	
School Improvement Systems	1.909	1.616	-0.293		-0.272	Favourable variance relates to several Welsh Government grants that are being used to offset core staff within the Early Entitlement and School Improvement service areas.	
School Planning & Provision	0.720	0.624	-0.096		-0.074	Underspends on insurance liability claims costs and mobile classrooms	
Minor Variances	2.223	2.240	0.017		-0.034		
Total Education & Youth	10.391	9.971	-0.420	0.000	-0.388		
Schools	108.335	108.335	0.000		0.000		
Streetscene & Transportation							
Service Delivery	10.273	10.492	0.218		0.283	The service has a recurring revenue pressure of £0.100m for security costs due to vandalism/break-ins at the Household Recycling Centres. Street lighting is also incurring a £0.070m revenue pressure on the community council income budget. The remaining £0.100m is attributable to high sickness levels/agency costs. The service incurred costs of £0.060m related to the State Funeral and Proclamation Events. The overall overspend is partially offset by additional income achieved through in-house construction work, which had a favourable movement at final outturn.	
Highways Network	8.165	8.584	0.419		0.466	Highways incurred a pressure of just under £0.400m in Fleet services as a result of increased fuel costs, which reduced slightly at final outturn. An additional £0.050m is due to an increase in contractor costs for weed spraying following recommendations made at Scrutiny Committee and are not covered by existing budgets.	

Budget Monitoring Report

Service	Approved Budget (£m)	Actual 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	10.354	10.790	0.436		0.448	Local bus subsidy incurred an additional overspend of £0.100m due to Park and Ride Service and Service 5 re-procurement. School Transport had a pressure of £0.090m, due to a shortfall in budget for 3 school days due to Easter timelines in this financial year. There was an additional pressure of £0.200m in School Transport due to additional routes (PRUs/ALN) for 6 routes in total equating to £2,700 extra per day. School transport also had an additional pressure of £0.030m due to capacity issues on a commercial bus service.	
Regulatory Services	11.138	11.047	-0.091		-0.078	The Service is incurring £0.060m revenue pressure due to increased residual waste tonnages, which is creating a risk in achieving WG Recycling Targets. The overspend is largely offset by an underspend of £0.055m due to vacancies within the service, increased rebate rates for the sale of electricity, recycling income and car parking income, which has increased income by £0.065m, including other minor variances with reduction in recycling disposal costs of £0.030m.	
Other Minor Variances	0.000	0.000	-0.000		0.000		
Total Streetscene & Transportation	39.931	40.913	0.982	0.000	1.120		
Planning, Environment & Economy							
Community	0.973	1.084	0.111		0.064	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised, carry forward of Fee Income for 3 & 5 Year Taxi Licences	
Development	0.203	-0.440	-0.643		-0.661	Favourable variance resulting from the actual over recovery of Fee Income which includes the receipt of two high value one-off Planning Fees (each approximately £0.300m).	
Access	1.529	1.715	0.186		0.184	Adverse variance relates to the actual costs of Ash Die Back work and other tree work in general; additional expenditure on Relief Ranger salaries together with historic grant income target not realised	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	4.516	4.512	-0.004		-0.006		
Total Planning & Environment	7.222	6.871	-0.351	0.000	-0.419		
People & Resources							
HR & OD	2.412	2.440	0.027		0.059		
Corporate Finance	2.231	2.102	-0.129		-0.119	Variance includes the receipt of a Welsh Government Admin Grant for administering the Free School Meals Programme together with vacancy savings	
Total People & Resources	4.644	4.542	-0.102	0.000	-0.060		
Governance							
Legal Services	0.934	1.041	0.107		0.110	Additional costs for locum services covering vacant posts	
Democratic Services	2.468	2.378	-0.090		-0.090	Variance as a result of the Members Allowances new rate not being implemented until May, 2022 and lower than anticipated take up of both Broadband and Pension Allowances (£0.108m) ; mitigated by the inception of the new Climate Change Committee Chair person Allowance plus minor variances across the service	
Internal Audit	1.050	0.961	-0.089		-0.082	Vacancy savings together with revised/reduced actual cost for Postage within Central Despatch	
ICT	5.095	5.037	-0.058		0.012	Vacancy savings and a lower than anticipated recharge from Denbighshire CC for the Procurement Service	
Customer Services	1.118	1.048	-0.070		-0.028	Favourable variance relates to higher than anticipated Fee Income	
Revenues	0.295	-0.063	-0.358		-0.346	The variance results from the actual surplus on the Council Tax Collection Fund (£0.257m) at final outturn; minor variances across the service	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.001		
Minor Variances	0.320	0.282	-0.038		-0.017		

Budget Monitoring Report

Service	Approved Budget (£m)	Actual Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Total Governance	11.280	10.684	-0.596	0.000	-0.440		
Strategic Programmes							
ADM's & CAT's	6.069	6.178	0.108		0.068	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.018m minor variances.	
Minor Variances	0.047	0.047	0.000		0.000		
Total Strategic Programmes	6.116	6.225	0.108	0.000	0.069		
Assets							
Caretaking & Security	0.314	0.236	-0.078		-0.054	Underspend on salaries due to vacancy savings	
CPM & Design Services	0.575	0.350	-0.225		-0.153	Additional fee income of £0.112m above budget plus salary savings and underspend on property maintenance	
Industrial Units	-1.527	-1.527	0.000		-0.081	Approved carry forward of underspends into 2023/24	
Minor Variances	1.672	1.678	0.007		0.034		
Total Assets	1.033	0.738	-0.296	0.000	-0.255		
Housing and Communities							
Minor Variances	14.964	15.002	0.038		0.009		
Total Housing and Communities	14.964	15.002	0.038	0.000	0.009		
Chief Executive's	1.692	1.606	-0.086		-0.093	Vacancy savings and staff not at top of scale	
Central & Corporate Finance	23.204	20.534	-2.670		-2.411	Over recovery of planned pension contributions recoupement against actuarial projections based on the current level of contributions together with a further revised projection on the Central Loans and investment Account (CLIA) at Outturn where as reported earlier in the year, the Council had not taken out new short or long term borrowing and has invested a significant amount of funds. This pattern has continued through remaining months of this financial year and finally resulting in no short term borrowing costs being incurred and the Council generating increased income from investments, which have increased in line with bank interest rates. This has resulted in a further favourable movement at Outturn	
Centralised Costs	2.783	2.783	-0.000		-0.005		
Soft Loan Mitigation	0.000	0.049	0.049		0.075	IFRS 9 requires that for soft loans interest is accrued at the Effective Interest Rate (EIR) rather than the Contract Interest Rate. Capital financing regulations require that soft loan accounting doesn't impact on Council Tax levels.	
Grand Total	326.682	323.669	-3.013	-0.007	-2.106		

2022/23 Efficiencies Outturn Tracker - Final Outturn

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
		2022/23 £m	2022/23 £m	2022/23 £m		
Portfolio						
Corporate						
Increase in Reserves	Rachel Parry Jones	0.471	0.471	0.000	C	G
Utility Inflation	Rachael Corbelli	0.085	0.085	0.000	C	G
Efficiency from Restructure	Corporate Policy Rachel Parry Jones	0.025	0.025	0.000	C	G
Recharge to HRA	Chief Officer recharge to HRA 50% Rachel Parry Jones	0.027	0.027	0.000	C	G
Total Corporate Services		0.608	0.608	0.000		
Housing & Assets						
Connahs Quay Power Station	Neal Cockerton	0.290	0.290	0.000	C	G
Rent Newydd	Neal Cockerton	0.020	0.020	0.000	C	G
Total Housing & Assets		0.310	0.310	0.000		
Social Services						
Sleep in Pressure not Required	Neil Ayling	0.123	0.123	0.000	C	G
Total Social Services		0.123	0.123	0.000		
Governance						
Single Person Discount Review (One Off)	Gareth Owens	0.300	0.300	0.000	O	G
Total Governance		0.300	0.300	0.000		
Total 2022/23 Budget Efficiencies		1.341	1.341	0.000		

	%	£
Total 2022/23 Budget Efficiencies	100	1.341
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	100	1.341
Total 2022/23 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 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	0.041
Fees and charges increase 1st October, 2022	Full Year effect 1st April 2023	(0.026)
Total Income Efficiency Remaining		0.015
		(0.015)

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2022	18.438	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		12.669
Less - COVID-19 Emergency Funding Allocation		5.316
Less - Childrens Services Social Work Costs (approved 21/22)		0.069
Less - Children's Services front door service - agency workers (approved by Cabinet on 28th June)		0.300
Add - Total Balances Released to Reserves (Month 5)		1.208
Add - Additional Revenue Support (Month 8)		2.432
Add - Local Development Fund (LDP) Reserve (Month 10)		0.127
Less - impact of the final pay awards		3.826
Less - Children's Services Legal Costs (Month 9)		0.250
Less - Winter Maintenance Reserve (Month 10)		0.180
Add - Month 12 outturn		(3.013)
Total Contingency Reserve available for use		9.508

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(37.755)	(37.252)	0.503	0.525	Variance of £0.503m due to loss of rental income in relation to void properties. Of this, £0.416m relates to void properties, £0.103m relates to utilities costs on void properties and £0.055m relates to void garages. Additional income in respect of new properties transferred into the stock during the year (£0.032m). Pressure relating to the draw down of grant in respect of delayed SHARP schemes £0.158m. Reduction in the requirement to top up the Bad Debt Provision of (£0.223m). The remaining £0.026m relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.551	(0.173)	(0.208)	Estimated reduction in interest to be recharged to the HRA (£0.193m). Increase in Minimum Revenue Provision recharged £0.020m.	
Estate Management	2.263	1.972	(0.292)	(0.303)	Additional cost of agency positions of £0.156m, which is offset by vacancy savings of (£0.284m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.044m).	
Landlord Service Costs	1.265	1.318	0.053	0.078	Salary savings of (£0.054m) within the service which offset agency costs of £0.021. There is a pressure on utilities costs of £0.061m. The remaining variance of £0.025m is down to other minor movements.	
Repairs & Maintenance	10.908	11.336	0.428	0.057	Overall there is an adverse variance to the Repairs & Maintenance Budget of £0.428m. Contributing factors - Additional net cost of £0.048m in relation to vacant trades positions being covered by agency staff. Admin & Contact Centre Vacancy savings of (£0.094m) due to delayed recruitment. Savings on Travis Perkins materials of (£0.102m). Savings on Cyclical Works (0.142m). Additional Fleet Cost £0.179m . Void contractor overspend £0.581m . Other minor variances of (£0.032m).	

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Management & Support Services	2.716	2.443	(0.273)	(0.168)	Savings of (£0.203m) have been identified based on vacancies and staff related recharges within the service and a further (£0.172m) efficiency has been identified through a review of central support recharges. Costs of legal advice in respect of the Renting Homes Wales Act £0.022m. Pressure in relation to insurance costs of £0.104m. Other minor variances of (£0.024m).	
Capital Expenditure From Revenue (CERA)	10.898	12.566	1.668	2.857	Additional contribution of £2.857m required towards the HRA Capital Programme to fund additional works identified in 2022/23. This is being met from reserves set aside in previous years due to the slow down of the programme as a result of Covid-19. The underspend in-year of £1.150m to be carried forward to Earmarked Reserves to complete these works in 2023/24 (see "contribution to/(from) reserves").	
HRA Projects	0.122	(0.254)	(0.376)	0.000	Additional income generated in respect of energy efficiency schemes.	
Contribution To / (From) Reserves	2.858	4.008	1.150		Contribution to reserves to meet CERA requirements in 2023/24 (£1.150m).	
Total Housing Revenue Account	(0.000)	2.688	2.688	2.839		

Carry Forward Requests**Social Services**

Children's Services – An amount of **£0.637m** for continued use of agency teams. Nationally, there continues to be a significant challenge to recruit experienced Social Workers in Children's Services at a time of high volumes of need and complexity of support post-COVID. Given the challenges with recruitment, two small agency teams were appointed, each for a period of six months to support essential statutory work, covering vacancies within the service. The funding will support the continuation of the agency teams for a further six months; £0.354m for Team 1 and £0.273m for Team 2.

Adult Social Care – An amount of **£0.050m** from remaining Welsh Government grant to develop a Direct Payment Portal which would provide a database of Personnel Assistants, opportunities for citizens to add vacancies and allow access to information and other resources for Direct Payments.

Safeguarding & Commissioning – An amount of **£0.045m** arising from the maximisation of Regional Integration Fund (RIF) and Foundation and Economy funding to fund a service planning post for 12 months to assist with service planning and development to respond to continued social care pressures.

Children's Services – An amount of **£0.085m** for the Flintshire Creche and Childcare Service to recruit contracted staff, on a temporary basis, which will allow greater depth and stability to the service and enable the achievement of agreed Welsh Government delivery plans.

Children's Services – An amount of **£0.007m** from additional income received from other Welsh Authorities for license fees to produce promotional video costs for the Childcare Offer Capital new buildings and new improved childcare facilities.

In-house Supported Living – Disability Services – An amount of **£0.400m** to assist with covering the cost of agency and to implement strategies to increase the successful recruitment of support staff.

People & Resources

Corporate Finance – An amount of **£0.020m** from the service underspend to be carried forward and earmarked for work planned in 2023/24 to remove data that is older than 6 years plus from the General Ledger.

Corporate Finance – An amount of **£0.055m** from additional Admin Grant to be carried forward into 2023/24 to contribute to costs associated with implementation of the new financial system.

Assets

Policy Team – An amount of **£0.011m** from additional Admin Grant to be carried forward to provide funding for a potential temporary increase in Officer hours in 2023/24.

Summary

Social Services	£1.224m
People & Resources	£0.075m
Assets	<u>£0.011m</u>
Total Requests	<u>£1.310m</u>