

CABINET

Date of Meeting	Tuesday, 20 th October 2020
Report Subject	Revenue Budget Monitoring Report 2020/21 (Month 5)
Cabinet Member	Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the second detailed revenue budget monitoring position 2020/21 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 if all things remain unchanged; it also takes into account the latest position on Welsh Government Emergency Grant Funding announcements.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating deficit of £0.921m (excluding the impact of the pay award which will be met by reserves)
- A projected contingency reserve balance as at 31st March, 2021 of £1.418m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.364m lower than budget
- A projected closing balance as at 31st March, 2021 of £2.537m

To assist in mitigating the overall projected overspend a review of non-essential spend and a vacancy management process has been introduced. This has resulted in a temporary reduction in spend of -£0.316m at Month 5 which has helped to reduce the overall financial overspend position. This is in addition to £0.319m which was identified at Month 4 resulting in total savings to date of £0.635m.

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2021.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 5 POSITION
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 deficit of £0.921m (excluding the impact of the pay award which will be met by reserves)• A projected contingency reserve available balance as at 31 March 2021 of £1.418m. <p>To assist with mitigating the overall projected overspend the following measures have been introduced:-</p> <ol style="list-style-type: none">1) All non-essential spend is being reviewed and challenged with a view to ceasing/delaying where able and2) Introduction of a vacancy management process to consider new recruitment requests <p>The outcome of this initial work is shown within the report and will continue as part of the robust challenge of the future monthly monitoring position.</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" data-bbox="316 255 1327 1205"> <thead> <tr> <th data-bbox="316 255 767 450">Portfolio/Service Area</th> <th data-bbox="767 255 963 450">Approved Budget</th> <th data-bbox="963 255 1160 450">Projected Outturn</th> <th data-bbox="1160 255 1327 450">In-Year Over / (Under) spend</th> </tr> <tr> <td></td> <th data-bbox="767 405 963 450">£m</th> <th data-bbox="963 405 1160 450">£m</th> <th data-bbox="1160 405 1327 450">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 450 767 506">Social Services</td> <td data-bbox="767 450 963 506">68.247</td> <td data-bbox="963 450 1160 506">68.458</td> <td data-bbox="1160 450 1327 506">0.211</td> </tr> <tr> <td data-bbox="316 506 767 562">Out of County Placements</td> <td data-bbox="767 506 963 562">11.940</td> <td data-bbox="963 506 1160 562">12.081</td> <td data-bbox="1160 506 1327 562">0.141</td> </tr> <tr> <td data-bbox="316 562 767 618">Education & Youth</td> <td data-bbox="767 562 963 618">8.752</td> <td data-bbox="963 562 1160 618">8.302</td> <td data-bbox="1160 562 1327 618">(0.450)</td> </tr> <tr> <td data-bbox="316 618 767 674">Schools</td> <td data-bbox="767 618 963 674">98.508</td> <td data-bbox="963 618 1160 674">98.508</td> <td data-bbox="1160 618 1327 674">0.000</td> </tr> <tr> <td data-bbox="316 674 767 730">Streetscene & Transportation</td> <td data-bbox="767 674 963 730">30.380</td> <td data-bbox="963 674 1160 730">31.643</td> <td data-bbox="1160 674 1327 730">1.263</td> </tr> <tr> <td data-bbox="316 730 767 786">Planning & Environment</td> <td data-bbox="767 730 963 786">5.723</td> <td data-bbox="963 730 1160 786">6.182</td> <td data-bbox="1160 730 1327 786">0.459</td> </tr> <tr> <td data-bbox="316 786 767 842">People & Resources</td> <td data-bbox="767 786 963 842">4.456</td> <td data-bbox="963 786 1160 842">4.435</td> <td data-bbox="1160 786 1327 842">(0.021)</td> </tr> <tr> <td data-bbox="316 842 767 898">Governance</td> <td data-bbox="767 842 963 898">9.147</td> <td data-bbox="963 842 1160 898">9.699</td> <td data-bbox="1160 842 1327 898">0.552</td> </tr> <tr> <td data-bbox="316 898 767 954">Strategic Programmes</td> <td data-bbox="767 898 963 954">5.018</td> <td data-bbox="963 898 1160 954">4.803</td> <td data-bbox="1160 898 1327 954">(0.215)</td> </tr> <tr> <td data-bbox="316 954 767 1010">Housing & Assets</td> <td data-bbox="767 954 963 1010">16.085</td> <td data-bbox="963 954 1160 1010">15.703</td> <td data-bbox="1160 954 1327 1010">(0.382)</td> </tr> <tr> <td data-bbox="316 1010 767 1066">Chief Executive</td> <td data-bbox="767 1010 963 1066">2.781</td> <td data-bbox="963 1010 1160 1066">2.523</td> <td data-bbox="1160 1010 1327 1066">(0.258)</td> </tr> <tr> <td data-bbox="316 1066 767 1122">Central & Corporate Finance</td> <td data-bbox="767 1066 963 1122">24.950</td> <td data-bbox="963 1066 1160 1122">24.571</td> <td data-bbox="1160 1066 1327 1122">(0.379)</td> </tr> <tr> <td data-bbox="316 1122 767 1205">Total</td> <td data-bbox="767 1122 963 1205">285.987</td> <td data-bbox="963 1122 1160 1205">286.908</td> <td data-bbox="1160 1122 1327 1205">0.921</td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	Social Services	68.247	68.458	0.211	Out of County Placements	11.940	12.081	0.141	Education & Youth	8.752	8.302	(0.450)	Schools	98.508	98.508	0.000	Streetscene & Transportation	30.380	31.643	1.263	Planning & Environment	5.723	6.182	0.459	People & Resources	4.456	4.435	(0.021)	Governance	9.147	9.699	0.552	Strategic Programmes	5.018	4.803	(0.215)	Housing & Assets	16.085	15.703	(0.382)	Chief Executive	2.781	2.523	(0.258)	Central & Corporate Finance	24.950	24.571	(0.379)	Total	285.987	286.908	0.921
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1.03	<p>The reasons for the favourable net movement of -£0.062m 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.</p>																																																												
	<p>Significant Variances to highlight this month</p>																																																												
1.04	<p>Social Services</p> <p><u>Older People Purchasing</u> The net cost of Residential Care is projected to be £0.419m less than the budget. This includes the cost of residential care placements net of the income received for this service, such as property charges and contributions from health. There is currently a decline in the demand for residential care placements due to the pandemic.</p>																																																												
1.05	<p><u>Older People Provider Services</u> Extra care is projected to be £0.183m less than budget. The facility in Holywell is yet to open and a full complement of staff has not yet been recruited. Care staff already recruited are currently redeployed to alternative in-house care services which has had cost avoidance benefits. It is anticipated that the facility will open in the Autumn and the projected costs reflect this.</p>																																																												

1.06	<p><u>Mental Health services</u> The Mental Health Residential Placement budget is projected to be £0.593m above budget which is based on the current social care needs of clients supported within the service. Care needs vary over time, sometimes suddenly, and costs are subject to the same changes.</p> <p>There are compensatory savings elsewhere in other service budgets on staffing, travel and supplies and services which partially offset the above overspend.</p>
1.07	<p><u>Children's Services</u> Legal & Third Party costs are projected to be £0.341m above budget due to legal costs and direct payments. Legal costs are due to the number of current court cases and some use of external solicitors, although this has reduced from the previous year. The Council is legally obliged to offer direct payments and this service has seen an increase in demand.</p> <p>Professional Support is projected to be £0.392m above budget. 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 to be able to meet the challenges and demands of Children's Services.</p>
1.08	<p>Out of County Placements There is a projected overspend of £0.141m due to a significant number of new placements coming into the service. There are 10 new placements within the Children's Services area of the service and 6 new placements within Education as agreed by a recent Out of County placements panel.</p> <p>A contingency of £0.300m had been included in the projection at Month 4, however the additional costs of £0.444m arising from new placements have exceeded this contingency by £0.144m.</p>
1.09	<p>Education and Youth</p> <p><u>Integrated Youth Provision</u> The main variance of £0.148m relates to Youth Centres which have remained closed throughout the pandemic with resultant savings on building cleaning charges, energy costs and some relief staffing costs. There are also projected savings of £0.074m within the Youth Justice Service which are mainly due to the delay in recruitment to a new manager post and savings on equipment purchase and training costs.</p>
1.10	<p><u>School Improvement Systems</u> The projected underspend of £0.149m is due to lower payments in the summer term due to the school closures as a result of the pandemic. Payments were made based on averages for January and February resulting in considerably lower payments than included in the current budget.</p>

1.11	<p>Streetscene & Transportation</p> <p><u>Additional Security at Household Recycling Centres;</u></p> <p>The service has incurred additional revenue pressures of £0.070m from responding to and resolving previously reported security measures and remedial actions following vandalism at the Household Recycling Centres. The monthly costs are now running at up to £0.006m per month, mainly due to the introduction of a night time presence on the sites.</p>
1.12	<p><u>Waste Strategy</u></p> <p>The service has experienced a downturn in income generated by sales of electricity and it is currently projected to reach a level of some £0.105m during the year. All efforts are being made to identify potential mitigations which may be available. In addition, a shift in the market appetite for recycling of paper and cardboard are giving concern over income generation levels and this will be closely monitored during the year.</p>
1.13	<p><u>Impact of Pandemic</u></p> <p>The pandemic has also impacted across a number of service budgets including:</p> <ul style="list-style-type: none"> - a need for increased agency and overtime (£0.050m) - net car parking income loss of £0.550m (reduced following receipt of the first tranche of Welsh Government Income Loss funding) - additional vehicles and fuel (£0.080m) - additional private contractors and plant hire (£0.075m) <p>Opportunities for support from the Welsh Government Hardship and Income Loss Funds will continue to be explored throughout the year to meet some of these costs.</p>
1.14	<p>Planning & Environment</p> <p>Delays in sourcing core materials means that the construction industry is operating at minimal pace resulting in lower Building Control fee income estimated at £0.180m over a full year.</p>
1.15	<p>There has been a marked negative impact on the Property Market and a reduced need for Land Charge searches. The estimated reduction of 60% on fees and charges results in a shortfall of £0.095m over a full year.</p>
1.16	<p>Planning Fee income is forecast to reduce by £0.210m for a full year in comparison to the previous year. We aim to recoup the first quarter losses of £0.105m from the WG Income Loss Fund. However, the loss is further mitigated by Town and Country Planning (Fees for Application, Deemed Applications and Site Visits – Wales) Regulations 2020 which have confirmed planning and related applications will be subject to a general fee increase of approximately 20% with effect from 24 August which could generate up to £0.100m, subject to market volatility.</p>

1.17	Income reductions in Markets are estimated to be £0.140m for the full year following the cancellations of markets in the first quarter of the financial year.
1.18	<p>Housing & Assets</p> <p><u>Benefits Service</u></p> <p>Additional staffing resources have been required to meet extra demand including an increased inflow of changes in respect of Universal Credit. The increased cost of £0.119m can in part be met from the Hardship Fund for the first quarter.</p>
1.19	<p><u>Centralised Costs - Utilities and NDR</u></p> <p>This projected underspend of £0.773m is mainly due to savings in respect of energy costs and NDR at County Hall following the demolition of Phases 3 and 4 together with a reduction in gas and electricity prices. There is a risk that this projected underspend could reduce if we start to see more buildings become void by businesses occupying council buildings.</p>
1.20	<p><u>Council Fund Housing - Carelink Service</u></p> <p>The projected overspend of £0.163m is due to a reduction in the allocation of Housing Support Grant due to inability to meet eligibility criteria. A further key influence is the anticipated commencement of a new service contract for the Carelink service with a new provider.</p>
1.21	<p>Governance</p> <p>The national lockdown restrictions have resulted in the cessation of all recovery activities, especially enforcement/bailiff duties during months 1 to 5. All debt recovery activities, with the exception of enforcement/bailiff duties, re-commenced in August, starting with the issue of 1st reminder notices. The level of financial risk from fee income will be dependent on re-commencement of court action to secure Liability Orders - income from fees is expected to re-commence in month 7 as court summonses are issued, however this will be mitigated by the potential for an additional resource to assist in clearing the backlog of cases and provide service resilience.</p>
1.22	Within the Registrar service there is an estimated loss of income for the year of around £0.140m.
1.23	Legal Services have incurred additional costs of employing locums to cover absence to ensure continuing client service delivery in the area of child protection £0.132m. This is offset by savings within ICT totalling £0.044m.

1.24	<p>Central & Corporate Finance</p> <p>In the previous financial year there was a significant underspend in employer pension fund contributions of £1.010m and the budget for 2020/21 was adjusted by £0.800m. Based on the contributions to date and the previous year trend a positive variance of £0.300m is projected at this stage of the current year.</p>
1.25	<p>Strategic Programmes</p> <p>The Climate Change Levy (CCL) was in prior years paid as a separate one-off charge. However, from 2019/20 these charges have been included in service specific utility bills within the centralised budgets in Housing & Assets. Based on current consumption levels there is a projected £0.215m underspend within this centrally held budget.</p>
1.26	<p>Key Financial Risks – Council Tax Income and Council Tax Reduction Scheme</p> <p>In addition to the variances identified in paragraphs 1.04 – 1.25 there are significant impacts on Council Tax income and the Council Tax Reduction Scheme.</p> <p>The potential financial impact of these two areas is being reported separately and are not included in the overall projections. This is due to 1) the difficulties in predicting the impacts of these risks at this early stage and 2) the potential for these areas to be further supported by additional Welsh Government funding.</p> <p>However, if these cost pressures are not met by additional funding they will add to the projected overspend of £0.996m. An update on the latest position on each area is detailed below.</p>
1.27	<p>Council Tax Income</p> <p>As with all Councils the pandemic has significantly impacted on council tax collection. At this stage council tax income is 1.4% below target which equates to £1.37m and is a small improvement than at Month 4. Income is expected to continue to recover now that recovery processes have resumed in full and when agreed payment deferrals are settled.</p>
1.28	<p>However, it is unlikely that the full budgeted income will be achieved by the end of the financial year and it is estimated that there may be a shortfall of up to 0.6% which equates to £0.600m. Welsh Government are monitoring the situation but taking a longer term view as to any potential support when the recovery impacts are more certain.</p>
1.29	<p>Council Tax Reduction Scheme (CTRS)</p> <p>During the pandemic there has been a significant increase in demand with additional costs of £0.233m identified as at the first quarter. Welsh Government have confirmed funding for the first quarter estimated at</p>

	<p>£0.058m. However, the risk remains for the remaining three quarters of the year for existing clients together with the costs of any further increases in demand which is likely in the current economic climate and as the furlough scheme ceases. The impact of this increase in demand could potentially increase the cost pressure by up to a further £0.500m - £0.750m if there were to be no further Welsh Government funding.</p>
1.30	<p>OPEN RISKS</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>
1.31	<p>Pay Award</p> <p>The 2020/21 budget provides for a 2% pay award for NJC staff across the Council. National negotiations for the 2020/21 pay award have now been concluded with an agreement of a 2.75% pay award which will be effective from 1st April 2020. The additional cost of this will need to be met from the Contingency Reserve in the current financial year and built into the budget from 2021/22 on a recurring basis. An initial estimate is that this will be in the region of £0.818m.</p> <p>The Teachers Pay Award which is effective from September 2020 has been recommended at 3.1% and is currently out for consultation. The financial impact of this for 2020/21 is estimated to be £0.535m and it is not yet known whether additional funding will be provided by Welsh Government to meet the difference in full or in part.</p>
1.32	<p>Charging for Post 16 Transport</p> <p>The budget for 2020/21 provides for expected additional income of £0.449m based on the assumption that charging would be introduced from September 2020. This policy decision was reversed by Cabinet in May.</p> <p>The developing financial solution through effective partnership working with Coleg Cambria will assist with mitigating the financial risk for 2020/21 and the outcome will be included in future reports. An agreement has been reached with the college that a level of the anticipated value of the journeys would be reimbursed to the Portfolio. However, the level of this reimbursement is currently £0.047m less than that included in the budget. Therefore this remains a risk to the containment of any costs associated with the journey provision.</p>
1.33	<p>Out of County Placements</p> <p>Additional funding of £2.7m was included in the budget for 2020/21 to address the historic significant increase in demand. At this stage, based on current activity there is an overall net projected overspend of £0.141m (underspend of £0.204m within Education offset by an overspend of £0.345m within Children's Services).</p>

	New Risks
1.34	<p>Free School Meals</p> <p>Schools have a delegated budget for free school meals (FSM) which is based on the number of pupils eligible for FSM. The budget for 2020/21 is £1.256m. Following the closure of schools in March, the Council made direct payments to families and there was a marked increase in the number of claims. Based on current free school meal claims and making projections for a range of take-up percentages in the remainder of the year, it is estimated that the budget could overspend by between £0.222m and £0.344m.</p>
1.35	<p>Transportation</p> <p>Under School Transport, there has been a significant financial increase in private hire coach, minibus and taxi quotations, which is due to the operators including the cost of the cleaning of vehicles, driver PPE and the fact the school contract is the only business they are receiving at the moment, i.e. no private hire for weekends, during the day such as swimming lessons, school trips or private tour excursions. There has also been additional financial pressure in relation to the re-procurement of a subsidised local bus contract in which we have seen a significant cost increase due to the operator now building the loss of fare revenue (reduced patronage) into their quotations.</p> <p>The Transport team are currently assessing the overall financial impact of this, and the outcome will be included in the next monitoring report.</p>
1.36	<p>Emergency Funding</p> <p>In addition to the Hardship Fund Welsh Government has confirmed further funding of £264 million across Wales to continue to support local government for additional costs and income losses. There are no details as yet on eligibility criteria for this funding, although it has been confirmed that income loss claims can continue to be made on a quarterly basis for the remainder of the financial year.</p> <p>Welsh Government have previously confirmed that additional costs for Social Care and Schools will continue to be a priority when considering the use of this funding which is encouraging to ensure that the Council can continue to meet the impact of these additional costs.</p> <p>The previous announcement on funding for the first quarter of increased demand for the Council Tax Reduction Scheme is also a positive outcome and is currently under consideration for the remainder of the financial year as well as any further increases in demand.</p>
1.37	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2020/21 budget contains £5.206m of specific efficiencies which are being tracked and monitored. The Council aims to achieve a 95% rate in 2020/21 as reflected in the MTFs KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2020/21 shows that £4.982m or 96% of the efficiencies will be achieved.</p>

	<p>The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2020/21 budget. Further details on the current status on efficiencies can be seen in Appendix 2 with the overall impact in relation to any impact for 2021/22 being reviewed as part of the ongoing work on the MTFs.</p>																																																												
1.38	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The level of Council Fund Contingency Reserve brought forward into 2020/21 was £2.370m as detailed in the 2019/20 outturn report. This is the amount available for general purposes following the set-aside of £3.0m for Emergency Funding. There is an estimated additional requirement of £0.818m arising from the outcome of the national pay award negotiations as set out in paragraph 1.32.</p>																																																												
1.39	<p>Taking into account the above and, the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2021 is projected to be £1.418m as detailed in Appendix 3.</p> <p>This assumes that the projected overspend of £0.921m is met from the amount available in the £3m emergency ring-fenced fund which would leave an amount of £1.965m remaining.</p>																																																												
1.40	<p>Earmarked Reserves</p> <p>The table below gives a summary of earmarked reserves as at 1 April 2020 and provides an estimate of projected balances as at the end of the current financial year.</p> <p>Monitoring Summary Month 5</p> <table border="1"> <thead> <tr> <th>Reserve Type</th> <th>Balance as at 01/04/20</th> <th>Balance as at Month 5</th> <th>Balance as at 31/03/21</th> </tr> </thead> <tbody> <tr> <td>Service Balances</td> <td>1,614,705</td> <td>1,149,498</td> <td>1,115,950</td> </tr> <tr> <td>Specific Service Balances</td> <td>213,991</td> <td>213,991</td> <td>189,670</td> </tr> <tr> <td>Single Status/Equal Pay</td> <td>1,120,944</td> <td>1,120,944</td> <td>729,615</td> </tr> <tr> <td>Investment in Organisational Change</td> <td>1,693,937</td> <td>1,684,259</td> <td>1,369,522</td> </tr> <tr> <td>Benefits Equalisation</td> <td>132,822</td> <td>132,822</td> <td>132,822</td> </tr> <tr> <td>County Elections</td> <td>211,990</td> <td>211,990</td> <td>211,990</td> </tr> <tr> <td>Local Development Plan (LDP)</td> <td>180,000</td> <td>180,000</td> <td>180,000</td> </tr> <tr> <td>Waste Disposal</td> <td>82,648</td> <td>82,648</td> <td>82,648</td> </tr> <tr> <td>Enterprise Centres</td> <td>6,993</td> <td>6,993</td> <td>6,993</td> </tr> <tr> <td>Design Fees</td> <td>200,000</td> <td>200,000</td> <td>0</td> </tr> <tr> <td>Winter Maintenance</td> <td>250,000</td> <td>250,000</td> <td>250,000</td> </tr> <tr> <td>Car Parking</td> <td>45,403</td> <td>45,403</td> <td>45,403</td> </tr> <tr> <td>Insurance Reserves</td> <td>2,203,010</td> <td>2,203,010</td> <td>2,503,010</td> </tr> <tr> <td>Cash Receipting Review</td> <td>3,181</td> <td>3,181</td> <td>3,181</td> </tr> </tbody> </table>	Reserve Type	Balance as at 01/04/20	Balance as at Month 5	Balance as at 31/03/21	Service Balances	1,614,705	1,149,498	1,115,950	Specific Service Balances	213,991	213,991	189,670	Single Status/Equal Pay	1,120,944	1,120,944	729,615	Investment in Organisational Change	1,693,937	1,684,259	1,369,522	Benefits Equalisation	132,822	132,822	132,822	County Elections	211,990	211,990	211,990	Local Development Plan (LDP)	180,000	180,000	180,000	Waste Disposal	82,648	82,648	82,648	Enterprise Centres	6,993	6,993	6,993	Design Fees	200,000	200,000	0	Winter Maintenance	250,000	250,000	250,000	Car Parking	45,403	45,403	45,403	Insurance Reserves	2,203,010	2,203,010	2,503,010	Cash Receipting Review	3,181	3,181	3,181
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Single Status/Equal Pay	1,120,944	1,120,944	729,615																																																										
Investment in Organisational Change	1,693,937	1,684,259	1,369,522																																																										
Benefits Equalisation	132,822	132,822	132,822																																																										
County Elections	211,990	211,990	211,990																																																										
Local Development Plan (LDP)	180,000	180,000	180,000																																																										
Waste Disposal	82,648	82,648	82,648																																																										
Enterprise Centres	6,993	6,993	6,993																																																										
Design Fees	200,000	200,000	0																																																										
Winter Maintenance	250,000	250,000	250,000																																																										
Car Parking	45,403	45,403	45,403																																																										
Insurance Reserves	2,203,010	2,203,010	2,503,010																																																										
Cash Receipting Review	3,181	3,181	3,181																																																										

Flintshire Trainees	524,106	524,106	524,106
Rent Income Shortfall	30,979	30,979	30,979
Customer Service Strategy	22,468	22,468	22,468
Capita One	18,827	18,827	0
Supervision Fees	48,798	48,798	48,798
LMS Curriculum	420,896	455,158	362,583
Organisational Change/ADM	33,500	33,500	0
Carbon Reduction	25,221	25,221	25,221
Employment Claims	107,998	103,613	103,613
Property Claims	36,363	20,763	20,763
Community Benefit Fund NWRWTP	64,727	64,727	64,727
Total Balances	7,678,801	7,683,400	6,908,111
Schools Balances	111,957	111,957	111,957
Grants & Contributions	3,887,337	3,379,282	3,327,601
TOTAL	13,292,800	12,324,137	11,463,619

A review of the Earmarked Balances and Reserves is on-going, balances challenged and identified as no longer required are to be returned to the contingency reserve.

1.41	Housing Revenue Account The 2019/20 Outturn Report to Cabinet on 16 June 2020 showed an un-earmarked closing balance at the end of 2019/20 of £2.009m and a closing balance of earmarked reserves of £0.437m.
1.42	The 2020/21 budget for the HRA is £36.683m which includes a movement of £0.164m to reserves.
1.43	The monitoring for the HRA is projecting in year expenditure to be £0.364m lower than budget and a closing un-earmarked balance as at 31 March 2021 of £2.373m, which at 6.44% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.
1.44	The budget contribution towards capital expenditure (CERA) is £12.928m.

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts of the emergency as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change

	over time. The budget will be monitored closely and mitigation actions taken wherever possible.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 4 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Dave Ledsham Strategic Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	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.

Intermediate Care Fund: Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.

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

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.