

CABINET

Date of Meeting	Tuesday, 15 th February, 2022
Report Subject	Revenue Budget Monitoring 2021/22 (Month 9)
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 9.

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 (£1.537m) (excluding the impact of the NJC pay award which will be met by reserves), which is a favourable movement of (£0.821m) from the surplus figure of (£0.716m) reported at Month 8.
- A projected contingency reserve balance as at 31st March, 2022 of £7.407m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.437m higher than budget
- A projected closing balance as at 31st March, 2022 of £4.035m

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 the carry forward requests included in paragraph 1.24.

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 (£1.537m) (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 £7.407m. <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 rowspan="2">Portfolio/Service Area</th> <th>Approved Budget</th> <th>Projected Outturn</th> <th>In-Year Over / (Under) spend</th> </tr> <tr> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>70.640</td> <td>70.746</td> <td>0.107</td> </tr> <tr> <td>Out of County Placements</td> <td>12.921</td> <td>13.781</td> <td>0.860</td> </tr> <tr> <td>Education & Youth</td> <td>9.045</td> <td>8.575</td> <td>(0.469)</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>32.268</td> <td>0.751</td> </tr> <tr> <td>Planning Env & Economy</td> <td>6.160</td> <td>5.735</td> <td>(0.426)</td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend	£m	£m	£m	Social Services	70.640	70.746	0.107	Out of County Placements	12.921	13.781	0.860	Education & Youth	9.045	8.575	(0.469)	Schools	101.937	101.937	0.000	Streetscene & Transportation	31.517	32.268	0.751	Planning Env & Economy	6.160	5.735	(0.426)
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People & Resources	4.571	4.347	(0.224)
Governance	10.223	9.530	(0.693)
Strategic Programmes	4.648	4.607	(0.041)
Housing & Assets	14.410	13.793	(0.617)
Chief Executive	2.353	2.189	(0.164)
Central & Corporate Finance	29.033	28.413	(0.620)
Total	297.457	295.920	(1.537)

1.03	The reasons for the favourable net movement of (£0.821m) 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 8
1.04	<p>Social Services (£0.083m)</p> <p>The favourable movement in the projected overspend relates to :</p> <ul style="list-style-type: none"> • Reduced current demand for services in Older People Services (£0.048m) • Grant funding used to offset expenditure within Children’s Services (£0.073m) • Lower than anticipated reductions in travel costs £0.033m. <p>Minor variances across the Portfolio account for the remainder (£0.005m).</p>
1.05	<p>Out of County Placements (£0.053m)</p> <p>The favourable movement in the projected overspend relates to:</p> <p>Children’s Services (£0.033m); Education & Youth (£0.020m) – net impact of rate changes and alterations to placement start and end dates.</p>
1.06	<p>Streetscene & Transportation (£0.053m)</p> <p>The favourable movement relates to Welsh Government approval to fund 50% of cost for waste receptacles following increased levels of recycling (£0.045m), for which no projected funding was previously anticipated.</p> <p>Minor variances across the Portfolio account for the remainder (£0.008m)</p>

1.07	<p>Housing & Assets (£0.401m)</p> <p>The significant favourable movement follows the reduction of projected annual costs of Council Tax Reduction Scheme (£0.327m) para 1.13 refers, together with an increase in Housing Support Grant internal allocations (£0.066m).</p> <p>Minor variances across the Portfolio account for the remaining (£0.008m).</p>
1.08	<p>Planning Economy & Environment (£0.128m)</p> <p>The favourable movement follows higher than anticipated Planning fees received at Month 9 and projected forward to financial year end (£0.080m), together with further staff savings from a vacant post (£0.029m).</p> <p>Minor variances across the Portfolio account for the remainder (£0.019m).</p>
1.09	<p>Central & Corporate Finance (£0.069m)</p> <p>The favourable movement relates to one-off income from Matrix rebates (£0.033m), and a further projected utilities usage reduction (£0.036m).</p>
1.10	<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>
1.11	<p>Council Tax Income</p> <p>84.61% of Council Tax has been collected up to Month 9, these collections show an improvement of 0.59% compared to 2020/21 but are still 0.54% below pre-pandemic 2019/20 levels.</p> <p>It is expected that in-year collection rate outturn for 2021/22 will be around 79.6% by 31st March 2022.</p>
1.12	<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 current offer by Employers of a 1.75% uplift would add a minimum further £0.261m to the pay bill for schools and £0.990m 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.</p> <p><u>Teachers</u> The September 2021 national pay award for Teachers has previously 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 was £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. In addition, centrally funded Teachers Pay totals £0.018m and the overall Council Fund commitment is now reflected in Appendix 4.</p>
1.13	<p>Council Tax Reduction Scheme</p> <p>Based on current demand, costs are currently projected to be significantly below budget although the position continues to be monitored closely following recent changes to Universal Credit and the UK Government furlough scheme ending. The expected increase in caseload/uptake of the schemes hasn't materialised up to the end of December, resulting in the positive movement of (£0.327m) at Month 9. However, it remains under close scrutiny in the event of possible future rapid growth.</p>
1.14	<p>Social Care Grant Funding</p> <p>In November, Welsh Government announced additional funding 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 subsequently increased the Social Care Recovery Fund 2021-22 allocation for the Council from £1.733m to £2.772m.</p> <p>Furthermore, Welsh Government have recently confirmed that £50m across Wales has been approved for Social Care winter pressures, although the actual allocation for the Council is not yet known. The impact of this additional grant will be included in future monitoring reports but is expected to have a significant positive effect.</p>
1.15	<p>Storm Christoph residual costs</p> <p>Delays have been encountered from seeking necessary site access permissions from Network Rail and Natural Resources Wales, to carry out essential drainage works as a result of Storm Christoph totalling in the region of £0.200m. The majority of the initial response costs relating to Storm Christoph were covered by WG Hardship Funding which have been claimed. However, the eligible period for that has now ended. Following subsequent discussion with WG, we have been advised to add these costs to the December 2021 Additional Costs Hardship Claim, which is now awaiting review by the Grants Panel. If the claim is not approved for these additional costs, they will be required to be met from the drainage works budget.</p>

1.16	<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>
1.17	<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 announcement of increases to National Insurance employer contributions.</p> <p>Cabinet received a further update in December that the additional budget requirement had risen to £20.696m due to increased pressures mainly on pay, social care and the North Wales Fire and Rescue levy.</p> <p>The Provisional Local Government Settlement was received on 21 December 2021 and a separate report on this agenda recommends a balanced budget position for 2022/23 together with an initial forecast for 2023/24 and 2024/25.</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>
1.18	<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 total contribution of £0.650m has now been made from the Social Care Recovery Fund which leaves a projected overspend of £0.860m for the remainder of the year. However, this is likely to increase with another 3 months of the year remaining.</p>
1.19	<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>

1.20	<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 of efficiencies can be seen in Appendix 3.</p>
1.21	<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. In addition three new allocations to the fund have recently been confirmed - £38m for winter fuel support, £0.600m for Community hubs and £2m for homelessness support (Homelessness Prevention Fund). The £2m has been added to specifically provide a top up to the discretionary homelessness prevention funds currently utilised by the Council.</p> <p>The Principles and Guidance for the Hardship Fund were revised by WG from 1st October with changes impacting on eligibility for various service areas including schools costs and additional waste tonnages (reduced to 50%). Costs for additional cover where staff are off sick due to COVID or self-isolating and vehicle costs due to social distancing are all now eligible until the end of 2021/22. Any potential significant impacts of the changes 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 December have totalled £8.182m and Quarters 1 to 3 Income Loss claims were £2.071m (which include claims for Aura, Newydd and Cambrian Aquatics).</p>

1.22

Unearmarked Reserves

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

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

Taking into account the projected in-year position and previously agreed allocations the amount remaining within the Contingency Reserve is £7.407m (prior to the impact of NJC pay award) (Appendix 4).

The £3m emergency ring-fenced fund would have an amount of £1.840m 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.

1.23

Council Fund Earmarked Reserves

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

Reserve Type	Balance as at 01/04/21	Balance as at Month 9	Estimated Balance as at 31/03/22
Service Balances	3,698,164	2,573,627	1,436,872
Specific Theatr Clwyd Balances	426,972	0	0
Single Status/Equal Pay	1,042,570	1,042,570	989,350
Investment in Organisational Change	1,464,329	1,785,816	1,048,072
County Elections	235,913	235,913	235,913
Local Development Plan (LDP)	242,360	242,360	242,360
Minerals and Waste	15,032	15,032	0
Warm Homes Admin Fee	322,068	322,068	202,068
Waste Disposal	23,360	23,360	0
Design Fees	170,000	170,000	0
Winter Maintenance	250,000	250,000	250,000
Severe Weather	0	229,550	119,550
Car Parking	45,403	45,403	0
Insurance Reserves	2,224,462	2,224,462	2,350,000
Cash Receipting Review	3,595	3,595	0
Flintshire Trainees	612,843	612,843	612,843
Rent Income Shortfall	30,979	30,979	0
Customer Service Strategy	22,468	22,468	0
Capita One	18,827	18,827	0

Supervision Fees	48,798	48,798	48,798
LMS Curriculum	427,268	318,721	231,540
Organisational Change/ADM	33,500	33,500	0
Utilities	0	0	250,000
NWEAB	92,319	92,319	0
Employment Claims	124,846	124,846	124,846
Community Benefit Fund NWRWTP	229,792	229,792	229,792
Total B823 Balances	8,107,703	8,123,222	6,685,132
Schools Balances	6,902,451	6,902,451	6,400,004
Grants & Contributions	5,730,074	3,544,309	2,047,318
TOTAL	24,438,392	21,143,608	16,569,326

1.24

Request for Carry Forward of Funding

Governance

Records Management Service – carry forward of an in year underspend of £0.058m to meet specific contract exit costs resulting from the Deepstore Records Management contract due to cease in 2022/23.

Customer Services – carry forward of an in year underspend of £0.020m to assist in financing the following from April, 2022:

- Council Plan (Digital Poverty) and Digital Strategy – devices in all Connects Centres to support customers to get online;
- Council Plan (Digital Poverty) and Digital Strategy – introduction of Chat Bot to support people to use digital services;
- Annual Governance Statement and Code of Corporate Governance – using consultations and engagement – purchase of IT system. There is no internal capacity to develop an online portal for consultation and engagement including outcomes and stakeholders. This system will benefit all services of the Council.
- Alterations and maintenance at Connects Centres and the Register Office.

Internal Audit & Performance – carry forward of an underspend of £0.050m to resource :

- £0.035m shortfall for the Annual Contract Fee and additional Consultancy Fees for InPhase software replacement for CAMMS
- £0.015m the additional cost of an external IT Audit.

Democratic Services – carry forward of an in year underspend of £0.015m to be utilised to deliver the induction training for new Councillors post the elections in May. Whilst the Service retains a modest internal budget and much of the training will be delivered in house, some will need to be externally delivered, the cost of which outweighs the existing budget.

1.25	<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>
1.26	The 2021/22 budget for the HRA is £37.825m which includes a movement of £0.566m to reserves.
1.27	The monitoring for the HRA is projecting in year expenditure to be £0.437m higher than budget and a closing un-earmarked balance as at 31 March 2022 of £4.035m, which at 10.57% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 5 provides further detail.
1.28	<p>The favourable movement (£0.111m) at Month 9 is as a result of :</p> <ul style="list-style-type: none"> • Reduction in losses in respect of void properties (£0.052m) • Adjustment to the Bad Debt Provision (£0.025m) • Vacancy savings due to recruitment delays (£0.042m) <p>Minor movements of £0.008m account for the remainder.</p>
1.29	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	<p>Appendix 1: Council Fund – Movement in Variances from Month 8</p> <p>Appendix 2: Council Fund – Budget Variances</p> <p>Appendix 3: Council Fund – Programme of Efficiencies</p> <p>Appendix 4: Council Fund – Movement on Un-earmarked Reserves</p> <p>Appendix 5: Housing Revenue Account Variances</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

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

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>

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.

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Resources & Regulated Services	-0.048	There have been a number of favourable variances across the Councils in-house service provision, due current demands. The variances are; day care £(0.008m), Homecare £(0.016m), Residential Care £(0.008) and Extra Care £(0.012m).
Impact of Covid-19	0.004	
Minor Variances	-0.013	
Adults of Working Age		
Minor Variances	0.008	
Children's Services		
Family Placement	-0.036	Slippage from ICF funding has been transferred to offset costs. In subsequent months there may be potential for further funding from slippage to offset more costs.
Legal & Third Party	-0.037	Young People and Childrens Transformation Grant funding has been used against costs with this service. There is potential for the grant allocation to increase.
Minor Variances	0.001	
Safeguarding & Commissioning		
Vacancy Management	0.033	Collective portfolio travel cost reductions due to working from home are not as high as anticipated.
Impact of Covid-19	-0.000	
Minor Variances	0.006	
Total Social Services (excl Out of County)	-0.083	
Out of County		
Children's Services	-0.033	Net impact of rate changes and changes to placement start and end dates
Education & Youth	-0.020	
Total Out of County	-0.053	
Education & Youth		
Minor Variances	-0.046	
Total Education & Youth	-0.046	
Schools	0.000	
Streetscene & Transportation		
Service Delivery	0.096	Workforce costs increased due to high sickness levels and subsequent agency and overtime costs
Highways Network	-0.067	Over estimate at Month 8 in relation to Storm Arwen and Storm Barra costs
Impact of Covid-19	-0.045	WG approval to fund 50% of costs for waste receptacles due to increased levels of recycling.
Other Minor Variances	-0.037	Cumulative minor variances across the portfolio
Total Streetscene & Transportation	-0.053	
Planning, Environment & Economy		
Development	-0.080	Higher than anticipated planning fee and land charges income at Month 9
Management & Strategy	-0.029	Minor movements across the Service, staff savings due to vacant post
Minor Variances	-0.019	
Total Planning & Environment	-0.128	
People & Resources		
HR & OD	0.026	Recruitment to vacant post within Payroll, staff costs projected to March, 2022
Corporate Finance	0.004	
Total People & Resources	0.029	
Governance		
Minor Variances	-0.018	
Total Governance	-0.018	
Strategic Programmes		
Minor Variances	-0.005	
Total Strategic Programmes	-0.005	
Housing & Assets		
Benefits	-0.327	Reduction of projected annual costs of Council Tax Reduction Scheme
Housing Solutions	-0.066	Increased Housing Support Grant internal allocations
Minor Variances	-0.008	
Total Housing & Assets	-0.401	
Chief Executive's	0.006	
Central & Corporate Finance	-0.033	Favourable movement at Month 9 due to one off income from Matrix Rebates
Centralised Costs	-0.036	Favourable variance due to the fixed electricity rate being set lower than current market levels and an overall reduction in consumption levels
Grand Total	-0.821	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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	19.310	19.171	-0.139		-0.125	The net cost of residential care is reporting an overspend of £0.361m. 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 £0.29m under budget and will not resume until safe to do so. Domiciliary and Direct Payments are reporting an underspend of £0.297m. The Localities workforce budget is underspent by £0.136m, significant recruitment and retention challenges mean that there are several vacancies which currently unable to be recruited to. The Minor Adaptation budget is £0.013m underspent based on current demand.	
Resources & Regulated Services	8.627	8.190	-0.437		-0.389	The Councils in-house care provision is projected to underspend by £0.433m. Day care is underspent by £0.018m, day centres are closed and will reopen once safe to do so, but it is unlikely to be this financial year. Homecare is £0.069m overspent, demand for the service is high but there are also considerable challenges recruiting staff. Residential care is expected to underspend by £0.429m. Extra care is underspent by £0.056m.	
Impact of Covid-19	0.000	0.004	0.004	0.004	0.000		
Minor Variances	1.235	1.204	-0.030		-0.032		
Adults of Working Age							
Resources & Regulated Services	26.894	27.247	0.353		0.329	The overspend is the cost of social care packages for people with learning or physical impairments. These costs include nursing and residential care, domiciliary care and Direct Payments, which are required to meet their assessed care needs.	
Professional and Administrative Support	0.329	0.237	-0.093		-0.080	Not all staff are paid top of grade and there are also some staff seconded from this service	
Residential Placements	1.791	2.170	0.379		0.358	The overspend is due to the cost of social care for people supported by the Mental Health service. These costs include nursing and residential care, domiciliary and Direct Payments.	
Minor Variances	3.974	3.834	-0.140		-0.117		
Children's Services							
Grants	0.268	0.209	-0.060		-0.063	In-year grant awards have allowed for some costs usually funded from revenue budget to be funded by grant instead.	
Legal & Third Party	0.210	0.509	0.299		0.336	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	0.375	-0.175		-0.174	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.	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Professional Support	5.387	5.793	0.406		0.386	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies try to be minimised however current recruitment and retention challenges have meant vacancies are required to be covered in alternative ways. Welsh Government have allowed for more flexible use of grants this year and use of these grants has helped to minimise this overspend. Further opportunities for the use of Welsh Government Grants continue to be explored to further minimise the overspend.	
Minor Variances	3.543	3.559	0.016		0.074		
Safeguarding & Commissioning							
Impact of Covid-19	0.000	-0.300	-0.300	-0.300	-0.300	Welsh Government is providing financial assistance, through the hardship fund, 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	-1.478	-1.456	0.022		-0.012		
Total Social Services (excl Out of County)	70.640	70.746	0.107	-0.295	0.190		
Out of County							
Children's Services	8.417	9.319	0.902		0.935	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 £0.650m of one-off grant income from the Welsh Government Social Care recovery fund.	
Education & Youth	4.504	4.461	-0.042		-0.023		
Total Out of County	12.921	13.781	0.860	0.000	0.913		
Education & Youth							
Inclusion & Progression	4.462	4.391	-0.071		-0.068	Underspend due to in year savings identified within the MEAG service and Education Psychology service. The MEAG grant for 2021-22 was double the amount in the previous year. This additional grant has been used to recruit temporary posts, resulting in core budget being underspent. The Ed Psych service underspend has arisen from in year salary savings as 3 posts have been recruited to part year. Due to the demand within the EHE service, there is significant financial pressure within the service. This overspend is currently being offset by utilising grants within the service. This area is being monitored closely and if costs increase, will need to use in year efficiencies to offset against the expenditure within this service.	
Integrated Youth Provision	1.018	1.018	0.000		-0.101	Due to savings on building cleaning charges at Youth Centres which have been closed due to the COVID-19 pandemic	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.823	1.628	-0.195		-0.179	The underspend of £35k within the School Improvement service is as a result of maximising the Post 16 grant. The underspend in the Early Entitlement service includes the maximisation of the EYPDG by badging already existing staff against the grant £18,500. An efficiency of £100k has been identified in relation to the WG top-up funding for non-maintained settings, releasing core budget £95k and setting resources mitigated by using EYPDG/RRRS £5k. £50k contingency left within the budget to cover any increased Spring Term 22 costs.	
Business Change & Support	0.442	0.392	-0.050		-0.043	Savings on salaries and software costs	
Minor Variances	1.299	1.146	-0.153		-0.032		
Total Education & Youth	9.045	8.575	-0.469	0.000	-0.423		
Schools	101.937	101.937	0.000		-0.000		
Streetscene & Transportation							
Service Delivery	8.696	8.941	0.245		0.149	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 ageing plant and equipment. Street lighting is also incurring a £0.095m revenue pressure on the Community Council Income Budget. Remaining £0.050m is attributable to high sickness levels.	
Highways Network	7.899	8.099	0.200		0.267	There has been significant costs in the region of £0.115m following Storm Arwen and Barra for the clean-up and making the highways network safe. Highways service area also 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.	
Transportation	9.750	9.780	0.030		0.052	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 £0.100m in School Transport due to 5 emergency routes at Maes Hyfryd and 4 new PRU routes. Overspend also contributed by the increased number of school days, 7 days as opposed to budgeted 5 additional school days. The total additional costs have been largely offset by projected underspend 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	5.167	-0.006		0.007	Car parking income currently reflects a loss of £0.229m, through maximising eligible funding from the WG Income Loss fund. The service has also incurred savings in recruitment and maintenance costs of parking machines. The overall overspend has been largely offset by favourable market rates for the sale of recyclable materials, but the markets remain volatile.	

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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	0.281	0.281	0.281	0.326	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 £0.045m in receptacles due to higher demand in waste collections as an effect of people working from home. This service area is also experiencing additional an 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	0.000	0.000	0.000		0.004		
Total Streetscene & Transportation	31.517	32.268	0.751	0.281	0.804		
Planning, Environment & Economy							
Community	0.878	0.977	0.099		0.091	Adverse variance due to the shortfall in Fee Income in both Licensing and Pest Control Services	
Development	0.019	-0.280	-0.299		-0.219	Favourable variance due to higher than anticipated fee income in Planning and Land Charges.	
Regeneration	0.721	0.659	-0.062		-0.056	Minor favourable variances across the service, however at Month 9 received £0.015m contribution to We Mind the Gap from Housing and Assets agreed	
Management & Strategy	1.311	1.143	-0.168		-0.139	Staff savings due to vacant posts	
Minor Variances	3.232	3.236	0.004		0.025		
Total Planning & Environment	6.160	5.735	-0.426	0.000	-0.298		
People & Resources							
HR & OD	2.465	2.326	-0.139		-0.164	Favourable variance is due to the projected income from the agreed recharge for overheads claimed for the Test, Trace, Protect Project for hosting the service on behalf of the region to March, 2022.	
Corporate Finance	2.106	2.021	-0.085		-0.089	Staff savings due to vacant posts	
Total People & Resources	4.571	4.347	-0.224	-0.000	-0.253		
Governance							
Democratic Services	2.125	2.050	-0.075		-0.079	The majority of the variance relates to the reduced take up of Members Allowances and savings from travel expenses due to remote meetings, together with commitment challenge across the service.	
Internal Audit	1.002	0.947	-0.055		-0.049	The majority of the favourable variance relates to staff savings from Vacant Post in Internal Audit together with reduced postage and printing costs within Central Despatch Service	
Customer Services	1.020	0.925	-0.095		-0.090	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	0.053	-0.422		-0.409	Favourable variance is in the main, due to the projected potential surplus on the Council Tax Collection Fund (£0.0270m), Welsh Government Lockdown Admin Grant and minor variances across the service.	
Minor Variances	5.601	5.555	-0.045		-0.049		

Budget Monitoring Report
Council Fund Variances

MONTH 9 - 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
Total Governance	10.223	9.530	-0.693	0.000	-0.675		
Strategic Programmes							
Minor Variances	4.648	4.607	-0.041		-0.035		
Total Strategic Programmes	4.648	4.607	-0.041	0.000	-0.035		
Housing & Assets							
Caretaking & Security	0.262	0.191	-0.072		-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	
Benefits	12.850	12.582	-0.268		0.058	Due to an underspend on the Council Tax Reduction Scheme with expected ncrease in uptake following ending of UK Government furlough scheme not yet materialising	
Housing Solutions	1.049	0.897	-0.152		-0.086	Mostly due to underspends on staffing due to vacancy savings and increase Housing Support grant internal allocations	
Impact of Covid-19	0.000	0.001	0.001	0.001	0.001		
Minor Variances	1.485	1.590	0.105		0.102		
Total Housing & Assets	14.410	13.793	-0.617	0.001	-0.216		
Chief Executive's	2.353	2.189	-0.164		-0.170	Staff savings due to vacant posts	
Central & Corporate Finance	26.251	25.983	-0.268		-0.235	Over recovery of planned pension contributions recouperment against actuarial projections based on the current level of contributions received during the year. Projected outturn on Matrix Rebates and inflation pressures anticipated but not required to date.	
Centralised Costs	2.783	2.430	-0.352		-0.317	Favourable variance due to the fixed electricity rate being set lower than current market levels and an overall reduction in consumption levels	
Grand Total	297.457	295.920	-1.537	-0.013	-0.716		

2021/22 Efficiencies Outturn Tracker - M9

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
		2021/22 £m	2021/22 £m	2021/22 £m		
Portfolio						
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	Katie Wilby	0.200	0.200	0.000	O A
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 0.041
Total Income Efficiency Remaining	0.041 (0.041)

Movements on Council Fund U earmarked 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)		0.225
Add - Month 9 projected outturn		(1.537)
Less - projected national pay award increase		
Total Contingency Reserve available for use		7.407

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 9 - 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)	(37.007)	0.252	0.331	We are currently projecting a pressure of £0.252m due to loss of income in relation to vacant properties. Of this, £0.284m relates to void properties, £0.015m relates to the utilities charges on void properties and £0.075m relates to void garages. There is also a pressure of £0.083m relating to an assumed reduction in rental income on new build properties which were included in the Business Plan. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of £0.178m. Additional Affordable Housing Grant allocation of £0.053m. There are other minor variances of £0.026m.	
Capital Financing - Loan Charges	8.047	8.047	0.000	0.000		Continue to monitor against Capital expenditure and revise projected outturn position when borrowing levels are confirmed.
Estate Management	1.931	1.886	(0.045)	(0.004)	Minor variances.	
Landlord Service Costs	1.469	1.546	0.077	0.062	Additional cost in relation to agency staff £0.035m. Spend on Subcontractors due to increased EPC's £0.022m. Other minor variances £0.020m.	
Repairs & Maintenance	10.431	10.395	(0.035)	(0.026)		
Management & Support Services	2.658	2.845	0.187	0.183	Efficiency in respect of salary costs of (£0.053m). Additional cost of the IT project work £0.050m. Pressure in relation to insurance costs of £0.218m. Minor Variances (£0.028m).	
Capital Expenditure From Revenue (CERA)	13.442	13.442	0.000	0.000		
HRA Projects	(0.153)	(0.150)	0.003	0.003		
Contribution To / (From) Reserves	(0.566)	(0.566)	0.000	0.000		
Total Housing Revenue Account	(0.000)	0.437	0.437	0.548		