

CABINET

Date of Meeting	Monday, 26th September, 2022
Report Subject	Revenue Budget Monitoring Report 2022/23 (Month 4)
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

An interim budget monitoring report was presented to Cabinet in July. Based on high level assumptions at that time the potential variations to budget identified by Portfolios equated to a minimum net additional expenditure requirement of around £0.300m.

This report provides the first detailed overview of the budget monitoring position for the 2022/23 financial year.

The projected year end position is as follows:

Council Fund

- An operating deficit of £0.285m (excluding the impact of the pay award which will need to be met by reserves)
- A projected contingency reserve available balance as at 31 March 2023 of £6.911m (before the impact of final pay awards)

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.188m higher than budget
- A projected closing balance as at 31st March, 2023 of £6.287m

Hardship Funding from Welsh Government helped secure £16m of direct financial help last year, and we continue to claim payments in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments.

A brought forward amount of £2.066m remains available from the original £3m emergency ring-fenced fund. The 2022/23 budget approved in February included a further top up of £3.250m to this Reserve to provide a prudent safeguard against any ongoing impacts of the pandemic. Early indications are that whilst the risks due to COVID-19 has diminished considerably, the inflationary risk has increased.

The position will be monitored closely over the coming months and any impacts reflected in future reports.

RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2022/23 budget.
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REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2022/23																																		
1.01	<p>An interim budget monitoring report was presented to Cabinet in July. Based on high level assumptions at that time the potential variations to budget identified by Portfolios equated to a minimum net additional expenditure requirement of £0.300m. The report provides the first detailed overview of the budget monitoring position for the 2022/23 financial year.</p> <p>The projected year end position is as follows:</p> <ul style="list-style-type: none"> An operating deficit of £0.285m (excluding the impact of the pay award which will need to be met by reserves) A projected contingency reserve available balance as at 31 March 2023 of £6.911m (before the impact of pay awards) 																																		
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1.03	<p>Table 1. Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Portfolio/Service Area</th> <th style="text-align: center;">Approved Budget</th> <th style="text-align: center;">Projected Outturn</th> <th style="text-align: center;">In-Year Over / (Under) spend</th> </tr> <tr> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td style="text-align: right;">77.969</td> <td style="text-align: right;">78.292</td> <td style="text-align: right;">0.323</td> </tr> <tr> <td>Out of County Placements</td> <td style="text-align: right;">15.101</td> <td style="text-align: right;">15.926</td> <td style="text-align: right;">0.825</td> </tr> <tr> <td>Education & Youth</td> <td style="text-align: right;">9.935</td> <td style="text-align: right;">9.644</td> <td style="text-align: right;">(0.290)</td> </tr> <tr> <td>Schools</td> <td style="text-align: right;">108.420</td> <td style="text-align: right;">108.420</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td style="text-align: right;">38.466</td> <td style="text-align: right;">39.531</td> <td style="text-align: right;">1.064</td> </tr> <tr> <td>Planning Env & Economy</td> <td style="text-align: right;">6.797</td> <td style="text-align: right;">6.561</td> <td style="text-align: right;">(0.236)</td> </tr> </tbody> </table>			Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	Social Services	77.969	78.292	0.323	Out of County Placements	15.101	15.926	0.825	Education & Youth	9.935	9.644	(0.290)	Schools	108.420	108.420	0.000	Streetscene & Transportation	38.466	39.531	1.064	Planning Env & Economy	6.797	6.561	(0.236)
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People & Resources	4.324	4.164	(0.160)
Governance	10.772	10.442	(0.330)
Strategic Programmes	6.116	6.096	(0.020)
Assets	0.312	0.266	(0.046)
Housing & Communities	14.662	14.145	(0.518)
Chief Executive	2.256	2.186	(0.071)
Central & Corporate Finance	31.552	31.295	(0.256)
Total	326.682	326.967	0.285

1.04 The reasons for the projected variances are summarised within Appendix 1 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.

Significant Variances to highlight this month

1.05 Social Services £0.323m

Localities (£0.612m)

Based on current activity (including Direct Payments) the commissioned Older People's domiciliary service is projected to underspend by (£0.747m).

The Residential Care budget is projected to overspend by £0.286m due to the current cost of placements net of income such as Free Nursing Care, Regional Integration Fund (RIF) funding and property income.

There is a projected underspend of (£0.020m) on the Minor Adaptations budget due to a reduction of in-year activity. The Localities staffing budget is projected to underspend by (£0.056m) taking into account current grades and anticipated recharges.

Day Care is expected to underspend by (£0.033m) and the Sensory SLA (Service Level Agreement) will be (£0.042m) underspent.

Resources & Regulated Services £0.249m

In-House residential care is projected to overspend by £0.286m due to staff and running costs. In-house homecare is estimated to underspend by (£0.003m), Extra Care by (£0.005m) and Day Care by (£0.029m). Built into projections is an assumption that we will receive £0.185m Winter Pressures funding from Welsh Government.

Mental Health Services £0.353m

The projection is based on the net costs of current commissioned care packages within the Mental Health service.

Children's Services Family Support £0.139m

Due to the current levels of activity there is a potential overspend of £0.139m within this service area.

	<p><u>Children's Services Legal & Third Party £0.516m</u></p> <p>There is a projected overspend on legal costs of £0.281m due to the number of cases going through the courts and the use of external legal professionals. Continuing high demand for Direct Payments is resulting in a £0.235m overspend.</p> <p><u>Children's Services Residential (£0.406m)</u></p> <p>The in-year opening of Children's Residential care facilities will result in some budget slippage in the first year of opening. In addition, some non-recurring grant funding has been made available to offset start-up costs.</p> <p><u>Children's Services Professional Support £0.178m</u></p> <p>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 minimised and additional temporary posts are sometimes required to be able to meet the challenges and demands of Children's Services. There is an assumption within the projected outturn that Welsh Government will allow for flexible use of Children's Services grants of £0.615m which will allow for most cost pressures to be offset.</p> <p><u>Liberty Protection Safeguards (LPS) (£0.210m)</u></p> <p>Welsh Government are continuing to consult with Local Government and partner organisations around the implementation of the updated Liberty Protection Safeguards. This has resulted in anticipated costs being delayed and there is therefore likely to be an in-year underspend position.</p>
1.06	<p>Out of County Placements £0.825m</p> <ul style="list-style-type: none"> • Children's Services £1.189m • Education & Youth (£0.364m) <p>Continued high demand for support for children and young people that cannot be met from in house provision. There have been 40 new placements in the first four months, some of which are high cost residential placements for young people with high levels of need.</p>
1.07	<p>Education & Youth (£0.290m)</p> <p>The Early Entitlement service is projecting a surplus balance of (£0.132m) but this is still subject to change due to the confirmation of Education Improvement and Pupil Deprivation grants. The Council has, however, received notification of top-up funding so this uncertainty is mitigated.</p> <p>Pupil numbers are a primary factor within the service area, so is volatile in terms of outturn increasing/decreasing throughout the year.</p> <p>Cumulative minor variances across the Portfolio in Inclusion & Progression, Youth Justice, Business Change & Support, School Planning & Provision and Archives of under (£0.050m) for each account for the remainder of (£0.158m).</p>

1.08	<p>Streetscene & Transportation £1.064m</p> <ul style="list-style-type: none"> • Service Delivery £0.247m – 1) a recurring pressure of £0.100m for security costs due to vandalism at Household Recycling Centres (HRCs) 2) a shortfall of £0.070m in Street-lighting income from Town/Community Council's and 3) high sickness levels £0.080m • Highways Network £0.487m – rising fuel costs in Fleet of over £0.400m and £0.050m pressure for increased weed spraying. • Transportation £0.164m - increased costs and rising fuel prices incorporated in the provision of key service routes e.g. Bus Service 5, following the re-procurement exercise in 2021 which is in part mitigated by the utilisation of Bus Emergency Scheme (BES) Funding. • Impact of COVID-19 £0.190m – COVID-19 sickness levels have increased workforce costs and additional contractors providing traffic management and training to the workforce. These costs are subject to an internal claim against the COVID-19 Emergency Reserve. <p>Minor variances across the Portfolio account for the remainder (£0.024m).</p>
1.09	<p>Planning, Environment & Economy (£0.236m)</p> <p>The favourable variance in the main results from projected Planning Fee income levels following receipt of a 'one off' large planning application fee (£0.300m) in the first Quarter of the financial year within Development Management.</p> <p>The remainder of the variance results from:</p> <ul style="list-style-type: none"> • savings from Vacant Posts across the Land Drainage Service (£0.080m) • fee income shortfalls in Licensing, Pest Control and Building Control £0.093m. <p>Cumulative minor variances account for the remainder of £0.051m.</p>
1.10	<p>Governance (£0.330m)</p> <ul style="list-style-type: none"> • Democratic Services (£0.089m) – new rate of Allowance not implemented until May with lower than anticipated uptake of allowances • Customer Services (£0.116m) – savings from vacant posts and higher than anticipated level of fee income • Revenues (£0.113m) – potential surplus on the Council Tax Collection Fund <p>Minor variances across the Portfolio account for the remainder (£0.012m).</p>
1.11	<p>Assets (£0.046m)</p> <p>Variance results from projected underspend on caretaking and security salaries due to vacancy savings (£0.082m).</p>

	Minor variances across the Service account for the remainder of £0.036m.
1.12	<p>Housing & Communities (£0.518m)</p> <p><u>Benefits (£0.350m)</u> Projected underspend on the Council Tax Reduction Scheme (CTRS) of £0.640m offset by pressures relating to recovery of overpayments and subsequent increase to the Bad Debt Provision together with a shortfall against the income target, which has previously been compensated by the WG COVID-19 Hardship Fund.</p> <p><u>Housing Solutions (£0.163m)</u> Savings on salaries due to vacancies and ongoing recruitment challenges</p> <p>Minor variances across the Service account for the remainder of (£0.005m).</p>
1.13	<p>Corporate Services</p> <p><u>Chief Executive's (£0.071m)</u> A saving of £0.071m is forecast based mainly on projected vacancy savings.</p> <p><u>People & Resources (£0.160m)</u></p> <ul style="list-style-type: none"> • Human Resources & Organisational Design (£0.133m) - staff vacancies based within the Occupational Health Service (£0.148m). Minor variances across the Service account for the remainder of £0.015m. • Corporate Finance (£0.027m) – savings from vacant posts.
1.14	<p>Central & Corporate Finance (£0.256m)</p> <p>Underspend of employer pension contributions based on the current level of contributions received during the year (£0.335m) mitigated by current shortfall in the Windfall Income Target of £0.098m.</p> <p>Minor variances account for the remainder of (£0.019m).</p>
1.15	<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>
1.16	<p>Council Tax Income</p> <p>In 2021/22 the Council achieved an 'in-year' collection level of 97.73% - the second highest collection rate in Wales.</p> <p>For 2022/23 up to July, the 'in-year' collection level is 38.42%, compared to 38.58% in the previous year. The marginal fall in collection levels is mainly due to resources being diverted to administering the Cost of Living Support Scheme as well as the impact on households more generally of rising costs-of-living.</p>

1.17	<p>Pay Award (Teacher and Non-Teacher)</p> <p>National negotiations have commenced between Employers and Trade Unions. The Council has provided for an uplift of 3.5% for Teaching and Non-Teaching staff – any increase above this level would require the Council to utilise reserves to fund the difference in the current financial year and would add to the additional budget requirement for 2023/24.</p> <p>The current pay offer for teachers is 5% and there is an offer from the National employers for NJC employees of £1,925 on all spinal column points. This equates to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p> <p>The impact on 2022/23 is as follows:</p> <p>Teachers pay - in year impact of an additional £0.674m for the period September to March (full year effect 2023/24 of £1.144m) over and above the budgeted level of 3.5%.</p> <p>NJC pay - in year impact of an additional £4.594m (Schools £1.637m and non-schools £2.957m) over and above the budgeted level of 3.5%.</p> <p>Additional amount needing to be met from reserves in 2022/23 based on the above is £5.268m.</p> <p>The above will also impact on the MTFs with the full year impact of the teachers' pay award increasing the impact for 2023/24 to £5.738m.</p> <p>The above pay offers are subject to agreement and out for consultation with the Trade Unions.</p>
1.18	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.19	<p>Medium Term Financial Strategy (MTFS) Impact</p> <p>Cabinet considered the latest projection for the MTFs in July which showed an additional budget requirement of £16.503m. Further work is ongoing to consider emerging issues from increasing service pressures, the latest position on pay awards and revisions to reflect the impact on energy and fuel inflation which remains subject to constant change due to market volatility.</p> <p>All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p> <p>An update on the budget forecast for 2023/24 is also included on this agenda.</p>

1.20	<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 placement costs.</p> <p>There is a projected overspend for the current cohort of placements of circa £0.825m, although with 8 months of the year remaining this is likely to increase and a contingency of £0.300m is currently built into the outturn position for this with £0.250m in for Children’s Services and £0.050m for Education placements.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.21	<p>Benefits</p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.640m below budget, although this will be monitored closely throughout the year due to the potential for growth.</p> <p>There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future. Although some WG Hardship Fund support continues up to the end of September in respect of Self-Isolation payments, other funding support received in the past two years for additional staffing costs has now ceased.</p> <p>The increased staffing levels are still required and those costs are now being met in full from the additional funding of £0.300m previously approved to provide the service with the additional flexibility needed to adapt to and meet the sustained increase in customer demand.</p>
1.22	<p>Homelessness</p> <p>The risk is a consequence of the cessation of funding support from the Welsh Government COVID-19 Hardship Fund at the end of 2021/22.</p> <p>Although, there is continued support via the new Homelessness – No One Left Out grant this still falls well below the amount of support we received via the Hardship Fund in 2020/21 and 2021/22.</p> <p>Although it has been possible to contain some of the expected pressure through prepaid accommodation to the end of September 2022, which has been funded by the COVID-19 Hardship Fund, the expected continued high demand for temporary accommodation including short term Bed & Breakfast provision will continue to present significant challenges.</p> <p>We continue to strategically use increased allocations of Housing Support Grant working with external partners, but there remains a risk that the costs of statutory provision of support for Homelessness may exceed existing funding provision from base budget and available grant funding.</p>

1.23	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2022/23 budget contains £1.341m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2022/23 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year</p> <p>It is projected that all efficiencies will be achieved in 2022/23 and further details can be seen in Appendix 2.</p>
1.24	<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 (subject to Audit). In addition, the Council has set-aside a further £3.250m to the carried forward £2.066m COVID-19 Emergency Reserve as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).</p> <p>Internal claims for Quarter 1 have been made in 2022/23 and awaiting authorisation relating to additional costs in Schools and Streetscene & Transportation and for income losses within AURA.</p> <p>A projected contingency reserve available balance as at 31 March 2023 is anticipated of £6.911m (before the impact of final pay awards).</p>
1.25	<p>Earmarked Reserves</p> <p>A summary of earmarked reserves as at 1 April 2022 and an estimate of projected balances as at the end of the financial year will be included in the month 5 report.</p>
1.26	<p>Housing Revenue Account</p> <p>The 2021/22 Outturn Report to Cabinet on 12 July 2022 showed an un-earmarked closing balance at the end of 2021/22 of £3.616m and a closing balance of earmarked reserves of £1.622m.</p>
1.27	<p>The 2022/23 budget for the HRA is £38.119m which includes a movement of £2.858m to reserves.</p>
1.28	<p>The monitoring for the HRA is projecting in year expenditure to be £0.188m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £6.287m, which at 17.9% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.</p>
1.29	<p>The budget contribution towards capital expenditure (CERA) is £10.898m.</p>

2.00	RESOURCE IMPLICATIONS
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 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.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Budget Variances Appendix 2: Council Fund – Programme of Efficiencies Appendix 3: Council Fund – Movement on Un-earmarked Reserves Appendix 4: 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.

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services						
Older People						
Localities	20.679	20.066	-0.612		The commissioned Older Peoples domiciliary and Direct Payment budget is expected to underspend by £0.747m based on recent months activity. There are recruitment and retention challenges within this service which is limiting the amount of care purchased. The residential care budget is projecting a £0.286m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund contributions and property income. The Localities staffing budget is expected to underspend by £0.056m as not all staff are currently top of grade and some costs are to be recharged. There are also underspends on the Minor Adaptation budget of £0.020m, the Day Care budget of £0.033m and the Sensory service level agreements of £0.042m.	
Resources & Regulated Services	8.921	9.170	0.249		In-house residential care is expected to overspend by £0.286m due to staff and running costs. In-house homecare is estimated to underspend by £0.003m, the Extra Care budget by £0.005m, and Day Care by £0.029m. There is an assumption that we will receive £0.185m in Winter Pressures funding and this is built into these projections.	
Impact of Covid-19	0.000	0.000	0.000	0.000		
Minor Variances	1.269	1.248	-0.021			
Adults of Working Age						
Resources & Regulated Services	29.525	29.624	0.098		The Physically Disabled and Sensory Impaired (PDSI) budget is showing a £0.108m overspend due to net costs of care packages. The in-house supported living service is £0.039m overspent but will likely increase if required recruitment is successful. The Learning Disability and Work Scheme budget is £0.067m overspent due in part to recent inflationary pressures. The care package costs for independently provided care for Learning Disability services is a £0.116m underspend.	
Children to Adult Transition Services	0.951	1.036	0.084		These are the estimated costs of young adults who have, in this financial year, transferred from Childrens Services.	
Residential Placements	1.956	2.309	0.353		This is based on the net costs of current commissioned care packages within the Mental Health service.	
Minor Variances	3.989	3.945	-0.044			
Children's Services						
Family Support	0.375	0.514	0.139		Costs are based upon the current activity levels over the last few months and projected forward for the year. Workforce costs, a large proportion of which are sessional staff, are the primary cost for this service.	
Legal & Third Party	0.232	0.748	0.516		Legal costs are overspent due to the number of cases going through the courts and some use of external legal professionals. Direct Payments also continue to increase in demand.	
Residential Placements	1.312	0.907	-0.406		The in-year opening of some Childrens Residential care settings will mean that there will be one off cost savings, in addition it is expected that one off, non-recurring grant from Welsh Government will be received for start-up costs.	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	6.173	6.351	0.178		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 minimised and additional temporary posts are sometimes required to meet the challenges and demands of Children's Services. There is an assumption the Welsh Government will allow for flexible use of Children's Services grants which will allow for some cost pressures to be offset.	
Minor Variances	3.537	3.577	0.040			
Safeguarding & Commissioning						
Safeguarding Unit	1.291	1.081	-0.210		A consultation for the updated Liberty Protection Safeguard legislation continues to be undertaken. Due to the delay in implementing the legislation there will be an in-year saving.	
Impact of Covid-19	0.000	0.000	0.000	0.000		
Minor Variances	-2.242	-2.283	-0.040			
Total Social Services (excl Out of County)	77.969	78.292	0.323	0.000		
Out of County						
Children's Services	10.097	11.286	1.189		The projected overspend reflects significant additional demands on the service in the year to date with 24 new placements having been made in the year to date - most of which are high cost residential placements - there is provision for a contingency sum of £0.250m, for net impacts of further new placements and other placement changes but this may not prove to be enough.	
Education & Youth	5.004	4.640	-0.364		The underspend reflects the current cohort of placements and there have been 16 new placements in the year to date with further new placements also likely to emerge as the year progresses.	
Total Out of County	15.101	15.926	0.825	0.000		
Education & Youth						
Inclusion & Progression	5.233	5.211	-0.021		Minor net savings mainly within the Pupil Referral Unit (PRU) service with some offsetting the pressure at Canolfan Enfys.	
School Improvement Systems	1.889	1.757	-0.132		Payments to Non-Maintained Settings (NMS) and Maintained Settings (MS) are projected similar to those of 2021/22. WG have announced continuation of top-up funding to £5/hr so provides the Early Entitlement (EE) budget increasing financial capacity. Alongside this, Recruit, Recover and Raise Standards (RRRS) Grant and Early Years pupil Development GRant (EYPDG) have had increases announced, allowing core budget to be released. Proposed efficiency savings currently under review.	
Minor Variances	2.813	2.676	-0.137		Cumulative minor variances of less than £0.050m across Youth Justice, Business Change & Support, School Planning & Provision and Archives.	
Total Education & Youth	9.935	9.644	-0.290	0.000		
Schools	108.420	108.420	-0.000			
Streetscene & Transportation						

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Service Delivery	9.047	9.294	0.247		The service has a recurring pressure of £0.100m for security costs due to vandalism at the Household Recycling Centres. Street lighting is also incurring a £0.070m shortfall on the Community Council Income Budget. The remaining £0.080m is attributable to high sickness levels.	
Highways Network	8.096	8.583	0.487		Highways is incurring a pressure of £0.400m in Fleet services as a result of rising fuel costs. Also an additional £0.050m cost increase for weed spraying following a recommendation from Environment Scrutiny, which is not covered by the existing service budget.	
Transportation	10.031	10.195	0.164		Local Bus Service Budget is incurring additional overspend of £0.100m due to the Park and Ride Service and Service 5 re-procurement. School Transport is incurring a pressure of £0.090m, due to additional pressure on the budget for 3 school days because of Easter timelines in this financial year. Minor positive variances account for the remainder.	
Impact of Covid-19	0.000	0.190	0.190	0.190	Service Delivery has a recurring pressure of £0.100m for additional contractors spend and Traffic Management, as the service has been unable to provide the required training and has also faced recruitment delays during the Covid-19 Pandemic. Workforce is also incurring an additional £0.090m of costs due to COVID related sickness levels.	Quarter 1 claim to be submitted for consideration from the Emergency Hardship Fund Contingency Reserve.
Other Minor Variances	11.292	11.269	-0.023			
Total Streetscene & Transportation	38.466	39.531	1.064	0.190		
Planning, Environment & Economy						
Community	0.890	0.967	0.077		Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.146	-0.100	-0.246		Favourable variance following receipt of a 'one off' Planning Fee £0.300m	
Regeneration	0.807	0.765	-0.042		Staff savings following continuation of Grant Funding secured for the Social Enterprise Post, minor variances across the Service	
Management & Strategy	1.385	1.269	-0.116		Staff savings due to vacant posts	
Impact of Covid-19	0.000	0.036	0.036	0.036	COVID-19 related additional cleaning costs for Countryside Service and Environmental Health Officer costs	
Minor Variances	3.569	3.581	0.012			
Total Planning & Environment	6.797	6.562	-0.236	0.036		
People & Resources						
HR & OD	2.284	2.151	-0.133		Staff savings due to vacant posts in Occupational Health Service plus commitment challenge across the Service	
Corporate Finance	2.041	2.014	-0.027			
Total People & Resources	4.324	4.164	-0.160	0.000		
Governance						
Democratic Services	2.374	2.284	-0.089		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) ; plus minor variances across Service	
Customer Services	1.018	0.902	-0.116		Registrars Fee Income higher than anticipated and savings from vacant posts	

Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Cause of Major Variances greater than £0.050m	Action Required
Revenues	0.201	0.088	-0.113		The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.117m) based on current information; minor variances across the Service account for the remainder	
Impact of Covid-19	0.000	0.001	0.001	0.001		
Minor Variances	7.180	7.168	-0.012			
Total Governance	10.772	10.442	-0.330	0.001		
Strategic Programmes						
Minor Variances	6.116	6.096	-0.020			
Total Strategic Programmes	6.116	6.096	-0.020	0.000		
Assets						
Caretaking & Security	0.264	0.182	-0.082		Savings on salaries due to vacancies	
Minor Variances	0.048	0.084	0.036	0.000		
Total Assets	0.312	0.266	-0.046	0.000		
Housing and Community						
Benefits	13.260	12.910	-0.350		Projected underspend of -£0.640m on the Council Tax Reduction Scheme (CTRS) which is offset by pressures on recovery of overpayments including a shortfall against the income budget target which has previously been compensated by the WG COVID-19 Hardship Fund and also due to the need to increase the bad debt provision for recovery of overpayments	
Housing Solutions	1.154	0.990	-0.163		Mostly due to savings on salaries due to vacancies and ongoing recruitment challenges	
Minor Variances	0.248	0.244	-0.004			
Total Housing and Community	14.662	14.145	-0.518	0.000		
Chief Executive's						
	2.256	2.186	-0.071		Variance due to vacant post and not all staff at top of scale, together with commitment challenge across the Services	
Central & Corporate Finance						
	28.769	28.543	-0.226		Over recovery of planned pension contributions recoupage against actuarial projections based on the current level of contributions	
Centralised Costs	2.783	2.752	-0.030			
Grand Total	326.682	326.967	0.285	0.226		

2022/23 Efficiencies Outturn Tracker - Mth 4

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 Executive post 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 Owen	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

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)		0.157
Less - impact of the final pay awards (still awaited)		
Less - Month 4 projected outturn		0.285
Total Contingency Reserve available for use		6.911

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(38.119)	(37.714)	0.405	0.377	We are currently projecting a variance of £0.405m due to loss of rental income in relation to void properties. Of this, £0.315m relates to void properties, £0.067m relates to utilities costs on void properties and £0.039m relates to void garages. The remaining (£0.016m) relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.723				
Estate Management	2.321	2.162	(0.159)	(0.131)	Additional cost of agency positions of £0.140m, which is offset by vacancy savings of (£0.176m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.003m).	
Landlord Service Costs	1.572	1.623	0.051	(0.007)	Salary savings of (£0.025m) are currently being projected within the service. There is a forecasted pressure on utilities costs of £0.062m. The remaining variance of £0.014m is down to other minor movements.	
Repairs & Maintenance	10.908	10.925	0.017	0.015	There are a number of vacant trades positions which are being covered by agency, leading to an additional net cost of £0.059m. Vacancy savings of (£0.056m) in respect of Admin posts have also been identified. Savings on the cost of materials of (£0.102m). Additional cost of fleet forecasted to be £0.154m due to factors such as rising fuel costs. Other minor variances of (£0.038m).	
Management & Support Services	2.716	2.590	(0.127)	(0.119)	Savings of (£0.051m) have been projected based on current vacancies within the service and a further (£0.100m) efficiency has been identified through a review of central support recharges. Costs of legal advice in respect of the Renting Homes Wales Act £0.017m. Other minor variances of £0.007m.	
Capital Expenditure From Revenue (CERA)	10.898	10.898				
HRA Projects	0.122	0.122	(0.000)	0.000		
Contribution To / (From) Reserves	2.858	2.858				
Total Housing Revenue Account		0.188	0.188	0.135		