

Isle of Anglesey County Council

Report to:	EXECUTIVE COMMITTEE
Date:	27 SEPTEMBER 2021
Subject:	REVENUE BUDGET MONITORING, QUARTER 1 2021/22
Portfolio Holder(s):	COUNCILLOR ROBIN WYN WILLIAMS
Head of Service / Director:	MARC JONES
Report Author: Tel: E-mail:	BETHAN HUGHES OWEN 01248 752663 BETHANOWEN2@YNYSMON.GOV.UK
Local Members:	n/a

A –Recommendation/s and reason/s

1. On 9 March 2021, the Council set a net budget for 2021/22 with net service expenditure of £147.420m, to be funded from Council Tax income, NDR and general grants. This includes a total for general and other contingencies amounting to £1.333m. The budget for the Council Tax Premium was reduced by £0.121m to £1.514m. £0.300m was used from general reserves to ensure that a balanced budget was set with the agreed Council Tax rise of 2.75%.
2. Unlike previous years, the budget for 2021/22 does not include any requirements on the services to make savings. The increase of 3.4% in funding from Welsh Government was a welcome increase. The Welsh Government have not been able to provide any indication on the proposed level of funding beyond 2021/22 due to the fact that the UK Government's Comprehensive Spending Review has been cancelled due to dealing with the Coronavirus pandemic.
3. This report sets out the financial performance of the Council's services at the end of quarter 1, 30 June 2021. The projected position for the year as a whole is also summarised. It should be noted that predicting the final year-end position at the end of quarter 1 is difficult and the position can change considerably as we move through the remainder of the financial year. For 2021/22, predicting the final year end position is even more difficult because it is still unclear when some of the Council's services will return to normality and what the additional costs will be in providing those services in a way that minimises the risk of the spread of the virus e.g. additional PPE, increased cleaning, reduced service capacity impacting on income levels.
4. This financial year, one claim has been made in relation to the Covid 19 crisis to the Welsh Government, totalling £1.276m, for extra expenditure incurred during quarter 1, with £0.746m having been received. The Welsh Government has stated that further funding will be released to cover the loss of income during the remainder of the financial year, but this has not been taken into account in the forecast. The receipt of this additional funding will improve the final position of some services compared to this forecast.
5. These figures do not take into consideration winter pressures. Historically, winter pressures can be seen within the Highways and Adult services and it can be hard to quantify the full extent of extra costs which could be incurred this early in the financial year. The full extent of the forecasts and costs will be noted in the quarter 3 and quarter 4 reports respectively.
6. The overall projected financial position for 2021/22, including Corporate Finance and the Council Tax fund, is a projected underspend of £2.540m. This is 1.73% of the Council's net budget for 2021/22.

7. It is recommended that:-

- (i) To note the position set out in Appendices A and B in respect of the Authority's financial performance to date and expected outturn for 2021/22. This position is dependent on the continued support from Welsh Government to fund the loss of income and the additional costs which the Council face during the remainder of the financial year as a result of the Coronavirus;
- (ii) To note the summary of Contingency budgets for 2021/22 detailed in Appendix C;
- (iii) To note the position of the invest to save programmes in Appendix CH;
- (iv) To note the monitoring of agency and consultancy costs for 2021/22 in Appendices D and DD.

B – What other options did you consider and why did you reject them and/or opt for this option?

Not applicable

C – Why is this a decision for the Executive?

This matter is delegated to the Executive.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within the budget approved by the Council?

Yes

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	The report is for monitoring purposes only and is used along with other reports to set the medium term financial strategy and annual budget. In setting the annual budget, the impact on the long term needs of the Island will be assessed.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	Not applicable
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The citizens of Anglesey were consulted as part of the 2021/22 budget setting process and will be consulted on future budgets,
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Not applicable

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	The report has been considered by the SLT at its meeting on 6 September 2021 and the comments made incorporated into the report.
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer’s report
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the SLT.
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Procurement	N/A
8	Scrutiny	The financial position at the end of quarter 1 was reviewed by the Finance Scrutiny Panel at its meeting on 9 September 2021.
9	Local Members	N/A
F - Appendices:		
<ul style="list-style-type: none"> • Appendix A – Provisional Revenue Outturn Report for 2021/22 • Appendix B - Table of Provisional Outturn 2021/22 • Appendix C - Summary of Contingency Budgets position for 2021/22 • Appendix CH - Review of the Invest-to-Save projects 2021/22 • Appendix D - Information regarding monitoring of Agency Staff 2021/22 • Appendix DD - Information regarding monitoring of Consultants 		
Ff - Background papers (please contact the author of the Report for any further information):		
2021/22 Revenue Budget (as recommended by this Committee on 2 March 2020 and adopted by the County Council on 9 March 2021).		

REVENUE BUDGET MONITORING – QUARTER 1

1. General Balance

The Council Fund held £14.080m of earmarked reserves and school reserves amounting to £4.015m at the start of the financial year. The draft outturn for 2020/21 resulted in a general balance at the start of the current financial year of £11.593m. This was an improvement on the opening balance for the previous year, 2019/20, where the general balance stood at £7.060m. The draft underspend of £4.204m contributed to this and movements in reserves, such as the return of earmarked reserves no longer needed. This may, however, be subject to change with any post-audit adjustments.

The position of General balances at the end of the quarter is as follows:-

Executive Meeting	Amount £m	Purpose
Draft opening balance	(11.593)	Draft audited general reserve at 31 March 2021.
Amlwch Harbour Repairs	0.050	Delegated decision taken by the Section 151 Officer in consultation with the Portfolio Holder - Finance
Transfers In from Unrequired Earmarked Reserves	(0.643)	
Revised Council Fund General Balance	(12.186)	As mentioned above, this may change following any post-audit adjustments.

Due to the timing of this report, further decisions have been taken in relation to the General balances, with £1.376m being agreed by the Executive on the 12 July 2021 to transfer funding to create Service Reserves for departments. £1.500m also being agreed by the Executive on the 29 July 2021 for the roof repairs at Canolfan Addysg y Bont in Llangefnï. The balance of the General balances is, therefore, £9.310m at the time of the presentation of this report.

The current predicated outturn for 2021/22 is an estimated underspend of £2.540m. If this forecast is accurate, the Council General Balance would increase to £11.850m by the year-end. Given the current uncertainties in the demand for services, the Section 151 Officer has recommended to the Executive that the level of general balances should be higher than the normal level of 5% of the net revenue expenditure budget, and that it would be prudent for the Council to hold a minimum of £9m as General Balances for 2021/22. If the level of underspending forecast at the end of the first quarter becomes the final outturn position at the end of the year, then this will improve the Council's financial resilience even further.

2. Financial Performance by Service

2.1 The details of the financial performance by service for the period and the projected outturn position for each is set out in Appendix B. An underspend of £1.236m on services is predicted as at 31 March 2022. An underspend of £0.815m is estimated on Corporate Finance. In addition, an under achievement of income of £0.039m is predicted on the collection of the standard Council Tax. However, a surplus of £0.668m on the Council Tax Premium offsets the Council Tax shortfall. The current total revenue forecast for 2021/22 is an underspend of £2.540m, which equates to 1.73% of the Council's total net revenue budget.

2.2 Table 1 below summarises the significant variances (circa £100k or higher):-

Table 1

	(Under)/Overspend £'000
Learning	(592)
Adults	438
Children's Service	(324)
Waste	(310)
Transformation	(157)
Resources	(103)
Corporate and Democratic Costs	(153)
Corporate Finance	(675)
Unbudgeted uncontrollable costs - insurance, capital pension costs and bad debt	200
Funding	(629)
Other (total of variances less than £100k)	(235)
Total Variance over/(under)spend	2,540

3. Explanation of Significant Variances

3.1 Lifelong Learning

3.1.1 Delegated Schools Budget

Once the Council sets the budget for schools, responsibility for the budget is delegated to the schools and annual under or overspend is held in individual school reserves. The balances of the schools reserves now stands at £4.015m, compared to £197k at 31st March 2020. However, grants were received by schools in March from the Welsh Government which covered expenses already incurred, which means that their core budget was not spent. In addition, some grant funding was received on condition that it is spent in 2021/22. Over this financial year, schools will be recovering from the impact of the pandemic and it is anticipated that school balances will fall significantly by the end of the 2021/22 financial year as additional resources are directed to help pupils catch up following the periods of school closures.

Central Education

3.1.2 This service was underspent by £91k (14.81%) at the end of quarter 1. The forecast for the year-end is an underspend of £592k (13.02%). Many of these budgets are demand-led.

3.1.3 There are a number of over and underspends across the Service. The most significant of which are listed below:-

- The school meals provision is forecasted to be underspent by £217k. A new contract has been awarded at a lower cost, which is due to commence in September 2021. This will result in an underspend, however, this is partly offset by an increase in the free school meals uptake, resulting in an increased cost. The new school meals contract has allowed the Authority to reduce the cost of school meals from £2.50 to £2.20.
- The out-of-county placements budget had reduced demand in 2020/21 due to eleven children leaving out-of-county placements (due to turning 16+ or returning to placements on Anglesey) and only four new placements taking place in 2019/20. An underspend of £631k is forecast for out-of-county placements. As the financial year progresses, the number of children requiring out-of-county placements may begin to rise, which will impact the forecasted underspend.
- Clwb gofal plant is forecasted to overspend by £55k. This budget is, again, demand led and, with the increase in the number of parents working from home and some Covid restrictions still being in place the demand for this provision has decreased.

3.1.4 Culture

3.1.4.1 This service was £232k (53.56%) underspent during the period, and the forecast outturn for the year is an underspend of £32k (2.65%). There are vacant posts within the Library Service which are expected to give rise to a £71k underspend at year end, however, a recruitment exercise is currently being undertaken in order to fill those vacancies. The current projections for the Oriel is an overspend of £24k due to unachieved income. The Archives service is forecasting an overspend of £10k due to not being able to rent out storage space, as much of the space is taken up by internal use.

3.2 Adults Social Care

3.2.1 This service was £381k (6.56%) underspent for the period, and is forecast to overspend by £438k (1.58%) at year end.

3.2.2 The elements within the outturn variance are as follows:-

- Services for the Elderly: Forecast overspend of £413k. There are various over and underspends within the Service, however, the largest underlying forecast overspends are within residential care £91k and nursing care for older people £143k, which is after allocating £111k from the Social Care Workforce Grant. The homecare provision has seen an increase in demand for the service and, therefore, even after allocating £259k from the Social Care Workforce Grant, the year-end forecast is an overspend of £355k. However, there are vacant posts within Assessment and Care Management which help reduce the overall overspend, these are forecast to be £90k underspent at year end.
- Physical Disabilities (PD): The provision is forecasting to overspend £174k for the year – the largest forecasted overspend is in Residential Care £105k which is the direct result of clients changing placements. There are expected overspends in Assessment and Care Management £9k, Equipment and Adaptions £17k due to the new right sizing care costs and Home Support. There has been a significant increase in demand for Home Support over the last 12 months and after allocating the Social Care Workforce Grant, the forecast for year end is an overspend of £49k
- Learning Disabilities (LD): Is overspent by £326k for the period and is forecasted to overspend by £582k by year end. Homecare is projected to overspend by £169k, this is after applying £170k from the Social Care Workforce Grant. The Service is working on increasing the number of clients receiving direct payments rather than the commissioned Homecare. Supported and other accommodation provision is forecasting and overspend of £458k, even after allocating £200k from the Social Care Workforce Grant. This is partly due to an expensive care package, whilst historical underfunding has also contributed to this significant variance. This provision of this service was due to go to tender in 2020/21, with the aim of generating significant savings, however due to the Covid Pandemic, the tendering process was put on hold.
- Mental Health (MH): The service was overspent by £12k for the period, however, the current forecast for the year end is an overspend of £159k – Residential Care is still expected to overspend £238k, following receipt of the Social Workforce Grant. This is a demand led service which, again, is predominantly high cost low volume placements. Supported Living is forecasted to overspend by £72k at year end, which mainly relates to the cost for adult placements, however Community Support still has vacant posts and is expected to be underspent by £120k at year end.
- Provider Unit and Management and Support: This area is forecasting an underspend of £672k at year end. The forecasted underspend in this area is, in large part, the result of various vacant posts and the day care facilities having not being open due to the Covid restrictions. Work will be undertaken during the financial year to harmonise the budget between the Provider Unit and the Commissioning Services.

3.3 Children's Services

3.3.1 The service is overspent by £1,036k (31.15%) for the period however it is forecasted to be underspent by £324k (2.90%) at year end.

3.3.2 The Looked After Children's budget is overspent by £221k up to period 3, however, the forecast presently is at year end there will be an underspend of £103k. The £103k is made up of £839k underspend in Out of County placements which is a demand led service which can be extremely volatile. Non-standard Placements overspend of £100k, Foster Care placements overspend of £241k and Adoption section £34k. Also, Small Group Homes are forecasted to spend £363k as no budget has been allocated here as yet. The Commissioning and Social Work section sees a forecast underspend of £194k, this is the result of funding of staffing from the ICF funding and vacant posts.

Integrated Family support is forecasted to underspend to the sum of £145k, mainly due to vacant posts. Youth services is also forecasting an underspend of £50k which again is related to staffing

3.4 Housing (Council Fund)

3.4.1 This service was underspent by £14k (3.05%) at the end of period 3 and is forecasting to be in a breakeven position at year end. Homelessness and homeless prevention is the biggest forecasted underspend, £20k which is in relation to staff vacancies

3.5 Regulation and Economic Development

3.5.1 Economic and Community (includes Destination and Leisure)

3.5.1.1 The service, overall, was underspent by £352k (61.28%) for the period but it is forecasted to be overspent by £47k (2.40%) at year end.

3.5.1.2 The Economic Development element of the service is expected to be overspent by £23k at year end. This is in part to the income target for staffing to projects such as Wylfa Newydd and National Grid. Without these avenues of funding the budgeted income expectation will not be met. This expectation is £72k. The senior management restructure is expected to result in an underspend of £72k which will be compensated for the unachieved income. The other pressure points within the section are the centre facilities, graphic design and subscription budgets which combined are likely to be overspent to the sum of £28k.

3.5.1.3 The Destination section is forecasted to be £35k underspent by year end. The current international travel restrictions have increased the number of people holidaying in the UK and has benefited the destination budgets. The coastal attractions are busier than ever and Maritime income targets for registrations and launches being achieved by the end of Q1. Most of these fees cover the whole season but there should still be income over the summer months for day launches. Mooring fees should return to a similar level to pre pandemic, resulting in the possibility of a surplus on Maritime income targets for the year. A surplus of £10k is being forecast. Seasonal beach warden staff and support budgets are under spending as in previous years—and a surplus similar to last year can be expected in the region of £55k. The yearly pressure on Countryside income targets is likely to manifest itself again and there is also a review of the use of the Menai Straits being carried out by consultants. These items could result in an over spend of £30k combined.

3.5.1.4 The Leisure section is currently forecasting an overspend at year end of £59k. There is no longer a café provision in the centres but there are still income expectations. The outturn forecast for the leisure centres itself is hard to estimate, as historic trends are not as reliable due to the Covid pandemic with the leisure centres being closed for long periods of time in 2020/21. The public's confidence in using the facilities and the fact that the Centres are operating at a reduced capacity will need to be factored in over the financial year in order to forecast more accurately. Covid related loss of income is expected to be supported via the Welsh Government's Hardship Fund.

3.5.2 Planning and Public Protection

- 3.5.2.1** This service is £101k underspent (22.99%) for the period and is forecasted to be underspent by £37k (1.65%) at outturn.
- 3.5.2.2** The Public Protection Section was underspent by £52k for the period and the forecasted outturn position is £32k underspend. Dog and pest control income targets are not expected to be achieved by £33k as well as the markets and fair income by £5k. However, there are underspends within Licencing, forecasted to be £25k, due to licencing receipts in excess of budget, Environmental Health is forecasted to have a £42k underspend due to staffing issues.
- 3.5.2.3** The Planning section is underspent by £49k at period end and is forecasting an underspend of £5k at year end. Building Control is forecasted to be underspent by £5k at year end due to their income performance however all other sections are expected to breakeven at year end.

3.6 Highways, Waste and Property

3.6.1 Highways

- 3.6.1.1** This service was £221k (15.70%) overspent for the period. The forecasted position at year end is £93k underspent (1.48%). The majority of the sections within Highways are predicted to be underspent at year end. The most notable are Departmental Support £40k, which will have arisen from staffing cost savings, street works income is expected to overachieve against the income budget by £80k. Development control has exceeded its income expectations and, therefore is forecasting an underspend for the provision of £60k. Môn Community Transport is also forecasting an underspend to the sum of £50k. This is the result of less demand for the service following the Covid pandemic and restrictions. However, the works budget is expected to overspend to the sum of £50k by year end. This forecast excludes winter maintenance costs as it is too early in the year to predict the outturn on these costs. Any significant winter costs could worsen the outturn estimated this quarter, although an earmarked reserve is held to mitigate the risk if the costs rise significantly during the winter. Car Park income is also forecasting to be £50k over budget at year end.

3.6.2 Waste

- 3.6.2.1** The Waste service was £322k (22.30%) underspent for the period and the service is predicted to have an outturn position of a £310k underspend (3.54%).
- 3.6.2.2** The forecast for the year end includes overspends and compensating underspends within different sections of the department. The most notable of the variances include a £200k underspend on the Waste Collection, which includes the new waste collection contract costs. To date the income on the green waste has exceeded its target by £245k, part of this income is funding two posts. The Recycling section is also expected to be underspent at year end, due to its achieving more than its target income.

3.6.3 Property

- 3.6.3.1** The service's position for the period is a £49k (8.32%) underspend, with a forecast for the year end position being breakeven (0%).
- 3.6.3.2** The position for a number of budget headings varies with some showing an overspent position, whilst other, underspending. Vacant posts within the Service are assisting in maintaining a forecasted break even position.

3.7 Transformation

3.7.1 The Transformation function overspent by £407k at the end of the period.

3.7.1.1 The HR function was overspent by £25k (6.48%) for the period and projected to be £89k (6.46%) underspent at year end. The projected underspend is derived from the central training budgets.

3.7.1.2 The ICT section was overspent by £417k (31.14%) for the period and is expected to be breakeven at year end. All software and hardware budgets across the Council, excluding schools, have been centralised and are now managed within the ICT section, The projected year end position for the centralised software budget currently is an overspend of £142k. The staffing and software licences give a net projected underspend of £177k.

3.7.1.3 The Corporate Transformation Section was underspent by £35k (20.53%) for the period and expected to be underspent at the year end by £157k (18.08%), this the result of savings in salary expenses within both the Corporate Transformation team and Cyswllt Môn alongside an underspend of £91k for the Ynys Môn Gwynedd Partnership.

3.8 Resources (excluding Benefits Granted)

3.8.1 The Resources function budget is £92k (10.49%) underspent for the period, with the projection for the outturn being an underspend of £103k (3.18%).

3.8.2 Staffing issues and the need to use agency staff to deal with a backlog of work within the Council Tax team has resulted in a forecasted overspend of £31k for Revenues and Benefits. A small overspend of £3k is forecast for the Accountancy team. The Procurement Section is expected to be £110k underspent due to initiatives in purchasing, i.e. centralised purchasing budgets and procurement card rebates and lower demand for certain expenditure which are covered by the central procurement budgets as a result of increased home working (paper, photocopiers, stationery, furniture).

3.9 Council Business

3.9.1 The function was £47k (10.67%) underspent for the period, with the forecast for the year end position being a £29k (1.70%) overspend.

3.9.2 Legal Services are expected to be overspent by £43k at year end, in large part due to legal agency staff employed to cover staff vacancies/absences. Democratic Services are forecasted to underspend in each of its functions, with the largest underspend being within the Committee Services (£14k) due to savings on staffing expenses and the use of consultants.

3.10 Corporate and Democratic Costs

3.10.1 The function was underspent by £5k (0.53%) for the period and the forecast year end position is an underspend of £153k (5.08%).

3.10.2 Members Support & Expenses have a combined £26k projected underspend. Pandemic restrictions has led to significant underspending of the travel and training and conferences budgets.

3.10.3 The corporate budgets, overall, are showing an underspend of £97k. There are underspends in grant audit fees £90k and historic pension payments to the Pension Fund £41k. However, there has been a £20k overspend on Staff Counselling, there is no budget for this expenditure. Secondary pensions contributions are expected to be £36k higher than anticipated. There are various other compensating under and overspend, within other budget heads for the section.

3.11 Corporate Management

3.11.1 The function was £19k (11.91%) underspent for the period and it is forecasted to underspend by £60k (9.44%) at outturn. This relates to the residual budget following the management restructure in 2019/20 and small underspends on transport and general office supplies.

4. Corporate Finance (including Benefits Granted)

4.1 Corporate Finance, including Benefits Granted, is expected to underspend by £675k at year end.

4.2 The budget for 2021/22 included some items retained centrally as contingency budgets, these amounted to £1,333k. The majority of these budgets will be transferred into Service budgets during the year. Appendix C provides a summary of the contingencies budget, this shows that £17k has already been vired to approved budgets.

4.3 The capital financing budget is made up of 3 elements; the sum set aside to meet future repayments (Minimum Revenue Provision - MRP), interest payable on outstanding loans and interest received on cash balances held in the Council's bank accounts and other investments. Delays in capital projects, in particular the 21st Century Schools programme, lowered the Council's borrowing requirement which, in turn, has led to lower MRP and interest costs. During the pandemic, the Council maintained a higher than normal cash balance, although investment returns are very low (on average less than 0.2% during the year). As a result, the Capital Financing budget is forecasted to underspend to the sum of £649k.

5. Collection of Council Tax

5.1 The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2020. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts, transfers to business rates etc.), changes to the current year's tax-base or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. Covid-19 is also impacting on the collection of Council Tax and an increase in the bad debt provision has been made to reflect this impact. The current core Council Tax income is forecasted to be £39k lower than the budget.

5.2 The Council Tax premium is designed to encourage owners of empty properties and second homes to return the property to general use and, as such, there is a risk that the number of properties paying the premium can reduce significantly during the year. In order to mitigate this risk, the tax base for premium properties is set at 80% and, if the numbers of properties paying the premium does not fall significantly then the budget will generate a surplus. Again, the transfer of properties from the domestic to the Business Rates register has reduced the premium payable on second homes but, despite the transfer of properties, overall the numbers of second home properties remained fairly constant and, as a result, the Council Tax premium budget is forecasting a surplus of £668k at the end of the financial year.

6. Budget Savings 2021/22

6.1 No Budget Savings were required by the services for the financial year 2021/22.

7. Invest-to-Save

7.1 An invest to save programme was undertaken in 2016/17, with an allocation of £983k for individual projects. To date, £858k has been spent or committed from this allocation of funding up to and including 2021/22. All projects are at various stages of development, with some closer to completion than others, although progress to complete these projects has been impacted by the Coronavirus pandemic. The full detail of the expenditure and progress on each of the projects can be seen in Appendix CH. Where the projects are not completed at year-end, they will continue into 2022/23 and the funding will still be available within the invest-to-save reserve.

8. Agency and Consultancy Costs

- 8.1** During the year to date, £243k was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff vacancies, while £57k related to staff cover vacant posts. The Waste Service spent £65k for site agents at the recycling centres. The full details can be seen at Appendix D.
- 8.2** A total of £133k was spent on Consultancy during the period April to June 2021, with £67k funded through grant or external sources. A full summary of expenditure per service, and additional details of the expenditure, can be seen at Appendix DD.

9 Welsh Government Covid-19 Grant Funding to date

- 9.1** The Welsh Government has provided significant financial support to the Welsh local authorities on Coronavirus related additional costs and loss of income, without which the outturn would be a sizeable overspend. Table 2 below shows that the Council claimed £0.930m for additional costs arising from the pandemic for this financial year, £0.746m has already been paid to the Council, leaving a balance of £0.184m remaining, which will be paid during 2021/22.

Table 2 Covid-19 related expenditure April to June 2021 funded by Welsh Government

	Adult Social Services	Excess Deaths	Free School Meals	General	Homelessness	TTP	Childcare	School Cleaning	Testing in Care Homes	IT/ Home Working	Self Isolation	Children	SSP Enhancement	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Claimed	417,682	-	42,913	138,111	11,164	-	-	41,423	71,780	-	64,486	140,810	1,528	929,899
Disallowed														-
Balance Due	417,682	-	42,913	138,111	11,164	-	-	41,423	71,780	-	64,486		1,528	929,899
Paid 18 August 2021	542,985	-	-	55,232	3,485	-	-	16,060	70,763	-	56,986	-	914	746,425
Balance Outstanding	- 125,303	-	42,913	82,879	7,679	-	-	25,363	1,017	-	7,500		614	183,474

9.2 Loss of Income from Covid-19 Restrictions Funded by Welsh Government

Whilst easing of lockdown has entered into the new financial year, the Council's income has significantly been affected, such as closure of the Leisure centres and the impact on car parking fees. There is also the risk of further restrictions to help reduce the transmission of Covid-19. Welsh Government has compensated local authorities for eligible income lost due to the Coronavirus. The Council, this financial year, has claimed -£0.015m from Welsh Government. A summary of the income compensated and claimed to 30 June 2021 is shown below in Table 3:-

Table 3 – Welsh Government Grant Funding for Loss of Income from Services during the Pandemic

Summary	Museums	Leisure	Education	Car Parks	Public Protection	Markets and Travel Clubs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Claimed	34.8	234.00	-325.00	34.0	6.20	1.10	-14.90
Disallowed	0	0	0	0	0	0	0
Balance Due	34.8	234.00	-325.00	34.0	6.20	1.10	-14.90
Paid	0	0	0	0	0	0	0
Balance Outstanding	34.8	234.00	-325.00	34.00	6.20	1.10	-14.90

10 Conclusion

- 10.1** The initial projection at the end of the first quarter is that the budget will be underspent by £2.540m for the year ending 31 March 2022. The service budgets are expected to underspend by £1.286m and corporate finance is forecast to also underspend by £0.675m. An underachievement of £0.039m is expected on the standard Council Tax. Surplus income of £0.668m is forecast on the Council Tax Premium. The Adults Service budgets are under pressure due to increasing demand and the transition of a costly placement from Children's Services. It is the normal pattern for the final outturn position to be better than the first quarter estimate, however, if the projected overspend transpires it would be funded from the Council's general balances, which would increase to £9.961m.
- 10.2** Further work is required to model the impact and a revised Medium Term Financial Plan will be submitted to the Executive in September 2021, prior to the commencement of the 2022/23 budget process.

Projected Revenue Outturn for the Financial Year-ending 31 March 2021- Quarter 1

Gwasanaeth/Swyddogaeth Service/Function	2021/22 Cyllideb Blynyddol Annual Budget	2021/22 Ch1 Cyllideb hyd yma Q1 Budget Year to Date	2021/22 Ch1 Gwir Wariant ac Ymrwymadau Q1 Actual & Committed spend	2021/22 Ch1 Amrywiad Q1 Variance	2021/22 Ch1 Gwir Wariant ac Ymrwymadau Q1 Actual & Committed Spend	Ch1 : Q1 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2022	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gorr/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(tan) wariant a ragwelir fel % o'r Gyllideb Gyfan Projected Over/(Under) spend as a % of Total Budget	2020/21 Gor/(Tan) Wariant Drafft Over/(under)spend
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
<u>Dysgu Gydol Oes</u> <u>Lifelong Learning</u>									
Cyllideb Datganoledig Ysgolion <i>Delegated Schools Budget</i>	49,061	9,217	9,217	(0)	0.00%	49,061	0	0.00%	0
Addysg Canolog <i>Central Education</i>	4,545	614	523	(91)	-14.81%	3,953	(592)	-13.02%	(1,338)
Diwylliant <i>Culture</i>	1,208	433	200	(232)	-53.56%	1,176	(32)	-2.65%	(172)
<u>Gwasanaethau Oedolion</u> <u>Adult Services</u>	27,732	5,803	6,184	381	6.56%	28,170	438	1.58%	(178)
<u>Gwasanaethau Plant</u> <u>Children's Services</u>	11,179	3,326	4,361	1,036	31.15%	10,855	(324)	-2.90%	(718)
<u>Tai</u> <u>Housing</u>	1,247	465	450	(14)	-3.05%	1,247	0	0.00%	(37)
<u>Priffyrdd, Gwastraff ac Eiddo</u> <u>Highways, Waste & Property</u>									
Priffyrdd <i>Highways</i>	6,294	1,408	1,629	221	15.70%	6,201	(93)	-1.48%	(80)
Eiddo <i>Property</i>	985	(587)	(635)	(49)	8.32%	985	0	0.00%	(100)
Gwastraff <i>Waste</i>	8,757	1,446	1,123	(322)	-22.30%	8,447	(310)	-3.54%	(423)

Gwasanaeth/Swyddogaeth Service/Function	2021/22 Cyllideb Blynnyddol Annual Budget	2021/22 Ch1 Cyllideb hyd yma Q1 Budget Year to Date	2021/22 Ch1 Gwir Wariant ac Ymrwymiadau Q1 Actual & Committed spend	2021/22 Ch1 Amrywiad Q1 Variance	2021/22 Ch1 Gwir Wariant ac Ymrwymiadau Q1 Actual & Committed Spend	Ch1 : Q1 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2022	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(tan) wariant fel % o'r Gyllideb Gyfan Projected Over (Under) spend as a % of Total Budget	2020/21 Gor/(Tan) Wariant Drafft Draft Over/(underspend)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
<u>Rheoleiddio a Datblygu Economaidd</u> <u>Regulation & Economic Development</u>									
Datblygu Economaidd <i>Economic Development</i>	1,955	574	222	(352)	-61.28%	2,002	47	2.40%	(132)
Cynllunio a Gwarchod y Cyhoedd <i>Planning and Public Protection</i>	2,247	440	340	(101)	-22.99%	2,210	(37)	-1.65%	(224)
<u>Trawsnewid</u> <u>Transformation</u>									
Adnoddau Dynol <i>Human Resources</i>	1,379	383	408	25	6.48%	1,290	(89)	-6.46%	(196)
TGCh <i>ICT</i>	3,200	1,340	1,757	417	31.14%	3,200	0	0.00%	(87)
Trawsnewid Corfforaethol <i>Corporate Transformation</i>	869	170	135	(35)	-20.53%	712	(157)	-18.08%	(187)
<u>Adnoddau</u> <u>Resources</u>	3,236	878	970	92	10.49%	3,133	(103)	-3.18%	(166)
<u>Busnes y Cyngor</u> <u>Council Business</u>	1,708	439	392	(47)	-10.67%	1,737	29	1.70%	(83)
<u>Costau Corfforaethol a Democraidd</u> <u>Corporate & Democratic costs</u>	3,010	1,004	1,009	5	0.53%	2,857	(153)	-5.08%	62
<u>Rheolaeth Corfforaethol</u> <u>Corporate Management</u>	636	158	139	(19)	-11.91%	576	(60)	-9.44%	(47)
Costau heb gyllideb, na ellir eu rheoli: yswiriant, costau pensiwn a dileu drwg ddyledion/lwfansau amhariad ar incwm gwasanaethau <i>Unbudgeted, uncontrollable costs: insurances, pension costs and bad debt write offs/impairment allowances on services' income</i>						200	200	0.00%	(54)

Gwasanaeth/Swyddogaeth Service/Function	2021/22 Cyllideb Flynyddol Annual Budget	2021/22 Ch1 Cyllideb hyd yma Q1 Budget Year to Date	2021/22 Ch1 Gwir Wariant ac Ymrwymadau Q1 Actual & Committed spend	2021/22 Ch1 Amrywiad Q1 Variance	2021/22 Ch1 Gwir Wariant ac Ymrwymadau Q1 Actual & Committed Spend	Ch1 : Q1 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2022	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(tan) wariant fel % o'r Gyllideb Gyfan Projected Over (Under) spend as a % of Total Budget	2020/21 Gor/(Tan) Wariant Drafft Draft Over/(underspend)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
Cyfanswm Cyllidebau Gwasanaethau Total Service Budgets	129,248	27,511	28,425	916	3.33%	128,012	(1,236)	-0.96%	(4,160)
Ardollau Levies	3,695	3,652	3,693	41	1.12%	3,695	0	0.00%	0
Rhyddhad Trethi Dewisol Discretionary Rate Relief	96	0	0	0	0.00%	70	(26)	21.86%	8
Cyllido Cyfalaf Capital Financing	7,482	145	150	6	0.00%	6,834	(649)	-8.67%	(105)
Arian wrth Gefn Cyffredinol ac Eraill General & Other Contingencies	1,033	1,333	0	(1,333)	-100.00%	1,033	0	0.00%	(270)
Cyfraniad CRT y Gwasanaethau Cefnogol Support Services contribution HRA	(700)	0	0	0	0.00%	(700)	0	0.00%	(192)
Budd-daliadau a Roddwyd Benefits Granted	6,265	(767)	(767)	0	0.00%	6,265	0	2.27%	(68)
Na ellir ei reoli Uncontrollable									249
Cyfanswm Cyllid Corfforaethol Total Corporate Finance	17,872	4,364	3,077	(1,287)	-29.49%	17,057	(675)	-4.56%	(378)
Cyfanswm 2021/22 Total 2021/22	147,120	31,875	31,502	(371)	-1.16%	145,209	(1,911)	-1.30%	(4,538)
<u>Cyllido Funding</u>									
Trethi Annomestig NDR	(23,480)	(7,480)	(7,480)	0	0.00%	(23,480)	0	0.00%	0

Gwasanaeth/Swyddogaeth Service/Function	2021/22 Cyllideb Flynyddol Annual Budget	2021/22 Ch1 Cyllideb hyd yma Q1 Budget Year to Date	2021/22 Ch1 Gwir Wariant ac Ymrwymadau Q1 Actual & Committed spend	2021/22 Ch1 Amrywiad Q1 Variance	2021/22 Ch1 Gwir Wariant ac Ymrwymadau Q1 Actual & Committed Spend	Ch1 : Q1 Amcangyfrif Gwariant i 31 Mawrth 2022 Estimated Expenditure to 31 March 2022	Ch1 : Q1 Amcangyfrif o Alldro 31 Mawrth 2022 gor/(tan) wariant Estimated Outturn 31 March 2022 over/(under)	2021/22 Gor/(tan) wariant fel % o'r Gyllideb Gyfan Projected Over /(Under) spend as a % of Total Budget	2020/21 Gor/(Tan) Wariant Drafft Draft Over/(underspend)
	£'000	£'000	£'000	£'000	%	£'000	£'000	%	£'000
Y Dreth Gyngor Council Tax	(40,902)	0	0	0	0.00%	(40,863)	39	-0.10%	333
Premiwm y Dreth Gyngor Council Tax Premium	(1,393)	0	0	0	0.00%	(2,061)	(668)	-47.97%	0
Grant Cynnal Refeniw Revenue Support Grant	(81,345)	(23,596)	(23,596)	0	0.00%	(81,345)	0	0.00%	0
Cyfanswm Cyllid 2021/22 Total Funding 2021/22	(147,120)	(31,076)	(31,076)	0	0	(147,749)	(629)	-0.43%	333
Cyfanswm yr alldro yn cynnwys effaith y cyllido Total outturn, including impact of funding	0	798	426	(371)	-46.50%	(2,540)	(2,540)	-173%	(4,205)

Summary of the Outturn Position on Contingency Budgets 2021/22

	Budget	Virements	Amended Budget YTD	Committed YTD	Currently Uncommitted Budgets	Budget Forecast
	£	£	£	£	£	£
General Contingency	388,928	- 17,000	371,928	-	371,928	-
Salary and Grading	150,000		150,000	-	150,000	-
Earmarked Contingency	794,500		794,500	-	794,500	-
Total General and other Contingencies	1,333,428	-17,000	1,316,428	-	1,316,428	-

Review of Invest-to-Save Projects 2021/22

Service	Title	Description	Amount Approved £	Allocation for 2021/22 £	Spent 2021/22 £	Remaining budget 2021/22 £	Project Update
Resources	Electronic Document Management System for Revenues and Benefits	Provide scanning solution and workflow for Revenues and Benefits	170,000	0	0	0	Project closed. No further update.
I.T	Local Land and Property Gazetteer (LLPG)	Implement a LLPG system across the Council	10,800	0	0	0	Project closed. No further update.
I.T. / Transformation	Customer Relationship Management System	Purchase and implementation of a CRM system	255,000	46,676	0	46,676	The CRM continues to be used extensively with tranche 2 of business support grants being administered through the system as well as a booking system for attending Household Waste Recycling Centres. The CRM integration with the line of business system used by the contractor appointed to the waste collection contract for the Authority has been completed, and is live. Work has started on Highways business processes as nominated by the Transformation Board. Sanity check and general housekeeping on existing forms are currently being undertaken.
I.T. / Resources	Payment Gateway	Purchase and implement a payment gateway which will enable payments to be received via the App	27,000	13,583	0	13,583	Project closed. No further update.

Service	Title	Description	Amount Approved	Allocation for 2021/22	Spent 2021/22	Remaining budget 2021/22	Project Update
			£	£	£	£	
Regulation & Economic Development	Improve the Resilience of the Planning Systems	New automated planning systems	118,000	5,687	137	5,550	Internal testing works in order to eliminate system errors are continuing to progress in preparation for the November 'go-live' date for Enterprise 5.30. Works on the de-duplication of data within Salesforce has been completed and will be forwarded to Arcus to update the database. A further run may be required due to the length of time since the original extract (this was put on hold for over twelve months due to the pandemic). Works on enabling the TPO module into Salesforce is also continuing. In order to assist the Business and Systems Team with answering and dealing with general public telephone calls whilst working from home, bluetooth headphones have been purchased and utilised.
Resources	Improving Income Collection Systems	Purchase and implement a new income management system which links to the current income streams and allows new income collection methods (AppMôn etc.) to link into the cash management system	150,000	36,843	32,898	3,945	Full commitments have now been made and within the bid budgets. Implementation recommenced during Quarter 2 following ending of furlough of certain Capita project staff, but momentum only picked up in Quarter 3. Testing of the new GL export file that could be done remotely is almost complete and arrangements are in place to complete the testing that cannot be done remotely. Once this is complete, automated income reconciliation/e-returns can begin to be implemented, involving new processes for services and bespoke electronic bank statements from the Authority's bankers. Further automated work is being progressed by developing APIs to enable automated income update to ledger through income management for internal services, such as leisure, education and highways, and externally for DWP. Implementation will be ongoing into the next financial year due to Covid-19 delaying implementation and internal services retendering certain software processes. The remaining budget balance will be used for any unexpected items which remain.

Service	Title	Description	Amount Approved £	Allocation for 2021/22 £	Spent 2021/22 £	Remaining budget 2021/22 £	Project Update
Lifelong Learning	Modernisation of business and performance processes - Education	Implement unused modules in the ONE Management Information system	67,000	0	0	0	Project closed. No further update.
Lifelong Learning	Modernisation of business and performance processes - Oriel Môn	Website for the Oriel	20,000	11,474	0	11,474	Work has been completed on this project and are now awaiting the final invoices.
I.T. / Transformation	Digital First / Digital By Default	Employ a Digital Lead Officer and Digital Services Analyst	£70,000 in year 1 and £50,000 in year 2	30,280	18,470	11,810	Two people have been recruited to the Temporary Digital Technician posts at Grade 5 and are currently in post
Public Protection	Improved Digital Connectivity within the Public Protection Service	Implementation of a cloud based system to record inspection visits. The software is an all Wales solution and has been procured via a framework agreement supported by 19 out of 22 Councils in Wales.	£10,000 per year for 4.5 years	10,000	0	45,000	No progress to report. Due to Covid-19 and pressures on Public Protection, there has been no capacity to proceed. It is recommended that this funding is returned to the Council's general balances
Total			982,800	154,543	51,505	138,038	

Agency costs April to June 2021

Service	Amount £	Source of Funding (Specific Core Budget / Un- utilised staffing budget / Grant / External Contribution)	Permanent / Temporary	Reason for Cover
Economic & Regeneration	11,533	Grant	Temporary	Unable to recruit fully qualified EHO for food sampling
	16,045	Grant	Temporary	Capacity
	27,578			
Schools	1,869	Core	Temporary	Supply teachers in specialist field
	878	Core	Temporary	Supply teachers
	2,747			
Waste	64,736	Specific Core Budget	Temporary	Additional tasks required short term
	64,736			
Property	1,389	Un-Utilised Staffing Budget	Temporary	Valuation for the 2020/21 accounts
	1,389			
Children's Services	56,946	Core Budget/ Agency staff Reserve	Temporary	To cover vacant posts
	56,946			
Adult Services	12,711	Core Budget	Temporary	DOLS project
	12,711			
Resources	29,000	Core Budget / Covid Hardship Fund	Temporary	Vacant posts and additional work due to Covid applications
	23,000	Core Budget / Grants	Temporary	Secondment
	6,000	Core Budget / Grants	Temporary	Advisory
	58,000			
Transformation	8,099	Un-utilised staffing budget	Temporary	Maternity
	4,651	Un-utilised staffing budget	Temporary	Staff secondment to support the HWB Project
	6,456	Un-utilised staffing budget	Temporary	Vacant GIS Technician post - cover required to maintain Addressing Data Quality Standard
	19,207			
Total	243,314			

Summary Consultancy Expenditure Q1 2021/22

Service	Qtr 1 £	Total 2021/22 £
Central Education	0	0
Culture	58,100	58,100
Economic & Regeneration	36,124	36,124
Property	0	0
Highways	16,000	16,000
Schools	3,135	3,135
Waste	12,137	12,137
HRA	(10,250)	(10,250)
Housing	0	0
Corporate & Democratic	0	0
Adult Services	3,451	3,451
Children's Services	0	0
Corporate	0	0
Transformation	4,260	4,260
Council Business	0	0
Resources	9,565	9,565
Total	132,521	132,521
Funded by:		
Core Budget	65,648	65,648
Grant	65,495	65,495
External Contribution	1,379	1,379
Reserves	0	0
Total	132,521	132,521

