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CABINET REPORT

Date Written	10 th February 2021
Report Author	Steve Jones / Ian Kent / Adam Price
Service Area	Finance
Committee Division	Strategic
Exempt/Non Exempt	Non Exempt
Committee Date	24 th February 2021

To: *Chair, Ladies and Gentlemen*

Revenue Budget Monitoring 2020/21 – Quarter 3

1.0 SUMMARY OF THE REPORT

- 1.1 The report details the projected revenue outturn for 2020/21 as at 31st December 2020, that is the 3rd Quarter, and was considered at Budget Board on 10th February 2021.
- 1.2 The report advises Cabinet of the projected outturn position for the 2020/21 financial year whilst focusing on projected major budget variances.
- 1.3 A net revenue surplus of £73,000 is projected for the financial year. There are budget deficits of £408,000 projected for Corporate Services, £476,000 for the Finance department, and a requirement for further commitments of £718,000. These pressures are being offset by a projected surplus of £505,000 for Social Services, and projected Covid-19 Loss of Income funding of £1.3 million.

2.0 RECOMMENDATION(S) that

- 2.1 The Revenue Budget Monitoring report for the 2020/21 financial year based on 3rd Quarter projections be accepted.
- 2.2 Budget Virements outlined in Appendix 2 be approved.
- 2.3 Managers to urgently address projected budget deficits within their respective service areas, identifying all possible remedial measures to offset projected deficits, be approved.

- 2.4 Managers to continue to monitor **all** revenue budgets and immediately notify the Chief Finance Officer of potential financial difficulties, be approved.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 Regular planned budget monitoring is crucial in ensuring effective financial stewardship and accountability and is governed by the Chartered Institute of Public Finance and Accountancy's recommended best working practices.
- 3.2 It is considered critical that Budget Monitoring arrangements are continually reviewed and enhanced to ensure continued effectiveness with robust challenge provided by both the Budget Board and the Change and Wellbeing Programme Board.
- 3.3 This report details the net revenue expenditure position for the period 1st April 2020 to 31st December 2020 (3rd Quarter) and revenue outturn projections for the 2020/21 financial year, and was considered at Budget Board of 10th February 2021.

4.0 FINANCIAL PROJECTIONS 2020/21

- 4.1 Detailed in Appendix 1 is the summary Revenue Budget Monitoring statement as at 31st December 2020, with a net revenue surplus of £73,000 projected for the 2020/21 financial year.
- 4.2 Detailed in Appendix 2 are requested Budget virements resulting from budget re-alignment, required investment and departmental re-configuration.
- 4.3 Major variances satisfying the following criteria are disclosed in Appendix 3:
- Any under / over spend of at least £50,000
 - Any under / over spend that is 10% or more of the budget and at least £20,000 in value
 - Any other under / over spend considered significant at the discretion of the Chief Finance Officer

5.0 MAJOR VARIANCES

Social Services

- 5.1 The Social Services Department is projected to underspend by £505,000. However, there is a significant overspend of £1.099 million projected for CLA Residential placements due to 3 new placements and additional costs to avoid secure placements.

- 5.2 A surplus of £344,000 is projected for CLA Independent Fostering Agencies and a deficit of £225,000 is projected for CLA fostering In house Fostering. Placements have transitioned from IFA's into in house fostering
- 5.3 A surplus of £117,000 is projected for Children with Disabilities due to some packages being lower than budgeted, along with some recovery of balances and additional grant funding received.
- 5.4 A surplus of £171,000 is projected for Leaving Care Support Services due to current service demand lower than MTFP budget setting estimates. Step-down provision have been accessed later than anticipated.
- 5.5 A deficit of £182,000 is projected for the Homes for the Elderly mainly due to high levels of non-covid related staff sickness absence and a reduction of projected income.
- 5.6 A surplus of £129,000 is projected for Llysfaen Fach due to underspend on Agency and overtime payments.
- 5.7 The surplus of £218,000 is projected for Supported Placements mainly due to lower costs on packages for the known placements and new demands having lower packages than budgeted.
- 5.8 A surplus of £432,000 is projected for Independent Domiciliary Care due to a significant reduction of weekly hours (currently 2,281 weekly hours compared to 3,000 budgeted). This has been a trend through 2020/21 and may be an ongoing trend as services evolve through Covid-19 impacts.
- 5.9 A surplus of £596,000 is projected for Independent Residential Establishments, there has been a net reduction due to deaths/discharges since the start of the year. The current pandemic is impacting on care home admissions, so numbers are lower than the anticipated levels within the MTFP.
- 5.10 The projections within Social Services take into account all known Covid-19 related financial issues. However, there is an acknowledgement there are probably unknown pressures specifically within Children Services that will continue to emerge as the year progresses.

Education

- 5.11 A deficit of £174,000 against School Meals service due to loss of income from school meals when the schools were closed. The loss of income has been claimed from the WG hardship fund.
- 5.12 A deficit of £75,000 is projected against the Orbit Business Centre. The Centre is still receiving income from tenants but there has been no conference income due to pandemic-related restrictions. It is assumed that conferences will not be held for the remainder of the financial year.

- 5.13 A surplus of £178,000 is projected for the Transport budget. School transport costs are projected to be £140,000 under budget mainly as a result of the school closures in the summer term and the delayed start of the autumn term. Additionally, we have received confirmation that we will receive the concessionary fares administration grant of £48k until Welsh Government undertake discussions on future funding arrangements.
- 5.14 A deficit of £473,000 is projected against Revenues. It is assumed no bailiff fees or court costs will be recovered for the remainder of the year, this situation may improve.
- 5.15 A deficit of £310,000 is projected against Parking Services. Income from parking charges has fallen significantly due to pandemic-related restrictions and homeworking. The Multi-Storey Car Park is now open and income has improved slightly since Q1. It is assumed that income will continue at its current level for the remainder of the year.
- 5.16 A deficit of £431,000 is projected for the Council Tax Benefit Payments budget as a result of an increased caseload. The number of cases has increased by 225 since March 2020, an increase of 3.6%. Welsh Government have agreed to fund part of the additional cost. We estimate we will receive funding of £109,000. There is significant risk there will be further pressures against this budget as the Job Retention Scheme comes to an end.
- 5.17 A surplus of £299,000 is projected for the Capital Financing Costs budget. Short-term Interest rates have reduced significantly during the year resulting in significantly lower interest costs than budgeted.
- 5.18 Corporate Vacancy Factor savings, resulting from the time elapsing between core-funded posts becoming vacant and being filled, are projected to exceed the budget of £500,000 by £404,000. An additional £373,000 has been identified since the last report. Of this £75,000 relates to 2 posts at Llysfaen Fach which have now been removed from the MTFP, and £45,000 relates to posts within Day Services which are being kept vacant because the pandemic has affected demand. Furthermore, we are experiencing difficulties recruiting social workers and community occupational therapists due to the high number of vacant posts in the region.
- 5.19 The Provision for Further Commitments has been increased to £718,000 and includes the following:
- £100,000 to support the apprenticeship programme
 - £100,000 to support the home working / agile working agenda
 - £200,000 to finance the Recovery, Transformation and Improvement Plan
 - £318,000 to fund future requirements of the City Deal Programme

COVID-19

5.20 The Authority has had to incur additional expenditure in dealing with the pandemic. The major additional costs which have been incurred are:-

- Free School meals - Initially making food parcels available to families entitled to free school meals, later moving to a cash payment or voucher of £3.90 per FSM child. This scheme was extended throughout school holidays until end of August 2020 at a cost of £1.117 million. This has been 100% funded from the Hardship fund.
- A new responsibility to provide temporary accommodation to everyone who presents as homeless, until suitable housing can be found. It is estimated that this could cost £851,000 for the year. These costs will be claimed from the Hardship fund.
- Provide additional payments to private residential and nursing homes to mitigate the additional costs faced by these homes in dealing with the pandemic. Payments have also been made to homes to fund vacant beds.
- ICT costs to allow office based staff to work from home, WG have funded 50% of these costs from the Hardship fund up to June. To date £205,000 ICT costs will need to be funded by the Authority. These costs have been made as an investment to allow homeworking and they could be funded from the Authority's Investment Fund.

To date, the Council has claimed £4.176m for costs incurred for March-December from the Hardship Fund.

5.21 Welsh Government have agreed to fund income lost as a result of the pandemic in the current financial year. We are projecting to recover £1.3 million of lost income through this funding.

5.22 Council Tax forms part of the overall funding available to the Authority. A reduced collection rate, current down by 1.8% will impact the Council's cash flow and the Collection fund surplus budget of £850,000 could be affected. It is difficult to quantify at this point in time and will depend on the economic recovery, as lockdown is eased and the Job Retention Scheme ends people's ability to pay their Council Tax may change significantly. An estimate of £733,000 has been made at month 9 based on the correct information available, but the situation will be monitored closely throughout the year, if the collection rate remains low the probability of higher levels of bad debt write-off will increase.

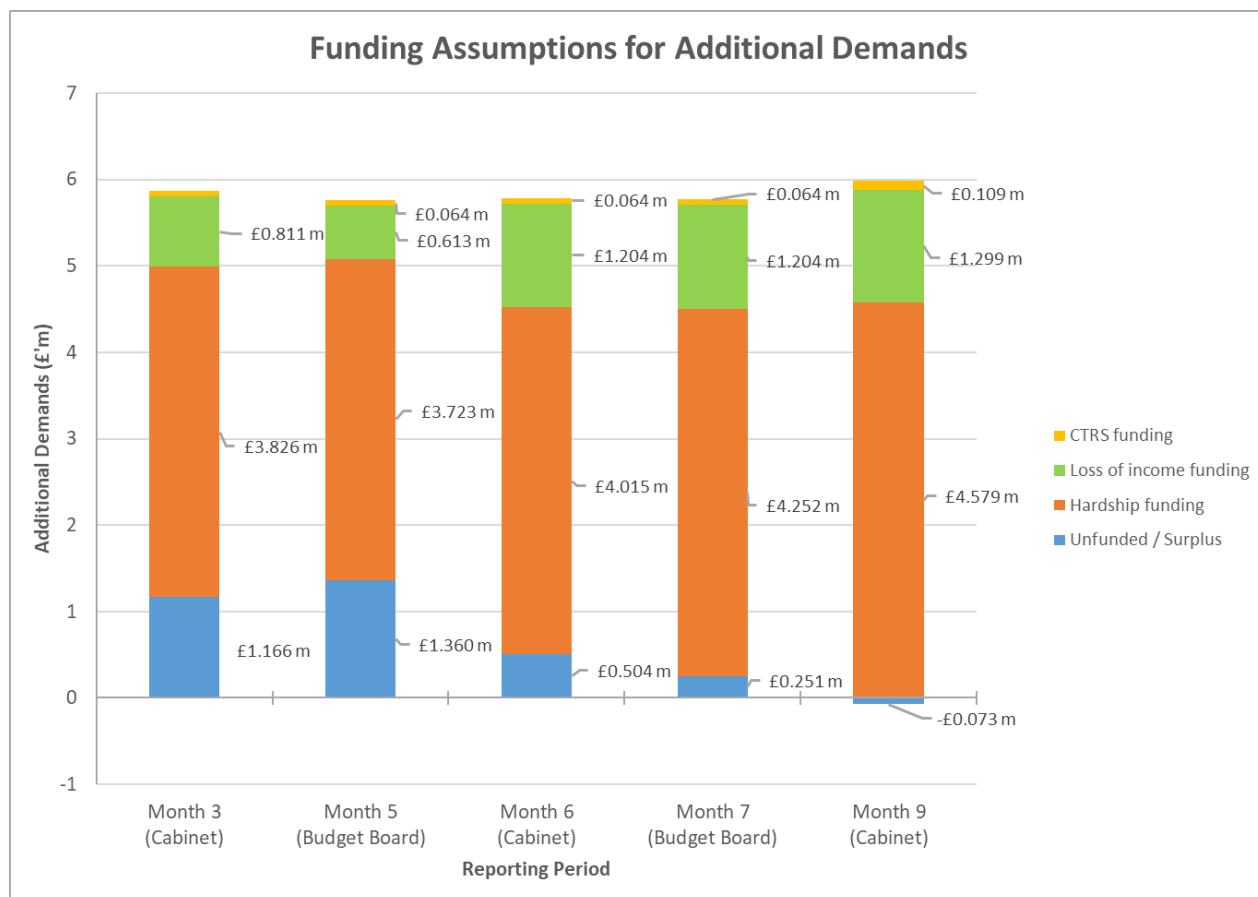
6.0 FINANCIAL IMPLICATIONS

6.1 A surplus budget outturn of £73,000 is projected for 2020/21 based on the financial position as at 31st December 2020.

6.2 The Authority is awaiting confirmation from Welsh Government regarding the following pandemic-related funding:

- support for the loss of bailiff fee and court costs income
- support for the loss of council tax income

6.3 The chart below shows the projected value of additional demands in 2020/21 as reported to date, and our assumptions of how this will be funded.



7.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Not Applicable
1. Merthyr Tydfil Well-being Objectives	4 of 4	0 of 4	0 of 4
2. Sustainable Development Principles - How have you considered the five ways of working: <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5
3. Protected Characteristics <i>(including Welsh Language)</i>	0 of 10	0 of 10	10 of 10
4. Biodiversity	0 of 1	0 of 1	1 of 1
<p>Summary:</p> <p>The main positive impacts are that the report contributes to the financial sustainability of the Council and therefore enables the continued delivery of essential Council services.</p>			

ELLIS COOPER
CHIEF EXECUTIVE

COUNCILLOR ANDREW BARRY
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Revenue Budget Monitoring Working Papers	April 2020 to December 2020	Accountancy Department
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.

Corporate Summary

Summary	30-Sep-20	Vacant	Other	31-Dec-20	Outturn	Year End	Variance	
	Budget 2020/21 £'000	Post Virements £'000	Virements £'000	Budget 2020/21 £'000	Month 9 £'000	Projection £'000	£'000	%
People and Performance								
Social Services, Chief Officer Social Services	34,241	-337	7	33,911	20,958	33,406	-505	-1.49
Learning, Chief Officer Education	49,311	-35	21	49,297	49,407	49,500	203	0.41
Covid-19 Loss of Income Funding	0	0	0	0	-131	-262	-262	-100.00
Total	83,552	-372	28	83,208	70,234	82,644	-564	-0.68
Place and Transformation								
Community Regeneration	6,567	-16	85	6,636	5,950	6,715	79	1.19
Neighbourhood Services	11,411	-21	-34	11,356	8,210	11,335	-21	-0.18
Corporate Services	1,605	7	-79	1,533	1,320	1,893	360	23.48
Finance	3,204	-10	0	3,194	3,195	3,670	476	14.90
Legal	1,348	0	0	1,348	1,007	1,365	17	1.26
Human Resources & Organisational Development	712	-10	0	702	488	698	-4	-0.57
Corporate Communications	186	0	0	186	177	193	7	3.76
Covid-19 Loss of Income Funding	0	0	0	0	-537	-1,037	-1,037	-100.00
Total	25,033	-50	-28	24,955	19,810	24,832	-123	-0.49
Corporate Costs								
Corporate Management - Executive	1,372	0	0	1,372	968	1,343	-29	-2.11
Corporate Authority	18,061	0	0	18,061	8,804	18,178	117	0.65
Covid-19 Support for CTRS	0	0	0	0	-64	-109	-109	-100.00
Total	19,433	0	0	19,433	9,708	19,412	-21	-0.11
Contributions / Recharges								
Non General Fund Allocations	-835	0	0	-835	0	-835	0	0.00
Discretionary Non Domestic Rate Relief	94	0	0	94	0	94	0	0.00
Collection Fund Surplus	-850	0	0	-850	0	-733	117	-13.76
Corporate Vacancy Factor	-18	422	0	404	0	0	-404	-100.00
Redundancy & EPP /slippage	706	0	0	706	0	706	0	0.00
Contribution to General Reserves	300	0	0	300	0	300	0	0.00
Provision for Further Commitments	118	0	0	118	0	718	600	508.47
Total	-485	422	0	-63	0	250	313	-496.83
COVID19 CODES								
Education	0	0	0	0	1,774	1,774	1,774	100.00
Social Services	0	0	0	0	1,298	1,356	1,356	100.00
Neighbourhood Services	0	0	0	0	167	167	167	100.00
Housing	0	0	0	0	549	851	851	100.00
Corporate	0	0	0	0	486	486	486	100.00
Covid 19 - Registrars	0	0	0	0	1	1	1	100.00
Covid 19 - Public Protection & Health	0	0	0	0	2	2	2	100.00
Covid 19 - Transport	0	0	0	0	26	59	59	100.00
Covid-19 Hardship Funding	0	0	0	0	-4,303	-4,579	-4,579	100.00
IT Homeworking Equipment	0	0	0	0	145	205	205	100.00
Total	0	0	0	0	145	322	322	100.00
Net Expenditure	127,533	0	0	127,533	99,897	127,460	-73	-0.06

General Fund Revenue Budget Monitoring 2020/21 (As at 31 December 2020)

Proposed Budget Virements

Appendix 2

Virement From		Virement To		Reason for Virement
Budget	Amount £'000	Budget	Amount £'000	
Business Change	-7	Contact Centre	7	Virement of salary underspend to Contact Centre to cover additional hours required
Waste Disposal	-16	HWRC	16	Black bag waste
Refuse Collection	-31	School Meals - Catering	16	Trade waste collection discount removed from internal customers.
		EOTAS (PRU) Ty Dysgu	1	
		Youth Service Penydre	1	
		Youth Service Treharris	1	
		Integrated Children's Centre	2	
		MTCBC Homes for the Elderly	4	
		MTCBC Group Home (Llysfalen Fach)	2	
		Day Centres	1	
		Employability Core	1	
		Orbit Business Centre	2	
Office Accommodation	-10	Grounds Maintenance	10	Transfer budget for Cyfarthfa Park Depot premises costs
Office Accommodation	-3	CCTV	3	Transfer small maintenance budget to CCTV
CCTV (Corporate Services)	-82	CCTV (Public Protection)	82	To reflect the new management structure.

General Fund Revenue Budget Monitoring 2020/21 (As at 31 December 2020)

Appendix 3

Major Variances

Ref.	Budget Head	Variance £'000	Variance %	Explanation	Action Taken to address
1	Vale, Valleys & Cardiff (VVC) Regional Adoption Group	52	26.40	Adoption placement required to be procd from outside of potenital VVC Adoption Group adopters	No action required
2	MTCBC Homes for the Elderly	182	10.36	Southern Home (projecting an overspend of £95k) - delays in filling vacancies resulting in agency costs and salary costs as a result of covering. Most vacancies have now been filled, however, staff cover still required going forward owing to staff sickness and isolation and owing to covid 19. Occupancy levels have also fallen by 7 resulting in a loss of projected income. Northern Home projecting overspend of £87k mainly owing to salaries and agency costs because of staff covering sickness/shielding due to the covid 19. Recent outbreak at both homes. This includes projected income from the hardship fund and the national fee uplift up to 31st March which equates to £78k for the Northern Home and £169k for the Southern Home.	Continue to monitor
3	MTCBC Group Home (Llysfafen Fach)	-129	-14.73	Delays in filling posts because of covid 19. Projecting an underspend against agency and overtime based on current spend. Confirmed by Manager that 2 vacant night care posts are not to be filled. MTFP updated to reflect this. Vacancy savings associated with these posts £75k moved to vacancy	Continue to monitor. MTFP updated.
4	Transport (Day services)	-64	-23.88	Reduced attendance at day centres resulting in reduction in transport and therefore payments. These reduced payments are projected to continue to March. The budget also included uplift to costs (£20,875) following a tender exercise that was due to take place during 2020/21. This is not going to happen during this financial year and the budget associated with this will not be required in the financial	Continue to monitor.
5	Supported Placements	-218	-6.18	(£99k) - Current "known" Demands (25 within MTFP currently 27 in year and 25 ongoing) - includes all inflationary uplift costs (£112k) - New Service Demand (2 within MTFP (1 High and 1 Lower Cost) - currently 1 in year and 3 further ongoing all Lower Cost) (£20k) - ICF Complex Transition Cases Grant £18k - Income (Joint funding) (6 within MTFP currently 5 in year and 5 ongoing) £10k - Supported Living Placements (£11k) - Transition Adult Services (£4k) - LD Packages Partnership Fund	No action needed
6	Independent Domiciliary Care	-432	-19.11	Current service demand for service from Framework providers significantly reduced from MTFP budget setting estimates. Weekly hours 2281 rather than 3000 anticipated. Non-Framework providers picking up service that Framework providers cannot 795hrs@Dec. This has been a trend through 20/21 and may be an ongoing trend as services evolve through Covid19 impacts. Income is also impacted as services are cancelled or transferred to other service types	No action needed
7	Direct Payments	-65	-3.03	£23k - Current "known" Demands (104 within MTFP currently 103 in year and 102 ongoing) - includes all inflationary uplift costs (£54k) - New Service Demand (12.37 within MTFP currently 7 in year and 11 further ongoing) (£16k) - Direct Payment Administrative Service - Annual recharge decreased with change of provider (£18k) - Income (balance recovery)	No action needed

General Fund Revenue Budget Monitoring 2020/21 (As at 31 December 2020)

Appendix 3

Major Variances

Ref.	Budget Head	Variance £'000	Variance %	Explanation	Action Taken to address
8	Independent Commissioned Day Services	-29	-10.28	Current service demand lower from MTFP budget setting estimates. Services suspended/Reduced through Pandemic	No action needed
9	Independent Residential Establishments (IRE's)	-596	-10.36	Projection is based on current IRE population (163 commissioned beds). There have been a net reduction due to deaths/discharges since the start of the year. Current Pandemic is impacting on Care Home admissions so numbers are considerably lower than the anticipated levels within the MTFP and may be an ongoing trend as services evolve through Covid19 impact.	No action needed
10	Children with Disabilities	-117	-16.30	(£12k) - Current "known" Demands (60 within MTFP currently 55 in year and 44 ongoing) (£25k) - New Service Demand (4 within MTFP currently and 4 ongoing) (£12k) - Recovery of Balances (over contingency levels) (£14k) - FF MIA new in year grant allocation (£17k)- Reduced demand on Leisure Link services and their related transport related expenditure. This has been a trend through 20/21 and may be an ongoing trend as services evolve through Covid19 impacts	No action needed
11	Child & Family Team	52	6.64	Increased expenditure within Salaries; Agency and Car Allowances (includes 2 newly agreed peripatetic workers)	No action needed
12	CLA Residential Placement Services	1,099	51.57	£688k - Current "known" Demands (11 within MTFP currently 13 in year and 11 ongoing) £374k - New Service Demand (2 within MTFP currently 4 in year and 3 ongoing)	Continue to monitor
13	CLA Fostering - Independent Fostering Agencies (IFA's)	-344	-16.76	(£321k) - Current "known" Demands (49 within MTFP currently 44 in year and 38 ongoing) £29k - New Service Demand (3 within MTFP currently 5 in year and 5 ongoing) (£55k) - 4c's Commissioning Unit (Levy Income balances 18/19 and 19/20 received)	Continue to monitor
14	CLA Fostering - In House, Kinship & Emergency/Respite Fostering Services	225	14.79	£82k - In House Fostering Current "known" Demands (45 within MTFP currently 48 in year and 41 ongoing) £6k - In House Fostering New Service Demand (10 within MTFP currently 12 in year and 8 ongoing) (£73k) - In House One-Off Allowances & Scale Payments (65 within MTFP currently 60 in year and 49 ongoing) and £8k - Other Supporting Services £32k - Kinship Current "known" Demands (36 within MTFP currently 51 in year and 40 ongoing) £104k - Kinship New Service Demand (4 within MTFP currently 22 in year and 17 ongoing) £6k - Kinship One-Off Allowances (40 within MTFP currently 73 in year and 57 ongoing) (£1k) - CLA Overarching; Respite and emergency Service £54k - Therapeutic/Psychological & Counselling Services	Continue to monitor
15	Children Looked After (Court, Legal & Professional) Services	41	22.28	Current service demand higher than MTFP budget setting estimates. Service type projections summary: - Court Costs - £29,760; - Legal Services - £100,340; - DNA & Drug Testing - £51,020; - Professional Services - £19,670; - Translation & Interpreting - £24,880; - Other Services - (£670)	No action needed
16	Leaving Care Support Services	-171	-32.63	Current service demand lower than MTFP budget setting estimates. Step-down provision accessed later than anticipated.	No action needed

General Fund Revenue Budget Monitoring 2020/21 (As at 31 December 2020)

Appendix 3

Major Variances

Ref.	Budget Head	Variance £'000	Variance %	Explanation	Action Taken to address
17	Adoption Services	-44	-32.35	(£11k) - Current "known" Demands (14 within MTFP currently 12 in year and 11 ongoing) (£15k) - New Service Demand (4 within MTFP currently 2 'actual' in year and 4 ongoing) (£18k) reduction in Adoption Support Costs (mitigating overspend within Collaborative Partnerships)	No action needed
18	Advocacy Services	-24	-40.00	Grant income of £14k not budgeted for. Also reduction in number of active offers for which we are charged individually because of the pandemic.	Continue to monitor.
19	School Meals	174	470.27	Loss of income from school meals which is partly being offset by food costs. Includes amounts that cannot be claimed for providing FSM for the period 01-11/09/2020 and for providing FSM since that time to pupils who are shielding. The loss of income has been claimed from the WG hardship fund and	Continue to monitor
20	Statutory Building Compliance/Maintenance	42	52.50	Schools maintenance higher than budgeted. £20k relates to legionnaire tests in July to reopen schools after the first lockdown, this was rejected by WG as eligible expenditure in the hardship fund. £10k relates to condition surveys carried out on numerous school buildings.	Continue to monitor
21	Schools Data Management Systems	-31	-18.34	Additional grant funding received used to offset some costs associated with the Capita system.	No action needed
22	Early Years	-32	-22.22	Underspend against Early Education Provision of £21k reduced demand. Greater income than budgeted for EIG and PDG Grants.	Continue to monitor
23	Integrated Children's Centre	23	42.59	Loss of income from room hire due to Covid 19.	Continue to monitor
24	Economic Development	25	10.55	JE regrade for Programme Development Manager and loss of Market rent income	MTFP amended for JE
25	Orbit Business Centre	75	-79.79	Loss of conference income due to COVID restrictions.	Continue to monitor and include loss of income in claim to WG
26	Housing	27	3.88	Salary costs over by £21K due to maternity cover (primarily attributable to a grant funded employee on maternity where the authority cannot reclaim the maternity costs from the grant body) plus unbudgeted legal fees of £16.4K due to defending a challenge on a homelessness case. Temporary accommodation costs £10K over. Overs are offset by under on car allowances £3K and the temporary accommodation management fee £17K.	Continue to monitor. Our legal department are currently challenging the legal fees incurred.
27	Glynmil Gypsy Site	65	151.16	From November 2020 we took out a full repairing and insuring lease for the 24 plots at Glynmil at an annual rent of £80,000. We are responsible for the entire operation of the site with the exception of the caravans which belong to the occupants. We have also taken over responsibility for providing a site warden. The income we receive from the plot rental (which is typically paid as housing benefit or universal credit) will offset the operational costs.	We have updated the MTFP to include the additional costs of running the site based on information provided by the Site Manager.

General Fund Revenue Budget Monitoring 2020/21 (As at 31 December 2020)

Appendix 3

Major Variances

Ref.	Budget Head	Variance £'000	Variance %	Explanation	Action Taken to address
28	CCTV	48	58.54	Decision to reduce staffing has been reversed, so there are unbudgeted staff costs of £72K but these are offset by a projected reduction in the repair and maintenance budget of £33k and £11k reduction in broadband and telephone budget. Replacement cabling was required so a £19.6k contribution to capital was made.	Salary costs will be added back into the MTFP. Continue to monitor
29	Registrars	22	31.43	Reduction in projected income due to Covid offset by some salary savings for budgeted weekend wedding payments	Reimbursement of estimated lost Registrar's income due to Covid will be reviewed by Welsh Government at the end of the year - we will continue to monitor
30	Transport (Schools)	-178	-10.05	Savings on additional days budgeted vs actual term days £28.4K Savings due to delayed start of term £20.4K Savings through reduced contract payments and passes £137K Additionally we have received confirmation that we will continue to receive the concessionary fares administration grant as per 2019/20 until Welsh Government undertake discussions on future funding arrangements £48K Premises costs £4.8K due to utility projection amendments Additional contract costs £20.7K. Additional inset day awarded, but only inset days of £20.2K confirmed when £33.8K budgeted, therefore additional costs of £13.6K Due to the termination of leases at Merthyr Tydfil bus station, rental income is down by £4k. Income from bus departure charges income is estimated to be down by £21K.	We will continue to monitor the situation. The savings made as a result of school closures are used to offset the Hardship claim, so the authority is not benefitting from making reduced payments to providers.
31	Grounds Maintenance	50	3.88	Additional costs relating to Ash Die back works totalling £68k, of which we planned to fund £34k from earmarked reserves. Security costs are projected to be £22k over budget as a result of a new contract. Projecting a complete loss of pitch fee income due to the pandemic (£30k). These overspends are being partly offset by projected underspends on various subjective budget headings e.g. equipment expenditure is expected to be £45k under budget.	Continue to monitor. We are making enquiries regarding claiming for costs associated with ash dieback works and will update the budget accordingly. We have included loss of pitch fee income in claims from the Covid-19 hardship fund.
32	Fleet Management	34	33.01	Transport Manager post created (September 2020 start date).	The new post will be included in the MTFP as an additional budget requirement.
33	Estates Division	65	26.97	Additional costs incurred for 24hr security at Taff and Crescent Street in Merthyr Vale (April to July).	No further action required. The site has now been demolished.

General Fund Revenue Budget Monitoring 2020/21 (As at 31 December 2020)

Appendix 3

Major Variances

Ref.	Budget Head	Variance £'000	Variance %	Explanation	Action Taken to address
34	Office Accommodation	-101	-11.66	Repair and Maintenance budgets are projected to underspend by £29k for the Civic, Unit 5 and Unit 20. The £49k budgeted contingency for depot rationalisation costs is not needed this year, partly as the Unit 20 depot is not yet fully occupied.	Continue to monitor. The requirement for the contingency will be reviewed when the depot is fully occupied.
35	Planning - Development Control	38	22.75	Reduction in planning fee income due to COVID restrictions	Continue to monitor and include loss of income in claim to WG
36	Planning - Development Plan	-37	-10.19	Contribution to the Strategic Development Plan (£27k) not required this financial year and print budget heading reduced.	No Action needed
37	Building Control	24	36.92	Reduction in building control fee income due to COVID restrictions	Continue to monitor and include loss of income in claim to WG
38	Parking Services	310	-84.24	Loss of Car Parking income due to pandemic-related restrictions and homeworking.	Continue to monitor and include loss of income in claim to WG
39	Civil Parking Enforcement	22	81.48	Reduction in Civil Parking Enforcement income due to COVID lockdown and reduced number of penalty notices issued	Continue to monitor and include loss of income in claim to WG
40	Revenues	473	-519.78	Loss of all Bailiff & Court Cost recoveries income assumed	Continue to monitor
41	Corporate Communication Team	30	26.55	Loss of income due to member of staff being on long term sick and so unable to generate income from worked carried out for other Departments also additional hours required for other member of staff.	Additional hours factored into MTFP in future years and income will be monitored.
42	Mayor Expenses	-22	-30.56	£9k underspend on Chaeffuer costs. Also, £9k underspend on fleet management costs, as the mayoral car has not been replaced as originally planned.	No action needed
43	Capital Financing Costs	-299	-4.64	Short Term Interest rates have reduced significantly during the year resulting in significantly lower interest costs being incurred and being projected to year end.	Continue to monitor and reflect within the MTFP
44	Council Tax Benefit Payments	431	6.85	Additional claims due to Covid 19	Continue to monitor