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Pennaeth Gwasanaethau Cyfreithiol a Democraataidd



To: Cllr Richard Jones (Chairman)

CS/NG

Councillors: Haydn Bateman, Marion Bateman,
Clive Carver, Peter Curtis, Ian Dunbar,
Ron Hampson, Patrick Heesom, Trefor Howorth,
Richard Lloyd, Mike Lowe, Paul Shotton,
Ian Smith, Nigel Steele-Mortimer and
Arnold Woolley

8 February 2013

Tracy Waters 01352 702331
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Dear Sir / Madam

A meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **THURSDAY, 14TH FEBRUARY, 2013** at **10.00 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 1 - 10)
To confirm as a correct record the minutes of the meeting held on 17 January 2013.
- 4 **REVENUE BUDGET MONITORING 2012/13 MONTH 8** (Pages 11 - 54)
Report of Head of Finance enclosed.

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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

- 5 **DISCRETIONARY HOUSING PAYMENT (DHP) POLICY 2013/14** (Pages 55 - 66)

Report of Head of Finance enclosed.

- 6 **WORKFORCE AS A FLINTSHIRE FUTURES WORKSTREAM** (Pages 67 - 74)

Report of Head of Human Resources and Organisational Development enclosed.

- 7 **CORPORATE RESOURCES FORWARD WORK PROGRAMME** (Pages 75 - 78)

Report of Member Engagement Manager enclosed

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE **17 JANUARY 2013**

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday 17 January 2013

PRESENT: Councillor R.B. Jones (Chairman)

Councillors: G.H. Bateman, M. Bateman, R.G. Hampson, P.G. Heesom, R. Lloyd, M. Lowe, I. R. Smith, N.R. Steele-Mortimer and A. Woolley

SUBSTITUTIONS:

Councillor S. Jones for Councillor I. A. Dunbar, Councillor R. Davies for Councillor P. Shotton, Councillor J. Johnson for Councillor P.J. Curtis, Councillor M. Reece for Councillor T. Howorth. Councillor J.E. Falshaw for C.S. Carver

ALSO PRESENT:

(for minute 59) Councillors: M. Wright, V. Gay, N. Matthews and C. A Thomas

APOLOGY:

Councillor J.E. Falshaw

CONTRIBUTORS:

Chief Executive, Leader of the Council, Cabinet Member for Corporate Management, Head of Finance, Corporate Finance Manager, Interim Manager Revenues & Benefits, Head of Assets and Transportation, Corporate Valuer and Asset Manager

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

55. DECLARATIONS OF INTEREST

No declarations of interest were made.

56. MINUTES

The minutes of the meeting of the Committee held on 13 December 2012 had been circulated to Members with the agenda.

Accuracy

Councillor M. Bateman said that comments attributed to her on page 7 regarding tablets for councillors were inaccurate. The sentence "Councillor M. Bateman asked if councillors would be provided with tablets to replace hard copy committee papers" should be replaced with "Councillor M. Bateman asked if it would be possible for councillors to purchase their own tablets using the Flintshire County Council procurement system."

Matters Arising

Councillor P.G. Heesom asked why a supplementary sheet had been handed out at the beginning of the meeting and why it had not been supplied in advance of the meeting with the agenda. The Chair explained that the supplementary sheet from the Corporate Finance Manager was a record of responses to a member's questions at the previous meeting. It was agreed by the Chair that in future, all requests for additional information be reported back before the next meeting.

Councillor A. Woolley asked if the meeting referred to on page 1 had taken place. The Chair responded that a meeting had yet to be convened due to work pressures of the officers involved in the budget process.

Councillor P. G. Heesom asked about the position of the projected level of contingency reserve at the end of March which according to the minutes was an over drawn amount of £0.083 million, but in the report for today's meeting stated that it was £115,000 in credit. The Chair, in response said that this would be explained later in Agenda Item 5.

Councillor A. Woolley referred page 3 and the investigations into the impact of changes to Council Tax Benefit Support and asked if these had been undertaken. The Chair, in response said that this would be addressed in Agenda Item 4.

Councillor P. G. Heesom referred to page 4 and the re-ablement expenditure and asked about the original budget for the service. The Corporate Finance Manager said that this would be addressed in Agenda Item 5.

Councillor P. G. Heesom referred to the unsupported borrowing of £1.079 million on page 4 and asked if this information was now available. The Corporate Finance Manager said that this would be addressed in the capital report in Agenda Item 5.

Councillor P. G. Heesom asked if the task and finish group mentioned on page 10 had a terms of reference that had been agreed by the committee. The Chair explained that the group had not yet met and that the terms of reference would be agreed by the committee.

RESOLVED:

That the minutes be approved as a correct record subject to the matter of accuracy.

57 ADOPTION OF THE COUNCIL TAX REDUCTION SCHEME 2013-14

The Interim Manager Revenues & Benefits circulated an updated version of the report which contained Appendices 3 and 4. She apologised for the unavoidable late submission of the papers and then presented the

report which explained the change from Council Tax Benefit to the Council Tax Reduction Scheme, the implications and the requirement to adopt the scheme by 31 January 2013. The key elements of the report were as follows:

- The scheme would come into operation on 1 April 2013.
- The Welsh Government took the decision to establish a national framework for the provision of Council Tax Support in Wales in order to avoid any regional differences in eligibility.
- Although a national scheme had been approved, there was limited discretion given to the Council to apply discretionary elements that were more generous than the national scheme.
- Discretionary elements included extension to the standard period of 4 weeks during which the council tax reduction would continue after a claimant started work.
- An increase in the amount of War Disablement Pensions and War Widows Pensions which was to be disregarded when calculating the income of the claimant.
- The ability to permit claims for council tax reduction at offices other than County Hall/County Council buildings.
- The backdating of the award of council tax reduction for longer than the new standard of 3 months where a claim had been submitted late.
- Flintshire County Council was obliged to carry out consultation on the adoption of the scheme even though the provisions were set out by the Welsh Government.
- The Consultation exercise was carried out between 17 December 2012 and 14 January 2013 and all 13,000 customers currently in receipt of council tax benefit received a consultation letter and response form. 18 forms were returned, 16 of which were on line and one organisation responded. Approximately 300 customers contacted the Council by telephone as a result of the letter to discuss their personal circumstances.
- An Equality Impact Assessment had been carried out, the results of which could be found on Appendix 4 to the report. It gave a profile of the clients in receipt of council tax benefit and how the council could support them.
- A report would be submitted to Cabinet on 22 January and full council on 29 January.

The Interim Manager Revenues & Benefits explained that from 1 April 2013 the Council through devolved powers to Wales Government would take over responsibility from Department for Work and Pensions for administering the new scheme. The amount of funding available for the scheme would be fixed at £8.7 million, which represented 90% of the costs of the present scheme. From 1 April 2013, claimants would receive a maximum 90% rebate of their council tax liability and would be expected to contribute at least 10% of the cost themselves.

The Chief Executive said that it should be recognised how quickly this new legislation was presented to the Council and the short time scale for implementation. He reminded the committee that consultation had been on the discretionary elements.

The Leader of the Council said that this scheme was part of the welfare cuts driven by the UK Treasury which would transfer responsibility for collection of council tax to the local authorities. He said that if the scheme was not adopted by 31 January, benefit payments could be delayed. He emphasised that there would be a huge impact on communities and the Council and that the Council's Welfare Reform Board would offer assistance as best they could. He reported that the Welsh Local Government Association (WLGA) had been in talks with the Welsh Government about the level of the charge, quoted as 10% and that this would be under review. If there was to be a sudden spike in the amount of council tax benefit claimants, this could exceed the grant funding available and the council tax payers would have to shoulder the extra costs.

The Head of Finance thanked the Interim Manager Revenues & Benefits for her report and said that comments from the committee would be fed back to Cabinet and Council. She apologised for the lateness of the updated report and said that data for the updated report had only been received the previous day. The 10% of revenue expected from council tax benefit claimants was included in the budget 2013/14.

Councillor A. Woolley said that the difficulty lay in not knowing the full impact of the new regulations. He said that concern should be recorded at the way councils were forced into it without full consultation and that the impact be carefully monitored. He said that that the increased workload of FCC staff should not be underestimated.

The Leader of the Council said that the Revenues and Benefits, Welfare Rights and Housing Teams had spent last 4 months looking at the impact of the reform and that officers has worked hard to identify and contact persons who would be hardest hit. A significant number of people had been contacted to see if they needed money advice and some had already been helped. He stressed that it was essential that people sought help as early as possible, to avoid debt management issues.

Councillor S. Jones concurred with Councillor A. Woolley and the Leader of the Council and said that the regulations would have a devastating

effect on residents and the council. She asked about financial arrangements should the level of claims exceed the £8.7 million grant. The Interim Manager Revenues & Benefits said that this potentially would have to be paid by Flintshire County Council.

Councillor P.G. Heesom commended the council for the work that had already been done to assess the impact of the change in regulations to residents and the council. He asked about the contributory rate for 2014/15 and if it would remain at 10%. The Leader of the Council said that the level of contribution was set by the Welsh Government and that the WLGA had lobbied for the claimant contribution rate to be 10%. The Chief Executive said that the issue of Council Tax was a devolved matter and that the 10% contribution from all council tax benefit claimants was better than the original prediction of 20%.

Councillor J. Johnson asked for an estimation of the average 10% contribution. The Interim Manager Revenues & Benefits said that on a Band D property valued at £1,100 per year, this would equate to £100 per year.

Councillor R.G. Hampson asked if staffing had increased in the Welfare Rights Unit to address the increase in workload. Councillor M. Bateman asked if Flintshire had been allocated additional funding to set up the scheme and voiced her concern at possible extra burdens on council tax payers. The Leader of the Council in response said that the WLGA had secured £4.6 million for the 22 Welsh authorities to offset the costs of implementation and that 2 extra officers had been recruited to the Welfare Reform Team.

Councillor P. G. Heesom asked if the Welsh Government would monitor variations in customer demand. The Chief Executive said that the situation would be under review from the Welsh Government.

Councillor R. Lloyd asked if the single occupancy reduction would remain. The Interim Manager Revenues & Benefits confirmed that this would continue.

Councillor R. G. Hampson asked if council tax benefit and housing benefit would now be paid directly to the resident. The Interim Manager Revenues & Benefits said that the Council Tax Reduction Scheme would still be credited to the Council Tax Account as it does now. Housing Benefit rules would remain the same but from October 2013 certain claims under Universal Credit from would be paid directly to the recipient.

Councillor P. G. Heesom asked if North Wales and South Wales authorities were treated equitably in the grant allocation process. The Leader said that the money was allocated on a formula basis and that there were no issues around this.

RESOLVED:

That the report be approved and endorsed by the committee

58. REVENUE BUDGET MONITORING 2012/13 (MONTH 7)

The Corporate Finance Manager introduced a report on the Revenue Budget Monitoring 2012/13 (Month 7) which was due to be considered by Cabinet on 22 January 2013.

The latest forecast projected a year end overspend of £0.516 million on the Council Fund and a projected year end net under spend of £0.401 million on the Housing Revenue Account. For the Council Fund there was an improvement on the month 6 position of £0.198m.

The reasons for all variances over month 6 were included in Appendix 1 of the report. Risks were highlighted in section 3.05 of the report. Carry over requests for funding had been submitted by Environment and Corporate Services.

The current projected level of contingency reserve at the end of March 2013 was £0.115 million.

The Housing Revenue Account (HRA) latest projection was an under spend of £0.401 m which would mean a closing balance at the end of the financial year of £1.471m, which at 5.4% of total expenditure satisfied the minimum level of 3%.

The Chair thanked the Corporate Finance Manager for his report.

Councillor P.G. Heesom asked for a progress report in relation to the required budget efficiencies of £14 million for the medium term financial plan and if they would be realised. The Chair in response said that the end of year projections were based on the implementation of all efficiencies. Councillor Heesom asked if efficiencies were on target. The Corporate Finance Manager said that in terms of the medium term financial plan, any efficiencies to be made in the current year are assumed to have been met. Any variances to this would be reported in in-year figures.

Councillor P.G. Heesom asked if paragraph 3.08 which related to requests for carry over of budget for Environment was connected to possible outsourcing or restructuring of the development, control and planning process. The Leader of the Council said that there were ongoing discussions regarding planning control.

Councillor A. Woolley asked when a report would be produced about the financial risks to the council associated with Municipal Mutual Insurance Ltd (MMI). The Chair in response said that this was discussed at the previous meeting and that a six figure sum was quoted by the Head of Finance. The Head of Finance said that the council were on the brink of reaching an

understanding of the implications and that details would be shared internally and would feature in budget balancing for 2012/13.

Councillor M. Bateman asked for further information about the overspend of £0.44 million recorded on page 2 of Appendix 6, in relation to additional superannuation costs and the overspend of £0.079 in relation to the regional transformation fund. The Corporate Finance Manager said that he would send the superannuation information to her. He explained that the £0.079 overspend was caused by the payment of a bill in 2012/13 which should have been processed in the previous year. 2011-12.

Councillor G. H. Bateman asked if the gas engines at land fill sites highlighted on page 3 of Appendix 3 had previously belonged to AD Waste and sought clarification on the reduction of income due to problems with the engines. The Member Engagement Manager said that there were no relevant officers present to answer this question.

Councillor R. Davies said that the gas engines were originally put in place by A. D. Waste. He asked for further information about the reasons for the engine break down. The Head of Finance explained that during the passage of time, the amount of gas produced by the engines would diminish. She agreed to find out more information.

The Chair said that variances in Transition and Disability Service, Vulnerable Adults and Disability Service and Commissioning (Development and Resources) appeared on page 39 in Appendix 1, but did not appear in the commentary about Community Services in Appendix 2. He pointed out that the commentary on page 53 in Appendix 3 about fleet services did not feature in the Budget Monitoring Summary, Appendix 1 on page 39. Details about vacancy savings in management and support on page 4 of Appendix 3 did not appear in the Budget Monitoring Summary, Appendix 1. The Corporate Finance Manager said that supporting appendices gave detailed information on variances and that sometimes there were differences in reconciliation.

Councillor A. Woolley asked for an update on the early introduction of P2P in Leisure Centres to better control expenditure on page 56 of Appendix 4. The Corporate Finance Manager said that he would get an update from Lifelong Learning.

RESOLVED:

That the report is received and its contents noted.

59. ASSET MANAGEMENT AS A FLINTSHIRE FUTURES WORKSTREAM

The Head of Assets and Transportation introduced an update on the Assets Workstream within Flintshire Futures Programme. The main elements of the report were as follows:

- Three phased approach to rationalise office areas, terminate leaseholds and relocation of staff.
- Identification and implementation of smarter ways of working and implementation of drop in hubs in libraries and resource centres.
- Develop a medium to long term strategy for county hall site/future civic centre.
- Buildings were not in the right place or of high quality, had high carbon foot print, were costly to maintain and not space efficient. There would be a focus on Connahs Quay, County Hall and Flint.
- Current working cultures would need to change from being physically present to outputs. H.R. needed to develop policies for agile and mobile working. There would be a higher reliance on I.T. support to scan documents instead of retaining paper records.
- More staff would occupy the available floor space.

The Head of Assets and Transportation explained that the process would begin with a review of third part leases and the possibility of moving staff to other offices or to further Flintshire Connects sites, as they developed at Flint and Connah's Quay.

A number of targets were outlined in 3.07 of the report such as reductions in floor space per employee from 12m² to 8m² and reduction in storage from 10% to 2%. There would be a target of 50% reduction in floor space by 2016 and 95% of workforce would work on a mobile or agile basis by 2016.

Councillor S. Jones voiced concern about privacy and background noise with large open plan offices for staff dealing with highly sensitive or confidential customer enquiries. The Head of Assets and Transportation said that he was aware of this and that similar work groups would be placed together in open plan areas and private meeting rooms and break out rooms would be available for confidential and sensitive work.

Councillor R.G. Hampson asked about the options available if County Hall was no longer fit for purpose. He asked if the development of Flintshire Futures hubs could be accelerated, to make it easier to relocate staff from County Hall. He also asked about the future of the St David's building in Ewloe. The Head of Assets and Transportation said that a number of options were being considered. He said that there was the option of remaining at County Hall and remodelling and refurbishing the estate. He also said that additional Flintshire Connects offices would be established and a greater emphasis placed on mobile and agile working. The Leader of the Council said that the present occupants of St David's Building, Ewloe would vacate the building in 2014 and that all options would be kept open.

Councillor A. Woolley asked if an external Facilities Management service was being considered. The Head of Assets and Transportation said that a more efficient and integrated facilities management solution was being sought. Councillor Woolley asked if he could be given a list of Flintshire County Council owned listed buildings. The Head of Assets and Transportation said that he would provide this.

Councillor M. Reece asked if the former Bagillt Library could be brought back into use. The Head of Assets and Transportation said that he would note this.

The Chief Executive explained that there would be a need for a core, civic back office and generic customer service accommodation. He gave examples of current space rationalisation projects such as the relocation of all Streetscene personnel to Alltami depot, school amalgamations and the shared premises at Holywell Flintshire Connects.

RESOLVED:

- (a) That the report be noted; and
- (b) That progress be reported back to the committee at 6 monthly intervals.

60. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to consider the Forward Work Programme for the Committee.

The Committee were reminded that the 2013/14 Budget Meetings would be held between 21 -28 January 2013.

The next Corporate Resources Overview and Scrutiny meeting was to be held on 14 February 2013 and no changes had been identified for the programme for the meeting.

A Flintshire Futures Finance work stream update would be added to the 14 May meeting and a Flintshire Futures update on Assets would be included in the 11 July meeting.

Councillor P.G. Heesom asked for an early report on the current position of the Medium Term Financial Plan and projected savings. The Member Engagement Manager said that this could be put onto the Forward Work Programme if the committee so wished.

The Chair asked if the percentages of efficiencies completed could be reinstated on the monthly report.

It was agreed that the variances task and finish group would not meet until after March 2013.

RESOLVED:

- (a) That the Forward Work Programme as submitted be approved;
- (b) That the offer of a workshop on Appraisals during February/March be accepted;
- (c) That each of the 5 Flintshire Futures workstreams be reported back on at 6 monthly intervals;
- (d) That a report be requested on the Medium Term Financial Plan projected savings; and
- (e) That the variances task and finish group would not meet until after March 2013.

61. DURATION OF MEETING

The meeting commenced at 10.05 a.m. and ended at 12.00 p.m.

62. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the public or press in attendance.

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Chairman

FLINTSHIRE COUNTY COUNCIL

REPORT TO: CORPORATE RESOURCES OVERVIEW & SCRUTINY
COMMITTEE
DATE: THURSDAY, 14 FEBRUARY 2013
REPORT BY: HEAD OF FINANCE
SUBJECT: REVENUE BUDGET MONITORING 2012/13 MONTH 8

1.00 PURPOSE OF REPORT

1.01 To provide Members with the Revenue Budget Monitoring 2012/13 (Month 8) report.

2.00 BACKGROUND

2.01 The Revenue Budget Monitoring 2012/13 (Month 8) report will be presented to Cabinet on 19th February 2013. A copy of the report is attached as Appendix A to this report.

3.00 RECOMMENDATIONS

3.01 Members are asked to note the report.

4.00 FINANCIAL IMPLICATIONS

4.01 As set out in the report.

5.00 ANTI POVERTY IMPACT

5.01 None.

6.00 ENVIRONMENTAL IMPACT

6.01 None.

7.00 EQUALITIES IMPACT

7.01 None.

8.00 PERSONNEL IMPLICATIONS

8.01 None.

9.00 CONSULTATION REQUIRED

9.01 None.

10.00 CONSULTATION UNDERTAKEN

10.01 None.

11.00 APPENDICES

11.01 (A) Revenue Budget Monitoring 2012/13 (Month 8) report.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 19 FEBRUARY 2013**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **REVENUE BUDGET MONITORING 2012/13 (MONTH 8)**

1.00 PURPOSE OF REPORT

1.01 To provide members with the most up to date revenue budget monitoring information (Month 8) for the Council Fund and the Housing Revenue Account in 2012/13.

1.02 INDEX OF CONTENTS

Section 2	Executive Summary
Paragraph 3.01	Council Fund Summary Table
Paragraph 3.09	Risks and Assumptions
Paragraphs 3.10 to 3.13	Carry Forward Requests
Section 4	Non Standard Inflation / Central Contingencies
Section 5	Unearmarked Reserves
Section 6	Housing Revenue Account
Appendix 1	Council Fund - Movement in Variances from Month 7
Appendix 2	Community Services -Variances Summary
Appendix 3	Environment -Variances Summary
Appendix 4	Lifelong Learning -Variances Summary
Appendix 5	Corporate Services -Variances Summary
Appendix 6	Central & Corporate Finance -Variances Summary
Appendix 7	Council Fund Unearmarked Reserves Summary
Appendix 8	Housing Revenue Account -Variances Summary

2.00 EXECUTIVE SUMMARY

2.01 Members are requested to note the projected year end position as estimated at Month 8 which is :

- Council Fund - Net underspend of £0.611m (£0.516m overspend at Month 7)
- Housing Revenue Account - Net underspend of £0.401m (£0.401m underspend at Month 7)

3.00 CONSIDERATIONS

COUNCIL FUND

3.01 The table below shows a projected in-year underspend of £0.611m :-

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	In-Year Over / (Under) spend		Non Ring-fenced		Ring-fenced	
			Month 7	Month 8	Month 7	Month 8	Month 7	Month 8
	£m	£m	£m	£m	£m	£m	£m	£m
Directorates								
Community Services	58.437	58.380	(0.424)	(1.154)	(0.130)	(0.312)	(0.294)	(0.842)
Environment	31.794	32.481	(0.121)	(0.089)	(0.121)	(0.089)	-	-
Lifelong Learning	109.219	109.946	0.822	0.640	1.128	1.182	(0.306)	(0.542)
Corporate Services	17.469	17.645	0.370	0.324	0.370	0.324	-	-
Total Directorates	216.919	218.452	0.647	(0.279)	1.247	1.105	(0.600)	(1.384)
Central and Corporate Finance	25.759	24.226	(0.131)	(0.332)	(0.131)	(0.332)	-	-
Total	242.678	242.678	0.516	(0.611)	1.116	0.773	(0.600)	(1.384)

3.02 The Original Budget column reflects the budget approved by Council on the 1ST March 2012. The Revised Budget column reflects in-year virements which have been approved in compliance with Financial Procedure Rules.

3.03 The significant in-year projected variances to date are detailed in Appendices 2 - 6 (Council Fund) and Appendix 8 (HRA), and in addition to giving the reasons for the variances, the actions required to address each variance is provided. The significant changes for the Council Fund from Month 7 are detailed in Appendix 1.

3.04 In line with the management commitment to reduce the projected in-year overspend there has been progressive improvement in the projected outturn position since a projected overspend of £1.053m was reported to Cabinet on 18th September 2012 within the Month 3 budget monitoring report.

3.05 The current projection reflects a significant improvement of £1.127m on the position reflected in the Month 7 budget monitoring report to Cabinet on 22nd January 2013. The main reasons for this improvement are a significant increase of £0.754m in the underspend on out of county placements, and an increased underspend of £0.197m on the Central Loans and Investment Account (CLIA) within Central & Corporate Finance. These are both areas which have been recognised in previous budget monitoring reports as being volatile, however we are now at a point in the year where we can be more certain about budgetary impacts for the current financial year and also looking ahead to 2013/14.

3.06 The significant improvement in the out of county placements underspend reflects the overall impact of a number of factors. These include smarter procurement from the continued involvement of Commercial and Clinical solutions, and reduced numbers of placements which has been influenced by

the development of in-county provision from foster care and within special schools.

- 3.07 The improved position on the CLIA is also influenced by a number of factors including the timing of specific commitments and their influences on borrowing activity and costs, and changes to previous assumptions in respect of possible interest rate increases. The latest review of the account also indicates that there are no emerging pressures anticipated for 2013/14.
- 3.08 As previously reported there is a significant potential pressure arising from the trigger of the Municipal Mutual Insurance (MMI) scheme of arrangement. A report setting out the background and implications for the Council is included separately on this agenda and details a potential financial implication for the Council within the range £0.577m to £0.962m. Accounts and Audit regulations state that due provision will need to be made within the 2012/13 accounts and it is recommended by The Head of Finance that it is prudent to provide for a mid-range figure of £0.770m. It is recommended that an amount of £0.770m is allocated from the contingency reserve for this purpose. It is proposed that the impact of this will be reflected in the Month 9 budget monitoring report following Members consideration of the issues, with the potential impact on the contingency reserve illustrated within Appendix 7.

RISKS / ASSUMPTIONS

- 3.09 The in-year over / (under) spends shown in the table at paragraph 3.01 reflect the following risks and assumptions :-

1. Community Services

- Social Services for Adults
 - Occupational Therapy service - increased demand
- Social Services for Children
 - Out of county placements - demand led with volatility influenced by numbers and high values of individual placements, however current procurement practices and existing facilities within the county are positively influencing costs and numbers of placements respectively
 - Family Placement - increases in foster care places / court orders for Residence and Specific Guardianship
- Housing Services
 - Homelessness - projected high demand influenced by current economic climate and recent welfare reform

2. Environment

- Planning
 - A number of planning decisions are the subject of ongoing appeals which may have the potential for costs to be awarded against the Council

3. Lifelong Learning

- Facilities
 - Catering - overspend projected but possible mitigation from project plans following APSE review
- Development & Resources
 - Free school meals & remissions - influenced by economic factors
- Ringfenced budgets
 - Out of county placements - demand led with volatility influenced by numbers and high values of individual placements, however current procurement practices and existing facilities within the county are positively influencing costs and numbers of placements respectively
- Leisure Income
 - Income levels for the new leisure facilities are being monitored carefully on a weekly basis. Any variation, either positive or negative, could have a material effect on the projected outturn.

4. Corporate Services

- Welfare Reform
 - The Welfare Reform changes have the ability to influence a number of budgets across the Council and this is being kept under review
- Municipal Mutual Insurance Ltd (MMI)
 - A contingent liability was recorded in the 2011/12 Statement of Accounts which recognised a possible future requirement to provide for Flintshire County Council's share of liability relating to a scheme of arrangement set up in 1992 (see paragraph 3.08 above)
- Outcome Agreement Grant
 - The current projections assume that the Council will receive the full amount of Outcome Agreement Grant included within the budget for 2012/13 (£1.475m). WG assessment has now been completed. The Minister is to be advised by civil servants that the Council has met the threshold to qualify for the grant in full, and confirmation of the final grant amount is expected in mid February

3.10 REQUEST FOR CARRY FORWARD - COMMUNITY SERVICES

Housing Services (Homelessness) - Previous consideration has been made of the need for additional temporary staff to help cope with the impacts of Welfare Reform. It is requested to carry forward to 2013/14 the sum of £0.100m from the projected underspend on the Homelessness budget to fund the costs of two additional temporary posts within the Homelessness service. The posts will help to relieve pressure on the existing staff in dealing with impacts of Welfare Reform and are currently being recruited to for a period which will now cover parts of the current and forthcoming financial years.

3.11 REQUEST FOR CARRY FORWARD - CORPORATE SERVICES

ICT & Customer Services - due to a delay in acquiring the Event & Log Management software, it is requested to carry forward the sum of £0.046m to 2013/14. Event & Log Management Software collates information from various aspects of the infrastructure, particularly in relation to potential security breaches. This software will address an area which has been recognised as a security weakness and which needs to be done for regulatory compliance under the Council's Code of Connection agreement. It is expected that this sum will be spent during the first quarter of 2013/14.

3.12 REQUEST FOR CARRY FORWARD - CORPORATE SERVICES

ICT & Customer Services - due to milestones not yet being achieved in respect of the Civica Electronic Document and Record Management System (EDRMS) contract, the remaining 20 % of the contract sum is not expected to be paid in the current year. It is therefore requested to carry forward a total of £0.046m to 2013/14 when it is expected the remaining milestones will be met and the contract will be completed.

3.13 REQUEST FOR CARRY FORWARD - CORPORATE SERVICES

ICT & Customer Services - due to an ongoing delay in the Public Sector Broadband Aggregation (PSBA) project which will be of particular benefit to Flintshire schools, it is requested to carry forward to 2013/14 the sum of £0.359m. This is to ensure that the benefits from advances in broadband technologies are maximised.

4.00 NON STANDARD INFLATION

4.01 Included in the budget are amounts for non-standard inflation. These budgets are being monitored closely and the current position for each element is outlined below:

- £0.078m in respect of Energy for Street Lighting - this budget is still held centrally and is expected to be allocated in full to the service budget prior to the reporting of budget monitoring for Month 9.
- £0.300m in respect of Energy - most of this budget has now been allocated to services, the remaining £0.060m is currently being reviewed and will be reported on for Month 9.
- £0.196m in respect of Fuel - it has been confirmed that the full amount will be required and the allocation of this budget is reflected in this report.
- £0.133m in respect of Food - it has been confirmed that the full amount will be required and the allocation of this budget is reflected in this report.

5.00 UNEARMARKED RESERVES

5.01 The 2011/12 final outturn reported to Cabinet on 10th July showed unearmarked reserves at 31st March 2012 (above the base level of £5.476m) of £0.992m, after taking into account commitments in 2012/13 :

- Use of £0.973m to meet one-off / time limited costs
- Ringfencing of £1.500m to support Organisational Change costs

5.02 Appendix 7 details the movements to date on unearmarked reserves and the level of contingency sum available. As a result of the movements the current projected level of the contingency reserve at the end of March 2013 is an amount of £1.267m.

5.03 If the recommendation to provide for a mid-range figure of £0.770m for the MMI scheme of arrangement liability is approved, the projected level of the contingency reserve at the end of March 2013 would reduce to £0.497m.

6.00 HOUSING REVENUE ACCOUNT

6.01 On 21st February 2012, the Council approved a Housing Revenue Account (HRA) budget for 2012/13 of £26.671m. The budget provided for a closing balance of £0.867m, which at 3.25 % of total expenditure satisfies the prudent approach of ensuring a minimum level of 3 %.

6.02 The 2011/12 final outturn reported to Cabinet on 10th July 2012 showed a closing balance at the end of 2011/12 of £1.857m (subject to audit) which was £0.753m more than when the 2012/13 budget was set. This had the effect of increasing the closing balance for 2011/12 by the same amount.

6.03 There is an overall projected underspend of £0.401m and a projected closing balance at Month 8 of £1.471m, which at 5.4 % of total expenditure satisfies the prudent approach of ensuring a minimum level of 3 %.

6.04 Appendix 8 details the reasons for significant variances occurring to date and the actions planned to deal with them.

7.00 RECOMMENDATIONS

7.01 Members are recommended to :-

- a) Note the overall report
- b) Note the Council Fund contingency sum as at 31st March 2013 (paragraph 5.02)
- c) Note the projected final level of balances on the Housing Revenue Account (paragraph 6.03)

- d) Approve an allocation of £0.770m from the contingency reserve within 2012/13 for the potential future impact of the triggering of the MMI scheme of arrangement (paragraph 3.08)
- e) Approve the requests for carry forward of underspends to 2013/14 as detailed within paragraphs 3.10 to 3.13

8.00 FINANCIAL IMPLICATIONS

8.01 The financial implications are as set out in Sections 3.00 - 6.00 of the report.

9.00 ANTI POVERTY IMPACT

9.01 None.

10.00 ENVIRONMENTAL IMPACT

10.01 None.

11.00 EQUALITIES IMPACT

11.01 None.

12.00 PERSONNEL IMPLICATIONS

12.01 None.

13.00 CONSULTATION REQUIRED

13.01 None.

14.00 CONSULTATION UNDERTAKEN

14.01 None.

15.00 APPENDICES

15.01 Council Fund - Movement in Variances from Month 7 - Appendix 1
Council Fund Variances - Appendices 2 - 6
Council Fund - Movements on unearmarked reserves - Appendix 7
Housing Revenue Account Variances - Appendix 8

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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COUNCIL FUND - REVENUE BUDGET 2012/13
FLINTSHIRE COUNTY COUNCIL

Budget Monitoring (Month 8)
Summary of Movement from Month 7

	£m	£m
Month 7		
Out of County Ringfenced Budget	(0.563)	
Service Directorates	1.210	
Central and Corporate Finance	(0.131)	
Variance as per Executive Report		0.516
Month 8		
Out of County Ringfenced Budget	(1.317)	
Service Directorates	1.038	
Central and Corporate Finance	(0.332)	
Variance as per Directorate Returns		(0.611)
Change Requiring Explanation		<u>(1.127)</u>
<u>Community Services</u>		
<ul style="list-style-type: none"> • Out of County Pooled Budget (Childrens' Services) - the movement from month 7 is mostly (£0.514m) due to the ending of seven placements, three placed with FCC foster carers and one with a change in care needs. These are offset by various other changes to care package costs. (0.514) • Locality Teams (Localities) - the movement from month 7 is mostly due to an increased underspend on Physical Disability & Sensory Impairments (PDSI) purchased residential care (£0.090m) due to two service users now fully Health funded as well as the deaths of three service users. (0.122) • Administrative Support (Disability Service) - internal adjustment of budget to Development & Resources (£0.053m) as a result of TSSA. 0.048 • Professional Support (Children Services) - the main movements are: budget transferred to Corporate Services (£0.012m); increase in projected legal costs (£0.015m); and CYAS additional £0.016m projected pay costs due to the extending of contracts on temporary staff. 0.042 • Business Systems (Development & Resources) - the main movement from month 7 is due to reduced commitments (£0.020m); the balance is made up of a number of smaller variances. (0.029) • Resources and Regulated Services (Intake & Reablement) - the movement from month 7 is mostly due to continued reductions in the projected pay costs for in-house homecare (£0.028). (0.037) • Other minor changes of less than £0.025m (0.118) 		(0.730)
<u>Environment</u>		
<ul style="list-style-type: none"> • Minor changes of less than £25k 0.032 		0.032

Lifelong Learning

• Out of County Pooled Budget - A net reduction of 4 placements and reduced costs of 2 placements.	(0.236)
• Libraries, Culture & Heritage - New door at Mold library (£0.006m) and a number of other minor variances	0.017
• Leisure Services - A number of minor variances	0.007
• Development & Resources - Service Units reduction of bad debt provision (-£0.010m), Facilities - increased trade refuse collection for schools (£0.011m) and other minor variances (£0.025m). Further Development & Resources minor variances amount to £0.005m.	0.031
• Minor changes of less than £25k	(0.001)
	(0.182)

Corporate Services

• Legal and Democratic Services - reduction in salaries pressure (£0.013m), other minor variances £0.008m.	(0.005)
• HR and Organisational Development - increase in loss of income from External Organisations in respect of Payroll provision £0.009m, other minor variances (£0.006m).	0.003
• ICT and Customer Services - additional vacancy savings (£0.033m), decrease in pressure relating to internal support services recharges (£0.028m), pressure in relation to the Print Rationalisation Project £0.032m, other minor variances (£0.004m).	(0.033)
• Finance - minor variances (£0.003m).	(0.003)
• Chief Executive's Department - minor variances (£0.008m).	(0.008)
	(0.046)

Central and Corporate

• Financing & Funding - Projected shortfall of £0.070m against the budgeted amount for "windfall income" which usually arises from successful VAT tribunal appeals and NDR revaluations - for which activity levels have dropped sharply in the current year. Increased income from write-back of un-presented cheques (-£0.007m)	0.063
• Corporate (Other) - A projected surplus of £0.027m from the phased funding strategy to address the Council's share of the Clwyd pension Fund deficit has resulted in an improvement of £0.042m (previously a deficit of £0.015m was projected). A projected surplus of £0.025m on the rebates from use of the Matrix framework for agency staff. Other minor variances of -£0.001m	(0.068)
• Central Loans & Investment Account (CLIA) - Reduction of £0.130m in the interest payable on variable rate market loans and other interest payable, reduced prudential borrowing costs £0.085m, offset by other minor variances of £0.012m.	(0.197)
• Minor changes of less than £25k	0.001
	(0.201)

Total changes

(1.127)

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Resources and Regulated Services (Intake and Reablement)	6.187	5.622	(0.565)	(0.528)	<p>Extra Care projected in year underspend on new scheme (£0.200m) due to timeframe for completion.</p> <p>In-house Domiciliary Care projected underspend of £0.322m due to reduced pay costs from changes to service delivery and greater use of reablement and independent sector care providers. The increase (£0.027m) from month 7 is mainly due to further reductions in projected pay and staff transport costs.</p> <p>Of the additional variance a projected underspend of £0.146m, an increase of £0.008m from month 7, relates to work which is yet to be undertaken to realign the budgets following the transport review (this cannot be undertaken until the outcomes of the current contract tendering process is known in January) and £0.050m to vacancies within Day Services. This is offset by a projected overspend within Professional Support (£0.155m), increased from month 7 (£0.003m) which will be addressed as part of TSSA realignment.</p>	The underspend against Extra Care is one-off and non recurring and has arisen due to delays in building works encountered by our partner. Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme and realign budgets as appropriate.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Reablement Service (Intake and Reablement)	0.370	0.271	(0.099)	(0.095)	Pay costs being suppressed due to the use of Homecare staff, vacant post and part year appointments (£0.067m) together with additional Health income (£0.029m) offset by various small overspends.	Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Locality Teams (Localities)	16.489	16.541	0.052	0.174	<p>The significant variances lie within:</p> <p><u>Physical Disability Services</u></p> <ul style="list-style-type: none"> > Purchased Home Care - projected overspend (£0.139m) due to the impact of various care packages. > Purchased Residential Care is projected to underspend (£0.345m) which is an increase of £0.090m on month 7 due to two service users now fully Health funded as well as the death of three service users. > Minor Adaptations - projected to overspend by £0.097m reflecting the continuing demand within the service. <p><u>Older People Services</u></p> <ul style="list-style-type: none"> > Purchased Day Care is projecting to underspend by £0.089m due to a change in emphasis in delivering the service. > Reablement Service is projecting an overspend of £0.075m due to changes in service delivery following on from TSSA. > Purchased Home Care is projecting an overspend of £0.197m which reflects current care packages. > Purchased Residential Care is projecting a reduced overspend of £0.007m reflecting current service users. 	<p>Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme. Following phase 1 of TSSA and during the detailed reorganisation of services, it has been decided that most of the PDSI elements included as part of the locality team budgets at the early stages of TSSA will form a separate line under the Disability Services Heading, with only the Occupational Therapy service remaining as part of the locality teams. This will be undertaken for 2013/14.</p>

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Ringfenced Budgets (Mental Health)	0.301	0.169	(0.132)	(0.119)	Reflects current care packages for 2012/13.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts. The possibility of re-aligning budget between the two services has been considered and dismissed for now as there are early indications of additional Mental Health clients although at this stage potential costs or start dates are unknown.
Ringfenced Budgets (Learning Disability)	0.466	0.587	0.121	0.144	This reflects the full year impact of a new service user that commenced during December 2011 together with some other changes to care packages.	
Good Health (Development & Resources)	0.980	1.111	0.131	0.136	The majority of the overspend (£0.104m) is mainly due to one-off redundancy related costs for two staff falling on the service following a restructure. These costs would usually be met Corporately but as the Directorate is underspending this year it was agreed that the costs would be met within the Service.	Not recurring.
Business Services - Income (Development & Resources)	(1.511)	(1.461)	0.050	0.050	Following a recommendation from Corporate Debt Recovery an additional £0.050m has been added to the total provision for bad or doubtful debts.	

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Family Placement (Children's Services)	1.832	2.147	0.315	0.319	The overspend is mainly as a result of an increase in the number of foster care placements within the service. It is also due to the increasing number of court orders for Residence and Special Guardianship orders which invariably attract an ongoing allowance for the carers.	A review of the Family Placement Team has commenced the outcome of which will inform future planning and possible efficiencies.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Family Support (Children's Services)	0.341	0.294	(0.047)	(0.056)	The underspend in this service is mostly due to a reduction in the use of sessional staff following an embargo and a review of thresholds. The use of sessional staff can fluctuate monthly depending on caseloads, especially for child protection and court ordered supervised contact.	As the spend in this Service is very dependant on caseload continue to keep under review.
Other Residential (Children Services)	0.526	0.466	(0.060)	(0.060)	The projected underspend relates to the opening of Arosfa being later than anticipated.	Keep under review due to the potential for additional costs relating to transport charges.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Professional Support (Children's Services)	5.374	5.585	0.211	0.169	Comprises Fieldwork, Resources, Children's Integrated Disability Service (CIDS) and General. Fieldwork overspending (£0.356m) due to the Children and Young Adolescent Support team (£0.345m) - client payments (£0.217m), staff pay costs (£0.115m) increased £0.019m from month 7; client payments includes the costs for two high cost individuals (£0.120m). Resources is underspending (£0.034m) due to staff costs within Family Placement Team (£0.037m); other under and overs spends within the service offset each other. CIDS overspend (£0.063m) mainly due to increased use of direct payments leading to an overspend of £0.095m offset by underspends on staff (£0.020m) and transfer payments (£0.010m). General is projected to underspend (£0.174m) due to legal/court costs (£0.046m) reduced by £0.008m from month 7, transport costs (£0.021m), pay costs are now on budget following a reduction (£0.025m) from month 7; Children First underspend (£0.085m) and Corporate Parenting (£0.020m).	Keep under review. The Head of Service (Children) has instigated a review into the specifics around these two service users. Due to the overspend within Children Services spending is kept to a minimum where possible.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Out of County Pooled Budget (Children's Services)	3.711	2.936	(0.775)	(0.261)	Costs reflect existing placements up until March 2013. This reflects known reductions in payments to providers following re-negotiation of contracts. The movement since month 7 reflect seven placements ended (£0.313m), three now placed with FCC foster carers (£0.252m) and one placement with a changed care package leading to a reduction in costs £0.055m). These are offset by increase in the costs of other care packages (£0.106m).	<p>The focus of high cost placements is now a North Wales project and will continued to be reviewed. The in house project requires sign off by the two directors at the next meeting.</p> <p>The impact of these changes on the Children Services Fostering and Leaving Care budgets has not yet been quantified. Further details are awaited.</p>
Ring-fenced Budget (Housing Services)	0.377	0.321	(0.056)	(0.058)	This reflects current projection of the anticipated demand on the service this financial year.	Keep under review. One off and non recurring due to anticipated rise in presentations in 13/14 due to Welfare Reform impact and projections that the full budget will be required for further temporary accomodation units in the future.
Homelessness (Housing Services)	0.488	0.426	(0.062)	(0.051)	This reflects current projection of the anticipated demand on the service this financial year.	

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Resident Wardens (Housing Services)	1.236	1.125	(0.111)	(0.102)	Budget based on restructure. Variance relates to vacancies within the new structure yet to be implemented.	Restructure approval required.
Other variances (aggregate)	21.213	21.086	(0.127)	(0.086)	Various minor variances.	Continue to review but not expected to be recurrent.
Total :	58.380	57.226	(1.154)	(0.424)		

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Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 7 (£m)	Cause of Variance	Action Required
Industrial Units	(1.479)	(1.415)	0.064	0.058	Shortfall of Industrial Unit Rental Income, due in the main to Gaz de France decommissioning the Shotton Power Station site. Income shortfalls are partly mitigated by savings in vacant posts at Deeside Enterprise Centre.	Keep Unit rental income closely monitored throughout the year
Property Holdings	0.090	0.038	(0.052)	(0.048)	Ty'r Binwydden has budget provision for £21k but is no longer an active site. However, there is the potential for additional expenditure on vacant property which could offset this underspend as well as dilapidation Costs at Warren Hall.	Review of site budgets necessary in line with asset management programme
Property Asset & Development	0.530	0.478	(0.052)	(0.045)	Net Vacancy Savings. At Period 8, additional income from Right to Buy Valuations has been received.	
Car Parks	0.025	0.058	0.033	0.036	Car Park income shortfall at Holywell and Mold partially offset by a reduced maintenance programme	
Highways Maintenance	2.710	2.758	0.048	0.040	Cost associated with attending flooding events following substantial rainfall at various times since July.	

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 7 (£m)	Cause of Variance	Action Required
Waste Disposal & Waste Collection	9.117	9.365	0.248	0.228	The additional overtime costs to operatives (pre part 3 agreement) for the revised service, together with agency costs and ongoing costs of staff backfilling due to the investigation within Waste is now estimated at £260k. Additional vehicle requirements ahead of the phased roll out of the full Saturday collection service are likely to be in the region of £140k. However, these costs are mitigated by £300k due to the increased recycling levels from the implementation of Managed Weekly Collections which not only reduces landfill and tipping charges but increases the level of recycling income. In addition, the energy generation from Gas at the landfill sites has been affected by problems with the performance of the Gas Engines at both landfill sites in producing the energy and is estimated to result in a £145k shortfall against the income target.	Keep tonnage levels closely monitored to establish if further savings can be achieved to further mitigate the costs.
Fleet Services	(0.026)	(0.064)	(0.038)	(0.036)	Outturn based on actual recharges to date projected to financial year end with these charges also reflected in all Environment client budgets.	

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Period 7 (£m)	Cause of Variance	Action Required
Planning Control	0.367	0.402	0.035	0.035	The costs associated with Planning enforcement activities e.g. specialist advice and legal fees have been offset by improved Planning fee income since Period 7 due to the receipt of Northern Gateway and Croes Atti related fees.	Partially offset by salary savings within the Planning service
Service Development & Support	0.236	0.216	(0.020)	(0.018)	Part time salary savings	
Management Support & Performance	1.164	1.049	(0.115)	(0.111)	Vacancy Savings relating to 5 posts (2 x Sc4, Sc6, SO1 & M6) ahead of Service Review implementation offset by the cost of Modern Apprentices from September 2012.	Provision will be made within Service budgets for the Modern Apprentice costs in 2013/14.
Public Protection	3.543	3.329	(0.214)	(0.228)	Vacancy Savings totalling £230k (3 x EHO 2 x EO 1 x Admin) ahead of the Service Review being implemented, offset by income shortfalls in Pollution Control.	
Markets	(0.099)	(0.086)	0.013	0.003	Rental shortfalls from outdoor pitches & car boots due to poor weather conditions have reduced income further at Period 8.	
Other variances (aggregate)	16.303	16.264	(0.039)	(0.035)	A number of variances of no more than £0.038m individually.	
Total :	32.481	32.392	(0.089)	(0.121)		

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Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Out of County	2.659	2.117	(0.542)	(0.306)	Following a request from the Out of County Management Board one high cost placement has been heavily reduced with the continued involvement of Commercial and Clinical Solutions. Since month 7, 4 placements have ended, and the cost of 2 placements has been reduced.	
Libraries, Culture and Heritage	2.878	2.848	(0.030)	(0.047)	There has been an in year adjustment to the book fund to address the Directorate budget overspend.	
Leisure Services	4.042	4.706	0.664	0.658	<p>Leisure (pressure of £0.664m) There are a number of historic budget issues which also adversely effected the Leisure outturn position in 11/12.</p> <p>In line with the national picture, income from ice skating at Deeside Leisure Centre has reduced by £0.173m over the last 4 years, this is despite inflationary increases in admission prices and promotions.</p> <p>Three posts within Leisure Services are unbudgeted due to timing delays caused between the Leisure Services Restructure and the JEQ results, this amounts to £0.120m including on-costs.</p>	<p>A tariff review is being undertaken across the whole of Leisure Services.</p> <p>Work is being conducted to review operational efficiency and performance at all facilities.</p> <p>Following receipt of JEQ results: Analysis of affordability of proposed new staffing structures.</p> <p>Revisit organisational design principles.</p>

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					The following pressures have been identified during 2012/13:	
					<p>The relocation of Leisure Services Staff to Deeside has assisted in making a significant saving from relocation (vacating Connah's Quay offices). However, this has increased occupancy costs for Leisure Services for cleaning, maintenance, mileage, telephones etc by £0.025m which is unfunded.</p> <p>A review of music licensing has identified additional liabilities resulting in a cost increase of £0.037m.</p> <p>Leisure centre income figures have not met those anticipated by the Alliance Business Plan. Future income projections are now based on actual income to date allowing for continued increases each month as facilities become more popular.</p>	<p>The in year recharges for these services are to be revisited and recharged accordingly.</p> <p>A budget pressure bid for this has been submitted for 2013/14.</p> <p>New processes for authorising expenditure have been implemented. Income figures will continue to be monitored closely. We are also hoping to implement P2P earlier than anticipated to introduce more controls on expenditure for 2013/14.</p>
Delegated Schools Budgets	77.523	77.523	0.000	0.000		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
School Improvement Service	10.703	10.747	0.044	0.044	<p>Early Years Efficiencies of £0.066m have been secured to assist the overall in year position including photocopying, travel and catering. The realignment of sustainability funding has resulted in fewer requests for emergency funding from nurseries and playgroups.</p> <p>SLAs Following an instruction from the Director at month 5, budget holders have taken a number of measures to reduce expenditure in areas where schools have not taken up SLAs.</p> <p>School Improvement Service A number of minor efficiencies equating to £0.119m in total are projected. These relate to influencable expenditure on supplies and ICT and to recharges for staff seconded to the Welsh Government and RSEIS.</p> <p>Music Services Music Services are forecasting an overspend of £0.102m based on current levels of income and expenditure. A project group has been established to review the music service.</p>	<p>Work is currently being undertaken to re-draft SLAs for the beginning of the new financial year.</p> <p>The Music Services project group has recently been established with a key aim of minimising the in-year overspend and developing a sustainable financial and operational model for the service moving forward into 2013/14.</p>

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					ICT Unit The ICT Unit has managed to reduce expenditure on a one-off basis by £0.024m to assist in reducing the Directorate overspend.	
Development & Resources	12.141	12.645	0.504	0.473	Service Units (pressure of £0.208m) A pressure of £0.229m is currently anticipated on pupil benefits (free school meals and remissions) because of changes in the economic climate. A minor reduction in other projected expenditure of £0.021m has also been made. Facility Services - pressure of £0.349m The Catering Service is developing radical proposals to modernise via projects such as on-line payments for parents, rebranding, targeting increased take-up strategies, improved/themed menu's, cost reduction/procurement. The draft APSE review has been used to form the basis of this strategy. The Cleaning Service is unable to recover the surplus generated from the Law Courts contract and some other smaller sites. A large income target still exists which is unattainable with a lower level of cleaning activity taking place. Youth Service The Youth Service has reduced projected expenditure across all areas by £0.035m .	Both elements of the budget are being carefully monitored and pressure bids have been submitted as part of the 2013/14 budget process. Service needs to continue to implement the agreed strategy for efficiencies. This is the subject of management action and service redesign and a budget pressure bid for 2013/14.

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					Management & General Admin There have been a number of minor reductions in projected expenditure in Management & General Admin. These equate to £0.018m .	
					The Development & Resources budget has increased by £0.266m since month 6. This relates to the non standard inflation allocation for energy budgets. The Directorate is currently reviewing all energy budgets and will allocate the additional budget across the relevant services during period 8.	
Total :	109.946	110.586	0.640	0.822		

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CORPORATE SERVICES

APPENDIX 5

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Chief Executive	2.346	2.331	(0.015)	(0.007)	(£0.016m) vacancy savings. £0.014m pressure relating to a voluntary sector contribution towards Dangerpoint. (£0.013m) other minor variances.	
Finance	4.351	4.756	0.405	0.408	Management and Secretariat (£0.010m) underspend made up of: (£0.010m) various minor variances.	
					Corporate Finance (£0.022m) underspend made up of: (£0.022m) net vacancy savings relating to the Corporate Finance Review.	

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					<p>Revenues & Benefits £0.402m overspend made up of: £0.028m pressure relating to the Royal Mail price increases of 39% in April 2012. £0.269m pressure relating to workforce costs in Revenues & Benefits because of additional work in preparation for Welfare Reform and the new Council Tax Support Scheme. £0.065m pressure relating to a benefits system software upgrade. £0.025m investment in Agile Working (Revs & Bens). £0.015m other minor variances.</p>	Finance to investigate alternatives to Royal Mail. The additional workforce costs relating to welfare reform are one-off and will be reduced where possible.
					<p>Internal Audit £0.035m overspend made up of: £0.042m pressure relating to additional audit days. (£0.007m) reduction in non committed expenditure to mitigate pressure.</p>	

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Legal & Democratic Services	3.341	3.232	(0.109)	(0.104)	<p>£0.010m pressure translation of Constitution.</p> <p>(£0.118m) Members Special Responsibility Allowances.</p> <p>£0.040m Salary changes.</p> <p>(£0.041m) other minor variances.</p>	
Human Resources & Organisational Development	2.195	2.260	0.065	0.062	<p>£0.051m pressure CRB checks.</p> <p>£0.014m pressure Corporate Training.</p> <p>£0.040m loss of income from external organisations.</p> <p>(£0.047m) Vacancy Savings.</p> <p>£0.007m other minor variances.</p>	<p>A budget pressure for CRB checks has been submitted as part of the 2013/14 budget process.</p> <p>Request to carry forward £170k Modern Trainee budget which will be required in 2013/14.</p>

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
ICT & Customer Services	5.412	5.390	(0.022)	0.011	<p>£0.006m pressure relating to the final Design & Print costs.</p> <p>£0.032m pressure in relation to the Print Rationalisation Project.</p> <p>(£0.067m) vacancy savings relating to ongoing service reviews.</p> <p>£0.037m pressure relating to internal admin support recharges.</p> <p>(£0.024m) efficiency in relation to additional registrars income.</p> <p>(£0.006m) other minor variances.</p>	<p>Request to carry forward : £46k for Event and Log Management (project delay). £46k for remaining 20 % of Civica EDRMS contract as milestones have yet to be achieved.</p> <p>£359k for PSBA (project delay to ensure benefits from advances in broadband technologies are maximised).</p>
Total :	17.645	17.969	0.324	0.370		

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Financing & Funding (insurance, banking etc.)	2.365	2.307	(0.058)	(0.121)	There is additional windfall income of £0.081m, which takes account of the recent settlement by Welsh Government of the Council's claim for additional costs for staff time incurred on the Housing stock transfer consultation/ballot project. Windfall income levels will be monitored closely and reported on in future monitoring reports.	Levels of unbudgeted income will continue to be monitored closely and reported on in future monitoring reports.
					A saving of £0.061m has been identified due to a budget provision within an insurance fund (relating to a potential liability for historic asbestos issues) which is now not required	
					Additional windfall income of £0.090m had previously been anticipated in respect of settlement of an outstanding claim re. overpayment of VAT due to the impact of legal challenges to custom and practice elsewhere. A recent Tribunal decision found in favour of HMRC in respect of one of the outstanding cases, although it is considered that there are grounds for appeal. This remains one of several ongoing cases which may bring additional "windfall" income to the Council in the future, although it is now considered less likely that it will be in the current financial year.	A number of outstanding VAT claims which may result in "windfall" income will be kept under review pending legal determinations and possible appeals.

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					<p>The base budget provides for additional windfall income of £0.152m. The amount received to date suggests that we there will be a shortfall of £0.070m against this sum. One of the reasons for this is the levels of successful appeals against NDR valuations has reduced sharply in the current year with a consequent impact on the retrospective rebates of NDR in respect of Council properties.</p> <p>An overspend on additional superannuation costs of £0.044m in respect of added years granted to former employees early retirements prior to the 1996 Local Government reorganisation.</p> <p>A decrease in other miscellaneous Expenditure of £0.030m.</p>	
Corporate - other	2.846	2.626	(0.220)	(0.152)	<p>An overspend of £0.079m against the regional transformation fund following external audit requirements of the lead authority (Conwy CBC) on accounting treatment of balances.</p> <p>A small surplus of £0.027m from the phased funding strategy to address the Council's share of the Clwyd Pension Fund deficit following the 2010 actuarial valuation.</p>	<p>This is a one-off budget pressure in 12/13. Notification by Conwy of the change in treatment was not received until after the 12/13 budget was approved.</p>

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					An underspend of £0.240m resulting from salary budget efficiencies previously achieved following historic service reviews	
					A surplus of £0.025m on the rebates recovered from use of the Matrix framework for procurement of agency employees.	
					Other minor variances amounting to a net underspend of £0.007m.	
Central Loans & Investment Account	14.200	13.869	(0.331)	(0.134)	Increased interest received on temporary investments £0.060m, increased internal interest received on prudential borrowing £0.025m, increase in other internal interest £0.005m Reduction in interest payable on variable rate market loans and internal interest payable £0.176m, reduction in Minimum Revenue provision (MRP) £0.013m, reduction in prudential borrowing costs £0.052m	
Central Service Recharges	(2.054)	(1.776)	0.278	0.277	Shortfall of £0.192m of internal income recovered from trading accounts and the HRA, plus £0.085m impact of review of internal recharges from Service Level Agreements.	Support Service basis and allocations are currently being reviewed as part of the Finance Workstream of Flintshire Futures.
Other variances - aggregate	6.869	6.868	(0.001)	(0.001)		
Total :	24.226	23.894	(0.332)	(0.131)		

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APPENDIX 7

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2012	9.029	
Less - Base Level (inclusive of increase of £0.088m agreed as part of the 2012/13 budget)	<u>(5.564)</u>	
Total Reserves above base level		3.465
Less amount approved in 2011/12 as being ringfenced for Investment in Change	(1.500)	
Less allocation from contingency reserve to meet one-off / time limited costs in 2012/13 (approved in 2012/13 budget and allowed for in calculation of 2011/12 final outturn on contingency reserve)	(0.973)	
Less allocation from contingency reserve as a one-off investment to support the new Leisure facilities in their first year of operation (approved in Month 3 report)	(0.361)	
Plus release of an amount previously earmarked for a specific purpose (no longer needed due to receipt of a capital grant)	<u>0.025</u>	
Amount available for delegation to Cabinet		0.656
Add Projected underspend as at 31 st March 2013	<u>0.611</u>	
Projected Level of Total Contingency Reserve as at 31st March 2013		1.267
* Potential impact of provision for MMI scheme of arrangement		(0.770)
Potential revised level of Total Contingency Reserve as at 31st March 2013 (if recommendation at 7.01 is approved)		0.497

Budget Monitoring 2012/13 (Month 8)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Finance and Support	2.506	2.272	(0.234)	(0.234)	Support recharges revised downwards to reflect 2011/12 costs. Vacancy savings.	Work is ongoing to progress accuracy and timeliness of the HRA support recharges.
Rents	(25.560)	(25.588)	(0.028)	(0.028)	Variance based on 14 more properties than anticipated at budget	
Other variances (aggregate)	23.841	23.702	(0.139)	(0.139)		
Total :	0.787	0.386	(0.401)	(0.401)		

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
DATE: THURSDAY, 14 FEBRUARY 2013
REPORT BY: HEAD OF FINANCE
SUBJECT: DISCRETIONARY HOUSING PAYMENT (DHP) POLICY 2013/14

1.00 PURPOSE OF REPORT

1.01 The report seeks the consideration and discussion of Flintshire County Council's revised Discretionary Housing Payment (DHP) Policy for 2013/2014 and the comments of the Committee to be reported to Cabinet in March 2013.

2.00 BACKGROUND

2.01 The Department for Work and Pensions (DWP) provides extra funding to local authorities to provide all claimants with further financial assistance with their Housing Costs.

2.02 Central Government's Welfare Reform Programme is changing how Benefits are claimed. The changes are designed to make the transition from Benefits into work much easier and also to give people greater control of their finances. However these changes potentially will have increased impact on households and individuals.

2.03 DHP can be used to give people extra help and support with their Housing costs. The DWP annual funding for DHP was £20m up to April 2011. To help local authorities manage the impact of the reforms DHP funding increased to £30m in 2011/12 and to £60m for 2012/13 and for the remainder of the Spending Review period.

3.00 CONSIDERATIONS

3.01 2013/14 will be challenging to many households and individuals as the changes to Welfare Benefits are implemented, changes include:

- Abolition of Second Adult Rebate within the new Council Tax Reduction Scheme
- A restriction for people of working age "under occupying" their homes
- A "Benefit Cap" being introduced which limits the total amount of "welfare benefits" that a working age person can receive to £350 per week for a single person and £500 per family

- Personal Independence Payments will replace Disability Living Allowance for working age people starting from June 2013
- Introduction of Universal Credit
- Changes to Community Care Grants and Crisis Loans introduction of a Local Assistance Scheme
- Changes to Non-Dependent Deductions
- Changes to Local Housing Allowance

3.02 Examples where a DHP may help:

- Where a rent restriction has been applied
- Reductions in Housing Benefit entitlement following changes to Local Housing Allowance
- Non dependant deductions
- Income tapers

3.03 This list is not exhaustive but it does **not** include:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefits

DHPs are available to meet housing costs across all tenure types, i.e. Social Housing and Private Rented sector.

3.04 Where it is needed this funding is designed to help in the short term. This is a cash limited budget and each application for DHP is assessed on need and a decision will be made on a case by case basis.

3.05 In deciding upon an award FCC will consider the shortfall between a persons Housing Benefit, or Universal Credit and their rent and;

- Steps taken by a person to reduce their rent liability
- Steps taken by the person to find cheaper alternative accommodation
- Reasons why a person cannot move to cheaper alternative accommodation
- Steps taken by a person to increase their income
- The financial circumstances of the person and their family
- Any exceptional circumstances
- Funding available to Flintshire County Council
- The consequences of not awarding a DHP

3.06 As stated in 2.03 there has been an increased allocation of £60m DHP funding from the DWP available to local authorities. Councils generally will find that the pressure on this fund will intensify and that funding by DHP will not be able to provide adequate long term support for customers. The purpose of DHP is to provide short term assistance and not supporting customers with long term solutions.

- 3.07 DHP is a payment of last resort or in an emergency; It is hoped that with proactive intervention and help, that other alternatives will be found to help customers in difficulty. This will be undertaken by the Welfare Reform Operational Team and other officers in Housing Benefit, Housing and Welfare Rights.
- 3.08 Each year the DWP allocate funding to Local Authorities, but allow the authority to pay above this amount. The authority is allowed to award up to 2.5 times the government allocation of DHP.
- 3.09 For the financial year 2013/14 Flintshire County Council has been allocated £242,119
- 3.10 It should be noted that DHP cannot directly be used for help with Council Tax liability as the Council Tax Reduction Scheme is not classed as a Welfare Benefit and is therefore outside the scope of the scheme although liability to pay Council Tax will be taken into consideration when looking at DHP eligibility for Housing Cost. If a Council Tax payer cannot meet their Council Tax liability then Flintshire County Council will consider individual circumstances under it Corporate Debt and Fair Debt Policy.

4.00 RECOMMENDATIONS

- 4.01 That this report and the draft policy be discussed and considered at Corporate Resources Overview and Scrutiny Committee and the comments of the Committee to be reported to Cabinet in March 2013.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Central Governments allocation for Flintshire County Council in 2013/2014 is £242,119. This means that the overall expenditure limit for DHP is £605,298. The 2013/14 budget contains a provision for Flintshire County Council to contribute £167,526 which would provide a total of £409,645.

6.00 ANTI POVERTY IMPACT

- 6.02 Wales has been argued to be the most deprived country in the UK. It has also been highlighted that the deprivation present in Wales is comparable to only parts of England, in which a similar “post – industrial setting is found”. It may be regarded that Wales faces more significant impacts as a result of changes to the systems of welfare which begin in earnest next year.
- 6.03 The Welfare Reform Programme has recognised the need for proactive work and support to try and mitigate as much as possible the effects on vulnerable residents in Flintshire. Residents may be affected by changes to welfare benefits which are happening at the same time.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 Currently resourced.

10.00 CONSULTATION REQUIRED

10.01 The policy will be circulated to members of the Flintshire Advice Management Board for consideration.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

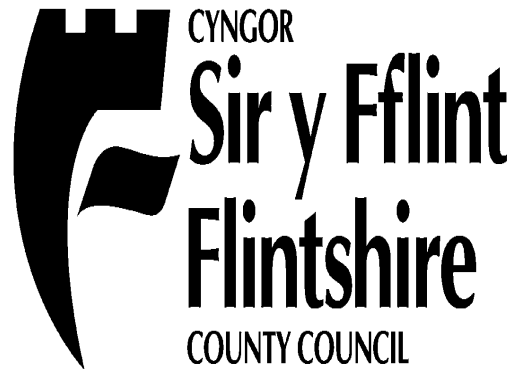
12.00 APPENDICES

Appendix 1 - Draft Discretionary Housing Payments Policy 2013/2014

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Discretionary Financial Assistance Regulations 2001 (SI2001 No 1167)

Contact Officer: Jen Griffiths
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Email: jen.griffiths@flintshire.gov.uk



Flintshire County Council

Discretionary Housing Payments

Policy April 2013

DRAFT

Introduction

Discretionary Housing Payments (DHPs) are discretionary sums payable by the Council to a person in receipt of Housing Benefit (HB) or Universal Credit (UC), where they still appear to require additional financial assistance with their Housing Costs.

DHPs are regulated by the Discretionary Financial Assistance Regulations 2001 (SI 2001 No 1167) which are summarised in Appendix A at the end of this document, but within the regulations a Council is allowed much discretion. Flintshire County Council (FCC) will administer the scheme with reference and regard to the contents of this policy

Objectives

FCC has the following objectives for its DHP scheme;

- To encourage and help keep people in employment
- To prevent homelessness and aid people to retain sustainable tenancies
- To help people who are trying to help themselves
- To help keep families together
- To support vulnerable people in the community
- To help people through times in which they are stressed and vulnerable
- To help to alleviate poverty
- To assist people that are particularly disadvantaged by Welfare Reforms

In the pursuit of these objectives FCC undertakes to consider each case on its individual merits and to act fairly, reasonably and consistently.

Claiming a DHP

Claims should be made on FCC's DHP application form, but an application will be accepted if made in another format if it contains sufficient information on which a decision can be reached.

Awarding a DHP

The DHP award may be of any duration and will usually be paid from the Monday following the request being made. Upon representation consideration can be made for the DHP to be paid from an earlier date.

In deciding upon an award, FCC will consider the following factors as appropriate

- The shortfall between a person's Housing Benefit, or Universal Credit and their rent
- Steps taken by a person to reduce their rent liability
- Steps taken by the person to find cheaper alternative accommodation
- Reasons why a person cannot move to cheaper alternative accommodation
- Steps taken by a person to increase their income
- The financial circumstances of the person and their family, but Disability Living Allowance (Mobility Component) will not be considered as income
- Any relevant medical circumstances of the person and their family
- Any circumstances which may be considered as exceptional
- The level of funding available to FCC
- The consequences of not awarding a DHP

Payment and Notification

FCC will pay a DHP by BACS in the same way that Housing Benefit is paid. Notification of successful and unsuccessful awards will be accompanied by a statement explaining the reason for FCC's decision.

The statement of reasons will ensure that successful recipients know when to report relevant changes, and for unsuccessful applicants the reasons will provide an explanation against which a review could be requested.

Review of Decisions

Any representation regarding the refusal, rate or ending of a DHP payment may be subject to a review request from the affected person. The review will be dealt with by a senior officer to the original decision maker. In the event of an affected person still being dissatisfied, the Benefits Manager will make a final decision

Other forms of assistance with Housing Costs

If a Council Tax payer cannot meet their council tax liability, then FCC may consider writing off their debt in accordance with the Corporate Debt Policy.

Assistance with Rent Deposits is available from the FCC Bond Scheme.

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Appendix A) Overview of the Discretionary Financial Assistance Regulations 2001 (SI 2001 / 1167)

Regulation 1 – Citation, Commencement and Interpretation.....	5
Regulation 2 – Discretionary Housing Payments	5
Regulation 3 – Circumstances in which Discretionary Housing Payments may be made	5
Regulation 4 – Limit on the amount of the DHP that may be paid.....	6
Regulation 5 – Period for, or in respect of which, DHPs may be made.....	6
Regulation 6 – Form, manner and procedure for claims	6
Regulation 7 – Provision of information.....	6
Regulation 8 – Reviews.....	7

Regulation 1 – Citation, Commencement and Interpretation

This regulation gives the scheme its name and commencement date

Regulation 2 – Discretionary Housing Payments

This regulation describes the payments as follows;

The Local Authority (LA) may make payments to persons who –

- Are entitled to HB
- Require further financial assistance with their housing costs (in addition to their HB)

The LA has total discretion as to whom they pay or don't pay, but housing costs incurred before 2 July 2001 cannot be considered. There is also a discretion regarding

- The amount of the payments, and
- The period for, or in respect of which, they are made

Regulation 3 – Circumstances in which Discretionary Housing Payments may be made

Payments may be made when a person has made a claim, and their need for financial assistance is not in respect of the following;

- A liability to meet ineligible service charges
- A liability to meet charges for water, sewerage or allied environmental services

- A liability for an increased weekly rent liability as a result of rent arrears
- Reductions in benefit due to the failure to co-operate in pursuit of child support maintenance or for failing to participate in a work – focussed interview
- Job Seekers Allowance being reduced or stopped due to the failure to attend an interview, or through the loss of employment either voluntarily or through misconduct
- The suspension of benefit payments
- The Loss of Benefit Provisions imposed for fraudulent claims
- The recovery of an overpayment by deductions to benefit

Regulation 4 – Limit on the amount of the DHP that may be paid

The amount of a DHP cannot exceed the following when calculated as a weekly sum;

- The weekly rent less ineligible service charges

Regulation 5 – Period for, or in respect of which, DHPs may be made

The LA may restrict the payments of DHPs to any period that it considers appropriate to the details of the case, but there must have been entitlement to HB for that period

Regulation 6 – Form, manner and procedure for claims

The LA may accept a DHP claim in any way it approves from;

- A person entitled to HB, or
- A person acting on behalf of a person entitled to HB where that is reasonable

The DHP can then be paid to either the person entitled to HB or some other person where that seems reasonable in that particular case

The LA must give written notice of any DHP decision or review together with the reasons for the decision to the applicant as soon as is reasonably practicable

Regulation 7 – Provision of information

A person claiming or receiving a DHP shall provide the LA with the following information;

- Particulars of the grounds of a claim, or for a review
- Changes in circumstances which may be relevant to the continuance of the DHP
- Such other information as the LA may specify in the time the LA considers appropriate

Regulation 8 – Reviews

An LA may review any decision about the making, cancellation or recovery of a DHP in such circumstances as it sees fit.

The LA may cancel a DHP and make a recovery where it has determined that;

- Any person has misrepresented or failed to declare a material fact (fraudulently or otherwise) and as a result of that a payment was made, or
- An error has been made that caused a payment to be made when otherwise it would not have been

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

DATE: THURSDAY, 14 FEBRUARY 2013

REPORT BY: HEAD OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

SUBJECT: WORKFORCE AS A FLINTSHIRE FUTURES WORKSTREAM

1.00 PURPOSE OF REPORT

1.01 To provide members with an overview of the Workforce Workstream within the Flintshire Futures Programme and provide a progress report.

2.00 BACKGROUND

2.01 The Council has developed the Flintshire Futures Programme as its corporate programme for modernising and transforming the organisation and to make best use of its resources and to secure efficiencies. Within this programme, there are five specific workstreams, Workforce being one.

2.02 This report provides information on the projects within the workstream, main objectives of each project and progress achieved to date.

3.00 CONSIDERATIONS

3.01 Organisation Design and Development

The key objectives are:

- To design and implement lean and cost effective service structures and service delivery models to enable the delivery of quality customer services at reduced cost, including:
 1. Review of alternative models of service delivery where appropriate,
 2. Review of priorities and service standards,
 3. Review of management and supervision – organisational layers and spans of control, including business unit and organisational structure integration,
 4. Review of support service costs and overheads.

- To transform working practices through the introduction of new technology, self service and agile working styles.

3.02 **Progress to Date for Organisation Design and Development:**

We have already made major changes to the organisation with significant changes to the senior management / leadership structure and a large number of service reviews. To date, this has delivered in excess of £4m in savings.

- 3.03 Service reviews have looked at services vertically but we now need to look horizontally across the organisation at support functions and eliminate duplication wherever possible. For example, the administrative review for Corporate Services reduced costs by 29% delivering £138k savings, resulting in only one redundancy.
- 3.04 Our next phase of change will focus on the potential integration of business units and organisational structures across the Council, a fundamental review of the various models of service delivery and a cross-Council review of organisational layers and spans of control, reducing management costs to reinvest in front line services. Options for collaboration and partnership opportunities will also be actively explored.
- 3.05 This is one of the largest projects under the Flintshire Futures Programme and will have a major impact across the Council. The programme will challenge structures in terms of hierarchies and management roles and responsibilities. As part of the implementation of the programme, working practices will be transformed, focusing on customer requirements and delivering 'value for money'.
- 3.06 The Chief Executive is leading the scoping of this programme, focusing on the development of a shared understanding of the political philosophy and direction for organisational design and change. The scope for the programme is currently being developed, with input from the broader officer leadership team, following which the scope and underpinning plans will need to gain the support of Members prior to implementation.

3.07 **Readiness for Change**

The key objectives are:

- To challenge and change existing culture and "norms" through positive organisational behaviours, management skills and an ethos of customer service excellence as the organisation's primary driver.

- 3.08 The Flintshire Futures Programme is a vast programme that will rely on managers across the organisation to deliver and lead on

challenging change projects. This project has been developed to enable managers to grow the skills, competence and confidence in managing the delivery of these projects effectively, but also to provide the Council with the framework for changing the culture to one where all employees recognise the need for change and take responsibility for contributing to the delivery of Council's objectives.

3.09 Progress To Date for Readiness for Change

For management development and leading change, the Council has already delivered a three day programme on a regional basis (in partnership with Academi Wales and North Wales Councils) aimed at Heads of Service and Service Managers. The programme content is currently being reviewed for in-house delivery to Flintshire managers, targeted to those who are responsible for delivering significant change over the coming months, as a priority group.

3.10 Our behavioural competencies for the organisation have been re-drafted as part of a wide consultation process with key stakeholders (leadership team, managers and trade unions) to define the competencies required for employees at every level of the organisation to meet the organisational challenges of the future. These competencies have been 'mapped across' the existing Management Development Programmes. The appraisal process for the Council has been re-drafted to incorporate the newly proposed competency framework. The approach to be taken for implementation of the new competencies and the appraisal process is currently being considered by the leadership team and Workforce Workstream Board.

3.11 Phase II of iTrent – Manager and Employee Self Service

The key objectives are:

- To implement Self Service and People Manager modules to optimise the benefits including modernised ways of working and accuracy of employment data and allow opportunities for further efficiencies.

3.12 Progress To Date for Phase II of iTrent

Considerable progress has been made in implementing self service for employees and managers, allowing changes to personal details, on-line access to pay information, electronic expenses and electronic establishment changes. We need to ensure that these facilities are used across the organisation to streamline the processes, improve the quality and timeliness of information and deliver the associated efficiencies.

3.13 The efficiency benefits from this project will be realised through the Cross Organisational Administration Review (e.g. automation of e-

expenses, e-payslips etc) as a result of the re-design and reduction of posts realised initially through early measures such as vacancy management. Efficiencies will also be identified through improved management capability to manage teams and performance remotely, supported by clear performance and workforce data.

The following has already been achieved:

- All Employees (Non Schools) have IT access to Employee Self Service and can view basic payslips
- All Managers (Non schools) with IT access have access to their employees' person and position data via Manager Self Service
- The roll out of manager (Non schools) and employees with IT access to submit and authorise expenses via Manager/Employee Self Service has been implemented in Corporate Services and is now progressing into Environment and Lifelong Learning.

The following are currently being progressed:

- Corporate Training events to be available through Employee Self Service to all employees
- The completion of Recruitment & Web Recruitment module scoping and the development of a plan for implementation.

Consultants, Interims & Agency – Procurement and Expenditure

3.14

The key objectives are:

- To reduce the use, dependency and costs of consultants, interims and agency workers through more effective resourcing and procurement arrangements.

Progress To Date for Consultants, Interims and Agency

3.15

The Consultants, Interims and Agency projects within this workstream will aim to reduce the use, dependency and costs of consultants and interims through more effective resourcing and procurement arrangements. The work is aligned to a review of the Council's Contract Procedure Rules and is aiming to have recommendations in relation to future arrangements and controls.

3.16

A target for efficiency benefits and the methodology to realise the efficiencies will be agreed once the baseline data is established. These are the actions that have been undertaken so far:

- "Consultants, Interims and Agency" guidance for managers has been developed and is in the process of being published on the Council's Infonet.
- A review of all interims is currently underway. Interims are defined

as: *“Interims usually work at a management or professional level and are used to fill temporary gaps in the establishment which may occur during times of managing change such as during a restructure, a prolonged recruitment/selection process and when skills / expertise or capacity are not available within the Council”.*

- Having exhausted internal or external recruitment methods, an Interim will usually be supplied as an Agency Worker through the Matrix contract. Alternatively, an Interim may be supplied as a Consultant in accordance with the Council’s Contract Procedure Rules, using a “Contract for Services”.
- HR and Finance have been working with Service Managers / Heads of Service to agree plans to reduce and / or transition to an alternative resourcing solution, where appropriate. Early indications are that in a number of cases, exit plans have been implemented or are progressing.
- A thorough piece of work to provide baseline data on annual consultancy spend to advise the Corporate Management Team and Directorates is underway to allow a target reduction figure to be and facilitate subsequent effective monitoring by Directorates to meet the overall project goal of reducing “influenceable” spend. This baseline work should be completed by the end of February.
- Linked to the baseline data work above is a review of the classification and categorisation of “consultants”. This is underway and is designed to support better accuracy of data and coding for expenditure for the future.
- The review of the Contract Procedure Rules is expected to be completed in February and will support the overall goals of the project.
- The intention is to start up a working group during February to undertake an options appraisal to identify the most effective means for procuring and managing consultants in the future. Targets and efficiencies will be identified and realised from April 2013 onwards.

3.17

With the whole Flintshire Futures approach there are clear linkages to the Medium Term Financial Plan (MTFP) and efficiencies generated through this particular workstream, and others, will contribute to the overall level of efficiencies within the Council’s budget setting process.

4.00 RECOMMENDATIONS

4.01 That Members note the report.

5.00 FINANCIAL IMPLICATIONS

5.01 The specific targets for efficiencies will be defined following the scoping and planning of the Organisation Design and Development Programme and the completion of the first phase of the Consultants, Interims and Agency project when the baseline is established. The other projects under the workstream are 'key enablers' for modernising working practices, leading and implementing change effectively and changing the culture through positive organisational behaviours. Efficiencies for these projects will be realised through other Flintshire Futures projects, e.g. the Cross-Organisational Administrative Review.

6.00 ANTI POVERTY IMPACT

6.01 Not as a direct result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 Not as a direct result of this report.

8.00 EQUALITIES IMPACT

8.01 Not as a direct result of this report although all the projects under this workstream will have an Equalities Impact Assessment.

9.00 PERSONNEL IMPLICATIONS

9.01 Not as a direct result of this report.

10.00 CONSULTATION REQUIRED

10.01 On-going activity with key stakeholders including Members, managers, employees and Trade Unions.

11.00 CONSULTATION UNDERTAKEN

11.01 Report to Overview and Scrutiny on 11 October 2012.

12.00 APPENDICES

12.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

None included.

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **OVERVIEW & SCRUTINY COMMITTEE**

DATE: **14 FEBRUARY 2013**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **FORWARD WORK PROGRAMME**

1.00 PURPOSE OF REPORT

1.01 To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.

2.00 BACKGROUND

2.01 Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Executive for consultation purposes, or by County Council, or Directors. Other possible items are identified from the Executive Work Programme and the Strategic Assessment of Risks & Challenges.

2.02 In identifying topics for future consideration, it is useful or a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:

1. Will the review contribute to the Council's priorities and/or objectives?
2. Are there issues of weak or poor performance?
3. How, where and why were the issues identified?
4. Do local communities think the issues are important and is there any evidence of this? Is there evidence of public dissatisfaction?
5. Is there new Government guidance or legislation?
6. Have inspections been carried out?
7. Is this area already the subject of an ongoing review?

3.00 CONSIDERATIONS

3.01 Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work Programme of the Committees of which they are members. By reviewing and prioritising the forward work programme Members are able to ensure it is member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

4.00 RECOMMENDATIONS

4.01 That the Committee considers the draft Forward Work Programme attached as Appendix 1 and approve/amend as necessary.

5.00 FINANCIAL IMPLICATIONS

None as a result of this report.

6.00 ANTI POVERTY IMPACT

None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

None as a result of this report.

8.00 EQUALITIES IMPACT

None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

None as a result of this report.

10.00 CONSULTATION REQUIRED

N/A

11.00 CONSULTATION UNDERTAKEN

Publication of this report constitutes consultation.

12.00 APPENDICES

Appendix 1 – Forward Work Programme

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

None.

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Corporate Resources Overview & Scrutiny Committee
FORWARD WORK PROGRAMME 2012/13

DATE	SUBJECT	O&S FOCUS	REPORT FROM
February/ March Date to be determined following agreement	Appraisals Workshop	The head of HR & OD has suggested that it might be more effective to consider this issue, which the committee has previously identified, at a workshop rather than at a formal meeting	H of HR&OD MEM
Thursday 14 th March 2013 10.00	Q3 performance reporting Revenue Budget Monitoring 2012/13 Month 9 Capital Programme 2012/13 Month 9 Procurement as a Flintshire Futures workstream	Monitoring and development Monitoring and development	MEM HF Hof ICT&CS
Thursday 18 th April 2013 10.00	Revenue Budget Monitoring 2012/13 Month 10 Customer Services as a Flintshire Futures workstream Management and leadership Development Programme	Monitoring and development Monitoring and development	HF
Thursday 16 th May 2012	Revenue Budget Monitoring 2012/13 Month 11 Physiotherapy pilot progress report		

Corporate Resources Overview & Scrutiny Committee
FORWARD WORK PROGRAMME 2012/13

Items to be scheduled as they become available
Asset Strategy, the Compact, Procurement, Flintshire Futures.