

Public Document Pack

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Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



To: Cllr Carolyn Thomas (Chair)

CS/NG

Councillors: Marion Bateman, Clive Carver,
Paul Cunningham, Peter Curtis, Ian Dunbar,
Andy Dunbobbin, Robin Guest, Ron Hampson,
Joe Johnson, Richard Jones, Richard Lloyd,
David Roney, Paul Shotton and Arnold Woolley

9 January 2015

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, 15TH JANUARY, 2015** at **10.30 AM** to consider the following items.

***** Members are requested to note that a Revised Budget Monitoring Report training session will be held from 10 to 10.30am *****

Yours faithfully

Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 1 - 8)

To confirm as a correct record the minutes of the meeting held on 11 December 2014.

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

4 **BUDGET CONSULTATION PROCESS**

A verbal update will be provided.

5 **REVENUE BUDGET MONITORING 2014/15 (MONTH 7)** (Pages 9 - 40)

Report of Chief Officer (People and Resources) enclosed.

6 **COUNCIL TAX REDUCTION SCHEME** (Pages 41 - 46)

Report of Chief Officer (Community and Enterprise) enclosed.

7 **PEOPLE STRATEGY WORKSHOP**

A verbal update will be provided by the Chief Officer (People and Resources).

8 **REPORT BACK FROM THE PERFORMANCE TASK & FINISH GROUP**
(Pages 47 - 50)

Report of Member Engagement Manager enclosed.

9 **FORWARD WORK PROGRAMME** (Pages 51 - 54)

Report of Member Engagement Manager enclosed.

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE **11 DECEMBER 2014**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 11 December 2014

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Marion Bateman, Paul Cunningham, Ian Dunbar, Andy Dunbobbin, Ron Hampson, Joe Johnson, Richard Jones, Richard Lloyd, David Roney, Paul Shotton and Arnold Woolley

SUBSTITUTE: Councillor Adele Davies-Cooke for Clive Carver

APOLOGIES: Cabinet Member for Waste Strategy, Public Protection and Leisure. Councillor Peter Curtis.

ALSO PRESENT: Councillor Haydn Bateman

CONTRIBUTORS: Leader and Cabinet Member for Finance, Chief Executive, Chief Officer (People & Resources), Chief Officer (Governance), Chief Officer (Organisational Change), Corporate Finance Manager, Customer Services Manager, and Managed Agency Contracts Manager

IN ATTENDANCE: Housing and Learning Overview and Scrutiny Facilitator and Committee Officer

43. DECLARATIONS OF INTEREST

No declarations of interest were made.

44. MINUTES

The minutes of the meeting of the Committee held on 13 November 2014 had been circulated with the agenda.

Matters Arising

Councillor Richard Jones referred to his request on page 6 of the minutes that the value of assumptions and risks be indicated on future reports where possible to help understanding. He cited paragraph 5.01 on page 188 of the agenda and said this had not been done. The Chief Officer (People and Resources) agreed to look into this.

Councillor Jones also drew attention to his comments on page 7 concerning changes to budget headings for Social Services and the commentary around major variances which were difficult to follow from one month to another within the revenue budget monitoring reports. The Chief

Officer (People and Resources) said she would review this to ensure that the tracking of budget headings was easy to follow.

Referring to the revenue budget monitoring report (month 6), Councillor Jones also commented on the explanation given for variances within the residential and domiciliary services and the Mental Health and Substance Misuse services where the explanation for the variances were the same as the previous month even though the monetary amounts were different. He asked that these be updated each month.

Councillor Jones referred to the revenue budget monitoring report (month 5) and commented on the explanation given for variances where the amount had changed by £79k but the explanation given was the same as the explanation at month 4 and said that this needed to be updated.

Councillor Carolyn Thomas suggested that in future, when an Overview & Scrutiny Committee were receiving a report as a result of a recommendation from the Corporate Resources Overview & Scrutiny Committee, this should be reflected in the report. She said this had been suggested recently by the Welsh Audit Office to provide an audit trail of the recommendations made from the Corporate Resources Committee to another Scrutiny Committee.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chair.

45. BUDGET CONSULTATION PROCESS

The Leader of the Council advised that the Welsh Government (WG) final local settlement had just been published. He advised on the implications for Flintshire.

The Leader referred to the Chancellor's Autumn Statement and the additional £113m funding to be made available for Wales. He commented that the bulk of the funding would be made available to the Health Service but £43m was unallocated and further clarification on how that was to be allocated would be provided in the New Year. He explained that preparatory work would be carried out between now and the New Year to outline the Authority's case for funding for social care. He commented on the value of local government in terms of the local community services provided around preventative care and health and well-being through leisure services for example.

The Leader of the Council referred to consideration of the draft revenue budget proposals for the Council Fund 2015/16 at Cabinet on 16 December 2014, and the formal Overview & Scrutiny budget consultation meetings to be held in January 2015. He asked the Committee for their views on whether the provisional budget workshop date of 19 December 2014 should be utilised for an all Member budget drop-in session to address any questions/queries prior

to the Overview & Scrutiny Committee budget meetings. The Committee supported the suggestion and it was agreed that confirmation would be sent to all Members. It was also agreed that the provisional slot of 16 January 2015 would be utilised for a similar budget drop-in session. Confirmation of this would also be sent to all Members in due course.

The Chief Executive also referred to the significant amount of funding from the WG which was unallocated and welcomed the availability of any continued short-term funding for social care. He commented on the formal consultation process to be undertaken in January 2015 on the draft Council Fund Revenue Budget 2015/16. In response to the queries raised by Members he advised that all Chief Officer portfolios would be covered across Overview and Scrutiny Committees.

During discussion, Councillor Richard Jones expressed concerns that the Health Service was being supported by the WG at the expense of local government provision. He proposed that a letter be sent to the WG outlining Members concerns around hypothecated funding and the impact this would have on front line services when considering future budget proposals. He also asked that the letter seeks a move from the WG towards un-hypothecated budgets for local authorities in the future. The Leader of the Council agreed to send a letter to the WG.

The Chairman commented on the discussions which arose during the budget briefing meeting for Group Leaders around considering a base budget next year and asked that the Corporate Resources Overview & Scrutiny Committee be involved in reviewing the Council's Medium Term Financial Plan.

RESOLVED:

- (a) That the update be noted;
- (b) That an invitation to attend a budget drop-in session on the 19 December, 2014 at 2.00 pm be sent to all Members; and
- (c) That a letter outlining Members concerns on hypothecated funding be sent to the Welsh Government (WG)

46. ANNUAL PERFORMANCE REPORT 2013/14 AUDIT-CERTIFICATE OF COMPLIANCE.

The Chief Executive introduced a report on the positive Certificate of Compliance from the Auditor General for Wales in respect of the audit of the 2013-14 Annual Performance Report. He provided background information and advised that this was the second certificate that the Council had received during 2014/15 to certify the Auditor General's views on the Council's compliance with discharging its duty to publish an assessment of performance. The conclusion of the audit was "that the Council had discharged its duties under section 15(2), (3), (8) and (9) of the Measure and

had acted in accordance with Welsh Government guidance sufficiently to discharge its duties". The Auditor General had made no new statutory recommendation or proposals for improvement.

RESOLVED:

That the positive Certificate of Compliance from the Auditor General for Wales in respect of the audit of the 2013-14 Annual Performance Report be noted.

47. MID YEAR CHIEF OFFICER PERFORMANCE REPORTS

The Committee received a report on the 2014/15 Mid Year Service Performance Reports produced at Chief Officer level for their respective portfolios. The reports covered the period April to September 2014.

The Chief Officer (People and Resources) presented the Mid Year Chief Officer Performance Report for People and Resources.

Councillor Carolyn Thomas commented on the duplication of items on the agenda as some of the items were also being covered as part of the performance reports and asked that consideration be given to how reports were presented in the future.

Councillor Richard Jones suggested that the font size of the headings in the COT performance reports be made larger for "easy reading" and it was agreed that this would be passed to the performance team.

Councillor Arnold Woolley asked for a list of fee generating services. The Chief Officer (People and Resources) explained that this was part of the Income Strategy and agreed to make enquiries to establish if this information could be provided to the Committee.

Councillor Arnold Woolley referred to page 25 of the agenda. He commented on the need for a clear audit trail when undertaking virements and said he had contacted the Corporate Finance Manager about this matter and was waiting for information about virements. The Chief Officer (People and Resources) explained the difficulties around the level of detail required but said she would look into this. She gave an assurance that the Authority was fully compliant with the regulations regarding virements.

The Chief Officer (Governance) presented the Mid Year Chief Officer Performance Report for Governance.

Councillor Arnold Woolley referred to the introduction of individual electoral registration and the positive comments he had received from older people on how this change had been dealt with. He asked the Chief Officer (Governance) to forward his congratulations to the election team.

Councillor Ian Dunbar referred to the Public Sector Broadband Aggregation (PSBA) project and raised concerns around connectivity to

schools. The Chief Officer responded to the matters raised and advised that the estimated completion date for the project was March 2015. He agreed to discuss any specific issues with Councillor Dunbar following the meeting. In response to the further concerns raised by Councillor Dunbar around procurement, the Chief Officer advised that schools had been allocated a procurement officer for contact. He also commented on the work being undertaken to connect schools to the P2P corporate system.

Councillor Richard Jones commented on the Service Level Agreements between the Authority and schools for IT support and expressed concerns that there could be a long delay before technical support became available. He also explained that there was a local resources issue with IT in schools and that there was a problem if members wished to use their own IT equipment in schools. The Chief Officer referred to the appointment of a consultant to liaise with schools to determine their needs and said this information would be shared with the Leader of the Council in the New Year to consider the options for future service provision.

Councillor Carolyn Thomas suggested that Committee Services staff be trained on how to use ipads, so that they could assist Members during Committee meetings.

Councillor Andy Dunbobbin suggested that a short information video on how to use the ipads be posted onto the Council's infonet for Members to access should they experience any problems. The Chief Officer agreed to ask the IT Support Officer to do this.

Councillor Marion Bateman asked that her compliments be passed to Andrew Peers, IT Support Officer, for the assistance and training he had provided to all Members on the use of ipads.

RESOLVED:

- (a) That the reports be noted; and
- (b) That the Committee continues to highlight and monitor poor performance and feedback details of any challenge to the Policy, Performance & Partnerships Team for reporting to Cabinet where appropriate.

48. QUARTER 2 IMPROVEMENT PLAN MONITORING REPORT

The Chief Officer (Organisational Change) introduced a report on the 2014/15 Improvement Plan Monitoring Report relevant to the Committee. The report covered the period July – September 2014.

In response to a query raised by Councillor Richard Jones concerning empty industrial units at Buckley, the Chief Officer (Organisational Change) referred to the Authority's rationalisation programme and gave an assurance that an area review would be undertaken during the next 12 months.

Councillor Paul Shotton commented on the proposed demolition of the Civic Offices in Connah's Quay. The Chief Officer (Organisational Change) advised that the demolition had been planned as part of the overall strategy of rationalisation. The Leader of the Council explained that it had been previously agreed that the Civic Offices would remain open until the Connects Centre in Connah's Quay was operational and the cash office facility available for public use. Councillor Carolyn Thomas asked if some of the services available at the Connects Centres could be replicated at County Hall, Mold. The Chief Executive explained that the Authority was looking to consolidate its Reception services at County Hall from next year to reflect the changing way that customers dealt with the Authority and to meet customer needs.

RESOLVED:

- (a) That the report be noted; and
- (b) That the Committee continues to highlight and monitor poor performance and feedback details of any challenge to the Policy, Performance & Partnerships Team for reporting to Cabinet where appropriate.

49 VARIATION IN ORDER OF BUSINESS

The Chair said that there would be a slight change in the order of business to bring forward agenda item 9 on Workforce Information Quarters 1 and 2. The remainder of the agenda would then follow in the usual order.

50. WORKFORCE INFORMATION QUARTERS 1 AND 2 2014/15

The Chief Officer (People and Resources) introduced a report to provide an update for the first and second quarters for 2014/15. She explained that the information was being presented in dashboard format and that the performance information for the whole organisation was split to show Schools and Non-Schools data separately.

The Chief Officer provided background information and reported on the main considerations as detailed in the report around headcount and full time equivalent, organisational age profile, employee turnover and stability, attendance, performance appraisals and development, resource management, equality and diversity.

Councillor Arnold Woolley commented on the use of agency workers and asked if information on the time that an agency worker was employed by the Council could be provided in future reports. The Chief Officer (People and Resources) agreed to include the duration that agency workers were employed for in future reports.

RESOLVED:

That the Workforce Information Reports for Quarters 1 and 2 be noted.

51. CUSTOMER SERVICE POLICY

The Customer Services Manager introduced a report on the revised Customer Service Policy to seek support for formal customer consultation. She advised that the policy had been updated to reflect the change in the way that customers deal with the Council. Customer service standards had been revised and demonstrated a stronger commitment rather than an aim.

Councillor Richard Jones suggested that the headings for each section of the Customer Services Policy be included on the preface page to make the document more “user” friendly. The Customer Services Manager agreed to amend the draft document.

Councillor Marion Bateman raised concerns in relation to the work mobile phone numbers of Officers not being made available to Members. The Chief Executive said that the work mobile numbers of Officers should be made available to Members and agreed to liaise with the Customer Service Manager to establish how they were disclosed.

RESOLVED:

That the Committee note the revised Customer Services Policy and support it being issued for formal customer consultation.

52. REVENUE BUDGET MONITORING 2014/15 (MONTH 6) AND CAPITAL PROGRAMME MONITORING 2014/15 (MONTH 6)

The Corporate Finance Manager introduced a report on the Revenue Budget Monitoring 2014/15 (Month 6) report and the Capital Programme 2014/15 (Month 6) report. He explained that both the Revenue Monitoring report and the Capital Programme report would be presented to Cabinet on 16 December 2014. He reported on the main considerations within both reports which were appended for information.

Revenue Budget Monitoring Report

Councillor Richard Jones thanked the Corporate Finance Manager and the Finance Manager for providing information within the report on budget movements.

Councillor Jones raised a number of queries on the report and it was agreed that he would send his questions to the Corporate Finance Manager to enable him to provide more detailed responses. The Chair asked that the questions and answers also be circulated to the Committee for information.

The Chair requested that reference to the Committee’s comments being fed back to Cabinet be included in the recommendation of future reports.

Capital Programme

Councillor Richard Jones referred to page 221 of the agenda and commented on the Rollover into 2015/16 shown at paragraph 3.05. He said only spending that had been committed could be rolled over into the next year. The Corporate Finance Manager agreed to check this information and provide a response to Councillor Jones.

Councillor Jones also said that following the changes to Chief Officer portfolios, it was difficult to compare the capital programme update reports with the capital programme report approved by County Council on the 18 February 2014. The Corporate Finance Manager agreed to look at how this could be changed to make it easier to follow.

RESOLVED:

That the reports be noted.

53. FORWARD WORK PROGRAMME

The Housing and Learning Overview and Scrutiny Facilitator introduced the report to enable the Committee to consider the Forward Work Programme. She reminded Members that a People Strategy Workshop was being held on 12 December 2014 and referred to the budget consultation meetings which had been scheduled for 15th, 22nd and 30th January 2015.

RESOLVED:

That the Forward Work Programme be approved.

54. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press and no members of the public in attendance.

(The meeting started at 10.00am and ended at 12.40pm)

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Chair

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

DATE: **THURSDAY, 15 JANUARY 2015**

REPORT BY: **CHIEF OFFICER (PEOPLE AND RESOURCES)**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 7)**

1.00 PURPOSE OF REPORT

1.01 To provide Members with the Revenue Budget Monitoring 2014/15 (Month 7) report.

2.00 BACKGROUND

2.01 The revenue Budget Monitoring 2014/15 (Month 7) report will be presented to Cabinet on 20 January 2015. 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 and provide any relevant comments to Cabinet.

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 Appendix A – Revenue Budget Monitoring 2014/15 Month 7) report.

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

**Contact Officer: Sara Dulson
Telephone: 01352 702287
Email: sara.dulson@flintshire.gov.uk**

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 20 JANUARY 2015**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 7)**

1.00 PURPOSE OF REPORT

- 1.01 To provide Members with the latest revenue budget monitoring information for 2014/15 for the Council Fund and Housing Revenue Account based on actual income and expenditure as at month 7 and projected forward to year-end based on the most up to date information available.

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1.02	Section 2	Executive Summary
	Section 3	Council Fund Latest In Year Forecast
	Section 4	Inflation
	Section 5	Monitoring Budget Assumptions & Risks
	Section 6	Unearmarked Reserves
	Section 7	Housing Revenue Account (HRA)
	Appendix 1	Council Fund – Movement in Variances from Month 6
	Appendix 2	Council Fund Variance Summary
	Appendix 3	Efficiencies Summary
	Appendix 4	Movements on Council Fund Unearmarked Reserves
	Appendix 5	HRA Variance Summary

2.00 EXECUTIVE SUMMARY

- 2.01 The projected year end position, as estimated at Month 7 is as follows:

Council Fund

- Net in year expenditure forecast to be £0.821m lower than budget. This now includes variances on pay.
- Projected contingency reserve balance at 31 March 2015 of £3.762m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.083m less than budget.
- Projected closing balance as at 31 March 2015 of £1.249m

3.00 COUNCIL FUND LATEST FORECAST

3.01 The table below shows the projected position by portfolio which reflects the Council's new Operating Model which came into effect on 1 June 2014.

3.02 As previously reported, following the implementation of the Single Status agreement in June 2014, extensive work has been undertaken to rebase all workforce budgets to reflect the actual new costs arising from the new pay and grading structure. This work is now substantially complete and revised workforce budgets have now been allocated to portfolio areas to meet the costs of their workforce establishment (base pay, allowances and vacancies). The outcome of this work is now reflected in the figures below, though there are some outstanding queries which may result in minor adjustments in future periods.

3.03 The table below shows projected in year expenditure to be £0.821m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
				Month 6	Month 7
				£m	£m
Social Services	59.889	59.008	59.098	0.445	0.090
Community & Enterprise	14.368	13.264	12.743	(0.482)	(0.521)
Streetscene & Transportation	28.381	29.566	29.877	0.309	0.311
Planning & Environment	6.394	5.346	5.225	(0.100)	(0.121)
Education & Youth	97.167	96.219	96.174	(0.087)	(0.045)
People & Resources	5.395	4.835	4.873	0.038	0.038
Governance	8.821	8.503	8.800	0.261	0.297
Organisational Change	9.738	9.844	9.920	0.076	0.076
Chief Executive	2.160	3.314	3.236	0.013	(0.078)
Central & Corporate Finance	22.863	25.277	24.409	(1.354)	(0.868)
Total	255.176	255.176	254.355	(0.881)	(0.821)

3.04 The reasons for all movements from Month 6 are summarised in appendix 1 with the projected variances occurring for the year to date summarised within appendix 2.

3.05 Significant Budget Movement Between month 6 to month 7

The rebasing of workforce budgets as detailed in 3.02 has resulted in the changes to portfolio budgets from month 6. There are still some outstanding queries to

resolve which may require subsequent adjustments to portfolio budgets.

3.06 Programme of Efficiencies

Corporate and Functional Efficiencies

3.07 The 2014/15 budget contains £8.8m of specific efficiencies comprising Corporate Value for Money (VFM) on Procurement and Back to Basics of £1.3m and specific Functional VFM efficiencies of £7.5m.

3.08 The table below summarises the latest position for the achievement of these specific efficiency programmes and now reflects a projected under achievement of the VFM efficiency relating to the Review of Administrative Support which was previously reported as unlikely to be achieved (see also 3.10 – 3.15).

3.09 The analysis shows that it is currently projected that £7.597m (86%) will be achieved resulting in a net underachievement of £1.243m. Details for the current year efficiencies currently projected to not be achieved in full are shown in appendix 3.

Status of Efficiency	Value of Budgeted Efficiency £m	Value of Projected Efficiency £m	(Under) Over Achievement £m
Already Achieved	1.643	1.643	0.000
Expected to be Achieved in Full	5.099	5.099	0.000
Achievable in Part	1.048	0.855	(0.193)
Not Achievable	1.050	0.000	(1.050)
Total	8.840	7.597	(1.243)

Workforce Efficiencies

3.10 The 2014/15 budget also contains £3.1m of Workforce Efficiencies. Previously it has been reported that there was an amount of £1.7m still to be achieved and an assessment of the second phase of the voluntary redundancy programme was being undertaken, in conjunction with an organisational review of vacancies, in order to ascertain a clear position to the end of the financial year. Paragraphs 3.11 – 3.15 advise of the latest position following this work in relation to all workforce efficiencies (including Administration Review). The month 6 monitoring report advised of an amount still to find of £1.1m in relation to the Administration Review giving an overall figure of £2.8m for both areas.

3.11 The second Voluntary Redundancy Scheme closed on 31st October 2014 and an assessment of successful applications has now been undertaken. This has resulted in an additional contribution of £0.240m of efficiencies to the overall target.

3.12 The organisational review of vacancies that has been undertaken has identified £0.937m of one off savings in 2014/15 which will also contribute to the in year

target.

- 3.14 The budget for 2015/16 included a one off sum of £4.8m to fund exit costs associated with the above efficiencies of which £2m has been incurred to date. An assessment of the successful VR applicants and an estimate of potential exit costs from Business Plans across the organisation has identified that an additional £1.8m is likely to be incurred by the end of this financial year. This will leave projected balance of £1m. The overall projected position for 2014/15 is summarised below:

3.15	2014/15 Position	£m
	Workforce Efficiencies outstanding at M6	2.800
	Less estimated in year effect of VR2	(0.240)
	Less in year Vacancy Savings	(0.937)
	Estimated Unachieved in 2014/15	1.623
	Less Estimated Investment cost balance	(1.002)
	Potential Impact on Outturn	0.621

The above position is now reflected within the outturn position for Month 7 within central and corporate. Any further Voluntary Redundancies or vacancies that impact on the current financial year will be reflected in future monitoring reports.

4.00 INFLATION

- 4.01 Included within the 2014/15 budget are provisions for pay (£1.316m), targeted price inflation (£0.590m), non-standard inflation (£0.670m) and income (£0.151m).
- 4.02 The amounts for non-standard inflation (NSI) (Fuel, Energy and Food) are held centrally and allocated out to portfolio areas only where a funding need is evidenced. All allocations of NSI have now been made to departments where there has been an evidenced need and this has resulted in an underspend of £0.054m on the amount required for fuel, and an underspend of £0.015m on the amount required for food.

5.00 MONITORING BUDGET ASSUMPTIONS AND RISKS

5.01 Emerging Risks

- Design Fee Income – Risk due to the potential loss of income included within the Design Consultancy business plan income projections.

5.02 Existing risks

- Out of County Placements – due to volatility and unpredictable nature of service costs.
- Deprivation of Liberty Assessments (DoLs) – potential risk due to additional responsibilities of Local Authorities.

- Professional Support (Leaving Care) – due to demand led nature of the service and ongoing impact of the Southwark case.
- Former Euticals Site – risk relates to the cost of full decommissioning, decontamination and clearance of the former chemical site in Sandycroft.
- Single Persons Discount (SPD) Review – relates to a review which will take place during October, it has been predicted the number of SPD claims will be reduced.
- Schools ICT Infrastructure – due to potential change to delivery of ICT in schools.
- Winter Maintenance – due to potential for adverse weather conditions.
- Council Tax – relates to the volatility of the Council Tax Reduction Scheme and collection rates.

5.03 **Changes to previously reported risks**

- Single Status – Workforce budgets have been rebased however due to the complexity and scale of this there are still some budgets requiring further adjustments.
- Workforce Efficiencies – Work has been undertaken to assess the non achievement of the efficiencies included for Corporate Administration and other Workforce.

6.00 **UNEARMARKED RESERVES**

- 6.01 The 2013/14 final outturn reported to Cabinet on 15 July 2014 showed unearmarked reserves at 31 March 2014 (above the base level of £5.834m) of £5.328m.
- 6.02 This position reflected a contribution of £0.745m made from reserves as part of an accounting adjustment for termination benefits arising from the workforce efficiencies for the Senior Management Phase 1 programme. As budget provision was made within the 2014/15 budget for this, this has now been transferred back into reserves in the current financial year.
- 6.03 Section 6.05 of the 2014/15 budget report outlined the investment strategy required to fund one off costs and transitional funding for efficiencies that could not be found in full in 2014/15. This identified a potential £3.7m available to fund these from the contingency reserve as well as utilising the Single Status/Equal Pay Reserve.
- 6.04 Currently it is estimated that £2.5m will be required from the Contingency Reserve to fund the one off costs in 2014/15.

- 6.05 The Month 2 Monitoring report to Cabinet on 15th July also advised members of an allocation of £0.696 from the contingency reserve to fund investment costs approved under delegated powers.
- 6.06 Taking into account all of the above and the current projected outturn at month 7, the projected balance on the contingency reserve at 31 March 2015 is £3.762m. This is summarised in Appendix 4.

7.00 HOUSING REVENUE ACCOUNT

- 7.01 On 18th February 2014 the Council approved a Housing Revenue Account (HRA) budget for 2014/15 of £29.886m. The budget provided for a closing balance of £0.956m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 7.02 The 2013/14 final outturn reported to Cabinet on 15th July 2014 showed a closing balance at the end of 2013/14 of £1.662m.
- 7.03 The position at Month 7 is reporting an overall projected underspend of £0.083m and a projected closing balance at month 7 of £1.249m, which at 4.15% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 7.04 Appendix 5 details the reasons for significant variances.

8.00 RECOMENDATIONS

- 8.01 Members are recommended to :-
- a) Note the overall report.
 - b) Note the projected Council Fund contingency sum as at 31st March 2015 (paragraph 6.06)

Note the projected final level of balances on the Housing Revenue Account (paragraph 7.03)

9.00 FINANCIAL IMPLICATIONS

- 9.01 The financial implications are set out in Sections 3.00 – 7.00 of the report.

10.00 ANTI POVERTY IMPACT

- 10.01 The financial implications are set out in Sections 3.00 – 7.00 of the report.

11.00 ENVIRONMENTAL IMPACT

- 11.01 None

12.00 EQUALITIES IMPACT

12.01 None

13.00 PERSONNEL IMPLICATIONS

13.01 None

14.00 CONSULTATION REQUIRED

14.01 None

15.00 CONSULTATION UNDERTAKEN

15.01 None

16.00 APPENDICES

- 16.01 Council Fund – Movement in Variances from Month 4 – Appendix 1
Council Fund – Budget variances – Appendix 2
Council Fund – Efficiencies not fully achieved – Appendix 3
Council Fund – Movements on unearmarked reserves – Appendix 4
Housing Revenue Account Variances – Appendix 5

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

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**COUNCIL FUND - REVENUE BUDGET 2014/15
FLINTSHIRE COUNTY COUNCIL**



**Budget Monitoring (Month 7)
Summary of Movement from Month 6**

	£m	£m
Month 6		
Portfolios	0.473	
Central and Corporate Finance	(1.354)	
Variance as per Cabinet Report		(0.881)
Month 7		
Portfolios	0.047	
Central and Corporate Finance	(0.868)	
Variance as per Directorate Returns		(0.821)
Change Requiring Explanation		0.060
<u>Social Services</u>		
Services For Adults		
• Localities (Localities teams) - Free Nursing income down (£0.016m). Property Income increased (-£0.013m). Purchased residential nursing care costs down (-£0.029m) plus net impact of movements in other minor variances of -£0.019m.	(0.045)	
• Disability Services (Resources & Regulated Services) - (£0.099m) reduction in commitments following critical review of expenditure. Plus net impact of movements in other minor variances of -(£0.045m).	(0.144)	
• Disability Services (Forensic Budget) (£0.188m) is due to two service users ceasing to be charged to this service. plus net impact of movements in other minor variances of -£0.012m.	(0.200)	
• Other minor changes of less than £0.025m for Services for Adults	(0.029)	
Subtotal: Services For Adults		(0.418)
Development & Resources		
• Public information and planning - workforce costs (+0.027m).	0.027	
• Vacancy savings	(0.292)	
• Other minor changes of less than £0.025m	0.025	
Subtotal: Development & Resources		(0.240)
Services For Children		
• Prevention & Support - Overspend is due to increase in Southwark judgement related costs.	0.062	
• Professional Support - Overspend due to higher costs in Children and Young Adolescent Support Team (CYAST). Direct payments also causing overspend. Offset by underspend on certain budgets following a review of commitments.	0.067	
• Out of County placements - Projected overspend based on current 2014/15 packages and clients, for which there is an adverse impact of £0.180m due to new clients, offset by reduced placement costs for existing clients of -£0.055m.	0.125	
• Other minor changes of less than £0.025m	0.049	
Subtotal: Services For Children		0.303
Total: Social Services		(0.355)

Community & Enterprise

Customer & Housing Services	
• Reduced pressure on Support Services recharge due to budget realignment	(0.004)
• Other minor changes of less than £0.025m	0.016
Subtotal: Customer & Housing Services	0.012
Supporting Services	
• Other minor changes of less than £0.025m	0.004
Subtotal: Supporting Services	0.004
Regeneration	
• Other minor changes of less than £0.025m	0.002
Subtotal: Regeneration	0.002
Revenues & Benefits	
• Underspend on Council Tax Reduction Scheme (CTRS)	(0.028)
• Other minor changes of less than £0.025m	(0.033)
Subtotal: Revenues & Benefits	(0.061)
Customer Services	
• Other minor changes of less than £0.025m	0.004
Subtotal: Customer Services	0.004
Total: Community & Enterprise	(0.039)

Streetscene & Transportation Portfolio

Streetscene	
• Other minor changes of less than £0.025m	(0.008)
Subtotal: Streetscene	(0.008)
Highways Strategy & Traffic Services	
• Other minor changes of less than £0.025m	0.005
Subtotal: Highways Strategy & Traffic Services	0.005
School Transport	
• Other minor changes of less than £0.025m	0.005
Subtotal: School Transport	0.005
Total: Streetscene & Transportation	0.002

Planning & Environment Portfolio

Planning	
• Other minor changes of less than £0.025m	0.008
Subtotal: Planning	0.008
Public Protection	
• Other minor changes of less than £0.025m	0.017
Subtotal: Public Protection	0.017
Highways/Energy	
• Other minor changes of less than £0.025m	0.002
Subtotal: Energy Services and Highways/Public Rights of Way	0.002
Management & Performance	
• Vacancy Budget from Single Status	(0.048)
Subtotal: Management & Performance	(0.048)
Total: Planning & Environment	(0.021)

Education & Youth

Inclusion Services	
• Minor variances	(0.010)
• Out of County - 3 new placements	0.040
Subtotal: Inclusion Services	0.030
Access (School Planning & Provision)	
• School Planning - minor variances	0.011
• School Provision - minor variances	0.003
Subtotal: Access (School Planning & Provision)	0.014
21st Century Schools	
• Minor variances	(0.001)
Subtotal: 21st Century Schools	(0.001)
Youth Services (minor variances of less than £0.025m)	
• Minor variances	(0.003)
Subtotal: Youth Services	(0.003)
Commissioning & Performance	
• Minor variances	0.006
Subtotal: Commissioning & Performance	0.006
School Management & Information	
• Other minor changes of less than £0.025m	(0.004)
Subtotal: School Management & Information	(0.004)
Total: Education & Youth	0.042

Governance

Minor variances of less than £0.025m	
• Legal Services	0.020
• Democratic Services	0.016
• Procurement	0.001
• Information Communication Technology	(0.017)
• Records Management	0.016
Subtotal: Minor variances of less than £0.025m	0.036
Total: Governance	0.036

Chief Executive

• Workforce pay variances (£0.084m). The balance (£0.007m) is due to minor variances.	(0.091)
Total: Chief Executive	(0.091)

Central & Corporate Finance

• Central Loans and Investment Account	(0.157)
• Reduction in Pension Fund Contributions - Impact of Workforce Reduction	0.102
• Review of the need of Non Standard Inflation allocations	(0.070)
• Cost control exercise adjustment	0.033
• Movement on workforce efficiencies less investment costs (Net)	0.621
• Additional Non Domestic Rate Revaluations - windfall income	(0.036)
• Other minor variances	(0.007)
Total: Central & Corporate Finance	<hr/> 0.486 <hr/>
Total Changes	<hr/> 0.060 <hr/>

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Social Services						
Social Services for Adults - Locality Teams (Localities)	14.187	14.515	0.328	0.373	There is a major demand influenced pressure of £0.897m on the Domiciliary Care service within Localities teams. Key demand led influences include clients returning to the service following successful past reablement, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The significant projected overspend is being offset by a projected under spend of £0.537m on residential care, which includes a £0.328m increase in the level of property related income offset, plus further increases in income above budget including free nursing. An underspend of £0.032m is due to minor variances.	Keep under review.
Resources & Regulated Services (Intake & Reablement)	5.693	5.772	0.079	0.051	Further work ongoing on single status pay budgets, indications that there may be some additional budget in Zero hours budgets within Residential Care and the relief pool. Current budget to be reviewed.	Keep under review.
Transition and Disability Services (Disability Services)	0.456	0.547	0.091	0.068	The projected overspend is mainly due to the unbudgeted cost of the support arrangements provided by Penderels in respect of direct payments. This accounts for £0.065m of the total projected overspend of £0.091m.	Keep under review.
Resources & Regulated Services (Disability Services)	16.042	15.853	(0.189)	(0.045)	LD Supported Living - Independent Sector under spend of £0.118m due to reduction in commitments following critical review of expenditure to date. In-house increases in expenditure across houses account +£0.126m. Day Opportunities - +£0.065m overspend taking account of agency costs and minor variances of £0.026m. Day Services - projected overspend of +£0.081m inclusive of additional agency costs and minor variances of +£0.025m. PSI Residential -£0.269m projected underspend based on current residential care package costs. This is offset by PSI - Domiciliary & DP +£0.153m projected overspend. Increased CHC income results in -£0.224m and other minor variances total a net -£0.003m.	Keep under review.

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Forensic Budget (Disability Services)	0.507	0.356	(0.151)	0.049	Reflects current care packages for 2014/15.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.314	0.179	(0.135)	(0.144)	Reflects current care packages for 2014/15.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts.
Other Services for Adults variances (aggregate)	7.961	7.863	(0.098)	(0.009)	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services - Income	(1.573)	(1.808)	(0.235)	(0.239)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £50 per week to £55 per week.	Continue to monitor and review.
Good Health	0.852	0.796	(0.056)	(0.069)	Under spend influenced by increased commitment for CHC Income (£54k).	Continue to monitor and review.
Vacancy Control	0.292	0.000	(0.292)	0.000	Staffing budget savings allocated to portfolio following post Single Status budget realignment.	Keep under review.
Other Development & Resources variances (aggregate)	1.634	1.708	0.074	0.039	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.500	0.273	0.260	The overspend is mainly (£0.260m) as a result of an increase in the number of foster care placements within the service. Part of this is also due to the increasing number of court orders for Residence and Special Guardianship orders (£0.017m) which invariably attract an ongoing allowance for the carers. Various other minor variances amount to a net -£0.004m.	A review of the Family Placement Team has been undertaken the outcome of which is being considered and will inform future planning and possible efficiencies.

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Professional Support (Children's Services)	5.164	5.328	0.164	0.097	This projected overspend is due mainly to increased direct payments of £0.138m for Children's Integrated Disability Services (CIDS) These pressures are offset by a saving against general contingencies. Various other minor variances amount to a net £0.026m.	Keep under review.
Out of County placements - (Children's Services)	3.428	3.584	0.156	0.031	£0.156m overspend based on increased number of complex 2014/15 care packages.	Keep under review.
Prevention & Support (Children's Services)	0.102	0.160	0.058	(0.004)	Overspend £0.058m increase due to Southwark judgement related costs.	Keep under review.
Other Services for Children variances (aggregate)	1.722	1.745	0.023	(0.013)	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.008	59.098	0.090	0.445		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Community & Enterprise						
Customer & Housing Services	0.975	0.871	(0.104)	(0.116)	An overspend (£0.023m) is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. Estimated underspend (£0.126m) on Homeless Accommodation including a reevaluation of B&B accommodation projections and Homeless Prevention Fund income. (£0.001m) underspend due to other minor variances.	Continue to monitor and review.
Supporting People	0.426	0.464	0.038	0.034	Projected overspend (£0.018m) against mileage costs. Projected overspend (£0.015m) on the Maintenance Contract due to insufficient budget to meet renewed contract. (£0.005m) overspend due to other minor variances.	Continue to monitor and review.
Regeneration	0.264	0.298	0.034	0.032	Pressure (£0.048m) projected in respect of Agency costs. (£0.014m) underspend due to other minor variances.	Continue to monitor and review.
Revenues & Benefits	10.948	10.440	(0.508)	(0.447)	Underspend due to an anticipated surplus on the Council Tax Collection Fund (£0.257m). Projected underspend (£0.238m) on the budgeted provision for the Council Tax Reduction Scheme based on current position. The underspend on this area is volatile and can be subject to change later in the year. (£0.013m) efficiency due to minor variances.	Continue to monitor and review. Request to carry forward £0.058m in respect of Single Fraud Investigation Service (SFIS) Project claw back in 15/16 (relating to 14/15).
Customer Services	0.651	0.670	0.019	0.015	£0.017m pressure due to reduced Welsh Translation recharge income. Pressures due to other minor variances (£0.002m).	Continue to monitor and review.
Total Community & Enterprise	13.264	12.743	(0.521)	(0.482)		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation						
Waste Disposal & Waste Collection	7.310	7.508	0.198	0.195	Additional costs of overtime and use of Agency personnel due to high number of vacancies to maintain the necessary service provision £0.150m. Loss of Trade Waste Income from Housing of £0.025m due to them renewing with a private contractor. Increased cost of Food Waste disposal of £0.021m due to the cost per tonne increasing. £0.002m overspend due to other minor variances.	Monitor Agency levels and staff vacancies in order to maintain optimum levels for continued service provision.
Business & Strategy	1.911	1.945	0.034	0.030	Knight Owl Security cost of Alarm / Security Provision at Alltami Depot.	Continue to review.
Fleet Operations & Logistics	4.240	4.272	0.032	0.039	Estimated shortfall in achieving fleet efficiencies of £0.030m from slightly delayed implementation of hire model proposals. £0.021m due to the cost per tonne increasing. £0.002m overspend due to other	Continue to review but not expected to be recurrent.
Transportation	1.371	1.325	(0.046)	(0.046)	Bus Subsidy payments to Bus Operators. Expenditure commitment reduced based on decreasing contract levels.	Monitor levels of subsidy payments.
Streetworks	0.014	0.046	0.032	0.037	Lower than anticipated levels of income for Fixed Penalty notices (based on improving standards of repair by utility companies) & road	Continue to review but not expected to be recurrent.
Aggregate of other Variances	14.720	14.781	0.061	0.054	Minor Variances.	Continue to review but not expected to be recurrent.
Total Streetscene & Transportation	29.566	29.877	0.311	0.309		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Planning & Environment Planning	1.424	1.357	(0.067)	(0.075)	Continued higher levels of Planning Fee income than expected i.e. Solar Farm Planning Application.	Planning Fee Income levels will be closely monitored.
Public Protection	2.454	2.436	(0.018)	(0.035)	Minor Variances.	Continue to maintain commitment challenge across the service.
Management Support & Performance	0.529	0.475	(0.054)	(0.006)	Vacancy Budget allocated following Single Status implementation.	Continue to review but not expected to be recurrent.
Energy Services (including closed Landfill Sites and Electricity Generation)	0.060	0.068	0.008	0.012	At Period 7 further commitment challenge has been successful in reducing Repairs & Maintenance and Equipment Rental costs.	Monitor Income Generation Levels for Gas Engines.
Public Rights of Way	0.378	0.389	0.011	0.002	At Period 7 amended outturn for Sub Contractor works has resulted in slight increase.	Continue to review but not expected to be recurrent.
Aggregate of other Variances	0.228	0.227	(0.001)	0.002	Minor Variance.	Continue to review but not expected to be recurrent.
Greenfield Valley & Heritage Park	0.273	0.273	0.000	0.000	No Variance.	
Total Planning & Environment	5.346	5.225	(0.121)	(0.100)		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	43.816	43.816	0.000	0.000	No Variance.	
Secondary, 14-19 & Continuing Education	36.739	36.749	0.010	0.010	Minor Variance.	Continue to review.
Inclusion Services	13.024	13.015	(0.009)	(0.039)	Relates to a projected saving on Out of County Placements. This is a volatile budget and one additional placement can make a significant change to projections. 3 extra placements during September have reduced this underspend. 2 new Out of County placements in October have adversely affected this budget.	Education placements may change throughout the year. Detailed monitoring will continue.
Access (School Planning & Provision)	0.701	0.699	(0.002)	(0.016)	Minor Variance.	Continue to review.
21st Century Schools	0.132	0.132	0.000	0.001	Minor Variance.	Continue to review.
Youth Services	1.253	1.236	(0.017)	(0.014)	Minor variances.	Continue to review.
Commissioning & Performance	0.369	0.344	(0.025)	(0.031)	Minor Variance.	Continue to review.
School Management & Information	0.180	0.178	(0.002)	0.002	Minor Variance.	Continue to review.
North East Wales School Library Service	0.005	0.005	0.000	0.000	No Variance.	
Total Education & Youth	96.219	96.174	(0.045)	(0.087)		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.421	2.463	0.042	0.042	Minor Variances.	Continue to review.
Corporate Finance	2.414	2.410	(0.004)	(0.004)	Minor Variances.	Continue to review.
Total People & Resources	4.835	4.873	0.038	0.038		
Governance						
Legal Services	1.098	1.270	0.172	0.152	£0.131m pressure due to Litigation around local land charges. Overspend due to other minor variances (£0.021m). Agency costs (£0.020m).	Continue to review.
Democratic Services	1.937	1.928	(0.009)	(0.025)	Minor Variances.	Continue to review.
Internal Audit	0.437	0.435	(0.002)	(0.002)	Minor Variances.	Continue to review.
Procurement	0.192	0.253	0.061	0.060	Overspend on Packaged Software due to increased demand on the service (£0.060m).	Continue to review.
Support Services	0.719	0.744	0.025	0.025	Minor Variances.	Continue to review.
Records Management	0.167	0.188	0.021	0.005	Minor Variances.	Continue to review.
ICT	3.953	3.982	0.029	0.046	Overspend due to Oracle Licence Management review (£0.040m). Underspend due to other minor variances (£0.011m).	Continue to review.
Total Governance	8.503	8.800	0.297	0.261		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	3.205	3.195	(0.010)	(0.010)	Minor Variance.	Continue to review.
Museums Service	0.062	0.061	(0.001)	(0.001)	Minor Variance.	Continue to review.
County Archives	0.237	0.237	0.000	0.000	No Variance.	
Leisure Services	3.067	3.104	0.037	0.037	The projected outturn for Leisure Services an overspend of £0.037m although the team is exploring every option to absorb this pressure. £0.023m relates to pressure caused by the delay between Single Status implementation and the implementation of the Leisure Services review. The planned efficiency was unachievable for one month between 1st June and 7th July. One twelfth of the £0.270m efficiency is therefore currently estimated as a budget pressure because the planned deleted positions remained in the structure until July. £0.011m relates to pay protection for two members of the team who have successfully been redeployed within the service as part of the review therefore avoiding exit costs. The remaining £0.003m relates to minor variances.	Leisure Tariffs are being reviewed and any changes will be introduced on the 1st January. This will contribute towards the pressure adjacent. All other areas of expenditure are also being reviewed.
Community Assets	0.059	0.056	(0.003)	(0.003)	Minor Variance.	Continue to review.
Agricultural Estates	(1.010)	(1.006)	0.004	0.004	Minor Variance.	Continue to review.
Property Holdings	2.837	2.855	0.018	0.018	Minor Variance.	Continue to review.
Industrial Units	(0.403)	(0.399)	0.004	0.004	Minor Variance.	Continue to review.
Facilities Services	1.790	1.817	0.027	0.027	Minor Variance.	Continue to review.
Total Organisational Change	9.844	9.920	0.076	0.076		
Chief Executives						
Chief Executives	3.314	3.236	(0.078)	0.013	Underspend (£0.064m) on Chief Officer pay budget due to part year vacancy. (£0.014m) underspend due to minor variances.	Continue to review.
Total Chief Executives	3.314	3.236	(0.078)	0.013		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance						
Central & Corporate Finance	25.277	24.409	(0.868)	(1.354)	Central Loans and investment £0.457m projected year end underspend, however this can be affected by many factors such as uncertainties regarding HRA subsidy reform, accounting practice regarding interest apportionment, impact of future investment programme and the level of future reserves and borrowing requirements. MRP accounting policy has been reviewed in accordance with CIPFA guidance. MRP on assets funded by Prudential Borrowing is spread over the life of the asset and begins the year after the assets become operational. MRP on 21st century Strike deductions (£0.160m) is one off income. Corporate Windfall Income (£0.270m), this is in relation to additional Non Domestic Rate revaluations, which are one off. (£0.200m) within the budget for Pension Fund Contribution, requires further realignment to pay. Non-Standard Inflation (£0.069m) reflects the balance remaining after allocation to portfolios. A one off rebate of (£0.072m) has been received in relation to historical audit fees. An underspend of £0.661m reflects the one off, in-year savings found through the cost control exercise within Portfolios. (£0.002m) due to minor variances. Workforce efficiencies achieved now reflect an underachievement of £0.523m in 14/15 together with an underachievement of £1.1m for the review of Administrative roles though future efficiencies are anticipated to be achieved through additional Voluntary Redundancy applications and further workforce review. The under achievement of workforce efficiencies is offset by an anticipated balance on Investment costs of £1m.	Keep under Review
					One off / time limited, unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site.	
Total Central & Corporate Finance	25.277	24.409	(0.868)	(1.354)		
TOTAL	255.176	254.355	(0.821)	(0.881)		

EFFICIENCY NOT ACHIEVABLE			
Portfolio	Efficiency Description	Efficiency not achieved (£m)	Reason for efficiency not being achieved
Streetscene & Transportation	Streetscene - North Wales Trunk Road Association Financial benefit from involvement with the NE Wales Trunk Road Hub.	0.050	Ministerial announcement re: the future of the Trunk Road Management arrangements has stalled the project.
Central & Corporate Finance	Review of all Admin roles / processes as a result of improved technology.	1.000	Efficiency unlikely to be achieved in 2014/15. Currently under review to assess what level can be achieved in 2015/16.
Total		1.050	

EFFICIENCY ACHIEVABLE IN PART			
Portfolio	Efficiency Description	Efficiency not achieved (£m)	Reason for efficiency not being achieved
Social Services	LD - Enhanced Community Residential Services - Rightsizing 4 supported living houses.	0.023	ECRS Reviews being reviewed as part of the Rightsizing.
Streetscene & Transportation	Streetscene - Fleet Balance of efficiencies from Fleet review (2014-15)	0.030	A report on the implementation of Phase 1 and 2 of the Fleet Review was presented to Cabinet in September, together with the proposed mechanism for delivery of Phase 3 from 2015/16.
Streetscene & Transportation	Streetscene & Transportation - Highways Related Services - the ongoing diagnostic of the two service areas will make recommendations on synergies.	0.140	Savings subject to completion of the Service Review by 1 January 2015.
Total		0.193	

APPENDIX 4

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2014	11.161	
Less - Base Level (inclusive of reduction of £0.065m agreed as part of the 2014/15 budget)	(5.769)	
Total Reserves above base level		5.392
Less – estimate required from the amount approved as part of Investment strategy as per budget 2014/15 report		(2.500)
Add – Contribution from investment costs for termination benefits accounted for in 2013/14		0.745
Less - Amount approved under delegated powers reported in July 2014 monitoring report		(0.696)
Amount available for delegation to Cabinet		2.941
Add projected non pay underspend as at Month 7		0.821
Total projected Contingency Reserve as at 31st March 2015		3.762

HRA Major Variance Report - Period 7

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Rents	(27.713)	(27.757)	(0.044)	0.111	Garage income is lower than anticipated due to high void garage rates (£0.015m). Other efficiencies identified including void properties (£0.059m).	Continue to monitor and review.
General Income	(0.734)	(0.650)	0.084	0.084	Garden Service has been reviewed and contract amended to take in to account issues experienced by tenants, therefore resulting in a reduced income of £0.096m. Other minor efficiencies (£0.012m).	Continue to monitor and review.
Landlord Services	0.830	0.914	0.084	0.084	Garden service costs are expected to rise by £0.055m due to the service review. Repairs & Maintenance costs on general HRA buildings/lifts etc forecast at last years outturn being £0.038m more than budget. Other minor variances of £0.009m.	Continue to monitor and review.
Vacancy Savings	0.249	0.000	(0.249)	(0.249)	Vacancy savings due to posts not yet being filled. Once posts are recruited to this budget will be used to fund the post for the remainder of the year.	Continue to monitor and review.
Other variances (aggregate)	27.865	27.907	0.042	(0.057)	Other minor variances.	Continue to monitor and review.
Total :	0.497	0.414	(0.083)	(0.027)		

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

DATE: **THURSDAY, 15 JANUARY 2015**

REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

SUBJECT: **COUNCIL TAX REDUCTION SCHEME**

1.00 PURPOSE OF REPORT

1.01 The report explains the requirement to adopt the Council Tax Reduction Scheme for 2015/2016 by 31st January 2015 and seeks support for this.

2.00 BACKGROUND

2.01 The current Council Tax Reduction Scheme was adopted by Flintshire County Council on 21st January 2014. The Scheme regulations include a requirement for them to be adopted each year.

2.02 The Council Tax Reduction Scheme in Wales is set by regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012).

2.03 The following draft regulations (Statutory Instruments) were laid before the National Assembly for Wales and will be debated on 20th January 2015 and, subject to approval, will come into force on 21st January 2015.

- The Council Tax Reduction Scheme (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015

2.04 These regulations prescribe the main features of the Scheme to be adopted by Councils in Wales

2.05 The Regulations for 2015/2016 ensure that qualifying taxpayers continue to receive a reduction of up to 100% of their Council Tax bill (depending on the level of their income).

2.06 The Statutory Instrument updates certain figures used to calculate an applicant's entitlement to a reduction under the Council Tax Reduction Scheme. They also make amendments relating to eligibility for a Council Tax Reduction and makes consequential amendments as a result of wider changes to welfare benefits.

- 2.07 This statutory instrument amends the 2013 Regulations to uprate certain figures used within those Regulations to calculate entitlement to a reductions, and subsequently the amount of a reduction. The uprated figures relate to:
- Non-dependant deductions (adjustments made to the maximum amount of a reduction a person can receive to take account of adults living in the dwelling who are not dependants of the applicant);
 - The applicable amount (the amount against which and applicant's income is compared to determine the amount of reduction they are entitled to); and
 - The disregard that applies when calculating a person's income
- 2.08 These uprated figures have been calculated with assistance from the Department for Work and Pensions following the Chancellor's Autumn Statement and the uprating of interrelated social security benefits such as Savings Credit. The uprating increases the various figures used to calculate and applicant's entitlement to a reduction, and the amount of the reduction, in line with increased living costs and earnings.
- 2.09 Whilst the scale of the impact is dependant on the applicant's particular circumstances, almost all applicants will be worse off in 2015-2016 if the uprating amendments are not made.
- 2.10 In addition to the uprating, this statutory instrument amends the 2013 Regulations to:
- Remove the requirement for Council's to publish a draft scheme and consult interested persons where a Council revises a scheme in consequence of amendments made to the prescribed requirements in the Regulations. This removes an administrative burden from Council's as it means they are no longer required to consult on legislative changes made to their schemes as a result of changes made to Regulations over which they have no control.
 - Incorporate the introduction of shared parental leave and statutory shared parental pay into the rules for calculating entitlement to a reduction. This replaces additional paternity leave and additional paternity pay for babies due or adopted on or after 5 April 2015.
 - Provide that being entitled to an income-based Jobseeker's Allowance ("JSA") will no longer grant access to a Council Tax Reduction for jobseeker's who are nationals of the European Economic Area ("EEA"). The 2013 Regulations are amended so that only EEA Nationals who are receiving JSA because they have a right to reside other than as a jobseeker or as a family member of a jobseeker will continue to be eligible. The amendment will not apply to a person who is entitled to

housing benefit and income-based jobseeker's allowance on 31st March 2014 until that person ceases to be entitled to jobseeker's allowance or makes a new claim for Council Tax Reduction, whichever is earlier. EEA nationals who are self-employed, are workers or who are unemployed but retain their worker status, have the same rights to a Council Tax Reduction as a UK national and their situation remains unchanged. This amendment reflects similar changes made to Housing Benefit from April 2014 Council Tax Reduction Schemes are administered together by Local Authorities and many applicants for a Council Tax Reduction are also in receipt of Housing Benefit. The amendment therefore aligns the treatment of applicants for Council Tax Reduction and Housing Benefit.

- Make minor consequential amendments in relation to definitions around Employment and Support Allowance and references to Universal Credit. Income related Employment and Support Allowance no longer consists of separate contributory and income related allowances, but only of a contributory allowance known as the "Employment and Support Allowance". Amendments are also made to insert references to Universal Credit into the 2013 Regulations where there are already references to other income-related benefits.

2.11 Within the Regulations, there is limited discretion given to the Council to apply additional elements that are more generous than the national scheme. These are:

- a) The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks
- b) Discretion to disregard part or the whole amount of War Disablement Pensions and War Widows Pension when calculating income
- c) The ability to backdate the application of Council Tax Reduction awards for working age customers more than the standard 3 months prior to the claim.

2.12 The Prescribed Regulations require the Council to adopt the Council Tax Reduction Scheme by 31st January 2015, regardless of whether it applies any of the discretionary elements. If the Council fails to make or adopt a scheme then the default scheme will apply under then provisions of the Default Scheme Regulations. The Council can only apply a discretion if it makes it's own scheme under the Prescribed Requirements Regulations.

3.00 CONSIDERATIONS

3.01 The Council's recommended approach to the available discretions is

to continue to apply them as outlined below:

- 3.02
1. Not to increase the “extended payment period” to more than four weeks when an applicant starts work. This rule currently acts as a good incentive measure under CTRS and it makes sense to maintain it in line with the Housing Benefits (HB) Extended Payment rules, which are also set at four weeks. The projected cost of this measure for 2014/2015 is £20,098 and the approximate cost of this measure for 2015/2016 will be £20,700
 2. To continue to disregard all War Disablement and War Widows Pensions as income. The projected cost of this measure for 2014/2015 is £42,870 and the approximate cost of this measure 2015/2016 will be £44,156
Continuation of this discretion would follow a long precedent and maintain the link with the Authority’s treatment of this income for HB purposes.
 3. To maintain the standard three month backdating provisions for working age customers when a good reason for failing to claim earlier is shown. This reflects the current position with regard to CTRS and HB The projected cost of this measure for 2014/2015 is £62,502 and the approximate cost of this 2015/2016 will be £64,377
- 3.03 It should be noted that there are no additional monies available from Welsh Government to fund the discretionary elements.
- 3.04 The Council continues to have the powers to support hardship on an individual basis or in respect of a defined group. Such arrangements cannot, however, form part of the Council Tax Reduction Scheme itself.

4.00 RECOMMENDATIONS

- 4.01 To note the laying of the Council Tax Reduction Scheme (Prescribed Requirements and Default Scheme)(Wales)(Amendment) Regulations 2015.
- 4.02 To support the Scheme as set out above in 3.02 and support the recommendations to maintain the current discretionary elements.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The cost of Council Tax Reduction needs to be managed within the Council’s budget. The amount of Grant received from Welsh Government is limited to £9.958m for 2015/16 and this is provided on a fixed rather than a demand led basis.

- 5.02 The funding arrangements for 2015/16 include funding of up to 100% of the estimated cost of the scheme based on the 2012/13 cost of Council Tax Benefit and therefore the funding does not include the subsequent increases in Council Tax producing an immediate additional shortfall including precepts, with the Council having a responsibility to meet the this shortfall in order to maintain the scheme at 100% reduction (where applicable).
- 5.03 In addition to Flintshire's contribution to maintaining the scheme at 100%, the Council must also meet the cost in any growth in caseload.
- 5.04 The total projected costs of the Scheme will be finalised, and budgeted for, once the Council Tax increase for 2015/2016 has been agreed.

6.00 ANTI POVERTY IMPACT

- 6.01 The major reform of the welfare benefits system began to impact residents from April 2014
- 6.02 The Welfare Reform Programme recognised the need for proactive work and support to try to mitigate, as much as possible, the effects of the changes on vulnerable residents in Flintshire and continues to successfully deliver on this basis.
- 6.03 Residents may not only be affected by the changes to Council Tax Support but may also be affected by other changes to other welfare benefits which are happening at the same time.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None specifically associated with the content of this report

8.00 EQUALITIES IMPACT

- 8.01 The Scheme proposed for 2015/2016 does not contain any changes from the scheme which is currently in operation.
- 8.02 On this basis, following a rigorous and detailed Equalities Impact Assessment being conducted on the introduction of the Scheme in 2013, there is no requirement to conduct a further assessment

9.00 PERSONNEL IMPLICATIONS

- 9.01 None specifically associated with the content of this report.

10.00 CONSULTATION REQUIRED

- 10.01 Consultation has been undertaken for the previous 2 years which has

confirmed the discretionary elements of the scheme. These regulations provide for the removal of the requirement to consult if the Council is not varying the discretionary elements it has previously consulted on and adopted

11.00 CONSULTATION UNDERTAKEN

11.01 None

12.00 APPENDICES

12.01 None

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

Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012)

The Council Tax Reduction Scheme (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2015

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES
OVERVIEW & SCRUTINY COMMITTEE**

DATE: **THURSDAY 15TH JANUARY 2015**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **REPORT BACK FROM THE
PERFORMANCE TASK & FINISH GROUP**

1.00 PURPOSE OF REPORT

1.01 To report back to the committee on the outcomes from the meeting of the Performance Task & Finish Group.

2.00 BACKGROUND

2.01 Arising out of consideration of the report *Improvement Plan 2014-15 Audit – Certificate of Compliance* at the meeting of the committee which was held on 11th September, a task & finish group was established to consider the feedback.

2.02 The Task & Finish Group nominees were the Chair, Councillor Carolyn Thomas, Councillor Richard Jones and Councillor Robin Guest.

3.00 CONSIDERATIONS

3.01 Due to diary constraints, it was not possible to hold the meeting until 21st November. During the intervening period, the terms of reference for the group were agreed.

3.02 The meeting was attended by Councillors Thomas and Jones together with the Chief Executive, the Team Leader for Performance and the Member Engagement Manager.

3.03 The meeting was very positive and resulted in a very useful series of outcomes, which are identified in the appendix.

4.00 RECOMMENDATIONS

4.01 That the committee welcome and endorse the outcomes of the task & finish group and commend them to each of the other Overview & Scrutiny committees and to Cabinet.

5.00 FINANCIAL IMPLICATIONS

5.01 None arising immediately from this report.

6.00 ANTI POVERTY IMPACT

6.01 None arising immediately from this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None arising immediately from this report.

8.00 EQUALITIES IMPACT

8.01 None arising immediately from this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None arising immediately from this report.

10.00 CONSULTATION REQUIRED

10.01 Not applicable.

11.00 CONSULTATION UNDERTAKEN

11.01 Not applicable

12.00 APPENDICES

12.01 Notes of the meeting of the Performance Task & Finish Group held on 21st November 2014.

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

None.

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**Corporate Resources Overview & Scrutiny Committee
Performance Task and Finish Group Meeting 21st November 2014**

	Outcome	Output	Timeframe
1	Risk to performance of budget proposals Risks to performance as a result of the adoption of budget proposals (e.g. future inability to meet current standards) are to be assessed as part of the budget setting process using a RAG status.	The business planning summary sheets will be completed with RAG statuses indicating the level of risk to performance as a result of proposals as part of the budget setting process.	January 2015
2	QA of the Improvement Plan Recognition that the quality assurance of the Improvement Plan prior to approval could be improved. Agreed that the 2015/16 Improvement Plan would be 'road tested' with a small group of members to ensure clarity and understanding prior to wider consultation.	COT / Informal Cabinet to assess/review content of Improvement Plan 2015/16 Draft Improvement Plan 2015/16 to be 'road tested' with a small group of Members. Changes to the Improvement Plan as a result of the 'road testing' prior to consultation and challenge through Scrutiny during April. Final draft to Cabinet and County Council.	February 2015 Early April 2015 April 2015 May 2015
3	Items on Overview & Scrutiny Forward Work Plans Acknowledged that the Improvement Plan is not at the core of the work of O&S Committees. Agreed that forward work plans will include reports on specific work-streams / activities from within the Improvement Plan at appropriate intervals through the year.	Draft 2015/16 O&S Committee Forward Work Plans for consideration by each O&S Committee.	April 2015
4	Review of National PIs Non-statutory national PIs are to be reviewed for usefulness prior to being included in the target setting	Target setting reports for each O&S Committee to scrutinise and challenge prior to finalisation of targets and reporting to Cabinet in May.	April 2015

	<p>process. Those deemed not to be useful will not be subject to the process. As part of annual target setting and where data can be benchmarked with other authorities/organisations, clear reasons why top quartile performance can not be targeted or maintained will need to be stated as part of the rationale for the target set. Member challenge of annual targets will be concentrated on annual revision of the Improvement Plan. Future target setting/performance impact will also be considered as part of budget proposal risks.</p>		
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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

DATE: **THURSDAY 15 JANUARY 2015**

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 Cabinet for consultation purposes, or by County Council, or Chief Officers. Other possible items are identified from the Cabinet 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.

3.02 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 approves and or amends it where necessary.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report

10.00 CONSULTATION REQUIRED

N/A

11.00 CONSULTATION UNDERTAKEN

11.00 Publication of this report constitutes consultation.

12.00 APPENDICES

12.00 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 2014/15

DATE	SUBJECT	O&S FOCUS	REPORT FROM
Thursday 22 nd January 10.00 and Friday 30 th January 14.00	Budget consultation meeting 'Mop up' and Capital meeting, to which all members are invited.	Consultation	
Thursday 12 th February 2015 10.00	Revenue Budget Monitoring 2014/15 (Month 8) Appraisals Forward Work Programme	Monitoring Monitoring Approval and development	Sue Ridings Helen Stappleton Robert Robins
Thursday 12 th March 2015 10.00	Improvement Plan Monitoring Update 2014/15 Q3 Revenue Budget Monitoring 2014/15 (Month 9) Forward Work Programme	Monitoring Monitoring Approval and development	Robert Robins Sue Ridings Robert Robins
Thursday 16 th April 2015 10.00	Q3 Performance Reporting Revenue Budget Monitoring 2014/15 (Month 10) Forward Work Programme	Monitoring Approval and development	Robert Robins Sue Ridings Robert Robins
Thursday 14 th May 2015 10.00	Revenue Budget Monitoring 2014/15 (Month 11) Forward Work Programme	Monitoring Approval and development	Sue Ridings Robert Robins

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Corporate Resources Overview & Scrutiny Committee
FORWARD WORK PROGRAMME 2014/15

Thursday 11 th June 2015 10.00	YE Performance Reporting	Monitoring	Robert Robins
	Revenue Budget Monitoring 2014/15 (Month 13)	Monitoring	Sue Ridings
	Forward Work Programme	Approval and development	Robert Robins
Thursday 9 th July 2015 10.00	Revenue Budget Monitoring 2014/15 (Out turn)	Monitoring	Sue Ridings
	Forward Work Programme	Approval and development	Robert Robins
Items to be scheduled	Health and Well-being update	Information	Helen Stappelton
	Medium Term Financial Plan	Development consultation	