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To: Cllr Clive Carver (Chairman)

Councillors: Marion Bateman, Paul Cunningham, Peter Curtis, Andy Dunbobbin, Robin Guest, Ron Hampson, Richard Jones, Ray Hughes, Brian Lloyd, Vicky Perfect, Paul Shotton, Ian Smith, Nigel Steele-Mortimer and Arnold Woolley

10 June 2016

Dear Councillor

You are invited to attend a meeting of the Corporate Resources Overview & Scrutiny Committee which will be held at 10.00 am on Thursday, 16th June, 2016 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

A G E N D A

1 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Purpose: To receive any Declarations and advise Members accordingly.

3 MINUTES (Pages 5 - 16)

Purpose: To confirm as a correct record the minutes of the meeting held on 12 May 2016 (copy enclosed).

4 COUNCIL FUND REVENUE BUDGET 2017/18 (Pages 17 - 30)

Report of Corporate Finance Manager and Chief Executive enclosed.
Portfolio of the Leader of the Council and Cabinet Member for Finance.

Purpose: To update the Committee on the financial forecast for the 2017/18 financial year and present
(1) the budget pressures and proposed efficiencies for corporate financial stewardship and
(2) the budget pressures and proposed efficiencies corporate services for 2017/18 as the third and final year of the current portfolio business planning cycle.

5 REVENUE BUDGET MONITORING 2015/16 (MONTH 12) (Pages 31 - 64)

Report of Corporate Finance Manager enclosed. Portfolio of the Leader of the Council and Cabinet Member for Finance.

Purpose: To provide Members with the latest revenue budget monitoring information for 2015/16 for the Council Fund and Housing Revenue Account based on actual income and expenditure as at month 12 and projected forward to year-end based on the most up to date information available

6 PROJECT CLOSURE ON REVIEW OF CORPORATE ADMINISTRATION (Pages 65 - 68)

Report of Chief Officer (Governance) enclosed. Portfolio of the Cabinet Member for Corporate Management.

Purpose: That Committee provides comments on savings and benefits delivered by the project and the proposed steps to close the project.

7 FORWARD WORK PROGRAMME (Pages 69 - 76)

Report of Member Engagement Manager enclosed.

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

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

The following items are considered to be exempt by virtue of Paragraph(s) 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

It is not good employment practice or in the public interest for matters the subject of consultation with employees affected and other unions to be discussed in public at this stage of the process.

8 ESTABLISHMENT STRUCTURE IN GOVERNANCE (Pages 77 - 84)

Report of Chief Officer (Governance) enclosed. Portfolio of the Cabinet Member for Corporate Management.

Purpose: To comment on changes to the establishment structure in the Governance portfolio.

9 **REVIEW OF CORPORATE ADMINISTRATIVE FUNCTIONS** (Pages 85 - 90)

Report of Chief Officer (Governance) enclosed. Portfolio of the Cabinet Member for Corporate Management.

Purpose: To comment on the proposed functions and structure to Cabinet for consideration at its meeting on 21 June 2016.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Evans', with a long horizontal stroke extending to the right.

Peter Evans
Democracy & Governance Manager

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CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE **12 MAY 2016**

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday, 12 May 2016

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Andy Dunbobbin, Robin Guest, Richard Jones, Brian Lloyd, Vicky Perfect, Paul Shotton, Ian Smith, and Arnold Woolley

SUBSTITUTIONS:

Councillor Haydn Bateman for Marion Bateman, Dave Cox for Paul Cunningham, Ian Dunbar for Ron Hampson and Adele Davies-Cooke for Nigel Steele-Mortimer

APOLOGY:

Councillor Ray Hughes

CONTRIBUTORS:

Councillor Aaron Shotton – Leader of the Council and Cabinet Member for Finance, Chief Executive, Chief Officer (Governance)

Policy and Performance Manager for minute numbers 5 and 6, Mr. Colin Evans from the Community Foundation in Wales for minute number 5, Finance Manager – Strategy Accounting and Systems for minute numbers 7 and 9

Senior Manager – Human Resources and Organisational Development for minute number 8

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

1 APPOINTMENT OF CHAIR

The Member Engagement Manager advised that it had been confirmed at the County Council Annual meeting that the Chair of this Committee be allocated to the Conservative Group. The nomination from the Group had been for Councillor Clive Carver. On being put to the vote, the nomination was confirmed.

RESOLVED:

That Councillor Clive Carver be confirmed as Chair for the Committee for the municipal year.

2. APPOINTMENT OF VICE-CHAIR

The Chair sought nominations for the appointment of Vice-Chair. Councillor Richard Jones was nominated by Councillor Robin Guest but he declined the nomination. The Chairman proposed Councillor Arnold Woolley

and this was duly seconded. On being put to the vote, the nomination was carried.

RESOLVED:

That Councillor Arnold Woolley be appointed as Vice-Chair for the Committee for the municipal year.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. MINUTES

The minutes of the meeting of the Committee held on 14th April 2016 had been circulated to Members with the agenda.

RESOLVED:

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

5. COMMUNITY ENDOWMENT FUND – ANNUAL REPORT

The Policy & Performance Manager introduced a report to provide Members with an update on the progress and performance of the Fund since it was last reported in March 2015. She also introduced Mr. Colin Evans, an Associate of the Community Foundation in Wales who was present at the meeting to provide a presentation on the performance of the fund.

Mr. Evans detailed the background to the report and explained that this was the third presentation on the performance of the fund. He provided a detailed presentation which covered the following areas:-

- The Flintshire Community Endowment Fund
- Introduction and Overview
- The Community Foundation in Wales – news
- Fund history and overview
- Financial performance of the fund
- Analysis of grant awards and added value for Flintshire
- Additional services for Local Authorities
- Questions and agreed actions

The Chairman and the Chief Executive thanked Mr. Evans for his presentation.

In welcoming the presentation, Councillor Paul Shotton acknowledged the excellent return of 10.9% since the assets were transferred to the Foundation and the further added value totalling £320,000 that had supported 67 projects in Flintshire since 2012. He commented on the success of the

Fund and particularly welcomed the help that had been provided to the Flintshire Foodbank and the Domestic Abuse Safety Unit in Deeside. In referring to the partnership with Asda to deliver its community grant-making programme, Councillor Shotton asked if there were opportunities for other large companies to take up a similar role in the future. He also commented on the Flintshire, Denbighshire and Wrexham Welsh Church Act Funds and provided his support for the recommendation to take this aspect forward for further investigation.

Councillor Ian Dunbar felt that it was pleasing to see that the grants had been made to a variety of individuals and projects and highlighted in particular the grant of £750 awarded to a Girl Guide in the Senior Section at Wepre Guide Unit. He sought clarification on the work on Vital Signs and Mr. Evans explained about the initiative which concentrated on what was needed in local communities. He spoke of the work undertaken in the network of 48 community foundations which covered all parts of the UK and said that the award of every grant was followed up and the response assessed to ensure compliance with the terms of the grant and to measure the impact of the grants on individuals and communities. Mr. Evans spoke of the desire to be able to share details of the successes of the Community Endowment with local businesses to try and encourage them to invest so that more grants could be awarded in the future. He referred to a number of other themes that it was hoped the award of grants could be used for.

Councillor Brian Lloyd referred to a meeting that he had attended where one of the recipients of a grant had been present. The young person had been very thankful for the contribution made to allow them to take part in an event that they would otherwise have had to miss. Mr. Evans welcomed the feedback from Councillor Lloyd. In welcoming the report and presentation, Councillor Andy Dunbobbin asked what plans were in place to increase the awareness of the Flintshire Community Endowment Fund across the County. Mr. Evans explained that the funds currently shared a core theme of education and that in the future, it was hoped that different areas or themes could be considered. Information was available on the Council's website and he welcomed the opportunity to be able to carry out presentations such as this to share the work of the Community Endowment Fund. Councillor Richard Jones welcomed the monitoring of how the grant had been used and the impact its award had made and sought clarification on how this was achieved. Mr. Evans explained that all recipients of grants were advised that they would need to let the Community Endowment Fund know how the money had been spent and the information was then included on a database to provide information on the use of the grants. He added that if the information was not forthcoming from the recipients, then they were precluded from applying again in the future.

Councillor Arnold Woolley thanked Mr. Evans for the clear and concise report and presentation and, in referring to his role as Chair of the Flintshire District Scouts Executive, gave thanks for the award of grants which had been of great assistance to those concerned.

In response to a question from Councillor Paul Shotton, Mr. Evans spoke about the initial value of the endowment on transfer of £178,998 which was ring-fenced as a long-term source of funding to support education in Flintshire. However, the fund had eight different themes which it was hoped future donations would be able to assist with.

Councillor Richard Jones proposed the recommendation in the report but Councillor Robin Guest felt that it should include congratulations to the Community Foundation in Wales for their work. On being put to the vote, this was agreed.

RESOLVED:

- (a) That the Community Foundation in Wales be congratulated for the work which they have undertaken and thanked for the distribution of local grants; and
- (b) That the Committee supports further investigation into the transfer of the Welsh Church Act Funds for Flintshire, Denbighshire and Wrexham to the Community Endowment Fund for Wales.

6. IMPROVEMENT PLAN 2016/17

The Chief Executive introduced a report on the Improvement Plan for 2016/17 which had been refreshed and updated to reflect the key priorities of the Council for next year. The Improvement Plan was to be submitted to meetings of Cabinet and County Council on 14 June 2016.

Following a presentation of the initial draft to Cabinet on 19 April 2016, relevant sections of the Improvement Plan were being presented to Overview & Scrutiny Committees for consultation and input, along with the proposed targets for the national performance indicators. This Committee had the opportunity to comment on the Improvement Plan as a whole and more specifically on the 'Modern and Efficient Council' priority which included areas within the terms of reference of the Committee.

The Policy and Performance Manager explained that the main change within the 'Modern and Efficient Council' priority was within the 'Developing Communities' sub-priority for 2016/17 and built on work that had been completed in 2015/16 with support for local communities; details were provided in paragraph 1.09. She also highlighted the sub-priority of 'Improving Resource Management' and explained that this also built on issues that had been considered in the previous year particularly in the area of efficiencies.

Councillor Paul Shotton supported the Plan and commented on the provision the living wage for care providers which was a national issue affecting all Councils and the ongoing work to deliver a proactive housing solutions service to prevent homelessness for as many households as possible. He also welcomed the project to bring empty homes back into use

and spoke of a scheme in his ward which had seen the development of a building that had previously been a public house which was now being converted into flats. Councillor Shotton also commented on the securing of funding through the Major Repairs Allowance (MRA).

The Chief Executive confirmed that the ongoing MRA funding was a significant resource for the Council to meet the Welsh Housing Quality Standard by 2020. On the issue of care homes, he commented on the Special Social and Health Care Overview & Scrutiny Committee that had been held to consider the Residential Care Review. Discussions were taking place with Welsh Government on the declining funding for the care home sector and the need to identify workable solutions. The issue of funding had also been raised with Betsi Cadwaladr University Health Board (BCUHB) on the Interim Care Fund and whether this could be used to fund the cost of meeting increases in domiciliary care. He added that the issue of care home provision in Flintshire was a high priority.

Councillor Richard Jones said that he had a number of questions that he would send to the Chief Executive and the Policy and Performance Manager. He commented on the importance of providing support for people with dementia and queried why the areas of economy and enterprise had been included under one priority when they had previously been reported separately. The Chief Executive explained that this was because the two areas of economy and enterprise fitted well together and allowed for consolidation of the plan.

RESOLVED:

That the Committee endorses and supports:-

- (i) the content of the improvement plan and 'How we measure achievement' document for the priority 'Modern and Efficient Council'
- (ii) the strategic approach to the Improvement Plan and its delivery
- (iii) the proposed targets for the national performance indicators

7. MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2018/19 AND THE COUNCIL FUND REVENUE BUDGET 2017/18

The Chief Executive introduced a report to provide Members with updated information on the Medium Term Financial Strategy (MTFS) for 2016/17 – 2018/19.

The first year of the MTFS for 2015/16 had been agreed and published in 2015 and the next version had been considered by Cabinet on 19 April 2016 and covered the period 2016/17 - 2018/19. This was significant as 2019 was the year intended by the outgoing Welsh Government (WG) for the election of shadow authorities as a first step towards the re-organisation of local government in Wales. The financial forecast for 2017/18 to 2018/19 was constantly changing and paragraph 1.05 provided details of a revised forecast

totalling £17.20m. However, a number of footnotes for issues that were being considered but not yet known had been included, such as the impact of Social Care transition costs and the assumption of a 3% rise in Council Tax. The Chief Executive reminded Members that clarity from WG had not been received for longer term funding and therefore assumptions had been broadly made based on figures from the previous year. The Council had adopted a three part strategy of:-

- Service Reform
- Corporate Financial Stewardship; and
- Working with Welsh Government

It had been recommended that Cabinet continue with the strategy and work on service portfolio business plans would be shared with Overview & Scrutiny Committees in June 2016. The Chief Executive emphasised the importance of demonstrating to WG how efficient, resilient and high performing the Council was, despite being such a low funded authority. He spoke of the risks involved in receiving reduced funding and the discussions that were ongoing particularly about the charging cap for social care and the lower share of funding that the Council received based on demographics and deprivation. He also commented on the Independent Commission for Local Government Finance in Wales report which recommended that Councils would be able to retain National Non Domestic Rate (NNDR) income growth.

The Finance Manager – Strategy Accounting and Systems advised that the footnotes shown in the tables included assumptions and reiterated that the information was constantly changing. The figures for 2018/19 were currently low but the figures would increase as a result of the significant amount of work that was ongoing.

Councillor Richard Jones indicated that he had difficulty in supporting the third part of the strategy to lobby WG as he felt that any results could not be relied upon to support the budget. He spoke of the hard work by Members and officers and said that he was not implying that it was not a good idea to work with WG but it was the reliance to bridge the gap that he was uncomfortable about supporting. The Chief Executive said that the Council was not at this stage relying on any assistance from WG but wanted to be able to take forward a strategy that could provide help particularly in areas such as reductions in Revenue Support Grant (RSG) and the Social Care sector. He commented on the alternative service cost reduction proposals that would need to be re-considered if support could not be provided by WG and added that having a gap in the working budget was a significant risk.

Councillor Robin Guest spoke of the concerns raised by Councillor Jones and welcomed the inclusion of the third strand to the strategy which would enable discussions to be held with WG. He said that some Members had been sceptical previously because it had been felt that asking for help was unrealistic. He acknowledged that the approach taken for 2016/17 had resulted in a better than expected outcome.

Councillor Aaron Shotton recognised the concern about some of the assumptions made in the figures such as a 1.5% reduction in the RSG. However, he spoke about the continued approach that was needed on discussions with WG. The business plan projections for 2016/17 of £7.7m had not yet been agreed and he said that if these were not supportable options, then the efficiencies figures could potentially reduce. He reminded Members that the Council did not take decisions lightly particularly in relation to reducing or closing services and spoke of the impact on communities if the Council was not able to provide a balanced budget. The Chief Executive spoke of the funding formulas and the flexibility that could be considered by WG to ensure that all Councils were funded fairly. He commented on the Intermediate Care Fund provision and the extra £50m that had been made available by WG and highlighted other areas where additional monies could be retained by Councils, such as the NNDR for new businesses. He felt that this was an opportunity for the Authority to put a robust and well evidenced lobbying case to WG.

In supporting the recommendation, Councillor Arnold Woolley commented on the issue of finance at WG and said that it was important to lobby WG both individually and collectively. Councillor Richard Jones spoke of additional monies that had been provided by WG to the Health Board at a time when the Council was seeking assistance and that was why he had been unable to support the suggestion of lobbying WG. Councillor Paul Shotton said that he hoped that there would be a positive response from WG and welcomed the comment from Councillor Woolley about all party lobbying.

Councillor Guest sought clarification on local government reform and whether this was still to be progressed following the departure of Leighton Andrews as the Minister for Public Services. He felt that any reforms would have an impact on the MTFS. Councillor A. Shotton said there was currently no party with overall control of WG and that it was assumed that discussions would take place in due course on whether the proposals would continue. He also spoke of the collective weight that needed to be applied to the lobbying case to WG and spoke of a grant that had been made available to some rural authorities following concerted pressure by others.

RESOLVED:

That the Committee endorses the framework for the revision of the Medium Term Financial Strategy 2016/17 – 2018/19

8. USE OF AGENCY WORKERS

The Senior Manager – Human Resources and Organisational Development introduced a report to provide Members with a detailed overview of the use of Agency Workers and associated costs.

The report had been prepared following a request for further information at the previous meeting of the Committee. The Senior Manager

advised that the appendix to the report provided details of the costs associated with agency placements.

Councillor Paul Shotton thanked the officers for the information and said that there would always be a requirement for the use of agency workers particularly in Social Services and Streetscene. The Chairman sought clarification on the figures in the appendix, particularly on Council comparative costs against the Agency Worker Regulations pay rates as it appeared that it was more cost effective to employ agency staff rather than permanent employees. The Senior Manager spoke of the risks that would be associated with only employing agency staff and commented on the liability issues once they had been employed for more than 11 weeks. She provided an explanation on the rates in the appendix that attracted an overtime premium and those that did not. The Chief Executive confirmed that agency workers were only used in a small number of areas of the Council and that it would not be sustainable to only employ agency workers; he added that this would also be challenged by the Trade Unions.

Councillor Aaron Shotton spoke of previous discussions on agency workers where it had been suggested that this was an expensive way of employing staff, but the figures did not seem to reflect that. However, he added that ethically, it was better to employ permanent staff to continue the quality of service and ensure loyalty.

Following a comment from the Chairman, the Senior Manager provided a detailed explanation of the figures shown in the appendix to the report and the Chief Executive added that the agency was not paid to meet employer pension costs. In response to a query from the Chairman about some of the figures in the appendix particularly for the Day Care Assistant and the Household Recycling Centre Assistant, the Senior Manager said that she would seek clarification on the figures. Councillor Richard Jones referred to the moral rather than financial issue and concurred that it was better to employ permanent staff rather than agency workers. Councillor Ian Smith also asked about the figures for Catering Assistants which were reported to be £7.20 per hour for weeks 1 to 11 and reducing to £6.44 from week 12. The Senior Manager advised that this could be because the data had not been updated but added that she would seek clarification.

Councillor Arnold Woolley welcomed the reduction in levels of agency staff use to a more appropriate and acceptable level but queried whether such a change could have been put in place sooner, as the issue of the use of agency workers had first been challenged in 2006. The Chief Executive concurred but commented on Flintshire being the first authority to work with other authorities to put the Matrix contract in place for the provision of agency workers which had helped to reduce costs. Councillor Woolley felt that the Council would always need some agency workers.

In referring to the recommendation, the Chair suggested that the word 'review' be replaced with the word 'recognises'. This was proposed by Councillor Paul Shotton and duly seconded.

RESOLVED:

That the Committee recognises the position of the Council as an employer in using agency workers sparingly and appropriately.

9. REVENUE BUDGET MONITORING 2015/16

The Finance Manager – Strategy Accounting and Systems introduced a report to provide Members with the Revenue Budget Monitoring 2015/16 (Month 11) report for the Council Fund and Housing Revenue Account (HRA) which was to be submitted to Cabinet on 17 May 2016.

For the Council Fund, the projected net in-year expenditure was forecast to be £1.574m lower than budget which was a positive move of £0.464m from Month 10. Appendix 1 detailed the movements from Month 10 which were across all portfolios.

Appendix 3 provided details of the latest position of the programme of efficiencies and it was projected that £10.623m (83%) would be achieved resulting in a net underachievement of £2.251m; this had already been reflected in the outturn. It was reported that £0.125m for food and pay inflation was no longer required. Taking into account previous allocations and the current underspend at Month 11, the balance on the Contingency Reserve at 31 March 2016 was projected to be £5.210m. The previous allocation for investment in organisational change was now fully committed therefore it was recommended that £0.750m was set aside to renew investment to save funds to support future organisational change; if approved this would reduce the balance on contingency reserve to £4.460m. Details of carry forward requests were included in appendix 6 and were recommended for approval by Cabinet.

The Month 11 Monitoring report for the HRA was projecting in year expenditure to be £0.092m lower than budget and a projected closing balance as at 31 March 2016 of £1.330m which at 4.3% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

Councillor Richard Jones sought clarification on the future organisational change projects that would be supported by the £0.750m set aside to renew the invest to save funds. The Chief Executive explained that the funds could be used for a variety of areas and that bids would need to be made for the funding, supported by a business case. Councillor Jones referred to a number of departments where he felt that staffing had been reduced which could have an impact on the service. The Chief Executive spoke about resilience within services.

In referring to the volatility of the recycling market, Councillor Paul Shotton asked whether it was anticipated that there would be an improvement in the future. The Chief Executive said that an up-turn in rates for the sale value of recyclable goods such as glass and plastic was not expected.

Councillor Arnold Woolley expressed concern about the growing number of items that were being carried forward and queried whether this was as a result of reducing the workforce. He suggested that it would be helpful for Members to have information on the number of items carried forward and their value for the same time in 2015/16 and 2016/17 so that Members could compare the details. The Finance Manager – Strategy Accounting and Systems advised that there had not been an increase in the number of items being proposed to carry forward but added that she would obtain the information that had been requested. She explained that the requests for carry forward were for works that had started in 2015/16 but had not been able to be completed before the end of the financial year. The Chief Executive confirmed that the requests were not as a result of capacity or organisational change. Following a comment from Councillor Ian Smith, the Finance Manager advised that the figures in appendix 6 were currently showing as underspends because the work on each of the projects had not yet been completed; she added that the spend had been accounted for in the outturn for 2015/16.

RESOLVED:

- (a) That the Revenue Budget Monitoring 2015/16 (Month 11) report be received; and
- (b) That the Committee confirms that it is not making any formal recommendations to Cabinet on this occasion.

10. FORWARD WORK PROGRAMME

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

He provided details of the items for consideration at the 16th June 2016 meeting and advised that a report on the Use of Consultants would also be submitted to that meeting. The Member Engagement Manager also highlighted the reports that would be considered at the 14th July meeting. The Annual Report for the Community Safety Partnership would be submitted to either the July or September 2016 meetings of the Committee as the statutory Crime & Disorder Committee. The 2016/17 diary had also now been agreed and items for consideration at each meeting would be populated for the year.

RESOLVED:

- (a) That the Forward Work Programme, as amended at the meeting, be approved; and
- (b) That the Member Engagement Manager, in consultation with the Chair, Vice-Chair and officers, be authorised to vary the work programme between meetings.

11. **MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE**

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

(The meeting started at 10.00am and ended at 12.13 pm)

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Chairman

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CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 June 2016
Report Subject	Council Fund Revenue Budget 2017/18
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager and Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

The Committee has the dual role of scrutinising and commenting on the annual budget of the Council as a whole, and the budget proposals for the corporate services which are within its remit. The Committee has been presented with an outline of the revised Medium Term Financial Strategy (MTFS) for the three year period 2016/17-2018/19 previously.

This report updates the financial forecast for the 2017/18 financial year and presents:-

- the budget pressures and main areas of income and expenditure under review for corporate financial stewardship; and
- the budget pressures and proposed efficiencies for the corporate services for 2017/18 as the third and final year of the current portfolio business planning cycle.

The original forecast for the 2017/18 financial year, the third and final year of the current MTFS, set a likely 'gap' between the total spending requirement and anticipated income of £13.7M. The 'gap' is in effect the total which has to be found in efficiencies, service cost reductions, and income growth as part of annual budget planning. This forecast has been revised at regular intervals based on more recent budget developments at a national and a local level. The latest forecast presents, at this stage, a working 'gap' of £8.1M between the forecast 'gap' and the combined total of working corporate and service portfolio efficiency proposals of £6.3M. Cabinet has endorsed the developing portfolio business plans and corporate financial stewardship plans for early consultation with the Overview and Scrutiny Committees.

The Council has re-adopted a three part strategy of addressing the financial 'gap' each year:-

- Service Reform;
- Corporate Financial Stewardship; and
- Working with Welsh Government.

A presentation will be made to Council on 14 June on the developing plans for the third part of the strategy *Working with Welsh Government*.

All Overview and Scrutiny Committees are being consulted on the development of the Council Fund Budget for 2017/18 throughout the June and July Committee cycles. The Community and Enterprise Overview and Scrutiny Committee is also being consulted on the Housing Revenue Account.

The following tables and appendices are included within the report:-

Table 1: Revised Financial Forecast for 2017/18-2018/19

Table 2: Summary of Corporate Cost Pressures

Table 3: Service Portfolio Business Plan Projections 2017/18

Tables 4a and 4b: Summary of Corporate Services Portfolio Cost Pressures and Proposed Efficiencies

Appendix 1: Detailed Corporate Services Portfolio Business Plan Proposed Efficiencies

RECOMMENDATIONS

1	Committee comments on the corporate cost pressures and main areas of income and expenditure under review for 2017/18, and indicates its level of support for the proposals;
2	Committee comments on the Corporate Services Portfolio Business Plan cost pressures and proposed efficiencies for 2017/18, and indicates its level of support for the proposals; and
3	Committee provides advice on the developing strategy for the 2017/18 budget, and the process and timelines for setting the annual budget, in its wider role of corporate financial governance.

REPORT DETAILS

1.00	Medium Term Financial Strategy 2016/17-2018/19
1.01	The Council has set a cycle of reviewing its Medium Term Financial Strategy (MTFS) on an annual basis. Within this cycle the annually updated MTFS is to be set for a three year period which combines the financial year in-hand with

	the two financial years to follow. The first new style MTFS published in mid and late 2015, in two parts, was accordingly for the period 2015/16-2017/18. The revised version of the MTFS for the period 2016/17-2018/19 is being developed in stages. The Committee has previously received a first report on the developing MTFS.																																				
	The Revised Financial Forecast																																				
1.02	The original forecast for the 2017/18 financial year, the third and final year of the current published MTFS, set a likely 'gap' between the total spending requirement and anticipated income of £13.7M. This forecast has been revised based on more recent budget developments at a national and a local level. Key variables within this initial forecast are the eventual local government financial settlement for 2017/18, local Council Tax levels, standard and non-standard inflation patterns, and emergent national and local cost pressures. The revised forecast as set out in Table 1 below shows a starting 'gap' between anticipated income and predicted cost pressures of £14.4m. A longer-term forecast has been added for the 2018/19 financial year to complete the three year picture.																																				
1.03	<p>Table 1: Revised Financial Forecast 2017/18-2018/19</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> </tr> <tr> <th>Expenditure</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>National Pressures</td> <td>0.7</td> <td>0.3</td> </tr> <tr> <td>Local Pressures</td> <td>6.2</td> <td>1.6</td> </tr> <tr> <td>Inflation</td> <td>3.1</td> <td>3.2</td> </tr> <tr> <td>Workforce Pressures</td> <td>4.1</td> <td>0.7</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th>Income</th> <td></td> <td></td> </tr> <tr> <td>Reduction in Revenue Support Grant</td> <td>2.8</td> <td>2.7</td> </tr> <tr> <td>Council Tax increase</td> <td>(2.5)</td> <td>(2.3)</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Projected Gap</td> <td>14.40</td> <td>6.20</td> </tr> </tbody> </table> <p>Footnotes to Table 1:</p> <ol style="list-style-type: none"> 1. Revenue Support Grant for 2017/18 and 2018/19 is modelled on an illustrative reduction of 1.5% 2. National and local pressures are working estimates based on latest information. The latest revision includes initial estimates of the sizeable increase in care sector costs, and insurance costs 3. Pay inflation is assumed at 1% for 2017/18 and 2018/19 4. Limited provision is made for price inflation 5. Workforce pressures include the ongoing impact of Single Status, Auto-enrolment, the Apprentice Tax Levy and the outcome of the Clwyd Pension Fund Actuarial Review 6. Council Tax is illustrated at a 3% annual increase for 2017/18 and 2018/19 7. The initial 2018/19 forecast does not include the impact of any changes in social care transition costs or the longer term impacts of the Living Wage on Council workforce costs. 		2017/18	2018/19	Expenditure	£m	£m	National Pressures	0.7	0.3	Local Pressures	6.2	1.6	Inflation	3.1	3.2	Workforce Pressures	4.1	0.7				Income			Reduction in Revenue Support Grant	2.8	2.7	Council Tax increase	(2.5)	(2.3)				Projected Gap	14.40	6.20
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1.04	Any forecast can only be predictive based on the most reliable available intelligence, and working assumptions, based on past experience. This latest forecast is subject to change through the decisions of decision-makers such as Governments, the impacts of national fiscal policies, economic trends, and																																				

	<p>changes in supply and demand markets for goods and services in a turbulent global economy. National fiscal policy is subject to change as demonstrated in the most recent budget of the Chancellor of the Exchequer and the authoritative economic forecasts of bodies such as the Office of Budget Responsibility and the Institute of Fiscal Studies; local government in Wales has not yet been given an indicative financial settlement to work with by the incoming Welsh Government; unfunded annual workforce cost pressures compound year on year; significant unfunded cost pressures continue to build in the social care sector. There is a high degree of unpredictability in planning due to external circumstances beyond the control of the Council.</p>
	<p>Meeting the Financial Challenge</p>
1.05	<p>The Council has adopted an MTF5 which took a principled but high risk approach to finding solutions to the unprecedented level of budget savings to be found in 2016/17. Flintshire, as a relatively low funded council under the local government funding formula, and one faced with a funding 'gap' of up to £20M in a single year, had limited options to find solutions without Welsh Government offering some reprieve from the scale of national funding reductions (for Revenue Support Grant and specific grants) first forecast. The Council adopted a three part strategy of:-</p> <ul style="list-style-type: none"> • Service Reform; • Corporate Financial Stewardship; and • Working with Welsh Government.
1.06	<p>Without some reprieve over the level of national funding reductions the Council would have faced a position of having to withdraw key services (such as economic development and business support), closing local facilities some of which were at a mid-point of transition to alternative delivery models (such as leisure centres) and reducing funding support to mandatory services (such as education and social services). Such decisions would not only have been unsupportable by councillors and local communities alike but would have compromised the achievement of the Council's Improvement Priorities. Such funding reductions could possibly have undermined the ability of the Council to meet its mandatory duties in full. The Council was eventually able to set a balanced budget for 2016/17 through following this three part strategy, and with a higher level of risk-taking than in previous years. As is shown in this report support will be needed from Welsh Government for Flintshire in 2017/18 due to the size of the working gap between the forecast financial 'gap' and the combined total of corporate and service portfolio efficiency proposals. Other councils will be in a similar position particularly those with low funding per capita under the current Local Government Funding Formula.</p>
1.07	<p>Cabinet has since readopted this three part strategy. This will involve:-</p> <ul style="list-style-type: none"> • continuing to reduce costs and increase income through service reform as a central theme of the service portfolio business plans; • continuing to control and reduce corporate costs through careful planning and stewardship; and • working with Welsh Government to maintain sufficient levels of national funding for local government and for Flintshire, reforming the local government funding system to give councils greater financial freedom

and flexibility, and properly funding nationally set policies for services and welfare benefits which councils have to administer. A presentation will be made to Council on 14 June on this ongoing work as part of the response to the report and recommendations of the Independent Commission on Local Government Finance in Wales.

2.00 Corporate Financial Stewardship and Planning

2.01 The main areas of income and expenditure that are subject to ongoing review are:-

- Revenue Support Grant retention;
- national specific grants reform and income retention;
- local taxation policy;
- a corporate income policy covering all current and potential fees and charges and the levels at which they are set;
- general price and above standard inflation;
- pay inflation ;
- pensions reform and the implications of the imminent triennial review of the Clwyd Pension Fund by the Fund Actuary, and the employer funding contributions to be made;
- level of investment in school funding formula
- capital financing revenue contributions;
- Treasury Management and investment income;
- the use of reserves and balances;
- invest to save revenue provision;
- assessment of national and local cost pressures; and
- the ongoing management and review of the 2016/17 budget and any future year impacts of its final out-turn.

2.02 The corporate cost pressures in the stewardship and management of the Council finances are set out in Table 2 below.

2.03 Table 2: Summary of Corporate Cost Pressures

	2017/18	2018/19
Corporate Cost Pressures	£m	£m
Commercial Property Pressure	0.386	0
MRP/Prudential Borrowing	0.729	0.100
Repayment of reserve 16/17	1.429	0
Actuarial Pensions Review	1.300	0
Apprentice Tax	0.470	0
Auto Enrolment	0.558	0.559
Single Status	1.726	0.200
Inflation	3.100	3.200
Total Corporate Cost Pressures	9.698	4.059

Footnotes to Table 2:

1. Inflation and single status figures include schools
2. Inflation includes a limited amount of provision for price inflation
3. All cost pressures are subject to ongoing refinement and review
4. Triennial Actuarial Pensions Valuation underway-to be completed for 2017

3.00	Portfolio Business Planning																																			
	Service Portfolio Business Plans																																			
3.01	<p>The service portfolio business plans have been developed with options for the period 2015/16-2017/18. Based on current work there are supportable options with potential for a further round of annualised efficiencies, service cost reductions and income growth in the region of £6.3M as shown in Table 2 below. The total value of these proposals has reduced by £1.6M since the report made to Committee in April. This is a result of a detailed review of a challenge process on the acceptability and the workability of proposals, and their likely efficiency yield, and also through early engagement with Overview and Scrutiny Committees on specific service change options.</p>																																			
3.02	<p>Table 3: Service Portfolio Business Plan Projections 2017/18</p> <table border="1"> <thead> <tr> <th></th> <th>2016/17</th> <th>2017/18</th> </tr> <tr> <th>Portfolio</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Planning & Environment</td> <td>0.413</td> <td>0.205</td> </tr> <tr> <td>Street-scene & Transportation</td> <td>2.158</td> <td>1.900</td> </tr> <tr> <td>Social Care</td> <td>0.838</td> <td>0.690</td> </tr> <tr> <td>Education & Youth</td> <td>0.710</td> <td>0.873</td> </tr> <tr> <td>Organisational Change</td> <td>1.272</td> <td>0.943</td> </tr> <tr> <td>Community & Enterprise</td> <td>1.509</td> <td>0.807</td> </tr> <tr> <td>Corporate Services</td> <td>0.855</td> <td>0.903</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>7.755</td> <td>6.321</td> </tr> </tbody> </table> <p>Footnotes to Table 3:</p> <ol style="list-style-type: none"> 1. 2016/17, column shows approved budgeted efficiencies 2. 2016/17 efficiencies are budgeted as approved by Council. These are subject to in-year variation which will be reported as part of in year monitoring 3. The projected efficiencies for 2017/18 are subject to ongoing review and refinement 				2016/17	2017/18	Portfolio	£m	£m	Planning & Environment	0.413	0.205	Street-scene & Transportation	2.158	1.900	Social Care	0.838	0.690	Education & Youth	0.710	0.873	Organisational Change	1.272	0.943	Community & Enterprise	1.509	0.807	Corporate Services	0.855	0.903				Total	7.755	6.321
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3.03	<p>The majority of budget reductions continue to be made through organisational change, overhead and workforce cost reduction, and service modernisation and productivity. The ongoing service changes where there are impacts for the public, and consultation and engagement will be needed include:-</p> <ul style="list-style-type: none"> • the programme of school modernisation and reviews of primary and secondary provision; • the school funding formula and levels of annual funding; • changes to social care models; cost recovery through charging and partnership contributions; entitlement and non-statutory service provision; 																																			

	<ul style="list-style-type: none"> • waste policy including household recycling centre provision and side waste enforcement; subsidised transport routes; the review of transport entitlement and operational policies e.g. school transport; • charging and cost recovery for services; and • minimum service provision and the 'core service offer' to local communities which could be supplemented by local community action and local income e.g. through town and community council contributions.
3.04	The business plan proposals are being shared with Overview and Scrutiny Committees for consultation through June and July. The proposals, both those which are internalised and have no direct impact on the public and those which affect service provision and do impact on the public will be shared in full with Committees for consultation. The latter only will be presented for public consultation.
3.05	As in previous years there will be risk to the achievement of proposed budget efficiencies, either because certain proposals prove to be unacceptable to the Council or the public in their recommended form or because of complexities in their practical implementation. The scope to achieve savings through collaboration with neighbouring councils is limited during a period of uncertainty over the probability of a reorganisation of local government. These limitations are both political and practical. Some of the business plans include pragmatic and beneficial service integration proposals for which support cannot be realised with neighbouring councils. This is a limiting factor beyond the control of Flintshire.
3.06	The portfolio business plans will continue to be reviewed and developed for future years including 2018/19 as the third and final year of the current MTFS period. The options for identifying further savings at this level, beyond 2017/18, are very limited. The scope for further savings through organisational change, efficiency, and charging within current legislative and national policy limitations, is reducing year on year.
	Corporate Services Portfolio Business Plan
3.07	The Corporate Services group has three portfolios: Governance; People and Resources; Chief Executive's. The first two have full portfolio business plans with efficiency targets. The portfolio for Chief Executives does not have a formal business plan due to its small scale. In the on-going absence of the Chief Officer (People and Resources) through serious illness the Chief Executive continues to manage the People and Resources Portfolio with support from the two Chief Officers (Organisational Change).
3.08	As with all other service portfolios the portfolios for Governance and People and Resources have set cost reduction/efficiency targets of 30% for the three year period of their business plans. In some service areas within these portfolios, notably Finance and Human Resources and Organisational Development, structural and other service changes had already achieved significant financial savings in years immediately prior to the current business planning cycle.

3.09	The proposals for the Governance and People and Resources Portfolios are set out in Appendix 1. These are summarised in Table 4 below alongside the service cost pressures.																								
3.10	<p>Table 4.1: Summary of Corporate Services Portfolio Cost Pressures</p> <table border="1" data-bbox="320 344 1267 611"> <thead> <tr> <th></th> <th>2018/19</th> </tr> <tr> <th>Corporate Services Cost Pressures</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>ICT</td> <td>0.115</td> </tr> <tr> <td>Procurement Pressure</td> <td>0.002</td> </tr> <tr> <td>Total Corporate Services Cost Pressures</td> <td>0.117</td> </tr> </tbody> </table> <p>Footnote to Table 4.1</p> <ol style="list-style-type: none"> 1. ICT pressure is broadband provision for schools 2. Procurement pressure is an increase in cost of joint procurement service with Denbighshire County Council following a team restructure <p>Table 4.2: Summary of Corporate Services Portfolio Efficiencies</p> <table border="1" data-bbox="320 913 1267 1256"> <thead> <tr> <th></th> <th>2017/18</th> </tr> <tr> <th>Corporate Services Efficiencies</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>People and Resources - Finance</td> <td>0.270</td> </tr> <tr> <td>People and Resources – Human Resources and Organisational Design</td> <td>0.228</td> </tr> <tr> <td>Governance - ICT</td> <td>0.350</td> </tr> <tr> <td>Chief Executive's</td> <td>0.055</td> </tr> <tr> <td>Total Corporate Services Efficiencies</td> <td>0.903</td> </tr> </tbody> </table>		2018/19	Corporate Services Cost Pressures	£m	ICT	0.115	Procurement Pressure	0.002	Total Corporate Services Cost Pressures	0.117		2017/18	Corporate Services Efficiencies	£m	People and Resources - Finance	0.270	People and Resources – Human Resources and Organisational Design	0.228	Governance - ICT	0.350	Chief Executive's	0.055	Total Corporate Services Efficiencies	0.903
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3.11	Whilst not having a formal portfolio business plan the Chief Executive's Portfolio has led major cost reductions across the whole Council, and made proportionate savings within its own minor budget over the past 2 years through: the introduction of the new corporate operating model and the significant reduction in chief officer posts; an initial and then an ongoing reduction in the number of personal assistant posts supporting a reduced chief officer complement; the merger of the Policy and Performance Team and the Communications Team with the reduction of one senior manager position; the gradual reduction of the Policy and Performance Team complement by 50% over a longer period with the recent deletion of a managerial post through voluntary redundancy; the 'freezing' of the post of Executive Manager with the departure of the post holder for another position externally; the 'freezing' of the post of Chief Officer (People and Resources) and an internal interim management arrangement during the long-term absence of the post holder through serious illness.																								
3.12	The cost and value of corporate support services in local government and the public sector have come under intense scrutiny with the Welsh Government commissioning a review in its previous term. This review was undertaken by KPMG and CIPFA and members will recall that the credibility of its conclusions was contested when drawn upon by the then Minister for Public																								

	Services to extrapolate the potential costs savings to be had in ‘back office’ services, as they are often termed, from a structural re-organisation of local government in Wales.
3.13	Given this level of public scrutiny, and the need to be assured that the current portfolio business plans are indeed sufficiently challenging to both modernise and streamline support services and make overhead cost reductions, the Council commissioned an independent review of the corporate services portfolio business plans. The work was undertaken by PA Consulting. The review, which will be summarised in the presentation to be made to the Committee at the meeting largely validated the business plans with some further recommendations for streamlining and improving service structures, systems and activities. The recommendations for further modernisation were more concentrated in Legal Services and Finance. The work concluded overall that the value for money of our corporate services is competitive, that efficiency targets are stretching and generally achievable, with cautionary advice that Human Resources and Organisational Development is already an optimal industry model which, being lean and low cost, would not be resilient if further efficiencies beyond a mid-point cost target were required.
3.14	Given that all portfolios have been expected to fundamentally review their priorities, operations, efficiency and cost within the three year business planning process, the Council has become acutely aware of the risks of change proposals, the public acceptability of major change, and the impacts on maintaining services which are sustainable and resilient. In support of the business plans, and as evidence for our case for the need for national funding support and relief as a ‘low funded council’, each portfolio is producing an evidential resilience statement and an efficiency statement as twin documents.
3.15	The resilience statements will cover the risks to Council priorities, mandatory duties, service quality and service sustainability should the Council have no option but to go beyond the efficiency targets within its current portfolio business plans. The efficiency statements will demonstrate the actual and comparative cost bases of services and their value for money.
3.16	The resilience and efficiency statements for the Corporate Services will be presented to the Committee at either its July or September meeting.

4.00	RESOURCE IMPLICATIONS
4.01	The resource implications of financial are significant. The Medium Term Financial Strategy will continue to carry many risks. Careful risk assessment in planning and decision-making will continue to be a central feature of review and debate.

5.00	CONSULTATIONS REQUIRED / CARRIED OUT
5.01	Consultation with Group Leaders, Overview and Scrutiny Committees, external partners, external advisors and representative bodies, and eventually the communities of Flintshire will follow. The strategic approach advocated for the MTFS builds on the current approach which had majority member and public support in planning the 2016/17 annual budget.

6.00	RISK MANAGEMENT
6.01	All parts of the financial forecast, and all budget solutions, are risk assessed stage by stage. An overall risk assessment and risk management statement will be produced both for the revised MTFS and the draft annual budget for 2017/18. The appendix which sets out the specific portfolio business plan proposals for the corporate services includes commentary on risk.
7.00	APPENDICES
7.01	Appendix 1: Detailed Corporate Services Portfolio Business Plan Proposed Efficiencies

8.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
8.01	<p>MTFS Parts 1 and 2 http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy-Part-1.pdf http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy-Part-2-September-2015.pdf</p> <p>2016/17 Council Fund Budget Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/documents/g3508/Public%20reports%20pack%2016th-Feb-2016%2014.00%20Flintshire%20County%20Council.pdf?T=10&LLL=undefined</p> <p>MTFS Cabinet Report, April 2016 http://cyfarfodyddpwyllgor.siryfflint.gov.uk/documents/g3574/Public%20reports%20pack%2019th-Apr-2016%2009.30%20Cabinet.pdf?T=10&LLL=undefined</p> <p>Contact Officers: Colin Everett and Gary Ferguson Telephone: 01352 702101 E-mail: gary.ferguson@flintshire.gov.uk</p>

9.00	GLOSSARY OF TERMS
9.01	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Office of Budget Responsibility: created in 2010 to provide independent and authoritative analysis of the UK public finances.</p> <p>Institute of Fiscal Studies: formed in 1969 and established as an independent research institute with the principal aim of informing public debate on economics in order to promote the development of effective fiscal policy.</p> <p>Independent Commission on Local Government Finance in Wales: established to examine how local government funding can be made more sustainable with a view to providing specific recommendations for improvement and reform.</p> <p>Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p>

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Business Planning Efficiencies for Corporate Services

Specific 2016/17 Proposals and 2017/18 Options	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	17-18 Outline OPTIONS £m	17-18 MANDATORY duties	17-18 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation
PEOPLE & RESOURCES - FINANCE									
Implementation of Collaborative Planning Software to finance to improve and automate our processes thus enabling workforce efficiencies	Service Efficiency		M			M			
Phased roll out of new finance model.	Structural Review		M			M		3	The new budget monitoring software is being rolled out to fully automate the process from 2016/17. A review of the finance operating model is also being undertaken in 2016/17 which will incorporate the outcomes of the software together with a review of other processes.
		0.135			0.270				
Totals		0.135			0.270				
PEOPLE & RESOURCES - HUMAN RESOURCES & ORGANISATIONAL DESIGN									
Effective people management skills to increase levels of Managers' self sufficiency	Service Efficiency		-			-			Demand management exercise to upskill managers to become increasingly self sufficient in managing their people /teams.
Redefine clear roles and responsibilities for Human Resources (HR) / managers	Service Efficiency		-			-			Complements the exercise above in that the roles and responsibilities of HR and managers need to be redefined for the future and will reduce reliance on HR resources.
Review of Human Resources & Organisational Design operating model and job roles	Structural Review		-			-			To review the operating model and structure for Human Resources & Organisational Design to better meet the organisation's future requirements.
Further roll-out (50%) of Flexible & Agile Working arrangements (phase 1)	Service Efficiency		-			-			Promotion and implementation of flexible and agile to reduce accommodation space.
Implementation of iRent Self Service to Schools	Service Efficiency		-			-		2	Reduction of reliance on corporate and Schools administrative processes thereby creating efficiencies in workforce.
DBS Recharges	Income Generation	0.115	-		0.148	M		2	Carrying out DBS checks is a mandatory duty, but recharging for doing them isn't.
		-	-	-	0.080				
Totals		0.115			0.228				
GOVERNANCE - LEGAL									
Increase income	Income Generation	0.015	M		0.000	-	-	1	To increase the fees recharged to developers etc entering legal agreements with the council in line with other councils in Wales (the income earned as a % of the service budget is approximately half that of other councils).
Staffing - service review	Structural Review		-	-	0.000	M		2	Legal Services consists of 2 teams which will be combined under a single manager. Work will be collaboratively shared with Wrexham to increase skills mix and spread peaks/troughs in demand.
Totals		0.015			0.000				
GOVERNANCE - ICT									
Reduction in management, staff and non pay costs	Structural Review	0.300	NM		0.350	NM		2	The service will review licencing costs based on the reducing council workforce and has reduced technology costs by re-procuring some suppliers. The service is also increasing income through hosting services and the digital print room. The service will also be reducing the retained capacity for change and transformation, and future projects will need to be specifically resourced.
Education ICT	Service Efficiency	0.220	NM		0.000	-	-	1	Remodelling of service to create efficiencies.
Totals		0.520			0.350				
CHIEF EXECUTIVE'S									
Voluntary Sector Grants review	Service Efficiency	0.070	NM		0.055	NM	Some Social Services arrangements may not be delivered; needing collaboration agreement.	2	Revised core funding agreements with voluntary sector partners to reflect new models of delivery and revised funding arrangements.
Totals		0.070			0.055				
TOTAL CORPORATE SERVICES		0.855			0.903				

CORPORATE SERVICES	
Total value of Business Plan proposals	2.483

CATEGORISATION KEY	Count Number	Total 16-17	Total 17-18
1= Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	2	0.235	0.000
2= Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	6	0.620	0.633
3= High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.	0	0.000	0.270

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CORPORATE RESOURCES OVERVIEW AND SCRUTINY

Date of Meeting	Thursday 16 June 2016
Report Subject	Revenue Budget Monitoring (Month 12)
Cabinet Member	Leader of the Cabinet and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with the Revenue Budget Monitoring 2015/16 (Month 12).

RECOMMENDATIONS

1	That the committee considers and comments on the Revenue Budget Monitoring 2015/16 (Month 12) report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report.
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REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING POSITION 2015/16 (MONTH 12)
1.01	The Revenue Budget Monitoring 2015/16 (Month 12) report will be presented to Cabinet on Tuesday 21 June 2016. A copy of the report is attached as Appendix A to this report.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in Appendix A; Revenue Budget Monitoring 2015/16 (Month 12).

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	As set out in Appendix A; Revenue Budget Monitoring 2015/16 (Month 12).

5.00	APPENDICES
5.01	Appendix A; Revenue Budget Monitoring 2015/16 (Month 12).

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None required.</p> <p>Contact Officer: Sara Dulson, Finance Manager Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>(1) Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>(2) Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>



CABINET MEETING

Date of Meeting	Tuesday, 21 June 2016
Report Subject	Revenue Budget Monitoring 2015/16 (Month 12)
Portfolio Holder	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This regular monthly report provides the latest revenue budget monitoring position for 2015/16 for the Council Fund and Housing Revenue Account. The position is based on actual income and expenditure as at Month 12, and projects forward to year-end. Work is underway to close the 2015/16 accounts and the Final Outturn will be reported to Cabinet on 19 July 2016.

The projected year end position is as follows:

Council Fund

- Net in year expenditure forecast to be £1.372m lower than budget
- Projected contingency reserve balance at 31 March 2016 of £4.258m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.093m lower than budget
- Projected closing balance as at 31 March 2016 of £1.330m

RECOMMENDATIONS

1	Note the overall report and the projected Council Fund contingency sum as at 31 st March 2016.
2	Note the projected final level of balances on the Housing Revenue Account.

3	To agree the carry forward requests as stated in Appendix 6.
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REPORT DETAILS

1.00	THE REVENUE BUDGET MONITORING POSITION FOR MONTH 12 - 2015/16																																																																											
1.01	<p><u>Council Fund Latest In Year Forecast</u></p> <p>The table below shows the projected position by portfolio.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">TOTAL EXPENDITURE AND INCOME</th> <th style="text-align: center;">Original Budget</th> <th style="text-align: center;">Revised Budget</th> <th style="text-align: center;">Projected Outturn</th> <th style="text-align: center;">In-Year Over/ (Under) spend</th> </tr> <tr> <th></th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> <th style="text-align: center;">£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td style="text-align: right;">59.696</td> <td style="text-align: right;">59.113</td> <td style="text-align: right;">59.171</td> <td style="text-align: right;">0.058</td> </tr> <tr> <td>Community & Enterprise</td> <td style="text-align: right;">12.598</td> <td style="text-align: right;">12.917</td> <td style="text-align: right;">11.818</td> <td style="text-align: right;">(1.099)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td style="text-align: right;">27.782</td> <td style="text-align: right;">28.478</td> <td style="text-align: right;">29.368</td> <td style="text-align: right;">0.890</td> </tr> <tr> <td>Planning & Environment</td> <td style="text-align: right;">4.887</td> <td style="text-align: right;">5.420</td> <td style="text-align: right;">5.498</td> <td style="text-align: right;">0.078</td> </tr> <tr> <td>Education & Youth</td> <td style="text-align: right;">13.760</td> <td style="text-align: right;">12.069</td> <td style="text-align: right;">12.242</td> <td style="text-align: right;">0.173</td> </tr> <tr> <td>Schools</td> <td style="text-align: right;">82.670</td> <td style="text-align: right;">84.331</td> <td style="text-align: right;">84.331</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td>People & Resources</td> <td style="text-align: right;">4.595</td> <td style="text-align: right;">4.624</td> <td style="text-align: right;">4.495</td> <td style="text-align: right;">(0.129)</td> </tr> <tr> <td>Governance</td> <td style="text-align: right;">8.689</td> <td style="text-align: right;">8.711</td> <td style="text-align: right;">8.785</td> <td style="text-align: right;">0.074</td> </tr> <tr> <td>Organisational Change</td> <td style="text-align: right;">9.569</td> <td style="text-align: right;">9.613</td> <td style="text-align: right;">9.424</td> <td style="text-align: right;">(0.189)</td> </tr> <tr> <td>Chief Executive</td> <td style="text-align: right;">3.296</td> <td style="text-align: right;">3.087</td> <td style="text-align: right;">2.965</td> <td style="text-align: right;">(0.122)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td style="text-align: right;">23.915</td> <td style="text-align: right;">23.094</td> <td style="text-align: right;">21.988</td> <td style="text-align: right;">(1.106)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">251.457</td> <td style="text-align: right;">251.457</td> <td style="text-align: right;">250.085</td> <td style="text-align: right;">(1.372)</td> </tr> </tbody> </table>	TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend		£m	£m	£m	£m	Social Services	59.696	59.113	59.171	0.058	Community & Enterprise	12.598	12.917	11.818	(1.099)	Streetscene & Transportation	27.782	28.478	29.368	0.890	Planning & Environment	4.887	5.420	5.498	0.078	Education & Youth	13.760	12.069	12.242	0.173	Schools	82.670	84.331	84.331	0.000	People & Resources	4.595	4.624	4.495	(0.129)	Governance	8.689	8.711	8.785	0.074	Organisational Change	9.569	9.613	9.424	(0.189)	Chief Executive	3.296	3.087	2.965	(0.122)	Central & Corporate Finance	23.915	23.094	21.988	(1.106)						Total	251.457	251.457	250.085	(1.372)
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1.02	The reasons for the projected variances occurring to date are summarised within appendix 2 with movements between periods summarised in appendix 1.																																																																											
1.03	<p>Significant budget movements between original and revised budget</p> <p>There have been no significant budget movements in month 12.</p>																																																																											
1.04	<p>Streetscene and Transportation</p> <p>The overall overspend within Streetscene & Transportation has increased slightly from a projected £0.880m overspend at Month 11 to £0.890m as at</p>																																																																											

	Month 12. The projected overspend within the service is due in part to the delay in the implementation of a number of efficiencies. In addition fluctuations in recycle sales due to a volatile market has led to an increased pressure on income projections which have resulted in a shortfall of £0.375m. Full details of movements are explained in Appendix 2.
1.05	Programme of Efficiencies The 2015/16 budget contains £12.874m of specific efficiencies which are being tracked.
1.06	Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.
1.07	This shows that it is currently projected that £10.612m (82%) will be achieved resulting in a net underachievement of £2.262m. The underachieved efficiencies are included within the projected outturn figure.
1.08	Inflation Included within the 2015/16 budget are provisions for pay (£1.304m), targeted price inflation (£0.421m), non-standard inflation (£0.102m) and income (£0.254m).
1.09	For 2015/16 the amounts for non-standard inflation (NSI) include an allocation for food (£0.064m) and an allocation for Non Domestic Rates (£0.038m).
1.10	There is an amount of £0.240m remaining from 2014/15 which is also being held centrally. Areas subject to NSI increases will be monitored throughout the year and allocations made to portfolio areas only where a critical funding need is evidenced.
1.11	It is anticipated that the £0.064m for food inflation will not be required. In addition to this there is a surplus of £0.061m remaining from inflation set aside for pay. Therefore £0.125m is now projected to underspend. The balance of the 2014/15 inflation and £0.110m from the in-year inflation have been included as an efficiency within the 2016/17 budget.
	Reserves and Balances
1.12	Unearmarked Reserves The 2014/15 outturn reported to Cabinet on 14 th July 2015 showed

	unearmarked reserves at 31 March 2015 (above the base level of £5.769m) of £4.746m.
1.13	Taking into account previous allocations and the current underspend at Month 12 the balance on the contingency reserve at 31 st March 2016 is projected to be £4.258m.
1.14	<p>Earmarked Reserves</p> <p>The Council has adopted a reserves protocol which was considered by Audit Committee and approved by County Council on 24th September 2015. This sets out the principles around how the council will determine, manage and review the level of its reserves and includes reference to regular reporting of the latest position to Cabinet and Corporate Resources Overview and Scrutiny Committee.</p> <p>The next updated position on earmarked reserves will be included in the outturn monitoring report.</p>
	<p>Housing Revenue Account</p>
1.15	On 17 February 2015 the Council approved a Housing Revenue Account (HRA) budget for 2015/16 of £30.776m. The budget provided for a closing balance of £1.396m.
1.16	The 2014/15 Outturn Report to Cabinet on 14 July 2015 showed a closing balance at the end of 2014/15 of £1.510m.
1.17	The Month 12 monitoring report for the HRA is projecting in year expenditure to be £0.093m lower than budget and a projected closing balance as at 31 March 2016 of £1.330m, which at 4.3% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
1.18	<p>Carry Forward Requests</p> <p>Various requests to carry forward funding into 2016/17 have been identified. Details of all carry forward requests are shown in appendix 6 and are recommended for approval.</p>

2.00	RESOURCE IMPLICATIONS
2.01	The Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations occurring to date.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
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3.01	None Required.
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4.00	RISK MANAGEMENT
4.01	As we are nearing the closure of the 2015/16 accounts it is not anticipated that there are any significant risks to the Final Outturn which will be reported to Cabinet on 19 July 2016. The summary of in-year risks are not included as in previous month's reports as they have now been projected through to year end.

5.00	APPENDICES
5.01	Council Fund – Movement in Variances from Month 11 – Appendix 1 Council Fund – Budget Variances – Appendix 2 Council Fund – Programme of Efficiencies – Appendix 3 Council Fund – Movement on unearmarked reserves – Appendix 4 Housing Revenue Account Variances – Appendix 5 Council Fund – Carry Forward Requests – Appendix 6

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required Contact Officer: Sara Dulson Finance Manager Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.
7.02	Council Fund: the fund to which all the Council's revenue expenditure is charged.
7.03	Financial Year: the period of twelve months commencing on 1 April.
7.04	Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on

	housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
7.05	Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
7.08	Underspend: when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
7.09	Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
7.10	Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.



COUNCIL FUND - REVENUE BUDGET 2015/16
FLINTSHIRE COUNTY COUNCIL

Budget Monitoring (Month 12)
Summary of Movement from Month 11

	£m	£m
Month 11		
Portfolios	(0.486)	
Central and Corporate Finance	(1.088)	
Variance as per Cabinet Report		(1.574)
Month 12		
Portfolios	(0.286)	
Central and Corporate Finance	(1.106)	
Variance as per Directorate Returns		(1.372)
Change Requiring Explanation		0.202
<u>Social Services</u>		
Services For Adults		
• Resources & Regulated Services - Disability Services - over payment to a care provider and also an under accrual of the debtor for outstanding joint funding income	(0.137)	
Minor variances of less than £0.025m		
• Learning Disabilities / PDSI	0.004	
• Older People (Provider Services)	0.005	
• Older People (Purchasing)	0.005	
• Mental Health Services	0.023	
Subtotal: Services for Adults		(0.100)
Other minor changes of less than £0.025m.		
• Good Health team	0.007	
• Deputyship team	0.001	
• Management & Support	0.014	
• Commissioning	0.000	
Subtotal: Development & Resources		0.022
Children's Services		
• Professional Support - contribution to cost of Emergency duty team £0.029m plus other minor movements £0.002m	0.031	
• Out of County Placements - additional placement costs	0.272	
Other minor variances -of less than £0.025m		
• Flying Start	0.002	
Subtotal: Children's Services		0.305
Total: Social Services		0.227

Community & Enterprise

Revenues & Benefits	
• Further underspend on the Council Tax Reduction Scheme provision	(0.060)
• Increased surplus on Council Tax Collection Fund due to bad debts being less than anticipated	(0.213)
• Housing Benefit subsidy pressure lower than expected	(0.100)
Subtotal: Revenues & Benefits	(0.373)
Minor changes of less than £0.025m.	
• Council Fund Housing	0.013
• Regeneration	(0.004)
• Revenues & Benefits	0.024
• Housing Programmes	0.002
Total minor variances of less than £0.025m	0.035
Total: Community & Enterprise	(0.338)

Streetscene & Transportation Portfolio

Highway Network	
• Movement in area teams due to additional patching works	0.023
Subtotal: Highway Network	0.023
Transport & Logistics	
• Reduced cost of school transport commitment	(0.018)
Subtotal: Transport & Logistics	(0.018)
Minor variances of less than £0.025m	
• Ancillary Services & Performance	0.008
• Highway Network	0.010
• Transport & Logistics	(0.013)
Total minor variances of less than £0.025m	0.005
Total: Streetscene & Transportation	0.010

Planning & Environment Portfolio

Minor variances of less than £0.025m	
• Business	0.025
• Community	(0.007)
• Access	(0.008)
• Shared Service	(0.013)
• Strategy	0.014
• Administration	(0.008)
• Vacant Posts	(0.003)
Total minor variances of less than £0.025m	<u>0.000</u>
Total: Planning & Environment	<u>0.000</u>

Education & Youth

Inclusion Services	
• Out of County Placements - additional placement costs	0.193
Subtotal: Inclusion Services	<u>0.193</u>
Access - School Planning & Provision	
• Access School Provision -Variance change due to higher personal injury claims than predicted. Other minor variances also effect this.	0.033
Subtotal: Access - School Planning & Provision	<u>0.033</u>
Minor variances of less than £0.025m	
• Primary School Services	0.003
• Secondary School Services	0.010
• Regional Services	0.004
• Adult & Community Education	(0.004)
• Community Centres	0.001
• Youth Justice Service	0.001
• Youth & Community Service	0.003
• Commissioning & Performance - Business Support	0.023
• School Management Information	(0.018)
• Regional Capita One	0.005
Total minor variances of less than £0.025m	<u>0.028</u>
Total: Education & Youth	<u>0.254</u>

People & Resources

Minor variances of less than £0.025m		
• HR & OD	(0.007)	
• Corporate Finance	(0.014)	
Total minor variances of less than £0.025m		(0.021)
Total: People & Resources		(0.021)

Governance

Business Support		
• A carry forward request for £0.036m was agreed in the month 11 report to fund work for the creation of an electronic mail room. This is now reflected in the month 12 outturn figure. Minor variances account for the balance.	0.028	
Subtotal: Business Support		0.028
ICT		
• A realignment of software renewal dates has resulted in a reduction in expected outturn by £0.040m. There were minor variances resulting in reduced outturn of £0.012m.	(0.052)	
Subtotal: ICT		(0.052)
Minor variances of less than £0.025m		
• Legal Services	(0.014)	
• Democratic Services	(0.004)	
Total minor variances of less than £0.025m		(0.018)
Total: Governance		(0.042)

Organisational Change

Valuation & Estates		
• Unachieved income from industrial unit rent.	(0.004)	
Subtotal: Valuation & Estates		(0.004)
Facilities		
• A carry forward for £0.100m was approved in the month 11 report. £0.021m is due to minor variances.	0.121	
Subtotal: Facilities		0.121
Minor variances of less than £0.025m		
• Public Libraries & Arts, Culture & Events	(0.008)	
• Museums Service	(0.002)	
• County Archives	0.001	
• Leisure Services	0.003	
• Property Design & Consultancy	(0.017)	
Total minor variances of less than £0.025m		(0.023)
Total: Organisational Change		0.094

Chief Executive

Minor variances of less than £0.025m		
• A carry forward request was agreed in the month 11 report for promotion and advertising of the URDD Eisteddford for £0.025m. This amount was not reflected in the outturn until month 12. There were minor variances of £0.011m.	0.036	
Total: Chief Executive		0.036

Central & Corporate Finance

• Pension Deficit Portfolio Recharges	0.014	
• Carbon Reduction Commitment lower as a result of reduced emissions	(0.035)	
• Minor variances	0.003	
Total: Central & Corporate Finance		(0.018)

Total Changes

		0.202
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MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Social Services Locality Teams (Localities)	14.665	14.147	(0.518)	(0.518)	<p>Domiciliary Care There are some significant compensating variances in this area. The main area of pressure is Domiciliary Care, which is still being influenced by clients returning to the service following successful past rehabilitation, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The current level of projected overspend is £0.559m which has significantly reduced from the 2014/15 outturn position of £0.837m, which has been partly influenced by the cessation of one complex package.</p> <p>Residential Care The significant projected overspend on Domiciliary care is being more than offset by a projected underspend of (£0.766m) on residential care, which includes, an underspend of (£0.340m) on payments to care home providers, an underspend of (£0.371m) due to an increase in the level of property related income, plus further increases in income above budget including (£0.035m) for free nursing.</p> <p>Professional Support A further area of significant underspend is the professional support within the area Localities teams. There is a total projected underspend of (£0.244m) which relates to staffing due to Social Worker vacancies, which includes a total of (£0.119m), relating to the Hospital Social Work team which has transferred into Localities from Intake & Reablement (Resources and Regulated Services).</p> <p>Other Other minor variances amount to a net (£0.067m) within Day care and other services.</p>	<p>Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.</p> <p>Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.</p>

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Reablement Services (Intake and Reablement)	0.429	0.200	(0.229)	(0.229)	The projected under spend is mainly due to the reallocation of an officer to another service promoting Continuing Health Care independence, and additional CHC funding being utilised.	Keep under review.
Community Equipment contribution	0.476	0.392	(0.084)	(0.084)	Reduction in requirement for funding of the Council's contribution to the partnership following review of the financial arrangements within the Section 33 partnership agreement.	
Resources & Regulated Services (Disability Services)	15.239	15.841	0.602	0.733	This service is now reflecting the transfer of budget in relation to the Independent Living fund (ILF) to Central and Corporate as a one off efficiency. The remaining element is in relation to the additional administration capacity needed to manage the payments to service users and for obligations to fund employer liability insurance payments for service users who employ carers. recent increases in the projected overspend relate to additional costs of domiciliary care within externally provided Supported Living, including new service users and the impact of a new block contract.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Vulnerable Adults and Disability Service (Disability Services)	2.299	1.997	(0.302)	(0.302)	Reflects current care packages for 2015/16. The projection now includes a revised commitment for new/additional transition clients. Previous commitments in terms of expected costs for service users have now been significantly reduced following service review and revised outcomes.	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.813	1.183	0.370	0.370	Increases in Residential and Domiciliary packages alongside additional new package costs.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.317	0.202	(0.115)	(0.115)	Reflects current care packages for 2015/16.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts.

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Other Services for Adults variances (aggregate)	10.898	10.789	(0.109)	(0.140)	Various minor variances. Since period 10, the potential available funding from Supporting People is not required to be drawn down from reserves based on the current projected outturn position for Older People.	Continue to review but not expected to be recurrent.
Business Services - Charging Policy Income	(1.673)	(1.877)	(0.204)	(0.204)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £55 per week to £60 per week.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Training	0.132	0.164	0.032	0.032	The base budget for this service had reduced as a consequence of the combined impact of Single Status outcomes and EVRVR determinations. As a consequence the match funding element of the budget had fallen below the level required to meet the grant conditions for the Social Care Workforce Development Programme Grant (SCWDP). In month 11 a budget from realignment within Social Services was undertaken to top up to the level required.	Continue to review but not expected to be recurrent.
Other Development & Resources variances (aggregate)	2.418	2.431	0.013	(0.009)	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.474	0.247	0.247	The £0.247m overspend is 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 which invariably attract an ongoing allowance for the carers.	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 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Professional Support	5.037	5.229	0.192	0.161	There is a projected overspend of £0.198m on agency pay costs within the Duty & Assessment team, which is due to the need to deploy staff to address key risks within this area of the service. This overspend has been partly mitigated by way of an allocation of £0.100m from the contingency reserve as approved by Cabinet when considering the Month 7 budget monitoring report. There is a further pressure of £0.113m which relates to the Children's and Young Adults Support team (CYAST). This is due to pressures within payments to external providers of £0.119m and Transport £0.047m, with some offsetting underspends against pay budgets due to vacancies. There is a contribution of £0.029m to the cost of the Emergency Duty team. There are offsetting net underspends of (£0.148m) elsewhere within Children's Services Professional Support, including a significant underspend on staffing within the Family Intervention team.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Out of County Placements	3.416	3.480	0.064	(0.208)	Reflects current care packages for 2015/16.	Keep under review.
Other Services for Children variances (aggregate)	2.420	2.519	0.099	0.097	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.113	59.171	0.058	(0.169)		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	1.665	1.439	(0.226)	(0.226)	Additional in-year efficiency identified in respect of Homeless Accommodation (£0.092m). Recharge in respect of Community Support Services lower than anticipated £0.029m. Community Centres additional efficiency (£0.049m). Underspend on the Flintshire Connects service provision (£0.098m). Switchboard in-year underspend (£0.027m). Other minor variances £0.0011m.	
Council Fund Housing	(0.033)	(0.125)	(0.092)	(0.105)	Telecare income lower than anticipated £0.061m. Procurement of telecare equipment £0.062m. Additional Savings in respect of the Community Based Accommodation Support Service (£0.230m). Other minor variances £0.015m.	
Regeneration	0.582	0.568	(0.014)	(0.010)	Estimated shortfall of £0.038m in markets due to income targets increasing in line with inflation each year, where charges have not increased at the same rate. Further capitalisation of costs and maximisation of Grant Income (£0.041m). Other minor variances (£0.011m).	
Revenues & Benefits	10.631	9.790	(0.841)	(0.492)	Anticipated surplus on the Council Tax Collection Fund currently stands at (£0.504m) higher than initially estimated. Staffing savings (£0.058m). Projected underspend on the budgeted provision for the Council Tax Reduction Scheme (£0.406m). Housing Benefit Subsidy budgeted shortfall of £0.270m. Additional New Burdens funding from DWP (£0.128m). Other minor variances of (£0.015m).	
Housing Programmes	0.072	0.146	0.074	0.072	Expenditure of £0.106m to enable the Strategic Housing and Renewal Programme (SHARP) to move forward with the development of the Over Arching Legal Agreement with Wales Living Space. This expenditure has supported the expedient development of schemes on The Walks, Flint and Custom House School, Connah's Quay which will both be on site by March 2016. Staff recharges and maximisation of grant income (£0.032m).	
Total Community & Enterprise	12.917	11.818	(1.099)	(0.761)		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation Ancillary Services & Performance - Waste Disposal & Waste Collection	6.592	7.519	0.927	0.909	<p>Reduced electricity sales from gas engines following equipment breakdown and fluctuating levels of gas extraction is now estimated at £0.160m.</p> <p>Further options are being considered and consultation undertaken in relation to the proposed closure of Hope recycling centre. In addition, changes to the later than expected introduction of new operating times at Connaught Quay and Flint sites will result in a total projected shortfall on the budgeted efficiency of £0.160m.</p> <p>Delayed implementation of delivery service for waste containers £0.050m and introduction of charge for second waste bin £0.025m.</p> <p>Under achievement in the recycling market due to a volatile period with fluctuating re-cycle sale values £0.375m. No compost income has been received from Denbighshire CC (£0.060m budget) as they will not be using the composting facilities at Greenfield until the 2016/17 financial year.</p> <p>Additional costs of £0.040m for hire of loading shovels at Greenfield HRC Site, protective clothing costs and equipment purchase and increase in estimated waste treatment tonnages of £0.043m through to the 31st March.</p> <p>£0.010m of increase relating to NE Hub Food Waste. The food waste contractor requesting additional funds due to a change in law due to the withdrawal of the Levy Exemption Certificates which ceased from 31/07/15.</p>	<p>Potential for investment to upgrade/install new extraction wells and new management arrangement.</p> <p>Reported through Programme Board Efficiency Tracker.</p> <p>Reported through Programme Board Efficiency Tracker.</p> <p>Monitor recycling market closely and amend projections accordingly</p> <p>Monitor Supplies & services and implement commitment challenge.</p> <p>Continue to monitor and review.</p>

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Ancillary Services & Performance - Parking & Enforcement	0.114	0.193	0.079	0.084	Shortfall from Business Planning proposals following delays in the implementation of car parking charges and Penalty Charge Notice (PCN) enforcement across the County.	Monitor Car Parking Income closely and amend projections accordingly.
Bereavement Services	0.280	0.240	(0.040)	(0.036)	Increased income in burial fees for the last quarter of the year.	Continue to monitor and review.
Ancillary Services & Performance - Other Variances	0.519	0.516	(0.003)	(0.002)	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Logistics & Resource Services - Fleet	4.807	4.737	(0.070)	(0.080)	Projected reduction in annual fuel costs, due to reducing fuel prices and more efficient usage of vehicles.	Continue to review.
Transportation & Logistics - other Variances	8.569	8.449	(0.120)	(0.079)	Reduced cost of school transport commitment £18k.	Reported through Programme Board Efficiency Tracker.
Highways Strategy & Network	7.406	7.523	0.117	0.084	Delay in the full externalisation of grass cutting service offset by some additional income for hedge cutting £0.030m. Delay in the implementation of the reduced cleansing standards and zero tolerance on littering £0.090m. Reduced Ground Work operations following transition into winter related work and additional staff recharges (£0.040m). Additional patching works of £63k following flood damage are reported at Period 12. Due to the below average winter up to the end of March 2016, it is anticipate there will be an underspend of (£0.050m) within winter maintenance.	Reported through Programme Board Efficiency Tracker. Reported through Programme Board Efficiency Tracker. Monitor Employee Costs. Continue to review.
Highway Network - other Variances	0.191	0.191	0.000	0.000	No Variance.	Continue to review.
Total Streetscene & Transportation	28.478	29.368	0.890	0.880		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Planning & Environment Pest Control Dog Warden	0.043	0.056	0.013	0.012	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income projections as appropriate.
Licensing	0.002	0.008	0.006	0.007	3 year and 5 year licence income carried forward as a PIA into 2016/17	Monitor level of services provided and adjust income projections as appropriate.
Community - Aggregate of other Variances	0.691	0.724	0.033	0.040	Commitment challenge successful in reducing the level/value of future projected expenditure.	Continue to monitor committed expenditure and reduce/remove where possible.
Animal Health & Defra	0.126	0.155	0.029	0.029	Reduced DEFRA Grant Funding, resulting in the partnership with Wrexham CBC ending in December 2015 and the income target remaining within the service. Offset by the receipt of the Animal Feed Service Grant of £0.017m from the Food Standards Agency.	Investigate ways to reduce Grant Income target through potential budget realignment as total funding will cease from 2016/17.
Business - Aggregate of other Variances	1.485	1.475	(0.010)	(0.035)	Food controls budget funding reduction from 2015/16 was not provided as anticipated	Continue to monitor committed expenditure and reduce/remove where possible.
Planning Control & Enforcement	(0.133)	(0.030)	0.103	0.104	Shortfall from Planning Application fees not being increased by 15% until October, 2015 under the Planning (Wales) Bill. This was originally proposed for April, 2015 and reflected in Business Planning efficiencies. This was offset with the level of Pre Planning Application Fee Income being higher than expected.	Planning Fee Income levels will be closely monitored.
Development - Aggregate of other Variances	0.133	0.108	(0.025)	(0.025)	Commitment challenge successful in reducing the level/value of future projected expenditure.	Continue to monitor committed expenditure and reduce/remove where possible
Portfolio Aggregate of other Variances	3.073	3.002	(0.071)	(0.054)	Commitment challenge successful in reducing the level/value of future projected expenditure.	Continue to monitor committed expenditure and reduce/remove where possible.
Total Planning & Environment	5.420	5.498	0.078	0.078		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	0.868	0.864	(0.004)	(0.007)	Minor Variances.	Continue to review.
Secondary, 14-19 & Continuing Education	1.067	1.072	0.005	(0.009)	Minor Variances.	Continue to review.
Inclusion Services	7.456	7.745	0.289	0.096	Out of County placements are an area of risk to the authority due to the volatile nature of the service and the potential for high cost placements and unpredictability of demand. A number of queries which require resolution regarding the liability of the Authority to pay for high cost placements - there are ongoing discussions with the Health Service.	Continue to review.
Access (School Planning & Provision)	0.508	0.486	(0.022)	(0.055)	Variance change due to higher personal injury claims than predicted. Other minor variances also effect this.	Continue to review.
21st Century Schools	0.196	0.196	0.000	0.000	No Variance.	Continue to review.
Youth Services	1.437	1.424	(0.013)	(0.014)	Minor Variances.	Continue to review.
Commissioning & Performance	0.345	0.329	(0.016)	(0.039)	Vacancy savings following a Senior Management Restructure with Education and Youth Portfolio.	Continue to review.
School Management & Information Team	0.192	0.126	(0.066)	(0.053)	Vacancy savings following a Senior Management Restructure with Education and Youth Portfolio. Shared salary costs have now been agreed with Transportation.	Continue to review.
Total Education & Youth	12.069	12.242	0.173	(0.081)		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Schools						
Primary & Early Years Education	44.517	44.517	0.000	0.000	No Variance.	Continue to review.
Secondary, 14-19 & Continuing Education	35.883	35.883	0.000	0.000	No Variance.	Continue to review.
Inclusion Services	3.931	3.931	0.000	0.000	No Variance.	Continue to review.
Total Schools	84.331	84.331	0.000	0.000		
People & Resources						
HR&OD	2.263	2.230	(0.033)	(0.026)	A 2015/16 budget efficiency of £0.105m is being reported as not achievable, in addition to this there is an overspend on the Disclosure & Disbarring Service of £0.009m and Software of £0.020m. These overspends are being partially offset by workforce underspends of (£0.155m). There are minor underspend variances of (£0.012m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Corporate Finance	2.361	2.265	(0.096)	(0.082)	A 2015/16 budget efficiency is being reported as being partially achieved with a shortfall of £0.019m. This is being offset by temporary workforce underspends of (£0.123m). There are minor overspend variances of £0.008m.	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Total People & Resources	4.624	4.495	(0.129)	(0.108)		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Governance						
Legal Services	0.610	0.549	(0.061)	(0.047)	A grant from Welsh Government has been awarded for (£0.092m) as a contribution to costs incurred in dealing with claims from personal search companies for refunds of Local Land Charges Register (LLCR) search fees charges. There are minor variances of £0.031m.	Underspend is not expected to be recurrent.
Democratic Services	1.907	1.985	0.078	0.082	The overspend is due a delay in achieving an efficiency of £0.110m which was agreed within the 2014/15 budget. An underspend of (£0.032m) is due to minor variances.	The efficiency is expected to be achieved in full next year.
Internal Audit	0.416	0.410	(0.006)	(0.006)	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.138	0.253	0.115	0.115	This overspend is due to the non-achievement of an efficiency of £0.116m within 2015/16 and a minor underspend of (£0.001m).	Overspend is not expected to be recurrent. The efficiency is expected to be achieved in full next year.
Business Support	0.739	0.711	(0.028)	(0.056)	Minor Variances	Underspend is not expected to be recurrent.
Records Management	0.175	0.185	0.010	0.010	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.726	4.692	(0.034)	0.018	Minor Variances.	Overspend is not expected to be recurrent.
Total Governance	8.711	8.785	0.074	0.116		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.773	1.766	(0.007)	0.001	Minor Variances.	Continue to review. Request to carry forward £0.043m in respect of one-off costs associated with CAT transfers which will be implemented during 2016/17.
Museums Service	0.064	0.064	0.000	0.002	No Variance.	Continue to review.
County Archives	0.266	0.266	0.000	(0.001)	No Variance.	Continue to review.
Leisure Services	4.022	4.017	(0.005)	(0.008)	£0.070m Deeside Ice rink income pressure offset by premises & supplies cost savings of (£0.075m).	Continue to review.
Community Assets	0.018	0.023	0.005	0.005	Minor Variances.	Continue to review.
Valuation & Estates	(0.813)	(0.783)	0.030	0.034	£.030m shortfall in industrial estate rental income.	Continue to review.
Property Design & Consultancy	2.629	2.512	(0.117)	(0.100)	(£0.045m) of additional Design and Maintenance fees over the budgeted income target have been identified. (£0.072m) of Projected costs relating to the demolition of Connahs Quay office has been met through alternative funding .	This financial year Maintenance and Design have exceeded income expectation, however next year there will potentially be a shortfall as more feasibility works have been commissioned which are non chargeable. Also the service is subject to a restructure, resulting in a new method of fee charging. The service has given up £0.120k of Design fees in reserves in the current financial year.
Engineering Services	0.000	0.000	0.000	0.000	No Variance.	Continue to review.
Facilities Services	1.654	1.559	(0.095)	(0.216)	Careful monitoring of provisions and additional income anticipated over and above income target from increased uptake in school meals of (£0.095m).	Continue to review.
Total Organisational Change	9.613	9.424	(0.189)	(0.283)		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Chief Executives	3.087	2.965	(0.122)	(0.158)	The underspend is due to workforce savings of (£0.092m) and also a reduction in Core Funding Agreements of (£0.028m). There is an underspend of (£0.042m) relating to the budget required for performance related increments. There are minor overspend variances of £0.040m.	The employee savings of (£0.092m) are expected to be in-year only.
Total Chief Executives	3.087	2.965	(0.122)	(0.158)		

MONTH 12 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 11 (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance	23,094	21,988	(1,106)	(1,088)	HRA Financing - The settlement amount changed after the budget was set. Based on all original assumptions this equates to a reduction in efficiencies of approximately £0.600m. However, there is no need to borrow this financial year, as capital expenditure is later than planned, resulting in short term savings from interest costs built into the budget.	Review of CLIA has mitigated this position.
					Balance of unused Non Standard Inflation from previous year (£0.240m) and current year (£0.125m). Pension Actuarial Review (£0.912m) due to lower than anticipated costs of additional contributions. Projected under-recovery of contribution to pension fund £0.159m. Coroners projected 2015/16 overspend of £0.028m. Estimated Workforce Efficiency of £0.300m considered unachievable in year. One off identified efficiencies (£0.300m) in relation to the Independent Living Fund (ILF). Higher than projected income as a result of Rent Review for Unilever (£0.191m). External Audit Fees are anticipated to be lower than budget (£0.099m) this is under review with Wales Audit Office. Received no charge on three quarters of the year in relation to corporate Bank Charges (£0.047m). Reduced Carbon Allowances as a result of reduced emissions in 15/16 of (£0.047m). One off / time limited, Unbudgeted costs of £0.356m in relation to former Euticals Ltd - Sandycroft site. Minor Variances of £0.012m.	Reviewed as part of Medium Term Finance Strategy, Corporate Financing Options. Keep under review. Continue to review. Addressed as part of 2016/17 budget process. Addressed as part of 2016/17 budget process. This income is non-recurring. Keep under review. Continue to review. Keep under review.
Total Central & Corporate Finance	23,094	21,988	(1,106)	(1,088)		
TOTAL	251,457	250,085	(1,372)	(1,574)		

2015/16 Efficiencies Month 12 - Under or Over Achieved

Portfolio	Original Efficiency 2015/16 £(m)	Revised Efficiency 2015/16 £(m)	(Under)/Over Achievement 2015/16 £(m)
People & Resources			
Review of specialist finance functions to identify efficiencies in process	0.170	0.166	(0.004)
Ensure continuation of grant maximisation opportunities identified in 2014/15	0.100	0.081	(0.019)
Review of specialist human resources functions to identify efficiencies in process	0.105	0.000	(0.105)
Total People & Resources	0.375	0.247	(0.128)
Governance			
Procurement Supplier Charging	0.116	0.000	(0.116)
	0.116	0.000	(0.116)
Central and Corporate Finance			
Workforce efficiency proposal	0.300	0.000	(0.300)
Central Loans and Investment Review	1.830	1.230	(0.600)
Total Central & Corporate Finance	2.130	1.230	(0.900)
Social Services			
Develop means testing approach for minor adaptations	0.100	0.000	(0.100)
Review model/costs contracts for catering	0.050	0.000	(0.050)
Rationalise the number of sites where In-House short term care is provided	0.075	0.110	0.035
Develop a 'progression' model for Supported Living	0.250	0.145	(0.105)
Review commissioning with Action for Children	0.075	0.015	(0.060)
Regional approach to advocacy	0.053	0.000	(0.053)
Review and realign funding to voluntary sector	0.203	0.065	(0.138)
Total Social Services	0.806	0.335	(0.471)
Community & Enterprise			
Close the personal answering service for main switchboard telephone	0.099	0.125	0.026
Welfare Rights Team Review	0.020	0.035	0.015
Community Centres	0.048	0.096	0.048
Community Based Accommodation Support Service	0.030	0.090	0.060
Telecare Charging	0.200	0.139	(0.061)
Stopping sending remittance advices to Landlords	0.054	0.013	(0.041)
In-house bailiff service	0.100	0.070	(0.030)
Removal of Post Office as payment option	0.028	0.017	(0.011)
Review Single Person Discount	0.150	0.270	0.120
Senior Management Restructure	0.100	0.074	(0.026)
Total Community & Enterprise	0.829	0.929	0.100
Streetscene & Transportation			
Introduce non-generic Streetscene roles (3 year plan)	0.080	0.115	0.035
Rationalise HRC Sites	0.400	0.240	(0.160)
Removing the Waste Containers delivery service	0.150	0.100	(0.050)
Introduce Charge for 2nd Garden Waste Bin	0.050	0.025	(0.025)
Develop Energy Production at Landfill	0.050	0.000	(0.050)
Cease real time information system at bus stops	0.020	0.025	0.005
Charge Maintenance of Bus Shelters to Community & Town Councils	0.005	0.000	(0.005)
Remove Demand Responsive Transport & review all other subsidised rout	0.075	0.050	(0.025)
Externalise grass cutting service	0.075	0.025	(0.050)
Reduced Street Lighting resource	0.050	0.038	(0.013)
Remove second grass cut for highway verges	0.030	0.025	(0.005)
Car Parking Charges	0.400	0.290	(0.110)
Part night street lighting in residential areas	0.020	0.030	0.010
Winter Maintenance (Car Parks and standard)	0.150	0.170	0.020
Reduce Cleansing standards zero tolerance litter	0.150	0.060	(0.090)
Total Streetscene & Transportation	1.705	1.193	(0.513)
Planning & Environment			
Staffing & Management Restructure (incl. all vacancies)	0.295	0.207	(0.088)
Staffing & Collaboration	0.024	0.040	0.016
Animal & Pest Control	0.030	0.007	(0.023)
Increased Planning Fees (15% WG increase)	0.135	0.050	(0.085)
Increase in number of Planning Applications	0.060	0.030	(0.030)
Additional elements of charging (discharge of conditions)	0.050	0.025	(0.025)
Total Planning & Environment	0.594	0.359	(0.235)
		%	£
Total 2015/16 Budget Efficiencies		100	12.874
Total Projected 2015/16 Budget Efficiencies Underachieved		18	2.262
Total Projected 2015/16 Budget Efficiencies Achieved		82	10.612

APPENDIX 4

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2015	10.515	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		4.746
Less - Allocation from the Contingency Reserve for the costs of the speed limit review		(0.210)
Less - Allocation from the Contingency Reserve for the contribution to meet the estimated increase in levy required to meet past and future claim liabilities in relation to the former Municipal Mutual Insurance company		(0.800)
Less - Allocation from the Contingency Reserve to meet the resource requirements for specialist social work for child protection		(0.100)
Less - Allocation from the Contingency Reserve to renew invest to save finds to support organisational change		(0.750)
Plus projected underspend as at Month 12		1.372
Total projected Contingency Reserve as at 31st March 2016		4.258

HRA Major Variance Report - Period 12

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Estate Management	1.634	1.521	(0.113)	(0.105)	(£0.067m) relates to an underspend on salary costs. (£0.012m) relates to an underspend on printing costs. Court costs and Giro Charges have contributed an underspend of (£0.055m). Rechargeable works create a pressure of £0.019m due to non payment of invoices. Tenants Incentive scheme has contributed a saving of (£0.017m). The remaining £0.019m relates to other minor variances.	
Rent Income	(29.377)	(29.600)	(0.223)	(0.220)	(£0.259m) relates to an adjustment in the expected bad debt provision for Rent Income based on the final outturn of aged debt as at year end compared to an earlier projection in quarter 3. The costs associated with the water surplus are expected to rise by £0.018m based on what has been recovered vs actual spend. £0.030m relates to additional expenditure on Garden Services. The remaining (£0.012m) relates to other minor efficiencies.	
Repairs & Maintenance	8.394	8.118	(0.276)	(0.315)	(£0.324m) of the projected underspend relates to salaries as a result of in-year vacancies and budgeting at the top of scale. (£0.087m) of the projected underspend relates to materials. £0.029m profit share relating to last year and careful monitoring has contributed to this underspend. £0.042m relates to a pressure on transport and fleet costs. £0.074m relates to unachieved income recharges. The remaining £0.019m relates to minor variances.	
Finance & Support	2.427	2.181	(0.246)	(0.214)	Removal of the projection for delivering the Handyman Service releases a (£0.038m) underspend. (£0.029m) of the projected underspend relates to consultancy and conferences. Redistribution of salaries across departments and services has realised a (£0.124m) underspend. Agile working equipment for HRA is projected to cost £0.027m. Insurance Reserve has increased by £0.065m. Recharges are set to underspend by (£0.117m) in line with previous years. The remaining (£0.030m) relates to other minor efficiencies.	A 2015/16 budget allocation of £0.244m will be carried forward to 2016/17 to fund the implementation of Job Scheduling. This is one of the priorities in the HRA Business Plan.

HRA Major Variance Report - Period 12

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Landlord Services	0.882	1.001	0.119	0.119	Cleaning charges and utility costs for the community centres brought into the HRA from Council Fund have received a charge in the amount of £0.096m which was an unexpected cost. Garden Charges have underspent by (£0.064m) due to staff vacancies and lower contractor costs. A review of communal area costs has resulted in an in-year pressure of £0.090m through contractor work. Vehicle hire has reduced by (£0.003m) on receipt of full year costs. £0.122m relates to a post audit adjustment relating to Housing Subsidy.	
HRA Subsidy	0.000	0.122	0.122	0.122		
Other variances (aggregate)	16.274	16.798	0.524	0.520	£0.711m relates to the additional balance contributed towards capital expenditure. This will contribute towards demolition costs for the Walks and Leas sites in Flint. Funding costs this way delays borrowing for 12 months and avoids unnecessary interests charges. (£0.187m) relates to the reduced Capital Financing recharges expected at year end. This balance may change once funding arrangements are finalised.	
Total :	0.234	0.141	(0.093)	(0.093)		

CARRY FORWARD REQUESTS 2015/16

GOVERNANCE

ICT – Education ICT - to contribute to the funding of enhanced communication links commitment given to schools (£0.003m) (in addition to the amount agreed in the month 10 report)

ICT – Public Sector Broadband Aggregation – To safeguard against the risk of historic infrastructure costs (£0.220m)

ICT - Investment Costs - Balance remaining from Business Plan investment requirements to fund organisational change in 2016/17 (£0.227m)

Democratic Services – to fund the final instalment for the translation of the Council’s Constitution (£0.008m)

Democratic Services –in relation to improvements to Members ICT systems (£0.032m)

ICT – Capita One – this is a regionally funded service whereby any balance (which forms part of the regional service delivery) is required to be retained by the project (£0.090m)

ICT – Digital Print – to fund specialist IT technical expertise to implement additional self-service modules and migration form design (£0.003m)

ICT – Communication lines – for new lines to be installed to reduce the cost of calls (£0.010m)

ICT - Public Sector Broadband Aggregation – due to implementation delays linked with the introduction of Learning in Digital Wales (LiDW) project (£0.310m)

COMMUNITY & ENTERPRISE

Council Fund Housing – delays caused by negotiation of costs will mean the purchase of alarms will be made in 2016/17 (£0.025m)

Housing Programmes - in respect of ongoing works at Travellers sites which will continue into 2016/17 (£0.027m)

ORGANISATIONAL CHANGE

Public Libraries & Arts, Culture & Events – to contribute to one off costs associated with Community Asset Transfers (CAT) which will be implemented during 2016/17 (£0.043m)

STREETSCENE & TRANSPORTATION

School Transport - in addition to the £0.040m approved in the month 10 report (£0.090m)

Local Transport Grant - for carriageway improvement works which have taken place in April 2016 (£0.020m)

Street works – to fund any further expenses the Authority may incur relating to a historic claim (£0.010m)

SOCIAL SERVICES

Social Services – to support the provision for Social Enterprise initiatives across the portfolio (£0.069m)



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 16 June 2016
Report Subject	Project Closure on Review of Corporate Administration
Cabinet Member	Cabinet Member for Corporate Management
Report Author	Chief Officer (Governance)
Type of Report	Operational

EXECUTIVE SUMMARY

The review of Corporate Administrative functions began in October 2013. Job Evaluation Questionnaires (JEQ's) produced for single status were analysed to identify the profile of posts that could be classes as "administrative". At that time there were 278 across the council as a whole. Work then began to identify the tasks undertaken by those posts. Where these tasks duplicated corporate council systems they were stopped. If the tasks were overly complex or bureaucratic then the processes were streamlined. In addition the project has produced a generic JEQ for the administrative team members and team leaders. This promotes flexibility, increases equity across the organisation and reduces the risk of employees seeking salary regrading based on comparison with other posts undertaking similar functions.

At the same time the posts, which were often widely dispersed, were brought into teams that served each portfolio (with a single team serving the whole of corporate services). The final stage (which is the subject of a separate agenda item) is to bring the remaining portfolio teams into a combined service that serves the County Hall and Flint offices with an additional central team at the Alltami depot.

Overall the number of administrative posts has reduced to 66 as at June 2016. This has saved a total of £1.133m.

RECOMMENDATIONS

1	That Committee provides any comments to Cabinet on the savings and benefits delivered by the project and the proposed steps to close the project.
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REPORT DETAILS

1.00	EXPLANING THE PROJECT
1.01	<p>In October 2013 there were approximately 278 administrative posts with in the council based on analysis of single status JEQ's (it must be stressed this figure had not been verified). Over the course of the project some posts have been taken out of scope for the following reasons:</p> <ul style="list-style-type: none"> • single status appeals meant they were no longer defined as administrative; • the Street scene employees formed a separate project; and • grant and HRA funded posts because they would not generate any savings • posts that were so specialised or technical that it would not make sense to separate them from the team they support
1.02	<p>In order to reduce the need for administrative support there was a parallel review of processes. Where tasks duplicated corporate processes they were simply stopped. Also, a number of key corporate processes were streamlined and automated as follows:</p> <ol style="list-style-type: none"> 1. staff with an IT account input their own mileage claims directly onto Trent rather than paper forms being manually input by admin staff; 2. Absence forms can be completed electronically and emailed to managers rather than completing paper forms; 3. Staff that use Etarmis to record their time can now use it to monitor their leave rather than admin staff having to keep team records; and 4. EDM has been introduced in a number of service areas such as Human Resources, Licensing, Neighbourhood Housing in order to streamline the way we hold information.
1.03	<p>Within each portfolio generic administrative posts were brought into a single team enabling an overall reduction in posts and increasing overall resilience. All these posts have already been put on to a generic Business Support Assistant JEQ so that they have the same duties and also the same salary, thereby increasing equity and removing some inequality in grading.</p>
1.04	<p>The final stage of the project is to bring the portfolio teams together under a single manager and this is the subject of a separate report on the agenda. If the proposals in that report are agreed then there are a number of key actions to close the project as set out below:</p> <ul style="list-style-type: none"> • HR related tasks associated with bringing together a single team under a single manager • Budgetary realignment so that the necessary funding follows the employees • Capturing savings and ensuring that they are not double counted • A programme of training and experience sharing is required to ensure that the combined team is able to provide a more resilient service

1.05	There is a project team which contains both HR and finance representatives. The project team has drawn up an action plan for the completion of the tasks outlined above. Project management support and chief officer oversight are available to resolve problems and ensure that the action plan keeps to timetable.
1.06	Although this particular project will be closed, the service will not, of course, remain static. The review of customer service that is currently underway might have an impact on the reception duties of the administrative team. Likewise, the creation of the Integrated Transport Unit could lead to travel booking being centralised. Lastly, there is also a commitment in the Council's organisational change policy to review all restructures after 12 months to ensure that they are functioning as intended.

2.00	RESOURCE IMPLICATIONS					
2.01	The project has generated the following permanent savings, which are net of project management costs.					
	Financial Saving (£)					
	TOTAL	13/14	14/15	15/16	16/17	17/18*
	1,133,342	193,875	584,492	301,000	43,610	10,365
	*The 2017/18 savings relate to the full year effect of the positions identified in 2016/17.					

3.00	CONSULTATIONS REQUIRED / CARRIED OUT					
3.01	All affected employees and their unions have been consulted.					

4.00	RISK MANAGEMENT					
4.01	The project has a risk register that is routinely updated. A larger centralised administrative team is more resilient and so is able to provide greater guarantee of service continuity in case of absence. The risk of skill loss can also be mitigated through a programme of sharing skills and experience with team members.					

5.00	APPENDICES					
5.01	None					

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS					
6.01	None					

	<p>Contact Officer: Gareth Owens, Chief Officer (Governance) Telephone: 01352 702344 E-mail: gareth.legal@flintshire.gov.uk</p>
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7.00	GLOSSARY OF TERMS
7.01	Job Evaluation Questionnaire (JEQ) – the document used to draw up a profile of each post as part of job evaluation analysing the skills, knowledge, experience necessary for and the demands placed on the post holder by the role.



CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Thursday 16 June, 2016
Report Subject	Forward Work Programme
Cabinet Member	N / A
Report Author	Member Engagement Manager
Type of Report	Operational

EXECUTIVE SUMMARY

Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work programme of the Committee 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.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Corporate Resources Overview & Scrutiny Committee.

RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Member Engagement Manager, in consultation with the Chair and Vice-Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises.

REPORT DETAILS

1.00	EXPLAINING THE FORWARD WORK PROGRAMME
1.01	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 Improvement Plan.
1.02	<p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p> <ol style="list-style-type: none">1. Will the review contribute to the Council's priorities and/or objectives?2. Is it an area of major change or risk?3. Are there issues of concern in performance?4. Is there new Government guidance of legislation?5. Is it prompted by the work carried out by Regulators/Internal Audit?
2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Publication of this report constitutes consultation.
4.00	RISK MANAGEMENT
4.01	None as a result of this report.
5.00	APPENDICES
5.01	Appendix 1 – Draft Forward Work Programme
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Robert Robins Member Engagement Manager</p> <p>Telephone: 01352 702320</p> <p>E-mail: robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	Improvement Plan: the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.

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Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2016/17

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DATE		O&S Focus	REPORT FROM
Thursday, 14 th July 2016 10.00	LSB and strategic Partnerships Performance – end of year report	Assurance	Karen Armstrong
	Use of Consultants – update from the March meeting)	Assurance	Chief Executive & Gary Ferguson
	Year end Improvement Plan Monitoring reports	Assurance and comment	Robert Robins
	Year end Chief officer Performance reports.	Monitoring	Robert Robins
	Welsh Language Standards	Information	Fiona Mocko
	Revenue Budget Monitoring 15/16 – outturn	Monitoring	Sara Dulson
	Forward Work Programme	Approval and development	Robert Robins
Thursday, 15 th September 2016 10.00	Community Safety Partnership annual report (This is meeting is designated as a statutory crime & disorder scrutiny committee meeting)	Assurance and comment	Sian Jones
	Revenue Budget monitoring 2016/17	Monitoring	Sara Dulson
	Forward work Programme	Approval and development	Robert Robins
Thursday, 13 th October 2016 10.00	Revenue Budget monitoring 2016/17	Monitoring	Sara Dulson
	Forward work Programme	Approval and development	Robert Robins

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2016/17

Thursday 10 th November 2016 10.00	Revenue Budget monitoring 2016/17 Forward work Programme	Monitoring Approval and development	Sara Dulson Robert Robins
Thursday, 8 th December 2016 10.00	Revenue Budget monitoring 2016/17 Forward work Programme	Monitoring Approval and development	Sara Dulson Robert Robins
<i>Friday, 16th December 2016 10.00 Budget meeting</i>	<i>At the Annual Meeting, when the schedule of meetings for 2016/17 was approved, we had identified the specific slots for budget meetings for all committees in both December and January. A decision will be made at a later stage as to which are to be used.</i>		
<i>Monday, 19th December 2016 14.00</i>	<i>At the Annual Meeting, when the schedule of meetings for 2016/17 was approved, we had identified the specific slots for budget meetings for all committees in both December and January. A decision will be made at a later stage as to which are to be used. This is a budget process 'mop up' meeting and capital programme (All Members will be invited to this meeting)</i>		
Thursday, 12 th January 2017 10.00	Revenue Budget monitoring 2016/17 Forward work Programme	Monitoring Approval and development	Sara Dulson Robert Robins

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2016/17

<p>Friday 20th January 2017 10.00 budget Meeting</p>	<p><i>At the Annual Meeting, when the schedule of meetings for 2016/17 was approved, we had identified the specific slots for budget meetings for all committees in both December and January. A decision will be made at a later stage as to which are to be used.</i></p>		
<p>Friday, 27th January 2017 10.00</p>	<p><i>At the Annual Meeting, when the schedule of meetings for 2016/17 was approved, we had identified the specific slots for budget meetings for all committees in both December and January. A decision will be made at a later stage as to which are to be used.</i> <i>This is a budget process 'mop up' meeting and capital programme (All Members will be invited to this meeting)</i></p>		
<p>Items to be scheduled</p>	<p>Health and Well-being update Customer services and Call-handling update</p>	<p>Information Information</p>	

Corporate Resources Overview & Scrutiny Committee Forward Work Programme 2016/17

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