

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY, 19 FEBRUARY 2013**

**REPORT BY:**       **CHIEF EXECUTIVE AND HEAD OF FINANCE**

**SUBJECT:**           **COUNCIL FUND REVENUE BUDGET 2013/14**

**1.00**   **PURPOSE OF REPORT**

1.01    To present the finalised Council Fund Revenue budget strategy and detailed proposals for 2013/14 for recommendation to County Council on 1 March 2013.

**2.00**   **BACKGROUND**

2.01    A report was considered by Cabinet on 18 December 2012 which presented a first draft of the Council Fund Revenue Budget for 2013/14 for initial approval. Further work was to follow and the draft was to be presented to Overview and Scrutiny Committees throughout January for consultation.

2.02    The budget strategy and proposals were considered by the five Overview and Scrutiny Committees between 22 and 31 January 2013 and feedback is detailed in sections 3.07 – 3.11.

2.03    The budget strategy and proposals and their implications for school budgets were discussed with the School Budget Forum on 31 January 2013. The budget strategy and proposals were shared with the Flintshire Joint Trades Union Committee on 23 January 2013.

2.04    The formal Council Fund budget setting for 2013/14 and setting of the Council Tax for the year will take place at County Council on 1 March 2013.

**3.00**   **DEVELOPING THE BUDGET STRATEGY AND CLOSING THE GAP**

**National and Local Context**

3.01    The national and local financial context in which the budget is being set was shared and explored at Cabinet in December and with the Overview and Scrutiny Committees throughout January.

3.02 The budget strategy has been developed within the context of the Council's Medium Term Financial Strategy (MTFS). The aims of the developing strategy are:-

- To ensure revenue and capital resources are targeted to support Council priorities and to achieve their outcomes
- To fully integrate revenue and capital plans
- To maintain Council Tax increases at affordable levels for the tax payer
- To optimise opportunities for income generation from fees, charges and grants
- To maintain appropriate level of reserves and provisions
- To ensure strong financial services, systems and processes to underpin the strategy and balance annual budgets

#### **Budget Strategy 2013/14**

3.03 The objectives of the budget strategy for 2013/14 have been:-

- To respond to the reduced level of funding available to local government and the wider public sector and the ongoing impacts of the economic position
- To protect 'front line' public services despite the scale of the fiscal challenge
- To minimise the effects on communities
- To reinvest in new, expanded or improved services to meet Council Priorities wherever possible

3.04 We have sought to achieve these objectives by:-

- Challenging and 'compressing' identified service/budget pressures by drawing on evidence-based forecasting and a risk management approach
- Reviewing service/budget pressures and efficiencies identified in previous years and revising them to meet current need
- Taking a targeted approach to inflation – providing additional resources only where necessary
- Ongoing review and challenge of the in-year budget position to identify challenges and opportunities for the 2013/14 budget year
- Reviewing reserves and balances to ensure they are at the level needed
- Progressing the work streams within the Flintshire Futures Programme to achieve our efficiency savings targets.

## **Budget 'Headlines'**

3.05 The budget headlines are:-

- The draft budget as recommended is now balanced
- There are no significant cuts to services or new job reductions
- There is additional investment in Council Priorities. The investment in Schools and Social Care budgets both meets Council Priorities and exceeds the levels set by Ministers as expectations
- Core services are protected where national grant is reducing
- Provision is made to prepare communities for the impacts of Welfare Reform
- Resources are provided to invest-to-save
- The budget is protected for inflationary, economic and demographic impacts on a measured basis
- The recommended increases in council tax and fees and charges and the recommended new charges for introduction, meet the test of reasonableness and affordability

3.06 On Council Priorities specific additional investment is made in:-

- Council Priority 1: Modern and Efficient Organisation
- Council Priority 3: Modern Employer
- Council Priority 4: Customer Services
- Council Priority 5: Safeguarding the Vulnerable
- Council Priority 7: Independent and Healthy Living
- Council Priority 8: Meeting Housing Need (in conjunction with the separate report on the Housing Revenue Account Budget 2013/14)
- Council Priority 9: Learning, Play and Leisure

## **Overview and Scrutiny Considerations**

3.07 The report to Cabinet on 18 December 2012 identified a budget shortfall at that stage of £1.480m made up of £0.417m for one-off costs and £1.063m for ongoing base budget items. This report formed the basis of the Overview and Scrutiny meetings held during January:-

1.	Housing (inc HRA)	22 January
2.	Environment	24 January
3.	Lifelong Learning	25 January
4.	Social & Health Care	28 January
5.	Corporate Resources	28 January

A further Corporate Resources meeting, open to all members was held on 31 January. The purpose of the meeting was to summarise the key issues discussed for consideration by the Cabinet within this report and to resolve specific information requests from members.

- 3.08 Each of the meetings began with a corporate overview of the whole budget and the national and local strategic context jointly presented by the Chief Executive and Head of Finance. This was followed by a portfolio specific presentation by Directors on the service strategies behind the service specific budget proposals along with details of the proposed budget growth, pressures and efficiencies for 2013/14, the investment in the service area arising from the budget proposals and a forward look at the key service issues for the medium term. Cabinet members were present to explain their priorities and the reasoning behind decisions on the draft budget.
- 3.09 In addition, members were advised of a number of “live issues” which had arisen since the initial budget proposals were made and which were still under consideration. These are summarised as follows and are covered in Section 3.10 to 3.20:-

**Environment**

- Energy generation at landfill sites

**Lifelong Learning**

- Senior Management Restructure
- Music Service
- Out of County Placements
- Leisure Service
- Play Schemes
- Play Areas
- Reduction in Schools Service Level Agreement pressure

**Social and Health Care**

- Out of County Placements

**Corporate Resources**

- Council Tax Support Scheme
- Council Fund improving in-year budget projection
- Level of reserves and balances
- Municipal Mutual Insurance Risk
- Profiling of investment and organisational change needs

**Outcome from Scrutiny Meetings**

- 3.10 The outcomes from the Overview and Scrutiny meetings round were:-
- The budget proposals were noted by each committee
  - A specific request the from Lifelong Learning Committee for the Task and Finish Group’s recommendation for additional funding of £0.012m for Play Schemes to allow the programme to meet local demand from Town and Community Councils

- There was a request for information on the whole budget as context for investment or efficiency proposals. This was provided at the Corporate Resources meeting on 31 January.
  - Social and Health Care requested detail of £1.9m investment in the service.
- 3.11 Members offered comments and asked a number of questions to clarify issues and a summary of these observations and questions, together with the response of accountable officers, is attached as Appendix 9.

### **Closing the Gap**

- 3.12 At the final Corporate Resources Scrutiny meeting on 31 January, members were advised that following the Final Local Government Settlement and the ongoing work to refine efficiencies and pressures, the revised shortfall stood at £1.400m (0.362 for one-off costs and £1.038m for ongoing base budget items).
- 3.13 It was noted that to reduce the budget for Out of County Placements in 2013/14 to 60% of the projected underspend in 2012/13, would reduce the shortfall to £0.745m (further detailed work following the meeting has enabled a further reduction of £0.128m in this area). However, the cost of including new pressures raised through the Overview and Scrutiny round was in the region of £0.300m. Inclusion of these pressures would therefore increase the shortfall to an estimated £1m.

### **Achieving a Balanced Budget**

- 3.14 Key events since the initial budget proposals were presented were:-
- Notification of the Final Local Government Finance Settlement for 2013/14 from Welsh Government
  - A decision of the Board of Municipal Mutual Insurance (MMI) to 'trigger' the scheme of arrangement
  - An improved estimate of the projected out-turn in 2012/13 from a previously projected overspend to an under-spend of £0.611m
  - Revised regulations laid out by Welsh Government in January amending the level of Council Tax Support in 2013/14 from 90% to 100%
  - Full consideration of service investment and protection needs

### **Final Local Government Finance Settlement 2013/14**

- 3.15 The Final Local Government Settlement was received from the Welsh Government on 11 December 2012. This included details of the final Standard Spending Assessment (SSA), Aggregate External Finance (AEF) and Outcome Agreement Grant.

A briefing note on the changes included compared to the provisional settlement stage was sent to all members in December and is attached as Appendix 1.

### **Insurance Provision following MMI Scheme of Arrangement**

- 3.16 The Board of Municipal Mutual Insurance (MMI) has decided to 'trigger' the scheme of arrangement. This was identified in the 2011/12 accounts as a contingent liability, which did not require financial provision to be made. However, the impact of the decision is to require, under the Accounts and Audit regulations, the making of provision in the 2012/13 accounts. A separate report on this agenda provides further information on this issue and recommends that provision is made from the contingency reserve in 2012/13.

### **Projected Outturn for 2012/13**

- 3.17 The 2012/13 Month 8 Budget Monitoring report (reported separately on this agenda) shows an estimated balance of £0.497m in the Contingency Reserve as at 31<sup>st</sup> March 2013, after provision is made for the additional insurance costs with MMI (see 3.16). There is the opportunity to meet one-off items of expenditure (from the under-spend in 2012/13) and to review the level of budget required in 2013/14 for those services contributing to the under-spend, most notably the provision of Out of County Placements.

### **Council Tax Support Scheme 2013/14**

- 3.18 In anticipation of the combined impact of Welfare Reform changes and the ongoing economic situation, the initial budget proposals assumed a reduction in the Council Tax Collection Rate to 97.5% (from 99%).
- 3.19 The announcement in January of Council Tax support for 2013/14 being at 100% (instead of 90%) enables a more optimistic view to be taken of income to be collected. Whilst a revised collection rate cannot be used in setting the budget, it is reasonable to assume that there will be a surplus in-year in 2013/14. At this stage there is no indication of the level of support in future years of the funding.
- 3.20 At a 98.5% collection rate, there would be an in year surplus of £0.750m, although the final amount will depend on the collection rate achieved. It is proposed therefore to fund the costs associated with Council Tax support (£0.215m) from this in-year and to make a further contribution of £0.205m to base level of reserves to bring this up to 2% of turnover which now includes £9.6m for Council Tax support. This additional income will also provide protection against fluctuating caseloads when the level of funding is fixed. The one-off pressure of £0.027m to fund additional temporary resources within council tax has also been removed.

## Council Tax Level

- 3.21 The Council has a policy commitment to maintain Council Tax at an affordable rate for the payer. The Council has to balance the need to maintain its Council Tax base to meet cost pressures and inflation, through annual rises in Council Tax, with this commitment. In recent years the Council has set an annual Council Tax rise of between 3.0% and 3.5% to achieve this balance. The Medium Term Financial Strategy needs to profile a revenue base including local taxation income.
- 3.22 For 2013/14 the Council has to be mindful of the financial pressures on Council Tax payers which come from the economic position, welfare reform and high energy and fuel costs. For some Council Tax payers these pressures will be acute. Therefore, the Council should aim to set the lowest possible Council Tax rise to achieve the 'balancing act' explained above. A Council Tax rise of 2.9% for 2013/14 is recommended.

## Answering the Requests of Overview and Scrutiny

- 3.23 Following the round of Overview and Scrutiny Committee meetings the following is proposed to answer the requests for service investment or protection.
- **Music Service:** maintain the service at current levels without change to the charging policy and subsidised transport policy pending completion of the review of the service. The investment in service continuity pending the review, which will be completed and reported by 30 June 2013, is a maximum of £0.130m.
  - **Play Schemes:** the equitable minimum provision to be provided per area as recommended. The requests for local service enhancements, above the minimum provision, to match town and community council requests to be met in full at £0.012m. Given the risks of the continuity of national grant beyond 2013/14 and the pressure on available resources, the on-going review of future provision to be completed as part of a Cabinet-led review of priorities by 30 September 2013. The initial outcomes of the Task and Finish Group on Play is a valuable source of advice for both this annual budget recommendation and the on-going review.
  - **Play Areas:** the additional requests for town and community councils for matching funds for the renewal of play equipment in local play areas/parks to be met in full at £0.035m. The future capital and revenue needs for play areas and the scale and purpose of the annual budget to be set aside for the matching scheme to be reviewed and reported by 30 September 2013.

## Further Budget Adjustments

3.24 During the budget discussions it has been reported that there was ongoing refinement to pressures and efficiencies to reflect the latest position. These have been reflected in the final draft and the significant items are:-

- **Denominational Transport:** the efficiency has been re-profiled for implementation from the 2014/15 academic year. Entitlement will be maintained in 2013/14 pending the outcome of the consultation process.
- **Out of County Placements:** the efficiency has been increased to reflect current levels of provision with an allowance for two additional high cost placements within the year. This is seen as a minimum requirement to respond to anticipated demand.
- **Car Park Management:** the efficiency has been revised in line with the report to Cabinet (also on this agenda) following consideration by Overview and Scrutiny.
- **Investment Costs:** the revised amount included reflects available funding for investment in change which adds to funds remaining from previous investment allocations.
- **Landfill Sites:** a new pressure has been included in relation to reduced energy income generation as a result of the deteriorating quality of gas as a consequence of contamination and the age of the sites.
- **Senior Management Restructure:** an additional efficiency has been included in relation to a senior management restructure within Lifelong Learning (see separate report on this agenda)
- **Insurance Contingency:** a refinement in the efficiency in light of the MMI issue
- **Fire Levy:** a reduction in the levy amount following final notification from NW Fire and Rescue Authority.

3.25 Taking into account the issues in 3.14 to 3.24 above, and the continuing work to review new and existing pressures and efficiencies and inflation assumptions, a balanced budget position for recommendation has been achieved. A summary of how the total budget gap has been eliminated is detailed in Appendix 12.



## **Risk Assessment and Budget Management**

- 3.26 The approach to the budget has been to take a risk based approach. This has applied to new costs and efficiencies and also to assessing the on-going impacts of pressures and efficiencies in the current year's budget to ensure the robustness of the budget.
- 3.26 Inevitably in managing a budget of this scale across a large and diverse organisation, variances will occur and will be reported, along with management action to correct in monthly budget monitoring.
- 3.27 During the year, the Council will be implementing its Single Status Agreement. Where previous year or new budget proposals link with the implementation (e.g. part 3 terms and conditions efficiencies), the impact of any delay in implementation will be met from the Single Status/Equal Pay Reserve in line with the approach adopted for 2012/13.

## **Schools Budget**

- 3.28 Under the School Funding (Wales) Regulations 2010 local authorities are required to notify Welsh Government of the proposed budget for schools for the forthcoming year by 14 February each year.
- 3.29 To fulfil the First Minister's commitment of protecting school budgets by 1% above the Welsh Government revenue block grant, councils need to ensure that their net (i.e. excluding specific grants) Individual School Budget is adjusted by one percent more than the WG block grant adjustment. For 2013/14 this equates to an increase of 2.08%. The equivalent increase for 2014/15 is 1.27%. It should be noted that the protection expectation is relative to WG's funding from the UK Treasury and not the level of Individual Council settlements from WG.
- 3.30 The Council is committed to increase the level of school budget and the amount of the school budget delegated to schools. We aim to do this progressively over a number of years. This is within the strategic framework which embraces the school modernisation programme, numbers of children in school (demographic change) and investment through the 21st Century Schools Programme.
- 3.31 The proposed schools budget, as notified to WG, increases from £91.874m to £96.510m, an increase of £4.636m (4.8%). This includes grant transfers into settlement of £2.258m. The budget has been uplifted for the estimated impact of inflationary increases for both pay and non-pay costs.
- 3.32 Throughout 2012/13 there has been an ongoing review of the schools funding formula. The Specialist School formula review has been completed and this identified a shortfall of funding in this sector of £0.250m which has been addressed in the 2013/14 budget. A significant amount of analysis has been undertaken to date on the primary and secondary formulas and the objective is to have a revised formula in place for 2014/15. Any funding issues identified will be fed through into the medium term financial plan.

- 3.33 The Assembly has just notified authorities of their Post 16 Special Education Needs allocation for 2013/14. The allocations for Mainstream Schools with Sixth Forms, Special Educational Needs in Mainstream and Adult Community Learning will increase by 1%. The Welsh Government is intending to introduce a new funding formula for post 16 education in Wales by 2014/15; for 2013/14 the post 16 funds will continue to be delegated to schools on the basis of a locally agreed formula.

### **Equality Impact Assessment**

- 3.34 The Council has an obligation to assess the potential equalities impacts of its budget proposals.
- 3.35 An initial equalities impact assessment has been undertaken for all proposed efficiencies and no major risks have been identified through this work.
- 3.36 Further and more detailed impact assessments are being undertaken on a small number of efficiencies to ensure that there is no discriminatory impact in their implementation.

### **4.00 FINAL BUDGET PROPOSALS**

- 4.01 As a result of the changes outlined above total expenditure and funding now equates to £293.346m and the total budget build up is outlined below. Details of the figures making up the total budget are attached as Appendices 2-8.

**It is recommended that the 2013/14 Council Fund Revenue Budget Requirement be set at £258,284,539 (which is £1,720,145 below the calculated Standard Spending Assessment).**

<b><u>Funding</u></b>		<b>£m</b>
Revenue Support Grant (RSG)		152.733
Additional Allocation (Council Tax Support Scheme)		0.869
National Non Domestic Rates (NDR)		46.872
Council Tax		57.809
Budget Requirement		<u>258.285</u>
<b><u>Unhypothecated Grants</u></b>		
Outcome Agreement Grant		1.467
Planned Use of Contingency Reserve		0.297
Specific Grants (Estimated)		33.297
<b>Total Funding</b>		<b><u>293.346</u></b>
<b><u>Expenditure</u></b>		
Total Budget 2012/13		280.991
Previous Year's Growth / Items Dropping Out	Appendix 2	1.336
Pay & Price Inflation	Appendix 3	2.900
New Responsibilities and Transfers into the Settlement	Appendix 4	14.042
Pressures and Investments - Ongoing	Appendix 5	3.261
Pressures and Investments - One-off and Time Limited	Appendix 6	0.297
Efficiencies	Appendix 7	(5.437)
Less Specific Grants 2012/13	Appendix 8	(37.341)
Plus Specific Grants 2013/14 (Estimated)	Appendix 8	33.297
<b>Total Expenditure</b>		<b><u>293.346</u></b>
<b>Shortfall</b>		<b><u>(0.000)</u></b>

## **Income**

- 4.02 The budget proposals in this report set a budget requirement of £258,284,539. At this level of spend, the increase on the Band D Council Tax Rate (excluding Police and Town/Community Councils' precepts) is 2.9%. This equates to an increase of £27.04 on 2012/13 and a Band D rate of £959.43.

The Council Tax system in Wales contains nine property bands ranging from Band A to Band I. In order to ensure consistency between councils when reporting Council Tax information it is agreed practice that all related information is expressed in terms of Band D equivalents.

**Members are requested to confirm that there be a 2.9% increase in Council Tax at Band D and an assumed 97.5% collection rate.**

- 4.03 The amount of Outcome Agreement Grant available for 2013/14 has been advised by the Assembly. Achievement of this is subject to performance. The Council has been successful in achieving 100% of its grant in previous years and so it is a reasonable assumption for 2013/14.

**Members are requested to confirm the inclusion of the Outcome Agreement Grant of £1,467,158 in the budget.**

- 4.04 The specific grants figure is provisional, and based on the latest information known at this time. Expenditure levels will be managed within the final figures announced by the Assembly.

**Members are requested to confirm that the budget will be adjusted to reflect the actual level of specific grant received.**

### **Expenditure**

#### **Inflation**

- 4.05 Pay and Price Inflation of £2.900m is included in the budget proposals as detailed in Appendix 3. The proposals include pay inflation of £1.279m which assume a 1% increase for teaching staff from September 2013 and 1% for non-teaching staff from April 2013.
- 4.06 Price inflation of £0.988m has been included which represents a targeted 1%-2% increase for all services as required. In addition to the standard level of price inflation outlined above, central non-standard inflation of £0.766m has been included, as detailed in Appendix 3, to reflect the increasing costs of energy, fuel, business rates and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

**It is recommended that items of non-standard inflation are only allocated out to services when the actual increase in cost is known.**

- 4.07 Inflation on income amounting to £0.133m has been assumed on the yield from existing fees and charges which has generally been applied at 3%. Appendix 7a also details service areas where existing charges have been increased or new charges introduced (including inflation).

**Members are requested to confirm the levels of inflation assumed in the budget.**

- 4.08 The final settlement included various transfers in totalling £4.400m of funding previously received through a specific grant and an additional new responsibility for the Council Tax Support Scheme of £9.642m as detailed in Appendix 4.

**Members are requested to confirm the amounts included in the budget relating to transfers into and out of the settlement.**

- 4.09 Appendix 5 a-d sets out recurring pressures totalling £3.261m recommended for inclusion in the budget. These pressures are proposed to be funded from the base budget.

**Members are requested to confirm the inclusion of £3.261m of pressures in the budget.**

**It is recommended that the Council's adopted practice continues that resource to fund new pressures be approved for the purposes set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet.**

- 4.10 In addition, Appendix 6 details estimated one-off costs of £0.297m which will be funded by way of a contribution from the Contingency Reserve.

**Members are requested to confirm the inclusion of estimated one-off costs totalling £0.297m in the budget.**

- 4.11 Appendix 7a-e sets out the efficiencies, totalling £5.437m, recommended for inclusion in the budget.

**Members are requested to confirm the inclusion of efficiencies of £5.437m in the budget.**

**It is recommended that if it should become apparent that achievement of any of the savings (in full or in part) is proving to be not as anticipated, that this is dealt with corporately, with the Corporate Management Team bringing options to Cabinet for consideration.**

- 4.12 Full details of the total budget will be included in the 2013/14 Budget Book which will be made available early in the new financial year.

## **5.00 UNEARMARKED BALANCES AND EARMARKED RESERVES**

- 5.01 Under the Local Authority Accounting Panel (LAAP) Bulletin 55, the level and utilisation of all reserves must be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. As part of the budget process, officers have reviewed all of the reserves and balances held as detailed below. This is to ensure that any reserves held are at a reasonable level for the purpose for which they are intended and, if no longer required, are released back into useable funding.

- 5.02 Total Revenue Reserves comprise both the Council Fund Unearmarked balance and various Earmarked Council Fund Reserves, as reported annually in the Statement of Accounts.

- 5.03 The total value of the Council Fund reserves as at 1st April 2012 was £44.520m as outlined below:

<b>Council Fund (Unearmarked) Balance</b>	<b>£m</b>
Base Level of Unearmarked Reserves	5.564
Contingency Reserve	<u>0.992</u>
<b>Sub -Total</b>	<b>6.556</b>
<b>Earmarked Council Fund Reserves</b>	
Service Balances	6.479
Corporate Balances	24.156
Schools' Balances	2.658
Other Specific Reserves	<u>4.671</u>
<b>Total</b>	<b>44.520</b>

### **Council Fund (Unearmarked) Balance**

#### **Base Level of Reserves**

- 5.04 The Council's Medium Term Financial Strategy includes a commitment to achieving a base level of reserves of 2% of turnover. The base level of reserves as at 1st April 2012 was £5.564m and it is proposed to increase this by £0.065m in 2013/14 taking the base level of reserves to £5.629m. In addition it is planned to make a further contribution in-year from the anticipated council tax collection fund surplus (see para 3.20).

#### **Contingency Reserve**

- 5.05 When the 2012/13 budget was set, the Contingency Reserve was estimated to be £0.414m at 31st March 2012. As a result of the net under-spend reported in the final outturn for 2011/12 the actual amount in the Contingency Reserve at the year end was £0.992m.
- 5.06 Cabinet on 18 September 2012, agreed to utilise £0.361m of this additional funding to support the new leisure facilities in its first year of operation.
- 5.07 The 2012/13 Month 8 Budget Monitoring report which is also on this agenda, shows an estimated balance of £0.497m in the contingency as at 31st March 2013 after setting aside provision for the MMI trigger of the Scheme of Arrangement (see 3.16).

- 5.08 The 2013/14 budget proposals include a recommendation to utilise £0.297m of the contingency reserve to fund one-off costs which would leave an estimated amount remaining at the end of the current financial year of £0.200m.
- 5.09 Whilst the base level of reserves is a known sum which is set aside, the level of Contingency reserve is based on the current estimate and is subject to change at the end of the financial year. The level of contingency reserve will continue to be reported through the monthly budget monitoring reports.

### **Earmarked Council Fund Reserves**

- 5.10 Earmarked Council Fund Reserves include service balances/corporate balances, specific reserves and schools' balances.
- 5.11 Service balances are made up of those balances held by departments which Cabinet has agreed can be carried forward. Corporate Balances are held to meet commitments which fall in future years on specific items of expenditure.
- 5.12 The Council also holds Specific Reserves which are set aside for a specific future purpose.
- 5.13 Appendix 10 details the estimated closing balances for 2012/13 and 2013/14 in respect of all reserves and balances. The Head of Finance is satisfied that the level of these reserves is appropriate.

### **6.00 CHIEF FINANCE OFFICER REPORT ON ESTIMATES AND RESERVES**

- 6.01 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions (the reference to the first person which follows is to the Head of Finance in this role).
- 6.02 Consideration of the budget has been within the framework of the Medium Term Financial Strategy 2011/15. The specific strategy for 2013/14 has been to target inflation, robustly review the ongoing impacts of in-year pressures, challenge and compress new pressures and optimise efficiency options.
- 6.03 I confirm the reasonableness of the estimates contained in the proposed budget, having regard to the Council's spending needs in 2013/14. Inevitably in managing a budget of this scale across and large and diverse organisation variances will occur, but I believe that the budget assumptions represent a measured and acceptable level of risk.
- 6.04 Effective and disciplined in-year financial management will be key to ensuring that budgets are managed effectively and prompt action taken to mitigate the impacts should variances occur.

- 6.05 The 2013/14 budget has been prepared within the context of reduced funding available to local government and the ongoing impacts of the economic downturn. Economic forecasts show that this will be the case for some years to come. Future rises in spending need (choice and demand led) and real terms cuts in funding mean that the Council needs not only to plan ahead, but also to carefully safeguard its levels of balances.
- 6.06 The level of reserves and balances is set out in Section 5.00. Within the context described above, I recommend that the Council should maintain the level of general balances of £5.629m and the further planned in-year contribution of £0.205m in 2013/14 (alongside other specific reserves as outlined) to safeguard its position and be in a strong position to plan ahead to meet the continuing period of constraint in public sector funding, the impacts of the economic downturn and be able to invest in its priorities for the future.

## **7.00 2014/15 AND THE MEDIUM TERM**

- 7.01 The national and local financial context which was shared and explored with members through Cabinet and Overview and Scrutiny meetings during the budget process, sets the backdrop to the likely financial position over the medium term. Significant pressure on public sector finances is expected to continue to the end of the decade through a combination of UK Fiscal Policy, a flat economy and increasing demands and expectations for key services.
- 7.02 Whilst the Council has had indications of its level of funding for 2014/15 by Welsh Government, its funding forecast from the UK Treasury has subsequently been reduced. As a consequence it is highly probable that the projected budget gap of £29m over 5 years will be increased. The impacts of any WG decisions on the allocation of funding to other areas of the public sector would have a significant additional bearing.
- 7.03 In this context the Medium Term Financial Plan (MTFP) continues to be under review. The next version will be published in mid 2013, by which time the Council will have a clearer picture of a number of the investment options for key priorities including Single Status and Equal Pay, School Modernisation, School Funding Formula Review, Social Care and Capital Strategy.
- 7.04 The updated MTFP will model:-
- possible medium-term fiscal outcomes and impacts from the forthcoming comprehensive spending review and potential levels of future funding from Welsh Government
  - local taxation and income from fees and charges and other income streams
  - necessity-led and priority local choice-led budget revenue and capital needs
  - efficiency needs and opportunities



7.05 This work will inform a challenging and evidence based review of priorities for investment and priorities for disinvestment/efficiency and be a true basis and impetus for the next phase of big organisational change within the council.

7.06 The latest position on our MTFP, prior to the inclusion of this work is detailed in Appendix 11.

## **8.00 RECOMMENDATIONS**

8.01 That the Cabinet makes the following recommendations to County Council on 1 March 2013:-

1. That the 2013/14 Council Fund Revenue Budget Requirement be set at £258,284,539 (which is £1,720,145 below the calculated Standard Spending Assessment) (4.01).
2. That there be a 2.9% increase in Council Tax at Band D and an assumed 97.5% collection rate (4.02).
3. The inclusion of the Outcome Agreement Grant of £1.467m in the budget (4.03).
4. The levels of inflation assumed in the budget (4.05-4.07).
6. That items of non-standard inflation are only allocated out to services when the actual increase in cost is known (4.06).
7. The amounts included in the budget relating to transfers into and out of the settlement (4.08).
8. The inclusion of £3.261m of pressures in the budget (Appendix 5 a-d).
9. That the Council's adopted practice continues that resources to fund new pressures be approved for the purpose set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet (4.09).
10. The inclusion of estimated one-off costs totalling £0.297m in the budget (Appendix 6), to be funded from the contingency reserve.
11. The inclusion of efficiencies of £5.437m in the budget (4.11 and Appendix 7 a-e).
12. That if it should become apparent that achievement of any of the savings (in full or part) is proving to be not as anticipated that this is dealt with corporately, with the Corporate Management Team bringing alternatives to Cabinet for consideration (4.11).

13. That additional income derived from the anticipated collection fund surplus be utilised to fund welfare reform costs and increase the base level of reserves (3.20)

**9.00 FINANCIAL IMPLICATIONS**

- 9.01 As set out in the report.

**10.00 ANTI POVERTY IMPACT**

- 10.01 Individual growth and efficiency items may have specific anti-poverty impacts.

**11.00 ENVIRONMENTAL IMPACT**

- 11.01 Individual growth and efficiency items may have specific anti-poverty impacts.

**12.00 EQUALITIES IMPACT**

- 12.01 Individual growth and efficiency items may have specific equality impacts.

**13.00 PERSONNEL IMPLICATIONS**

- 13.01 Individual growth and efficiency items may have specific personnel impacts.

**14.00 CONSULTATION REQUIRED**

- 14.01 Overview and Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee.

**15.00 CONSULTATION UNDERTAKEN**

- 15.01 Overview and Scrutiny as set out in the report.

School Budget Forum and Flintshire Joint Trade Union have been updated throughout the process.

No responses received to the formal consultation with business ratepayers.

No objections received from proposals shared with Local Service Board and Regional Partners.

**16.00 APPENDICES**

- 16.01 Appendices 1-12

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

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## Briefing Note on the Final Local Government Settlement 2013/14

### Revenue

#### **Aggregate External Finance (AEF)**

- Flintshire's AEF has decreased by £0.045m compared to the provisional settlement (from £199.651m to £199.606m) as detailed below:-

	£m
Transfers Into Settlement:	
<i>Increase in Post 16 SEN Special Schools Transfer</i>	0.013
Less Council Tax Support Scheme funding	(0.050)
Distributional Changes	<u>(0.008)</u>
<b>Total</b>	<b>(0.045)</b>

#### **Standard Spending Assessment (SSA)**

Flintshire's calculated SSA has decreased by £0.120m compared to the provisional settlement (from £259.255 to £259.135m)

#### **Transfers into the Settlement**

The transfers into the settlement remain the same as per the provisional settlement with the exception of an increase of £0.013m in relation to Post 16 SEN Special Schools.

#### **Council Tax Support Scheme**

This new responsibility has been confirmed with a revised amount identified of £8.773m, a reduction of £0.050m on the provisional settlement figure. The Minister has also announced in the Final Settlement an additional £4.6m of additional funding across Wales in the current financial year to assist local authorities with the costs of introducing this new scheme and to help mitigate the wider impact of welfare reforms. Work is underway to assess the specific implications for Flintshire of this complex area.

#### **Specific Grants**

Only limited information at an All Wales level has been received to date.

#### **Outcome Agreement Grant**

Flintshire's allocation is £1.465m, a reduction of £0.002m than at the provisional stage.

#### **Regional Collaboration Fund**

The Provisional Settlement advised that £10.174 million (All Wales) had been taken out of the settlement to form a new specific grant for regional collaboration. The Final Settlement advised of a North Wales indicative allocation of £2.293m and some guidance on eligibility criteria.

### Capital

#### **General Capital Funding**

- Flintshire's general capital funding has reduced by £0.002m compared to the provisional settlement of £6.868m.

Gary Ferguson – Corporate Finance Manager (12<sup>th</sup> Dec 12)

**Budget 2013/14**  
**Council Fund - Revenue**

**Previous Years' Growth / Items Dropping Out**

	2013/14 £m	2013/14 £m
<b><u>APPROVED 2011/12 BUDGET</u></b>		
<b><u>Community Services</u></b>		
Transition to Adulthood	0.910	
Supporting People	0.200	
Provision of Hired Transport	(0.617)	
	<hr/> 0.493	
<b><u>Environment</u></b>		
Additional energy cost as a result of new street lighting	0.060	
Land searches Income	(0.020)	
Building Control Income	(0.010)	
Planning Fees Income	(0.010)	
Landfill Tax Adjustment	0.032	
	<hr/> 0.052	
<b><u>Lifelong Learning</u></b>		
Development of Broadband	(0.019)	
Transport policy review - rationalisation of non statutory entitlement	(0.072)	
Rationalisation of LEA run Music Service	(0.118)	
	<hr/> (0.209)	
<b><u>Corporate Services</u></b>		
Employers' Pension - LGPS	0.362	
Intrusion Detection & Prevention System Options	(0.040)	
Changes to Housing Benefit/Council Tax Benefit Administration Grant	0.062	
ISA Registration	0.030	
	<hr/> 0.414	
		<hr/> 0.750

**Budget 2013/14**  
**Council Fund - Revenue**

**Previous Years' Growth / Items Dropping Out**

	2013/14 £m	2013/14 £m
<b><u>APPROVED 2012/13 BUDGET</u></b>		
<b><u>Community Services</u></b>		
Increase in Homelessness costs	0.106	
Homecare - Increased complexity of care	0.100	
Transition to Adulthood	0.067	
Occupational Therapy Service	(0.020)	
Safeguarding for Adults	0.046	
Housing Renewal Agency - income	(0.013)	
Transfer of Responsibility for Community Centres from HRA	0.001	
Shortfall in achievement of Provision of Hired Transport efficiency	0.617	
Management Efficiencies Through Collaborative Working	(0.026)	
Team Manager's Post Efficiency	(0.051)	
Mold Extra Care Scheme	0.300	
	<hr/> 1.127	
<b><u>Environment</u></b>		
Rental Income Shortfalls and NNDR charges for vacant properties	0.050	
Environmental Waste Management - reduction in grant funding	0.047	
Revenue Lost due to phased disposal of Agricultural Estates	0.026	
Implementation of Highways Asset Management Plan (HAMP)	0.225	
Continuation of 2011/12 Landfill Tax efficiency	0.145	
Food Waste - increased diversion from landfill	0.128	
	<hr/> 0.621	
<b><u>Lifelong Learning</u></b>		
Extension of the centrally hosted school Moodle VLE virtual server farm and supporting infrastructure	0.050	
Transport Policy Review - rationalisation of non statutory entitlement	(0.276)	
Music Service - Adjustment to reflect decision in 2011/12 budget	0.118	
Saltney Library - Lease	0.010	
	<hr/> (0.098)	
<b><u>Corporate Services</u></b>		
Internal Insurance Fund Recharge	0.150	
Business Systems - Software Maintenance Costs	0.019	
Prudential Borrowing Requirement for Capital Investment	0.112	
Methods of Payment	(0.075)	
Review of Admin and Support (Council-wide)	(0.300)	
Procurement Review	(0.022)	
Changes to Housing Benefit/Council Tax Benefit Administration Grant	0.122	
	<hr/> 0.006	
<b><u>Council-Wide</u></b>		
Asset Management - planned closure of externally leased properties	(0.097)	
	<hr/> (0.097)	
		<hr/> 1.559

**Budget 2013/14****Council Fund - Revenue****Previous Years' Growth / Items Dropping Out**

	<b>2013/14</b>	<b>2013/14</b>
	<b>£m</b>	<b>£m</b>
<b>ONE OFF AND TIME-LIMITED PRESSURES</b>		
<b><u>Lifelong Learning</u></b>		
Review of Kitchens	(0.150)	
Play Areas Additional Allocation for Match Funding	(0.022)	
Flint Leisure Centre - loss of income due to effects of redevelopment	(0.076)	
School Maternity Costs	(0.060)	
Redundancy and early retirement costs from schools	(0.219)	
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	<b>(0.527)</b>	
<b><u>Environment</u></b>		
Local Transport Services Grant	(0.149)	
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	<b>(0.149)</b>	
<b><u>Corporate Services</u></b>		
Public Sector Broadband Aggregation	(0.098)	
Base Level of Reserves - 'Top-Up to 2% of Turnover	(0.088)	
Telephone Maintenance	(0.031)	
County Elections - May 2012	(0.080)	
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	<b>(0.297)</b>	
		<hr style="width: 100%; border: 0.5px solid black;"/>
		<b>(0.973)</b>
		<hr style="width: 100%; border: 0.5px solid black;"/>
<b>Total Previous years items</b>		<b><u><u>1.336</u></u></b>

**Budget 2013/14**  
**Council Fund - Revenue**

**Inflation**

	£m	£m
<b><u>Pay</u></b>		
Non-Teachers Pay Inflation from April 2013 (1%)	0.914	
Teachers Pay Inflation from September 2013 (1%)	<u>0.365</u>	
		1.279
<b><u>Price</u></b>		
Targeted General Price Inflation (1-2%)	<u>0.988</u>	
		0.988
<b><u>Non Standard</u></b>		
Energy - Street Lighting (10%)	0.079	
Energy - Other (8%)	0.285	
Fuel (11.2%)	0.187	
Food (5.8%)	0.141	
Non-Domestic Rates (2.3%)	<u>0.074</u>	
		0.766
<b><u>Income (3% - see also Fees and Charges Efficiencies)</u></b>		(0.133)
<b>Total Inflation</b>		<u><u>2.900</u></u>

## Budget 2013/14

## Council Fund - Revenue

## New Responsibilities and Transfers Into the Settlement

	£m	£m
<b><u>New Responsibilities</u></b>		
Council Tax Support Scheme	8.773	
Additional Support (100% from 90%)	<u>0.869</u>	
		9.642
<b><u>Transfers In From Specific Grant Funding</u></b>		
Blue Badge Scheme Grant	0.018	
Appetite for Life Grant	0.121	
School Counselling Grant	0.224	
School Breakfasts Grant	0.560	
Local Government Borrowing Initiative Grant	0.385	
Post 16-SEN in Mainstream Grant	0.126	
Post 16-SEN Special Schools and Out of County Grant	1.348	
Learning Disabilities Resettlement Grant	<u>1.618</u>	
		4.400
<b>Total New Responsibilities and Transfers Into the Settlement</b>		<b><u><u>14.042</u></u></b>



**Budget 2013/14**  
**Council Fund - Revenue**

**Summary of Pressures and Investments**

		<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
Economic Impact	Appendix 5a	0.347	0.347	0.847
Welsh Government Policy / Legislative	Appendix 5b	0.078	0.088	0.088
Other Pressures and Investments	Appendix 5c	2.545	2.676	3.918
Council Priority / Invest to Save	Appendix 5d	0.291	1.888	2.804
<b>Total</b>		<b><u>3.261</u></b>	<b><u>4.999</u></b>	<b><u>7.657</u></b>

## Appendix 5a

## Budget 2013/14

## Council Fund - Revenue

## Pressures and Investments - Economic Impact

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Environment</u></b>			
Rental Income Shortfalls for vacant Properties	0.050	0.050	0.050
Income reduction due to Power Station closures	0.120	0.120	0.120
	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>
<b><u>Lifelong Learning</u></b>			
Reduced income - Deeside Ice Rink	0.177	0.177	0.177
	<u>0.177</u>	<u>0.177</u>	<u>0.177</u>
<b><u>Corporate Services</u></b>			
Income reduction - Vacation of former Council Offices , Ewloe	-	-	0.500
	<u>-</u>	<u>-</u>	<u>0.500</u>
<b>Total</b>	<b><u>0.347</u></b>	<b><u>0.347</u></b>	<b><u>0.847</u></b>

**Budget 2013/14**  
**Council Fund - Revenue****Pressures and Investments - Welsh Government Policy / Legislative**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><u>Community Services</u></b>			
Mental Health - Additional Social Work support	0.032	0.042	0.042
Learning Disability resettlement grant - impact of transfer into RSG	0.046	0.046	0.046
<b>Total</b>	<b><u>0.078</u></b>	<b><u>0.088</u></b>	<b><u>0.088</u></b>

**Budget 2013/14**  
**Council Fund - Revenue**

**Other Pressures and Investments**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Community Services</u></b>			
Transition to Adulthood	0.138	0.267	1.506
Family Placement team (Children's Services)	0.110	0.110	0.110
Disabled Facility Grants / Aids and Adaptations	0.046	0.062	0.062
Independent Sector residential fees	0.115	0.115	0.115
	0.409	0.554	1.793
<b><u>Council Wide</u></b>			
Closure of externally leased properties - revision to previous efficiency	0.097	0.097	0.097
	0.097	0.097	0.097
<b><u>Corporate Services</u></b>			
Criminal Records Bureau (CRB) checks	0.070	0.070	0.070
Methods of Payment - delayed efficiency	0.075	0.075	0.075
	0.145	0.145	0.145
<b><u>Environment</u></b>			
Landfill Sites - reduced income generation - energy	0.144	0.144	0.144
	0.144	0.144	0.144
<b><u>Lifelong Learning</u></b>			
Review of Schools kitchens - revision to previous efficiency	0.300	0.300	0.300
Cleaning Services - Loss of contract income	0.050	0.050	0.050
Staffing Budget Shortfall following restructure	0.120	0.103	0.103
Music Licensing - increased costs	0.037	0.037	0.037
Health & Safety issues - Deeside Leisure Centre	0.025	0.025	0.025
Transport Policy review - previous efficiency unachieved - replaced by new efficiencies	0.348	0.348	0.348
Free School Meals - increased demand	0.144	0.147	0.150
School Remissions - increased demand	0.085	0.085	0.085
Schools redundancy / early retirement costs	0.219	0.219	0.219
Schools maternity pay costs	0.060	0.060	0.060
Special Schools Investment - Formula Review	0.250	0.250	0.250
Play Schemes - Match Funding	0.012	0.012	0.012
Music Service	0.100	0.100	0.100
	1.750	1.736	1.739
<b>Total</b>	<b>2.545</b>	<b>2.676</b>	<b>3.918</b>

**Budget 2013/14**  
**Council Fund - Revenue**

**Pressures and Investments - Council Priority / Invest to Save**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Council Wide</u></b>			
Investment in Organisational Change and Priorities	0.420	2.000	2.000
Revised Effect of Prudential Borrowing costs for agreed Capital Projects (change due to revised interest rates and receipt of grant funding)	(0.129)	(0.112)	0.804
<b>Total</b>	<b><u>0.291</u></b>	<b><u>1.888</u></b>	<b><u>2.804</u></b>

## Budget 2013/14

## Council Fund - Revenue

## Pressures and Investments - One-Off and Time Limited

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Corporate Services</u></b>			
Base Level of Reserves - 2% of Turnover	0.065	0.000	0.000
	<hr/>	<hr/>	<hr/>
	0.065	0.000	0.000
<b><u>Lifelong Learning</u></b>			
School Modernisation Programme	0.025	0.000	0.000
Schools Service Level Agreements (SLA's)	0.172	0.000	0.000
Play Areas - Match Funding	0.035	0.000	0.000
	<hr/>	<hr/>	<hr/>
	0.232	0.000	0.000
<b>Total</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>0.297</b>	<b>0.000</b>	<b>0.000</b>

**Budget 2013/14**  
**Council Fund - Revenue**  
**Summary of Efficiencies**

		<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
Fees & Charges	Appendix 7a	0.586	0.723	0.760
Service Change	Appendix 7b	1.631	1.569	1.344
Procurement	Appendix 7c	1.803	1.949	2.005
Organisational Design	Appendix 7d	0.531	0.574	0.574
Other Efficiencies	Appendix 7e	0.886	0.913	0.963
<b>Total</b>		<b><u>5.437</u></b>	<b><u>5.728</u></b>	<b><u>5.646</u></b>

**Budget 2013/14**  
**Council Fund - Revenue**  
**Efficiencies - Fees & Charges**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>EXISTING CHARGES</u></b>			
<b><u>Community Services</u></b>			
Residential Charging - increased income from demand	0.100	0.100	0.100
	<u>0.100</u>	<u>0.100</u>	<u>0.100</u>
<b><u>Environment</u></b>			
Agricultural Estate rentals	0.008	0.008	0.008
Public Protection - increase to market rates	0.025	0.025	0.025
Markets Service - increased lettable space	0.019	0.019	0.019
	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
<b><u>Lifelong Learning</u></b>			
Library Service - Fines	0.001	0.001	0.001
Library - Hire charges increase	0.001	0.001	0.001
Leisure Services - increased charges	0.175	0.175	0.175
	<u>0.177</u>	<u>0.177</u>	<u>0.177</u>
<b><u>Finance - Corporate Services</u></b>			
Revenues - increased number of Council Tax fines	0.027	0.027	0.027
	<u>0.027</u>	<u>0.027</u>	<u>0.027</u>
<b><u>ICT &amp; Customer Services - Corporate Services</u></b>			
Registrars - increased fees	0.019	0.019	0.019
	<u>0.019</u>	<u>0.019</u>	<u>0.019</u>
<b>Total</b>	<b><u>0.375</u></b>	<b><u>0.375</u></b>	<b><u>0.375</u></b>



**Budget 2013/14**  
**Council Fund - Revenue**  
**Efficiencies - Fees & Charges**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>NEW CHARGES</u></b>			
<b><u>Community Services</u></b>			
Mental Health Service users	0.018	0.018	0.018
	<u>0.018</u>	<u>0.018</u>	<u>0.018</u>
<b><u>Environment</u></b>			
Traffic Regulation order Notices	0.013	0.013	0.013
Streetscene - leachate processing	0.075	0.075	0.075
Car Park Management	0.056	0.102	0.109
	<u>0.144</u>	<u>0.190</u>	<u>0.197</u>
<b><u>Lifelong Learning</u></b>			
Review of post 16 distance limit	0.030	0.051	0.051
Review of Denominational transport provision	0.000	0.070	0.100
	<u>0.030</u>	<u>0.121</u>	<u>0.151</u>
<b><u>Legal &amp; Democratic - Corporate Services</u></b>			
External Fees - conveyancing / S106 agreements	0.015	0.015	0.015
	<u>0.015</u>	<u>0.015</u>	<u>0.015</u>
<b><u>ICT &amp; Customer Services - Corporate Services</u></b>			
Network Services - income from hosting PSBA equipment	0.004	0.004	0.004
	<u>0.004</u>	<u>0.004</u>	<u>0.004</u>
<b>Total</b>	<b><u>0.211</u></b>	<b><u>0.348</u></b>	<b><u>0.385</u></b>
<b>Grand Total</b>	<b><u>0.586</u></b>	<b><u>0.723</u></b>	<b><u>0.760</u></b>

**Budget 2013/14**  
**Council Fund - Revenue**

**Efficiencies - Service Change**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Community Services</u></b>			
Reablement in the level of extra care	0.100	0.100	0.100
Preserved Rights - reduced activity levels	0.053	0.053	0.053
External funding for existing post - Children's Services	0.043	0.043	0.043
Family Placement team - revision of existing practices	0.040	0.040	0.040
Early retirement - non replacement of staff - CSA	0.015	0.015	0.015
General Office Administration review	0.021	0.021	0.021
Housing efficiency savings	0.028	0.028	0.028
Homelessness - timing of presentations	0.106	0.000	0.000
Youth Justice - appropriate adult service	0.010	0.010	0.010
Legal Fees - use of solicitors / barristers	0.010	0.010	0.010
Children's Services - Transport costs efficiency	0.015	0.015	0.015
Children's Services - FAST team budget reduction	0.010	0.010	0.010
Preventative foster care service - day care	0.005	0.005	0.005
	<hr/> 0.456	<hr/> 0.350	<hr/> 0.350
<b><u>Chief Executive's - Corporate Services</u></b>			
Corporate Comms - reduced workforce bulletins	0.003	0.003	0.003
Emergency Planning - collaborative working	0.000	0.025	0.025
	<hr/> 0.003	<hr/> 0.028	<hr/> 0.028
<b><u>Corporate Finance - Corporate Service</u></b>			
Clwyd Theatr Cymru - Agreed reduction to	0.015	0.015	0.015
	<hr/> 0.015	<hr/> 0.015	<hr/> 0.015
<b><u>ICT &amp; Customer Services - Corporate Services</u></b>			
Information & Business services - use of LLPG	0.000	0.014	0.014
	<hr/> 0.000	<hr/> 0.014	<hr/> 0.014

**Budget 2013/14**  
**Council Fund - Revenue**

**Efficiencies - Service Change**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>HR &amp; OD - Corporate Services</u></b>			
CRB checks - review of options	0.035	0.035	0.035
	0.035	0.035	0.035
<b><u>Legal &amp; Democratic - Corporate Services</u></b>			
Democratic Services - reduced paper usage	0.010	0.010	0.010
Members Allowances (Basic Allowance) - no inflationary increase	0.010	0.010	0.010
Members Allowances - Special Responsibility Allowances - reduction of number allocated	0.070	0.070	0.070
Members Allowances - NI contributions reduction linked to reduced number of Special Responsibility allowances	0.010	0.010	0.010
	0.100	0.100	0.100
<b><u>Environment</u></b>			
Street Lighting - non-residential areas post midnight turn-off	0.050	0.050	0.050
Highways Asset Management Plan (HAMP) - rephasing of full implementation	0.225	0.225	0.000
Public Conveniences - revisit of strategy	0.050	0.050	0.050
Streetscene - implementation of Part III agreement	0.300	0.300	0.300
Waste Services - vehicle savings from full roll out of Saturday collection	0.140	0.140	0.140
Business Development team - agile working	0.004	0.004	0.004
Staff travel - reduced mileage payments	0.003	0.003	0.003
Directorate Support & Performance - Supplies and Stationery - Streamline current processes	0.008	0.008	0.008
	0.780	0.780	0.555

**Budget 2013/14**  
**Council Fund - Revenue**

**Efficiencies - Service Change**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Lifelong Learning</u></b>			
Operational efficiencies	0.025	0.025	0.025
Youth Service - reduction of senior area workers	0.032	0.032	0.032
Youth Service - term time only contracts	0.026	0.026	0.026
Youth Service - Service reconfiguration	0.012	0.012	0.012
Youth Service - Building costs savings	0.011	0.011	0.011
Youth Service - Building rationalisation	0.005	0.010	0.010
Facilities - Management / Central Office - structure review	0.015	0.015	0.015
Facilities - County Hall revised opening hours - reduced energy / overtime costs	0.025	0.025	0.025
LL ICT - Interim Service review - post reduction	0.025	0.025	0.025
Leisure Services - removal of swimming subsidy	0.023	0.023	0.023
Directorate Management Team Restructure	0.043	0.043	0.043
	<u>0.242</u>	<u>0.247</u>	<u>0.247</u>
<b>Total</b>	<u><u>1.631</u></u>	<u><u>1.569</u></u>	<u><u>1.344</u></u>

**Budget 2013/14**  
**Council Fund - Revenue**

**Efficiencies - Procurement**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Community Services</u></b>			
PARIS - post implementation expenditure review	0.030	0.030	0.030
Housing Services - Supplies and Services	0.003	0.003	0.003
Social Care - Supplies and Services	0.075	0.075	0.075
Procurement Hub - regional procurement of high cost low volume placements	0.020	0.020	0.020
Children's Services - out of county placements - improved procurement practice	0.533	0.533	0.533
Transport Review - revised contracts	0.025	0.025	0.025
	<u>0.686</u>	<u>0.686</u>	<u>0.686</u>
<b><u>Chief Executive's - Corporate Services</u></b>			
Employee / Residents Consultations - reduction in number	0.003	0.003	0.003
Supplies and Services	0.010	0.000	0.000
Joint Working - costs reduction	0.002	0.000	0.000
Alterations / Improvements reductions - future agile working	0.002	0.000	0.000
Employee Safety Measures - reduced demand on budget	0.010	0.015	0.015
Community Strategy / LSB partnership - reduction in planned requirements	0.000	0.005	0.005
Conferences/Seminars/Lectures - reduced attendance	0.001	0.001	0.001
	<u>0.028</u>	<u>0.024</u>	<u>0.024</u>
<b><u>ICT &amp; Customer Services - Corporate Services</u></b>			
Training Budget - Procurement via new solutions	0.001	0.001	0.001
Reduced maintenance costs due to new security equipment	0.025	0.025	0.025
Networking Hardware - reduced procurement	0.002	0.002	0.002
ICT Cabling - reduction enabled by IPT solution	0.002	0.002	0.002
Leasing - budget adjustment	0.006	0.006	0.006
Software Licensing - Microsoft licences procured through other agreements	0.010	0.010	0.010
Hardware Maintenance - letting of MFD contracts	0.001	0.001	0.001
Reduce influencable spend by 3%	0.004	0.004	0.004
Reduced ICT Expenditure	0.003	0.003	0.003
Rationalisation of third party software costs	0.013	0.013	0.013
Avoidance of inflationary rises - software maintenance costs	0.020	0.020	0.020
Reduced licence costs - via renegotiation	0.018	0.018	0.018
Supplies and Services	0.061	0.061	0.061
Training budget reduction - build around training solutions	0.001	0.001	0.001
Alterations & Improvements - Datacentres	0.004	0.004	0.004
Other Consumables - reduction in expenditure	0.001	0.001	0.001
Hardware Maintenance - new technology with warranty	0.015	0.015	0.015
Listing Paper - More use of electronic means	0.002	0.002	0.002
Enterprise Servers - hardware	0.003	0.003	0.003
Services work and Consultancy	0.004	0.004	0.004
	<u>0.196</u>	<u>0.196</u>	<u>0.196</u>

**Budget 2013/14**  
**Council Fund - Revenue**

**Efficiencies - Procurement**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>HR &amp; OD - Corporate Services</u></b>			
Supplies & Services	0.009	0.009	0.009
	<u>0.009</u>	<u>0.009</u>	<u>0.009</u>
<b><u>Finance - Corporate Services</u></b>			
Supplies & Services	0.012	0.012	0.012
	<u>0.012</u>	<u>0.012</u>	<u>0.012</u>
<b><u>Environment</u></b>			
Waste Services - Tender Transport arrangements for waste disposal	0.050	0.050	0.050
Transportation Services - Review of subsidised Bus Service Contracts and re-tender	0.036	0.036	0.036
Reduction in use of consultants	0.013	0.013	0.013
Reduction in influencable spend	0.025	0.025	0.025
Streamline current processes within Directorate Support	0.020	0.020	0.020
	<u>0.144</u>	<u>0.144</u>	<u>0.144</u>
<b><u>Lifelong Learning</u></b>			
Reduction of Postage within the Library Service	0.001	0.002	0.002
Out of County - Improved procurement through framework agreements and monitoring of placements.	0.385	0.385	0.385
School Transport Service - Operational efficiencies	0.080	0.120	0.120
	<u>0.466</u>	<u>0.507</u>	<u>0.507</u>
<b><u>Flintshire Futures Programme</u></b>			
E-Procurement and Improved Processes	0.102	0.211	0.267
Internal Fleet Review	0.160	0.160	0.160
	<u>0.262</u>	<u>0.371</u>	<u>0.427</u>
<b>Total</b>	<b><u>1.803</u></b>	<b><u>1.949</u></b>	<b><u>2.005</u></b>

## Budget 2013/14

## Council Fund - Revenue

## Efficiencies - Organisational Design

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Chief Executive - Corporate Services</u></b>			
Reduction in mileage travelled - Emergency Planning	0.001	0.001	0.001
	<hr/> 0.001	<hr/> 0.001	<hr/> 0.001
<b><u>Community Services</u></b>			
Review of Supported Living Service	0.350	0.350	0.350
Service Review of Warden Service	0.018	0.018	0.018
Children's Services - Removal of one team manager post	0.040	0.053	0.053
Development and Resources - Rationalisation of Management Team	0.050	0.100	0.100
	<hr/> 0.458	<hr/> 0.521	<hr/> 0.521
<b><u>Environment</u></b>			
Review Management Recharge to the Communities First Programme	0.020	0.000	0.000
	<hr/> 0.020	<hr/> 0.000	<hr/> 0.000
<b><u>Lifelong Learning</u></b>			
Libraries - Flexible retirement	0.015	0.015	0.015
Libraries - Library Service Review	0.037	0.037	0.037
	<hr/> 0.052	<hr/> 0.052	<hr/> 0.052
<b>Total</b>	<hr/> <b>0.531</b>	<hr/> <b>0.574</b>	<hr/> <b>0.574</b>

**Budget 2013/14**  
**Council Fund - Revenue**

**Efficiencies - Other**

	2013/14 £m	2014/15 £m	2015/16 £m
<b><u>Flintshire Futures Programme</u></b>			
Assets Workstream - Facilities Management	0.060	0.060	0.060
Assets Workstream - Office Rationalisation	0.000	0.077	0.077
Customer Workstream - Contact Centre	0.100	0.100	0.100
Customer Workstream - Face to Face Customer Contact	0.100	0.100	0.100
Customer Workstream - Channel Shift	0.100	0.100	0.150
	0.360	0.437	0.487
<b><u>Corporate Financing - Corporate Services</u></b>			
Reduced contingencies - one-off investment costs	0.240	0.240	0.240
Reduced contingencies - NDR	0.077	0.077	0.077
Reduction in Fire Levy due to formula changes	0.027	0.027	0.027
	0.344	0.344	0.344
<b><u>Environment</u></b>			
Agricultural Estates - balance not required	0.025	0.000	0.000
Licensing / Health & Safety - balance not required	0.025	0.000	0.000
	0.050	0.000	0.000
<b><u>Lifelong Learning</u></b>			
Demographic Change in Schools (pupil numbers)	0.132	0.132	0.132
	0.132	0.132	0.132
<b>Total</b>	<b>0.886</b>	<b>0.913</b>	<b>0.963</b>



**Budget 2013/14**  
**Council Fund - Revenue**

**Specific Grants**

		<i>Budget</i>	<i>Projection</i>	<i>Variance to</i>	<i>Confirmed (C)</i>
		<i>2012-13</i>	<i>2013-14</i>	<i>2012-13</i>	<i>or Estimated (E)</i>
		<i>£</i>	<i>£</i>	<i>£</i>	
<b>Lifelong Learning</b>	Appetite For Life (1)	128,233		(128,233)	<b>C</b>
	Basic Skills	316,000	316,000	0	<b>E</b>
<b>Non Delegated</b>	Community Learning	3,278	3,311	33	<b>E</b>
	Families First	1,676,539	1,735,118	58,579	<b>E</b>
	Post 16 SEN provision in schools (1)	1,484,465		(1,484,465)	<b>C</b>
	Education of Travellers	81,534	89,687	8,153	<b>E</b>
	Flying Start	1,566,170	1,652,623	86,453	<b>E</b>
	Foundation Phase	4,818,344	5,021,196	202,852	<b>E</b>
	Foundation Phase Pilot/Early Start Funding	39,581	39,581	0	<b>E</b>
	Free School Milk	179,773	179,773	0	<b>E</b>
	Free Swimming 60+	60,000	60,000	0	<b>E</b>
	Free Swimming Children/Young People	104,807	104,807	0	<b>E</b>
	Funding for Youth Work Training in Wales	22,000	22,000	0	<b>E</b>
	Learning Pathways 14-19	664,080	664,080	0	<b>E</b>
	Minority Ethnic Achievement	101,822	106,913	5,091	<b>E</b>
	National Exercise Referral	0	125,000	125,000	<b>C</b>
	NE Wales Play Forum	61,660	61,660	0	<b>E</b>
	Primary School Free Breakfast Initiative (1)	707,382		(707,382)	<b>C</b>
	School Effectiveness Grant	1,078,580	1,078,580	0	<b>E</b>
	School Uniform Financial Assistance Scheme	30,080	30,080	0	<b>E</b>
	School-based counselling services (1)	228,134		(228,134)	<b>C</b>
	Unlocking the Potential of Special Schools	45,572	45,572	0	<b>E</b>
	Welsh Language (Athrowen Bro and WEG)	218,568	226,611	8,043	<b>E</b>
	Welsh Medium Bilingual Grant	46,940	46,940	0	<b>E</b>
	Welsh Network of Healthy School Schemes	87,320	87,320	0	<b>E</b>
	Youth Service Revenue Grant	90,330	90,330	0	<b>E</b>
		<b>13,841,192</b>	<b>11,787,182</b>	<b>(2,054,010)</b>	
<b>Delegated</b>	DCELLS (Post 16 provision in schools)	6,025,131	6,025,131	0	<b>E</b>
		<b>6,025,131</b>	<b>6,025,131</b>	<b>0</b>	
<b>Community Services</b>	Funding to Implement the Mental Health Act 2007	12,770	12,770	0	<b>E</b>
	LD Strategy Resettlement (1)	1,649,536	0	(1,649,536)	<b>E</b>
	Social Care Workforce Development Programme	346,969	346,969	0	<b>E</b>
	Supporting People	7,109,307	6,824,935	(284,372)	<b>E</b>
	Well Being Activity	25,000	25,000	0	<b>E</b>
	Youth Service Community Safety Grants	60,851	60,851	0	<b>E</b>
	YOT / Youth Justice Board	327,280	327,280	0	<b>E</b>
		<b>9,531,713</b>	<b>7,597,805</b>	<b>(1,933,908)</b>	
<b>Environment</b>	Communities First	873,205	708,911	(164,294)	<b>E</b>
	Concessionary Travel	1,917,131	1,970,427	53,296	<b>E</b>
	Crime Reduction and Anti Social Behaviour	144,461	144,461	0	<b>E</b>
	Domestic Abuse Co-ordinator Funding	27,500	27,500	0	<b>E</b>
	Local Transport Services	397,572	399,062	1,490	<b>E</b>
	Planning - Delivering for Wales	70,000	70,000	0	<b>E</b>
	Safer Communities Fund	205,446	221,882	16,436	<b>E</b>
	Substance Misuse	833,165	926,141	92,976	<b>E</b>
	Sustainable Waste Management	3,334,303	3,287,189	(47,114)	<b>E</b>
	Tidy Towns	90,233	81,742	(8,491)	<b>E</b>
		<b>7,893,016</b>	<b>7,837,315</b>	<b>(55,701)</b>	
<b>Corporate Services</b>	LSB Development Support Grant	50,000	50,000	0	<b>E</b>
		<b>50,000</b>	<b>50,000</b>	<b>0</b>	
<b>Total</b>		<b>37,341,051</b>	<b>33,297,433</b>	<b>(4,043,618)</b>	

**OVERVIEW & SCRUTINY**  
**Social & Health - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
1.0	<p><b><u>Social &amp; Health Comments / Issues</u></b></p>	
1.1	<p><b><u>General Comments / Issues</u></b></p>	
1.1.1	<ul style="list-style-type: none"> <li>▪ Will equality impact assessments be completed before any changes are made to the service e.g. review of Supported Living service?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Yes. Equality impact assessments will be completed prior to any changes being made to services.</li> </ul>
1.1.2	<ul style="list-style-type: none"> <li>▪ What impact will Welfare Reform have on the current budget proposals, what provisions are being made, and will current charges have to increase?</li> </ul>	<ul style="list-style-type: none"> <li>▪ There will be impacts particularly for services where charges are made. Where families are on reduced income or benefits in particular there will be an impact. Although no specific provision is being made for the direct impacts, Social &amp; Health service managers are working closely with the corporate team looking at the impacts of Welfare reform for the whole of the Council, and a holistic approach will be taken to help families. Provision is being made for additional staff to help with preventative work liaising closely with families and the Welfare Rights team. There will also be intensive training for all staff dealing at the front line with clients affected by the impacts of welfare reform. There is also the wider perspective of the Council's work with the Welfare Reform Board involving a cross-directorate approach and also engaging with other stakeholders and representatives from other support networks. No increases will be made to charges as a consequence and there is a ceiling of £50 per week.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Social & Health - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
1.1.3	<ul style="list-style-type: none"> <li>▪ A concern was raised about provision for clients with dementia conditions. The concern related to possible future impacts on Flintshire of decisions made by the Betsi Cadwaladr University Health Board (BCUHB) resulting in additional burdens being placed on the Council for clients with dementia care needs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ This was acknowledged to be a major risk area. Urgent review will be a key priority, including a meeting with representatives from BCUHB. It is a national issue and there are UK studies on sustainability. It is also intended to hold a forum of representatives from Flintshire and neighbouring Authorities to discuss the risks as the extent of impacts is unclear. There was expected to be an additional demand on services. Acknowledgement was made of the level of support within Flintshire for dementia related services including extra care facilities and Living Well. Retaining people within local communities is considered to be the best solution.</li> </ul>
1.1.4	<ul style="list-style-type: none"> <li>▪ Clarification was sought on the quoted figure of £1.9m for investment in protection of key front-line Social Care services.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The figure reflects the value of new pressures and efficiencies in 2013/14, impacts of previous years budget decisions, provision for possible pay awards and non pay inflation.</li> </ul>
1.1.5	<ul style="list-style-type: none"> <li>▪ A concern was raised about future increases in population putting pressure on Council services recognising that there are major new housing developments currently under way within Flintshire.</li> </ul>	<ul style="list-style-type: none"> <li>• Confirmation was given that population growth has been factored in for future years.</li> </ul>
1.1.6	<ul style="list-style-type: none"> <li>▪ New charges for Mental Health service users - who will this impact upon?</li> </ul>	<ul style="list-style-type: none"> <li>• Historically mental health service users have not been charged. This brings mental health service users in line with other service users but will not affect individuals supported under Section 117.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Social & Health - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
<b>2.0</b>		
2.1	<p><b><u>Pressures</u></b></p> <ul style="list-style-type: none"> <li>▪ An explanation was requested regarding the increase in the pressure amount from £0.138m in 2013/14 to £1.506m in 2015/16 for Transition to Adulthood.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The budget process is a three year cycle. The figures don't reflect investment already approved in previous years, but the additional growth requirement in 2013/14 as a result of new factors and influences on service demand which couldn't have been foreseen previously.</li> </ul>
2.2	<ul style="list-style-type: none"> <li>▪ Disabled Facility Grants - the pressure amount of £0.046m rising to £0.062m in 2014/15 and 2015/16 seems a small amount considering the increasing number of referrals month by month.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The pressure bid will provide additional Disability Support Officer provision for ½ post per locality area which should release capacity in the case load for the occupational therapists. Work is also progressing to encourage clients to be signposted to support their own low level adaptation needs.</li> </ul>
2.3	<ul style="list-style-type: none"> <li>▪ Mental Health (Additional Social Work support) £0.032m as a result of policy / legislative changes made by Welsh Government - has any additional funding been made available to support this pressure ?</li> </ul>	<ul style="list-style-type: none"> <li>▪ No additional funding has been allocated from Welsh Government. There is an overall accumulation of additional costs to the Council as a result of the introduction of Welsh Government measures.</li> </ul>
<b>3.0</b>		
3.1	<p><b><u>Efficiencies</u></b></p> <ul style="list-style-type: none"> <li>▪ Review of the Supported Living Service (£0.350m) - This is a very large efficiency - how will this be achieved ?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Changes proposed include reviewing the management structure, applying organisational design principles to the in-house supported living service, reviewing care packages to ensure consistency with other services and further use of telecare as appropriate.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
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<b>PART ONE - Corporate Services</b>		
<b><u>Corporate Comments / Issues</u></b>		
1.0		
1.1	<ul style="list-style-type: none"> <li>Can the reduction in the budget gap from £11m in July to £1.5m at 18<sup>th</sup> December be explained?</li> </ul>	<ul style="list-style-type: none"> <li>The £11m budget gap as at July was the starting point prior to a rigorous examination of pressures. This include a lengthy review and challenge process leading to identification of efficiencies totalling £5m and a reduction of £4.5m in the value of pressures.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>Has the recent Welsh Government announcement on Welfare Reform relating to the removal of the need for some people who previously received 100% Council Tax benefit to pay 10% in the future changed the Council tax base for those Town and Community Councils which had made provision for bad debt?</li> </ul>	<ul style="list-style-type: none"> <li>Although the Council Tax base cannot be changed, there will be a beneficial impact for Flintshire in terms of bad debt. We had made provision for collecting 97.5 % of Council Tax as opposed to our customary 99 %, so it is possible that there will now be a surplus achieved on Council Tax collection in 2013/14.</li> </ul>
1.3	<ul style="list-style-type: none"> <li>Please clarify the difference between this being a "stepping stone" budget between the previous and the new Council as stated in the report to Cabinet on 18<sup>th</sup> December.</li> </ul>	<ul style="list-style-type: none"> <li>At a time of volatility we are aware of potential pitfalls and we need to ensure that we prepare properly for the future. Flintshire Futures is a key part of our strategy to protect front line services. The status quo is not an option and we will need to become more radical in aligning finances with the new challenges.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>Is the assumption of a 3% increase in a Band D property a new proposal?</li> </ul>	<ul style="list-style-type: none"> <li>This is consistent with the approach which has been adopted in previous years and the Council's Medium</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
1.5	<ul style="list-style-type: none"> <li>• Why is there an assumption that we will budget at £1.738m below Standard Spending Assessment (SSA)?</li> </ul>	<p>Term Financial Strategy (MTFS).</p> <ul style="list-style-type: none"> <li>• This is because if we were to spend up to our standard spending assessment, we would actually need to increase Council Tax by 6% rather than 3% to achieve it because of the amount of Revenue Support Grant (RSG) we receive from Welsh Government.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• Is a 1% pay award realistic?</li> </ul>	<ul style="list-style-type: none"> <li>• Yes. However, the amount of budget provision doesn't necessarily influence the amount of any pay award. The amount of any pay award will be determined by national negotiations.</li> </ul>
1.7	<ul style="list-style-type: none"> <li>• Do we use our office space as efficiently as possible?</li> </ul>	<ul style="list-style-type: none"> <li>• We have done some rationalisation but we have to recognise that our buildings are old and reworking them for modern use is costly. We are bringing more people into County Hall to free up other buildings.</li> </ul>
1.8	<ul style="list-style-type: none"> <li>• How much does the Council contribute to Clwyd Theatr Cymru (CTC)?</li> </ul>	<ul style="list-style-type: none"> <li>• The Council currently contributes £1.034m to CTC which is around 40% of their running costs. The remaining 60% comes from the Arts Council. CTC is the only local authority producing house in Wales and one of only two in the UK.</li> </ul>
1.9	<ul style="list-style-type: none"> <li>• Why are we making provision for the former Municipal Mutual Insurance company (MMI)?</li> </ul>	<ul style="list-style-type: none"> <li>• MMI faced bankruptcy in 1992. The run-off arrangements which were put in place at the time were intended to ensure that the company would still be able to meet its</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
1.10	<ul style="list-style-type: none"> <li>When we have previously received a specific (hypothecated) grant, which is subsequently subsumed into the non-hypothecated settlement, do we honour the notional amount?</li> </ul>	<p>historic obligations. However, the extent of recent claims has shown that this is no longer possible. Those Authorities which were covered by MMI (most in the UK including Flintshire's constituent Authorities) are effectively being asked for a retrospective premium payment to enable the insurer to meet the needs of former insurance holders.</p> <ul style="list-style-type: none"> <li>Yes we do. The transfer of the finance which was previously a specific grant into the settlement means that its use now becomes an issue of local choice as to how that money is spent. One of the principles contained within our Medium Term Financial Strategy is that we "passport" and thus protect formerly hypothecated sums.</li> </ul>
2.0  2.1 2.1.1	<p><b><u>Corporate Services Comments / Issues</u></b>  <b><u>Human Resources and Organisational Development</u></b></p> <p><b><u>Pressures</u></b></p> <ul style="list-style-type: none"> <li>Why are we showing a budget pressure of £0.070m for Criminal Records Bureau (CRB) checks and also an efficiency of £0.035m?</li> </ul>	<ul style="list-style-type: none"> <li>This could have been netted off as a pressure of £0.035m but was shown as it has been for the sake of transparency.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
<b>1.0</b>	<b><u>Corporate Comments / Issues</u></b>	
1.1	<ul style="list-style-type: none"> <li>• Why are teachers and non-teachers receiving a pay rise?</li> </ul>	<ul style="list-style-type: none"> <li>• Pay rises are subject to national negotiations and the 1% included in the budget proposals is a provision only.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• What steps are we taking to inform communities about Welfare Reform?</li> </ul>	<ul style="list-style-type: none"> <li>• The Welfare Reform Board meets regularly and includes local partners such as the Citizens Advice Bureau and Job Centre Plus. Around 1,100 Council Tenants have been contacted about the 'bedroom tax'</li> </ul>
1.3	<ul style="list-style-type: none"> <li>• How do we track and monitor achievement of savings?</li> </ul>	<ul style="list-style-type: none"> <li>• During 2011/12, monitoring of efficiencies was reflected in budget monitoring reports throughout the year. At final outturn 89 % of the efficiencies reflected in the budget had been realised. There is now a wider ownership of Flintshire Futures efficiencies due to revised governance arrangements and Members are now represented on the Flintshire Futures Board.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>• When will we get more detail on fees and charges?</li> </ul>	<ul style="list-style-type: none"> <li>• All proposals are included within the budget report and will be discussed at each Scrutiny committee meeting.</li> </ul>
1.5	<ul style="list-style-type: none"> <li>• What are the criteria for the North Wales element of the Regional Collaboration Fund?</li> </ul>	<ul style="list-style-type: none"> <li>• It needs to be for new and significant changes involving a number of public bodies - 3 priority bids are currently being worked on.</li> </ul>



**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
1.6	<ul style="list-style-type: none"> <li>How confident are we around inflation predictions?</li> </ul>	<ul style="list-style-type: none"> <li>Budget provision for non standard inflation is held corporately and is only released to Directorates as and when required. Historically predictions have been reasonably accurate.</li> </ul>
1.7	<ul style="list-style-type: none"> <li>Apprenticeships - Not all schools link into colleges / local businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Agree pathways with Lifelong Learning and Stakeholders. Keep focussed on apprenticeship opportunities across Flintshire.</li> </ul>
<b>2.0</b>	<b><u>Environment Comments / Issues</u></b>	
<b>2.1</b>	<b><u>General Comments/Issues</u></b>	
2.1.1	<ul style="list-style-type: none"> <li>Assurance was sought that a detailed plan would be put in place for closing the public conveniences - Members did not want to see buildings left empty.</li> </ul>	<ul style="list-style-type: none"> <li>Officers will investigate alternative uses and if none are found then the buildings will be demolished.</li> </ul>
2.1.2	<ul style="list-style-type: none"> <li>Which are the 4 public conveniences that will close?</li> </ul>	<ul style="list-style-type: none"> <li>Cilcain, Caerwys, Central Shotton and Holywell (Tower Gardens).</li> </ul>
2.1.3	<ul style="list-style-type: none"> <li>Is re-organisation now complete within the Environment Directorate?</li> </ul>	<ul style="list-style-type: none"> <li>The Streetscene service review is now complete, but the other reviews are still ongoing, each at different stages of completion.</li> </ul>
2.1.4	<ul style="list-style-type: none"> <li>Have flood issues affecting Saltney been considered in the budget?</li> </ul>	<ul style="list-style-type: none"> <li>Allocations are included in the core capital programme and WG grants. The emerging Flood and Water Management Strategy is to be included in the Forward</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
2.1.5	<ul style="list-style-type: none"> <li>Local Transport Grant for Bus services - is this part of the discussion at the February Environment Overview and Scrutiny committee?</li> </ul>	<p>Work Programme for the Environment Overview &amp; Scrutiny Committee.</p> <ul style="list-style-type: none"> <li>This will be considered at the February meeting of the Environment Overview and Scrutiny committee. Taith are tasked with creating a Regional Bus Strategy.</li> </ul>
<b>3.0</b> 3.1	<p><b><u>Pressures</u></b></p> <ul style="list-style-type: none"> <li>Regarding the pressure item of £0.144m for energy generation at landfill sites - Weren't the gas engines bought a year ago, why are they failing? How were they acquired?</li> </ul>	<ul style="list-style-type: none"> <li>The gas engines were bought a number of years ago. A detailed report into the output of the engines has been carried out to inform the new pressure. The engines were part of the asset transfer resulting from the former AD Waste Ltd. being transferred into the Council.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
<b>4.0</b>	<p><b><u>Efficiencies</u></b></p> <ul style="list-style-type: none"> <li data-bbox="517 1093 660 1995">• A business plan was requested to back up the notion that switching lights off is cheaper than dimming them and that local members and the public would be consulted on all proposals?</li> <li data-bbox="708 1093 884 1995">• Car Parking management efficiency of £0.085m - Is this based on the proposals which were considered at Cabinet, or do they include revisions following consideration at the Environment Overview and Scrutiny committee?</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="517 185 660 1093">• The matter will be looked at again as part of the emerging Street Lighting Policy. Savings comparisons will be included in the Street Lighting report to Cabinet in March 2013.</li> <li data-bbox="708 185 804 1093">• A revised Appendix D is being worked on following the comments made at the Environment Overview and Scrutiny committee.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Housing Council Fund - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
1.0	<p><b><u>Corporate Comments / Issues</u></b></p> <ul style="list-style-type: none"> <li>The overall picture given is too optimistic. Why does it appear to be so healthy in a time of reduced grant funding?</li> </ul>	<ul style="list-style-type: none"> <li>The Council is encountering reduced grant levels in some areas which are being dealt with, but grant applications have been maximised in order to protect the Council's position as much as possible.</li> </ul>
2.0	<p><b><u>Housing Council Fund Comments / Issues</u></b></p> <p><b><u>General Comments/Issues</u></b></p> <ul style="list-style-type: none"> <li>Have we budgeted sufficiently for our Homelessness responsibilities, and is there also a potential for problems with private sector rents due to the impact of benefit reductions?</li> </ul> <p><b><u>Efficiencies</u></b></p> <ul style="list-style-type: none"> <li>Information was sought on the efficiency of £0.018m arising from the Service Review on the Resident Wardens service.</li> </ul>	<ul style="list-style-type: none"> <li>Adequate provision has been made for potential increased demand on the Homelessness service as we recognise that this is an emerging pressure as a consequence of Welfare Reforms. There is a potential for problems with private sector rents and the Council will need to be flexible in dealing with both the public and private sector.</li> <li>The proposal to delete one of the current vacant posts will leave sufficient resources for ongoing service delivery.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
<b>1.0</b>	<b><u>Corporate Comments / Issues</u></b>	
1.1	<ul style="list-style-type: none"> <li>• Will fees and charges be increased by 3 % across the board with consequent implications for users of the Council's youth centres?</li> </ul>	<ul style="list-style-type: none"> <li>• There will be a general 3 % increase on fees and charges but also targeted increases resulting from specific proposals. The Youth Service is currently subsidising other users of its premises from within its own budget.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• Does the Leisure Services budget have to cover the loan repayments for the new developments?</li> </ul>	<ul style="list-style-type: none"> <li>• Yes. The loan repayments are paid for out of the Leisure Services budget on the basis that these additional costs to the service will be covered by the increase in facilities charges.</li> </ul>
1.3	<ul style="list-style-type: none"> <li>• A query was raised regarding the effects of inflation on schools energy budgets.</li> </ul>	<ul style="list-style-type: none"> <li>• This is included within the delegation to schools, however, we are aiming to target energy inflation at those schools with higher inflationary pressures on energy we are also working with colleagues in Energy Services with a view to encouraging alternative forms of energy to replace oil, e.g. woodchips.</li> </ul>
<b>2.0</b>	<b><u>Lifelong Learning Comments / Issues</u></b>	
<b>2.1</b>	<b><u>General Comments/Issues</u></b>	
2.1.1	<ul style="list-style-type: none"> <li>• Is the budget for schools ever top-sliced within a financial year?</li> </ul>	<ul style="list-style-type: none"> <li>• No. The Council doesn't top-slice the schools budget in-year.</li> </ul>
2.1.2	<ul style="list-style-type: none"> <li>• Feedback was given on the Play schemes Task and</li> </ul>	<ul style="list-style-type: none"> <li>• This will be considered alongside other bids within the</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
2.1.3	<p>Finish group, with a request that £11,700 be added as a budget pressure to facilitate match funding to increase the new base provision of 3 weeks and 2 sites.</p> <ul style="list-style-type: none"> <li>• How will faster broadband be delivered to schools as promised by Welsh Government?</li> </ul>	<p>budget process.</p> <ul style="list-style-type: none"> <li>• New grant funding of £39m across all Wales for 3 years has been approved by Welsh Government. This funding is to improve the broadband connections in schools and for the schools to purchase additional hardware.</li> </ul>
2.1.4	<ul style="list-style-type: none"> <li>• Will increasing the fees and charges in Leisure Centres only lead to less people attending?</li> </ul>	<ul style="list-style-type: none"> <li>• Careful benchmarking has been undertaken. Fees were increased in January and there was no drop-off in income.</li> </ul>
2.1.5	<ul style="list-style-type: none"> <li>• Regarding Play Areas - can we look at meeting the higher number of requests from Town and Community Councils?</li> </ul>	<ul style="list-style-type: none"> <li>• This request will be looked at.</li> </ul>
2.1.6	<ul style="list-style-type: none"> <li>• Does it cost the Council extra money when a teacher retires?</li> </ul>	<ul style="list-style-type: none"> <li>• This can depend on the individual circumstances of individual cases. Where this occurs for a school with a delegated budget the school would be able to capitalise the cost whereas the Council would be unable to.</li> </ul>
2.1.7	<ul style="list-style-type: none"> <li>• Is there a lack of marketing for new developments at Deeside Leisure Centre?</li> </ul>	<ul style="list-style-type: none"> <li>• Members and Officers are conscious of the need for marketing and are currently using a targeted approach including development of a strategy with Alliance Leisure.</li> </ul>
2.1.8	<ul style="list-style-type: none"> <li>• Clarification was sought on the delegation of Schools</li> </ul>	<ul style="list-style-type: none"> <li>• An amount is included in the Council's budget to stabilise</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2013/14**

No.	Comments and Questions:	Responses:
2.1.9	<p>maternity pay costs.</p> <ul style="list-style-type: none"> <li>• There are currently problems with parking at Buckley Leisure Centre which could perhaps be overcome by using additional parking at Ysgol Elfed subject to the need for CCTV. Is CCTV included within the budget?</li> </ul>	<p>the funding. The Directorate is currently working with schools to come up with an agreed scheme.</p> <ul style="list-style-type: none"> <li>• A capital bid is being prepared relating to a number of issues at the Buckley Leisure Centre site.</li> </ul>
2.1.10	<ul style="list-style-type: none"> <li>• A query was raised regarding schools paying for the costs of swimming lessons for pupils.</li> </ul>	<ul style="list-style-type: none"> <li>• Children have an entitlement to swimming lessons under the Curriculum Entitlement (Wales) Regulations.</li> </ul>
2.2 2.2.1	<p><b><u>Pressures</u></b></p> <ul style="list-style-type: none"> <li>• Are we giving Special Schools extra funding for the extra work that they are doing, which is proving invaluable in reducing the number and costs of our Out of County placements?</li> </ul>	<ul style="list-style-type: none"> <li>• A pressure amount of £0.250m has been included in the budget proposals to help improve staffing levels. The special schools are proving to be a real success story for Flintshire.</li> </ul>

**Budget 2013/14**  
**Council Fund - Revenue**

**Summary of Council Fund Earmarked Reserves**

	<b>Estimated Balance 01/04/13 £m</b>	<b>Estimated Balance 31/03/14 £m</b>
<b><u>Service Balances</u></b>		
Community Services	0.317	0.000
Environment	1.177	0.200
Lifelong Learning	0.025	0.000
Corporate Services	0.658	0.000
<b>Total</b>	<b>2.177</b>	<b>0.200</b>
<b><u>Corporate Balances</u></b>		
Equal Pay / Single Status	25.700	Note 1
<b>Total</b>	<b>25.700</b>	
<b><u>Specific Reserves</u></b>		
Insurance Fund - Asbestos	0.160	0.160
Benefits Equalisation	0.489	0.489
Supporting People	1.493	1.493
Building Control	0.159	0.109
Milk Quotas	0.076	0.080
Waste Disposal	0.612	0.500
Transfer Facility Pad	0.069	0.000
Flintshire Business Services	0.087	0.000
Winter Maintenance	0.245	0.245
County Elections	0.092	0.092
Third Party Insurance Claims	0.087	0.080
Flintshire Insurance	0.674	0.674
Minor Reserves under £0.050m	0.037	0.037
<b>Total</b>	<b>4.280</b>	<b>3.959</b>

**Note 1 :**

The use of this balance is subject to the outcome of a negotiated settlement on Single Status and agreement on an Equal Pay settlement, scheduled for conclusion in 2013/14.



**Budget 2013/14**  
**Council Fund - Revenue**

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
<b>Funding</b>					
Revenue Support Grant (RSG)	152,733	154,098	154,098	154,098	154,098
Additional Allocation (Council Tax Support)	869	869	869	869	869
NNDR	46,872	46,872	46,872	46,872	46,872
Council Tax	57,809	59,751	61,697	63,707	65,782
<b>SSA / Budget Requirement</b>	<b>258,285</b>	<b>261,590</b>	<b>263,537</b>	<b>265,547</b>	<b>267,622</b>
<b>Unhypothecated Grants</b>	<b>1,467</b>	<b>1,467</b>	<b>1,467</b>	<b>1,467</b>	<b>1,467</b>
<b>Specific Grants</b>	<b>33,297</b>	<b>33,297</b>	<b>33,297</b>	<b>33,297</b>	<b>33,297</b>
<b>Use of Contingency Reserve</b>	<b>297</b>				
<b>Total Funding</b>	<b>293,346</b>	<b>296,355</b>	<b>298,302</b>	<b>300,311</b>	<b>302,387</b>
<b>Expenditure</b>					
<b>Base Budget</b>	<b>280,991</b>	<b>298,344</b>	<b>308,686</b>	<b>319,511</b>	<b>328,040</b>
<b>Inflation:</b>					
Pay	1,279	1,549	1,565	1,581	1,596
Price	(0)	2,360	2,407	2,455	2,504
Price - targeted	1,062	0	0	0	0
Price - NSI Energy	285	308	332	359	388
Price - Street Lighting	79	0	0	0	0
Price - NSI Fuel	187	210	232	258	287
Price - NSI Food	141	149	158	167	176
Fees & Charges	(133)	(549)	(565)	(582)	(600)
<b>Other known items:</b>					
Effect of Previous Years Budget Decisions	1,336	1,544			
Movement in Specific Grants	(4,043)				
New Responsibilities	9,642				
Transfers into/out of Settlement	4,400				
Base Level of Reserves - 2% Turnover		130	39	40	42
<b>NEW PRESSURES:</b>					
Economic Impact	347		500		
WG Policy / Legislative	78	10			
Other Pressures	2,545	131	1,242		
Council Priority / Invest to Save	291	1,597	916	252	29
One off and Time Limited	297	(297)	0	0	0
Est of future investment in Council Priorities		4,000	4,000	4,000	4,000
<b>Total Expenditure</b>	<b>298,783</b>	<b>308,686</b>	<b>319,511</b>	<b>328,040</b>	<b>336,463</b>
<b>Funding Shortfall / (Available)</b>	<b>5,437</b>	<b>13,354</b>	<b>22,233</b>	<b>28,753</b>	<b>35,099</b>
<b>Annual increase/(decrease) in shortfall</b>		<b>7,917</b>	<b>8,879</b>	<b>6,520</b>	<b>6,347</b>
<b>Efficiencies carried forward:</b>		<b>(5,437)</b>	<b>(5,728)</b>	<b>(5,646)</b>	<b>(5,646)</b>
<b>Detailed plans in place:</b>					
Other	(886)	(27)	(50)	0	0
Procurement	(1,803)	(146)	(56)	0	0
Service Change	(1,631)	62	225	0	0
Fees and Charges	(586)	(137)	(37)	0	0
Organisational Design Savings	(531)	(43)	0	0	0
<b>Total Efficiencies (incremental effect)</b>	<b>(5,437)</b>	<b>(291)</b>	<b>82</b>	<b>0</b>	<b>0</b>
<b>Possible revised shortfall</b>	<b>0</b>	<b>7,626</b>	<b>16,587</b>	<b>23,107</b>	<b>29,453</b>

**Budget 2013/14**  
**Council Fund - Revenue**

**Reconciliation of Budget Position December to Balanced Position**

	<b>Ongoing £m</b>	<b>One-Off £m</b>	<b>Total £m</b>
Shortfall as per December Report	1.063	0.417	1.480
Adjustments arising from Final Settlement	0.008	0.000	0.008
<b>Shortfall following Final Settlement</b>	<b>1.071</b>	<b>0.417</b>	<b>1.488</b>
<u>Removal / Reduction in Investment/ Pressures</u>			
Reprofile of Investment needs	(0.581)		(0.581)
Welfare Reform Pressures	(0.215)	(0.027)	(0.242)
School SLA		(0.053)	(0.053)
Methods of Payment (change to ongoing)	0.075	(0.075)	0.000
<u>Additional Investment / Pressures</u>			
Landfill Sites - reduced energy income generation	0.144	0.000	0.144
Music Service	0.100	0.000	0.100
Play Schemes -Match Funding	0.012	0.000	0.012
Play Areas - Match Funding		0.035	0.035
<b>Shortfall after Investment/Pressures Adjustments</b>	<b>0.606</b>	<b>0.297</b>	<b>0.903</b>
<u>Removal / Reduction of Efficiency Items</u>			
Music Service - Transport	0.030	0.000	0.030
Denomination transport	0.070	0.000	0.070
Car Park Management	0.029	0.000	0.029
Insurance Contingency	0.061	0.000	0.061
<u>Additional Efficiency Items</u>			
Out of County Placements	(0.783)	0.000	(0.783)
Senior Management Restructure (Lifelong Learning)	(0.042)	0.000	(0.042)
Reduction in Fire Levy	(0.027)	0.000	(0.027)
<b>Shortfall after Efficiency Adjustments</b>	<b>(0.056)</b>	<b>0.297</b>	<b>0.241</b>
Contribution from Contingency Reserve	0.000	(0.297)	(0.297)
Reduction in Council Tax to 2.9%	0.056	0.000	0.056
<b>Revised Position</b>	<b>0.000</b>	<b>(0.000)</b>	<b>0.000</b>