



CABINET MEETING

Date of Meeting	Tuesday, 19 December 2017
Report Subject	Revenue Budget Monitoring 2017/18 (MONTH 7)
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the current revenue budget monitoring position for 2017/18 for the Council Fund and Housing Revenue Account. This report presents the position, based on actual income and expenditure, as at Month 7 of the financial year. The report projects how the budget would stand at the close of the financial year if all things remained equal.

The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning is:-

Council Fund

- Net in year expenditure forecast to be £1.262m greater than budget
- Projected contingency reserve balance as at 31 March 2018 of £3.820m

Housing Revenue Account

- Net in-year expenditure forecast to be £0.035m higher than budget
- Projected closing balance as at 31 March 2018 of £1.081m

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2018.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 7 POSITION																																																																											
1.01	<p><u>Council Fund Overall Position</u></p> <p>The operating deficit reported is £1.262m greater than the budget which is an increase of £0.115m from the deficit reported last month.</p>																																																																											
1.02	<p>Council Fund Latest In-Year Forecast</p> <p>The table below shows the projected position by portfolio.</p> <table border="1"> <thead> <tr> <th>TOTAL EXPENDITURE AND INCOME</th> <th>Original Budget</th> <th>Revised Budget</th> <th>Projected Outturn</th> <th>In-Year Over / (Under) spend £m</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th></th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>61.471</td> <td>62.454</td> <td>63.024</td> <td>0.570</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.518</td> <td>12.540</td> <td>11.913</td> <td>(0.627)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.467</td> <td>27.580</td> <td>29.641</td> <td>2.061</td> </tr> <tr> <td>Planning & Environment</td> <td>5.043</td> <td>4.932</td> <td>5.233</td> <td>0.301</td> </tr> <tr> <td>Education & Youth</td> <td>10.966</td> <td>10.985</td> <td>11.026</td> <td>0.041</td> </tr> <tr> <td>Schools</td> <td>88.862</td> <td>88.862</td> <td>88.862</td> <td>(0.000)</td> </tr> <tr> <td>People & Resources</td> <td>4.283</td> <td>4.128</td> <td>4.587</td> <td>0.459</td> </tr> <tr> <td>Governance</td> <td>7.675</td> <td>7.651</td> <td>7.751</td> <td>0.100</td> </tr> <tr> <td>Organisational Change 1</td> <td>5.801</td> <td>5.821</td> <td>5.900</td> <td>0.079</td> </tr> <tr> <td>Organisational Change 2</td> <td>2.422</td> <td>2.288</td> <td>2.047</td> <td>(0.241)</td> </tr> <tr> <td>Chief Executive</td> <td>3.008</td> <td>2.926</td> <td>2.797</td> <td>(0.129)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>25.642</td> <td>24.990</td> <td>23.638</td> <td>(1.352)</td> </tr> <tr> <td>Total</td> <td>255.156</td> <td>255.156</td> <td>256.418</td> <td>1.262</td> </tr> </tbody> </table>	TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over / (Under) spend £m		£m	£m	£m		Social Services	61.471	62.454	63.024	0.570	Community & Enterprise	12.518	12.540	11.913	(0.627)	Streetscene & Transportation	27.467	27.580	29.641	2.061	Planning & Environment	5.043	4.932	5.233	0.301	Education & Youth	10.966	10.985	11.026	0.041	Schools	88.862	88.862	88.862	(0.000)	People & Resources	4.283	4.128	4.587	0.459	Governance	7.675	7.651	7.751	0.100	Organisational Change 1	5.801	5.821	5.900	0.079	Organisational Change 2	2.422	2.288	2.047	(0.241)	Chief Executive	3.008	2.926	2.797	(0.129)	Central & Corporate Finance	25.642	24.990	23.638	(1.352)	Total	255.156	255.156	256.418	1.262
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1.03	The reasons for the projected variances are summarised within Appendix 1 with key significant portfolio variances explained in paragraphs 1.04 to 1.08 below. As has been the practice in recent years where a variance has been																																																																											

	<p>due to a conscious change to policy or practice, the resulting variance is managed corporately with the relevant portfolio not expected to meet any shortfall.</p>
1.04	<p><u>Streetscene & Transportation</u></p> <p>There is a projected overspend of £2.061m within this portfolio.</p> <p>The overspend partly comprises of the materialisation of some of the known significant risks identified when the 2017/18 budget was set by Council and other conscious changes to policy or practice which were detailed in the Month 4 report.</p> <p>Since last month the following changes have occurred;</p> <p>Additional transport costs of £0.200m arising from a school closure are now to be met by the Education & Youth portfolio. This has mitigated the associated overspend associated with this for 2017/18.</p> <p>The decision to review subsidised bus routes has been delayed further and will not take place in 2017/18. This has increased the previously reported pressure by £0.145m. The 2017/18 budget efficiency of £0.350m will no longer be partially achieved.</p> <p>Car parking income in Flint is now expected to be reduced by a further £0.050m due to a further implementation delay. The total shortfall in income is projected to be £0.100m.</p> <p>The net position on the projected overspend excluding the conscious changes to policy and practice is a now an operating deficit of £0.724m.</p> <p>Work is ongoing to assess any potential impact on these in year variances on the Medium Term Financial Strategy (MTFS) forecast for 2018/19.</p>
1.05	<p><u>Social Services</u></p> <p>The projected outturn for Out of County placements in Children's Services is currently £1.230m over budget due to the number of high cost placements, this is an increase of £0.223m from the figure reported in Month 6. This increase is due to 3 additional high cost placements.</p>
1.06	<p><u>Planning & Environment</u></p> <p>There is a projected in-year Planning Fee Income shortfall of £0.243m due to the impact of the Welsh Government requirements for major developers to enter into pre consultation as detailed in the previous report.</p>
1.07	<p><u>Community & Enterprise</u></p> <p>There is a projected underspend on the Council Tax Reduction Scheme (CTRS) of £0.535m based on current demand which will be kept under review throughout the year together with a favourable variance on the Council Tax Collection fund of £0.145m.</p>

1.08	<p><u>Central & Corporate Finance</u></p> <p>There is a positive variance of £1.352m projected within this area which is mainly due to the finalisation of social care funding issues as previously reported.</p> <p>Other major variances within this area include a positive variance on the pension fund contributions due to a lower than anticipated pressure to fund the in-year increase due to the actuarial review of £0.288m offset by a shortfall in the income target of £0.412m and lower than anticipated levels of car parking income at County Hall of £0.080m.</p>
1.09	<p><u>Significant Movements between Month 6 and Month 7 Budget</u></p> <p>There has been no significant budget transfers between portfolios this month.</p>
1.10	<p><u>Achievement of Planned In-Year Efficiencies</u></p> <p>The Council set a challenging target for the level of efficiencies to be achieved in year as part of its approach to annual budget planning. These efficiencies are generated from the three year service portfolio business plans and from corporate financial planning. The 2017/18 budget contains £8.433m of specific efficiencies which are tracked and monitored. In recent years the level of efficiency achievement has averaged at around 85% though the council aspires to raise this to 95% in 2017/18 as reflected in the recent MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2017/18 shows that £7.811m (93%) of the efficiencies would be achieved which is 2% lower than the target. There is a further risk that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2018/19 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with the overall impact in relation to any impact for 2018/19 being reviewed as part of the ongoing work on the MTFS.</p>
1.11	<p>Tracking of In Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2017/18 a number of significant risks were identified including the costs of procuring local public and school bus services and the potential reduction of the Single Environment Grant.</p>
1.12	<p>In addition to the known risks referred to above there are also a number of new risks emerging in-year which have been incorporated into the projected outturn and will also need carefully assessing for the potential impact on the 2018/19 budget.</p>
1.13	<p>These new issues are being monitored as part of the ongoing review of the Councils financial position and are shown in the table below with the current M7 variances included as part of the overall position:</p>

Council Tax Reduction Scheme (CTRS) – Reduction in demand	(0.535)
Council Tax Collection in year efficiency	(0.145)
Social Care Additional Funding in 17/18 – Estimated amount	(0.595)
Intermediate Care Fund (ICF) – Continuation of funding	(0.500)
Pension Deficit Recovery – Due to opt out and surplus allocation from budget pressure for actuarial review	(0.288)
Markets Income – Decline in levels of income	0.050
Gas Engine Income – Further decrease to level of income over and above pressure included in 2017/18 budget (£0.150m)	0.200
Planning Fee Income – In year shortfall due to pre consultation	0.243
Shared Specialist Plant – Previous year efficiency not achieved	0.050
Motor Insurance Premium Increase - In year increase not anticipated	0.100
Street Lighting increase in 2017/18 of 16%	0.131
County Hall Parking – Lower than anticipated efficiency on parking permits	0.080
Procurement Supplier Charging – Previous year efficiency not achievable	0.116
Environmental Health Officer temporary posts	0.120
Central and Corporate Support Service pressure offset by efficiency on Audit Fees	0.107
Single Environment Grant – reduction in grant allocation	0.111
Transportation Costs – procuring local and school transport	0.675
Out of County Placements – projected care package costs	1.230
Income – shortfall on income target	0.412
Total New Emerging Risks	1.562

1.14	<p>Inflation</p> <p>Included within the 2017/18 budget are provision for pay (£0.915m), targeted price inflation (£0.313m), food (£0.051m), fuel (£0.033m) and Energy (£0.061m).</p>																																												
1.15	<p>Portfolios have received their allocations for pay and price and there is a remaining balance of £0.014m which is included within the overall outturn figure.</p>																																												
1.16	<p>No allocations have been made so far for non-standard inflation (NSI) in 2017/18. Areas that may be subject to NSI increases will be monitored throughout the year and any emerging pressures will be considered in future reports though at present it is anticipated that the allocation will be spent in full.</p>																																												
1.17	<p>Reserves and Balances</p> <p><u>Un-earmarked Reserves</u></p> <p>The 2016/17 outturn reported to Cabinet on 18 July 2017 showed un-earmarked reserves at 31 March 2016 (above the base level of £5.769m) of £5.133m.</p>																																												
1.18	<p>Taking into account the current projected overspend at Month 7 and previously agreed allocations the balance on the Contingency Reserve at 31 March 2018 is projected to be £3.820m as detailed in appendix 4.</p>																																												
1.19	<p><u>Earmarked Reserves</u></p> <p>The table below gives a summary of earmarked reserves as at 1 April 2017 and provides an estimate of projected balances as at the end of the current financial year.</p>																																												
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	Winter Maintenance	215,000	215,000
	Car Parking	26,252	0
	Insurance Funds	1,471,156	1,473,092
	Cash Receipting Review	79,337	79,337
	LMS Curriculum	785,204	162,959
	Flintshire Trainees	397,814	397,814
	Kitchen Refurb	110,000	0
	Rent Income Shortfall	300,000	300,000
	Schools Kitchen Ventilation	200,000	0
	Customer Service Strategy	129,000	129,000
	Capita One	108,827	108,827
	PSBA	530,000	530,000
	Supervision Fees	141,224	91,224
	Transportation Review	170,200	0
	Grants & Contributions	2,554,749	2,071,741
	Total	20,326,710	10,520,136
1.21	Housing Revenue Account		
	The 2016/17 Outturn Report to Cabinet on 18 July 2017 showed an un-earmarked closing balance at the end of 2016/17 of £1.116m and a closing balance of earmarked reserves of £0.526m.		
1.22	The 2017/18 budget for the HRA is £33.633m which includes a movement of £0.035m from reserves.		
1.23	The Month 7 monitoring for the HRA is projecting in year expenditure to be £0.035m lower than budget and a closing un earmarked balance as at 31 March 2018 of £1.081m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.		
2.00	RESOURCE IMPLICATIONS		
2.01	The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first four months and the risks as known.		

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	There are in-year risks and emerging issues which are covered in the main section of the report from paragraph 1.11 to 1.13. Details of these risks were reported in full within the Month 4 report.

5.00	APPENDICES
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5.01	Appendix 1: Council Fund – Movement in Variances from Month 6 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances
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6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required. Contact Officer: Sara Dulson (Finance Manager) Telephone: 01352 702287 E-mail: sara.dulson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.
7.02	Council Fund: the fund to which all the Council's revenue expenditure is charged.
7.03	Financial Year: the period of twelve months commencing on 1 April.
7.04	Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
7.05	Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

7.08	Underspend: when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
7.09	Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
7.10	Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.
7.11	Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.030	Residential Care (+£0.062m) due to additional service users, offset by (-£0.032m) due to additional vacancy savings within Locality teams
Other Minor Variances	(0.008)	
Disability Services		
Resources & Regulated Services	0.038	Reduction in Continuing Health Care (CHC) income from BCUHB due to a service user leaving in-house supported living accommodation
Other Minor Variances	(0.023)	
Mental Health Services		
Substance Misuse	(0.036)	Increase of Substance Misuse Team grant for residential rehabilitation
Other Minor Variances	(0.005)	
Children's Services		
Professional Support	0.044	Additional payments in respect of adoptions
Out of County Placements	0.223	Additional costs of 3 new high cost placements
Other Minor Variances	0.012	
Development & Resources		
Other Minor Variances	0.006	
Total Social Services	0.278	
Community & Enterprise		
Customer And Housing Services	0.014	Minor variance from within service area.
Council Fund Housing	0.004	Minor variance from within service area.
Regeneration	0.002	Minor variance from within service area.
Revenues & Benefits	(0.038)	Favourable movement on the budgeted provision for the Council Tax Reduction Scheme of (£0.038m).
Housing Programmes	0.021	Minor variance from within service area.
Total Community & Enterprise	0.003	
Streetscene & Transportation		
Ancillary Services & Performance		
Waste Collection	0.039	CPI (2.8%) for waste treatment above the 1% built into monitoring.
Parking & Enforcement	0.050	Shortfall of income from delay in implementing Flint Car Parking strategy in 2017/18.
Other Minor Variances	0.001	
Highways Network		
Other Minor Variances	0.022	
Transportation & Logistics		
School Transport	(0.200)	The transport costs of additional pupils from John Summers High School to Connahs Quay to be mitigated by the Education portfolio.
Transportation	0.146	Delay in introducing the Bus Subsidy efficiency in 17/18
Other Minor Variances	0.005	
Total Streetscene & Transportation	0.063	

Planning & Environment		
Business		
Pollution Control	(0.045)	Funding secured for 1 EHO post from Community and Enterprise Transition grant to 31 March 2018
Minor Variances	0.001	
Community		
Minor Variances	0.003	
Development		
Development Management	(0.028)	Review of Planning Fee Income and the introduction of Plan Vetting Fee income to assist in mediating the shortfall.
Minor Variances	(0.020)	
Access		
Minor Variances	(0.022)	
Shared Services		
Minor Variances	(0.000)	
Strategy		
Minor Variances	(0.005)	
Management Strategy	(0.003)	
Total Planning & Environment	(0.118)	
Education & Youth		
Inclusion & Progression	0.077	Variance largely relates to Out of County placements £0.084m. Several new placements have commenced during the period. Other minor variances from across the service (£0.007m).
Integrated Youth Provision	(0.024)	Minor variance
School Improvement Systems	(0.004)	Minor variance
Business Change & Support	(0.023)	Minor variance
Total Education & Youth	0.026	
Schools	(0.000)	
People & Resources		
Minor Variances	(0.005)	
Total People & Resources	(0.005)	
Governance		
Legal Services	(0.003)	
Democratic Services	0.005	
Internal Audit	(0.012)	
Procurement	0.005	
ICT	(0.054)	Expenditure will now not be incurred against a prudential borrowing budget of £0.046m. £0.008m minor variances.
Total Governance	(0.059)	
Organisational Change 1		
Public Libraries & Arts, Culture & Events	0.019	Minor variances.
Museums		Minor variances.
County Archives		Minor variances.
Leisure	(0.019)	Minor variances.
Community Assets		Minor variances.
Total Organisational Change 1	0.000	
Organisational Change 2		
Minor Variances	(0.054)	Cumulative amount for minor variances each less than £0.025m
Total Organisational Change 2	(0.054)	
Chief Executive	(0.016)	Minor variances.
Central and Corporate Finance	(0.002)	
Grand Total	0.115	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Social Services						
Older People						
Localities	15.990	15.506	(0.484)	(0.514)	Residential and Nursing Care; underspend of £0.164m due to a decrease in service users, an increase in free nursing income from BCUHB and additional property income. Domiciliary Care; underspend of £0.010m based on current service users Intake/First Contact; underspend £0.083m of which £0.069m is due to part year vacancy savings from within the Single Point of Access team. Locality Teams, workforce underspend of £0.206m due to short term vacancy savings for a number of posts. Minor variances £0.021m.	Continue to monitor and review.
Reablement Services	0.469	0.384	(0.085)	(0.085)	Reablement reflects a projected underspend of £0.085m which is due to additional Continuing Health Care (CHC) funding from BCUHB	Continue to monitor and review.
Community Equipment Contribution	0.478	0.378	(0.100)	(0.110)	An updated Section 33 partnership agreement for the North East Wales Community Equipment Store (NEWCES) has meant contribution levels from partners has reduced. For future years this saving is earmarked for funding towards revenue costs of the new extra care facilities.	Future utilisation of the excess of budget to meet some of the revenue costs of the new extra care facilities.
Resources & Regulated Services	5.983	5.461	(0.521)	(0.502)	Main influences are short term vacancy savings, within provider home care services £0.049m and extra care schemes £0.235m, due to recruitment and retention difficulties in the care sector. Additional residential client contributions amount to £0.210m, together with a further projected underspend of £0.041m on Residential Care, due mainly to short term vacancy savings. Minor variances £0.014m	Continue to monitor and review.
Minor Variances	0.234	0.232	(0.002)	(0.002)		
Disability Services						
Resources & Regulated Services	19.744	20.064	0.320	0.282	There are long standing and ongoing demand influenced pressures within the externally provided Supported Living services amounting to £0.226m. Work Opportunities and Day Services show a pressure of £0.112m, which is due to the delay in letting a new contract under an alternative delivery model (ADM). There is a projected underspend of £0.095m on externally purchased care on Physical Disabilities and Sensory Impairment (PDSI). There is also a net projected overspend of £0.077m on in-house Supported Living mostly due to additional employee costs including agency cover.	Continue to monitor and review.
Disability Services	0.716	0.559	(0.157)	(0.163)	Increased CHC Funding for two service users under Transition to Adulthood from BCUHB. In addition the contribution the Council is required to make for four high cost Transition service users, to Welsh Government for residential college placements, has reduced.	Continue to monitor and review.
Administrative Support	0.168	0.016	(0.152)	(0.130)	The projected underspend is due mainly to short term vacancy savings.	Continue to monitor and review.
Minor Variances	0.692	0.681	(0.010)	(0.003)		

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Mental Health Services						
Residential Placements	1.127	1.426	0.298	0.289	Ongoing pressure due to the numbers of long term residential placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB	Continue to monitor and review.
Minor Variances	2.537	2.462	(0.075)	(0.025)	Cummulative minor variances (each under £0.050m) across the Mental Health services	
Children's Services						
Family Placement	2.464	2.649	0.185	0.175	There is a long standing and ongoing pressure due to sustained demand influences beyond the level of the allocated budget.	Continue to monitor and review.
Professional Support	4.808	5.002	0.193	0.150	The projected overspend is due mainly to ongoing service pressures particularly within Prevention and Support, and is influenced by the need to support wider regional work on child protection issues.	Continue to monitor and review.
Out of County Placements	3.641	4.871	1.230	1.008	This pressure is a continuation of the experience in 2016/17, where there was a significant increase in the number of high cost placements which was partly influenced by interpretations of additional responsibilities under the Social Services and Well-being (Wales) Act 2014.	Continue to monitor and review.
Minor Variances	1.588	1.632	0.044	0.043		
Development & Resources						
Charging Policy income	(2.641)	(2.766)	(0.125)	(0.123)	The projected underspend is due to surplus income which is mainly caused by the full year impact of changes to disregard rules on financial assessments which came into effect from August 2016	Continue to monitor and review.
Safeguarding Unit	0.810	0.924	0.114	0.119	There are continued significant demand influenced pressures on this service particularly on Adult Safeguarding due to a significant increase in the numbers of referrals and the ongoing impact of the Deprivation of Liberty Safeguarding (DoLS) assessments.	Continue to monitor and review.
Good Health	0.941	0.816	(0.124)	(0.136)	The projected underspend is due to a number of short term vacancy savings and from recouping an overpayment from a Voluntary Organisation.	
Minor Variances	2.704	2.725	0.021	0.020		
Total Social Services	62.454	63.024	0.570	0.292		
Community & Enterprise						
Customer And Housing Services	1.580	1.594	0.014	(0.000)	Minor variances	
Council Fund Housing	(0.372)	(0.395)	(0.023)	(0.027)	Minor variances	
Regeneration	0.412	0.458	0.046	0.044	Minor variances	
Revenues & Benefits	10.780	10.112	(0.669)	(0.630)	Underspend on the budgeted provision for the Council Tax Reduction Scheme of £0.535m. Surplus on the Council Tax Collection Fund of £0.145m. Other minor variances £0.011m.	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Housing Programmes	0.140	0.145	0.005	(0.016)	Minor variances	
Total Community & Enterprise	12.540	11.913	(0.627)	(0.630)		

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation						
Ancillary Services & Performance						
Waste Collection	7.118	7.535	0.417	0.377	Adverse variance of £0.200m relating to lower than anticipated energy production at the Landfill sites and reduced electricity sales from reducing levels of gas extraction. Environment and Sustainable Development (ESD) grant pressure £0.111m due to the reduction of the grant in 17/18 of 3.7%. Delay in the development of the new Rockcliffe HRC site resulting in additional running costs of two existing sites continuing to operate £0.050m. Increase in CPI apply to the waste treatment contract of 2.8% above the 1% built into the monitoring, £0.030m. Minor variances £0.026m.	Energy production income levels being monitored monthly and contracts being prepared for the service to be outsourced. Reported in Programme Board Efficiency Tracker Keep under review as part of MTFS Indicative reduction in ESD grant for 18/19 £0.299m
Parking & Enforcement	(0.084)	0.024	0.108	0.058	Shortfall of income from Flint Car Parking £0.100m. Pressure due to the town centre re-development being ongoing and impacting on the rollout of changes across the town. Minor variances £0.008m.	Keep under review as part of MTFS Reported in Programme Board Efficiency Tracker
Other Minor Variances	0.798	0.792	(0.006)	(0.006)		
Highways Network						
Highways Network	7.466	7.802	0.335	0.314	Due to ongoing discussions on Community Asset Transfers (CATs), the maintenance liability being transferred for Cemeteries to Town/Community Councils totalling £0.050m has not been implemented. Street lighting energy prices above the 2% standard with an increase of 16% resulting in a pressure of £0.131m. Public conveniences at Holywell and Mold (New Street) were due to close in April this year, however they will not close until March 2018 resulting in a pressure of £0.063m. Cummulative minor variances (each under £0.025m) across the Hiways service including Grounds Maintenance, Highways Maintenance and Street Cleransing £0.091m.	Keep under review as part of MTFS. Reported in Programme Board Efficiency Tracker. Continue to monitor street lighting energy prices.
Transportation & Logistics						
Logistics & Resource Services	4.518	4.701	0.182	0.175	Shared specialist plant with neighbouring Authorities has not materialised from 16/17 business planning proposal £0.050m. Increase in Fleet insurance premium for 17/18 £0.100m. Minor variances £0.032m.	Keep under review as part of MTFS
School Transport	4.734	4.919	0.185	0.385	Ongoing additional subsidy costs following re-procurement for covering various school transport routes £0.185m.	No additional funding from WG due to Statutory provision requirements. Ongoing consideration will be required in the MTFS taking account of the cost for future years. Hoping to reduce cost through the Transportation retendering exercise.
Transportation	1.598	2.438	0.841	0.695	Ongoing additional subsidy costs following re-procurement for covering various public transport routes and the delay in introducing the Bus Subsidy efficiency in 17/18 £0.840m	
Technical Commissioning	0.677	0.675	(0.003)	(0.004)	Minor variances	
Management Costs	0.233	0.236	0.003	0.002	Minor variances	
Other Minor Variances	1.432	1.429	(0.002)	0.001		
Total Streetscene & Transportation	27.580	29.641	2.061	1.998		

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Business						
Pollution Control	0.479	0.529	0.050	0.095	An increase in prosecutions for unlicensed and unsafe residential properties has resulted in two temporary Environmental Health Officers being recruited to deal with this increase in demand.	Business Case to be submitted to continue the 2 EHO posts into 2018/19
Minor Variances	1.087	1.073	(0.015)	(0.016)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Community						
Pest Control	0.004	0.049	0.044	0.044	Despite the fact that the service has seen an increase in referrals during 2016/17 and into 2017/18, the income target is unlikely to be achieved, based on current projections.	
Minor Variances	0.898	0.837	(0.061)	(0.064)	There are a number of services within the Community budget heading which are projecting minor variances, each of these variances are less than £0.050m.	Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Development						
Development Management	(0.386)	(0.144)	0.243	0.271	The projected Planning Fee Income shortfall is currently £0.243m as the economy has not continued to recover to the extent which the 3 year Business Plan forecast.	Continue to monitor Planning Fee levels and adjust projection accordingly
Minor Variances	0.158	0.125	(0.034)	(0.014)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Access						
Greenfield Valley	0.326	0.280	(0.046)	(0.031)	Vacancy savings and reduced zero hours contracts	Service review within Countryside is currently being undertaken
Minor Variances	1.015	1.016	0.001	0.008		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Shared Services						
Minor Variances	0.177	0.177	0.000	0.000		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Strategy						
Minor Variances	0.834	0.818	(0.015)	(0.011)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Management Strategy	0.340	0.474	0.134	0.136	Balance of Business Planning Efficiencies for Staffing	Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Total Planning & Environment	4.932	5.233	0.301	0.419		
Education & Youth						
Inclusion & Progression	6.833	6.957	0.124	0.047	Variance is due to Out of County placements.	Continue close monitoring arrangements and updates following moderation meetings.
Integrated Youth Provision	1.291	1.267	(0.025)	(0.000)	Minor variances from across service area.	
School Improvement Systems	1.873	1.856	(0.017)	(0.013)	Minor variances from across service area.	
Business Change & Support	0.377	0.335	(0.042)	(0.019)	Minor variances. Includes savings following the review of software purchase.	
Minor Variances	0.611	0.611	0.000	0.000		
Total Education & Youth	10.985	11.026	0.041	0.015		
Schools						
	88.862	88.862	(0.000)	0.000		
People & Resources						
HR & OD	2.029	2.203	0.174	0.188	The overspend is due to partial achievement of business planning efficiency and loss of income contribution from Wrexham Occupational Health Services	Service delivery options are being considered for the Occupational Health Service
Corporate Finance	2.099	2.384	0.285	0.276	This is due to the roll out of manager self serve and the operating model review taking longer than planned	Continue to look for income maximisation and progress structural review
Total People & Resources	4.128	4.587	0.459	0.464		

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Governance						
Legal Services	0.688	0.693	0.005	0.009	Minor variances	Continue to monitor and review
Democratic Services	1.924	1.932	0.009	0.003	Minor variances	Continue to monitor and review
Internal Audit	0.443	0.371	(0.072)	(0.060)	Due to in-year vacancy savings.	Continue to monitor and review
Procurement	0.168	0.296	0.128	0.122	Due to a conscious decision to no longer pursue supplier income for registration onto the Councils payment portal	Pressure to be considered as part of the MTFS
ICT	4.428	4.459	0.031	0.085	Minor variances	Continue to monitor and review.
Total Governance	7.651	7.751	0.100	0.160		
Organisational Change 1						
Public Libraries & Arts, Culture & Events	1.583	1.596	0.013	(0.006)	Minor variances	Continue to monitor and review.
Museums	0.067	0.067	(0.000)	(0.000)		Continue to monitor and review.
County Archives	0.286	0.286	0.000	0.000		Continue to monitor and review.
Leisure	3.860	3.927	0.067	0.086	Aura Leisure and Libraries Ltd was established on 1st September. This was delayed by 2 months due to a range of queries in 3 separate responses from the Financial Conduct Authority (FCA) in registering the company. These issues are now resolved.	Continue to monitor and review.
Community Assets	0.024	0.024	0.000	0.000		Continue to monitor and review.
Total Organisational Change 1	5.821	5.900	0.079	0.079		
Organisational Change 2						
Administrative Buildings	1.241	1.129	(0.112)	(0.105)	£0.108m estimated efficiencies from the closure of phases 3 and 4 in County Hall. Other minor variances £0.004m	
Agricultural Estates	(0.189)	(0.152)	0.037	0.035	Minor Variances	
Property Holdings	0.015	0.005	(0.010)	0.012	Minor Variances	
Property Asset And Development	0.446	0.361	(0.085)	(0.066)	£0.062m in year salary savings. Other minor variances £0.023m	
Caretaking & Security	0.302	0.267	(0.035)	(0.035)	Minor Variances	
CPM & Design Services	0.691	0.470	(0.221)	(0.225)	£0.139m projected additional fee income above target. £0.070m in year salary savings. Other minor variances £0.012m	
Industrial Units	(1.153)	(0.995)	0.158	0.168	£0.168 m as a result of unachieved rental income. This will be offset against office efficiencies.	
CCTV & Open Spaces	0.184	0.211	0.027	0.032	Minor variances	
Minor Variances	0.752	0.752	(0.000)	(0.003)		
Total Organisational Change 2	2.288	2.047	(0.241)	(0.187)		
Chief Executive	2.926	2.797	(0.129)	(0.113)	Due to in-year vacancy savings and underspends on specialist budgets such as sustainable development, Your Community/Your Council and public relations	Continue to monitor and review

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Central and Corporate Finance	24.990	23.638	(1.352)	(1.350)	<p>An underachievement on the income target of £0.412m, though work is continuing to identify areas of opportunity.</p> <p>Support Services recharge, has resulted in a shortfall of £0.234m due to a reduction in overall operating costs.</p> <p>Car parking permit income shortfall of £0.080m.</p> <p>Reduced audit fees, underspend of £0.127m.</p> <p>Social Services, one off in year underspend of £1.608m held centrally to mitigate any in year overspends - £0.513m resulting from remaining pressure budgeted in 17/18 no longer required, £0.500m due to funding being secured from the Regional Integrated Care Fund, a revenue grant allocation on a one off basis. An additional £0.595m of Welsh Government funding for Social Care has recently been confirmed.</p> <p>Projected Pension fund variance £0.288m due to surplus of budget required for increase in contributions in 2017/18.</p> <p>Apprentice Tax Levy underspend of £0.049m, increased data has enabled a more accurate projection.</p> <p>Minor variances £0.006m.</p>	<p>Work is continuing to identify areas of opportunity to generate income. Keep under review as part of MTFS considerations.</p> <p>Social Services - Keep under review as part of MTFS considerations to assess 18/19 impact.</p> <p>Pension Fund / Apprentice Tax Levy - Keep under review in year to consider potential for mitigation of 18/19 pressure.</p>
Grand Total	255.156	256.418	1.262	1.147		

2017/18 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2017/18 £(m)	2017/18 £(m)	2017/18 £(m)
People & Resources			
Finance - Implementation of Collaborative Planning Software to finance to improve and automate our processes thus enabling workforce efficiencies. Phased roll out of new finance model.	0.270	0.200	(0.070)
Review of Human Resources & Organisational Design operating model and job roles and various other efficiencies.	0.148	0.052	(0.096)
DBS recharges	0.058	0.025	(0.033)
Total People & Resources	0.476	0.277	(0.199)
Governance			
ICT - Reduction in management, staff and non pay costs.	0.350	0.310	(0.040)
Total Governance	0.350	0.310	(0.040)
Social Services			
Develop a 'progression' model for Supported Living.	0.250	0.076	(0.174)
Develop alternative approaches to in house day services and work opportunity schemes.	0.250	0.200	(0.050)
Total Social Services	0.500	0.276	(0.224)
Education & Youth			
Music Service to move to full cost recovery model.	0.035	0.014	(0.021)
Total Education & Youth	0.035	0.014	(0.021)
Organisational Change 1			
Alternative Delivery Models	0.415	0.335	(0.080)
Total Organisational Change 1	0.435	0.355	(0.080)
Community & Enterprise			
Council Tax Reduction Scheme.	0.200	0.735	0.535
Total Community & Enterprise	0.200	0.735	0.535
Streetscene & Transportation			
Develop energy production at landfill.	0.100	0.000	(0.100)
Review subsidised bus routes.	0.350	0.000	(0.350)
Total Streetscene & Transportation	0.450	0.000	(0.450)
Planning & Environment			
Staffing - management restructure.	0.125	0.062	(0.063)
Self financing for Public Protection Services.			
- Animal & Pest Control.			
- Licencing Charging.	0.030	0.000	(0.030)
Increase in planning fees (15% WG increase) and applications	0.015	0.000	(0.015)
Increase in number of planning applications	0.035	0.000	(0.035)
Total Planning & Environment	0.205	0.062	(0.143)
Total 2017/18 Budget Efficiencies		100	8.433
Total Projected 2017/18 Budget Efficiencies Underachieved		7	0.622
Total Projected 2017/18 Budget Efficiencies Achieved		93	7.811

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2017	10.953	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		5.184
Less – allocation from the Contingency Reserve to support initial set up costs and final technical support for the Community Asset Transfer (CAT) of Holywell Leisure Centre and Alternative Delivery Model (ADM) agreed in 2016/17		(0.050)
Less – allocation from the Contingency Reserve to provide financial support to meet in-year budget pressures in 2017/18 for regional economic structures and support for events		(0.052)
Less – projected outturn overspend		(1.262)
Total Contingency Reserve as at 31st March 2018		3.820



Budget Monitoring Report
Housing Revenue Account Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(32.263)	(32.164)	0.099	0.118	£0.079m reflects the decision to delay implementation of Service Charges to 1st April 2018 (from January 2018) to allow more time for full consultation. £0.034m relates to the loss of income on garages following refurbishments and demolition. The Bad Debt Provision has been reviewed to release a saving of £0.025m. The remaining balance relates to minor variances of £0.011m.	
Capital Financing - Loan Charges	7.545	7.411	(0.134)	(0.016)	£0.118m relates to a reduction in the expected interest charge for HRA borrowing. This is because interest rates have remained low since the Brexit referendum. Borrowing costs have also been minimised through efficient treasury management. £0.016m relates to a reduction in the minimum revenue payment (MRP). This is calculated based on the total HRA borrowing at 31st March 2017 which was slightly lower than assumed in the budget.	
Estate Management	1.633	1.614	(0.019)	0.005	Minor Variance	
Landlord Service Costs	1.311	1.333	0.021	0.022	Minor Variance	
Repairs & Maintenance	8.601	8.317	(0.284)	(0.208)	A saving of £0.284m is anticipated on Repairs and Maint. £0.150m relates to staffing costs and £0.146m relates to subcontractor spend. The remaining £0.012m relates to minor variances.	
Management & Support Services	2.273	2.204	(0.069)	(0.004)	£0.035m relates to vacancy savings. £0.010m relates to a reduction in the projected Apprentice Levy. £0.025m relates to software. The remaining £0.001m relates to minor variances.	
Capital Expenditure From Revenue (CERA)	10.890	11.276	0.385	0.084	The variance of £0.385m relates to an increase in the contribution from revenue towards capital costs. This increase is possible because of decreased costs elsewhere in the HRA. Contributing towards the capital budget from revenue reduces the requirement to borrow.	
HRA Projects	0.046	0.046	(0.000)	(0.000)	No variance	In March 2017 Cabinet approved progression of site investigation works on several possible sites for SHARP. If for any reason schemes are not approved by 31st March 2018, these costs will be charged to the HRA.
Contribution To / (From) Reserves	(0.035)	(0.035)	0.000	0.000	No variance	
Total Housing Revenue Account	0.000	(0.000)	(0.000)	0.000		

