



CABINET

Date of Meeting	22 October 2019
Report Subject	Revenue Budget Monitoring 2019/20 (Month 5)
Cabinet Member	Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the second detailed revenue budget monitoring position for 2019/20 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 5. The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

As outlined at Month 4, the format of the report now incorporates changes to emphasise the key areas affecting the Council, emerging risks to the financial position and to reinforce links with the Medium Term Financial Strategy (MTFS).

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating deficit of £3.042m which is a negative movement of £0.059m from the deficit figure of £2.983m reported at Month 4.
- A projected contingency reserve balance as at 31 March 2020 of £1.827m

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.108m higher than budget which is a negative movement of £0.027m from the deficit figure of £0.081m reported at Month 4
- A projected closing balance as at 31 March 2020 of £1.215m

At the last meeting members considered reports on the two areas of major variance, namely Children's Out of County Placements and School Transportation. Members confirmed that they were satisfied that there was very limited scope for mitigation to reduce the in-year overspend and that there would be an inevitable impact on the budget position from 2020/21 that would need to be factored into the Medium Term Financial Strategy (see separate report on this agenda)

To assist with mitigating the overall projected overspend the following measures are being introduced:-

- 1). All non-essential spend will be reviewed and challenged with a view to ceasing/delaying where able and
- 2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying

The outcome of this review will be included in the Month 6 Budget Monitoring Report.

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2020.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 5 POSITION
1.01	<p>Council Fund - Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> • An operating deficit of £3.042m • A projected contingency reserve balance as at 31 March 2020 of £1.827m <p>At the last meeting members considered reports on the two areas of major variance, namely Children's Out of County Placements and School Transportation. Members confirmed that they were satisfied that there was very limited scope for mitigation to reduce the in-year overspend and that there would be an inevitable impact on the budget position from 2020/21 that would need to be factored into the Medium Term Financial Strategy.</p> <p>To assist with mitigating the overall projected overspend the following measures are being introduced:-</p>

- 1) All non-essential spend will be reviewed and challenged with a view to ceasing/delaying where able and
- 2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying
- The outcome of this review will be included in the Month 6 Budget Monitoring Report.

1.02 **Table 1. Projected Position by Portfolio**

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m
Social Services	65.962	66.055	0.093
Out of County Placements	9.033	11.140	2.107
Education & Youth	8.519	8.400	(0.119)
Schools	91.946	91.946	0.000
Streetscene & Transportation	30.497	32.096	1.599
Planning & Environment	5.929	5.982	0.053
People & Resources	4.467	4.567	0.100
Governance	9.032	9.082	0.050
Strategic Programmes	5.272	5.272	0.000
Housing & Assets	15.150	14.849	(0.301)
Chief Executive	2.797	2.645	(0.152)
Central & Corporate Finance	22.745	22.356	(0.389)
Total	271.350	274.391	3.042

1.03 The reasons for the movements of £0.059 from the previous month are shown in Appendix 1. The reasons for the overall projected variances are summarised within Appendix 2 showing the detail of all variances over £0.050m and a summary of minor variances for each portfolio. This provides the overall position for each portfolio and the overall position for the Council Fund.

1.04 Enhancements to the format of the Revenue Budget monitoring report have been made which aim to highlight the following key information for Members:

- The key major variances to bring to the attention of Cabinet
- The tracking of in year financial risks
- Potential MTFS Impact of the current in year monitoring position

	Major Variances to highlight this Month
1.05	<p>Out of County Placements</p> <p>At this stage in the financial year, there is a projected overspend of £2.107m for the provision of Out of County Placements.</p> <p>The Council included an additional amount of £1.655m in the 2019/20 budget to reflect the number of clients and care packages at that particular time. However, in the early part of 2019/20 there has been an increase in the number of high cost placements.</p> <p>This has created a projected overspend of £1.633m in Children's Social Services and a projected overspend of £0.474m within Education & Youth Inclusion Services. This is based on current clients and their assessed need.</p> <p>The projection includes externally provided placement costs for over 150 children, some of which lie within Flintshire's geographic boundary.</p> <p>A Report on 'Improving the in-house offer for Out of County Placements for Children' taken to the Joint Education & Youth and Social & Health Care Overview and Scrutiny Committees in July, 2019 outlined the Council's strategy and commitment in ensuring safe, high quality, support for Children's Services.</p> <p>A separate report was also presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September. (para 1.01 refers)</p>
1.06	<p>Street Scene and Transportation</p> <p>Transportation and Logistics - £1.599m Overspend</p> <p>The pressure in school transport costs totalling £1.240m is as a result of several factors:-</p> <ul style="list-style-type: none"> - The effect of non-statutory school transport arrangements and ongoing transport policy anomalies; - An increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with increases in the number of school escorts to accompany SEN pupils and in the number of single occupancy routes; - Transporting enrolment cohort to Connahs Quay High School and placing duplicate vehicles on public bus services as a response to non-eligible pupil displacement; - An increase in number of school days for 2019/20 <p>Work is in hand to try to contain this figure within a cost pressure range which had an estimated ceiling of £0.800m.</p> <p>Service Delivery – £0.109m Overspend</p>

	<p>Following the extreme weather event during June 2019, the service has incurred additional revenue pressures from responding and resolving flooding issues across the County. The network damage was widespread and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding and repairing the highway along with costs of plant and materials. A claim to Welsh Government has been submitted for these additional costs, which is currently awaiting confirmation on eligibility and award of funding.</p> <p>Car Park Income - £0.175m Overspend</p> <p>The pressure is based on the average shortfall in income against monthly projections for each town using the first full ten months of implementation (received in 2018/19) of the increased tariff charges and projected for 2019/20. More recently, a large section of car parking at Flint Retail Park has been closed for development, which will result in a displacement of vehicles into Council car parks providing an increase in car parking income.</p> <p>Other cumulative variances across the portfolio total £0.075m, which includes increased transport provision to Social Services service users of £0.048m.</p> <p>A separate report was presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September. (para 1.01 refers)</p>
1.07	<p>Social Services</p> <p>The overall position for Social Services is a projected overspend of £0.093m.</p> <p>There are however some significant variances both adverse and favourable that underpin this position due to overspends within Children's Services and net underspends within Adults Services.</p> <p>All details of variances are provided in Appendix 2 and consideration has been given to further realignment of budgets within the Portfolio to address changes in service delivery.</p>
1.08	<p>Central & Corporate Finance</p> <p>Pension; £0.786m underspend</p> <p>There was a significant underspend on the pension contribution account in 2018/19 with £0.600m contributing towards the 2019/20 budget. Early analysis suggests that there is a further efficiency in year.</p> <p>There are various factors affecting the position including the financial impact of the transfer of various services being less than anticipated and the recovery of a higher level of contribution to the deficit due to the increased</p>

	<p>pay award. The position is under review as part of the current work on the 2020/21 budget.</p> <p>Income Target; £0.163m un-achieved</p> <p>The Council is continuing to review its fees and charges and to investigate new sources of income. A report to Cabinet in July recommended a process for the annual review of fees and charges with the aim of achieving full cost recovery wherever possible. It is likely that the position will improve in-year and this will be reported on in future monitoring reports.</p>
1.09	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2019/20 a number of significant risks were identified and an update is provided below.</p>
1.10	<p>Out of County Placements</p> <p>A key risk identified at the time of setting the 2019/20 budget was the general rising costs of social care and the upward trend in the number of cases of Out of County placements across Wales. The main influence on this increase is the Social Services and Wellbeing Act which has led to a higher number of court outcomes and placements which has increased the financial pressure on this service area.</p> <p>The impact of the current pressures on Out of County Placements have been included in the Councils updated forecast for 2020/21.</p>
1.11	<p>School Transport</p> <p>Managing the increasing demand into future years in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with further potential increases in the number of school escorts to accompany SEN pupils and the number of single occupancy routes;</p>
1.12	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2019/20 budget contains £6.939m of specific efficiencies which are tracked and monitored. In 2018/19 the level of efficiency achievement was 98% which was an improvement on the 94% achieved during the previous year. The Council aims to achieve a 95% rate in 2019/20 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2019/20 shows that £6.197m or 90% of the efficiencies will be achieved.</p> <p>However when taking into account the decision of Cabinet to re-phase the efficiency from the Aura Subsidy this changes the achievement rate to 91%.</p> <p>The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2020/21 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with the</p>

	overall impact in relation to any impact for 2020/21 being reviewed as part of the ongoing work on the MTFs.																								
1.13	<p>Income</p> <p>The Council introduced its Income Strategy in late 2017. A target of £0.150m remained to be achieved from the identification of new sources of income and the review of fees and charges. The Council now has additional capacity to pursue this strategy with a number of potential opportunities being considered as part of business planning and annual review.</p>																								
1.14	<p>Recycling Income</p> <p>The market rate for income received from recycling plastic, paper and card are extremely volatile and can fluctuate rapidly. Recycling income has reduced over recent years and there is always a risk that the market rates may reduce further.</p>																								
1.15	<p>Schools Pressures</p> <p>In recent years there has been considerable pressure on secondary school budgets. 7 out of 11 secondary schools in Flintshire carried forward deficits into 2019/20 and a summary is provided below Schools are required to submit a licensed deficit application to the Council and this is reviewed by the Chief Officer, Education & Youth and the Section 151 Officer.</p> <table border="1"> <thead> <tr> <th>School</th> <th>Deficit Balance brought forward</th> <th>% of budget</th> </tr> </thead> <tbody> <tr> <td>Connah's Quay High School</td> <td>-34,477</td> <td>-0.8%</td> </tr> <tr> <td>St. Richard Gwyn</td> <td>-508,276</td> <td>-16.2%</td> </tr> <tr> <td>Ysgol Treffynnon</td> <td>-646,173</td> <td>-29.5%</td> </tr> <tr> <td>Castell Alun High School</td> <td>-8,674</td> <td>-0.2%</td> </tr> <tr> <td>Ysgol Maes Garmon</td> <td>-173,177</td> <td>-6.7%</td> </tr> <tr> <td>Argoed High School</td> <td>-56,000</td> <td>-2.2%</td> </tr> <tr> <td>St. David's High School</td> <td>-452,609</td> <td>-23.9%</td> </tr> </tbody> </table> <p>This position is being reviewed by the Council on a school by school basis due to concerns about the deteriorating position. The issue has also been highlighted by Estyn as a specific recommendation in its recent inspection report.</p>	School	Deficit Balance brought forward	% of budget	Connah's Quay High School	-34,477	-0.8%	St. Richard Gwyn	-508,276	-16.2%	Ysgol Treffynnon	-646,173	-29.5%	Castell Alun High School	-8,674	-0.2%	Ysgol Maes Garmon	-173,177	-6.7%	Argoed High School	-56,000	-2.2%	St. David's High School	-452,609	-23.9%
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1.16	<p>Other In-Year Issues</p> <p>Inflation</p> <p>Included within the 2019/20 budget are provision for Non Standard Inflation fuel (£0.034m), Energy (£0.329m) and NDR/Price (£0.204m). As in previous years, these amounts are held centrally until later in the year when actual cost pressures are known. It is currently assumed that all of these allocations will be required in 2019/20 but this will be kept under review throughout the financial year.</p>																								

	<p>In previous years, the Council has had to make a payment associated with the Carbon Reduction Scheme. This scheme has now ended and the impact of this is likely to result in higher energy charges for the Council. The funding associated with this has now been added to the central inflation budget and will be allocated according to need</p>
1.17	<p>MTFS Impact</p> <p>Cabinet considered the latest projection for the MTFS in April which showed a budget gap of £13.3m.</p> <p>The gap included pressures for the following services which are currently under review in view of the in-year position:</p> <ul style="list-style-type: none"> • Out of County Placements – Current projection of £2.107m with a pressure of £1.156m already included for 20/21 • School Transport - currently projecting an overspend of £1.240m in 2019/20 - £0.700m assumed in the forecast (reducing due to non-statutory school transport arrangements and ongoing transport policy anomalies being removed from July 2020). <p>Further Risks for MTFS</p> <p>Any efficiencies not achievable by 2020/21 will need to be included as a further pressure together with the impact on any grant funding that does not continue into 20/21.</p> <p>All Portfolios to consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p> <p>An update on the budget forecast for 2020/21 taking all of the above into consideration is also included on this agenda.</p>
1.18	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The 2018/19 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2019 (above the base level of £5.769m) of £8.252m.</p> <p>As approved in the 2019/20 budget an amount of £2.221m was utilised as part of the strategy to balance the budget. In addition an amount of £0.062m was approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB), £1.000m for investment in change and an amount of £0.100m for the ongoing resourcing of the Victim Contact Team within Social Services.</p>
1.19	<p>Taking into account the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2020 is projected to be £1.827m as detailed in Appendix 4.</p>
1.20	<p>Earmarked Reserves</p>

The table below gives a summary of earmarked reserves as at 1 April 2019 and provides an estimate of projected balances as at the end of the current financial year.

Council Fund Earmarked Reserves 2019/20

Monitoring Summary Month 5

Reserve Type	Balance as at 01/04/19	Balance as at 31/03/20
Service Balances	776,994	483,449
Specific Service Balances	78,081	77,337
Schools Balances	1,335,087	1,335,087
Single Status/Equal Pay	1,184,187	638,187
Investment in Organisational Change	1,039,115	1,139,115
Budget Strategy	208	208
Benefits Equalisation	318,370	318,370
County Elections	204,561	204,561
Local Development Plan (LDP)	180,000	180,000
Waste Disposal	82,648	67,648
Enterprise Centres	52,554	0
Design Fees	200,000	0
Winter Maintenance	250,000	250,000
Car Parking	47,440	0
Insurance Reserves	2,113,852	2,413,852
Cash Receipting Review	568	568
Flintshire Trainees	540,766	265,383
Rent Income Shortfall	70,000	0
Customer Service Strategy	33,000	33,000
Capita One	18,827	18,827
Supervision Fees	48,798	48,798
Transportation Review	84,200	0
LMS Curriculum	383,440	271,499
Organisational Change/ADM	99,965	79,965
Solar Farms	42,440	0
Tribunal Costs	150,000	0
Property Claims	45,000	0
Grants & Contributions	3,933,806	2,750,976
Total	13,313,906	10,576,830

1.21 The projected level of school balances are currently being reviewed as part of the first detailed monitoring of the new academic year. At this stage there is the potential for a significant reduction in overall balances. However, in the past schools have benefitted from the notification in-year of external grant funding opportunities. An update will be provided in future monitoring reports.

1.22 **Housing Revenue Account**

	The 2018/19 Outturn Report to Cabinet on 16 July 2019 showed an un-earmarked closing balance at the end of 2018/19 of £1.165m and a closing balance of earmarked reserves of £1.056m.
1.23	The 2019/20 budget for the HRA is £36.239m which includes a movement of £0.158m to reserves.
1.24	The monitoring for the HRA is projecting in year expenditure to be £0.108m greater than budget and a closing un-earmarked balance as at 31 March 2020 of £1.215m, which at 3.35% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
1.25	The budget contribution towards capital expenditure (CERA) is £13.717m.

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	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>The Revenue Budget Monitoring Report reflects the three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.09 to 1.17.</p> <p>To assist in managing these key risks and the current financial position at Month 05, is to implement a Review of Non-Essential Spend in conjunction with Month 06 Budget Monitoring and thereafter.</p>

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None required

5.00	APPENDICES
5.01	<p>Appendix 1: Council Fund – Movement in Variances from Month 4</p> <p>Appendix 2: Council Fund – Budget Variances</p> <p>Appendix 3: Council Fund – Programme of Efficiencies</p> <p>Appendix 4: Council Fund – Movement on Un-earmarked Reserves</p> <p>Appendix 5: Housing Revenue Account Variances</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Dave Ledsham (Finance Manager) Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS These are provided corporately on the Infonet (link) and maintained by the Executive Office
8.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council's revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>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.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>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</p> <p>Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Underspend: when referring to expenditure the actual expenditure incurred is less than budget. When referring to income the actual income achieved exceeds the budget.</p> <p>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.</p> <p>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</p>

contingency provisions. Virements may not however be approved between capital and revenue budget heads.

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 5 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
<i>Older People</i>		
Localities	0.044	Increased costs due to additional temporary resource which is required to reduce an increase in demand, compared to previous resourcing projections made.
Minor Variances	(0.022)	
Adults of Working Age		
Disability Services	0.031	Reduction in projected income due to updated allocations of joint funding packages.
Transition & Disability Services	0.035	£0.019m is due to pay inflation adjustments. The balance is due to minor variances.
Residential Placements	0.114	Due to an additional placement within the service, which was not known in the previous period.
Minor Variances	(0.003)	
Children's Services		
Professional Support	(0.076)	Reflects the £0.100m drawn down from the Contingency Reserve for the Victim Support team, offset by minor variances.
Minor Variances	0.035	
Safeguarding & Commissioning		
Vacancy Management	(0.069)	The £0.069m adjustment to pay inflation has been allocated to staffing lines throughout the portfolio.
Minor Variances	0.006	
Total Social Services (excl Out of County)	0.094	
Out of County		
Children's Services	0.062	Net impact of new and ended placements and date/rate changes
Education & Youth	0.051	Net impact of new and ended placements and date/rate changes
Total Out of County	0.113	
Education & Youth		
Minor Variances	0.013	
Total Education & Youth	0.013	
Streetscene & Transportation		
Minor Variances	0.031	
Total Streetscene & Transportation	0.031	
Planning, Environment & Economy		
Minor Variances	(0.011)	
Total Planning & Environment	(0.011)	
People & Resources		
HR & OD	0.047	Revised estimate to £0.018m for Workforce efficiency at Period 05 following review
Corporate Finance	0.015	
Total People & Resources	0.062	
Governance		

Customer Services	(0.053)	August figures now include the recharge of a number of the Contact Centre Staff costs to the Housing Revenue Account and Sarrh Project. An element of Staffing Budget from Streetscene and Transportation transferred in to fund the Contact Centre Staff transferred in to Customer Services
Minor Variances	(0.035)	Minor Variances across the service all lower than £0.025m
Total Governance	(0.088)	
Housing & Assets		
Enterprise Centres	(0.051)	Drawdown of residual funds from reserve to mitigate for rent income shortfall
Industrial Units	(0.074)	Drawdown of residual funds from reserve to mitigate for rent income shortfall
Minor Variances	(0.130)	-£0.120m relates to the correction of a previously overstated adverse variance from Month 4.
Total Housing & Assets	(0.256)	
Chief Executive's	0.010	
Central & Corporate Finance	0.090	Revised outturn for Coroners Service based on Actual figures, Revised Efficiency for Essential Casual Mileage
Grand Total	0.059	

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outcome (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services						
Older People						
Localities	18,814	18,165	(0.649)	(0.693)	Residential and Nursing Care is projecting a £0.463m underspend due to fluctuation in demand for residential and nursing care placements and increases to capital limits. Staff budgets are underspending within Intake/First Contact and Localities Teams, not all staff are currently top of grade and there are in-year savings due to short term vacancies.	ICF Grant funding is used to fund residential care to reduce the amount of time people spend in hospital. If this funding is fully spent during the year slippage on the residential care budget is required to continue minimising hospital stays.
Reablement Services	0.542	0.421	(0.120)	(0.127)	The service is expected to understand due to in-year savings from vacancies.	
Resources & Regulated Services	7,018	7,631	0.613	0.636	Council provided residential care is £0.422m overspend due to relief and agency cover. Relief and agency staff are required to maintain the mandatory level of staff within the residential homes, however the amount of budget to fund this is low and does not contain contingencies for sickness absences. There are also pressures from buildings expenditure such as repairs and maintenance.	
Minor Variances	0.717	0.721	0.004	0.010		
Adults of Working Age						
Resources & Regulated Services	24,170	23,506	(0.664)	(0.680)	This is due to a combination of a decrease in high cost placements at the end of 2018/19 with the subsequent full year financial impact showing in 2019/20 and inflation provision for care provider fee increases not automatically passing to all providers and in some cases are only considered upon request.	This service area is subject to changes in demand for services. There are always a number of potential service users which may require services in the future. Although these service users are known to us at this time the most appropriate care package has not yet been determined and full costs associated for their care cannot yet be estimated and included within this months financial projections. There is also potential for providers to request increases in their fees and the Council is currently negotiating with specialist providers over proposed uplifts for 2019/20.
Transition & Disability Services	0.783	0.710	(0.073)	(0.108)	This service is expected to underspend due to all staff at top of grade and one off in-year vacancy savings.	
Residential Placements	1,241	1,717	0.476	0.362	The overspend is because of the number of residential placements currently funded.	This service is a demand led service and can be volatile.

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	0.821	0.745	(0.076)	(0.084)	Salary underspends due to staff not being top of scale and in year vacancy savings.	
Minor Variances	2.939	2.930	(0.009)	(0.013)		
Children's Services						
Family Placement	2.564	2.883	0.319	0.309	The overspend is due to current demands on the service from the number of fostering placements, which in some cases avoid making an Out of County placement. The main pressure areas are payments for foster carers, foster agencies and special guardianship payments.	
Family Support	0.371	0.507	0.136	0.113	This is due to the number of court directed contact sessions which require support workers to attend. Sessional workers were historically used, however the need to use sessional workers has increased to a level whereby, under employment regulations, sessional workers are required to be issued fixed term contracts.	Parts of this service are being reviewed with a view to making it more cost efficient.
Legal & Third Party	0.178	0.466	0.288	0.307	Legal costs are overspent due to the number of cases going through the courts and the use of external legal professionals. Direct payments have recently seen an increase in demand.	
Professional Support	5.190	5.341	0.151	0.227	To support adequate levels of child protection the established staffing structure needs to be maintained at the required standard as much as possible. Vacancies are therefore minimised and challenges to recruitment leads to the use of agency staff, this leads to an increase in costs as agency rate is higher than non-agency staff. The use of agency staff is monitored and kept to a minimum as much as possible but it is not possible to avoid altogether.	
Minor Variances	1.125	1.151	0.027	0.007		
Safeguarding & Commissioning						
Charging Policy Income	(2.923)	(3.105)	(0.183)	(0.183)	Charging policy income is expected to exceed the budgeted amount due to increases in the non-residential care maximum weekly charge cap and an increase to the base number of service users who contribute to their care.	
Business Support Service	1.235	1.134	(0.101)	(0.106)	There are a number of short term vacancy savings and some posts currently occupied by staff who are not top of grade.	
Safeguarding Unit	0.923	0.840	(0.084)	(0.079)	The underspend is due to a number of short term vacancy savings and some posts currently occupied by staff who are not top of grade.	
Management & Support	(1.929)	(1.736)	0.193	0.193	There is a shortfall from the assumed proportion of grant allocations announced by Welsh Government which were included within the 2019/20 budget. The total shortfall across the three grants is £0.283m, although some of this is partly mitigated by one off refunds from the Regional Collaboration Unit.	
Vacancy Management	(0.080)	(0.304)	(0.224)	(0.155)	Short term vacancy savings transferred from across the portfolio.	
Minor Variances	2.262	2.330	0.068	0.062		
Total Social Services (excl Out of County)	65.962	66.055	0.093	(0.007)		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Out of County						
Children's Services	5,288	6,921	1,633	1,571	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19	A threefold approach to mitigation by:- 1) direct action e.g. Commissioning Practice 2) Expenditure controls within the same service or portfolio. 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation.
Education & Youth	3,745	4,219	0,474	0,423	The overspend is influenced by a significant increase in the number of placements and the full year impacts of new placements which emerged during 2018/19.	A threefold approach to mitigation by:- 1) - direct action e.g Commissioning Practice 2) Expenditure controls within the same service or portfolio 3) After exhaustion of 1 and 2, consider how to effect corporate level mitigation
Total Out of County	9,033	11,140	2,107	1,994		
Education & Youth						
School Improvement Systems	1,716	1,619	(0,097)	(0,102)	Variance largely relates to Early Entitlement, a reduction in maintained and non-maintained setting payments as a result of demography and a reduction of the number of settings requiring funding. Includes hourly reductions in established staff. A further influence is the full year impact of the cessation from January 2019 of minimum of 5 children payments for playgroups.	
Minor Variances	6,803	6,781	(0,022)	(0,030)		
Total Education & Youth	8,519	8,400	(0,119)	(0,132)		
Schools	91,946	91,946	0,000	(0,000)		
Streetscene & Transportation						

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Service Delivery	8,536	8,645	0.109	0.100	Following the extreme weather event during June 2019, the service has incurred additional revenue pressures from responding and resolving flooding issues across the County. The network damage was widespread and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding and repairing the highway along with costs of plant and materials. A claim to Welsh Government has been submitted for these additional costs, which is currently awaiting confirmation on eligibility and award of funding. Potential total cost up to £0.180m. The flooding has also impacted the capital programme creating an additional pressure of £0.350m for highway repairs.	Awaiting outcome of the claim to Welsh Government.
Transportation	8,598	9,886	1,288	1,286	The pressure in school transport costs are as a result of several factors across the service. Effect of non-statutory school transport arrangements and delay in implementing policy on removing historic transport anomalies. Increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in County and out of County placements, along with an increase in number of school escorts to accompany SEN pupils and growth in number of single occupancy routes. Transporting enrolment cohort to Connahs Quay High School and placing duplicate vehicles on public bus services as a response to non-eligible pupil displacement. There is also an increase in number of school days in 2019-20. The Transportation service are attempting to mitigate the £1.240m variance figure to a range nearer £0.800m. Increased transport provision to Social Services of £0.048m. The Transportation service are looking to mitigate this pressure through a route optimisation exercise.	The Transportation Service are attempting to mitigate some of the pressure.
Regulatory Services	5,003	5,178	0.175	0.179	Car Park income. The pressure is based on the average shortfall in income against monthly projections for each town using the first full ten months of implementation (received in 2018/19) of the increased tariff charges and projected for 2019/20. More recently, a large section of car parking at Flint Retail Park has been closed for development, which will result in a displacement of vehicles into Council car parks providing an increase in car parking income. The waste strategy service may have a slightly improved position of up to £0.100m, pending confirmation on award of grant funding from Welsh Government for the North Wales Residual Waste Treatment Project.	Keep car park income closely monitored.
Other Minor Variances	8,360	8,387	0.028	0.002		
Total Streetscene & Transportation	30,497	32,096	1,599	1,568		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Planning, Environment & Economy						
Business	1.588	1.653	0.065	0.068	Extension of two EHO contracts has been agreed due to increasing service pressures and demands	
Access	1.339	1.394	0.055	0.053	Historic Income Target not realised due to cessation of Single Revenue Grant March, 2019 £0.027m Service Review within Rights of Way resulting in increased staffing costs £0.28m.	
Management & Strategy	1.391	1.334	(0.057)	(0.044)	Vacant posts across the Service; Land Drainage and Planning Policy	
Minor Variances	1.611	1.602	(0.009)	(0.013)		
Total Planning & Environment	5.929	5.982	0.053	0.064		
People & Resources						
HR & OD	2.375	2.453	0.078	0.031	The launch of the salary sacrifice scheme for AVCs was undertaken earlier this year and all existing employees paying AVCs have been written to encouraging them to take up the scheme, together with information to staff via the Infront workforce news. To date only £9k has been achieved through this scheme and we have estimated that if this increases by the same amount £1.8k will be achieved this year.	
Corporate Finance	2.092	2.115	0.023	0.007		
Total People & Resources	4.467	4.567	0.100	0.038		
Governance						
Legal Services	0.725	0.888	0.163	0.167	Overspend as a result of employing 3 locums covering absence to ensure continuing client service delivery in the area of child protection £0.090m Previous years efficiency target that was dependent on demand reduction in another service that has not occurred, thereby preventing the consequent achievement of the efficiency £0.090m. Mitigated by fee income and commitment challenge within the service by £0.017m	Monitoring Income levels
Minor Variances	8.307	8.195	(0.112)	(0.028)	Recharge confirmed for the cost of staff transferred to Customer Contact centre HRA and SARTI, staffing budget virement from Streetscene and Transportation for 6 staff members transferred to Customer Contact Centre £0.053m Minor Variances across the services all lower than £0.025m	
Total Governance	9.032	9.082	0.051	0.139		
Strategic Programmes						
Minor Variances	5.272	5.273	0.000	0.000		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Total Strategic Programmes	5,272	5,273	0,000	0,000		
Housing & Assets						
CPM & Design Services	0,675	0,615	(0,060)	(0,073)	Surplus of income recovered via Service Level Agreements (SLAs)	
Benefits	11,570	11,296	(0,273)	(0,274)	Projected underspend on the Council Tax Reduction Scheme (CTRS).	
Minor Variances	2,905	2,939	0,033	0,302	Drawdown of residual funds from reserves to mitigate rent income shortfalls and the correction of a previously overstated adverse variance from Month 4.	
Total Housing & Assets	15,150	14,849	(0,300)	(0,045)		
Chief Executive's	2,797	2,645	(0,153)	(0,163)	Vacant Posts	
Central & Corporate Finance	22,745	22,356	(0,390)	(0,480)	Over recovery of planned pension contributions recoupment against actuarial projections due to pay award increase mitigated by the under achievement of income efficiencies and Workforce efficiencies	
Grand Total	271,350	274,392	3,042	2,983		

2019/20 Efficiency Measures Outturn Target (Month 3)

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Confidence in Achievement of Efficiency - Based on (see below) R = High Assumption A = Medium Assumption G = Further Confirmed	Reason for variation	Mitigating Action if Amber or Red
Profile		2019/20	2019/20	2019/20				
		£m	£m	£m				
Corporate								
Maximum Revenue Provision	Liz Thomas	1,400	1,400	0,000	C	A	N/A	N/A
New Income Targets (See below for further breakdown)	All	0,100	0,000	(0,100)	C	A	See income analysis below	N/A
Management of Workforce and Inflation cost pressures	Gary Ferguson	1,144	1,144	0,000	C	A	N/A	N/A
Workforce Terms and Conditions	Sara Dulsevsharon	0,250	0,100	(0,150)	C	A	To be confirmed	N/A
ADMI Subsidies	Carney	0,400	0,285	(0,115)	C	A	Agreed re-reporting of subsidy reduction	Full impact will need to be assessed during the financial year
Reduction in Corporate Management Costs	Rachael Corbelli	0,250	0,256	0,006	C	A	EO 250m achieved to date through further efficiencies from CO post (Oct-March) may be achieved pending confirmation of resourcing	N/A
HR/MC Council Fund Recharges	Joanne Pierce	0,158	0,158	0,000	C	A		
Newsletter & Promotions	Rachael Corbelli	0,029	0,029	0,000	C	A		
Workforce Reduction	Karen Armstrong	0,015	0,015	0,000	C	A		
IT Infrastructure	Karen Armstrong	0,097	0,097	0,000	C	A		
Democratic Services	Garth Owen	0,009	0,009	0,000	C	A		
Total Corporate Services	Garth Owen	3,852	3,893	(0,359)	C	A		
Social Services								
Domiliary Care Charging Cap	Neil Ayling	0,294	0,294	0,000	C	A		
Business Systems Mobiles and Hardware	Neil Ayling	0,005	0,005	0,000	C	A		
Older Peoples Day Services	Neil Ayling	0,020	0,020	0,000	C	A		
Reduction in Voids	Neil Ayling	0,025	0,025	0,000	C	A		
Regional Efficiency	Neil Ayling	0,020	0,020	0,000	C	A		
Strategic Use of Grants	Neil Ayling	0,179	0,179	0,000	C	A		
Telecare	Neil Ayling	0,010	0,010	0,000	C	A		
Deferral of Recruitment	Neil Ayling	0,050	0,050	0,000	C	A		
Social Care Additional Funding	Neil Ayling	1,410	1,303	(0,107)	C	A	Grant allocation of £1,303m advised by W/GA	
Children's Services Additional Funding	Neil Ayling	0,110	0,000	(0,110)	C	A	Grant allocated to National Adoption Service arrangement with W/CBC as lead - funding being fully spent on new staff	
Regional Allocation Health and Social Care	Neil Ayling	0,705	0,639	(0,066)	C	A	ICF funding ED 639m for Children's Services Edge of Care and complex needs	
Total Social Services		2,789	2,596	(0,283)	C	A		
Education & Youth								
Integrated Youth Provision	Neil Ayling	0,014	0,014	0,000	C	A		
School Planning and Provision	Neil Ayling	0,005	0,005	0,000	C	A		
School Improvement Systems	Neil Ayling	0,058	0,058	0,000	C	A		
Give Efficiency	Neil Ayling	0,006	0,006	0,000	C	A		
Total Education & Youth	Neil Ayling	0,083	0,083	0,000	C	A		
Housing & Assets								
Housing Solutions: Reduction to temporary accommodation	Jenny Griffiths	0,036	0,030	0,006	C	A	Delay to reviewing processes	
Housing Programs: Reductions in bond applications	Neil Evans	0,035	0,035	0,000	C	A		
Total Housing & Assets	Jenny Griffiths	0,071	0,065	0,006	C	A		
Stratexona & Transportation								
School Transport	Anthony Stanford	0,100	0,000	(0,100)	C	R	Decision not to review historic transport services in year.	Impact of not achieving the efficiency included in the Additional School Transport Costs range in the Month 2 report.
Review Security Arrangements in depot	Katie Wiby	0,005	0,005	0,000	C	A		
Total Stratexona & Transportation	Katie Wiby	0,105	0,005	(0,100)	C	R		
Material, Environment & Economy								
Service Review - Trading Standards	Stian Jones	0,035	0,035	0,000	C	A		
Supplies and Services review	Lynne Farnome	0,005	0,005	0,000	C	A		
Regeneration review of spending	Hill Waller	0,023	0,023	0,000	C	A		
Greenfield Valley Management Fee (10% £88k)	Tom Woodall	0,007	0,007	0,000	C	A		
Materials & Waste shared service	Garry Muncarrow	0,005	0,005	0,000	C	A		
Total Planning, Environment & Economy	Garry Muncarrow	0,075	0,075	0,000	C	A		

Total 2019/20 Budget Efficiencies	6,839	6,197	(0,742)
Less Previously agreed Decision	(0,115)		0,115
Approved Re-profiling of Subsidy - AUPA			
Revised 2019/20 Budget Efficiencies	6,824	6,197	(0,627)

Total 2019/20 Budget Efficiencies	£	%	£
Total Projected 2019/20 Budget Efficiencies Underachieved	6,839	100	(0,742)
Total Projected 2019/20 Budget Efficiencies Achieved	-11	-11	6,197
Total 2019/20 Budget Efficiencies (Less Previously agreed Decisions)	6,824	99	6,197
Total Projected 2019/20 Budget Efficiencies Underachieved	100	100	6,824
Total Projected 2019/20 Budget Efficiencies Achieved	-9	-9	(0,627)
New Income Targets	91	91	6,197

Income Target Efficiency from Previous Years	£m		
Income Efficiency 19/20	(0,207)		
Total Income Efficiency	(0,100)		
	(0,207)		

19/20 New Income Efficiencies from Business Planning	Efficiency 2019/20	Amount Achieved 2019/20	(Under)Over Achievement 2019/20
	£m	£m	£m
Corporate			
Graphic Income	(0,005)	(0,005)	0,000
Management Recharge	(0,016)	(0,016)	0,000
Social Services			
Integrated Services	(0,010)	(0,010)	0,000
Workforce Development Income	(0,005)	(0,005)	0,000
Streetscene			
Income from external works with fleet services	(0,019)	(0,019)	0,000
Garden Waste Charges	(0,050)	(0,050)	0,000
Recreation Services (01 10,19 to 31,03,20)	(0,003)	(0,003)	0,000
Planning, Environment & Economy			
Planning Income	(0,025)	(0,025)	0,000
Carriage & Consumption	(0,023)	(0,023)	0,000
Revenue & Community - Food Safety, Food Licences, Pest Control & Weights & Measures (01 10,19 to 31,03,20)	(0,010)	(0,010)	0,000
Total 19/20 Income Efficiency	(0,157)	(0,157)	0,000
Total Balance Remaining	(0,150)		

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2019	14.021	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		8.252
Less – amount committed as part of balancing 2019/20 budget		(2.221)
Less – amount approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB)		(0.062)
Less – amount approved for investment in change		(1.000)
Less – allocation for ongoing resourcing of the Victim Contact Team		(0.100)
Less – projected outturn overspend		3.042
Total Contingency Reserve available for use		1.827

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(36.239)	(35.966)	0.273	0.194	There is a projected pressure of £0.273m on income. Of this pressure, £0.221m relates to loss of rental income on void properties and £0.043m relates to loss of income on garages which are not tenanted. The remaining £0.009m relates to other minor variances.	
Capital Financing - Loan Charges	8.380	8.380				
Estate Management	1.707	1.670	(0.037)	(0.018)	Additional expenditure of £0.051m is anticipated during the year in respect of the purchase of software. Salaries efficiency arising from vacancy savings and grant recharges of £0.092m. Other minor variances of £0.010m.	
Landlord Service Costs	1.459	1.479	0.020	0.003	Minor variances.	
Repairs & Maintenance	8.530	8.469	(0.061)	(0.000)	Saving in respect of DLO salaries of (£0.061m).	
Management & Support Services	2.442	2.354	(0.089)	(0.099)	It is anticipated that savings of £0.089m will be achieved in Management and Support costs. This will include salary savings of (£0.048m), a reduction in IT expenditure of (£0.042m) and other minor variances of £0.002m.	
Capital Expenditure From Revenue (CERA)	13.717	13.717				
HRA Projects	(0.155)	(0.154)	0.001	0.001	Minor variances.	
Contribution To / (From) Reserves	0.158	0.050	(0.108)	(0.061)	Reduction in contribution to reserves of £0.108m to offset additional expenditure across the HRA.	
Total Housing Revenue Account	0.000	(0.000)	(0.000)	(0.000)		

