

Public Document Pack

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Head of Legal and Democratic Services
Pennaeth Gwasanaethau Cyfreithiol a Democraataidd



To: Cllr Tim Newhouse (Chairman)

CS/NG

Councillors: Haydn Bateman, Marion Bateman,
Clive Carver, Peter Curtis, Ian Dunbar,
Andy Dunbobbin, Ron Hampson, Ray Hughes,
Richard Jones, Richard Lloyd, Mike Lowe,
Paul Shotton, Ian Smith and Arnold Woolley

10 January 2014

Tracy Waters 01352 702331
tracy.waters@flintshire.gov.uk

Dear Sir / Madam

A meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **THURSDAY, 16TH JANUARY, 2014** at **10.00 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

A G E N D A

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 1 - 10)
To confirm as a correct record the minutes of the meeting held on 12 December 2013.

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

- 4 **IMPROVEMENT ASSESSMENT LETTER FROM THE AUDITOR GENERAL FOR WALES** (Pages 11 - 20)
Report of Chief Executive enclosed.
- 5 **REVENUE BUDGET MONITORING 2013/14 (MONTH 7)** (Pages 21 - 68)
Report of Head of Finance enclosed.
- 6 **COUNCIL TAX REDUCTION SCHEME** (Pages 69 - 82)
Report of Head of Finance enclosed.
- 7 **COUNCIL TAX AND BUSINESS RATE POLICIES 2014-15** (Pages 83 - 90)
Report of Head of Finance enclosed.
- 8 **FEEDBACK FROM CONSIDERATION OF IMPROVEMENT AND PERFORMANCE PLANS** (Pages 91 - 94)
Report of Member Engagement Manager enclosed.
- 9 **FORWARD WORK PROGRAMME** (Pages 95 - 98)
Report of Member Engagement Manager enclosed.

Agenda Item 3

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE **12 DECEMBER 2013**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold CH7 6NA on Thursday, 12 December 2013

PRESENT: Councillor Tim Newhouse (Chairman)

Councillors Haydn Bateman, Marion Bateman, Andy Dunbobbin, Mike Lowe, Paul Shotton, Ian Smith and Arnold Woolley

SUBSTITUTES:

Councillors: Joe Johnson for Ian Dunbar, Carolyn Thomas for Ray Hughes and Robin Guest for Richard Jones

APOLOGIES:

Cabinet Member for Corporate Management

Councillors: Clive Carver, Peter Curtis, Ron Hampson and Richard Lloyd

CONTRIBUTORS:

Leader of the Council and Cabinet Member for Finance, Chief Executive, Head of Finance and Corporate Finance Manager

Head of ICT and Customer Services for minute number 53

Head of Human Resources and Organisational Development for minute number 55

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

51. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

52. MINUTES

The minutes of the meeting of the Committee held on 14 November 2013 had been circulated to Members with the agenda.

RESOLVED:

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

53. MEDIUM TERM FINANCIAL PLAN 2014/15 - 2018/19

The Leader of the Council introduced the report to provide Members with an update on the Medium Term Financial Plan (MTFP) 2014/15 – 2018/19. He explained that the report had been submitted to Cabinet in October 2013 and included an updated MTFP as at 30 September 2013. Member workshops on the 2014/15 budget were due to be held on 16 and 18 December 2013 with the scrutiny budget meetings taking place in January 2014. The MTFP covered a five year period but the focus was on the budget for 2014/15 and the financial challenges that lay ahead. This was an opportunity for Members to have a clear

understanding of the principles that underpinned the MTFP and the workshops would allow Members to see how the principles had been applied.

The Head of Finance detailed the background to the report and explained that the budget gap as projected at 30th September was £16.5m for 2014/15 and £47m over the five year period of the MTFP. This had been affected by the level of funding available to the Council, which was 80% from Welsh Government with the remaining 20% being from Council Tax. The final settlement figure had been received the previous day which indicated that the budget gap was now £15.1m.

The Corporate Finance Manager explained that prior to the settlement being received the funding forecasts had been revised to assume a cash reduction of 4% in both 2014/15 and 2015/16 and an assumed 'cash flat' position for the following years. However the MTFP had subsequently been updated to reflect the settlement figures and also a change to the collection rate for Council Tax to 99% in line with the recent decision of Cabinet. It was reported that the MTFP currently assumed grant levels remain the same as 2013/14 (£34.761m) as no details of any significant changes had been received at this stage.

Within the grants figure was £1.4m which was linked to the achievement of outcomes under the Outcome Agreement which the Council had with Welsh Government. The Corporate Finance Manager advised that the MTFP assumed that all outcomes would be achieved and that the Council would receive the full grant settlement. Each year an assessment is needed to be made on the inflationary increase required for service areas. A detailed exercise had been carried out since May to target price inflationary increases to where there was a business need only, rather than a flat increase across all service areas. The effect of this was to reduce the inflation provision requirement for 2014/15 from that previously assumed to £2.909m, a reduction of £1.118m. The Corporate Finance Manager advised that no adjustment had been made at this stage for future years and the table in the report detailed the assumptions currently made.

The full year effect of previous year budget decisions was required to be adjusted to the base budget in order to 'follow through' the decisions made in budgetary terms. For 2014/15 the impact for all Service Areas was an increase in the budget requirement of £2.808m rising by a further £2.743m in 2015/16. Costs within service areas were also reported which included an initial assessment of additional costs of £0.300m which was included in the MTFP as at May for the Council Tax Reduction Scheme to take account of caseload and the increased cost of support linked to the assumed Council Tax rise. Details of pressures for Leisure Services and Child Protection were also reported and the projected shortfall in 2014/15 taking into account all of the adjustments reported was now £15.1m.

The Chief Executive spoke about the budget Member workshops which were to be held. He said that the £15.1m budget gap was a significant challenge and that the MTFP document included information on the required Organisational Change Strategy for 2013-17 to meet the efficiency and savings targets required. He commented on efficiencies which had overall been successful in previous years with the rate of efficiencies being 85% which had delivered over £20m of savings over the last five years. The organisation needed to adapt its current

work into a single and coherent strategy for modernisation, change and prioritisation. The four parts of the strategy were:-

- Corporate Efficiency
- Functional Efficiency
- Organisational Design – Structure and Operating Models
- Organisational Design – Workforce

The Chief Executive said that the approach was different to previous years but added that the Council did not have an option due to the challenging budget gap and he spoke of considerations to protect local services as a first priority. The reductions in staff levels would therefore reduce workforce costs but he added that it was important to balance service need with requests for voluntary redundancies. Work was advanced on proposals to lower costs which would be shared with Members when it was available in the new year.

The Leader of the Council said that it was unlikely that there would be growth in funding for some time but that the Council still had aspirations to improve services. Options were being considered for the budget gap for future years and discussions would be undertaken with the wider membership and Committees in due course. On the issue of considerations for protection of services, he said that there may be a need to deliver the services in a different way and added the majority of services were currently delivered in-house. Budgets for future years would be considered once the 2014/15 budget had been finalised but he added that it was important to maintain capacity and capability.

Councillor Carolyn Thomas asked for clarification on what would be discussed at the Member workshops. She referred to the change in the collection rate for Council Tax but raised concern about the impact of the Council Tax Reduction Scheme on the Council. She also raised concern as she felt that some of the decisions in the MTFP had not been aligned to the Improvement Priorities. Councillor Thomas also requested that Members be kept fully informed of changes being proposed.

In response the Leader of the Council spoke of the workshops where more details on the proposals in the MTFP such as Value for Money and service efficiencies would be shared with Members. The Organisational Change Strategy was from the top down and he said that workforce reductions would be felt across the authority. He added that even though the MTFP was for five years up to 2018/19, there would be a reorganisation of Local Government at the end of that period. The Leader said that Flintshire did not have one central town and that many services were replicated across many towns and added that there would be obvious implications for North Wales and Flintshire County Council from the Williams Commission.

The Chief Executive said that budget meetings would be scheduled for January 2014 on 'Value for Money' work and would be an opportunity for Members to consider the proposals. However, he added that details of workforce reductions would need to be reported sensitively and that the scale and approach of the proposals would be discussed at the workshops. On the issue of Improvement Priorities referred to by Councillor Thomas, he said that they were not just about money. He said that decision had not yet been made on phases

three and four but added that County Hall was not affordable in the long term and that it was important to make the best use of the space available.

On the issue of Council Tax, the Head of Finance explained the background to the setting of the collection rate at 97.5% for 2013/14 due to the proposed Council Tax Reduction Scheme. However, following a change in the scheme by Welsh Government which provided assistance at up to 100% the amount collected had been higher than expected. Whilst support of up to 100% was available to eligible taxpayers, the funding from WG did not cover the full cost of the scheme and so there was an ongoing pressure for the Council.

Councillor Robin Guest spoke of the workshops and said that he hoped Members would attend the sessions. He said that the budget setting exercise was different for this year but he felt that the term 'Medium Term' was a contradiction as it could only apply for the short term. He concurred that Flintshire was a county of small towns and communities and that it was important to have an eye on the future to ensure the sustainable delivery of services. Councillor Guest also referred to the demography of the Council and to the implications for the Revenue Support Grant from Cardiff. He also asked what percentage the authority spent on salaries or staff pay and in referring to Capacity and Capability said that there was a need to get expert advice. Councillor Guest also referred to the section about Child Protection and asked for clarification on the marked increase in the demand for statutory child care support.

In response, the Leader of the Council said that the funding formula was a cause for concern and that the biggest impact was on population. He said that for Flintshire going forward the population was not projected to increase and that was a concern. He added that the issue of the Local Government Review had been raised with the Minister and that there was a need to review the funding formula sooner rather than later.

The Head of Finance said that the current formula had been in place since 2000 and that the formula, which was updated on an annual basis, was based on a number of factors. Flintshire was 18th or 19th out of the 22 Welsh Authorities.

In response to the issue of salary expenditure referred to by Councillor Guest, the Corporate Finance Manager said that approximately half of the budget was spent on staff salaries. The Chief Executive said that in the past there had been some provision in the settlement figure for pay but this had not been the case for some years. On the issue of capacity, it was important to use the help of consultants where necessary and he highlighted points three and four of the Organisational Change Strategy Programme on Workforce and Structure & Operating Models. The issue of Contractors could be discussed at the Members workshops. He said that there had been a significant rise in referrals to different agencies on Child Protection issues but reminded Members that not all referrals resulted in the need for statutory child care support. In referring to County Hall, he confirmed that a decision had not yet been reached but that debate on the issue could generate good ideas.

RESOLVED:

That the following be noted:-

- i) the Medium Term Financial Plan as at 30 September 2013
- ii) The Organisational Change and Re-Design Plan & Budget Strategy
- iii) The approach to sharing the budget strategy and proposals with Members over the coming three months.

54. REVENUE BUDGET MONITORING 2013/14 (MONTH 6)

The Corporate Finance Manager introduced a report to provide Members with the revenue budget monitoring 2013/14 (Month 6) information for the Council Fund and Housing Revenue Account (HRA) which was being submitted to Cabinet on 17 December 2013.

For the Council Fund, the projected net in-year expenditure was reported to be £1.012m less than the budget which was a decrease of £0.062m on the £1.074m reported at Month 5 as reflected in the table at paragraph 3.01.

The main reasons for the changes related to two main areas, a reduction in the projected underspend of £0.171m in Community Services, although this was off set by an improved position of £0.124m within Corporate Services.

Progress of the programme of efficiencies were detailed in paragraph 3.04 which currently indicated that £4.506m of the £5.331m included in the budget (84.5%) would be achieved, resulting in a net under-achievement of £0.825m; full details were provided in appendix 9.

Paragraph 4 detailed the amounts for pay inflation and non standard price inflation which had not changed from Month 5 and the risks and assumptions were identified in section 5.00. These included the increasing costs in relation to Out of County Placements, costs associated with the former chemical plant in Sandycroft (Euticals Ltd) and also the risks associated with any periods of severe weather which would impact on the Winter Maintenance reserve.

The current position of unearmarked reserves was detailed in paragraphs 6.01 and 6.02 where it was reported that after taking account of an allocation for £0.518m for recovery costs following the March 2013 severe weather, and taking account of the impact of the projected in year budget position, the current projected level of the contingency reserve at the end of March 2014 was £3.653m.

The Corporate Finance Manager also advised of a projected underspend of £0.062m on the HRA which was an increase on the underspend of £0.014m reported at Month 5. The projected closing balance at Month 6 of £1.495m was 5.2% of the total expenditure and satisfied the prudent approach of ensuring a minimum level of 3%. Appendix 8 detailed the reasons for significant variances occurring to date and the actions planned to deal with them.

In response to a query from Councillor Haydn Bateman about the lower than anticipated levels of income for Fixed Penalty Notices for Highways Development Control & Regulatory Services, the Corporate Finance Manager advised that he would provide a written response.

Councillor Bateman also asked about the variance of £0.276m in Repairs and Maintenance and its cause. The Corporate Finance Manager said that the increase in costs was to do with an increase in the number of jobs undertaken so there was an overspend on materials but that work was ongoing to try and mitigate some of the overspend in the second half of the financial year. The Head of Finance said that the HRA was still anticipated to come in on target so overall, it was a good news story. The Leader of the Council said that the 'action required' section of the appendix indicated that discussions were underway and indicated that an update would be provided at the appropriate time.

Councillor Marion Bateman asked if all of the work had been completed at the Former Euticals Ltd site in Sandycroft. In response, the Chief Executive said that it was an ongoing risk but that the costs had been reduced. The asset had been gifted to the Council by the Crown Estates and the transfer of this was nearing completion.

On the issue of rents referred to and the reviewing of the bad debt provision based on the quarter 1 impact of the under occupation, known as "bedroom tax", Councillor Robin Guest said that the figure appeared to have lessened and queried whether this was as a result of the impact not being as severe as originally anticipated. The Corporate Finance Manager confirmed that it had been revised due to the reduced impact in quarter one but that it would be reviewed again after quarter two.

Councillor Arnold Woolley referred to the projected overspend for Early Onset Dementia due to purchased domiciliary care costs and suggested that the overspend would increase over time. He asked if plans were being put in place for the future in terms of an increasing population and the need for more care and expenditure. He also highlighted the variance for Transition and Disability Services which was mostly due to an overspend against staff pay costs of £0.055m due to an under provision of budget and the variance of £0.053m in Administrative Support (Disability Services) which was mostly due to an overspend against staff pay costs. In response, the Chief Executive gave a general assurance and said that it was a demand led service and even though the demand had not changed, more cases had now been met. He said that the area needed to be looked at nationally but that the needs would be tracked and funded accordingly. He said that the need was being met but highlighted the transition from child to adult.

Capital Programme 2013/14 (Month 6)

The Corporate Finance Manager introduced a report to provide Members with the Month 6 (end of September) capital programme information for 2013/14 which would also be submitted to Cabinet on 17 December 2013.

He explained that the table at paragraph 3.01.1 set out how the programme had changed during 2013/14 with the revised figure being £33.614m

for Council Fund and £12.126m for HRA. The details of the changes during 2013/14 were reported which included an increase/decrease in grant funding from Welsh Government and alteration of some funding profiles from external sources. Details of the variances for individual programme areas were listed in appendix B and details as to how the capital programme was financed was reflected in the table at 3.05.01. Cabinet had approved rollover of £1.432m into the 2014/15 budget as part of the Month 4 report. A further rollover into 2014/15 of £2.249m had been identified at this stage which reflected reviewed spending plans across all programme areas. Details of the latest position in relation to capital receipts was summarised in the report and the the continuation of holding back 20% of core programme funding in the light of the continuing uncertainty over the timing of receipts was being recommended to Cabinet. The situation would be closely monitored and would be reported in future monitoring reports and would also become part of the capital programme considerations for 2014/15.

Councillor Marion Bateman gave thanks to the Corporate Finance Manager for the explanation that they had provided to her on the added years pressures.

RESOLVED:

That the reports be noted.

55. WORKFORCE INFORMATION QUARTER 2 JULY - SEPTEMBER 2013

The Head of Human Resources and Organisational Development introduced a report to provide Members with an update for the second quarter 2013/14 on the following areas:-

- Establishment
- Headcount
- Agency
- Turnover
- Diversity
- Absence

On the issue of Agency placements, the Head of Human Resources and Organisational Development indicated that Members had requested that information on the length of the placements be included in the Workforce Information reports but this had been omitted. She apologised and advised that the details would be included in future reports and that the information would be sent to Members electronically. The table in paragraph 3.04 included details of the number of placements for July to September and showed a reduction on the same period in 2012 and a continuing pattern of the number of agency workers used. The Head of Human Resources and Organisational Development explained there were particular areas where agency placements exceeded 12 weeks and where the use of agency workers was high. She explained that plans were in place in some service areas to review working patterns, with the intention of making optimum use of the existing workforce, which would align with the implementation of new terms and conditions under Single Status, thereby allowing for significant reductions in the number of agency placements from April

2014. The number of days lost due to absence in quarter 2 had increased slightly from the comparative quarter in 2012/13 but a number of areas where the absence rates had been consistently high were starting to improve. There was a slight improvement in the number of employees who had 100% attendance which represented an increase of 1% when compared to the same quarter in 2012/13. It was agreed that the Head of Human Resources and Organisational Development would submit a report to a future meeting of the Committee on the ongoing work being undertaken on improving attendance.

Councillor Haydn Bateman referred to the figures reported for days lost due to absence and the significant increase in stress/depression related absences and queried how this would be addressed. The Head of Human Resources and Organisational Development said that tools, techniques and training were in place to urge managers to intervene with employees as early as possible and to provide proactive support where necessary. She said that it could be an area to focus on in a follow up report.

Councillor Arnold Woolley said that where there was a mix of stress spread across domestic, social and work areas, it was important to ensure that the Council did not end up compensating for this and asked if there were any measures in place to guard against it happening. The Head of Human Resources and Organisational Development said that this was a multi faceted and complex area and there was a need to focus on managing workplace stress as effectively as possible.

RESOLVED:

That the Workforce Information report for quarter two for 2013/14 be noted.

56. FORWARD WORK PROGRAMME

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

He explained that the Budget workshops for Members were due to take place on 16th and 18th December 2013 at 2pm and detailed the items due to be considered at the January and February 2014 meetings of the Committee. Following a discussion earlier in the meeting, the Workforce Information Quarter 3 report scheduled for February 2014 would include details of the ongoing work being undertaken on improving attendance.

Councillor Arnold Woolley asked that the following issues be considered by the Committee as he felt that they were threats to resources:-

- Issue of changing legislation on local authorities responding to flood relief
- responsibilities of a third Dee crossing, and its maintenance
- Mostyn Funship

The Member Engagement Manager said that the issues were in the remit of the Environment Overview & Scrutiny Committee and that he would pass on the suggestions to the Committee Facilitator. The Chief Executive confirmed that the

first two items could be considered but that the third issue was a private land issue.

RESOLVED:

- (a) That the Forward Work Programme be noted; and
- (b) That the Member Engagement Manager pass on the suggestions from Councillor Woolley to the Environment Overview & Scrutiny Committee Facilitator.

57. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting started at 10.15 am and ended at 11.58 am)

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Chairman

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FLINTSHIRE COUNTY COUNCIL

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

DATE: **THURSDAY, 16 JANUARY 2014**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **IMPROVEMENT ASSESSMENT LETTER FROM THE AUDITOR GENERAL FOR WALES**

1.00 PURPOSE OF REPORT

- 1.01 To advise Members of the Council's Improvement Assessment Letter December 2013 from the Auditor General for Wales.
- 1.02 Members to note the report and agree the Council's Executive response.

2.00 BACKGROUND

- 2.01 The Auditor General is required by the Local Government (Wales) Measure 2009 (the Measure) to report any audit and assessment work which informs tangible judgement as to whether a Council has discharged its duties and met the requirements of the Measure.
- 2.02 This is the second letter that the Council has received; the first one was reported to Cabinet in October 2013 and summarised the Auditor General's views on i) whether the Council had discharged its duties in respect of improvement planning; ii) the Council's compliance with requirements to make arrangements to secure continuous improvement, and; iii) updates to the Wales Audit Office work plan and timetable for delivering their Improvement Assessment work. There were no further recommendations or proposals for improvement.
- 2.03 This second letter covers an assessment of the Council's Annual Performance Report.

3.00 CONSIDERATIONS

- 3.01 The letter summarises the Auditor General's views on whether the Council has discharged its statutory duties in respect of improvement reporting.
- 3.02 The full letter is attached at Appendix 1.

3.03 The Audit General has made no new statutory recommendations or proposals for improvement.

3.04 As is good practice, the Council always makes a full response to issues raised within the letter. The response is attached at Appendix 2.

3.05 Both the letter and the Council's response will be received by Cabinet next week and both will be presented to the Audit Committee meeting later this month.

4.00 RECOMMENDATIONS

4.01 To advise Members of the Council's Improvement Assessment letter received from the Auditor General for Wales.

4.02 Members to note the report and agree the Council's Executive response.

5.00 FINANCIAL IMPLICATIONS

5.01 The letter has no direct implication in relation to finance.

6.00 ANTI POVERTY IMPACT

6.01 The letter has no direct implication in relation to poverty.

7.00 ENVIRONMENTAL IMPACT

7.01 The letter has no direct implication in relation to environmental impact.

8.00 EQUALITIES IMPACT

8.01 The letter has no direct implication in relation to equalities.

9.00 PERSONNEL IMPLICATIONS

9.01 The letter has no direct implication in relation to personnel issues.

10.00 CONSULTATION REQUIRED

10.01 None required.

11.00 CONSULTATION UNDERTAKEN

11.01 Senior officers have had input into this report.

12.00 APPENDICES

- 12.01 Appendix 1: The Auditor General's Improvement Assessment Letter (December 2013)
Appendix 2: The Council's response to the Auditor General's Improvement Assessment Letter (January 2014)

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

None

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Mr Colin Everett
Chief Executive
Flintshire County Council
County Hall
Mold
CH7 6NB

Reference 681A2013
Date 20 December 2013
Pages 1 of 3

Dear Colin

Improvement Assessment

In my letter of 16 September 2013, I gave my opinion on whether Flintshire County Council (the Council) had discharged its statutory duties in respect of improvement planning.

I am also required, under the Local Government (Wales) Measure 2009 (the Measure), to give an opinion on whether the Council has discharged its duties in respect of improvement reporting and met the requirements of the Measure.

In my opinion, and based on audit work undertaken to date, the Council has discharged its improvement reporting duties under the Measure, although there is potential to strengthen its arrangements further.

I have concluded that the Council has discharged its improvement reporting duties under the Measure because:

- the Council published its Annual Performance Report (the Report) by 31 October 2013;
- the Report provides an assessment of the Council's performance in the preceding financial year (2012-13) and sets out how the Council has sought to discharge its duties under the Measure;
- the Report includes a summary evaluation of whether or not the Council believes it has been successful in achieving its improvement objectives;
- the Report includes details of the Council's performance, and compares performance against the national statutory performance indicators;
- the Report includes a brief section inviting citizens to provide feedback or make comments on the Report; and
- the Report includes a short section on the ways in which the Council has sought to collaborate.

There are areas in which the Council could improve its self-evaluation of its annual performance. In summary, the Report:

- presents too much detailed information in a style that is not engaging for citizens;
- includes, for each improvement objective, information about work that has and has not gone well during 2012-13, but further clarity in summarising this information would help readers to understand how the Council has determined its evaluation of progress and outcomes;
- lacks information on the impact of the Council's collaborative activity; and
- does not promote as well as it might the opportunity for citizens to provide feedback by, for example, including a web link for comments.

We have provided more detailed feedback to relevant staff on a draft of this year's Report. Much of the complexity of this year's Report stems from the nature of the Council's Improvement Plan for 2012-13. I reported in my September letter that the presentation and content of the Council's Improvement Plan for 2013-14 enable public engagement with the Council's priorities far more effectively than in the past. This change has the potential to support the further development of the Council's public reporting of its performance.

Further proposals for improvement/recommendations

No new proposals for improvement are being suggested in this letter. We will continue to monitor and report on the progress made by the Council in implementing the proposals set out in my previous reports and letters. I will undertake more detailed work on the arrangements that support the Council's performance management and reporting over the following months and report this, as well as summarising all of my work and that of relevant regulators during 2013-14, in an Annual Improvement Report for the Council that I will aim to publish by the end of March 2014.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Huw Vaughan Thomas'.

HUW VAUGHAN THOMAS
Auditor General for Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business

Huw Lloyd Jones – Manager

Karen Lees – Performance Audit Lead

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Wales Audit Office Improvement Assessment Letter

December 2013

Executive Response

The Wales Audit Office's Improvement Assessment Letter is, overall, a fair summary of the position of the Council. The letter is a positive endorsement of this transitional year for improvement reporting with recognition of the potential for improved public reporting following the introduction of this year's Improvement Plan.

There are no new statutory recommendations or proposals for improvement.

In our response we set out how we will make improvements to ensure full compliance with the spirit and detail of the national guidance.

Listed below are the principal topics within the letter along with our response.

Issue	Response
<i>In summary the report:</i>	
Presents too much detailed information in a style that is not engaging for citizens	The report needs to be sufficiently detailed to be useful as both an internal performance review 'tool' and a review of annual performance for public consumption. The report can be further improved. The Council has introduced a new reporting model following the publication of the new style Improvement Plan. This provides a basis for a more concise, graphic and readable annual plan with selected performance information in support of the outcomes set for achievement.
Includes, for each improvement objective, information about work that has and has not gone well during 2012-13, but further clarity in summarising this information would help readers to understand how the Council has determined its evaluation of progress and outcomes	The report does identify for each improvement objective the activity which has both succeeded and failed to achieve the targets set. The overall objective evaluation of the supporting evidence is represented in the RAG (red, amber, green) status. An explanatory paragraph will be added for each improvement objective in future reports to assist the reader to more fully understand the evaluation.
Lacks information on the impact of the Council's collaborative activity	Many of the Council's collaborative projects are in planning or implementation stages, so it is premature to assess outcomes. Where collaborative projects are in delivery, examples of improved service delivery have been summarised within the narrative for each relevant improvement objective. The expectations of WAO seem to have changed based on the reporting practices of some other councils which are held up as 'good practice'. The Council will develop its reporting style accordingly noting that this does not mean that its plan is deficient.
Does not promote as well as it might the opportunity for citizens to provide	Feedback opportunities were provided by telephone, post, email and by web. Further opportunities for

feedback by, for example, including a web link for comments.

citizen feedback including an enhanced use of social media are being explored for next year. Public interest in these types of plans is low so promotional activity should be kept in proportion.

FLINTSHIRE COUNTY COUNCIL

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

DATE: **THURSDAY, 16 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **REVENUE BUDGET MONITORING 2013/14 (MONTH 7)**

1.00 PURPOSE OF REPORT

1.01 To provide Members with the Revenue Budget Monitoring 2013/14 report as at month 7.

2.00 BACKGROUND

2.01 Revenue budget monitoring reports are provided on a monthly basis to Corporate Resources Overview & Scrutiny Committee before being presented to Cabinet in the same cycle.

3.00 CONSIDERATIONS

3.01 The revenue budget monitoring report as at month 7 is attached which is scheduled for Cabinet on 21st January 2014.

3.02 Each month, budget monitoring reports are based on actual income and expenditure to a given point (in this case Month 7) but also project the most up to date position possible to year end.

3.03 The Month 7 report for 2013/14 will be on the same agenda as the initial budget proposals for 2014/15.

3.04 At this stage in the year it is important to link the assumptions made in the projected outturn for the current year to the budget for the new year, particularly in relation to the estimated contingency sum available which will provide funding for one-off and time limited costs associated with the budget.

3.05 In particular, detailed work is currently being undertaken in relation to the timing of the achievement of efficiencies within the Flintshire Futures Programme, which in some cases are reliant on large and complex projects e.g. Customer Work stream. By the time the final budget proposals are presented to Cabinet in February this work will have been completed which will ensure that the most accurate projection possible is available when setting the budget.

4.00 RECOMMENDATIONS

4.01 Members are asked to note the report.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

5.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix A – Revenue Budget Monitoring 2013/4 (Month 7) report.

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

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Appendix A

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 21 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **REVENUE BUDGET MONITORING 2013/14 (MONTH 7)**

1.00 **PURPOSE OF REPORT**

1.01 To provide Members with the most up to date revenue budget monitoring information (Month 7) for the Council Fund and the Housing Revenue Account in 2013/14.

1.02 **INDEX OF CONTENTS**

Section 2	Executive Summary
Paragraph 3.01	Council Fund Summary Table
Section 4	Inflation
Section 5	Monitoring Budget Assumptions & New Risks
Section 6	Unearmarked Reserves
Section 7	Housing Revenue Account
Appendix 1	Council Fund - Movement in Variances from Month 6
Appendix 2	Community Services -Variances Summary
Appendix 3	Environment -Variances Summary
Appendix 4	Lifelong Learning -Variances Summary
Appendix 5	Corporate Services -Variances Summary
Appendix 6	Central & Corporate Finance -Variances Summary
Appendix 7	Council Fund Unearmarked Reserves Summary
Appendix 8	Housing Revenue Account -Variances Summary
Appendix 9	Council Fund - Achievement of Efficiencies

2.00 **EXECUTIVE SUMMARY**

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

Council Fund

- Net in year expenditure forecast to be £0.944m less than budget. (A decrease of £0.068m on the £1.012m reported at Month 6).
- Projected contingency reserve balance at 31 March 2014 of £3.585m.

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be less than the budget by £0.117m (£0.062m reported at Month 6)
- Projected HRA balances at 31 March 2014 of £1.551m

3.00 COUNCIL FUND LATEST IN YEAR FORECAST

3.01 The table below shows a projected positive variation of expenditure against budget of £0.944m.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	In-Year Over / (Under) spend	
			Month 6	Month 7
	£m	£m	£m	£m
<u>DIRECTORATES (Service Groups)</u>				
Services for Adults	45.642	44.328	(0.630)	(0.610)
Services for Children	11.906	12.159	0.546	0.569
Housing Services	1.800	1.803	(0.293)	(0.296)
Development & Resources	1.688	1.656	(0.057)	(0.051)
TOTAL : COMMUNITY SERVICES	61.036	59.946	(0.434)	(0.388)
Assets and Transportation	6.015	6.088	0.003	0.065
Planning	1.708	1.717	(0.018)	(0.039)
Public Protection	3.455	3.459	(0.008)	(0.056)
Regeneration	0.715	0.704	0.006	0.011
Streetscene	19.320	19.210	0.336	0.333
Management, Support & Performance	1.088	1.094	(0.066)	(0.060)
TOTAL : ENVIRONMENT	32.301	32.272	0.253	0.254
Culture & Leisure	6.876	6.386	0.388	0.384
Inclusion Services	14.058	13.254	(0.030)	(0.011)
Primary School Services	43.374	43.383	(0.045)	(0.045)
Secondary School Services	36.638	37.468	0.000	0.002
Development & Resources	12.118	12.319	(0.216)	(0.179)
TOTAL : LIFELONG LEARNING	113.064	112.810	0.097	0.151
Chief Executive	2.356	2.334	(0.051)	(0.055)
Finance	14.265	14.285	(0.517)	(0.600)
HR & OD	2.427	2.464	(0.030)	(0.032)
ICT & Customer Services	4.922	5.046	(0.013)	0.010
Legal & Democratic Services	3.145	3.156	(0.035)	(0.046)
TOTAL : CORPORATE SERVICES	27.115	27.285	(0.646)	(0.723)
TOTAL DIRECTORATES	233.516	232.313	(0.730)	(0.706)
Central and Corporate Finance	26.236	27.439	(0.282)	(0.238)
Total	259.752	259.752	(1.012)	(0.944)

3.02 The original budget column reflects the budget approved by Council on the 1st March 2013. The revised budget column reflects in-year virements which have been approved in compliance with Financial Procedure Rules.

3.03 It can be seen from the table in 3.01 that there is an overall reduction of £0.068m in the projected positive variance as reported in Month 6. The projected surplus on the Council Tax Collection Fund has increased by £0.095m over month 6, although this is offset by a reduction in the amount of windfall income anticipated to be received in the year. Within Community Services - Services for Adults, delays in recruiting to a full establishment of staff at the new Llys Jasmine extra care facility in Mold has resulted in one off savings of £0.097m over month 5 although this is offset by additional clients with long term residential packages and increased costs for long term nursing.

3.04 All of the movements from Month 6 are summarised in Appendix 1 with the detailed reasons for all variances by Directorate summarised within Appendices 2 to 8.

3.05 Programme of Efficiencies

The 2013/14 budget contains £5.331m of specific efficiencies and the table below summarises the current state of these items. This analysis indicates that it is currently projected that £4.506m (84.5%) will be achieved, resulting in a net underachievement of £0.825m. This is marginally lower than the agreed efficiency target of 85% as detailed in the Improvement Plan.

Status of Efficiency	Value of Budgeted Efficiency £m	Value of Projected Efficiency £m	(Under) Over Achievement £m
ALREADY ACHIEVED	1.973	1.973	0.000
EXPECTED TO BE ACHIEVED IN FULL	2.237	2.237	0.000
ACHIEVABLE IN PART	0.631	0.296	(0.335)
NOT ACHIEVABLE	0.490	0.000	(0.490)
Total	5.331	4.506	(0.825)

3.06 Appendix 9 provides further details of the assumptions behind the efficiency projections, and where relevant the actions required to address items not currently expected to be achieved in full. It is important to note that the impact of this analysis has already been included in the overall Month 7 projected outturn position.

3.07 Initiatives commenced in the current year to reduce future expenditure levels e.g. the 'Back to Basics' programme have also been included in the overall Month 7 outturn position.

4.00 INFLATION

4.01 **Pay Inflation** of £0.734m has now been included within service budgets to reflect the national pay award agreed earlier this year.

4.02 **Non Standard price inflation** – amounts of £0.255m (energy for Street Lighting), £0.197m (energy), £0.187m (fuel) and £0.141m (food costs) were included in the budget and held centrally. The Service budgets which incur the costs affected by non standard inflation are monitored closely and funds released on a full assessment of evidenced need. In period 6, £0.141m for food costs were allocated. The current projected outturn assumes that all the amounts are required in full. The nature of the costs subject to non standard price inflation is that they are incurred primarily over the Winter months therefore it is too early to project any variations to budget at this stage.

5.00 MONITORING BUDGET ASSUMPTIONS AND NEW RISKS

5.01 Along with its strategic partners, the Council has intervened in relation to the Former chemical plant in Sandycroft (Euticals Ltd), and continues to be in discussion with the Welsh Government about solutions, roles and responsibilities. Indicative costs for six months are reflected within the current projections and the projections will be reviewed once all outstanding information has been assessed and will be included in future reports.

5.02 Out of County Placements continues to be kept under review due to the demand led nature of the service with only minor variation from period 6 to 7.

6.00 UNEARMARKED RESERVES

6.01 The 2012/13 final outturn reported to Cabinet on 16 July showed unearmarked reserves at 31 March 2013 (above the base level of £5.564m) of £3.409m after taking into account a commitment in 2013/14 for use of £0.297 to meet one-off/time limited costs. In July, Cabinet allocated £0.250m to the Winter Maintenance reserve, bringing the level in the reserve to £3.159m.

6.02 After taking account of an allocation of £0.518m for recovery costs following the March 2013 severe weather, and bringing in the impact of the projected in year budget position the current projected level of the contingency reserve at the end of March 2014 is an amount of £3.585m.

7.00 HOUSING REVENUE ACCOUNT

- 7.01 On 19 February 2013, the Council approved a Housing Revenue Account (HRA) budget for 2013/14 of £28.259m. The budget provided for a closing balance of £0.903m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 7.02 The 2012/13 final outturn reported to Cabinet on 16 July 2013 showed a closing balance at the end of 2012/13 of £1.931m which was £0.861m more than when the 2013/14 budget was set. This had the effect of increasing the opening balance for 2013/14 by the same amount.
- 7.03 For 2013/14 there is an overall projected under spend of £0.117m and a projected closing balance at month 7 of £1.551m, which at 5.4% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.
- 7.04 Appendix 7 details the reasons for significant variances occurring to date and the actions planned to deal with them.

8.00 RECOMMENDATIONS

- 8.01 Members are recommended to:
- a) Note the overall report.
 - b) Note the projected Council Fund contingency sum as at 31st March 2014 (paragraph 6.02).
 - c) Note the projected final level of balances on the Housing Revenue Account (paragraph 7.03).

9.00 FINANCIAL IMPLICATIONS

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

10.00 ANTI-POVERTY IMPACT

- 10.01 None.

11.00 ENVIRONMENTAL IMPACT

- 11.01 None.

12.00 EQUALITIES IMPACT

- 12.01 None.

13.00 PERSONNEL IMPLICATIONS

13.01 None.

14.00 CONSULTATION REQUIRED

14.01 None.

15.00 CONSULTATION UNDERTAKEN

15.01 None.

16.00 APPENDICES

Council Fund - Movement in Variances from Month 6 - Appendix 1

Council Fund Significant Variances - Appendices 2 - 6

Council Fund - Movements on unearmarked reserves - Appendix 7

Housing Revenue Account Variances - Appendix 8

Council Fund - Achievement of Efficiencies - Appendix 9

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

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**COUNCIL FUND - REVENUE BUDGET 2013/14
FLINTSHIRE COUNTY COUNCIL**

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

	£m	£m
Month 6		
Service Directorates	(0.730)	
Central and Corporate Finance	(0.282)	
Variance as per Cabinet Report		(1.012)
Month 7		
Service Directorates	(0.706)	
Central and Corporate Finance	(0.238)	
Variance as per Directorate Returns		(0.944)
Change Requiring Explanation		0.068
<u>Community Services</u>		
Services For Adults		
• Resource and Regulated Service (Intake & Reablement) - delays in recruiting the full establishment of staff for the new Llys Jasmine extra care facility in Mold result in a saving of -£0.082m compared with the previous projections which had reflected a full complement of staffing through to the end of year with the balance made up of minor changes.	(0.097)	
• Residential and Domiciliary Service (Mental Health and Substance Misuse Service) - additional clients with long term residential packages (£0.064m), increased costs for long term nursing (£0.010m) with other minor variances of £0.003m.	0.077	
• Other minor changes of less than £0.025m for Services for Adults	0.039	
Development & Resources		
• Other minor changes of less than £0.025m	0.007	
Services For Childrens		
• Family Placement - mainly due to additional payment to Barnardo's in respect of counselling for adoption boarded out payments £0.018m. The remainder due to minor variance movements.	0.021	
• Other minor changes of less than £0.025m	0.002	
Housing Services		
• Other minor changes of less than £0.025m	(0.003)	
		0.046
<u>Environment</u>		
Assets & Transportation		
• Valuations & Estates - Vacant Post out to advert commitment included for expected start date ; repairs and maintenance costs on miscellaneous land / property	0.020	
• Property Design & Consultancy - Estimated net shortfall for the running costs of Flintshire Connects Holywell after taking account of income recharges	0.017	
• Highways Network & Transportation - costs awarded against the Council of 60k; income for Bus Service Operator Grant Replacement money (fuel duty rebate)	0.023	
• Other minor changes of less than £0.010m	0.002	
Planning		
• Planning Control and Land Charges = fees received over and above previously committed	(0.020)	
• Other minor changes of less than £0.010m	(0.001)	
Public Protection		
• Community Protection - Legal Fees recovered	(0.025)	
• Environmental Protection - commitments reduced on current vacant posts	(0.016)	
• Other minor changes of less than £0.010m	(0.007)	
Regeneration		
• Other minor changes of less than £0.010m	0.005	

Streetscene	
• Business & Strategy	0.009
• Waste Disposal & Waste Collection	0.004
• Transportation & Logistics - assumes fleet efficiency will be achieved and Consultant fees will be absorbed	(0.023)
• Other minor changes of less than £0.010m	0.006
Management Support & Performance	
• Other minor changes of less than £0.010m	0.007
	0.001
<u>Lifelong Learning</u>	
Culture & Leisure	
• Leisure Services - minor variances.	(0.002)
• Libraries, Culture & Heritage - minor variances.	(0.002)
Inclusion Services	
• Inclusion Services - minor variances.	0.018
• Out of County - minor variances.	0.002
Secondary School Services	
• Minor Variances	0.002
Development & Resources	
• Business Units - the projected outturn on Business Units has worsened by £0.036m since month 6. £0.011m relates to the Capita One contribution. This is a regional project lead by Flintshire ICT and the estimated recharge for the year has increased. The cost of this service remains a budget flaw. £0.007m relates to increased remissions costs (school trips, uniform grants). The increased cost relates to increased demand on the remissions budget	0.036
	0.054
<u>Corporate Services</u>	
• Legal and Democratic Services - Members Services savings (£0.015m), minor variances £0.004m	(0.011)
• HR and Organisational Development - minor variances (£0.002m)	(0.002)
• ICT and Customer Services - transfer of budget to Flintshire Futures as part of admin review efficiency	0.023
• Finance - additional surplus on Council Tax Collection Fund (£0.095m), increased shortfall on CTRS £0.002m, minor variances £0.010m	(0.083)
• Chief Executives Department - Voluntary Sector contributions £0.004m, vacancy savings (£0.008m)	(0.004)
	(0.077)
<u>Central & Corporate Finance</u>	
• Under recovery of Corporate Windfall income	0.046
• Other minor variances	(0.002)
	0.044
Total changes	0.068

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Services for Adults						
Hospital Social Work (Intake and Reablement)	0.405	0.349	(0.056)	(0.059)	The underspend is due to a Hospital Social Worker covering in the Crisis Intervention Team. These costs (£0.038m) are recovered from Health. The balance (£0.018m) is due to a staff vacancy.	One-off.
Resources and Regulated Services (Intake and Reablement)	5.359	5.087	(0.272)	(0.190)	<p><u>Extra Care</u> Projected underspend on Llys Jasmine (£0.307m) is due to an initial delay in opening the facility.</p> <p><u>In-house Domiciliary Care</u> underspend (£0.072m) due to greater use of reablement and independent sector care providers.</p> <p><u>Client Transportation Service</u> underspend (£0.043m) relates to staff vacancies.</p> <p><u>Day Services</u> underspend (£0.037m) mostly due to vacancies (£0.026m).</p> <p>These underspends are offset by a projected overspend within <u>In-house Residential Service</u> (£0.196m) due to the need to ensure staff cover (£0.219m) additional premises costs (£0.047m) and additional supplies and service (£0.048) offset by client (£0.070m) and Health (£0.048m) income.</p>	<p><u>Extra Care</u>The underspend against is one-off and non recurring and has arisen due to the opening of the facility being part way through the current year.</p> <p><u>Client Transportation Service</u> Underspend adjusted in budget rationalisation.</p> <p><u>Residential Service</u> further work required to determine the most appropriate way to address the overspend.</p>

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Locality Teams (Localities)	13.881	13.944	0.063	0.058	<p><u>Older People Services</u></p> <ul style="list-style-type: none"> > Locality Teams are together expected to underspend (£0.151m) mostly due to vacant posts. > Purchased domiciliary costs are projected to overspend (£0.034) due to additional service user costs. > Purchased residential costs are projected to overspend (£0.113) due to additional service user costs. > Early Onset Dementia is projected to overspend (£0.078m) due to purchased domiciliary care costs. > The balance (-£0.011m) is made up of a number of smaller variances. 	<p>Keep under review.</p> <p>Most of the PDSI elements previously included as part of the locality team budgets are now shown within the Disability Services Heading with only the Occupational Therapy service remaining as part of the locality teams.</p>
Resource and Regulated Services (Disability Services)	15.243	15.139	(0.104)	(0.099)	<p>Learning Disabilities - As previously noted this service includes a budget to help offset the expected impact of a review of joint funded packages between FCC and Health. This accounts for a saving of £0.140m within the net underspend projection, and remains unchanged from month 3. There are some other compensating variances across this large service which reflect the changes in client demand.</p>	<p>The underspend in relation to the negotiations with Health on jointly funded packages is based on current assumptions. These will be kept under review and adjusted if proven necessary.</p>

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Transition and Disability Services (Disability Services)	0.658	0.738	0.080	0.064	This is mostly due to overspends against staff pay costs (£0.017m), third party payments (£0.028m), transport (£0.007m, and a shortfall of grant income of £0.028m. (Supporting People)	Keep under review.
Disability Services (Disability Services)	1.941	2.011	0.070	0.070	The overspend is due to additional transition service user costs.	Keep under review.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Administrative Support (Disability Services)	0.407	0.460	0.053	0.053	This is mostly due to an overspend against staff pay costs (£0.044m).	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.703	0.583	(0.120)	(0.197)	This underspend is based on current care packages. An additional £0.0259m budget has been added to this area in 2013 to reflect the expectation of the transfer from Health of an individual with a high cost transition package, there has been a delay in transferring this client into the service. The current underspend would therefore be higher but reflects the cost of current care packages including some other new clients.	Keep under review.
Professional Support (Mental Health & Substance Misuse Service)	0.828	0.744	(0.084)	(0.080)	This is mostly (£0.050m) due to a one-off pay cost reduction following an agreed absence with no pay.	One-off.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Forensic Budget (Mental Health & Substance Misuse Service)	0.305	0.169	(0.136)	(0.147)	Reflects current care packages for 2013/14.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts. The possibility of re-aligning budget between the two services has been considered and dismissed for now as there are early indications of additional Mental Health clients although at this stage potential costs or start dates are unknown.
Forensic Budget (Learning Disability)	0.482	0.427	(0.055)	(0.054)	Reflects current care packages for 2013/14.	
Other Services for Adults variances (aggregate)	4.116	4.067	(0.049)	(0.049)	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	44.328	43.718	(0.610)	(0.630)		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Development & Resources						
Business Systems (Development & Resources)	1.144	1.102	(0.042)	(0.052)	The underspend within this area is mostly due to vacant posts.	One off.
Vacancy Control	(0.100)	0.000	0.100	0.100		Realignment of vacant posts
Other Development & Resources variances (aggregate)	0.633	0.524	(0.109)	(0.105)	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	1.677	1.626	(0.051)	(0.057)		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Services for Children						
Family Placement (Children's Services)	1.977	2.331	0.354	0.333	The overspend is mainly as a result of an increase in the number of foster care placements within the service. It is also due to the increasing number of court orders for Residence and Special Guardianship orders which invariably attract an ongoing allowance for the carers.	A review of the Family Placement Team has been undertaken the outcome of which is being considered and will inform future planning and possible efficiencies.
Youth Offending Team (Children's Services)	0.308	0.256	(0.052)	(0.051)	The underspend within this area is mostly due to vacant posts.	One-off.
Out of County Pooled Budget (Children's Services)	3.178	3.427	0.249	0.248	Costs reflect existing placements up until March 2014. The increase in overspend (£0.039m) is due to additional placements (£0.080m) offset by a change in care packages (£0.020m) and a placement ending (£0.021m).	The focus of high cost placements is now a North Wales project and will continued to be reviewed.
Other Services for Children variances (aggregate)	6.709	6.727	0.018	0.016	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	12.172	12.741	0.569	0.546		

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Housing Services						
Homelessness Accommodation (Housing Services)	0.360	0.154	(0.206)	(0.213)	Variance is due to improvements in the service where methods have been put in place to reduce the cost of temporary accommodation. Quay House project has been delayed until 2014/15.	Keep under review. Variance is due to improvements in the service where methods have been put in place to reduce the cost of temporary accommodation.
Accommodation Support Team (Housing Services)	1.213	1.161	(0.052)	(0.055)	Service undergoing restructure which is not yet in place.	Restructure to be implemented.
Other variances (aggregate)	0.262	0.224	(0.038)	(0.025)	Various minor variances.	Continue to review but not expected to be recurrent.
Subtotal:	1.835	1.539	(0.296)	(0.293)		
Total :	60.012	59.624	(0.388)	(0.434)		

Budget Monitoring 2013/14 (Month 7)

Service	Revised Budget	Projected Outturn	Variance	Variance Period 6	Cause of Variance	Action Required
Assets & Transportation	(£m)	(£m)	(£m)	(£m)		
Industrial Units	6.082 (1.256)	6.147 (1.155)	0.065 0.101	0.003 0.100	Estimated net income shortfalls across the Industrial Estate portfolio which have increased at Period 6 by a further £5k.	Keep Unit rental income closely monitored throughout 2013/14.
Property Holdings	0.083	0.051	(0.032)	(0.036)	NNDR costs lower than anticipated	Review of site budgets necessary in line with asset management programme
Property Asset & Development	0.528	0.428	(0.100)	(0.114)	Net Vacancy Savings	
Highways Development Control & Regulatory Services	0.813	0.921	0.108	0.068	Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures. At Period 7 a commitment of £60k is included for the potential excess payment to be made to the Council's Insurers in relation to a claim.	
	Aggregate of other Variances	5.914	(0.012)	(0.015)		
Planning	1.717	1.678	(0.039)	(0.018)		
Planning Control	0.363	0.344	(0.019)	(0.005)	Favourable move in planning fee income which is now estimated to be £15k in excess of income target	Further potential for increased planning fee income which will be closely monitored
	Aggregate of other Variances	1.354	(0.021)	(0.014)		
Public Protection	3.493	3.437	(0.056)	(0.008)		
Community Protection	1.243	1.193	(0.050)	(0.025)	Period 7 includes a Court Costs award of £22k following the successful prosecution of Talacre Park Holiday Park by the Health & Safety Enforcement Team	
	Aggregate of other Variances	2.250	(0.006)	0.017		
Regeneration	0.704	0.715	0.011	0.006		

Service		Revised Budget	Projected Outturn	Variance	Variance Period 6	Cause of Variance	Action Required
		(£m)	(£m)	(£m)	(£m)		
Streetscene		19,210	19,543	0,333	0,336		
	Waste Disposal & Waste Collection	9,266	9,600	0,334	0,326	Plastic Recycling prices reduced by £100 per tonne between July and September resulting in an estimated income reduction of £50k. Staff backfilling costs as a result of the on-going investigation within waste.	Consider potential impact on MTFP going forward
	Aggregate of other Variances	9,944	9,943	(0,001)	0,010	The Sustainable Waste Management Grant (SWMG) has been reduced in-year by up to 5% resulting in a funding shortfall of at least £150k	Consider impact on MTFP going forward
	Management Support & Performance	1,095	1,035	(0,060)	(0,066)	Net Vacancy Savings ahead of service review implementation and reduced commitments on supplies and services budgets.	
	Management Support & Performance	1,095	1,035	(0,060)	(0,066)		
	Total :	32,301	32,555	0,254	0,253		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Culture & Leisure	6.386	6.770	0.384	0.387	School Library Service (£0.100m saving) Following an agreement at DMT, to mitigate the Directorate overspend and to contribute towards the value for money programme, a number of measures will be taken to reduce expenditure in the School Library Service.	Service Manager to place a hold on £0.100m of the Flintshire subsidy.
					Libraries, Culture & Heritage (£0.004m saving) Minor variances	
					Leisure Services (£0.488m pressure) There are a number of pieces of work being completed to explore solutions to the remaining deficit. £0.023m relates to the final costs for Swim Flintshire. This programme ceased in August. £0.034m relates to employee costs. £0.301m relates to pressures on income across centres. £0.065m relates to pressures on premises budgets, £0.045m to security costs, £0.007m to credit/debit card fees and £0.013m to other minor variances.	As part of the Leisure Action Plan a number of solutions are being explored and implemented including cessation of Swim Flintshire, Leisure Service Review, Leisure Contact Centre and Asset Review.
Inclusion Services & Special Schools	13.244	13.233	(0.011)	(0.029)	Inclusion Services & Special Schools (£0.011m saving) Minor Variances	
Primary School Services	43.382	43.337	(0.045)	(0.045)	Primary School Services (£0.045m saving) Minor Variances	Service Manager to review and reduce planned expenditure by £0.025m.

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Secondary School Services	37.467	37.469	0.002	0.000	Secondary School Services (£0.002m saving)	
Development & Resources	12.378	12.199	(0.179)	(0.216)	Children, Youth & Community (£0.006m saving) Minor variances Schools ICT (£0.150m saving) In an effort to reduce the Directorate overspend and to contribute towards the value for money programme, DMT have made the decision to place a hold on all uncommitted expenditure in Schools ICT. Transport (£0.013m pressure) Minor Variances	Service Manager to place a hold on £0.150m of the budget within Schools ICT.
					Service Units (£0.004m pressure) Pressures of £0.064m on Pupil Support (Free School Meals) and £0.028m on Regional Capita One have been offset by estimated savings on Mobile Classrooms (£0.055m), Insurance (£0.044m) and other minor variances of £0.011m. Facilities Services (£0.042m saving) Minor Variances	We are awaiting information from the Schools relating to Music remissions which is likely to affect the estimated costs.
Total :	112.857	113.008	0.151	0.097	Minor Pressures £0.002m	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Chief Executive	2.334	2.279	(0.055)	(0.051)	£0.018m Corporate voluntary sector contribution to Dangerpoint (£0.058m) Vacancy savings (£0.015m) minor variances	
Finance	14.287	13.687	(0.600)	(0.517)	£0.119m net Vacancy savings following realignment of budget (£0.894m) net surplus on the Council Tax Collection Fund after meeting the £0.305m costs allocated in 2013/14 budget (£0.115m allocated to Software will remain unspent) £0.413m CTRS shortfall in funding compared to estimated in year cost	Demand led service but subject to ongoing monitoring. Contributing to national discussion on CTRS funding for 2014/15.
Legal & Democratic Services	3.156	3.110	(0.046)	(0.035)	£0.021m net Vacancy savings including the use of Agency/Locums and recharges (£0.015m) Members Services underspend (£0.010m) minor variances	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Human Resources & Organisational Development	2,517	2,485	(0.032)	(0.030)	(£0.030m) reduced DBS Check expenditure (£0.032m) Vacancy savings £0.027m loss of income from external organisations £0.003m minor variances	
ICT & Customer Services	5,045	5,055	0.010	(0.013)	(£0.026m) Vacancy savings (£0.027m) additional Registrars Income £0.060m postage costs £0.003m minor variances	Postage contract under review.
Total :	27,339	26,616	(0.723)	(0.646)		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Central Loans & Investment Account	15.283	15.041	(0.242)	(0.242)	Unsupported (Prudential Borrowing) - Funding for Local Government Borrowing Initiative (LGBI) transferred into settlement from 2013/14 (previously specific grant) -£0.415m which isn't needed to finance any new borrowing during 2013/14. The total of -£0.415m includes the £0.385m which was transferred into the settlement plus a residual £0.030m which wasn't utilised from the 2012/13 specific grant allocation of £0.192m.	
Coroners	0.193	0.248	0.055	0.055	Reduction in net external interest payable (-£0.047m), Reduction in interest receivable on temporary investments (£0.127m), increased cost of Minimum Revenue Provision (£0.088m) increased internal interest (-£0.015m), reduction in debt management costs (-£0.010m).	
Coroners	0.193	0.248	0.055	0.055	Due to a change in the lead authority for Coroners service provision (effective from May 2013), it has been brought to our attention that Wrexham CBC are continuing to process a significant number of invoices pertaining to financial year 2012/13 (currently value circa £0.110m) for which the Flintshire share is 50%, resulting in a current year budget pressure.	

CENTRAL AND CORPORATE FINANCE

APPENDIX 6

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Centrally Held Provisions	4.531	3.759	(0.772)	(0.815)	Net budget adjustments of £0.680m as approved in the Month 3 report (Community Services £1.185m, Leisure Management (-£0.505m) Surplus on recovery of FCC share of pension fund deficit - final year of three year strategy (-£0.128m), under recovery of corporate windfall income £0.046m. (other minor variances (-£0.010m).	
Central Service Recharges	(1.931)	(1.620)	0.311	0.311	Shortfall of £0.311m of internal income recovered from trading accounts and the HRA.	
Former Euticals Ltd - Sandycroft site	0.000	0.400	0.400	0.400	Potential costs for six months at £0.060m per month plus some specific one-off costs relating to site related costs in view of the public protection risk.	
Other variances - aggregate	9.167	9.176	0.010	0.009		
Total :	27.243	27.004	(0.238)	(0.282)		

APPENDIX 7

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2013 (Inclusive of total increase of £0.270m agreed as part of the 2013/14 budget)	9.540	
Less - Base Level (Inclusive of total increase of £0.270m agreed as part of the 2013/14 budget)	<u>(5.834)</u>	
Total Reserves above base level		3.706
Less - Amount approved by Council on 1 st March for funding of one-off costs in the 2013/14 budget proposals		(0.297)
Less - Amount approved by Cabinet on 16 th July for reinstatement of funding within the Winter Maintenance reserve following utilisation of funding during 2012/13 (late March severe weather event)		(0.250)
Amount available for delegation to Cabinet		<u>3.159</u>
Add projected underspend as at 31 st March 2014		0.944
Less - Estimate of severe weather recovery costs		(0.518)
Projected Level of Total Contingency Reserve as at 31st March 2014		3.585

HRA Major Variance Report - Period 7

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
HRA Subsidy	6,167	6,356	189	121	Capital Financing charges amended after budget rounds completed. Further amendments to Capital figures for inclusion in 2nd HRAS return. Under payment on 2012/13 of £31k calculated on Advance Final return.	Review timings of figures with Capital Financing team.
Rents	(26,946)	(27,169)	(223)	(230)	Bad Debt provision reviewed based on Q1 impact of "bedroom tax", resulting in a saving of £258k	Monitor impact of "Bedroom Tax" and review expected costs at H1
Repairs and Maintenance	8,393	8,670	277	276	£229k net under spend variance on salaries due to restructure not being in place and recruitment freeze in place. £403k over spend on materials and £68k overspend on equipment due to increase in the number of high cost jobs. Travis Perkins is to review pricing. Carry forward request for £70k due to hardware costs not materialising in 2013/14 but will be purchased in 2014/15.	Restructure to be implemented. Housing Asset Team is working closely with Travis Perkins to try and mitigate some of the overspend in H2.
Finance & Support	2,656	2,443	(213)	(203)	Support Recharges reflected at 2012/13 actuals, saving £106k. Information on 2013/14 has been requested. Pension Fund Strain costs £80k lower than anticipated creating saving. Carry forward request for £85k due to software costs not materialising in 2013/14 but will be purchased in 2014/15.	
Housing Estates	1,852	1,722	(130)	(43)	Procurement reimbursement for screening received in amount of £58k. Void clearance recharges generating a further £13.5k income. Water commission generated a further £34k of income due to early bird discount scheme. Cancellation of cleaning contract saving £5k on maisonette blocks.	
Other variances (aggregate)	8,375	8,358	(17)	17		
Total :	497	380	(117)	(62)		

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Fees & Charges (APPENDIX 7a)						
<i>Community Services</i>						
Residential Charging - Increased Income From Demand	0.100		✓			It will not be known for sure until the end of the financial year if this efficiency has been met.
Mental Health Service Users	0.018	✓				
TOTAL	0.118					
Service Change (APPENDIX 7b)						
<i>Community Services</i>						
Reablement in the level of extra care	0.100	✓				
Preserved Rights - reduced activity levels	0.053	✓				
External Funding for Existing Post - Children's Services	0.043	✓				
Family Placement Team - revision of existing practices	0.040	✓				
Early Retirement - Non replacement of staff - CSA	0.015	✓				
General Office Administration Review	0.021	✓				
Housing Efficiency Savings	0.028	✓				
Homelessness - Timing of presentations	0.106	✓				

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Youth Justice - Appropriate adult service	0.010	✓				
Legal Fees - Use of solicitors / barristers	0.010		✓			Due to the unpredictable nature of Legal Fees it will not be known if this efficiency has been achieved until later in the financial year.
Children's Services - Transport costs efficiency	0.015	✓				
Children's Services - FAST team budget reduction	0.010		✓			The FAST team is currently showing an overspend of £0.031.
Preventative foster care service - day care	0.005	✓				
TOTAL	0.456					
Procurement (APPENDIX 7c)						
Community Services						
PARIS - post implementation expenditure review	0.030	✓				
Housing Services - Supplies and Services	0.003	✓				
Social Care - Supplies and Services	0.075	✓				
Procurement Hub - regional procurement of high cost low volume placements	0.020	✓				
Children's Services - out of county placements - improved procurement practice	0.533	✓				As at month 3 this budget was showing an underspend of £(0.344). However due to change in service user circumstances this budget is now showing an overspend of £0.248

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Transport Review - revised contracts	0.025	✓			
TOTAL	0.686				
Organisational Design (APPENDIX 7d)					
Community Services					
Review of Supported Living Service	0.350			✓	The efficiency has been partly achieved in 2013/14 (£0.086m) and is expected to be fully achieved in 2014/15. It should be noted that the non-achievement of this efficiency is being offset with underspends elsewhere within the Directorate.
Service Review of Warden Service	0.018	✓			
Children's Services - Removal of one team manager post	0.040	✓			
Development and Resources - Rationalisation of Management Team	0.050	✓			
TOTAL	0.458				

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Fees & Charges (APPENDIX 7a)					
<i>Environment</i>					
Agricultural Estate rentals	0.008		✓		Agricultural Estates currently reporting a surplus income position.
Public Protection - increase to market rates	0.025		✓		Fees for both Licensing and Bereavement Services were increased from 1st June 2013
Markets Service - increased lettable space	0.019		✓		Markets currently reporting a surplus income position.
Traffic Regulation order Notices	0.013		✓		Budget Reduction met from within Highways Policy Budget
Streetscene - leachate processing	0.075		✓		It is anticipated that the new income target will be met in 2013/14
TOTAL	0.140				
Service Change (APPENDIX 7b)					
<i>Environment</i>					
Street Lighting - non-residential areas post midnight turn-off	0.050		✓		The new Street Lighting policy has been adopted and this efficiency will be achieved in full
Highways Asset Management Plan (HAMP) -rephasing of full implementation	0.225		✓		Previous approved pressure that was not required in 2013/14 and 2014/15 due to Local Government Borrowing Initiative (LGBI)

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Public Conveniences - revisit of strategy	0.050			✓		Tower Gardens, Holywell didn't close until 30th April 2013 and Cilcain and Caerwys have been further delayed with ongoing consultation necessary and under achievement on the efficiency by £21k is likely.
Streetscene - implementation of Part III agreement	0.300				✓	The achievement of this efficiency is dependant on the implementation of Single Status so is anticipated to be achieved in 2014/15. The 2013/14 shortfall is being met from the Single Status reserve.
Waste Services - vehicle savings from full roll out of Saturday collection	0.140				✓	The achievement of this efficiency is dependant on the implementation of Single Status so is anticipated to be achieved in 2014/15. The 2013/14 shortfall is being met from the Single Status reserve.
Business Development team - agile working	0.004		✓			Budget Monitoring Position at Period 4 indicates achievement of this efficiency.
Staff travel - reduced mileage payments	0.003		✓			Budget Monitoring Position at Period 4 indicates achievement of this efficiency.
Directorate Support & Performance - Supplies and Stationery - Streamline current processes	0.008		✓			Budget Monitoring Position at Period 4 indicates achievement of this efficiency.
TOTAL	0.780					
Procurement (APPENDIX 7c)						
<i>Environment</i>						
Waste Services - Tender Transport arrangements for waste disposal	0.050		✓			New Transport arrangements have been awarded as part of a tender process and are now in place.
Transportation Services - Review of subsidised Bus Service Contracts and re-tender	0.036		✓			Efficiency absorbed within service budget

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Reduction in use of consultants	0.013		✓			Efficiency absorbed within service budget
Reduction in influencable spend	0.025		✓			Efficiency absorbed within service budget
Streamline current processes within Directorate Support	0.020		✓			Efficiency absorbed within service budget
TOTAL	0.144					
Organisational Design (APPENDIX 7d)						
<i>Environment</i>						
Review Management Recharge to the Communities First Programme	0.020		✓			It is anticipated that this will be achieved as part of the Communities First Grant Claim for 2013/14
TOTAL	0.020					
Other Efficiencies (APPENDIX 7e)						
<i>Environment</i>						
Agricultural Estates - balance not required	0.025	✓				Specific Directorate Balance in the Environment Balance Sheet
Licensing / Health & Safety - balance not required	0.025		✓			Specific Directorate Balance in the Environment Balance Sheet
TOTAL	0.050					

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Fees & Charges (APPENDIX 7a)					
<i>Lifelong Learning</i>					
Library Service - Fines	0.001		✓		
Library - Hire charges increase	0.001		✓		
Leisure Services - increased charges	0.175			✓	Tariffs were increased on the 1st January as agreed but as income targets are not expected to be met, the efficiency is also not likely to be fully achieved. Estimated amount achievable £0.164m.
Review of post 16 distance limit	0.030			✓	The amendment to the proposal to continue to provide transport to Colleg Cambria means that only £0.010m of the efficiency can be achieved. Work is ongoing to confirm this. However, we do not anticipate a pressure on the Transport budget at this time.
TOTAL	0.207				
Service Change (APPENDIX 7b)					
<i>Lifelong Learning</i>					
Operational efficiencies	0.025		✓		
Youth Service - reduction of senior area workers	0.032		✓		The budget for area workers had previously been reduced. This efficiency created a budget flow which has been addressed as part of the Youth Strategy by retaining part of the £0.050m below on a recurring basis. We do not anticipate a pressure on Youth S

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Youth Service - term time only contracts	0.026			✓		This change is being introduced as part of the Youth Strategy and has not yet been implemented though negotiations have started. At this stage it is anticipated that a saving of £0.007m will be made in this financial year.
Youth Service - Service reconfiguration	0.012		✓			
Youth Service - Building costs savings	0.011		✓			
Youth Service - Building rationalisation	0.005		✓			
Youth Service - Holding back £50k (CC 1/3/13)	(0.050)	✓				This additional contribution is expected to be fully utilised.
Facilities - Management / Central Office - structure review	0.015		✓			
Facilities - County Hall revised opening hours - reduced energy / overtime costs	0.025				✓	Although we do not expect a pressure on the Facilities budget this year, the decision to revise the County Hall opening hours has not yet been made.
LL ICT - Interim Service review - post reduction	0.025				✓	The Schools ICT Service Review has now been combined with the Corporate ICT Review. We do not anticipate a pressure on the schools ICT budget at this time.
Leisure Services - removal of swimming subsidy	0.023		✓			
Directorate Management Team Restructure	0.043	✓				
TOTAL	0.192					

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Procurement (APPENDIX 7c)					
<i>Lifelong Learning</i>					
Reduction of Postage within the Library Service	0.001		✓		
Out of County - Improved procurement through framework agreements and monitoring of placements.	0.385		✓		
School Transport Service - Operational efficiencies	0.080		✓		
TOTAL	0.466				

Organisational Design (APPENDIX 7d)					
<i>Lifelong Learning</i>					
Libraries - Flexible retirement	0.015	✓			
Libraries - Library Service Review	0.037	✓			
TOTAL	0.052				

Other Efficiencies (APPENDIX 7e)					
<i>Lifelong Learning</i>					
Demographic Change in Schools (pupil numbers)	0.132	✓			
TOTAL	0.132				

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Supplies & Services	0.012		✓		
TOTAL	0.245				
Organisational Design (APPENDIX 7d)					
<i>Chief Executive - Corporate Services</i>					
Reduction in mileage travelled - Emergency Planning	0.001		✓		
TOTAL	0.001				

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Reduce influencable spend by 3%	0.004		✓			
Reduced ICT Expenditure	0.003		✓			
Rationalisation of third party software costs	0.013		✓			
Avoidance of inflationary rises - software maintenance costs	0.020		✓			
Reduced licence costs - via renegotiation	0.018		✓			
Supplies and Services	0.061		✓			
Training budget reduction - build around training solutions	0.001		✓			
Alterations & Improvements - Datacentres	0.004		✓			
Other Consumables - reduction in expenditure	0.001		✓			
Hardware Maintenance - new technology with warranty	0.015		✓			
Listing Paper - More use of electronic means	0.002		✓			
Enterprise Servers - hardware	0.003		✓			
Services work and Consultancy	0.004		✓			
Supplies & Services	0.009		✓			
FINANCE - Corporate Services						

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Procurement (APPENDIX 7c)					
<i>Chief Executive - Corporate Services</i>					
Employee / Residents Consultations - reduction in number	0.003		✓		
Supplies and Services	0.010		✓		
Joint Working - costs reduction	0.002		✓		
Alterations / Improvements reductions - future agile working	0.002		✓		
Employee Safety Measures - reduced demand on budget	0.010		✓		
Conferences/Seminars/Lectures - reduced attendance	0.001		✓		
ICT & CUSTOMER SERVICES - Corporate Services					
Training Budget - Procurement via new solutions	0.001		✓		
Reduced maintenance costs due to new security equipment	0.025		✓		
Networking Hardware - reduced procurement	0.002		✓		
ICT Cabling - reduction enabled by IPT solution	0.002		✓		
Leasing - budget adjustment	0.006		✓		
Software Licensing - Microsoft licences procured through other agreements	0.010		✓		
Hardware Maintenance - letting of MFD contracts	0.001		✓		

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	
Fees & Charges (APPENDIX 7a)					
<i>FINANCE - Corporate Services</i>					
Revenues - increased number of Council Tax fines	0.027		✓		
<i>ICT & CUSTOMER SERVICES - Corporate Services</i>					
Registrars - increased fees	0.019		✓		
Network Services - income from hosting PSBA equipment	0.004	✓			
<i>LEGAL & DEMOCRATIC - Corporate Services</i>					
External Fees - conveyancing / S106 agreements	0.015		✓		
TOTAL	0.065				
Service Change (APPENDIX 7b)					
<i>Chief Executive - Corporate Services</i>					
Corporate Comms - reduced workforce bulletins	0.003		✓		
<i>HR & OD - Corporate Services</i>					
CRB checks - review of options	0.035		✓		
<i>LEGAL & DEMOCRATIC - Corporate Services</i>					
Democratic Services - reduced paper usage	0.010		✓		
Members Allowances (Basic Allowance) - no inflationary increase	0.010		✓		
Members Allowances - Special Responsibility Allowances - reduction of number allocated	0.070		✓		
Members Allowances - NI contributions reduction linked to reduced number of Special Responsibility allowances	0.010		✓		
TOTAL	0.138				

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position				Further information to support current position status or other relevant information
		EFFICIENCY ALREADY ACHIEVED	EFFICIENCY EXPECTED TO BE ACHIEVED IN FULL	EFFICIENCY ACHIEVABLE IN PART	EFFICIENCY NOT ACHIEVABLE	
Service Change (APPENDIX 7b)						
<i>Central & Corporate Finance</i>						
Clwyd Theatr Cymru - agreed reduction to contribution	0.015	✓				
TOTAL	0.015					
Procurement (APPENDIX 7c)						
<i>Central & Corporate Finance</i>						
Flintshire Futures - E-procurement and improved processes	0.102		✓			
Flintshire Futures - Internal Fleet Review	0.160	✓				
TOTAL	0.262					
Other Efficiencies (APPENDIX 7e)						
<i>Central & Corporate Finance</i>						
Reduced contingencies - one-off investment costs	0.240	✓				
Reduced contingencies - NDR	0.077	✓				
Reduction in Fire Levy due to formula changes	0.027	✓				
Flintshire Futures Assets Workstream - Facilities Management	0.060		✓			

Month 7

Efficiency Description	Budgeted Efficiency (£m)	Current Position			Further information to support current position status or other relevant information
Flintshire Futures - Customer Workstream Contact Centre	0.100		✓		Detailed work being undertaken to assess the timing of efficiency
Flintshire Futures - Customer Workstream face to face customer contact	0.100		✓		Detailed work being undertaken to assess the timing of efficiency
Flintshire Futures - Customer Workstream Channel Shift	0.100		✓		Detailed work being undertaken to assess the timing of efficiency
TOTAL	0.704				

FLINTSHIRE COUNTY COUNCIL

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

DATE: **THURSDAY, 16 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **COUNCIL TAX REDUCTION SCHEME**

1.00 PURPOSE OF REPORT

- 1.01 The report is to explain the requirement for the Council to adopt the Council Tax Reduction Scheme for 2014/2015 by 31st January 2014.
- 1.02 To seek any views from Corporate Resources Overview & Scrutiny Committee in relation to the Council Tax Reduction Scheme for 2014/15.

2.00 BACKGROUND

- 2.01 The Council Tax Reduction Scheme Report will be presented to Cabinet on 21st January 2014. A copy of the report is attached at Appendix A to this report
- 2.02 The recommendations from this Committee and Cabinet will be reported to Council on 28th January 2014, when the Council will formally consider adoption of the Council Tax Reduction Scheme for 2014/15.

3.00 RECOMMENDATIONS

- 3.01 Members are asked to note the report and to make any observations for consideration by Council, along with those from the Cabinet, in adopting the Council Tax Reduction Scheme for 2014/15.

4.00 FINANCIAL IMPLICATIONS

- 4.01 As set out in the report at Appendix A.

5.00 ANTI POVERTY IMPACT

- 5.01 None directly associated with this report.

6.00 ENVIRONMENTAL IMPACT

- 6.01 None directly associated with this report.

7.00 EQUALITIES IMPACT

7.01 None directly associated with this report.

8.00 PERSONNEL IMPLICATIONS

8.01 None directly associated with this report.

9.00 CONSULTATION REQUIRED

9.01 None.

10.00 CONSULTATION UNDERTAKEN

10.01 None.

11.00 APPENDICES

11.01 Appendix A - Council Tax Reduction Scheme 2014/2015 report.

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

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

The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013

Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013

The Council Tax Reduction Scheme (prescribed requirements and Default Scheme) (Wales) (Amendment) Regulations 2014

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 21 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **COUNCIL TAX REDUCTION SCHEME**

1.00 PURPOSE OF REPORT

- 1.01 The report is to explain the requirement for the Council to adopt the Council Tax Reduction Scheme for 2014/2015 by 31st January 2014
- 1.02 To recommend to Council to adopt the Council Tax Reduction Scheme for 2014/2015 subject to any input from Corporate Resources Overview and Scrutiny Committee.

2.00 BACKGROUND

- 2.01 The current Council Tax Reduction Scheme was adopted by Flintshire County Council on 29th January 2013. The scheme regulations had what is known as a “sunset clause” in them which made them valid and legal for 2013/2014 only.
- 2.02 The Council Tax Reduction Scheme in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012). On 26th November 2013, the Welsh Government approved the following Regulations:
- The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013
 - Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2013
- 2.03 These Regulations have been amended to reflect changes in Benefit allowances and will be approved by Wales Government in Plenary on 14th January 2014
- The Council Tax Reduction Scheme (prescribed requirements and Default Scheme) (Wales) (Amendment) Regulations 2014
- 2.04 These Regulations prescribe the main features of the Scheme to be

adopted by all Councils in Wales.

- 2.05 The Regulations for 2014/15 do not contain any significant changes from the claimant's perspective. Qualifying taxpayers may continue to receive a reduction up to 100% of their Council Tax bill (depending on the level of their income).
- 2.06 Although a National scheme has been approved, within the Prescribed Requirements Regulations, there is limited discretion given to the Council to apply additional discretionary elements that are more generous than the national scheme and which provide for additional administrative flexibility.
These are:
- a) The ability to increase the standard extended payment period of 4 weeks given to people after they return to work, when they have been in receipt of a relevant qualifying benefit for at least 26 weeks
 - b) Discretion to disregard part or the whole amount of War Disablement pensions and War Widows Pensions when calculating income
 - c) The ability to backdate the application of Council Tax Reduction awards for working age customers more than the standard period of 3 months prior to the claim.
- 2.07 The Prescribed Regulations require the Council to adopt the Council Tax Reduction Scheme by 31st January 2014, regardless of whether it applies any of the discretionary elements. If the Council fails to make or adopt a scheme, then a default scheme will apply under the provisions of the Default Scheme Regulations. The Council can only apply a discretion if it makes its own scheme under the Prescribed Requirements Regulations.
- 2.08 Whether or not the Council wish to adopt any of the above discretionary elements, it is obliged to carry out consultation on the adoption of the scheme, even though the provisions were set by Welsh Government.
- 2.09 Due to the tight timescales between making the Prescribed Regulations and the 31st January 2014, the consultation has been truncated in Flintshire between 27th November 2013 and 18th December 2013.
- 2.10 The results of the consultation can be found at appendix 2
- 2.11 Following the arrangements for 2013/2014 the adoption of the Council Tax Reduction Scheme for 2014/2015 is being considered by Cabinet on 21st January 2014

- 2.12 The recommendations from this Committee and Cabinet will be reported to Council on 28th January 2014

3.00 CONSIDERATIONS

- 3.01 In 2013/2014 the Council adopted the discretions as set out in this report and as detailed in Appendix 1 and it is recommended that these continue.
- 3.02 It should be noted that there are no additional monies available from Welsh Government to fund the discretionary elements. The projected cost of funding these discretionary elements during 2013/2014 and the estimated cost of funding these discretionary elements during 2014/2015 is outlined in Appendix 1 and is provided for in base budget.
- 3.03 The Council continues to have the powers to support hardship on an individual basis or in respect of a defined group, specifically within the Corporate Debt Policy. Such arrangements cannot, however, form part of the Council Tax Reduction Scheme itself.

4.00 RECOMMENDATIONS

- 4.01 To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations (“the Prescribed Requirements Regulations”) by Wales Government on 26th November 2013. As amended by the Council Tax Reduction Schemes (prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2014.
- 4.02 To recommend to Council to adopt the Council Tax Reduction Scheme discretionary elements as outlined in Appendix 1, subject to any input from Cabinet

5.00 FINANCIAL IMPLICATIONS

- 5.01 The Welsh Government’s estimate of the whole cost of the scheme at this time last year was £222m, this was based on the intention to fund 90% of the scheme. Later a further £22m was paid to Council’s via a specific grant, after a late decision was made by Welsh Government to fund a 100% reduction (where applicable).
- 5.02 The cost of Council Tax Reduction needs to be managed within the Council’s budget. The amount identified by Welsh Government in the Financial Settlement for 2014/2015 is £9.924 million.

- 5.03 The funding arrangements for 2014/15 include funding of up to 100% of the estimated cost of the scheme based on the 2012/13 cost of the Council Tax Benefit and therefore funding does not include the 2013/14 increase in Council Tax producing an immediate additional shortfall of 3.14% including precepts. With the Council having a responsibility to meet this shortfall in order to maintain the scheme at 100% reduction (where applicable).
- 5.04 The Council must also meet the cost applied as a result of 2014/15 Council Tax increases.
- 5.05 In addition to Flintshire's initial estimates to maintaining the scheme at 100%, the Council are also liable for any fluctuations in caseload, which is dependant on the economic climate.
- 5.06 Current projection as to the cost to the Authority is
- | | |
|--|-----------------|
| 2013/14 CTRS paid | £10.200 million |
| 2014/15 C.Tax increase 3.5%
(inc police and community councils) | £ 0.357 million |
| Projected Cost | £10.557million |
| WG Funding | £9.924 million |
| Shortfall / pressure | £0.633 million |

6.00 ANTI POVERTY IMPACT

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

7.00 ENVIRONMENTAL IMPACT

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

8.00 EQUALITIES IMPACT

- 8.01 The Scheme proposed for 2014/2015 does not contain any significant changes from the scheme which is currently in operation, other than detailed in the recommendations above.
- 8.01 On this basis, following a rigorous and detailed Equalities Impact Assessment being conducted on the introduction of the Scheme in 2013, there is no requirement to conduct a further assessment.

9.00 PERSONNEL IMPLICATIONS

9.01 None specifically associated with the content of this report.

10.00 CONSULTATION REQUIRED

10.01 Yes, as below:

- Members of the Public
- Flintshire County Council Elected Members
- Members of Parliament and Assembly Members
- Local Service Board Members
- Advice Management Board Members
- Office for Police and Crime Commissioner for Wales
- Royal British Legion
- Corporate Resources Overview and Scrutiny Committee

11.00 CONSULTATION UNDERTAKEN

11.01 Due to the extent of the far reaching and detailed consultation approach taken in 2012/13 in relation to the brand new Scheme it has been agreed that a more targeted consultation approach would be adopted for the Scheme for 2014/15.

11.02 The consultation period was 27th November 2013 to 18th December 2013 and a summary of the results of the consultation can be found at Appendix 2.

11.03 Corporate Resources Overview and Scrutiny Committee on 16th January 2014

12.00 APPENDICES

Appendix 1 – The Discretionary Elements

Appendix 2 – Summary of the Public Consultation

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

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

The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013

Council Tax Reduction Schemes (Default Scheme) (Wales)

Regulations 2013

The Council Tax Reduction Scheme (prescribed requirements and Default Scheme) (Wales) (Amendment) Regulations 2014

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Appendix 1 – Cabinet Report

The Discretionary Elements

There are three distinct areas of discretion within the Regulations and Flintshire County Council proposes to exercise these as follows:

1. Not to increase the “extended payment period” to more than four weeks when an applicant starts work. This rule currently acts as a good incentive measure under CTRS and it makes sense to maintain it in line with the Housing Benefits (HB) Extended Payment rules, which are also set at four weeks. This measure will result in approximately £20,948 of expenditure in 2013/14
2. To continue to disregard all War Disablement and War Widows Pensions as income. This measure will result in approximately £32,284 of expenditure for 2013/14. Continuation of this discretion would follow a long precedent and maintain the link with the Authority’s treatment of this income for HB purposes.
3. To maintain the standard three month backdating provisions for pensioners when a good reason for failing to claim earlier is shown. This reflects the current position with regard to CTRS and HB and payments in respect of backdating will result in approximately £29,375 of expenditure in 2013/14

Appendix 2 – Cabinet Report

Summary of Public Consultation

The Consultation opened on 27 November and closed on 18 December 2013.

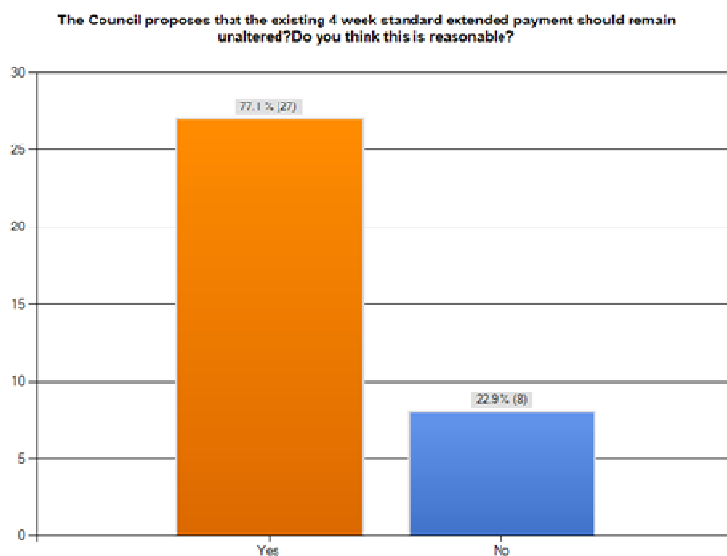
The survey was available publicly on-line via the Council's website and was emailed to a range of identified stakeholders. It was also available in hard copy at public libraries, Flintshire Connects, Main Reception County Hall, Benefits Reception County Hall, Phase III Reception County Hall and Reception at County Offices Flint.

35 English responses were completed and 0 Welsh responses.

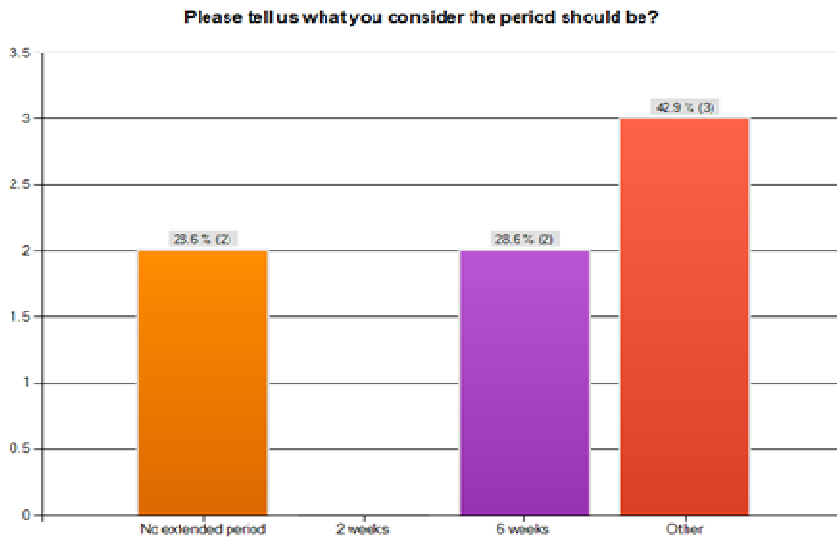
Of the 35 responses received 34 were completed on-line and 1 via hard copy.

Local discretion 1

The Council proposes that the existing 4 week standard extended payment should remain unaltered? Do you think this is reasonable?



If no, please tell us what you consider the period should be?



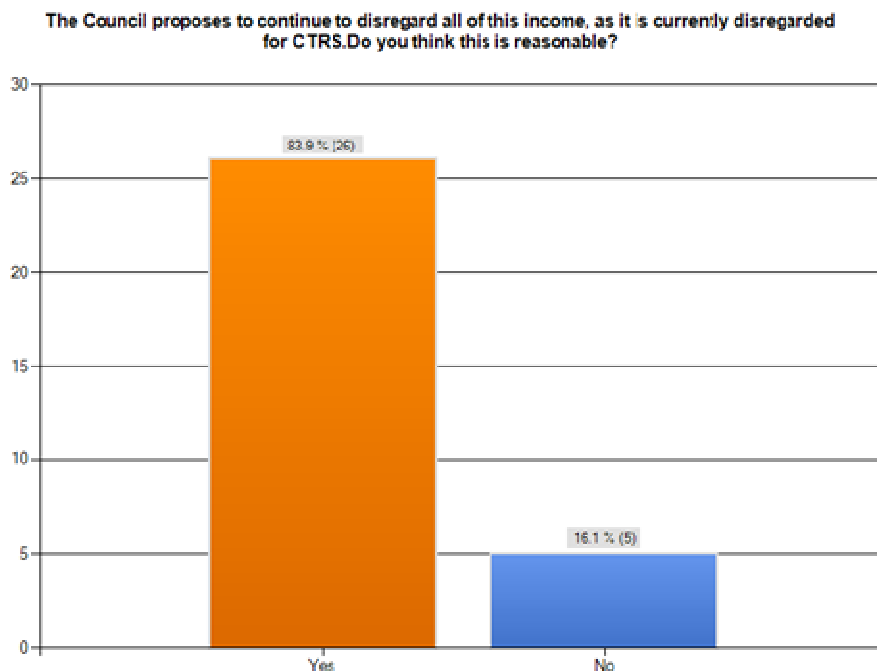
Of the three people who responded other, two respondents provided the following further information:

We feel that 4 weeks is generally sufficient time for an individual to continue to receive a Council Tax reduction after commencing paid employment. However we do feel that there should be a robust mechanism in place to proactively identify individuals who are in debt and/or facing financial difficulties despite finding employment. In these cases there should be recourse for individuals to discretionary Council Tax Reductions or other financial support for those who are facing difficulties paying their Council Tax, despite being in paid employment with earnings above the earnings threshold for Council Tax Reductions. For example some individuals will have accrued debts whilst unemployed that may result in a loss of heating or lighting to their home; homelessness; inability to feed themselves; inability to afford to travel to their workplace or other debts that cause not only distress and anguish, but also physical health and wellbeing concerns. In those situations individuals may require a longer period, in addition to independent advocacy and support, to address their financial difficulties before having to pay Council Tax. Consideration should also be given to delays in notifying the Council immediately of a change in circumstances, especially where this is due to not understanding their responsibilities due to communication barriers or disability-related barriers. In such circumstances retrospectively applying full Council Tax liability could force an individual into poverty and debt through no fault of their own.

Welfare reform changes to move benefit payments to calendar monthly payments will already push recipients into financial hardship as they will be paid a month in arrears, take 5 weeks to process (leaving them without funds) and therefore simply returning to work and waiting 4 weeks will not give them ample time to really catch up with themselves

Local Discretion 2

The Council proposes to continue to disregard all War Disablement Pension and War Widows Pension income, as it is currently disregarded for CTRS. Do you think this is reasonable?



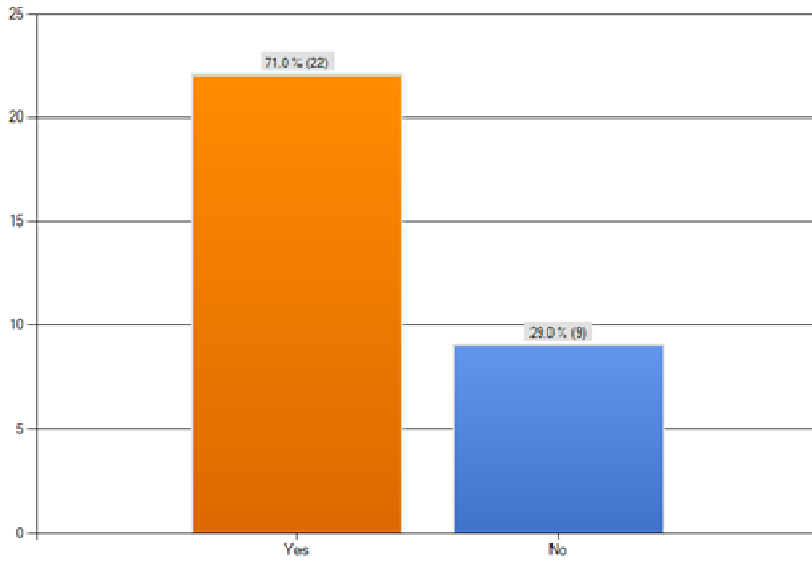
If answering no, respondents were asked; “Please tell us what you think would be reasonable?” and the following responses were received:

- Nothing
- To count it as part of their income
- I think a £40.00 per week disregard would be reasonable
- They have more disposable income than other households in order to meet their costs. Therefore a standard disregard could apply to the first £30 per week.

Local Discretion 3

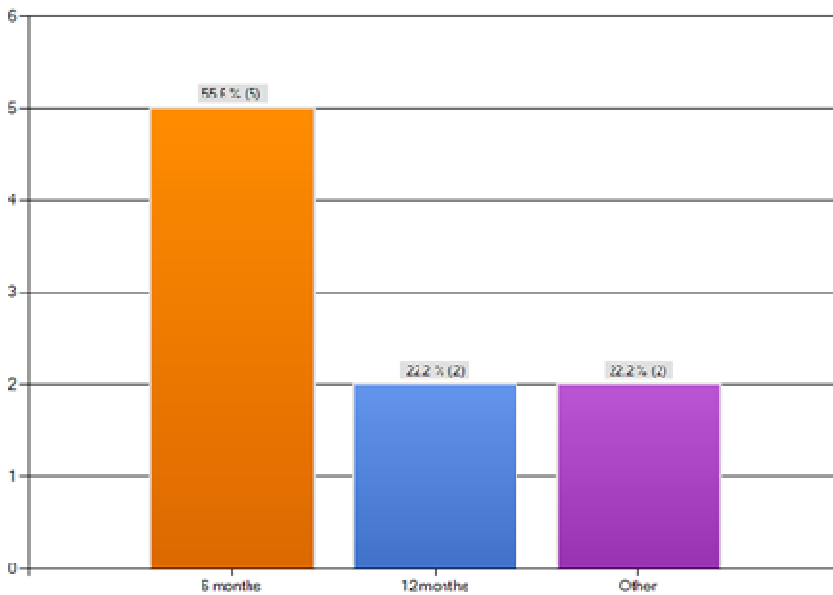
The Council proposes to keep the maximum backdate available to the 3 month statutory period. Do you think this is reasonable?

The Council proposes to keep the maximum backdate available to the 3 month statutory period. Do you think this is reasonable?



If 'No' please tell us what you would consider to be reasonable?

Please tell us what period you would consider to be reasonable?



Of the respondents who ticked other the following supplementary information was provided:

- None
- We strongly believe Council Tax Reductions should be able to be back dated by 6 months if there are reasons for the delay, such as bereavement, mental distress, a hospital or hospice stay, caring for a family member, or disability-related barriers.

The circumstances which have led an individual to claim Council Tax Reduction can often be both complex and lead to situations where an individual is struggling to access other entitlements and to continue to afford housing, utilities, water, food and other basic costs. In these situations there may be a delay in applying for Council Tax Reduction, which should be accounted for and 3 months is not sufficient time in some cases. Similarly many disabled people require additional time to complete forms either due to limited energy or time to fill in forms or due to not understanding the information or processes. Time limits can often place these individuals under extreme stress and anxiety and therefore any extension to backdating provisions, in order to account for these barriers and to prevent people falling into poverty and/or debt, is welcome. We would encourage Flintshire County Council to ensure that all individuals applying for Council Tax Reductions, any benefit, or any concern from the Council are signposted to independent professional advocacy to ensure that they are able to understand and complete forms accurately, reducing administration costs for the Council and stress and anxiety for the individuals applying. Accessible formats and community language information, documents and forms should also be proactively provided, including large print, Easy Read and audio documents. This should be in addition to providing all standard documents in Plain English and Cymraeg Clir as the usual format.

- There are many reasons why backdating is necessary and limiting to 3 months is unfair in genuine cases

FLINTSHIRE COUNTY COUNCIL

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

DATE: **THURSDAY, 16 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **COUNCIL TAX AND BUSINESS RATE POLICIES 2014-15**

1.00 PURPOSE OF REPORT

1.01 To provide Overview & Scrutiny members with details of an annual report on Council Tax and Business Rate Policies proposed for the financial year 2014-15 and to seek any observations to be made to Cabinet.

2.00 BACKGROUND

2.01 Each year cabinet is required to re-determine a number of policies associated with the collection and administration of Council Tax and Business Rates.

2.02 Cabinet will be asked to consider and re-approve all existing policies in January 2014.

3.00 CONSIDERATIONS

3.01 As part of the considerations to re-approve the existing policies, Overview & Scrutiny members may wish to make observations and comments on the various policies.

4.00 RECOMENDATIONS

4.01 Members are asked to note the report and make any observations for consideration by Cabinet which will be reported verbally to Cabinet on 21st January 2014.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the attached report.

6.00 ANTI POVERTY IMPACT

6.01 None directly associated with this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly associated with this report.

8.00 EQUALITIES IMPACT

8.01 None directly associated with this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix A – Council Tax and Business Rate Policies Report

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

As set out in the report

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 21 JANUARY 2014**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **COUNCIL TAX AND BUSINESS RATE POLICIES**
2014-15

1.00 PURPOSE OF REPORT

1.01 Members are asked to approve various policies for the administration of Council Tax and Business Rates for the financial year 2014-15

1.02 The policies required by statute to be approved each year are :-

- Council Tax Discounts on second and long term empty homes (section 2)
- Council Tax Discretionary discounts (section 3)
- Business Rates Discretionary Rate Relief (section 4)
- Business Rates Discretionary Rate Relief for Small Businesses (section 5)

1.03 Some policies are detailed for information purposes only, these are :-

- Payment dates for Precepting/Levying Bodies (section 6)
- Payment dates for Council Tax and Business Rates (section 7)

2.00 COUNCIL TAX ON SECOND AND LONG TERM EMPTY HOMES

2.01 Each year the Council is required to determine what discount, if any, is awarded to second or holiday homes (known as Prescribed Classes A or B) and long term empty properties (known as Prescribed Class C). The prescribed Classes are :

Class A – A property which is unoccupied and furnished but occupation is prohibited by law for over 28 days each year.

Class B – A property which is unoccupied but furnished and occupation is not prohibited by law.

Class C - A property which is unoccupied and substantially unfurnished beyond the normal exempt period (usually 6 months)

2.02 The current policy is not to award discounts to any Prescribed Class and this applies to the whole of the County area. This is also reflected in the 2014-15 Tax Base calculation.

3.00 COUNCIL TAX DISCRETIONARY DISCOUNTS

- 3.01 In accordance with section 13A of the Local Government Finance Act 1992 (as amended by section 76 of the Local Government Act 2003), the Council has a general discretion to reduce the amount of Council Tax payable, effectively granting a local Council Tax Discretionary Discount.
- 3.02 In exercising these discretionary powers the Council must act reasonably having regard to all relevant considerations and the interests of all tax payers as the cost of awarding a Discretionary Discount would in effect be borne by other Council Tax payers.
- 3.03 The current policy is for the Head of Finance and Cabinet Member for Corporate Management to consider discretionary discounts through the use of delegated powers only in cases of civil emergencies and natural disasters.

4.00 BUSINESS RATES - DISCRETIONARY RATE RELIEF

- 4.01 Discretionary Rate Relief for Charitable and Non Profit Making Organisations is currently awarded on a continual basis, subject to a minimum of 12 months and full financial year notice if any ratepayer is affected by a change in policy.
- 4.02 Current policy is determined by the following categories :-
- Premises used for charitable purposes by organisations specifically registered with the Charity Commission. *(20% discretionary 'top up' relief is awarded, with the exception of shops operated by national organisations, who receive 80% Mandatory Relief only).*
 - Premises used by non-profit making organisations that are treated as charities, for the reason that they bear the same characteristics as those organisations that are registered charities. This category consists of Community Centres, Institutes and Village Hall, other than those occupied by Precepting Authorities. *(20% 'top up' relief is awarded)*
 - Premises occupied by sporting clubs, societies or other organisations used for the purpose of non profit making and used for the purpose of recreational, social welfare etc. *(100% Discretionary Relief is awarded with the exception of golf clubs, which are awarded 50% Discretionary Relief)*

- Premises not covered by any of the above categories, occupied by non-profit making organisations but are used for the benefit of the community and who are assessed on an individual basis based on their merits. (*Up to 100% Discretionary Rate Relief can be awarded*)
- 4.03 Section 69 of the Localism Act 2011 amends section 47 of the Local Government Finance Act 1988 to replace the limited circumstances in which local authorities can currently give discretionary relief with a power to grant relief in any circumstances.
- 4.04 This is subject to the condition that, except in the limited circumstances specified, the local authority may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area. However, unlike other specific types of discretionary rate relief as detailed in section 4.02 where the Welsh Government substantially fund the cost of rate relief, the Council will be responsible for fully funding any other discretionary discounts granted
- 4.05 In exercising these discretionary powers the Council must act reasonably having regard to all relevant considerations and the interests of all tax payers as the full cost of awarding a Discretionary Discount would in effect be borne by other Council Tax payers.
- 4.06 The Council must not have a blanket policy not to award discretionary discounts and the recommended policy is that the Head of Finance and Cabinet Member for Corporate Management consider any applications received for discretionary discounts falling outside of the scope of the policy in section 4.02 to be considered on their own merits through the use of delegated powers using the following criteria:-
- Requests for reductions will be required in writing from the ratepayer or their appointed agents with a full business case and documentary evidence in support of the request
 - The Council's finances allow for a reduction to be made.
 - It must be in the interest of Council Tax payers for the Council to grant such a reduction
 - All other eligible discounts/reliefs have been considered and/or awarded to the ratepayer

5.00 BUSINESS RATES – DISCRETIONARY RELIEF FOR SMALL BUSINESSES

- 5.01 The Welsh Government Small Business Rate Relief scheme together with the Government's recent announcement to extend rate relief on a temporary basis up to 31st March 2015 provides rate relief, financed by the Welsh Government.

5.02 The Welsh Government Small Business Rate Relief scheme contains provision to award discretionary 'top up' relief to small businesses although the Council is required to meet the costs in full of any 'top-up' awards.

5.03 The current policy is not to award additional discretionary 'top-up' discounts to small businesses.

6.00 PAYMENT DATES FOR PRECEPTING/LEVYING BODIES

6.01 The following payment dates currently apply to Precepting Authorities and Levying Bodies :-

- Sea Fisheries - 1st of April
- Police & Crime Commissioner – North Wales 12 payments on 15th day
- North Wales Fire Service - 12 payments on 15th day
- Town/Community Councils - 3 payments (April, August, December)

7.00 PAYMENT DATES FOR COUNCIL TAX AND BUSINESS RATES

7.01 Council Tax and Business Rate customers are usually required to pay their bills in line with a statutory instalment scheme over 10 months from April to January.

7.02 Amendment regulations introduced by the Welsh Government provide Council Tax customers with a statutory right to request to pay Council Tax, from the start of the financial year, in 12 monthly instalments rather than 10.

7.03 For Council Tax and Business Rate customers who choose to pay their bills by Direct Debit, the Council offers customers a choice of four dates, the 1st, 8th, 18th or 25th day of each month. Payment by weekly direct debit is also promoted for payment of Council Tax only and proves to be a useful way of helping customers who work to a weekly income.

7.04 The Council will continue to offer alternative payment dates, including payment over 12 months, to provide customers with a range of flexible dates to suit individual finances and circumstances. These are :

- 1 annual instalment – due on 30th June
- 2 half yearly instalments – due on 31st May and 30th September
- 44 weekly instalments – due from 1st April to 31st January (Council Tax only)
- 52 weekly instalments – due from 1st April to 31st March (Council Tax only)

8.00 RECOMMENDATIONS

8.01 Members are requested to consider continuation of the current Council Tax and Business Rate Policies for 2014-15, as follows:-

- Not to award Council Tax discounts on any prescribed class and that this applies to the whole of the County area (2.02).
- For the Head of Finance and Cabinet Member for Corporate Management to consider section 13a discretionary discounts through the use of delegated powers (3.03).
- Discretionary rate relief for as set out (4.02).
- For the Head of Finance and Cabinet Member for Corporate Management to consider any applications for Business Rate discretionary discounts not within the scope of the existing policy as set out in 4.02 through the use of delegated powers (4.06).
- Not to award discretionary 'top-up' discounts to small business (5.03).
- Members are also asked to note the payment dates for Precepting/Levying Bodies (6.01) and payment dates for Council Tax and Business Rates, (7.01 - 7.04).

9.00 FINANCIAL IMPLICATIONS

9.01 On the basis of a continuation of existing policies, costs will be contained within the current budget.

10.00 ANTI POVERTY IMPACT

10.01 None.

11.00 ENVIRONMENTAL IMPACT

11.01 None.

12.00 EQUALITIES IMPACT

12.01 None.

13.00 PERSONNEL IMPLICATIONS

13.01 None.

14.00 CONSULTATION REQUIRED

14.01 None.

15.00 CONSULTATION UNDERTAKEN

15.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

- Local Government Finance Acts 1988 & 1992
- The Non Domestic Rating (Discretionary Relief) Regulations 1989
- The Council Tax (Administration and Enforcement) (Amendment) (Wales) Regulations 2013

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FLINTSHIRE COUNTY COUNCIL

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

DATE: **THURSDAY, 16 JANUARY 2014**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **FEEDBACK FROM CONSIDERATION OF IMPROVEMENT AND PERFORMANCE PLANS**

1.00 PURPOSE OF REPORT

1.01 To provide the committee with feedback from the functional overview & Scrutiny committees on the new approach to Improvement and Performance plans.

2.00 BACKGROUND

2.01 The new style Improvement Plan was adopted by Council in June 2013. It is aligned to the new, three year Outcome Agreement and focuses on the priorities which are expected to have most impact. In addition to the Improvement Plan Monitoring Report, there are bi-annual performance reports from the Heads of Service. These are similar to those previously producing for quarterly reporting.

2.02 The new style reports were presented to the Overview & Scrutiny committees as follows:

Community Profile & Partnerships	7 th November
Environment	13 th November
Corporate Resources	14 th November
Lifelong Learning	14 th November
Housing	20 th November
Social & Healthcare	25 th November.

At each of those meetings, the committees were invited both to consider the 2013/14 Mid Year improvement Plan Monitoring Report and to comment on the newly introduced improvement plan performance monitoring approach.

3.00 CONSIDERATIONS

3.01 At Community Profile & Partnerships, which was receiving a performance report for the first time, it was suggested that

a Members workshop be arranged to assist Members to scrutinise and comment effectively on the newly introduced improvement plan performance monitoring approach. This was agreed as the committee resolution and has also been referred to at subsequent meetings.

- 3.02 At Environment, Corporate Resources and Lifelong Learning whilst Members raised a number of questions about the content of the reports, there were no specific comments which related to the new approach to performance reporting.
- 3.03 At Housing, a member raised concerns at the format of the improvement Plan Monitoring Report, particularly in the use of 'low, medium and high' to classify likelihood and impact for target scores, which he felt was not easy to understand. Other members of the committee had supported him in his concerns.
- 3.04 At Social & Healthcare, there was a concern about joint working with BCUHB and action planning and strategic direction. There was also concern around the Mental Health and Dementia commissioning strategies and the high level of dependency on partnership working with BCUHB. It was agreed that these concerns should be brought to the attention of the Corporate Resources O&SC, as these were risk areas to be managed. Keeping up with the specialist demands, such as the specific residential needs of those with dementia has created a need for an agreed model of service delivery with an investment plan for the future. The continued ability to influence locality focuses strategic planning with BCUHB had also been raised by CSSIW during the 2012/13 annual review and evaluation of performance.

4.00 RECOMMENDATIONS

That the committee have regard to the observations of the Overview & Scrutiny committees on the Improvement and Performance plans, and if supported, forward these to the Cabinet.

5.00 FINANCIAL IMPLICATIONS

None arising directly from this report

6.00 ANTI POVERTY IMPACT

None arising directly from this report

7.00 ENVIRONMENTAL IMPACT

None arising directly from this report

8.00 EQUALITIES IMPACT

None arising directly from this report

9.00 PERSONNEL IMPLICATIONS

None arising directly from this report

10.00 CONSULTATION REQUIRED

Publication of this report constitutes consultation

11.00 CONSULTATION UNDERTAKEN

None

12.00 APPENDICES

None

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

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FLINTSHIRE COUNTY COUNCIL

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

DATE: **THURSDAY, 16 JANUARY 2014**

REPORT BY: **MEMBER ENGAGEMENT MANAGER**

SUBJECT: **FORWARD WORK PROGRAMME**

1.00 PURPOSE OF REPORT

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

2.00 BACKGROUND

2.01 Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council, or Directors. Other possible items are identified from the Cabinet Work Programme and the Strategic Assessment of Risks & Challenges.

2.02 In identifying topics for future consideration, it is useful or a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:

1. Will the review contribute to the Council's priorities and/or objectives?
2. Are there issues of weak or poor performance?
3. How, where and why were the issues identified?
4. Do local communities think the issues are important and is there any evidence of this? Is there evidence of public dissatisfaction?
5. Is there new Government guidance or legislation?
6. Have inspections been carried out?
7. Is this area already the subject of an ongoing review?

3.00 CONSIDERATIONS

3.01 Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work Programme of the Committees of which they are members. By reviewing and prioritising the forward work programme Members are able to ensure it is member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

4.00 RECOMMENDATIONS

4.01 That the Committee considers the draft Forward Work Programme attached as Appendix 1 and approve/amend as necessary.

5.00 FINANCIAL IMPLICATIONS

None as a result of this report.

6.00 ANTI POVERTY IMPACT

None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

None as a result of this report.

8.00 EQUALITIES IMPACT

None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

None as a result of this report.

10.00 CONSULTATION REQUIRED

N/A

11.00 CONSULTATION UNDERTAKEN

Publication of this report constitutes consultation.

12.00 APPENDICES

Appendix 1 – Forward Work Programme

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

None.

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Corporate Resources Overview & Scrutiny Committee
FORWARD WORK PROGRAMME 2012/13

DATE	SUBJECT	O&S FOCUS	REPORT FROM
Monday 27 th January 14.00	Introduction to the Budget workshop for all members	This workshop replaces the 'overview' presentation which has previously been given at the start of each of the O&S budget consultation meetings.	
Tuesday 28 th January 11.45-12.45	Corporate Resources O&SC as part of the sequence of O&S budget meetings being held during the morning. The meeting will focus on corporate departments and corporate finance.	Consultation	
Monday 3 rd February 10.00	'mop up' and Capital Programme meeting for the committee at the conclusion of the budget meetings. All members will be invited to attend this meeting.	Consultation	
Thursday 13 th February 2014 10.00	Revenue Budget Monitoring 2013/14 Month 8 Assets as an Organisational Change strategy workstream (6 monthly update, as per the resolution of the committee on 17/1/13) Workforce Information Quarter 3 October - December 2013 To provide Members with an update for the third quarter 2013/14 Forward Work Programme	Monitoring Monitoring and development Monitoring Development and confirmation	HF HAT HHROD MEM

Corporate Resources Overview & Scrutiny Committee
FORWARD WORK PROGRAMME 2012/13

Thursday 13 th March 2014 10.00	Revenue Budget Monitoring 2013/14 Month 9 Procurement as a Flintshire Futures workstream (6 monthly update, as per the resolution of the committee on 17/1/13) Forward Work Programme	Monitoring Monitoring and development Development and confirmation	
Thursday 10 th April 2014 10.00	Revenue Budget Monitoring 2013/14 Month 10 Forward Work Programme	Monitoring	
Thursday 8 th May 2014 10.00	Revenue Budget Monitoring 2013/14 Month 11 Forward Work Programme	Monitoring	
Thursday 12 th June 2014 10.00	Revenue Budget Monitoring 2013/14 Month 12	Monitoring	