

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**               **TUESDAY 16 OCTOBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **REVENUE BUDGET MONITORING 2012/13**  
**(MONTH 4)**

**1.00    PURPOSE OF REPORT**

1.01    To provide members with the most up to date revenue budget monitoring information (Month 4) for the Council Fund and the Housing Revenue Account in 2012/13.

1.02    **INDEX OF CONTENTS**

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**EXECUTIVE SUMMARY**

2.01    Members are requested to note the projected year end position as estimated at Month 4 which is :

- Council Fund - Net overspend of £1.028m
- Housing Revenue Account - Net underspend of £0.052m

**3.00    CONSIDERATIONS**

**COUNCIL FUND**

3.01    The table below shows a projected in-year overspend of £1.028m.

## Appendix A

<b>TOTAL EXPENDITURE AND INCOME</b>	Original Budget	Revised Budget	In-Year Over / (Under) spend		Non Ring-fenced		Ring-fenced	
			Month 3	Month 4	Month 3	Month 4	Month 3	Month 4
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Directorates</b>								
Community Services	58.437	58.422	(0.221)	(0.210)	(0.138)	(0.169)	(0.083)	(0.041)
Environment	31.794	31.785	(0.123)	(0.129)	(0.123)	(0.129)	-	-
Lifelong Learning	109.219	109.213	1.303	1.318	1.324	1.299	(0.021)	0.019
Corporate Services	17.469	17.375	(0.002)	0.090	(0.002)	0.090		
<b>Total Directorates</b>	<b>216.919</b>	<b>216.795</b>	<b>0.957</b>	<b>1.069</b>	<b>1.061</b>	<b>1.091</b>	<b>(0.104)</b>	<b>(0.022)</b>
Central and Corporate Finance	25.759	25.883	0.096	(0.041)	0.096	(0.041)		
<b>Total</b>	<b>242.678</b>	<b>242.678</b>	<b>1.053</b>	<b>1.028</b>	<b>1.157</b>	<b>1.050</b>	<b>(0.104)</b>	<b>(0.022)</b>

3.02 The Original Budget column reflects the budget approved by Council on the 1<sup>st</sup> March 2012. The Revised Budget column reflects in-year virements which have been approved in compliance with Financial Procedure Rules.

3.03 The significant in-year projected variances to date are detailed in Appendices 2 - 6 (Council Fund) and Appendix 8 (HRA), and in addition to giving the reasons for the variances, the actions required to address each variance is provided. The significant changes for the Council Fund from Month 3 are detailed in Appendix 1.

3.04 It is the intention of Management to contain the currently projected variation within the overall agreed Council budget for the year. As part of the ongoing work to develop the MTFP, opportunities to generate efficiencies are being explored including those that may have a positive impact on the 2012/13 projected outturn.

### **RISKS / ASSUMPTIONS**

3.05 The in-year over / (under) spends shown in the table at paragraph 3.01 reflect the following risks and assumptions :-

1. Community Services
  - Social Services for Adults
    - Occupational Therapy service - increased demand
  - Social Services for Children
    - Out of county placements - demand led with volatility influenced by numbers and high values of individual placements
    - Family Placement - increases in foster care places / court orders for Residence and Specific Guardianship

## Appendix A

- Housing Services
  - Homelessness - projected high demand influenced by current economic climate and recent welfare reform
- 2. Environment
  - Streetscene
    - Projected outturn reflects overtime payments to operatives (pre. Part 3 agreement) plus additional vehicle costs as a result of the phased roll out of the full Saturday collection service
  - Planning
    - A number of planning decisions are the subject of ongoing appeals which may have the potential for costs to be awarded against the Council
- 3. Lifelong Learning
  - Facilities
    - Catering - overspend projected but possible mitigation from project plans following APSE review
  - Development & Resources
    - Free school meals and remissions - influenced by economic factors
  - Ringfenced budgets
    - Out of county placements - demand led with volatility influenced by numbers and high values of individual placements
  - Leisure Income
    - Income levels for the new leisure facilities are being monitored carefully on a weekly basis. Any variation, either positive or negative, could have a material effect on the projected outturn.
- 4. Corporate Services
  - Welfare Reform
    - Welfare Reform preparation is starting to impact on the projected outturn for 12/13 (see Appendix 1 and 5 for details). The impacts are continuously being assessed and will be reported to Cabinet as soon as any further pressures are identified.
- 5. Housing Revenue Account
  - Single Status
    - Possible impact of Single Status agreement - any impact will need to be funded within HRA as it is a ringfenced account

**4.00 NON STANDARD INFLATION**

4.01 Included in the budget is an amount of £0.078m in respect of Energy for Street Lighting, £0.300m in respect of Energy, £0.196m in respect of Fuel and £0.133m in respect of Food. These budgets are being monitored closely and the funds will be released when a full assessment of the need has been completed. The current projected outturn assumes that these amounts will be required in full.

**5.00 UNEARMARKED RESERVES**

5.01 The 2011/12 final outturn reported to Cabinet on 10<sup>th</sup> July showed unearmarked reserves at 31<sup>st</sup> March 2012 (above the base level of £5.476m) of £0.992m, after taking into account commitments in 2012/13 :

- Use of £0.973m to meet one-off / time limited costs
- Ringfencing of £1.500m to support Organisational Change costs

5.02 Month 3 report contained a recommendation to approve the allocation of £0.361m from contingency as a one-off investment to support the new Leisure facilities in their first year of operation. This recommendation was approved.

5.03 Appendix 6 details the movements to date on unearmarked reserves and the level of contingency sum available. As a result of the movements the current projected level of the contingency reserve at the end of March 2013 is an overdrawn amount of £0.397m. However as noted in section 3.04 it is the intention of Management to contain the currently projected variation within the overall agreed Council budget for the year which will also have a positive effect on the contingency reserve.

**6.00 HOUSING REVENUE ACCOUNT**

6.01 On 21<sup>st</sup> February 2012, the Council approved a Housing Revenue Account (HRA) budget for 2012/13 of £26.671m. The budget provided for a closing balance of £0.867m, which at 3.25 % of total expenditure satisfies the prudent approach of ensuring a minimum level of 3 %.

6.02 The 2011/12 final outturn reported to Cabinet on 10<sup>th</sup> July 2012 showed a closing balance at the end of 2011/12 of £1.857m (subject to audit) which was £0.753m more than when the 2012/13 budget was set. This had the effect of increasing the closing balance for 2011/12 by the same amount.

6.03 There is an overall projected underspend of £0.052m and a projected closing balance at Month 4 of £1.621m, which at 6 % of total expenditure satisfies the prudent approach of ensuring a minimum level of 3 %.

6.04 The projected outturn reflects an additional allocation of £0.250m from

## Appendix A

balances to fund additional CERA contribution towards funding of the HRA Capital Programme. The Head of Housing has consulted on this action with the Cabinet member for Housing in accordance with the recommendation within the Month 3 Budget Monitoring report approved by Cabinet on 18<sup>th</sup> September 2012.

6.05 Appendix 8 details the reasons for significant variances occurring to date and the actions planned to deal with them.

### **7.00 RECOMMENDATIONS**

7.01 Members are recommended to :-

- a) Note the overall report and the management actions being taken to address the projected overspend
- b) Note the Council Fund contingency sum (overdrawn balance) as at 31<sup>st</sup> March 2013 (paragraph 5.03)
- c) Note the projected final level of balances on the Housing Revenue Account (paragraph 6.03)

### **8.00 FINANCIAL IMPLICATIONS**

8.01 The financial implications are as set out in Sections 3.00 - 6.00 of the report.

### **9.00 ANTI POVERTY IMPACT**

9.01 None

### **10.00 ENVIRONMENTAL IMPACT**

10.01 None

### **11.00 EQUALITIES IMPACT**

11.01 None

### **12.00 PERSONNEL IMPLICATIONS**

12.01 None

### **13.00 CONSULTATION REQUIRED**

13.01 None

### **14.00 CONSULTATION UNDERTAKEN**

14.01 None

### **15.00 APPENDICES**

15.01 Council Fund - Movement in Variances from Month 3 - Appendix 1  
Council Fund Variances - Appendices 2 - 6  
Council Fund - Movements on unearmarked reserves - Appendix 7  
Housing Revenue Account Variances - Appendix 8

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

## Appendix A

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**COUNCIL FUND - REVENUE BUDGET 2012/13  
FLINTSHIRE COUNTY COUNCIL**

**Budget Monitoring (Month 4)  
Summary of Movement from Month 3**

	£m	£m
<b>Month 3</b>		
Out of County Ringfenced Budget	(0.175)	
Service Directorates	1.132	
Central and Corporate Finance	0.096	
<b>Variance as per Executive Report</b>		<b>1.053</b>
<b>Month 4</b>		
Out of County Ringfenced Budget	(0.079)	
Service Directorates	1.148	
Central and Corporate Finance	(0.041)	
<b>Variance as per Directorate Returns</b>		<b>1.028</b>
<b>Change Requiring Explanation</b>		<b><u>(0.025)</u></b>
<b><u>Community Services</u></b>		
<ul style="list-style-type: none"> <li>• Resources &amp; Regulated Services (Intake and Reablement) - the movement relates to work yet to be undertaken to realign the budgets following the transport review. This will be undertaken once the full financial impact of the review are known.</li> <li>• Transition &amp; Disability Service (Disability Services) - this reflects the costs of the newly formed transition team. Further work is required to realign budgets from other services.</li> <li>• Support Services (Mental Health Service and Substance Misuse Service) - this reflects a reduction in the cost of residential care packages due to movements of clients in and out of the service and a reduced cost projection for direct payments. These are offset by an increase in staff costs required to provide maternity cover.</li> <li>• Professional Support (Children's Services) - the reduction from month 3, reflects the revised costs of temporary staff where end dates are now known.</li> <li>• Out of County Pooled Budget (Ringfenced Budgets) - the movement since month 3 reflects a new sibling group together with a joint placement with the Lifelong Learning Directorate.</li> <li>• Good Health (Development &amp; Resources) - movement since month 3 due to projected changes in staff costs.</li> <li>• Management &amp; Support (Development &amp; Resources) - the movement is made up of further advertising costs for the Head of Social Services Adults (£0.007m), an increase to projected postage costs for the Directorate (£0.020m) and an increase in supplies and services costs (£0.007m).</li> <li>• Family Placement (Children's Services) - the increase since month 3 reflects additional boarded out family placement costs.</li> <li>• Other minor changes of less than £0.035m</li> </ul>	(0.067)  0.063  (0.070)  (0.076)  0.056  0.036  0.037  0.038  (0.006)	
		<b>0.011</b>
<b><u>Environment</u></b>		
<ul style="list-style-type: none"> <li>• Minor changes of less than £25k</li> </ul>	(0.006)	
		<b><u>(0.006)</u></b>

**Lifelong Learning**

- Minor changes of less than £25k 0.015

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**0.015**
**Corporate Services**

- Finance - a pressure of £0.091m has been identified relating to workforce costs within Revenues and Benefits due to additional work required in preparation for, and in response to, Welfare Reform. The additional costs will be reduced where possible. This pressure has been partly offset by increased vacancy savings relating to the Finance Function Review (-£0.024m) and other minor variances (-£0.006m). 0.061
- Minor changes of less than £25k 0.031

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**0.092**
**Central and Corporate**

- Financing & Funding (insurance, banking etc.) - Additional windfall income of £0.090m is now anticipated in respect of the settlement of an outstanding claim re. overpayment of VAT due to the impact of legal challenges to custom and practice elsewhere. An overspend on additional superannuation costs of £0.043m in respect of added years granted to former employees early retirements prior to the 1996 Local Government reorganisation. The net effect of other minor variances amount to an overspend of £0.010m. (0.037)
- Corporate (Other) - An overspend of £0.033m against the phased funding strategy to address the Council's share of the Clwyd Pension Fund deficit following the 2010 actuarial valuation plus minor variances of £0.002m. 0.035
- Central Loans & Investment Account - Increased interest received on temporary investments £0.060m, increased internal interest received on prudential borrowing £0.025m. Reduction in interest payable on variable rate market loans and internal interest payable £0.036m, reduction in Minimum Revenue provision (MRP) £0.013m. (0.134)
- Minor changes of less than £25k (0.001)

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**(0.137)**
**Total changes**


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**(0.025)**


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COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Resources and Regulated Services (Intake and Reablement)	6.175	5.826	(0.349)	(0.282)	Extra Care projected underspend on new scheme of £0.100m due to timeframe for completion. In-house Domiciliary Care underspend (£0.153m) due to reduced pay costs from changes to service delivery and greater use of reablement and independent sector care providers. The additional variance relates to work which is yet to be undertaken to realign the budgets following the transport review.	Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme and realign budgets as appropriate.
Reablement Service (Intake and Reablement)	0.330	0.210	(0.120)	(0.120)	Pay costs being suppressed due to the use of Homecare staff, vacant post and part year appointments (£0.107m) together with additional Health income (£0.020m) offset by various small overspends.	Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Locality Teams (Localities)	16.497	16.599	0.102	0.108	The significant variances lie within Physical Disability Services Independent Sector Homecare with a projected overspend of (£0.155m) due to the net impact of various care packages. This has reduced from period 3 due to the withdrawal of one care package. This is partially offset by a projected underspend in independent sector residential care underspend (£0.298m) which reflects current clients.	This is a complex case and will be kept under review. Keep under review pending completion of Transforming Social Services for Adults (TSSA) programme.
Reviewing (Localities)	0.198	0.174	(0.024)	(0.042)	This is a result of a vacant post yet to be filled.	Unlikely to be recurring.
Transition and Disability Services (Disability Services)	0.592	0.691	0.099	0.036	The movement from period 3 reflects the cost of the newly formed transition team. Further work is required to realign budgets from other services.	Identify budgets and realign.
Resources and Regulated Services (Disability Services)	12.558	12.630	0.072	0.093	The main cause of the variance relates to work yet to be undertaken to realign the budgets following the transport review.	A review of transport budgets across adults services is currently being undertaken as part of the ongoing work of TSSA.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Vulnerable Adults and Disability Services (Disability Services)	2.156	2.091	(0.065)	(0.057)	This mainly relates to vacant posts , staff travelling, and supplies and services which are currently projected to underspend.	Keep under review.
Support Services (Mental Health & Substance Misuse Service)	1.931	1.851	(0.080)	(0.009)	This reflects a reduction in the cost of residential care packages due to movements of clients in and out of the service, a reduced cost projection for direct payments both offset by an increase in staff costs required to provide maternity cover.	Keep under review.
Ringfenced Budgets (Mental Health)	0.301	0.181	(0.120)	(0.118)	Reflects current client packages for 2012/13.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts. Reduced budget in 12/13.
Ringfenced Budgets (Learning Disability)	0.465	0.676	0.211	0.213	This reflects the full year impact of a new service user that commenced during December 2011 together with some other changes to care packages.	Keep under review and consider a budget realignment from the Ringfenced Budgets (Learning Disability) to reflect current clients within the
Commissioning (Development & Resources)	0.902	0.861	(0.041)	(0.041)	This variance relates to vacancies not yet filled.	Unlikely to be recurring.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Vacancy Management (Development & Resources)	(0.100)	0.000	0.100	0.100	This will be allocated against vacant posts.	Monitor in year vacancy savings to apply.
Family Placement (Children's Services)	1.833	2.160	0.327	0.289	The overspend is mainly as a result of an increase in the number of foster care places 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 commenced the outcome of which will inform future planning and possible efficiencies.
Family Support (Children's Services)	0.341	0.270	(0.071)	(0.078)	The underspend in this service is mostly due to a reduction in the use of sessional staff following an embargo and a review of thresholds. The use of sessional staff can fluctuate monthly depending on caseloads, especially for child protection and court ordered supervised contact.	Continue to keep under review.
Grants (Children's Services)	0.117	0.064	(0.053)	(0.053)	Awaiting finalisation of initiatives coming on stream this financial year.	Continue to keep under review.
Other Residential (Children Services)	0.526	0.472	(0.054)	(0.050)	The projected underspend relates to the opening of Arosfa being later than anticipated.	Keep under review due to the potential for additional costs relating to transport charges.

COMMUNITY SERVICES

APPENDIX 2

Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Professional Support (Children's Services)	5.320	5.411	0.091	0.167	This is a complex part of Children Services and there are a number of areas overspending which are offset by areas underspending. However the main reason for the overspend is the transfer of responsibility for two service users from the Out of County ringfenced budget (£0.150m). The reduction from period 3, reflects the revised costs of temporary staff where end dates are now known.	Keep under review. The Head of Service (Children) has instigated a review into the specifics around these two service users.
Out of County Pooled Budget (Children's Services)	3.711	3.613	(0.098)	(0.154)	Costs reflect existing placements up until March 2013. This reflects known reductions in payments to providers following re-negotiation of contracts. The movement since month 3 reflects a new sibling group together with a joint placement with the Lifelong Learning Directorate.	The focus of high cost placements is now a North Wales project and will continued to be reviewed. The in house project requires sign off by the two directors at the next meeting.
Resident Wardens (Housing Services)	1.236	1.161	(0.075)	(0.067)	Budget based on restructure. Salaries carry vacancies for the new structure yet to be implemented.	Restructure approval required.
Other variances (aggregate)	3.333	3.271	(0.062)	(0.089)	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Total :</b>	<b>58.422</b>	<b>58.212</b>	<b>(0.210)</b>	<b>(0.221)</b>		

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Industrial Units	(1.482)	(1.433)	0.049	0.054	Shortfall of Industrial Unit Rental Income, due in the main to Gaz de France decommissioning the Shotton Power Station site. Income shortfalls are partly mitigated by savings in vacant posts at Deeside Enterprise Centre	Keep Unit rental income closely monitored throughout the year
Property Holdings	0.088	0.065	(0.023)	(0.023)	Ty'r Binwydden has budget provision for £21k but is no longer an active site. However, there is the potential for additional expenditure on vacant schools in Connah's Quay which could offset this underspend.	Review of site budgets necessary in line with asset management programme
Agricultural Estates	(0.157)	(0.179)	(0.022)	(0.020)	Land Agent Vacancy	
Administration Buildings	1.228	1.228	0.000	(0.023)	Energy Efficiency Measure in place. Projected expenditure currently based on 2011/12 actuals	
Corporate Property & Design	1.922	1.892	(0.030)	(0.037)	Net Vacancy Savings	
Property Asset & Development	0.530	0.489	(0.041)	(0.025)	Net Vacancy Savings	
Car Parks	0.025	0.060	0.035	0.034	Car Park income shortfall at Holywell and Mold partially offset by a reduced maintenance programme	

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Highways Policy and Development Control	0.413	0.405	(0.008)	0.007	Additional IT costs for the CAMS System	
Transportation	1.646	1.616	(0.030)	(0.024)	Net Vacancy Savings	
Business & Strategy	1.405	1.465	0.060	0.060	Additional costs associated with pay protection following the Streetscene Service Review	
Waste Disposal & Waste Collection	9.201	9.343	0.142	0.133	Cost of overtime payments to operatives (pre part 3 agreement) totalling £300k plus additional vehicle requirements as a result of the phased roll out of the full Saturday collection service of £140k. This is partly mitigated by £300k due to the increased recycling levels from the implementation of Managed Weekly Collections which not only reduces landfill and tipping charges but increases the level of recycling income.	Keep tonnage levels closely monitored to establish if further savings can be achieved to fully mitigate the costs.
Fleet Services	(0.222)	(0.225)	(0.003)	(0.010)	Outturn based on estimated figures and assumes NSI Fuel budget being allocated for £196,000	
Planning Control	0.367	0.445	0.078	0.074	Planning fee income has reduced against projections due to the ongoing economic climate and it is at this early stage anticipated to be short of target.	Partially offset by salary savings within the Planning service

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Service Development & Support	0.236	0.215	(0.021)	(0.021)	Part time salary savings	
Management Support & Performance	1.147	0.997	(0.150)	(0.170)	Vacancy Savings totalling £147k ( 5 posts 2 x Sc4, Sc6, SO1 & M6) ahead of Service Review implementation. This variance is affected marginally at P4 by the anticipated Modern Apprentice intake from September 2012.	
Public Protection	3.513	3.346	(0.167)	(0.159)	Vacancy Savings totalling £204k (3 x EHO 2 x EO 1 x Admin) ahead of the Service Review being implemented, offset by income shortfalls in Pollution Control	
Markets	(0.101)	(0.063)	0.038	0.037	Anticipated income shortfalls from Mold Indoor Market of £39k, which is partially offset by increased income at Flint	This overspend will be met from anticipated underspends in other areas of the Regeneration service.
Other variances (aggregate)	12.026	11.990	(0.037)	(0.010)	A number of variances of no more than £0.012m individually.	
<b>Total :</b>	<b>31.785</b>	<b>31.656</b>	<b>(0.129)</b>	<b>(0.123)</b>		



Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Leisure Services	3.657	4.075	0.418	0.399	<b>There are a number of historic budget issues which also adversely effected the Leisure outturn position in 11/12.</b>	
					In line with the national picture, income from ice skating at Deeside Leisure Centre has reduced by £173k over the last 4 years, this is despite inflationary increases in admission prices and promotions.	A tariff review is being undertaken across the whole of Leisure Services. Work is being conducted to review operational efficiency and performance at all facilities.
					Three posts within Leisure Services are unbudgeted for due to timing delays caused between the Leisure Services Restructure and the JEQ results, this amounts to £120k including on-costs.	Following receipt of JEQ results: 1) Analysis of affordability of proposed new staffing structures. 2) Revisit organisational design principles.
					<b>The following presures have been identified during the first 3 months of 2012/13:</b>	
					1) The relocation of Leisure Services Staff to Deeside has assisted in making a significant saving from relocation (vacating Connah's Quay offices). However, this has increased occupancy costs for Leisure Services for cleaning, maintenance, mileage, telephones etc by £25k which is unfunded.	The in year recharges for these services are to be revisited and recharged accordingly.
					2) A review of music licensing has identified additional liabilities resulting in a cost increase of £37k.	A budget pressure bid for this has been submitted for 2013/14.

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
					The income figures were £20k less than expected over the summer months, this is thought to be due to the effect of customers staying away from facilities to watch the Olympics.	
School Improvement Service	1.403	1.471	0.068	0.073	A new pressure has been identified relating to software and licence costs of £70k. These costs are required to underpin the Regional School Effectiveness and Improvement Service.	A budget pressure bid for this has been put forward for 2013/14.
Schools Related	(1.711)	(1.366)	0.345	0.345	<p>Changes within Service Level Agreements (SLA's) with schools of £243k have been included. A budget pressure bid is currently lodged for this which may be mitigated if all parties can take corrective action by April 2013.</p> <p>Music Services are forecasting an overspend of £102k based on current levels of income and expenditure. A project group has been established to review the music service.</p>	<p>Budget holders are to take decisions where required to reduce expenditure accordingly, and to begin charging schools which haven't signed up for SLAs with a particular agreement for any services they subsequently require.</p> <p>The Music Services project group has recently been established with a key aim of minimising the in-year overspend and developing a sustainable financial and operational model for the service moving forward into 2013/14.</p>

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Service Units	1.650	1.891	0.241	0.245	A budget pressure bid of £0.144k has been submitted for the current overspend within free school meals as the claims for this continue to increase in the same trend as the previous financial year. A similar pattern exists for School remissions (£0.085k) where a pressure bid has also been submitted.	Both of these elements of the budget are being carefully monitored and the pressure bids can be altered accordingly as the year proceeds in order to keep pace with changes within the wider economic climate.
Facilities Services	1.159	1.422	0.263	0.274	The Catering Service (£217k) is developing radical proposals in order to modernise via projects such as on-line payments for parents, rebranding, targeting increased take-up strategies, improved/themed menu's, cost reduction/procurement. The draft APSE review has been used to form the basis of this strategy. Any efficiencies generated from this aren't likely to be realised until the next financial year.	Service needs to continue to implement the agreed strategy for efficiencies.
					The Cleaning Service (£0.057) is unable to recover the surplus generated from the Law Courts contract and some other smaller sites. A large income target still exists which is unattainable with a lower level of cleaning activity taking place.	This is the subject of management action and service redesign and a budget pressure bid for 2013/14.
					£10k was approved to be spent in year on cleaning equipment in order to release efficiencies which may reach £25k per annum	
Other variances (aggregate)	103.055	103.038	(0.017)	(0.033)	Multiple variances under £0.050m.	
<b>Total :</b>	<b>109.213</b>	<b>110.531</b>	<b>1.318</b>	<b>1.303</b>		

## CORPORATE SERVICES

## APPENDIX 5

## Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Chief Executive	2.262	2.252	(0.010)	(0.026)	<b>-£0.025m</b> vacancy savings. <b>£0.014m</b> pressure relating to a voluntary sector contribution towards Dangerpoint. <b>£0.001m</b> other minor variances.	
Finance	4.365	4.421	0.056	(0.005)	<b>£0.028m</b> pressure relating to the Royal Mail price increases of 39% in April 2012. <b>£0.091m</b> pressure relating to workforce costs in Revenues & Benefits because of additional work in preparation for, and response to, Welfare Reform. <b>-£0.057m</b> vacancy savings relating to the Corporate Finance Review. <b>-£0.006m</b> other minor variances.	A budget pressure for postage has been submitted as part of the 2013/14 budget process. Finance to investigate alternatives to Royal Mail. The additional workforce costs relating to welfare reform will be reduced where possible.
Legal & Democratic Services	3.397	3.395	(0.002)	0.000		
Human Resources & Organisational Development	2.228	2.290	0.062	0.054	<b>£0.052m</b> pressure CRB checks <b>£0.010m</b> other minor variances	A budget pressure for CRB checks has been submitted as part of the 2013/14 budget process.

## CORPORATE SERVICES

## APPENDIX 5

## Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
ICT & Customer Services	5.123	5.107	(0.016)	(0.025)	<p>£0.005m pressure relating to the final Design &amp; Print costs.</p> <p>-£0.030m vacancy savings relating to ongoing service reviews.</p> <p>£0.015m pressure relating to internal admin support recharges.</p> <p>-£0.006 other minor variances.</p>	
<b>Total :</b>	<b>17.375</b>	<b>17.465</b>	<b>0.090</b>	<b>(0.002)</b>		

CENTRAL CORPORATE FINANCE

APPENDIX 6

Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Financing & Funding (insurance, banking etc.)	2.440	2.228	(0.212)	(0.175)	There is additional windfall income of £0.081m, which takes account of the recent settlement by Welsh Government of the Council's claim for additional costs for staff time incurred on the Housing stock transfer consultation/ballot project. Windfall income levels will be monitored closely and reported on in future monitoring reports.	Levels of unbudgeted income will continue to be monitored closely and reported on in future monitoring reports.
					A saving of £0.061m has been identified due to a budget provision within an insurance fund (relating to a potential liability for historic asbestos issues) which is now not required	
					Additional windfall income of £0.090m is anticipated in respect of settlement of an outstanding claim re. overpayment of VAT due to the impact of legal challenges to custom and practice elsewhere.	A number of outstanding VAT claims which may result in "windfall" income will be kept under review pending legal determinations and possible appeals.
					An overspend on additional superannuation costs of £0.043m in respect of added years granted to former employees early retirements prior to the 1996 Local Government reorganisation.	All significant overspends will be monitored monthly. Opportunities for budget realignment within the Central & Corporate Finance budgets will be explored and actioned where possible.
					A decrease in other miscellaneous Expenditure of £0.023m.	

## CENTRAL CORPORATE FINANCE

## APPENDIX 6

## Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Corporate - other	3.981	4.095	0.114	0.079	An overspend of £0.079m against the regional transformation fund following external audit requirements of the lead authority (Conwy CBC) on accounting treatment of balances.	This is a one-off budget pressure in 12/13. Notification by Conwy of the change in treatment was not received until after the 12/13 budget was approved.
					An overspend of £0.033m against the phased funding strategy to address the Council's share of the Clwyd Pension Fund deficit following the 2010 actuarial valuation.	All significant overspends will be monitored monthly. Opportunities for budget realignment within the Central & Corporate Finance budgets will be explored and actioned where possible.
					Other minor variances amounting to a net overspend of £0.002m.	
Central Loans & Investment Account	14.200	14.066	(0.134)	0.000	Increased interest received on temporary investments £0.060m, increased internal interest received on prudential borrowing £0.025m. Reduction in interest payable on variable rate market loans and internal interest payable £0.036m, reduction in Minimum Revenue provision (MRP) £0.013m.	
Central Service Recharges	(1.968)	(1.776)	0.192	0.192	Shortfall of internal income recovered from trading accounts and the HRA.	Support Service basis and allocations are currently being reviewed as part of the Finance Workstream of Flintshire Futures.
Other variances - aggregate	7.230	7.229	(0.001)	0.000		
<b>Total :</b>	<b>25.883</b>	<b>25.842</b>	<b>(0.041)</b>	<b>0.096</b>		

## APPENDIX 7

### Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2012	9.029	
Less - Base Level (inclusive of increase of £0.088m agreed as part of the 2012/13 budget)	<u>(5.564)</u>	
Total Reserves above base level		3.465
Less amount approved in 2011/12 as being ringfenced for Investment in Change	(1.500)	
Less allocation from contingency reserve to meet one-off / time limited costs in 2012/13 (approved in 2012/13 budget and allowed for in calculation of 2011/12 final outturn on contingency reserve)	(0.973)	
Less allocation from contingency reserve as a one-off investment to support the new Leisure facilities in their first year of operation (approved in Month 3 report)	<u>(0.361)</u>	
Amount available for delegation to Cabinet		0.631
Less Projected overspend as at 31 <sup>st</sup> March 2013	<u>(1.028)</u>	
<b>Projected Level of Total Contingency Reserve as at 31<sup>st</sup> March 2013 (Overdrawn)</b>		<b>(0.397)</b>

Note :-

See paragraph 3.04 of the report which sets out Management's intention to contain the projected variation within the overall agreed budget.



## HRA Budget Monitoring 2012/13 (Month 4)

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Rent Income	-25,560	-25,623	-63	-44	More properties than anticipated still on rent debit due to delays to demolitions of maisonettes	
Finance and Support	2,506	2,287	-219	-170	Redundancy costs - Delays experienced in completing the restructures in 11/12 mean costs now anticipated in 12/13. Support recharges revised downwards to reflect 2011/12 actuals.	
Capital Financing	2,349	2,281	-68	-44	Reduction in costs of temporary loans	
CERA	3,937	4,187	250	250	An additional £0.250m is required for CERA works in accordance with the approval of a recommendation by Cabinet 18th September (within the Month 3 budget monitoring report) for delegated powers to be given to the Head of Housing in consultation with the Cabinet Member for Housing to allocate surplus funds within the HRA balances to fund additional CERA contributions to financing of the HRA capital programme.	
Other variances (aggregate)	17,055	17,103	48	38		

HRA

Total :	287	235	-52	30	
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