

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **CABINET**

**DATE:**                 **TUESDAY, 18 FEBRUARY 2014**

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

**SUBJECT:**           **COUNCIL FUND REVENUE BUDGET 2014/15**

### **1.00    PURPOSE OF REPORT**

1.01    To present the final 2014/15 revenue budget proposals for the Council Fund for recommendation to County Council.

### **2.00    BACKGROUND**

2.01    Detailed revenue budget proposals for 2014/15 were presented to Cabinet on 21<sup>st</sup> January 2014 for draft approval. The budget proposals were also referred to Overview and Scrutiny Committees for consideration and feedback to Cabinet.

2.02    The following Overview and Scrutiny meetings were held as planned:-

28<sup>th</sup> January – Joint Housing (CF only) and Social & Health Care

28<sup>th</sup> January – Environment

28<sup>th</sup> January – Corporate Resources

30<sup>th</sup> January – Lifelong Learning

3<sup>rd</sup> February – Corporate Resources (open to all members to review feedback on the Council Fund and consider the Capital Programme).

2.03    The budget strategy and the development of the Organisational Change and Redesign Programme has been reported to members (together with quantum targets) in previous updates to the Medium Term Financial Plan (as at May and October) and in the January Cabinet report. This has been done in the context of the following expectations as commissioned by Cabinet:

- the protection of local services as a first priority
- the more challenging reduction of operating costs and overheads
- the reorganisation of the Council with a marked reduction in management costs
- the reduction of overall workforce costs
- the remodelling of some functions
- building a longer-term financial plan based on optimal efficiency

- 2.04 The budget strategy and proposals and their implications for school budgets were discussed with the School Budget Forum on 23rd January 2014. The budget strategy and proposals were also shared with Flintshire Joint Trades Union Committee on 23<sup>rd</sup> January 2014.
- 2.05 The formal Council Fund budget setting for 2014/15 and setting of the Council Tax for the year will take place at County Council this afternoon.

### **3.00 CONSIDERATIONS**

- 3.01 The report to Cabinet on 21<sup>st</sup> January 2014 advised of a remaining shortfall of £0.915m to be identified to establish a balanced budget for 2014/15. The report formed the basis for the presentations to the Overview and Scrutiny Meetings held on 28<sup>th</sup> and 30<sup>th</sup> January 2014.
- 3.02 Each of the meetings began with the Head of Finance providing a corporate overview of the budget and a reminder of the national and local strategic context within which the budget was being set. The Chief Executive then provided an update on the latest position with regard to the four sub-programmes of the Organisational Change and Redesign Programme:-
- Organisational Design: Structure & Operating Model
  - Organisational Design: Workforce
  - Corporate Value for Money (VFM)
  - Functional Value for Money (VFM)
- 3.03 This was followed by a portfolio specific presentation of the detailed service proposals by the respective Director incorporating:
- Inflationary impact
  - Transfers into the settlement
  - Pressures and investments
  - Efficiency proposals
  - Impact of prior year decisions
- 3.04 A further Corporate Resources meeting, open to all members, was held on 3<sup>rd</sup> February 2014. The purpose of this meeting was to:-
- Provide feedback from the individual scrutiny committees
  - Respond to the information requests from the meetings
  - Identify the latest position on balancing the budget
  - Set out the issues still under discussion
- 3.05 At the meetings, a number of specific comments and issues were raised and responses provided. Appendix 8 provides a summary of all of the comments and responses for each individual committee, and also incorporates any outstanding responses supplied after the meetings. At the meeting on 3<sup>rd</sup> February 2014, supplementary information was provided to all members attending in relation to the questions raised at the previous scrutiny meetings.

## **Closing the Budget Gap**

- 3.06 At the final Corporate Resources Overview and Scrutiny meeting on 3<sup>rd</sup> February 2014, members were advised that the budget shortfall had reduced from the £0.915m to £0.540m as a result of the net effect of the following items identified as part of the emerging Month 8 budget monitoring position. These amounts are now confirmed following completion of the Month 8 monitoring report which is also on this agenda.

### Corporate Services – Housing Benefit Subsidy and Discretionary Housing Payments

- 3.07 An efficiency of £0.380m has been identified following a review of the Housing Benefit Subsidy profile and the level of funding required to meet Discretionary Housing Payment demand.

### MATRIX – Agency Rebates

- 3.08 The Council receives budgeted income (rebates) in relation to efficiencies made due to the utilisation of a centralised system for procuring agency appointments. Now that the Council is successfully reducing the number of agency appointments, the level of income (rebates) will also reduce proportionately. Therefore, it is anticipated that there will be an ongoing pressure of £0.115m from the loss of income and this has been reflected in the budget.

### Flintshire Futures Programme – Assets Review

- 3.09 An efficiency target of £0.060m was previously included in the budget in relation to soft facilities management as part of the Assets Programme. This efficiency has now been reported as unachievable in 2013/14 and has therefore been removed from the 2014/15 budget.

### Specific Grants Adjustment

- 3.10 A review of specific grants has enabled a positive adjustment of £0.170m to be made on the net movement in the overall level of specific grants for 2014/15 over 2013/14.

- 3.11 Members were also advised at the meeting on 3<sup>rd</sup> February that the following items were still under consideration in an attempt to achieve a balanced budget:-

- Further corporate efficiencies (procurement and back to basics)
- Workforce – costs of employment
- Council tax level
- Ongoing review of budget assumptions and intelligence

3.12 Following detailed consideration of the above the budget proposals for 2014/15 are now balanced as a result of the inclusion of the items in the table below:

	£m	£m
<b>Shortfall as per draft budget report 21 January</b>		<b>0.915</b>
<b>Add:</b>		
MATRIX - Agency Rebates	0.115	
Flintshire Futures Programme - Assets Review	0.060	
		0.175
<b>Less:</b>		
Housing Benefit Subsidy/Discretionary Housing Payments	-0.380	
Specific Grants Adjustment	-0.170	
		-0.550
<b>Shortfall as shown at CROSC 3rd February</b>		<b>0.540</b>
<b>Corporate Efficiencies</b>		
Procurement	0.060	
Back to Basics	0.064	
		0.124
<b>Functional Efficiencies</b>		
Central Loans and Investment Account - based on in-year underspend	0.145	
Library Book Fund - reduction based on previous year underspends	0.050	
Youth Service - further reduction in management costs	0.049	
Inclusion Service - further reduction in management costs	0.012	
		0.256
Workforce: costs of employment (See appendix 6c)		0.160
<b>Shortfall</b>		<b>0.000</b>

3.13 The Procurement and Back to Basics efficiencies are additions to the amounts identified in the draft budget proposals and are now included in the summary shown in Appendix 6a.

3.14 The Central Loans and Investment Account amount of £0.145m reflects an efficiency in 2013/14 which is recurring and is now included in Appendix 6b.

3.15 The Library Book Fund reduction reflects spending levels in previous years and is now included in Appendix 6b.

3.16 The Youth Service and Inclusion Service efficiencies are additional management cost reductions to those included in the draft proposals.

3.17 The cost of employment efficiency of £0.160m relates to a reduction in costs in a number of areas as detailed in Appendix 6c.

3.18 The level of Council Tax increase remains unchanged at 3%.

## **Risk Assessment and Assurance**

- 3.19 In line with the financial strategy, a risk based approach has been taken to the potential items of additional cost as to the likelihood and level required and assessments made of the provision to be included for 2014/15, taking a balance between the challenge of the overall budget position and the potential for variations in demand.
- 3.20 The budget has been set based on the very latest information available at this time, whether it be via national intelligence or local activity as reflected in the latest monitoring report. Despite this fact however, there will inevitably be other risks associated with the budget that will need to be managed should they occur, as it is not possible, particularly in the current financial climate, to provide for every risk and eventuality.
- 3.21 Some of the risks that will need to be monitored closely in 2014/15 include:-
- Pay Inflation – the pay award is subject to national negotiations and is not confirmed at this time. The budget proposals currently assume a 1% uplift for non-schools staff.
  - Single Status – the budget assumes an implementation date of 1<sup>st</sup> April 2014. However, it is now anticipated that this will change to 1<sup>st</sup> May 2014 which will result in some efficiencies not being able to be achieved in the first month. The shortfall arising from this will be met from the Single Status/Equal Pay Reserve which is consistent with the way this has been dealt with for some of the 2013/14 efficiency proposals that are dependent upon the implementation of Single Status.
  - Out of County Placements – this highly volatile area has the potential for significant movement in costs (up and down) due to the impact of client demand.
  - Care Fees – the annual uplift in care fees payable to providers is subject to negotiation and consultation and will not be known at the time of setting the budget.
  - Insurance premiums – these are due for renewal during 2014/15 which are subject to volatility, and will not be known until after the budget is set.
  - Member Allowances – the annual increase in these allowance will not be confirmed until after the budget is set.
  - Euticals Site – the ongoing issue around the decommissioning of this site is being reported through the current year's monitoring report. If the conclusion of this issue was to be delayed there would be a financial impact in 2014/15 that would need to be dealt with.

- 3.22 All of the above will be closely monitored throughout the year and any variations from the approved budget reported to members through the monthly budget monitoring report.

### **Schools Budget**

- 3.23 The budget report to Cabinet on 21<sup>st</sup> January 2014 provided details on the impact of the proposed budget on schools. There have been no further changes made to the schools budget and the budget has been set at an overall increase of 0.9% in line with national expectations of protecting investment in schools. Welsh Government have been notified of the schools budget for 2014/15 in line with the statutory deadline of 14<sup>th</sup> February 2014.

### **EQUALITY IMPACT ASSESSMENT (EIA)**

- 3.24 The Council has an obligation to assess the potential equalities impacts of its budget proposals and it is important that all aspects of the Organisational Redesign and Change Programme are subject to an appropriate Equalities Impact Assessment to ensure that there is no potential for discrimination or disadvantaging of either service users or employees. An update on this work is detailed below.

### **Corporate and Functional Efficiencies (VFM)**

- 3.25 As previously reported, the initial efficiency proposals were equality impact assessed as part of a high level filtering exercise undertaken by Directorate Management Teams and supported by both Policy and Finance team members. Each proposal was identified as having a high, medium or low impact on individuals with protected characteristics and whether the impact may increase poverty for vulnerable groups.
- 3.26 The outcome of this work was that 62 were screened as low impact, 8 as medium impact and 1 as high impact. For the medium and high assessed impacts more detailed impact assessments are being undertaken to identify any potential negative impacts and to ensure that robust arrangements are in place to mitigate them.
- 3.27 The proposal with an initial high impact assessment relates to the closure of some youth clubs and a full equality impact assessment is currently being undertaken. This will involve wider consultation with employees and service users to look at ways of reducing the impact and exploring opportunities to facilitate a wider range of service provision which is not dependent upon traditional youth clubs.

## **Workforce Efficiencies**

- 3.28 For the workforce programme, the Council has commissioned some independent support from Northgate, similar to that commissioned for the Single Status EIA work. This is to ensure that the proposals, including any entitlement policies that might apply, do not have any adverse consequences for any groups of employees.
- 3.29 This work will cover the Council's approach to a voluntary redundancy scheme including the criteria for the consideration of applications received and changes to discretionary compensation provisions. Although this work is still in progress, the potential impacts have been discussed verbally with Northgate and no significant issues are anticipated. This work will also incorporate the workforce impacts contained within the VFM reviews.

## **4.00 FINAL BUDGET PROPOSALS**

### **Proposed Budget**

- 4.01 As a result of the changes outlined above, total expenditure and funding now equates to £296.945m and the total budget build up is outlined below. Details of the figures making up the total budget are attached as Appendices 1-7.

**It is recommended that the 2014/15 Council Fund Revenue Budget Requirement be set at £253,718,291 (which is £1,423,025 below the calculated Standard Spending Assessment).**

<b>Funding</b>		<b>£m</b>
Aggregate External Funding (RSG & NDR)		192.942
Council Tax		60.776
Budget Requirement		<u>253.718</u>
Outcome Agreement Grant		1.458
Use of Reserves - Investment Strategy		6.250
Specific Grants (Estimated)		35.519
<b>Total Funding</b>		<b><u>296.945</u></b>
<b>Expenditure</b>		
Total Budget 2013/14		293.346
Previous Year's Growth / Items Dropping Out	Appendix 1	1.138
Pay & Price Inflation	Appendix 2	2.425
New Responsibilities and Transfers into the Settlement	Appendix 3	0.092
Pressures and Investments - Ongoing	Appendix 4	4.872
Pressures and Investments - One-Off and Time Limited	Appendix 5	4.800
Efficiencies	Appendices 6 a - c	(11.950)
Less Specific Grants 2013/14	Appendix 7	(33.297)
Plus Specific Grants 2014/15 (Estimated)	Appendix 7	35.519
<b>Total Expenditure</b>		<b><u>296.945</u></b>
<b>Shortfall</b>		<b><u>0</u></b>

### **Income**

- 4.02 The budget proposals in this report set a budget requirement of £253.718m. At this level of spend, the increase on the Band D Council Tax Rate (excluding Police and Town/Community Councils' precepts) is 3%. This equates to an increase of £28.78 on 2013/14 and a Band D rate of £988.21.

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

**Members are requested to confirm that there is a 3% increase in Council Tax at Band D and an assumed 99% collection rate.**

- 4.03 The amount of Outcome Agreement Grant available for 2014/15 has been advised by Welsh Government. As always the achievement of this is subject to assessment against agreed performance. The Council has been successful in achieving 100% of its grant in previous years and the same assumption has been made for 2014/15.

**Members are requested to confirm the inclusion of the Outcome Agreement Grant of £1,458,151 in the budget.**



## Expenditure

### **Inflation**

- 4.04 Pay and Price Inflation of £2.425m is included in the budget proposals as detailed in Appendix 2. The proposals include pay inflation of £1.316m which assumes a 1% increase for non-schools staff from April 2014.
- 4.05 Price inflation of £0.590m has been included which represents a targeted 1% to 3% increase for all services as required. In addition to the standard level of price inflation outlined above, non-standard inflation of £0.670m has been included, as detailed in Appendix 2, to reflect the increasing costs of energy, fuel, business rates and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

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

- 4.06 Inflation on income amounting to £0.151m has been assumed on the yield from existing fees and charges which has generally been applied at 3%.

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

- 4.07 The final settlement included one transfer into the settlement in respect of administration subsidy for the Council Tax Reduction Scheme which was previously received through a specific grant and it is proposed that £0.092m is 'passported' to the relevant service area.

**Members are requested to confirm that the amount of £0.092m be 'passported' to the Revenues and Benefits service to administer the Council Tax Reduction Scheme.**

- 4.08 Appendix 4 sets out recurring pressures totalling £4.872m recommended for inclusion in the budget. These pressures are proposed to be funded from the base budget.

**Members are requested to confirm the inclusion of £4.872m of pressures in the budget for the purposes set out, and that any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet for consideration.**

- 4.09 Appendix 5 details estimated one-off costs of £4.800m which will be funded by way of the Investment Strategy detailed in section 6.

**Members are requested to confirm the inclusion of estimated one-off costs totalling £4.800m in the budget.**

- 4.10 Appendix 6 a-c sets out the efficiencies, totalling £11.950m, recommended for inclusion in the budget.

**Members are requested to confirm the inclusion of efficiencies of £11.950m in the budget. It is recommended that the achievement of all efficiencies be monitored monthly and reported through the budget monitoring report with any corrective action taken in-year as has been the case in previous years.**

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

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

- 5.01 The Council's Medium Term Financial Strategy confirms the Council's commitment to maintaining a base level of reserves of 2% of turnover. The current base level of reserves is £5.834m as reported in the monthly budget monitoring reports. Despite the fact that funding has reduced in 2014/15 over 2013/14, it is proposed that unearmarked reserves are maintained at the same level for 2014/15 which will provide an additional safeguard in the current uncertain financial climate.

### **Contingency Reserve**

- 5.02 When the 2013/14 budget was set, the Contingency Reserve was estimated to be £0.200m at 31 March 2013. As a result of the net underspend reported in the final outturn for 2012/13 the actual amount in the Contingency Reserve at the year end was £3.159m after taking into account commitments in 2013/14.
- 5.03 Cabinet approved in the final outturn report, that the amount held in the contingency reserve of £3.159m be held and considered within the context of the Medium Term Financial Plan and 2014/15 budget strategy.
- 5.04 The 2013/14 Month 8 Budget Monitoring report which is also on this agenda, shows an estimated balance of £3.709m in the Contingency Reserve as at 31 March 2014.
- 5.05 Whilst the base level of reserves is a known sum which is set aside, the level of Contingency Reserve is based on the current estimate and is subject to the final outturn for the financial year.

### **Council Fund Earmarked Reserves**

- 5.06 Council Fund Earmarked Reserves include service balances, corporate balances and schools balances.
- 5.07 Service balances are made up of those balances held by departments which Cabinet has agreed can be carried forward. Corporate Balances are held to meet commitments which fall in future years on specific items of expenditure.

5.08 The Council also holds Specific Reserves which are set aside for a specific future purpose.

5.09 Appendix 9 details the estimated closing balances for 2013/14 and 2014/15 in respect of all reserves and balances. The Head of Finance is satisfied that the level of these reserves is appropriate (see also section 7).

## **6.00 INVESTMENT STRATEGY**

6.01 As reported to Cabinet in January the scale and ambition of the Organisational Change and Redesign Programme will require significant initial investment to make the changes happen. Therefore it is critical that the Council has a robust investment strategy in place to provide the level of one-off monies required to achieve:-

- Up front investment costs e.g. cost of reducing workforce numbers, investment in technology.
- Transitional Funding for change which recognises the timing of implementation in the first year.

6.02 The base budget is utilised to support the recurring costs of the Council and the investment strategy is utilised to support the one –off costs to deliver the budget proposals. Although these are two distinct elements of the budget, they need to go hand in hand to both enable change and provide a robust sustainable budget.

6.03 The total estimated one-off funding required to support the 2014/15 budget is £6.250m and includes £4.800m (as detailed in appendix 5) to support the 'up front' invest to save costs and £1.450m to provide the transitional funding to take account of the timing of the implementation of some of the efficiency proposals.

### **Review of Reserves and Balances**

6.04 In order to maximise the resources available to the Council for future investment costs, a review of all reserves and balances held has been undertaken. The outcome of this review has identified additional potential resources of £3.1m which are a mixture of items that have previously been set aside that are no longer required and items whereby historical grant income has not been entirely drawn down to match the eligible expenditure incurred.

### **Affordability**

6.05 It can be seen from the table below that a combination of the utilisation of the Single Status/Equal Pay Reserve and the Contingency Reserve will provide total funding of £7.450m which is more than is required to fund the estimated one-off funding requirement of £6.250m for 2014/15 as detailed in para 6.03. In addition the council also holds the £3.1m identified through the review of reserves and balances which will be a first call to mitigate the risks associated with the contingency reserve and Single Status and Equal Pay Reserve.

	£m
<b>Funding</b>	
Contingency Reserve (M8)	3.700
Use of Single Status/Equal Pay Reserve	3.750
	<b>7.450</b>
<b>Investment Costs</b>	
Workforce and VFM	4.800
Transitional Funding	1.450
	<b>6.250</b>
<b>Balance</b>	<u><u>1.200</u></u>
<b>Review of Reserves &amp; Balances</b>	<b>3.100</b>

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

- 7.01 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions (the reference to the first person which follows is to the Head of Finance in this role).
- 7.02 The 2014/15 budget has been set within the context of the Medium Term Financial Plan which recognises a significant reduction in the funding available to the Council from Welsh Government and the continuing effects of the economic downturn on the local economy and citizens. The year on year reduction of 4% in funding, is a real terms cut of some 6% or greater. The Council's Organisational Redesign and Change Plan in response to the financial pressures has been set out in detail for Members in successive reports over the budget period.
- 7.03 The financial strategy for 2014/15 has been to robustly challenge need and the cost of new pressures, target inflation and optimise all efficiency options. This has been done through a risk based approach taking account of a balance of risk and certainty. Central to the overall financial strategy has been establishing an investment strategy to provide resource to deliver change and recognise the timing of its implementation.
- 7.04 I confirm the reasonableness of the estimates contained in the proposed budget, having regard to the Council's spending needs in 2014/15 and the financial context within which the budget is being set. I also confirm that the investment strategy is reasonable and affordable and supports the Council's ability to deliver an ongoing programme of change which will deliver efficiencies in the base budget.
- 7.05 Inevitably in managing a budget of this scale across a large and diverse organisation variances will occur, but I believe that the budget assumptions represent a measured and acceptable level of risk. A robust programme for the delivery of the £11.950m of efficiencies within the budget and to the timescales anticipated is essential. In addition, effective and disciplined in-

year financial management will be key to ensuring that budgets are managed effectively and prompt action taken to mitigate the impacts should variances occur.

- 7.06 Within the context described above, I recommend that the Council should maintain the level of general balances of £5.834m to safeguard its position and be in a strong position to plan ahead to meet the financial challenges in future years as set out in the Medium Term Financial Plan and to underpin its ongoing programme of change. The level of reserves and balances is set out in Section 5.

## **8.00 CHIEF EXECUTIVE REPORT**

- 8.01 The budget strategy for 2014/15 is very different to that in previous years given the unprecedented efficiency return which is required. The budget relies in significant part on the implementation of major organisational change programmes on time and to financial target.
- 8.02 The Council needs to be satisfied that these levels of financial efficiency are achievable in proportion to the overall budget, and that the programmes of organisational change are sufficiently advanced to achieve a financial return by the second quarter of the new financial year.
- 8.03 The programmes of organisational change are not without risk and will require decisive organisational action and careful management to be guided through to fruition. The twin programmes of (1) the review of the corporate operating model and senior management structure, followed by wider senior management review, in two phases and (2) workforce review, are proceeding on time and are being planned to achieve their respective financial targets. The consultation on the first phase of (1) is underway for a final decision in March.
- 8.04 There is a sufficient level of confidence that the efficiency targets are achievable subject to the organisation meeting the deadlines set, and being decisive at each step.
- 8.05 The budget strategy is based on the significant 'front-loading' of internalised organisational efficiencies within 2014/15. For the medium-term strategy to be achievable a broader base of service reform and prioritisation will be required for 2015/16 onwards.

## **9.00 RECOMMENDATIONS**

9.01 That the Cabinet makes the following recommendations to County Council on 18 February 2014:-

1. That the 2014/15 Council Fund Revenue Budget Requirement be set at £253.718m (which is £1.423m below the calculated Standard Spending Assessment) (4.01).
2. That there be a 3.0% increase in Council Tax at Band D and an assumed 99% collection rate (4.02).
3. The inclusion of the Outcome Agreement Grant of £1.458m in the budget (4.03).
4. The levels of inflation assumed in the budget (4.04-4.06).
5. That items of non-standard inflation are only allocated out to services when the actual increase in cost is known (4.05).
6. The amount of £0.092m included in the budget relating to a transfer into the settlement (4.07).
7. The inclusion of £4.872m of recurring pressures in the budget (Appendix 4) and that any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet for consideration (4.08).
8. The inclusion of estimated one-off costs totalling £4.800m in the budget (Appendix 5), to be funded in line with the Investment Strategy (section 6).
9. The inclusion of efficiencies of £11.950m in the budget (4.10).
10. The inclusion of efficiencies of £11.950m and that the achievement of all efficiencies be monitored monthly and reported through the budget monitoring report with any corrective action taken in-year as has been the case in previous years. (4.10).

## **10.00 FINANCIAL IMPLICATIONS**

10.01 As set out throughout the report.

## **11.00 ANTI POVERTY IMPACT**

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

## **12.00 ENVIRONMENTAL IMPACT**

12.01 Individual growth and efficiency items may have specific environmental impacts.

### **13.00 EQUALITIES IMPACT**

13.01 As set out in 3.18 – 3.23 of the report.

### **14.00 PERSONNEL IMPLICATIONS**

14.01 There will be significant people implications arising from the workforce elements of the Organisational Change Programme.

14.02 The Discretionary Compensation provisions have been reviewed to ensure that redundancy entitlements offered are fair, are likely to incentivise employees to express an interest in Voluntary Redundancy or Early Voluntary Retirement, and are affordable for the Council.

14.03 Employees who are either displaced, or who leave the Council voluntarily, will receive outplacement advice to support their transition into alternative employment or a new career, or into retirement, which may include opportunities to up-skill or retrain, business 'start up' advice, career counselling and retirement planning guidance, depending on the circumstances.

14.04 The Council will ensure that appropriate consultation arrangements are in place, in conjunction with the Joint Trade Unions, for all affected employees in line with statutory requirements and the Council's Organisational Change and Redundancy Policy.

14.05 As detailed in section 6 there is a robust Investment Strategy in place to ensure that the one-off costs associated with the workforce programme are affordable within the context of the overall budget.

14.06 As detailed in section 3.18 – 3.23 work is also ongoing in relation to assessing any equality impacts in relation to the workforce programme.

### **15.00 CONSULTATION REQUIRED**

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

### **16.00 CONSULTATION UNDERTAKEN**

16.01 Member Workshop (open to all members) held on the afternoon of 28<sup>th</sup> January to consider the budget overview followed by Overview and Scrutiny Committees held as follows:

- 28<sup>th</sup> January - Joint Housing (CF only) and Social & Healthcare
- 28<sup>th</sup> January - Environment
- 28<sup>th</sup> January - Corporate Resources (for Corporate Departments)
- 30<sup>th</sup> January - Lifelong Learning
- 3<sup>rd</sup> February - Corporate Resources - Open to all members (to receive feedback from other scrutiny meetings).

- 16.02 Formal consultation held with the School Budget Forum on 23<sup>rd</sup> January.
- 16.03 Statutory consultation with Business Ratepayers undertaken in writing after the Cabinet meeting with the largest businesses within Flintshire.
- 16.04 The budget proposals were discussed at a meeting with the Flintshire Joint Trades Unions on 23<sup>rd</sup> January, as part of ongoing dialogue and information sharing.
- 16.05 Formal consultation on review of corporate operating model underway and consultation on other workforce proposals will be in accordance with the detailed plans and timescales of the workforce programme taking account of statutory requirements and local policy.
- 17.00 APPENDICES**
- 17.01 As set out in the report.

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

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**Budget 2014/15**  
**Council Fund - Revenue**

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

	2014/15 £m	2014/15 £m	2015/16 £m
<b><u>APPROVED 2012/13 BUDGET</u></b>			
<b><u>Community Services</u></b>			
Homecare - Increased complexity of care	0.100		
Transition to Adulthood	0.975		
Housing Renewal Agency - income	0.104		
Management Efficiencies Through Collaborative Working	(0.025)		
	<b>1.154</b>		
<b><u>Environment</u></b>			
Rental Income Shortfalls and NNDR charges for vacant properties	0.050		
Environmental Waste Management - reduction in grant funding	0.047		
Revenue Lost due to phased disposal of Agricultural Estates	0.026		
Ground Water monitoring at former Castle Landfill site	(0.005)		
Continuation of 2011/12 Landfill Tax efficiency	0.000		
Food Waste - increased diversion from landfill	0.004		
	<b>0.122</b>		
<b><u>Lifelong Learning</u></b>			
Transport Policy Review - rationalisation of non statutory entitlement	0.000		
Saltney Library - Lease	(0.010)		
	<b>(0.010)</b>		
<b><u>Corporate Services</u></b>			
Business Systems - Software Maintenance Costs	0.021		
Prudential Borrowing Requirement for Capital Investment	0.169		
Procurement Review	0.000		
HR Management Information System (Phase 2)	(0.003)		
	<b>0.187</b>		
	<b>0.000</b>	<b>1.453</b>	
<b><u>APPROVED 2013/14 BUDGET</u></b>			
<b><u>Community Services</u></b>			
Mental Health - Additional Social Work support	0.010		0.000
Transition to Adulthood	0.129		1.239
Disabled Facility Grants / Aids and Adaptations	0.016		0.000
Homelessness - timing of presentations	0.106		0.000
Children's Services - Removal of one team manager post	(0.013)		0.000
Development and Resources - Rationalisation of Management Team	(0.050)		0.000
	<b>0.198</b>		
<b><u>Environment</u></b>			
Loss of Car Park Income	0.068		(0.002)
Highways Asset Management Plan (HAMP) -rephasing of full implementation	0.000		0.225
Review Management Recharge to the Communities First Programme	0.000		0.000
Agricultural Estates - balance not required	0.025		0.000
Licensing / Health & Safety - balance not required	0.025		0.000
	<b>0.118</b>		
<b><u>Lifelong Learning</u></b>			
Staffing Budget Shortfall following restructure	(0.017)		0.000
Free School Meals - increased demand	0.003		0.003
Review of post 16 distance limit	0.000		0.000
Review of Denominational transport provision	(0.070)		(0.030)
Youth Service - Building rationalisation	(0.005)		0.000
Reduction of Postage within the Library Service	(0.001)		0.000

**Budget 2014/15****Council Fund - Revenue****Previous Years' Growth / Items Dropping Out**

	2014/15 £m	2014/15 £m	2015/16 £m
School Transport Service - Operational efficiencies	(0.040)		0.000
	<u>(0.130)</u>		
<b><u>Council Wide</u></b>			
Revised Effect of Prudential Borrowing costs for agreed Capital Projects (change due to revised interest rates and receipt of grant funding)	0.017		0.916
	<u>0.017</u>		
<b><u>Corporate Services</u></b>			
Emergency Planning - collaborative working	(0.025)		0.000
Information & Business services - use of LLPG	(0.014)		0.000
Supplies and Services	0.010		0.000
Joint Working - costs reduction	0.002		0.000
Alterations / Improvements reductions - future agile working	0.002		0.000
Employee Safety Measures - reduced demand on budget	(0.005)		0.000
Community Strategy / LSB partnership - reduction in planned requirements	(0.005)		0.000
	<u>(0.035)</u>		
<b><u>Flintshire Futures Programme</u></b>			
E-Procurement and Improved Processes	(0.109)		(0.056)
Assets Workstream - Office Rationalisation	(0.077)		0.000
Customer Workstream - Channel Shift	0.000		(0.050)
	<u>(0.186)</u>		
<b><u>Council-Wide</u></b>			
Income reduction - Vacation of former Council Offices , Ewloe	0.000		0.500
	<u>0.000</u>		
		<u>(0.018)</u>	
<b>ONE OFF AND TIME-LIMITED PRESSURES</b>			
<b><u>Lifelong Learning</u></b>			
School Modernisation Programme	(0.025)		
Schools Service Level Agreements (SLA's)	(0.172)		
Play Areas - Match Funding	(0.035)		
	<u>(0.232)</u>		
<b><u>Corporate Services</u></b>			
Base Level of Reserves - 2% of Turnover	(0.065)		
	<u>(0.065)</u>		
		<u>(0.297)</u>	
<b>Total Previous years items</b>		<u><u>1.138</u></u>	<u><u>2.745</u></u>

**Budget 2014/15**  
**Council Fund - Revenue**

**Inflation**

	£m	£m
<b><u>Pay</u></b>		
Pay Inflation from April 2014 (1%)	<u>1.316</u>	1.316
<b><u>Price</u></b>		
Targeted General Price Inflation (1.5% - 3%)	<u>0.590</u>	0.590
<b><u>Non Standard</u></b>		
Energy - Street Lighting (8%)	0.093	
Energy - Other (8%)	0.173	
Fuel - (11.2%)	0.179	
Food (5.8%)	0.188	
Non Domestic Rates (2%)	<u>0.037</u>	0.670
		(0.151)
<b>Total Inflation</b>		<b><u><u>2.425</u></u></b>



**Budget 2014/15  
Council Fund - Revenue****Transfers Into the Settlement**

	£m	£m
<b><u>Transfers In to the Settlement</u></b>		
Council Tax Reduction Scheme (CTRS) Administration Subsidy	0.092	
	<hr/>	0.092
<b>Transfers Into the Settlement</b>		<hr/> <b>0.092</b> <hr/>



**Budget 2014/15****Council Fund - Revenue****Pressures & Investments - Summary****Recurring Items**

	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Total Welsh Government Policy / Legislative / Regulatory (Appendix 4a)	2.844	5.094	6.651
Total Demand / Local Policy Decisions (Appendix 4b)	2.028	3.633	10.159
<b>Total</b>	<b>4.872</b>	<b>8.727</b>	<b>16.810</b>





**Budget 2014/15**  
**Council Fund - Revenue**

**Pressures & Investments - Welsh Government Policy / Legislative / Regulatory**

	2014/15 £m	2015/16 £m	2016/17 £m
<b><u>Community Services</u></b>			
Independent Living Fund (ILF) estimate of impact of transfer into RSG	0.000	0.450	0.450
<b>Total Community Services</b>	<b>0.000</b>	<b>0.450</b>	<b>0.450</b>
<b><u>Environment</u></b>			
Reduction of Sustainable Waste Management Grant	0.308	0.308	0.308
Landfill Tax - increase cost per tonnage	0.256	0.309	0.362
<b>Total Environment</b>	<b>0.564</b>	<b>0.617</b>	<b>0.670</b>
<b><u>Lifelong Learning</u></b>			
Free Swimming Initiative replacing reduction in grant	0.036	0.036	0.036
<b>Total Lifelong Learning</b>	<b>0.036</b>	<b>0.036</b>	<b>0.036</b>
<b><u>Central &amp; Corporate</u></b>			
Council Tax Reduction Scheme	0.633	0.633	0.633
Impact of Actuarial Valuation	0.991	2.738	4.242
Carbon Reduction Scheme	0.120	0.120	0.120
Fire Levy increase in contribution	0.063	0.063	0.063
Local Government Pension Scheme Reform	0.245	0.245	0.245
Highways Agency Programme (Year 3)	0.192	0.192	0.192
<b>Total Central &amp; Corporate</b>	<b>2.244</b>	<b>3.991</b>	<b>5.495</b>
<b>Total</b>	<b>2.844</b>	<b>5.094</b>	<b>6.651</b>



**Budget 2014/15**  
**Council Fund - Revenue**

**Pressures & Investments - Demand / Local Policy Decisions**

	2014/15 £m	2015/16 £m	2016/17 £m
<b><u>Community Services</u></b>			
Increase in Direct Payments for Social Services for Children	0.060	0.060	0.060
Increase in Foster Care Placements	0.250	0.250	0.250
Children's Out of County Placements	0.250	0.250	0.250
Well Check Increased contribution to service	0.040	0.040	0.040
Transition to Adulthood	0.000	0.000	0.700
<b>Total Community Services</b>	<b>0.600</b>	<b>0.600</b>	<b>1.300</b>
<b><u>Lifelong Learning</u></b>			
Investment in Youth Service Provision	0.046	0.046	0.046
Remission Payments for School meals, trips & uniforms	0.000	0.025	0.050
Leisure Centres	0.962	0.962	0.962
<b>Total Lifelong Learning</b>	<b>1.008</b>	<b>1.033</b>	<b>1.058</b>
<b><u>Corporate Services</u></b>			
Additional cost of Child Protection cases	0.044	0.044	0.044
<b>Total Corporate Services</b>	<b>0.044</b>	<b>0.044</b>	<b>0.044</b>
<b><u>Central &amp; Corporate</u></b>			
Pensioners Grant	0.201	0.201	0.201
Matrix reduction of previous efficiency	0.115	0.115	0.115
Flintshire Futures Asset Programme reduction of previous efficiency	0.060	0.060	0.060
Single Status Agreement	0.000	0.000	5.801
Investment in Organisational Change	0.000	1.580	1.580
<b>Total Central &amp; Corporate</b>	<b>0.376</b>	<b>1.956</b>	<b>7.757</b>
<b>Total</b>	<b>2.028</b>	<b>3.633</b>	<b>10.159</b>



**Budget 2014/15  
Council Fund - Revenue**

**One off Investment Costs**

<b>Summary</b>	<b>2014/15 £m</b>
<b><u>Senior Management</u></b>	
Phase 1 - Tier 1 & 2	0.440
Phase 2 - Grades M1-M9	<u>1.294</u>
	1.734
<b><u>Workforce Scale Review</u></b>	
Grades Sc1-SO2	<u>1.211</u>
	1.211
<b><u>VFM related</u></b>	
Community Services	0.202
Environment	0.273
Lifelong Learning	0.511
Corporate Services	<u>0.869</u>
	1.855
<b>Total one off costs</b>	<b><u><u>4.800</u></u></b>



**Budget 2014/15  
Council Fund - Revenue**

**Organisational Change Corporate Value for Money Programme**

**Procurement**

<b>Directorate</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Community Services	0.107	0.107	0.107
Environment	0.456	0.456	0.456
Lifelong Learning	0.297	0.295	0.295
Total Corporate Services	0.237	0.237	0.237
<b>Total Procurement</b>	<b>1.097</b>	<b>1.095</b>	<b>1.095</b>

**Back to Basics**

Community Services	0.043	0.043	0.043
Environment	0.052	0.052	0.052
Lifelong Learning	0.068	0.068	0.068
Corporate Services	0.041	0.041	0.041
<b>Total Back to Basics</b>	<b>0.204</b>	<b>0.204</b>	<b>0.204</b>

<b>Total Efficiencies</b>	<b>1.301</b>	<b>1.299</b>	<b>1.299</b>
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**Budget 2014/15  
Council Fund - Revenue**

**Organisational Change Functional Value for Money Programme**

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
1	Community Services	Learning Disabilities – Short Term Care	Eliminate on call costs from Home Managers utilising the supported living on call facility already in Adults, reduce Home Manager posts from three to one. Estimated efficiency of 9% of total budget cost. With the assumption that on call costs can be absorbed within the new service provision at no additional cost.	0.045	0.057	0.070
2	Community Services	Learning Disabilities – Short Term Care	Rightsizing project worker staffing levels based on service need and capacity.	0.023	0.023	0.023
3	Community Services	Learning Disabilities – Enhanced Community Residential Services	Rightsizing or re-tender of 4 supported living houses provided externally.	0.031	0.037	0.037
4	Community Services	Childrens Services – structure realignment	Reconfigure the 3rd tier officer cohort following the retirement of a service manager.	0.053	0.053	0.053
5	Community Services	Childrens Services - Accommodation Efficiencies	Vacation of Connahs Quay Offices – staffing efficiencies	0.019	0.037	0.037
6	Community Services	Childrens Services - Youth Justice Service	A review of the Youth Justice Service to maximise grant funding and review services.	0.050	0.050	0.050
7	Community Services	Social Services for Adults – Direct Payments	Increase the update of direct payment services rather than traditional services for PDSI, older people and disability services	0.048	0.072	0.096
8	Community Services	Social Services for Adults – structural realignment	Reduction in management posts	0.032	0.064	0.064
9	Community Services	Learning Disabilities – Day Opportunities	Efficiencies	0.013	0.013	0.013
10	Community Services	Development and Resources - income	Charging as part of the QCF qualification process	0.044	0.044	0.044
11	Community Services	Development and Resources - income	Explore the potential of charging for financial management for appointeeship clients.	0.030	0.060	0.060

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
12	Community Services	Social Services for Adults – Assets	Relocation of Estuary Crafts to Tri Ffordd	0.024	0.047	0.047
13	Community Services	Housing - Administration	Service Review	0.022	0.022	0.022
14	Community Services	Housing – Community Support Services	Restructure	0.019	0.037	0.037
	<b>Total Community Services</b>			<b>0.453</b>	<b>0.616</b>	<b>0.653</b>
15	Environment	Streetscene – Employment Contracts	Review staff employment contracts to increase service flexibility and reduce costs	0.050	0.050	0.050
16	Environment	Streetscene - NWTTRA	Financial benefit from involvement with the NE Wales Trunk Rd Hub. The ongoing review of service delivery will reduce the staff requirement and increase the efficiency of the Trunk Road service delivery	0.050	0.050	0.050
17	Environment	Streetscene - Fleet	Balance of efficiencies from Fleet review (2014-15)	0.350	0.350	0.350
18	Environment	Streetscene & Assets Transportation – Highways Related Services	Service scoping review of Highways related services currently within Streetscene and Assets & Transportation - the ongoing diagnostic of the two service areas will make recommendations on synergies, required staffing levels and the optimised operating model.	0.225	0.300	0.300
19	Environment	Streetscene - Assets	Closure of Halkyn Depot and centralisation at Alltami	0.090	0.090	0.090
20	Environment	Streetscene - Waste	Optimise procurement methods for waste transport	0.030	0.030	0.030
21	Environment	Streetscene - Waste	Rationalise HRC site provision through closing Saltney after opening the new Sandycroft site and reviewing opening hours to match footfall	0.180	0.180	0.180
22	Environment	Streetscene - Waste	Review of clinical waste collection recharges	0.030	0.030	0.030
23	Environment	Streetscene – Employment Contracts	Review operational employment contracts to increase service flexibility and reduce costs	0.450	0.450	0.450
24	Environment	Public Protection and Planning	A review of the operating processes, income potential and management and staffing arrangements across both services.	0.408	0.450	0.450
25	Environment	Regeneration - Communities First	Continuation of current year. Management fee for Communities First programme	0.020	0.020	0.020
	<b>Total Environment</b>			<b>1.883</b>	<b>2.000</b>	<b>2.000</b>

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
26	Lifelong Learning	Services to Schools	Securing Value for Money, increasing locality working and school autonomy within a streamlined but robust approach to accountability for positive student outcomes. Early entitlement, Music Service, ICT, Insurance and Mobile Classrooms.	0.290	0.240	0.240
27	Lifelong Learning	Youth and Community services	Increasing front line youth service delivery through agile working, reducing building and management overheads to maximise front line delivery. Glanrafon, Gronant and Hawarden	0.067	0.113	0.113
28	Lifelong Learning	Inclusion Services	Securing early, local and effective intervention for vulnerable children and young people through increasing locality working and school autonomy,	0.393	0.611	0.611
29	Lifelong Learning	Library Service	Review of contribution to North East Wales School Library Service	0.131	0.130	0.130
30	Lifelong Learning	Library Service	Reduction in Library Book Fund	0.050	0.050	0.050
31	Lifelong Learning	Leisure	Changes to rotas and cover arrangements	0.270	0.270	0.270
32	Lifelong Learning	Development and Resources	School transport efficiencies	0.004	0.004	0.004
33	Lifelong Learning	Development and Resources	Pupil support efficiencies	0.003	0.003	0.003
34	Lifelong Learning	Development and Resources	Youth theatre	0.015	0.015	0.015
35	Lifelong Learning	Development and Resources	Business support	0.010	0.010	0.010
36	Lifelong Learning	Leisure	Recreational grounds and amenities efficiencies	0.025	0.025	0.025
	<b>Total Lifelong Learning</b>			<b>1.258</b>	<b>1.471</b>	<b>1.471</b>
37	Corporate Services	ICT & Customer Services - registrars	Review of working arrangements	0.010	0.010	0.010
38	Corporate Services	Chief Executive	Review of events/marketing and communications activities across the organisation.	0.034	0.034	0.034
39	Corporate Service	Chief Executive	Reduced production of Your Community Your Council	0.040	0.040	0.040
40	Corporate Services	Chief Executive and Democratic Services	Review provision of support to Leadership and Senior Management, Scrutiny, support and information to councillors, report writing and democratic process	0.031	0.141	0.141

Ref	Lead Directorate	Service	Proposal Summary	2014/15 £m	2015/16 £m	2016/17 £m
41	Corporate Services	Chief Executive – Policy, Partnerships and Performance	Review efficiencies in process, co-ordination and resources involved in supporting 'Performance' work.	0.075	0.075	0.075
42	Corporate Services	Administration support across the organisation	Review of all Administration roles / processes as a result of improved technology across the Council	1.000	1.000	1.000
43	Corporate Services	ICT & Customer Services	Service Efficiencies related to equipment lease termination and contract renegotiations	0.192	0.192	0.192
44	Corporate Services	Chief Executive	Clwyd Theatr Cymru subsidy reduction	0.055	0.055	0.055
45	Corporate Services	Legal and Democratic Services	Shared conveyancing service	0.060	0.060	0.060
46	Corporate Services	HR & OD	Increase income from Occupational Health business	0.010	0.010	0.010
47	Corporate Services	HR & OD	Workforce development efficiencies	0.021	0.021	0.021
48	Corporate Services	Finance	Housing Benefit Subsidy efficiency to meet required level of Discretionary Housing Payments.	0.380	0.380	0.380
49	Corporate Services	Finance	Review of investment income in CLIA	0.145	0.145	0.145
	<b>Total Corporate Services</b>			<b>2.053</b>	<b>2.163</b>	<b>2.163</b>
50	Community Services		Review of final out-turn for 2012/13	1.892	2.195	2.195
	<b>Total Functional VFM</b>			<b>7.539</b>	<b>8.445</b>	<b>8.482</b>

**Budget 2014/15**  
**Council Fund - Revenue**

**Workforce Efficiencies**  
**Organisational Design**

	2014/15 £m	2015/16 £m	2016/17 £m
<b>Structure and Operating Model</b>			
Phase 1 - Tier 1 & 2	0.460	0.600	0.600
Phase 2 - Grades M1-M9	0.990	1.400	1.400
Workforce Scale Review	1.500	1.500	1.500
<b>Total Organisational Design</b>	<b>2.950</b>	<b>3.500</b>	<b>3.500</b>
<b>Cost of Employment</b>			
Professional Subscriptions	0.024	0.024	0.024
Disturbance Travel	0.005	0.005	0.005
Subsistence Allowance	0.054	0.054	0.054
Disclosure and Barring Service (DBS)	0.030	0.030	0.030
Overtime	0.047	0.047	0.047
<b>Total cost of Employment</b>	<b>0.160</b>	<b>0.160</b>	<b>0.160</b>
<b>Total Workforce Efficiencies</b>	<b>3.110</b>	<b>3.660</b>	<b>3.660</b>



**Budget 2014/15**  
**Council Fund - Revenue**

**Specific Grants**

	<i>Budget 2013-14</i>	<i>Revised Budget 2013-14</i>	<i>Projection 2014-15</i>	<i>Variance to 2013-14</i>	<i>Confirmed (C) or Estimated (E)</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	
<b>Lifelong Learning</b>					
Non Delegated					
Basic Skills	316,000	137,526	137,526	0	E
Community Learning	3,311	3,311	3,311	0	E
Community Focussed Schools	0	97,877	97,877	0	E
Welsh Baccalureate	0	61,740	61,740	0	E
Families First	1,735,118	1,735,285	1,735,285	0	E
Education of Travellers	89,687	70,673	70,673	0	E
Foundation Phase	5,060,777	5,019,976	4,949,746	(70,230)	C
Free School Milk	179,773	179,773	179,773	0	E
Free Swimming	164,807	164,807	156,567	(8,240)	E
Funding for Youth Work Training in Wales	22,000	22,000	22,000	0	E
Learning Pathways 14-19	664,080	636,937	360,000	(276,937)	E
Minority Ethnic Achievement	106,913	134,434	128,032	(6,402)	C
National Exercise Referral	125,000	125,000	118,750	(6,250)	E
NE Wales Play Forum	61,660	340,086	340,086	0	E
School Effectiveness Grant	1,078,580	1,403,508	1,403,508	0	E
Pupil Deprivation Grant	0	1,251,450	2,295,918	1,044,468	C
Active Young People	0	463,018	439,867	(23,151)	E
School Uniform Financial Assistance Scheme	30,080	30,080	30,487	407	C
Unlocking the Potential of Special Schools	45,572	45,572	0	(45,572)	C
Youth Service Revenue Grant	90,330	114,877	126,756	11,879	C
Welsh Language (Athrowen Bro & WEG)	226,611	0	0	0	C
Welsh Medium Bilingual Grant	46,940	0	0	0	C
Welsh in Education	0	224,638	215,374	(9,264)	E
Welsh Network of Healthy School Schemes	87,320	87,320	87,320	0	E
Flying Start	1,652,623	1,652,623	0	(1,652,623)	C
National Literacy Tests	0	35,450	35,450	0	E
	<b>11,787,182</b>	<b>14,037,961</b>	<b>12,996,046</b>	<b>(1,041,915)</b>	
Delegated					
DCELLS (Post 16 provision in schools)	6,025,131	6,085,382	5,935,481	(149,901)	E
	<b>6,025,131</b>	<b>6,085,382</b>	<b>5,935,481</b>	<b>(149,901)</b>	
<b>Community</b>					
Social Care Workforce Development Programme	346,969	346,969	356,833	9,864	C
Supporting People	6,824,935	6,824,935	6,483,688	(341,247)	C
Well Being Activity	25,000	10,000	10,000	0	E
Flying Start	0	0	2,722,790	2,722,790	C
Implementation of Mental Health Act 2007	12,770	12,770	0	(12,770)	C
Youth Service Community Service Grants	60,851	60,851	0	(60,851)	C
YOT / Youth Justice Board	327,280	327,280	327,280	0	E
	<b>7,597,805</b>	<b>7,582,805</b>	<b>9,900,591</b>	<b>2,317,786</b>	
<b>Environment</b>					
Communities First	708,911	708,911	708,911	0	E
Concessionary Travel	1,970,427	1,970,427	1,991,843	21,416	E
Crime Reduction and Anti Social Behaviour	144,461	144,461	121,203	(23,258)	E
Domestic Abuse Co-ordinator Funding	27,500	27,500	27,500	0	C
Local Transport Services	399,062	399,062	399,062	0	E
Planning - Delivering for Wales	70,000	70,000	20,000	(50,000)	E
Safer Communities Fund	221,882	221,882	76,868	(145,014)	E
Food Hygiene Rating	0	0	5,969	5,969	C
Animal Health & Welfare Enforcement	0	0	15,646	15,646	C
Substance Misuse	926,141	926,141	293,353	(632,788)	E
Tidy Towns	81,742	81,742	0	(81,742)	C
Sustainable Waste Management	3,287,189	3,287,189	2,976,172	(311,017)	E
	<b>7,837,315</b>	<b>7,837,315</b>	<b>6,636,527</b>	<b>(1,200,788)</b>	
<b>Corporate Services</b>					
LSB Development Support Grant	50,000	50,000	50,000	0	E
	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	
<b>Total</b>	<b>33,297,433</b>	<b>35,593,463</b>	<b>35,518,645</b>	<b>(74,818)</b>	





**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>1.0</b>	<b><u>Joint Housing &amp; Social &amp; Health Comments / Issues</u></b>	
<b>1.1</b>	<b><u>General Comments / Issues</u></b>	
1.1	Assurance sought about the systems in place to monitor risks particularly around Children's services. Is the system in place for monitoring these risks robust enough?	<ul style="list-style-type: none"> <li>At the close of the budget setting process, we highlight the risks that may impact in the year ahead and throughout the year, we have systems in place which enables us to address issues as they arise.</li> </ul>
1.2	No mention of collaborative ventures within this budget – why and does this mean we cannot make cuts to these?	<ul style="list-style-type: none"> <li>All collaborative ventures are constantly under review an example of this is the Telecare service.</li> </ul>
1.3	Mental Health costs have been discussed at a previous committee where a comparison was made of in house cost v external provision. Why is there no detail of that in the budget?	<ul style="list-style-type: none"> <li>In the future we will continue to look at all options and are doing so. In relation to how we provide and commission services, this will be one of the decisions for Members consideration going forward.</li> </ul>
1.4	Investment from Reserves of £3.7m contingency and £3.7m equal pay. Is there a specific purpose for it to be used for? Clarification sought on this.	<ul style="list-style-type: none"> <li>The contingency reserve is the amount over and above the required base level of reserves and is to meet one off costs including exit costs. The investment strategy is to utilise the equal pay capitalisation as part of a collective approach to total workforce costs. There is also a thorough review underway of all reserves to make sure we have an adequate level of investment to meet one off</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
2.0		costs.
2.1	<p><b><u>Pressures</u></b></p> <p>With reference to the pressures for Foster Care and Children's Out of County Placements, are the amounts enough to meet the demand.</p>	<ul style="list-style-type: none"> <li>▪ The Foster Care placements figure is based on current demand on the service. A risk based approach has had to be taken on the level of this and the Out of County Placements figure given the demand led nature of these services.</li> </ul>
2.2	<p>What was the increase in 13/14</p>	<ul style="list-style-type: none"> <li>▪ In 13/14 an additional £110k was approved for the Family Placement team to meet the increased costs of Foster Care and increased cost of court orders for residences and special guardianships. Within Children's Out of County Placements, an efficiency of £533k was realised as a result of a decrease in costs from improved procurement practice.</li> </ul>
2.3	<p>Pressures and Investments is not spit into categories as per previous years budget report – why is this?</p>	<ul style="list-style-type: none"> <li>▪ These will be categorised for final budget report.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>3.0</b>	<b><u>Efficiencies</u></b>	
3.1	VFM efficiency of £50k within the Youth Justice Service. If it has an adverse affect on the service, will it be able to be put back?	<ul style="list-style-type: none"> <li>▪ Members would need to decide if they wanted to put more money into the service. Flintshire are still providing a significant contribution to funding within the Youth Justice Service. The level of efficiency can be met without an impact and nothing can be exempt from the budget review.</li> </ul>
3.2	Can we guarantee level of efficiencies will not impact adversely on services?	<ul style="list-style-type: none"> <li>▪ The aim is to protect services but also to improve, where possible, to be more efficient and to improve outcomes for service users.</li> </ul>
3.3	In relation to the efficiency from moving Estuary Crafts to be co located with Tri Ffordd, this is a small efficiency of £24k but what about the cost of changing the building, and the transport costs for service users who will now need to go to a new location?	<ul style="list-style-type: none"> <li>▪ Capital investment to refurbish the building has been provided from funding within the service. The move provides a better and more appropriate environment for service users. The £24k is as a result of a reduction in management costs due to the co location. There may be an impact on transport costs but these will only be minor and service users will be supported.</li> </ul>
3.4	Agreement that Estuary Crafts needs to be moved, but why Tri Ffordd and not site in Flint near to Castle Connections?	Further information to be provided
3.5	Within the Learning Disability service, there are efficiencies of an unprecedented scale with reduction in Management. Is	<ul style="list-style-type: none"> <li>▪ No</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.6	<p>the efficiency "Structural Management" also to do with Short Term Care?</p> <p>Will the efficiencies in the Short Term Care service have an impact on the number of service users receiving the service?</p>	<ul style="list-style-type: none"> <li>• No, the efficiency is about changes to rotas and the way the service is managed.</li> </ul>
3.7	<p>Can we be assured that the efficiency of £822k which is related to transitional services will have no impact on individuals moving from Children's to Adult Services?</p>	<ul style="list-style-type: none"> <li>• The efficiency has already been achieved in 2013/14 by doing things differently. Future year's forecasts for transition clients are built into the next three years projections</li> </ul>
3.8	<p>Why is there no procurement efficiencies listed under Social Care?</p>	<ul style="list-style-type: none"> <li>• Social Care does make savings on commissioning eg Learning Disability Services and Dementia and Mental Health approaches through the North Wales commissioning hub. In Social Care the main expenditure is on delivering services through the purchase of care.</li> </ul>
3.9	<p>Is the efficiency linked to Connaught Quay offices for staffing or building costs?</p>	<ul style="list-style-type: none"> <li>• Staffing costs only.</li> </ul>
3.10	<p>There are many efficiencies that relate to management cuts with the blithe assumption that this means there is no disruption in service. How can that be the case?</p>	<ul style="list-style-type: none"> <li>• There is a need to ensure adequate capacity but the efficiency enable us to gain some cross service benefits. There is a need to look at the spans of control and better use of I.T. to ensure we are being as efficient as possible.</li> </ul>
3.11	<p>Need an explanation of "rightsizing".</p>	<ul style="list-style-type: none"> <li>• This involves a thorough review of outcomes for service users. A balance between ensuring independence for the</li> </ul>

**OVERVIEW & SCRUTINY**  
**Joint Housing & Social & Health - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.12	Development and Resources income – Deputyships. Not clear what is being suggested here?	<p>person involving social workers and specialist nurses and utilising opportunities such as telecare to maintain their safety are taken as part of this process.</p> <ul style="list-style-type: none"> <li>• This relates to weekly charging of £5 per week for the service.</li> </ul>



**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.0	<p><b><u>Environment Comments / Issues</u></b></p>	
1.1	<p>It is pleasing to see collaboration between services. With instances such as inclement weather, would joining up services lead to delays in responses to incidents e.g. Repairing potholes?</p>	<ul style="list-style-type: none"> <li>• Such problems are not foreseen and this should make it easier to manage such instances through better coordination of two teams which should result in improved service delivery.</li> </ul>
1.2	<p>HRC Site Sandycroft – Application for planning previously in 2009 was for 5.5k tonnes but the new application is for 4k tonnes. Is that because we are not collecting the expected levels of recycling? Reference was made to previous prudential borrowing requirements of £600k.</p>	<ul style="list-style-type: none"> <li>• No there is no correlation between the planning application tonnage at the new level and recycling levels. Recycling is increasing but so are the targets in relation to this. The Director will seek clarification on issue with the Member who raised the specific issue Relating to borrowing outside of the meeting</li> </ul>
1.3	<p>Due to the volatility of plastic recycling prices, would it be more economic to change the frequency of plastic waste collection to fortnightly?</p>	<ul style="list-style-type: none"> <li>• To change the way we collect plastics would create efficiency issues, as it would mean putting extra vehicles on, given that rounds are full at the end of the day at the moment. It would also create a clarity issue for the public as all recyclates are currently collected weekly, whereas this suggestion would mean that some would have to be put our fortnightly – this could impact negatively on recycling performance.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>2.0</b>	<b><u>Pressures</u></b>	
2.1	Residual Waste Pressure – does this reflect a reduction in the tonnage of residual waste even though the cost per tonne has increased?	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
2.2	Energy inflation amount queried as to why less than last year.	<ul style="list-style-type: none"> <li>• Further information to be provided. A response was provided as part of feedback to Overview and Scrutiny meeting 3/2/14.</li> </ul>
<b>3.0</b>	<b><u>Efficiencies</u></b>	
3.1	When Streetscene was introduced there was a lack of joining up. Assurance is sought about the level of efficiency proposed and that it will not mean a negative impact on the service – needs to be managed effectively.	<ul style="list-style-type: none"> <li>• This is a key efficiency but there is confidence that it can be delivered without an adverse impact on the service. It is centred on reducing the number of agency staff within the service and making teams more flexible. Director to provide further detail to the Councillor on this.</li> </ul>
3.2	Public Protection – concern raised that this may result in increased charges to residents when dealing with problems relating to pest control. Needs to be recognised as an area of risk.	<ul style="list-style-type: none"> <li>• Fees will increase but these will not be greater than 5%. Fees need to reflect the cost of the service and be non-profit making</li> </ul>
3.3	Fleet efficiencies from reducing the 30% downtime is very positive but have we identified who we would hire from?	<ul style="list-style-type: none"> <li>• This will be via the “All Wales Framework for Hire”. Hire companies not known at the moment. Director to inform the Councillor when the information is known.</li> </ul>
3.4	HRC Sandycroft Site – Is this ready for service?	<ul style="list-style-type: none"> <li>• Not yet but an application to Planning Committee is due</li> </ul>



**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.5	Clinical Waste – Are the Health Board aware that they are going to be charged?	in March. Other sites will not close until this one is open.
3.6	Cost of planning application fees – will these be going up?	<ul style="list-style-type: none"> <li>• Yes and there is agreement to pay. Wrexham CBC are already recharging the Health Board</li> </ul>
3.7	Fleet costs –specialist training requirements.	<ul style="list-style-type: none"> <li>• Fees are set nationally so not under the control of the Council. As part of the Planning Bill, WG have committed to a review of Planning Fees.</li> </ul>
3.8	Community Assets. Will any within Lifelong Learning be considered as part of the Rationalisation Programme?	<ul style="list-style-type: none"> <li>• No record of passing up opportunities to embrace this specific training</li> </ul>
3.9	What is being proposed is rapid change. How much work on business re-engineering has been undertaken because if processes are not changed, this may not be sustainable?	<ul style="list-style-type: none"> <li>• All assets are included within the review</li> <li>• Proposals have been developed over time and thought has been put in to how they can be delivered within the way that we operate. The Service has developed an action plan to bring about changes and Environment have a good track record of achieving delivery in efficiencies.</li> </ul>
3.10	Planning has historically been under pressure. Are we confident we can deliver these changes?	<ul style="list-style-type: none"> <li>• It is recognised that there has been pressure within the service historically. The service is closely managed and performance has improved. There is confidence in the ability to meet the proposal and still maintain</li> </ul>

**OVERVIEW & SCRUTINY**  
**Environment - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.11	Fleet – will there be some sort of workshop facility?	<p>performance.</p> <ul style="list-style-type: none"> <li>• Options which will be brought back to Cabinet in March as part of Phase 3 of the proposals included in the November 2013 Cabinet Report.</li> <li>• There is a combination of flexible workforce, utilities, general running costs etc.</li> </ul>
3.12	Closing depots – how do they add to the efficiency?	

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<b>PART ONE - Corporate Services</b>		
<b><u>Corporate Comments / Issues</u></b>		
1.0		
1.1	<ul style="list-style-type: none"> <li>• No split shown of how Aggregate External Funding is made up which has always been made in the past.</li> </ul>	<ul style="list-style-type: none"> <li>• The Local Government Final Settlement received from Welsh Government only includes the total amount of £192.942m.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• Earmarked Reserves should not be under heading "unhypotheated grants"</li> </ul>	<ul style="list-style-type: none"> <li>• This has already been identified and the presentation format will be changed for the final budget report.</li> </ul>
1.3	<ul style="list-style-type: none"> <li>• Previous items dropping out show investment costs out in 2014/15 but back in 2015/16 and 2016/17 – why?</li> </ul>	<ul style="list-style-type: none"> <li>• The Investment Strategy is providing for investment costs in 2014/15 which provides sufficient resources to meet estimated costs to achieve the 2014/15 budget proposals without the need for a further contribution as this would have increased the budget gap. . The amounts remain in for future years but this will be reviewed as part of our ongoing considerations of future years.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>• Leisure Services Para 6.17 of the Cabinet report. Will a part capital payment be made in future years as well?</li> </ul>	<ul style="list-style-type: none"> <li>• Because of previous concerns about the Leisure Services budget, the costs are now being met corporately. In response to the overall Leisure position, the economy has suffered a downturn and so income and Leisure attendance had not been as projected. The Council is investing almost £1m to support the service in the short term, but this is not a sustainable position and the service will be subject to review as part of future service considerations for 2015/16 and beyond.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.5	<ul style="list-style-type: none"> <li>• Pensioners Grant Scheme – why is this not in transfer to final settlement appendix?</li> </ul>	<ul style="list-style-type: none"> <li>• This is due to a technicality of the way it was shown within the Local Government Settlement. This was not shown in the Local Government Settlement as a “transfer in” but it appeared as an increase in the amount of our Revenue Support Grant (RSG) by the amount of the previous Pensioner Grant Scheme. This is therefore now included in the RSG but not on a hypothecated basis. The budget proposals provide for the continuation of the scheme for 2014/15.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• Out of County Placements. There has been an underspend in previous years. Do we now have less control?</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement of placements has improved significantly over the years. There had also been a reduced demand until recently when it as seen an increase. This has always been recognised as a volatile budget.</li> </ul>
1.7	<ul style="list-style-type: none"> <li>• Council Tax collection rate of 99% is an increase of 1.5% on the amount set in the 2013/14 budget. Is this a reflection that the impact of Welfare Reform has not been as great as previously anticipated?</li> </ul>	<ul style="list-style-type: none"> <li>• At the time the 2013/14 Council Tax collection rate was set, there had been no confirmation of the Council Tax Reduction Scheme (CTRS). For 2014/15, the scheme and the level of funding is known and so the collection rate can confidently be set at 99% which is in line with the current years performance. The collection rate should be recognised as a positive achievement. Welfare Reform impacts still need to be monitored and there is a pilot of the new Universal Credit starting in Shotton in June which will need to be monitored.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.8	<ul style="list-style-type: none"> <li>• Referring to a previous letter from the Leader to Robert Hay at Welsh Government, did we apply for any collaboration fund grants?</li> </ul>	<ul style="list-style-type: none"> <li>• Authorities had been asked to bid individually. Details to be provided at the CROSC meeting on 3/2/14. The final decision from WG had only been received the previous week for sums that needed to be spent before the end of the financial year.</li> </ul>
1.9	<ul style="list-style-type: none"> <li>• Query raised on food inflation within Legal &amp; Democratic Services</li> </ul>	<ul style="list-style-type: none"> <li>• This was wrongly classified as food and should have referred to an inflationary increase of £1k for increased postal costs for Electoral Services.</li> </ul>
1.10	<ul style="list-style-type: none"> <li>• Software Licensing – Use of “Good” Software</li> </ul>	<ul style="list-style-type: none"> <li>• Purchased as part of a Public Sector Framework agreement. Limited usage for I pads only.</li> </ul>
1.11	<ul style="list-style-type: none"> <li>• Use of reserves for organisational change of £3.7m contingency and £3.7m from Equal Pay/Single Status capitalisation. As this is greater than the amount to be utilised for one off costs, will the remainder be used to balance the budget?</li> </ul>	<ul style="list-style-type: none"> <li>• No. The budget would not be balanced in this way as this would be contrary to the principles of the financial strategy which requires the base budget to be funded from recurrent savings and not one off monies</li> </ul>
<b>2.0</b>	<b><u>Corporate Services Comments / Issues</u></b>	
2.1	<p><b><u>Pressures</u></b></p> <ul style="list-style-type: none"> <li>• Why has this section not been split into the categories as per previous years?</li> </ul>	<ul style="list-style-type: none"> <li>• This will be done as part of final budget report.</li> </ul>
2.2	<ul style="list-style-type: none"> <li>• Increase pensions costs – can we cover this from existing</li> </ul>	<ul style="list-style-type: none"> <li>• This reflects the Actuarial valuation which shows that in</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
2.3	<p>reserves?</p> <ul style="list-style-type: none"> <li>• Single Status impact from 206/17, is that based on current staffing levels? Is reserve available for buffering for 2 years?</li> </ul>	<p>three years time, we will need to step up our funding of the pension scheme by an additional £4.2m. This is a recurrent cost that will continue to rise after 2016/17 also, but will be subject to review through the next Actuarial valuation</p> <ul style="list-style-type: none"> <li>• The Single Status impact on the workforce budget is based on existing staffing levels. The reserve is available for buffering increased cost for the payroll for two years, 2014/15 and 2015/16.</li> </ul>
2.4	<ul style="list-style-type: none"> <li>• Could there be a comparison of the amounts from 2013/14?</li> </ul>	<ul style="list-style-type: none"> <li>• Further detail on individual lines can be provided on request.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
<p><b><u>Corporate Resources Comments / Issues</u></b></p>		
<p><b>3.0</b></p>	<p><b><u>Efficiencies</u></b></p>	<ul style="list-style-type: none"> <li>• All efficiencies are put forward on the assumption that they can be achieved in full. The reference to 85% is to achieve at least 85% of the efficiencies, but recognises that the other 15% must be replaced by other efficiencies.</li> </ul>
<p>3.1</p>	<ul style="list-style-type: none"> <li>• In the improvement plan, we refer to an achievement of 85% of our overall efficiencies by 2017. Does that mean that of the £8.1m of VFM efficiencies, we will only expect to get 85%?</li> </ul>	<ul style="list-style-type: none"> <li>• This is being finalised but is likely to be in the region of £10k which has been recognised in the efficiency amount.</li> </ul>
<p>3.2</p>	<ul style="list-style-type: none"> <li>• “Your Community your Council” what is the cost of producing this digitally?</li> </ul>	<ul style="list-style-type: none"> <li>• The Administration Review is a significant cross organisational review being undertaken as corporate piece of work.</li> </ul>
<p>3.3</p>	<ul style="list-style-type: none"> <li>• Organisational Change Efficiencies from administrative savings, why is this shown here as opposed to within Directorates?</li> </ul>	<ul style="list-style-type: none"> <li>• The Occupational Health Department has provided a partnership service to Wrexham CBC for nearly two years. We are seeking to build on this by offering the service to a wider range of organisations.</li> </ul>
<p>3.4</p>	<ul style="list-style-type: none"> <li>• Increased income from Occupational Health, what is the detail behind this?</li> </ul>	<ul style="list-style-type: none"> <li>• The Occupational Health Department has provided a partnership service to Wrexham CBC for nearly two years. We are seeking to build on this by offering the service to a wider range of organisations.</li> </ul>





**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.0	<p><b><u>Lifelong Learning Comments / Issues</u></b></p>	
1.1	<p><b><u>General Comments/Issues</u></b></p> <ul style="list-style-type: none"> <li>• School Governors wanted to record gratitude that there has not been an overall cut made to schools.</li> </ul>	
1.2	<ul style="list-style-type: none"> <li>• Reiteration made that the budget has been handled sensitively and that Officers have presented the detail well</li> </ul>	
1.3	<ul style="list-style-type: none"> <li>• Clarification sought on the 0.45% funding commitment being realised through the increase to the Pupil Deprivation Grant.</li> </ul>	<ul style="list-style-type: none"> <li>• Welsh Government has indicated that 0.45% of the funding commitment to schools will be met through the increase in the Pupil Deprivation Grant. The remaining 0.45% will be met through increases to the schools delegated budget.</li> </ul>
1.4	<ul style="list-style-type: none"> <li>• Organisational Redesign – Expert Independent advice referred to. Does this mean consultants?</li> </ul>	<ul style="list-style-type: none"> <li>• Hay consulting has been appointed to undertake this task for independence and is doing so as cost effectively as possible.</li> </ul>
1.5	<ul style="list-style-type: none"> <li>• Concerned that additional work is not put into schools as head teachers should not be deflected from their role.</li> </ul>	<ul style="list-style-type: none"> <li>• Expectations from headteachers/Estyn are that we should make changes that gain the best outcomes for pupils. Learners need to be supported in their learning communities.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• Concern that the Repairs and Maintenance budget for schools has been a problem and will continue to</li> </ul>	<ul style="list-style-type: none"> <li>• Agreed that we need to look at how we get the best use out of the funding available for repairs and maintenance to</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
1.7	<p>be one. Can this be looked at? Other changes such as refurbishment due to demographic change add to this pressure.</p> <ul style="list-style-type: none"> <li>• Concern highlighted about the capital amount in the budget for 21<sup>st</sup> Century schools and the high cost of new schools..</li> </ul>	<p>maximise the benefits to schools.</p> <ul style="list-style-type: none"> <li>• One benefit will be that the schools replacement/refurbishment through the 21<sup>st</sup> Century Schools Programme will reduce the demand on the Repair and Maintenance budget in the future releasing resources which can be used to the benefit of all schools.</li> </ul>
<b>2.0</b>	<p><b><u>Lifelong Learning Comments / Issues</u></b></p> <p><b><u>Pressures</u></b></p>	
2.1.	<ul style="list-style-type: none"> <li>• Concern raised about Youth Service provision which is recognised as a pressure but noted also a small efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• This relates to new service strategy which involves a reduction in management but more youth workers.</li> </ul>
2.2	<ul style="list-style-type: none"> <li>• Remission Pressure – clarification sought that zero required in 2014/15 does not mean no budget at all?</li> </ul>	<ul style="list-style-type: none"> <li>• No this means that there will be no increase in 2014/15</li> </ul>
2.3	<ul style="list-style-type: none"> <li>• Noted that no budget required for remission in 2014/15 but why a prior year decision amount of £3K?</li> </ul>	<ul style="list-style-type: none"> <li>• Written response to be provided. A response was provided as part of feedback to Overview and Scrutiny meeting 3/2/14.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.0	<p><b><u>Lifelong Learning Comments / Issues</u></b></p> <p><b><u>Efficiencies</u></b></p> <p>Clarification sought on the following:</p> <ul style="list-style-type: none"> <li>• Services to schools £0.290m. Breakdown is needed prior to Monday's meeting.</li> <li>• Inclusion Services £0.381m. This is about transferring responsibility into schools and concern is raised due to this being a delicate area which it is hard to see how can be achieved without affecting the service.</li> <li>• Leisure Services – why an efficiency of £0.280m but also a pressure. Where are the posts coming from to make this and will we be able to maintain the same level of service as a result?</li> <li>• Library Services – Review of contribution £0.131m. Problem recalled when Denbighshire CC was going to withdraw from the service. If this is being transferred</li> </ul>	<ul style="list-style-type: none"> <li>• There is confidence that the efficiencies can be delivered due to strategies already implemented . A breakdown of this efficiency was provided as part of feedback to Overview and Scrutiny meeting 3/2/14.</li> <li>• Further reports are planned to be brought to Cabinet about this efficiency which will be achieved through a combination of reducing administrative overheads and school consortia working closer together. Delegated via formula funding for them to allocated support more speedily than currently. Proposals are to be implemented from September 2014. This also includes adjustment to the Pupil Referral Unit, Learning Support, Behaviour Support and Inclusion welfare.</li> <li>• The £0.270m is as a result of the Leisure Services Review and is due to management review and staffing deployment.</li> <li>• There is confidence that this efficiency can be realised, however the long term resilience is under question over the services due to other Authorities who may want to</li> </ul>

**OVERVIEW & SCRUTINY**  
**Lifelong Learning - Initial Budget Proposals 2014/15**

No.	Comments and Questions:	Responses:
3.5	<p>into schools it may become a problem.</p> <ul style="list-style-type: none"> <li>• Back to Basics – what does this mean?</li> </ul>	<p>withdraw from the service.</p>
3.6	<ul style="list-style-type: none"> <li>• Youth Service – decommissioning of Glanrafon, this centre is used for the music services and other service users.</li> </ul>	<ul style="list-style-type: none"> <li>• Day to day budgets for printing, paper, stationery which are being cut back to make us more efficient. A small but important contribution to setting the budget.</li> <li>• It was confirmed that as part of the decommissioning of this provision alternative arrangements would be identified for the music service.</li> </ul>
3.7	<ul style="list-style-type: none"> <li>• Implementation of Service Restructure has reference to Cabinet decision (in detailed papers provided). Why the difference in figures and numbers and posts from that time to the budget report?</li> </ul>	<ul style="list-style-type: none"> <li>• The Chief Executive indicated that further work has been undertaken to rationalise and release a greater level of efficiency through changes to rotas and operational changes.</li> </ul>
3.8	<ul style="list-style-type: none"> <li>• Early Entitlement &amp; Music Service – more clarification sought.</li> </ul>	<ul style="list-style-type: none"> <li>• This will be secured through maximisation of deployment of the Foundation Phase grant allocation and careful assessment of the levels of training and needs based sustainability budget requirements</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
1.0	<ul style="list-style-type: none"> <li>• <b>General Comments and Questions</b></li> </ul>	
1.1	<ul style="list-style-type: none"> <li>• In the Scrutiny meetings last week, Members were advised that we could only balance the budget gap which is currently £915k from recurring items only. Why therefore is there a suggested strategy of utilising £205k from the Month 8 monitoring position to do this? Can we have details of the breakdown of this amount?</li> </ul>	<ul style="list-style-type: none"> <li>• The £205k is made up of recurring items. Details are as made up of a reduction in previous years efficiencies from Matrix and the Flintshire Futures Asset Programme (£175k) not being achievable together with recurring efficiencies in the budget for Discretionary Housing Payments as a result of lower demand than anticipated and a reprofiling of Housing Benefit income.</li> </ul>
1.2	<ul style="list-style-type: none"> <li>• Concern raised that we are referring to a projected position in relation to the Contingency sum available. Events could happen in Month 9 – Month 12 which could affect the actual year end position.</li> </ul>	<ul style="list-style-type: none"> <li>• £3.7m is the update at Month 8. This is a reasonable assumption to work on that this level will be achieved and is consistent with the approach taken in previous years budget strategies.</li> </ul>
1.3	<ul style="list-style-type: none"> <li>• Bridging Finance, why do we have to do this? It is not the usual way of balancing the budget.</li> </ul>	<ul style="list-style-type: none"> <li>• This relates to efficiencies that we will not achieve in full in the first financial year (2014/15) even though they will be recurring in later years. The bridging or transitional funding from reserves relates to the timing of these. Without the use of bridging finance funded from through the Investment Strategy, the gap still to find from recurring efficiencies would be £2m.</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
1.4	<ul style="list-style-type: none"> <li>• There is reference to a review of the proposed Council Tax level as part of the strategy to close the gap, has any further work been done on this?</li> </ul>	<ul style="list-style-type: none"> <li>• The projection currently includes an assumption of a 3% increase in Council tax. A further 1% increase would bring in a gross amount of £0.5m but we need to calculate the effect of the Council Tax Reduction Scheme in order for us to have the net position.</li> </ul>
1.5	<ul style="list-style-type: none"> <li>• Is there anything in place to replenish reserves for the future?</li> </ul>	<ul style="list-style-type: none"> <li>• Currently there is £1.580m built in to the assumptions for 2015/16 and 2016/17 for investment costs. In 2014/15 this is not required as the resources available from the review of reserves and balances has provided resource for the investment strategy and there is not a not need to make a contribution from base budget.</li> </ul>
1.6	<ul style="list-style-type: none"> <li>• How do Members know that we have not over assumed the amount of bridging finance?</li> </ul>	<ul style="list-style-type: none"> <li>• The risk management approach to the budget provides assurance that the VFM work can be delivered within agreed timescales and the bridging reflects this.</li> </ul>
1.7	<ul style="list-style-type: none"> <li>• Reference to previous restructures in 2005 and that this did not work out then so what assurance it can be delivered this time?</li> </ul>	<ul style="list-style-type: none"> <li>• The organisation does need to change and this does need to be controlled. Establishment control is essential to this. Much tighter control will be possible following the introduction of the Single Status agreement and the realignment of budgets..</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
1.8	<ul style="list-style-type: none"> <li>• Reference to information which shows that FCC have underspent on staff costs for a number of years. Meeting requested with CEO.</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting to be arranged.</li> </ul>
1.9	<ul style="list-style-type: none"> <li>• With Single Status and future reorganisation, if we are not careful we will be open to further challenges on Equal Pay claims and people who are left in a reduced workforce may need revised job evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>• Jobs may need to be re-evaluated if their role changes but this will not lead to additional equal pay claims as this has been resolved through the Single Status agreement and the new pay structure..</li> </ul>

**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
<p><b>2.00</b></p> <p>2.1</p>	<p><b>Pressures/Investments</b></p> <ul style="list-style-type: none"> <li>With regard to the pressure of £0.962m for Leisure, this is partly related to a capital payment. How much is that and can we have further detail on this pressure?</li> </ul>	<ul style="list-style-type: none"> <li>An allocation of £0.505m from the contingency reserve was made in 2013/14 to address the in-year budget implications of the revised Leisure Centres business plan. This amount is included on a recurring basis within the £0.962m for Leisure Centres identified in the budget proposals for 2014/15.</li> </ul>



**OVERVIEW & SCRUTINY**  
**Corporate Services – Revenue Budget Review Session 2014/15**

No.	Comments and Questions:	Responses:
<p><b><u>3.0</u></b>  <b><u>Efficiencies</u></b></p>	<p><b><u>Corporate Resources Comments / Issues</u></b></p>	
<p>3.1</p>	<ul style="list-style-type: none"> <li>• With reference to additional efficiencies that may be available from Procurement/Back to Basics, has that not already been included?</li> </ul>	<ul style="list-style-type: none"> <li>• The outcome of the work so far has been included but this work is ongoing and we are striving to find as much as possible from this source.</li> </ul>
<p>3.2</p>	<ul style="list-style-type: none"> <li>• Can we have more detail of the Workforce Cost of Employment?</li> </ul>	<ul style="list-style-type: none"> <li>• This relates to Professional Subscriptions/travel etc. It is not related to Part 3 terms and conditions. Discussions have been held with the Unions .</li> </ul>
<p>3.3</p>	<ul style="list-style-type: none"> <li>• The slide referring to meeting the budget gap makes reference to further efficiencies under the VFM programme. What other types of efficiencies are being included?</li> </ul>	<ul style="list-style-type: none"> <li>• The identification of efficiencies is an ongoing process which will continue until the budget is balanced . A risk based approach is being taken to identify what is achievable. There are no further VFMs in Service areas identified for inclusion..</li> </ul>



**Budget 2014/15**  
**Council Fund - Revenue**

**Summary of Council Fund Earmarked Reserves**

	<b>Estimated Balance 01/04/14 £m</b>	<b>Estimated Balance 31/03/15 £m</b>
<b><u>Service Balances</u></b>		
Community Services	0.029	0.000
Environment	1.140	0.413
Corporate Services	1.319	0.000
<b>Total</b>	<b>2.488</b>	<b>0.413</b>
<b><u>Corporate Balances</u></b>		
Equal Pay / Single Status	27.618	10.767
<b>Total</b>	<b>27.618</b>	<b>10.767</b>
<b><u>Specific Reserves</u></b>		
Insurance Fund - Asbestos	0.160	0.160
Benefits Equalisation	1.200	0.300
Supporting People	1.493	1.293
Building Control	0.200	0.150
Milk Quotas	0.077	0.081
Waste Disposal	0.518	0.418
Flint Castle Landfill Site	0.030	0.030
Flintshire Business Services	0.089	0.039
Winter Maintenance	0.250	0.250
Design Fees	0.120	0.120
County Elections	0.092	0.092
Third Party Insurance Claims	0.087	0.087
Flintshire Insurance	0.600	0.600
Minor Reserves under £0.050m	0.038	0.028
<b>Total</b>	<b>4.954</b>	<b>3.648</b>

