

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **THURSDAY, 16 OCTOBER 2014**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 4)**

1.00 **PURPOSE OF REPORT**

1.01 To provide Members with the latest revenue budget monitoring information for 2014/15 for the Council Fund and Housing Revenue Account based on actual income and expenditure as at Month 4 and projected forward to year-end based on the most up to date information available.

1.02 **INDEX OF CONTENTS**

Section 2	Executive Summary
Section 3	Council Fund Latest In Year Forecast
Section 4	Inflation
Section 5	Monitoring Budget Assumptions & Risks
Section 6	Unearmarked Reserves
Section 7	Housing Revenue Account (HRA)
Appendix 1	Council Fund – Movement in Variances from Month 3
Appendix 2	Council Fund Variance Summary
Appendix 3	Efficiencies Summary
Appendix 4	Movements on Council Fund Unearmarked Reserves
Appendix 5	HRA Variance Summary

2.00 **EXECUTIVE SUMMARY**

The projected year end position, as estimated at Month 4 is as follows:

Council Fund

- Net in year non pay expenditure forecast to be £0.019m lower than budget. This does not include any potential effect of variances on pay (see paragraph 3.02)
- Projected contingency reserve balance at 31 March 2015 of £2.960m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.038m less than budget.
- Projected closing balance as at 31 March 2015 of £1.203m

3.00 COUNCIL FUND LATEST IN YEAR FORECAST

3.01 The table below shows the projected position by portfolio which reflects the Council's new Operating Model which came into effect on 1 June 2014.

3.02 As reported in Month 3, following the implementation of the Single Status agreement in June 2014, extensive work has been undertaken to rebase all workforce budgets to reflect the actual new costs arising from the new pay and grading structure. Due to the continuation of the above significant piece of work no pay variations are included within this report. Given that the workforce budgetary provision will be allocated to the actual costs being incurred in line with the affordability model used to estimate costs, variations of any significance are not expected. It is anticipated that this rebasing work will be concluded in time for the next monitoring report.

3.03 The table below shows projected in year non pay expenditure to be £0.019m less than budget.

Portfolio	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
			Month 3	Month 4
			£m	£m
Social Services	58.956	59.410	0.646	0.454
Community & Enterprise	14.117	13.828	(0.085)	(0.289)
Streetscene & Transportation	28.373	28.630	0.293	0.257
Planning & Environment	5.561	5.561	(0.033)	0.000
Education & Youth	96.533	96.374	(0.097)	(0.159)
People & Resources	5.010	5.041	0.015	0.031
Governance	8.448	8.681	0.169	0.233
Organisational Change	9.498	9.468	(0.006)	(0.030)
Chief Executive	3.380	3.414	0.010	0.034
Central & Corporate Finance	25.300	24.750	(0.309)	(0.550)
Total	255.176	255.157	0.603	(0.019)

The reasons for all movements from Month 3 are summarised in appendix 1 with the projected variances occurring for the year to date summarised within appendix 2.

Programme of Efficiencies

Corporate and Functional Efficiencies

- 3.04 The 2014/15 budget contains £8.8m of specific efficiencies comprising Corporate Value for Money (VFM) on Procurement and Back to Basics of £1.3m and specific Functional VFM efficiencies of £7.5m.
- 3.05 The table below summarises the latest position for the achievement of these efficiencies. The analysis shows that it is currently projected that £8.444m (96%) will be achieved resulting in a net underachievement of £0.396m. Details for the in year efficiencies currently projected to not be achieved in full are shown in appendix 3.

Status of Efficiency	Value of Budgeted Efficiency £m	Value of Projected Efficiency £m	(Under) Over Achievement £m
Already Achieved	1.643	1.643	0.000
Expected to be Achieved in Full	5.211	5.211	0.000
Achievable in Part	1.936	1.590	(0.346)
Not Achievable	0.050	0.000	(0.050)
Total	8.840	8.444	(0.396)

- 3.06 It should be noted that a significant efficiency is included within the Functional VFM targets for the administrative support across the organisation. This is subject to further review and though currently assumed as achievable remains an additional risk.

Workforce Efficiencies

- 3.07 The 2014/15 budget also contains £3.1m of Workforce Efficiencies. As previously reported an initial Voluntary Redundancy Programme has now identified a number of efficiencies as part of its first phase and a second Voluntary Redundancy programme, which commenced on 1st September, is running alongside the next phase of the Management Review.
- 3.08 The table below details the efficiencies achieved to date against each phase of the Workforce Programme:

Workforce Phase	Efficiency Achieved (%)
Management Phase 1 (Tier 1 & 2)	79
Management Phase 2	25
Workforce Scale Review	41
Cost of Employment	Allocated to Portfolios

4.00 INFLATION

- 4.01 Included within the 2014/15 budget are provisions for pay (£1.316m), targeted price inflation (£0.590m), non standard inflation (£0.670m) and income (£0.151m).
- 4.02 The amounts for non standard inflation (Fuel, Energy and Food) will be held centrally and allocated out to portfolio areas only where a funding need is evidenced. It is currently assumed that all of the allocation will be required.

5.00 MONITORING BUDGET ASSUMPTIONS AND RISKS**Former Euticals Site**

- 5.01 As referred to in previous monitoring reports, tenders are due for the full decommissioning, decontamination and clearance of the former chemical site in Sandycroft (Euticals Ltd). The cost of this work will be significant due to the work involved in the removal of lower risk chemicals which remain. The tender will comprise of a variety of estimates from contractors with specialist experience of decommissioning chemical sites and it is likely that figures could be volatile due to the nature of the task and the risks involved. It is likely that this will fall beyond the in year budget management capability of the Council, and officers have again approached Welsh Government to fund the costs as part of its national contingency support for emergency situations. The monthly costs are in the region of £30k; this funding needs to be continued to ensure the ongoing security and maintenance of the site regardless of the position moving forward.

Winter Maintenance

- 5.02 Winter Maintenance is currently projected to outturn to budget. However, there is always a risk of adverse weather which could result in higher than expected activity which may increase the financial cost.

Council Tax

- 5.03 The efficiency reported on Revenues and Benefits may be subject to change due to the volatility of the Council Tax Reduction Scheme based on external factors such as seasonal trends and the local employment market. The Council Tax Collection Fund can reduce due to exemptions and discounts etc. which may fluctuate during the year; however the planned single person discount review is expected to increase levels in the last quarter of this financial year.

Potential legal claim

- 5.04 A claim is being pursued against the Council based on the actions of one of its employees. This is being handled by a specialist external expert due to its complexity. This could result in a potential claim against the Council, though as yet no proceedings have been issued. Further updates on this will be included in future monitoring reports.

Schools ICT Infrastructure

- 5.05 A balance of £0.220m was brought forward from 2013/14 for investment in Schools ICT infrastructure. The estimated cost of investment required is £0.500m and this has been ring-fenced within the budget. No commitment has

yet been made as to the options for providing School ICT therefore the amount may be subject to change.

6.00 UNEARMARKED RESERVES

- 6.01 The 2013/14 final outturn reported to Cabinet on 15 July 2014 showed unearmarked reserves at 31 March 2014 (above the base level of £5.834m) of £5.328m.
- 6.02 This position reflected a contribution of £0.745m made from reserves as part of an accounting adjustment for termination benefits arising from the workforce efficiencies for the Senior Management Phase 1 programme. As budget provision was made within the 2014/15 budget for this, this has now been transferred back into reserves in the current financial year.
- 6.03 Section 6.05 of the 2014/15 budget report outlined the investment strategy required to fund one off costs and transitional funding for efficiencies that could not be found in full in 2014/15. This identified a potential £3.7m available to fund these from the contingency reserve as well as utilising the Single Status/Equal Pay Reserve.
- 6.04 Currently it is estimated that £2.5m will be required from the Contingency Reserve to fund the one off costs in 2014/15.
- 6.05 The Month 2 Monitoring report to Cabinet on 15th July also advised members of an allocation of £0.696 from the contingency reserve to fund investment costs approved under delegated powers.
- 6.06 Taking into account all of the above and the current projected outturn at month 4, the projected balance on the contingency reserve at 31 March 2015 is £2.960m. This is summarised in Appendix 4.

7.00 HOUSING REVENUE ACCOUNT

- 7.01 On 18th February 2014 the Council approved a Housing Revenue Account (HRA) budget for 2014/15 of £29.886m. The budget provided for a closing balance of £0.956m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 7.02 The 2013/14 final outturn reported to Cabinet on 15th July 2014 showed a closing balance at the end of 2013/14 of £1.662m (subject to audit).
- 7.03 The position at Month 4 is reporting an overall projected underspend of £0.038m and a projected closing balance at Month 4 of £1.203m, which at 4% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 7.04 Appendix 5 details the reasons for significant variances
- 7.05 The HRA Garden Service is currently being reviewed and contracts amended meaning there will be additional costs for carrying out the service and reduced

income from tenants.

8.00 RECOMMENDATIONS

Members are recommended to :-

- a) Note the overall report.
- b) Note the projected Council Fund contingency sum as at 31st March 2015 (paragraph 6.06)
- c) Note the projected final level of balances on the Housing Revenue Account (paragraph 7.03)

9.00 FINANCIAL IMPLICATIONS

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

10.00 ANTI POVERTY IMPACT

10.01 None

11.00 ENVIRONMENTAL IMPACT

11.01 None

12.00 EQUALITIES IMPACT

12.01 None

13.00 PERSONNEL IMPLICATIONS

13.01 None

14.00 CONSULTATION REQUIRED

14.01 None

15.00 CONSULTATION UNDERTAKEN

15.01 None

16.00 APPENDICES

Council Fund – Movement in Variances from Month 3 – Appendix 1
Council Fund – Non pay variances – Appendix 2
Council Fund – Efficiencies not fully achieved – Appendix 3
Council Fund – Movements on unearmarked reserves – Appendix 4
Housing Revenue Account Variances – Appendix 5

BACKGROUND DOCUMENTS

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**COUNCIL FUND - REVENUE BUDGET 2014/15
FLINTSHIRE COUNTY COUNCIL**

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

	£m	£m
Month 3		
Portfolios	0.912	
Central and Corporate Finance	(0.309)	
Variance as per Cabinet Report		0.603
Month 4		
Portfolios	0.531	
Central and Corporate Finance	(0.550)	
Variance as per Directorate Returns		(0.019)
Change Requiring Explanation		(0.622)
<u>Social Services</u>		
Services For Adults		
• Localities (Locality Teams) - Domiciliary Care (+£0.159m) further increase in projected overspend due to increased demand, Residential Services (-£0.510m) -including additional property income (-£0.128m), reduced projection for residential care payments (-£0.382m). Other minor variances of +£0.067m.	(0.284)	
• Disability Services (Resource and Regulated Services) - Supported Living reduction due to movements of clients between in-house and independent sector provision	(0.052)	
• Disability Services (Vulnerable Adults and Disability Service) - a review of transition client costs has taken place. Due to the timing of transition clients entering this service full costs were not known until recently. The actual care costs are more than originally anticipated.	0.110	
• Mental Health Services (Residential & Domiciliary) - the reduction of underspend reflects the changes in package costs	0.083	
• Other minor changes of less than £0.025m for Services for Adults	0.021	
Subtotal: Services For Adults		(0.122)
Development & Resources		
• Good Health - WG grant income of -£0.063m not reflected at Month 3 plus other minor movements	(0.057)	
• Other minor changes of less than £0.025m	(0.006)	
Subtotal: Development & Resources		(0.063)
Services For Children		
• Other minor changes of less than £0.025m	(0.007)	
Subtotal: Services For Children		(0.007)
Total: Social Services		(0.192)

Community & Enterprise

Customer & Housing Services	
• Other minor changes of less than £0.025m	0.003
Subtotal: Revenues & Benefits	0.003
Supporting Services	
• Other minor changes of less than £0.025m	(0.019)
Subtotal: Revenues & Benefits	(0.019)
Regeneration	
• Other minor changes of less than £0.025m	(0.006)
Subtotal: Revenues & Benefits	(0.006)
Revenues & Benefits	
• Further increase on the anticipated surplus on the Council Tax Collection Fund	(0.156)
Subtotal: Revenues & Benefits	(0.156)
Customer Services	
• Transfer of postage budget and expenditure to Governance portfolio	(0.025)
• Other minor changes of less than £0.025m	(0.001)
Subtotal: Customer Services	(0.026)
Total: Community & Enterprise	(0.204)

Streetscene & Transportation Portfolio**Waste Services**

• Waste Services - increased due to additional costs of overtime and use of agency staff to cover vacancies	0.039	
• Other minor changes of less than £0.025m	(0.004)	
Subtotal: Waste Services		0.035

Transportation & Streetworks/Highways Services

• Highways Policy - increased income projections	(0.013)	
• Streetworks - increased income projections	(0.010)	
• Cemeteries / Environment crime - re-profiled commitments	(0.016)	
• Reducing contracts with Bus Operators providing subsidised services	(0.019)	
• Other minor changes of less than £0.025m	0.004	
Subtotal: Transportation & Streetworks/Highways Services		(0.054)

School Transport

• School Transport - re-profiled commitments	(0.017)	
• Other minor changes of less than £0.025m	0.000	
Subtotal: Transport		(0.017)

Total: Streetscene & Transportation**(0.036)****Planning & Environment Portfolio****Planning**

• Planning Fee Income levels increased	(0.028)	
• Other minor changes of less than £0.025m	0.006	
Subtotal: Planning		(0.022)

Public Protection

• Pest Control & Dog Wardens - re-profiled commitments	0.014	
• Other minor changes of less than £0.025m	0.010	
Subtotal: Public Protection		0.024

Energy Services and Highways/Public Rights of Way

• Landfill Energy - electric / gas - reduced sales	0.027	
• Other minor changes of less than £0.025m	0.008	
Subtotal: Energy Services and Highways/Public Rights of Way		0.035

Management & Performance

• Other minor changes of less than £0.025m	(0.009)	
Subtotal: Management & Performance		(0.009)

Greenfield Valley Heritage Park

• Other minor changes of less than £0.025m	0.005	
Subtotal: Greenfield Valley Heritage Park		0.005

Total: Planning & Environment**0.033**

Education & Youth

Inclusion Services	
• Other minor changes of less than £0.025m	0.005
• Out of County - minor variances	(0.031)
Subtotal: Inclusion Services	(0.026)
Access (School Planning & Provision)	
• School Planning - minor variances	(0.016)
• Other minor changes of less than £0.025m	(0.002)
Subtotal: Access (School Planning & Provision)	(0.018)
21st Century Schools	
• Other minor changes of less than £0.025m	0.001
Subtotal: 21st Century Schools	0.001
Youth Services (minor variances of less than £0.025m)	
• Adult & Community Education - minor variances	0.002
• Youth Justice Service - minor variances	0.001
• Children Youth Partnership - minor variances	(0.003)
• Children & Young Peoples Partnership - minor variances	(0.001)
• Youth & Community Service - minor variances	(0.009)
Subtotal: Youth Services	(0.010)
Commissioning & Performance	
• Other minor changes of less than £0.025m	(0.006)
Subtotal: Commissioning & Performance	(0.006)
School Management & Information	
• Other minor changes of less than £0.025m	(0.003)
Subtotal: School Management & Information	(0.003)
Total: Education & Youth	(0.062)

People & Resources

HR & OD	
• Other minor changes of less than £0.025m	0.016
Subtotal: HR & OD	0.016
Corporate Finance	
• Other minor changes of less than £0.025m	0.000
Subtotal: Corporate Finance	0.000
Total: People & Resources	0.016

Governance

Minor variances of less than £0.025m	
• Legal Services	0.002
• Democratic Services	0.001
• Internal Audit	0.002
• Records Management	0.009
Total minor variances of less than £0.025m	0.014
Support Services	
• Transfer of postage budget and expenditure from Community & Enterprise portfolio	0.025
Subtotal: Support Services	0.025
Information Communication Technology	
• Increased demand on packaged software	0.025
Subtotal: Information Communication Technology	0.025
Total: Governance	0.064

Organisational Change

Minor variances of less than £0.025m	
• Public Libraries & Arts, Culture & Events	0.006
• Museums Service	(0.001)
• Community Assets	0.002
• Property Design & Consultancy	(0.002)
• Facilities	(0.013)
Total minor variances of less than £0.025m	(0.008)
Valuation & Estates	
• Property Asset & Development - reduced commitments in Specialist Services	(0.011)
• Other minor changes of less than £0.025m	(0.005)
Subtotal: Valuation & Estates	(0.016)
Total: Organisational Change	(0.024)

Chief Executive

• Other minor changes of less than £0.025m	0.024
Total: Chief Executive	0.024

Central & Corporate Finance

• Central Loans & Investments - Prudential Borrowing repayments interest charged, & uncertainty in year end forecasting	(0.300)
• Strike Deductions	(0.165)
• External Audit Fees - One off rebate in relation to historical Audit Fees	(0.072)
• Euticals - Unbudgeted costs in relation to former Euticals Ltd - Sandycroft site	0.286
• Other minor variances	0.01
Total: Central & Corporate Finance	(0.241)
Total Changes	(0.622)

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Social Services					
Social Services for Adults - Locality Teams (Localities)	14.296	14.700	0.404	0.688	There is a major demand influenced pressure on the Domiciliary Care service within Localities teams. Key demand led influences include clients returning to the service following successful past reablement, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The significant projected overspend is being offset by a projected underspend of £0.476m on residential care, which includes £0.399m increase in the level of property related income and £0.077m reduced expenditure on payments to providers.
Social Services for Adults - Resource and Regulated Services (Disability Services)	15.464	15.714	0.250	0.302	Learning Disabilities - The main influence on this projected overspend is a pressure of £0.179m on independent sector Supported Living, of which £0.110m relates to placement of two clients directly from college in a property with no additional budget provided from Transition. The remainder of the projected overspend relates to void charges due to empty spaces in properties. There is also a net projected overspend of £0.059m on Physical Disability & Sensory Impairment (PDSI) services which is made up of a projected overspend of £0.279m on direct payments, which is offset by a projected underspend of £0.220m on long term residential and nursing placements. An overspend of £0.012m is due to minor variances.

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Social Services for Adults - Transition and Disability Services (Disability Services)	0.635	0.702	0.067	0.075	The projected overspend is mainly due to the unbudgeted cost of the support arrangements provided by Penderels in respect of direct payments. This accounts for £0.065m of the total projected overspend of £0.067m.
Social Services for Adults - Vulnerable Adults and Disability Services (Disability Services)	2.275	2.197	(0.078)	(0.188)	The underspend is due to additional budget of £0.280m to meet the costs of clients from transition which, based on current placements isn't as yet fully utilised however this budget may still be needed to meet ongoing demand.
Social Services for Adults - Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.835	0.655	(0.180)	(0.263)	This underspend is based on current care packages. An additional £0.156m budget has been added to this area in 2014/15 to reflect additional transition clients.
Social Services for Adults - Forensic Budget (Mental Health & Substance Misuse Service)	-0.310	0.180	(0.130)	(0.148)	Reflects current care packages for 2014/15.

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Social Services for Adults - Forensic Budget (Learning Disability)	0.507	0.564	0.057	0.054	Reflects current care packages for 2014/15.
Social Services for Adults - Other Services for Adults variances (aggregate)	10.985	10.987	0.002	(0.006)	Various minor variances.
Development & Resources	1.161	0.969	(0.192)	(0.129)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £50 per week to £55 per week.
Social Services for Children	12.488	12.742	0.254	0.261	An overspend (£0.153m) is a result of an increase in the level of boarded out payments for Foster care placements within the service. Costs need to be made due to the demand of the service. (£0.142m) overspend due to increased direct payment for Children's Integrated Disability Services (CIDS) and cost of placements within the leaving care service. (£0.041m) underspend due to other minor variances.
Total Social Services	58.956	59.410	0.454	0.646	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Community & Enterprise					
Customer & Housing Services	1.100	1.154	0.054	0.051	An overspend (£0.074m) is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. (£0.020m) underspend due to other minor variances.
Supporting People	0.534	0.582	0.048	0.067	Projected overspend (£0.018m) against mileage costs. Projected overspend (£0.015m) on the Maintenance Contract due to insufficient budget to meet renewed contract. (£0.015m) overspend due to other minor variances.
Regeneration	0.548	0.557	0.009	0.015	Minor Variance
Revenues & Benefits	11.277	10.877	(0.400)	(0.244)	Underspend due to an anticipated surplus on the Council Tax Collection Fund (£0.246m). Projected underspend of £0.169m on the budgeted provision for the Council Tax Reduction Scheme based on current position. This underspend on this area is volatile and can be subject to change later in the year. £0.015m pressure due to minor variances.
Customer Services	0.658	0.658	0.000	0.026	No Variance
Total Community & Enterprise	14.117	13.828	(0.289)	(0.085)	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Streetscene & Transportation					
Waste Services	19.096	19.374	0.278	0.243	There are a number of vacant posts within the Waste Service that are currently required to be covered by Agency or additional overtime to maintain service delivery (£0.099m). (£0.085m) overspend due to other variances. Knight Owl Security cost of Alarm / Security Provision at Alltami Depot (£0.044m). £0.050m minor variances.
Transportation & Streetworks/ Highways Services	3.225	3.232	0.007	0.061	Transportation underspend (£0.045m) Bus Subsidy payments to Bus Operators commitment reduced based on decreasing contract levels. Street Works overspend (£0.039m) Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures. Other (£0.013m).
School Transport	6.052	6.024	(0.028)	(0.011)	Minor Variance
Total Streetscene & Transportation	28.373	28.630	0.257	0.293	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Planning & Environment Planning	1.317	1.220	(0.097)	(0.075)	Higher than expected levels of Planning Fee Income in the first quarter of 14/15, have contributed to the favourable variance. These levels will be closely monitored during the year.
Public Protection	2.593	2.614	0.021	(0.003)	Minor Variance
Energy Services and Highways/Public Rights of Way	0.727	0.804	0.077	0.042	The overspend is due to projected costs for external contractors / hired plant for Public Rights of Way Works (£0.037m) and Reduced level of income from Gas Engines (£0.044m). An underspend (£0.004m) is due to minor variances.
Management & Performance	0.640	0.639	(0.001)	0.008	Minor Variance
Greenfield Valley & Heritage Park	0.284	0.284	0.000	(0.005)	Minor Variance
Total Planning & Environment	5.561	5.561	0.000	(0.033)	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Education & Youth					
Primary & Early Years Education	44.154	44.154	0.000	0.000	No Variance
Secondary, 14 -19 & Continuing Education	36.757	36.767	0.010	0.010	Minor Variance
Inclusion Services	12.866	12.754	(0.112)	(0.086)	£0.110m relates to a projected saving on Out of County Placements. This is a volatile budget and one additional placement can make a significant change to projections. An underspend of £0.002m is due to minor variances.
Access (School Planning & Provision)	0.711	0.680	(0.031)	(0.013)	Minor Variance
21st Century Schools	0.082	0.083	0.001	0.000	Minor Variance
Youth Services	1.597	1.596	(0.001)	0.009	Minor Variance
Commissioning & Performance	-0.162	0.135	(0.027)	(0.021)	Minor Variance
School Management & Information	0.204	0.205	0.001	0.004	Minor Variance
North East Wales School Library Service	0.000	0.000	0.000	0.000	Minor Variance

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Total Education & Youth	96.533	96.374	(0.159)	(0.097)	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
People & Resources					
HR&OD	2.307	2.333	0.026	0.010	Minor Variances
Corporate Finance	2.703	2.708	0.005	0.005	Minor Variances
Total People & Resources	5.010	5.041	0.031	0.015	
Governance					
Legal Services	0.792	0.905	0.113	0.111	£0.131m pressure due to Litigation around local land charges. Underspend due to other minor variances £0.018m.
Democratic Services	2.092	2.086	(0.006)	(0.007)	Minor Variances
Internal Audit	0.504	0.500	(0.004)	(0.006)	Minor Variances
Procurement	0.192	0.192	0.000	0.000	No Variance
Support Services	0.458	0.483	0.025	0.000	Minor Variances
Records Management	0.156	0.165	0.009	0.000	Minor Variances
ICT	4.254	4.350	0.096	0.071	Pressure of £0.040m due to Oracle Licence Management review. Overspend on Packaged Software due to increased demand on the service (£0.069m). £0.013m efficiency due to other minor variances.
Total Governance	8.448	8.681	0.233	0.169	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Organisational Change					
Public Libraries & Arts, Culture & Events	1.891	1.881	(0.010)	(0.016)	Minor Variance
Museums Service	0.062	0.057	(0.005)	(0.004)	Minor Variance
County Archives	0.261	0.261	0.000	0.000	No Variance
Leisure Services	3.537	3.573	0.036	0.036	£0.023m relates to pressure caused by the delay between Single Status implementation and the implementation of the Leisure Services review. £0.011m relates to pay protection for two members of the team who have successfully been redeployed within the service as part of the review therefore avoiding exit costs. The remaining £0.002m relates to minor variances.
Community Assets	0.057	0.054	(0.003)	(0.005)	Minor Variance
Valuations & Estates	(0.718)	(0.801)	(0.083)	(0.067)	Agricultural Estates underspend £0.058m- Following a review of Grazing Licences, income increased substantially in year. Proposal for sale of Farms currently delayed - therefore Rental Income projections encompass a full schedule. Property Holdings underspend £0.033m - Rental income from new lease. An overspend of £0.008m relates to minor variances.
Property Design & Consultancy	3.054	3.086	0.032	0.034	Cost of utilities projected at 13/14 levels £0.032m.

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Engineering Services	(0.140)	(0.136)	0.004	0.004	Minor Variance
Facilities Services	1.494	1.493	(0.001)	0.012	Minor Variance
Total Organisational Change	9.498	9.468	(0.030)	(0.006)	

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Chief Executives					
Chief Executives	3.380	3.414	0.034	0.010	Minor Variances
Total Chief Executives	3.380	3.414	0.034	0.010	
Central & Corporate Finance					
Central & Corporate Finance	25.300	24.750	(0.550)	(0.309)	Central Loans and investment £0.300m projected year end underspend, however this can be affected by many factors such as uncertainties regarding HRA subsidy reform, accounting practice regarding interest apportionment, impact of future investment programme and the level of future reserves and borrowing requirements. Strike deductions (£0.165m) is one off income. Corporate Windfall Income (£0.108m), this is in relation to additional Non Domestic Rate revaluations, which are one-off. (£0.301m) within the budget for Pension Fund Contribution, requires realignment to pay as part of Single Status Accounting to be undertaken later in the year. Underspend (£0.005m) due to minor variances. One off rebate of historical audit fees, (£0.072m). £0.401 - One off time limited costs in relation to former Euticals Ltd - Sandycroft site.
Total Central & Corporate Finance	25.300	24.750	(0.550)	(0.309)	
TOTAL	255.176	255.157	(0.019)	0.603	

EFFICIENCY NOT ACHIEVABLE			
Portfolio	Efficiency Description	Efficiency not achieved (£m)	Reason for efficiency not being achieved
Streetscene & Transportation	Streetscene - North Wales Trunk Road Association Financial benefit from involvement with the NE Wales Trunk Road Hub.	0.050	Ministerial announcement re: the future of the Trunk Road Management arrangements has stalled the project.
Total		0.050	

EFFICIENCY ACHIEVABLE IN PART			
Portfolio	Efficiency Description	Efficiency not achieved (£m)	Reason for efficiency not being achieved
Social Services	LD - Short Term Care - Rightsizing project worker staffing levels	0.013	Care Packages being reviewed ongoing, projected end date of reviews is April 2015.
Social Services	LD - Enhanced Community Residential Services - Rightsizing 4 supported living houses	0.023	ECRS Reviews being reviewed as part of the Rightsizing.
Social Services	Community Living - Transition	0.100	Currently projected to be a shortfall of circa £0.100m.
Streetscene & Transportation	Streetscene & Transportation - Highways Related Services - the ongoing diagnostic of the two service areas will make recommendations on synergies	0.140	Savings subject to completion of the Service Review by 1 January 2015.
Education & Youth	Inclusion Services -Securing early, local and effective intervention for vulnerable children and young people through increasing locality working and school autonomy	0.070	We anticipate that the £0.070m relating to delegation of the TA support budget to schools will be affected by the delay in implementation. Full year efficiency is expected to be achieved in 2015/16.
Total		0.346	

APPENDIX 4

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2014	11.161	
Less - Base Level (inclusive of reduction of £0.065m agreed as part of the 2014/15 budget)	(5.769)	
Total Reserves above base level		5.392
Less – estimate required from the amount approved as part of Investment strategy as per budget 2014/15 report		(2.500)
Add – Contribution from investment costs for termination benefits accounted for in 2013/14		0.745
Less - Amount approved under delegated powers reported in July 2014 monitoring report		(0.696)
Amount available for delegation to Cabinet		2.941
Add projected non pay underspend as at Month 4		0.019
Total projected Contingency Reserve as at 31st March 2015		2.960

HRA Major Variance Report - Period 4

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance
Rents	(27.713)	(27.669)	0.044	0.054	Garage income is lower than anticipated due to high void rates.
General Income	(0.734)	(0.651)	0.083	(0.012)	Garden Service has been reviewed and contract amended to take in to account issues experienced by tenants, therefore resulting in a reduced income of £95k.
Landlord Services	0.830	0.913	0.083	0.035	Garden service costs are expected to rise by £55k due to the service review. Repairs & Maintenance costs on general HRA buildings/lifts etc forecast at last years outturn being £38k more than budget.
Vacancy Savings	0.236	0.000	(0.236)	0.000	Vacancy savings due to posts not yet being filled. Once posts are recruited to this budget will be used to fund the post for the remainder of the year.
Other variances (aggregate)	26.216	26.204	(0.012)	(0.039)	
Total :	(1.165)	(1.203)	(0.038)	0.038	

