

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 18 NOVEMBER 2014**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 5)**

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 5 and projected forward to year-end based on the most up to date information available.

INDEX OF CONTENTS

1.02	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

- 2.01 The projected year end position, as estimated at Month 5 is as follows:

Council Fund

- Net in year non pay expenditure forecast to be £0.608m 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 £3.549m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.044m less than budget.
- Projected closing balance as at 31 March 2015 of £1.210m

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 previously reported, 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. This work is nearing completion and portfolios will be allocated their revised workforce budgets imminently.
- 3.03 The table below shows projected in year non pay expenditure to be £0.608m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
				Month 4	Month 5
				£m	£m
Social Services	59.889	58.956	59.518	0.454	0.562
Community & Enterprise	14.368	14.117	13.663	(0.289)	(0.454)
Streetscene & Transportation	28.381	28.342	28.630	0.257	0.288
Planning & Environment	6.394	5.546	5.508	0.000	(0.038)
Education & Youth	97.167	96.244	96.048	(0.159)	(0.196)
People & Resources	5.395	5.010	5.041	0.031	0.031
Governance	8.821	8.448	8.667	0.233	0.219
Organisational Change	9.738	9.498	9.543	(0.030)	0.045
Chief Executive	2.160	3.380	3.415	0.034	0.035
Central & Corporate Finance	22.863	25.635	24.746	(0.550)	(1.100)
Total	255.176	255.176	254.779	(0.019)	(0.608)

The reasons for all movements from Month 4 are summarised in appendix 1 with the projected variances occurring for the year to date summarised within appendix 2.

- 3.04 To maximise the in-year position a cost control exercise has recently been undertaken to identify areas where non essential spend can either be stopped or slowed down. The budget movements between portfolios from month 4 to month 5 reflect the outcome of this work to date whereby the efficiencies made will be held centrally. The budget for Central & Corporate Finance has increased by £0.335m with corresponding decreases in the budget for Education and Youth (£0.290m), Streetscene & Transportation (£0.030) and Planning & Environment (£0.015m).

Programme of Efficiencies

Corporate and Functional Efficiencies

- 3.05 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.
- 3.06 The table below summarises the latest position for the achievement of these efficiencies. The analysis shows that it is currently projected that £8.627m (98%) will be achieved resulting in a net underachievement of £0.213m. This has improved when compared with month 4, showing an increase of £0.183m in the value of projected efficiencies. 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	6.449	6.449	0.000
Achievable in Part	0.698	0.535	(0.163)
Not Achievable	0.050	0.000	(0.050)
Total	8.840	8.627	(0.213)

- 3.07 It should be noted that a significant efficiency is included within the Functional VFM targets for administrative support across the organisation, which is currently assumed as achievable. However, as there is still an amount of £1.1m to be identified in-year, there is a significant risk that these efficiencies will not be met within the current financial year, although a review of all council vacancies, being done in conjunction with the single status rebasing work, is expected to contribute to achieving this efficiency in 2014/15. Further work has commenced which will see single administrative teams within each portfolio. Whilst it is assumed this will achieve 10% efficiencies over the next two years, the effect will not impact until 2015/16 onwards; full details will be reported in future monitoring reports.

Workforce Efficiencies

- 3.08 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.

- 3.09 There is currently £1.7m of efficiencies still to be achieved and we are working through the second phase of the Voluntary Redundancy Programme to assess the financial impact of the redundancy applications. This work will be undertaken alongside an organisational review of vacant positions which will enable the council to identify any efficiencies to offset the shortfall.

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

5.01 Existing risks;

- Out of County Placements – due to volatility and unpredictable nature of service costs.
- Deprivation of Liberty Assessments (DoLs) – potential risk due to additional responsibilities of Local Authorities.
- Professional Support (Leaving Care) – due to demand led nature of the service and ongoing impact of the Southwark case.
- Former Euticals Site – risk relates to the cost of full decommissioning, decontamination and clearance of the former chemical site in Sandycroft.
- Single Persons Discount (SPD) Review – relates to a review which will take place during October, it has been predicted the number of SPD claims will be

reduced.

- Schools ICT Infrastructure – due to potential change to delivery of ICT in schools.
- Winter Maintenance – due to potential for adverse weather conditions.
- Council Tax – relates to the volatility of the Council Tax Reduction Scheme and collection rates.
- Single Status – relates to the complexity and scale of rebasing workforce budgets.

5.02 **Changes to previously reported risks**

- Land Charges Litigation – A settlement has been agreed on this and the financial impact is currently reported within the Governance Portfolio.
- Outcome Agreement Grant – communication has been received from Welsh Government stating that a recommendation will be made to the Minister that this grant should be awarded in full.

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 5, the projected balance on the contingency reserve at 31 March 2015 is £3.549m. 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 5 is reporting an overall projected underspend of £0.045m and a projected closing balance at Month 5 of £1.210m, 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

- 8.01 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 4 – 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

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

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



**Budget Monitoring (Month 5)
Summary of Movement from Month 4**

	£m	£m
Month 4		
Portfolios	0.531	
Central and Corporate Finance	(0.550)	
Variance as per Cabinet Report		(0.019)
Month 5		
Portfolios	0.492	
Central and Corporate Finance	(1.100)	
Variance as per Directorate Returns		(0.608)
Change Requiring Explanation		(0.589)
<u>Social Services</u>		
Services For Adults		
• Localities (Locality Teams) - Residential Services (+£0.119m) the movement is due to a backlog of residential care clients who were awaiting financial assessment bringing an increase in residential care cost to the service. Elderly Mentally Infirm (EMI) (-£0.045m) - a large joint funded domiciliary package was reviewed and funding stopped, reducing care cost. Other minor variances of less than £0.025m, net impact of -£0.002m.	0.072	
• Disability Services (Resource and Regulated Services) - LD supported Living - In-House (-£0.089m) - use of deleted posts to meet budgeted efficiency proposal arising from service review. LD Supported Living - Independent Sector (-£0.090m) -reduction of commitments following critical review of latest activity. PDSI - reduced domiciliary care & direct payments (-£0.057m) - due to changes in costs of care packages. Other minor variances of less than £0.025m, net impact of -£0.024m.	(0.260)	
• 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.	0.095	
• Mental Health Services (Residential & Domiciliary) - Changes in two care packages causing variance.	0.079	
• Other minor changes of less than £0.025m for Services for Adults.	0.044	
Subtotal: Services For Adults		0.030
Development & Resources		
• Business Services - Income charging policy cap increased from £50 to £55 plus impact of changes in charging client base.	(0.037)	
• Other minor changes of less than £0.025m	0.012	
Subtotal: Development & Resources		(0.025)
Services For Children		
• Childrens Services (Family Placements) - (£0.125m) Increased demand on foster care.	0.125	
• Professional Support (-£0.048m) - reduced commitments on leaving care.	(0.048)	
• Other minor changes of less than £0.026m	0.026	
Subtotal: Services For Children		0.103
Total: Social Services		0.108

Community & Enterprise

Customer & Housing Services	
• Estimated underspend on B&B placements	(0.111)
• Reduced pressure on Support Services recharge due to budget realignment	(0.043)
• Other minor changes of less than £0.025m	0.005
Subtotal: Customer & Housing Services	(0.149)
Supporting Services	
• Other minor changes of less than £0.025m	(0.011)
Subtotal: Supporting Services	(0.011)
Regeneration	
• Other minor changes of less than £0.025m	0.017
Subtotal: Regeneration	0.017
Revenues & Benefits	
• Underspend on CTRS	(0.033)
• Other minor changes of less than £0.025m	0.006
Subtotal: Revenues & Benefits	(0.027)
Customer Services	
• Other minor changes of less than £0.025m	0.005
Subtotal: Customer Services	0.005
Total: Community & Enterprise	(0.165)

Streetscene & Transportation Portfolio

Streetscene	
• Waste Services - loss of Trade Waste Income from Housing / increased cost of food waste tonnage.	0.046
• Other minor changes of less than £0.010m	0.001
Subtotal: Streetscene	0.047
Highways Strategy & Traffic Services	
• Highways Policy - increased income projections	(0.014)
• Other minor changes of less than £0.010m	(0.002)
Subtotal: Highways Strategy & Traffic Services	(0.016)
Environmental Enforcement & Bereavement Services	
• Other minor changes of less than £0.010m	0.000
Subtotal: Environmental Enforcement & Bereavement Services	0.000
Transportation	
• Reducing contracts with Bus Operators providing subsidised services	
• School Transport - re-profiled commitments	0.000
• Other minor changes of less than £0.010m	0.000
Subtotal: Transportation	0.000
Total: Streetscene & Transportation	0.031

Planning & Environment Portfolio

Planning	
• Other minor changes of less than £0.010m	0.007
Subtotal: Planning	0.007
Public Protection	
• Community Safety Grant - amended commitments and increase in Grant Income	(0.027)
• Pollution Control - Income from Pest Control FPNs	(0.006)
• Other minor changes of less than £0.010m	(0.008)
Subtotal: Public Protection	(0.041)
Highways/Energy	
• Other minor changes of less than £0.010m	(0.007)
Subtotal: Energy Services and Highways/Public Rights of Way	(0.007)
Management & Performance	
• Other minor changes of less than £0.010m	0.003
Subtotal: Management & Performance	0.003
Greenfield Valley Heritage Park	
• Other minor changes of less than £0.010m	0.000
Subtotal: Greenfield Valley Heritage Park	0.000
Total: Planning & Environment	(0.038)

Education & Youth

Primary & Early Years Education		
• Primary Schools - minor variances	0.000	
Subtotal: Primary & Early Years Education		0.000
Secondary, 14-19 & Continuing Education		
• Secondary Schools - Minor variances	0.000	
• Regional Services - minor variances	0.000	
Subtotal: Secondary, 14-19 & Continuing Education		0.000
Inclusion Services		
• Inclusion & Behaviour Support - minor variances	(0.039)	
• Out of County - minor variances	0.010	
Subtotal: Inclusion Services		(0.029)
Access (School Planning & Provision)		
• School Planning - minor variances	0.000	
• School Provision - minor variances	(0.001)	
Subtotal: Access (School Planning & Provision)		(0.001)
21st Century Schools		
• Other minor changes of less than £0.025m	0.000	
Subtotal: 21st Century Schools		0.000
Youth Services (minor variances of less than £0.025m)		
• Adult & Community Education - minor variances	0.000	
• Youth Justice Service - minor variances	0.000	
• Children Youth Partnership - minor variances	0.000	
• Children & Young Peoples Partnership - minor variances	0.000	
• Youth & Community Service - minor variances	(0.007)	
Subtotal: Youth Services		(0.007)
Commissioning & Performance		
• Other minor changes of less than £0.025m	0.000	
Subtotal: Commissioning & Performance		0.000
School Management & Information		
• Other minor changes of less than £0.025m	0.000	
Subtotal: School Management & Information		0.000
Total: Education & Youth		(0.037)

People & Resources

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

Governance

Minor variances of less than £0.025m	
• Information Communication Technology	0.006
• Internal Audit	0.002
• Records Management	0.000
Subtotal: Minor variances of less than £0.025m	0.008
Legal Services	
• Legal Services - There has been a reduction in the amount of Staff Recharge from Benefit Fraud (£0.016m) and Waste Partnership (£0.011m). Reduction in Motion Picture Licenses income (£0.011m). Minor variances (£0.002m).	0.040
Subtotal: Legal Services	0.040
Democratic Services	
• Members allowances outturn reduced to accurately reflect current expenditure trend (£0.061m). Minor variances (£0.001m).	(0.062)
Subtotal: Democratic Services	(0.062)
Total: Governance	(0.014)

Organisational Change

Minor variances of less than £0.025m	
• Public Libraries & Arts, Culture & Events	(0.001)
• Museums Service	0.004
• Leisure Services	(0.002)
• Community Assets	0.000
• Property Design & Consultancy	(0.007)
• Facilities	0.009
Subtotal: Minor variances of less than £0.025m	0.003
Valuation & Estates	
• The projection for Valuations & Estates has increased by £0.72m since period 4. £0.83m relates to vacancy savings which were previously reported but will now be reflected Corporately against the workforce efficiency targets. The remainder relates to minor variances.	0.072
Subtotal: Valuation & Estates	0.072
Total: Organisational Change	0.075

Chief Executive

• Other minor changes of less than £0.025m	0.001
Total: Chief Executive	0.001

Central & Corporate Finance

• Additional Corporate Windfall Income (British Gas / NDR Refunds)	(0.017)
• Carbon Reduction Commitment	0.012
• Identified one-off savings through cost control exercise due to Reallocation of Foundation Phase Grant to Early Entitlement Cover (£0.265m) and expenditure controls on Youth Services (£0.025m) within Education & Youth. Reduced bus operator contracts (£0.030m) within Streetscene & Transportation and additional income (£0.015m) for planning policy advice to Denbighshire County Council.	(0.335)
• In year reductions considered to be achievable as a result of the cost control exercise within Community & Enterprise (£0.157m) and Organisational Change (£0.054m).	(0.211)
• Other minor variances	0.001
Total: Central & Corporate Finance	(0.550)

Total Changes**(0.589)**

MONTH 5 - 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	14.772	0.476	0.404	There is a major demand influenced pressure of £0.865m 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 £0.357m on residential care, which includes a £0.399m increase in the level of property related income offset by £0.042m increased expenditure on payments to providers. An underspend of £0.032m is due to minor variances.
Social Services for Adults - Transition and Disability Services (Disability Services)	0.635	0.702	0.067	0.067	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 - Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.835	0.734	(0.101)	(0.180)	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.

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Social Services for Adults - Forensic Budget (Mental Health & Substance Misuse Service)	0.310	0.182	(0.128)	(0.130)	Reflects current care packages for 2014/15. Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts. The possibility of re-aligning budget between the two services has been considered and dismissed for now as there are early indications of additional Mental Health clients although at this stage potential costs or start dates are unknown.
Social Services for Adults - Other Services for Adults variances (aggregate)	29.232	29.340	0.108	0.231	Various minor variances.
Business Services Income	(1.573)	(1.796)	(0.223)	(0.186)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £50 per week to £55 per week.
Other Development & Resources variances (aggregate)	2.734	2.740	0.006	(0.006)	Various minor variances.

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Family Placement (Children's Services)	2.227	2.505	0.278	0.153	The overspend is mainly (£0.261m) as a result of an increase in the number of foster care placements within the service. It is also due to the increasing number of court orders for Residence and Special Guardianship orders (£0.017m) which invariably attract an ongoing allowance for the carers. A review of the Family Placement Team has been undertaken the outcome of which is being considered and will inform future planning and possible efficiencies.
Professional Support (Children's Services)	5.341	5.435	0.094	0.142	This projected overspend is due mainly to increased direct payments of £0.135m for Children's Integrated Disability Services (CIDS) and cost of placements within the leaving care service £0.145m. These pressures are offset by a saving of £0.144m against general contingencies. Other underspends netting to £0.042m are due to minor variances.
Other Services for Children variances (aggregate)	4.919	4.904	(0.015)	(0.041)	Various minor variances.
Total Social Services	58.956	59.518	0.562	0.454	

MONTH 5 - 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	1.004	(0.096)	0.054	An overspend (£0.031m) is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. Estimated underspend (£0.111m) based on re-evaluation of B&B accommodation projections. (£0.016m) underspend due to other minor variances.
Supporting People	0.534	0.570	0.036	0.048	Projected overspend (£0.018m) against mileage costs. Overspend (£0.015m) on the Maintenance Contract due to insufficient budget to meet renewed contract. Minor variances (£0.003m) overspend.
Regeneration	0.548	0.575	0.027	0.009	Pressure (£0.043m) projected in respect of Agency costs. (£0.016m) underspend due to other minor variances.
Revenues & Benefits	11.277	10.851	(0.426)	(0.400)	Underspend due to an anticipated surplus on the Council Tax Collection Fund (£0.246m). Projected underspend (£0.201m) on the budgeted provision for the Council Tax Reduction Scheme based on current position. The underspend on this area is volatile and can be subject to change later in the year. (£0.021m) pressure due to minor variances.
Customer Services	0.658	0.663	0.005	0.000	Minor Variances
Total Community & Enterprise	14.117	13.663	(0.454)	(0.289)	

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Streetscene & Transportation					
Waste Disposal & Waste Collection	6.610	6.806	0.196	0.149	Additional costs of overtime and use of Agency personnel due to high number of vacancies to maintain the necessary service provision. At period 05 loss of Trade Waste Income from Housing and increased cost of Food Waste tonnage.
Business & Strategy	1.965	1.999	0.034	0.044	Knight Owl Security cost of Alarm / Security Provision at Alltami Depot.
Highways Maintenance	1.343	1.361	0.018	0.023	Minor Variances
Streetlighting	1.178	1.172	(0.006)	(0.005)	Minor Variances
Transportation	1.405	1.359	(0.046)	(0.045)	Minor Variances
Streetworks	0.000	0.036	0.036	0.039	Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures.
Cemeteries	0.570	0.570	0.000	0.000	Projected costs of R & M at Kelsterton Cemetery at Period 3. Re-profiled commitments at Period 4 has improved the overall position.
Aggregate of other Variances	15.271	15.327	0.056	0.052	Minor Variances
Total Streetscene & Transportation	28.342	28.630	0.288	0.257	

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Planning & Environment					
Planning	1.302	1.212	(0.090)	(0.097)	Higher levels of Planning Fee income than expected (£0.101m). Planning Fee Income Levels will be closely monitored. £0.011m overspend due to minor variances.
Public Protection	2.593	2.573	(0.020)	0.021	SMAF Grant Income
Energy Services and Highways Development Control & Public Rights of Way (PROW)	0.727	0.796	0.069	0.077	Reduced level of income of £0.049m from Gas Engines. Projected costs of £0.025m for external contractors / hired plant for PROW Works. £0.005m underspend due to minor variances.
Management Support & Performance	0.640	0.643	0.003	(0.001)	Minor Variance
Greenfield Valley & Heritage Park	0.284	0.284	0.000	0.000	No Variance
Total Planning & Environment	5.546	5.508	(0.038)	0.000	

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Education & Youth					
Primary & Early Years Education	43.889	43.889	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	12.725	(0.141)	(0.112)	£0.100m 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. Education placements may change particularly during September. Detailed monitoring will continue. £0.041m minor variances.
Access (School Planning & Provision)	0.712	0.680	(0.032)	(0.031)	Minor Variance
21st Century Schools	0.082	0.083	0.001	0.001	Minor Variance
Youth Services	1.572	1.564	(0.008)	(0.001)	Increased expenditure controls. Minor variances.
Commissioning & Performance	0.162	0.135	(0.027)	(0.027)	Minor Variance
School Management & Information	0.204	0.205	0.001	0.001	Minor Variance

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
North East Wales School Library Service	0.000	0.000	0.000	0.000	No Variance
Total Education & Youth	96.244	96.048	(0.196)	(0.159)	
People & Resources					
HR&OD	2.307	2.333	0.026	0.026	Minor Variances
Corporate Finance	2.703	2.708	0.005	0.005	Minor Variances
Total People & Resources	5.010	5.041	0.031	0.031	

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Governance					
Legal Services	0.792	0.945	0.153	0.113	£0.131m pressure due to Litigation around local land charges. Overspend due to other minor variances (£0.022m).
Democratic Services	2.092	2.024	(0.068)	(0.006)	Underspend on member allowances (£0.061m). Underspend due to other minor variances (£0.007m).
Internal Audit	0.504	0.502	(0.002)	(0.004)	Minor Variances
Procurement	0.192	0.192	0.000	0.000	No Variance
Support Services	0.458	0.483	0.025	0.025	Minor Variances
Records Management	0.156	0.165	0.009	0.009	Minor Variances
ICT	4.254	4.356	0.102	0.096	Overspend due to Oracle Software Licence audit identifying use of wrong type of software (£0.040m). Overspend on Packaged Software due to increased demand on the service (£0.069m). Underspend due to other minor variances (£0.007m).
Total Governance	8.448	8.667	0.219	0.233	

MONTH 5 - 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	1.880	(0.011)	(0.010)	Minor Variance
Museums Service	0.062	0.061	(0.001)	(0.005)	Minor Variance
County Archives	0.261	0.261	0.000	0.000	No Variance
Leisure Services	3.537	3.571	0.034	0.036	The projected outturn for Leisure Services at this time is an overspend of £0.034m although the team is exploring every option to absorb this pressure. £0.023m relates to pressure caused by the delay between Single Status implementation and the implementation of the Leisure Services review. The planned efficiency was unachievable for one month between 1st June and 7th July. One twelfth of the £0.270m efficiency is therefore currently estimated as a budget pressure because the planned deleted positions remained in the structure until July. £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.
Community Assets	0.057	0.054	(0.003)	(0.003)	Minor Variance
Agricultural Estates	(0.718)	(0.729)	(0.011)	(0.083)	Minor Variance
Property Holdings	3.054	3.079	0.025	0.032	Minor Variance

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Industrial Units	(0.140)	(0.136)	0.004	0.004	Minor Variance
Facilities Services	1.494	1.502	0.008	(0.001)	Minor Variance
Total Organisational Change	9.498	9.543	0.045	(0.030)	
Chief Executives					
Chief Executives	3.380	3.415	0.035	0.034	Minor Variances
Total Chief Executives	3.380	3.415	0.035	0.034	

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance
Central & Corporate Finance					
Central & Corporate Finance	25.635	24.535	(1.100)	(0.550)	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 investing programme and the level of future reserves and borrowing requirements. Strike deductions (£0.160m) is one off income. Corporate Windfall Income (£0.124m), 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. Overspend (£0.002m) due to minor variances. One off rebate of historical audit fees, (£0.072m). £0.401m - One off time limited costs in relation to former Euticals Ltd - Sandycroft site. An underspend of £0.546m reflects the one off, in-year savings found through the cost control exercise.
Total Central & Corporate Finance	25.635	24.535	(1.100)	(0.550)	
TOTAL	255.176	254.568	(0.608)	(0.019)	

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 - Enhanced Community Residential Services - Rightsizing 4 supported living houses.	0.023	ECRS Reviews being reviewed as part of the Rightsizing.
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.
Total		0.163	

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 5		0.608
Total projected Contingency Reserve as at 31st March 2015		3.549

HRA Major Variance Report - Period 5

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Rents	(27.713)	(27.602)	0.111	0.044	Garage income is lower than anticipated due to high void rates.	
General Income	(0.734)	(0.650)	0.084	0.083	Garden Service has been reviewed and contract amended to take in to account issues experienced by tenants, therefore resulting in a reduced income of £96k.	
Landlord Services	0.830	0.915	0.085	0.083	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	0.249	0.000	(0.249)	(0.236)	Vacancy savings due to posts not yet being filled. Once posts are recruited, this budget will be used to fund the posts for the remainder of the year.	
Other variances (aggregate)	27.865	27.790	(0.075)	(0.012)		
Total :	0.497	0.453	(0.044)	(0.038)		

