

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 16 DECEMBER 2014**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 6)**

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

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2.00 EXECUTIVE SUMMARY

2.01 The projected year end position, as estimated at Month 6 is as follows:

Council Fund

- Net in year non pay expenditure forecast to be £0.881m 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 £3.822m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.027m less than budget.
- Projected closing balance as at 31 March 2015 of £1.193m

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. Revised workforce budgets have now been allocated to portfolio areas to meet the costs of their workforce establishment (base pay, allowances and vacancies) and are in the process of being compared to total projected staff costs to the end of March. The outcome of this work will be reflected in the month 7 report.

3.03 The table below shows projected in year non pay expenditure to be £0.881m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
				Month 5	Month 6
				£m	£m
Social Services	59.889	58.970	59.415	0.562	0.445
Community & Enterprise	14.368	14.036	13.554	(0.454)	(0.482)
Streetscene & Transportation	28.381	28.339	28.648	0.288	0.309
Planning & Environment	6.394	5.559	5.459	(0.038)	(0.100)
Education & Youth	97.167	96.237	96.150	(0.196)	(0.087)
People & Resources	5.395	4.975	5.013	0.031	0.038
Governance	8.821	8.389	8.650	0.219	0.261
Organisational Change	9.738	9.421	9.497	0.045	0.076
Chief Executive	2.160	3.408	3.421	0.035	0.013
Central & Corporate Finance	22.863	25.842	24.488	(1.100)	(1.354)
Total	255.176	255.176	254.295	(0.608)	(0.881)

3.04 The reasons for all movements from Month 5 are summarised in appendix 1 with the projected variances occurring for the year to date summarised within appendix 2.

3.05 Significant Budget Movement Between month 5 to month 6

There has been an increase in the Central and Corporate Finance budget of £0.207m over month 5 which is mainly due to the accounting treatment of agreed voluntary redundancies and the cost control review.

3.06 Programme of Efficiencies

Corporate and Functional Efficiencies

3.07 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.

3.08 The table below summarises the latest position for the achievement of these specific efficiency programmes. The analysis shows that it is currently projected that £8.597m (97%) will be achieved resulting in a net underachievement of £0.243m. This has decreased when compared with month 5, showing a reduction of £0.030m 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	6.099	0.000
Achievable in Part	0.698	0.855	(0.193)
Not Achievable	0.050	0.000	(0.050)
Total	8.840	8.597	(0.243)

3.09 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. An amount of £1.1m is to be identified and it is considered unlikely that these efficiencies will be met in full within the current financial year.

Workforce Efficiencies

3.10 The 2014/15 budget also contains £3.1m of Workforce Efficiencies. There is currently £1.7m of efficiencies still to be achieved against these targets. Further explanation will be given at the meeting.

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

3.11 As with the Corporate Administration Review above, work is nearing completion on assessing the financial impact of the first and second phases of the voluntary redundancy programme combined, and an organisational review of vacancies which will provide a clear position on the likely position to the end of the financial year.

3.12 The work referred to in 3.09 and 3.11 is being done in conjunction with a review of the investment costs included in the budget for workforce 'exit' costs and it is envisaged that any shortfall in the current financial year will be at least partly offset by a reduction in these related costs.

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.

- Workforce Efficiencies – due to the potential for non achievement of the amounts included for Corporate Administration and other Workforce.
- Single Status – relates to the complexity and scale of rebasing workforce budgets.

5.02 **Changes to previously reported risks**

- Outcome Agreement Grant – Welsh Government have advised that a recommendation has been 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 6, the projected balance on the contingency reserve at 31 March 2015 is £3.822m. 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 6 is reporting an overall projected underspend of £0.027m and a projected closing balance at Month 6 of £1.193m, which at 3.97% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 7.04 Appendix 5 details the reasons for significant variances

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)

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 APPENDICES 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 6)
Summary of Movement from Month 5**

	£m	£m
Month 5		
Portfolios	0.492	
Central and Corporate Finance	(1.100)	
Variance as per Cabinet Report		(0.608)
Month 6		
Portfolios	0.473	
Central and Corporate Finance	(1.354)	
Variance as per Directorate Returns		(0.881)
Change Requiring Explanation		(0.273)
<u>Social Services</u>		
Services For Adults		
• Localities (Locality Teams) - Residential Services (-£0.147m) the movement is due to an increased income projection for free nursing care from Health Board (-£0.183m), offset by an adverse movement of (+£0.080m) on property income, and a transfer of a client to Mental Health services (-£0.044m). Domiciliary Support (Services for Older People +£0.037m) - increase in projected spend for Direct Payments due to new clients, plus net impact of movements in other minor variances of +£0.007m.	(0.103)	
• Disability Services (Resources & Regulated Services) - Increased expenditure in respect of new college intake in Community Living Resource Panel & Transition, and increase in out of county care package costs. Small increases in costs across areas. Reduction in commitments following review of expenditure to date.	0.035	
• Mental Health Services (Residential & Domiciliary) - Additional £0.156m previous year pressure for transition costs, + £0.020m inflation alongside a £0.030m commitment to the Double Click Social Enterprise initiative.	0.071	
• Other minor changes of less than £0.025m for Services for Adults.	(0.083)	
Subtotal: Services For Adults		(0.080)
Development & Resources		
• Business Services - Income charging policy cap increased from £50 to £55 plus impact of changes in charging client base.	(0.016)	
• Good Health - Increased commitment for CHC Income (£0.054m).	(0.063)	
• Other minor changes of less than £0.025m	0.027	
Subtotal: Development & Resources		(0.052)
Services For Children		
• Prevention & Support - Underspend reduced due to increase in Southwark judgement related costs.	0.040	
• Other minor changes of less than £0.025m	(0.025)	
Subtotal: Services For Children		0.015
Total: Social Services		(0.117)

Community & Enterprise

Customer & Housing Services	
• Estimated underspend on B&B placements and Homeless Prevention Fund income	(0.015)
• Reduced pressure on Support Services recharge due to budget realignment	(0.004)
• Other minor changes of less than £0.025m	(0.002)
Subtotal: Customer & Housing Services	(0.021)
Supporting Services	
• Other minor changes of less than £0.025m	(0.003)
Subtotal: Supporting Services	(0.003)
Regeneration	
• Other minor changes of less than £0.025m	0.006
Subtotal: Regeneration	0.006
Revenues & Benefits	
• Underspend on CTRS	(0.009)
• Surplus on CTCF	(0.011)
Subtotal: Revenues & Benefits	(0.020)
Customer Services	
• Other minor changes of less than £0.025m	0.010
Subtotal: Customer Services	0.010
Total: Community & Enterprise	(0.028)

Streetscene & Transportation Portfolio

Streetscene	
• Other minor changes of less than £0.010m	0.008
Subtotal: Streetscene	<u>0.008</u>
Highways Strategy & Traffic Services	
• Other minor changes of less than £0.010m	0.009
Subtotal: Highways Strategy & Traffic Services	<u>0.009</u>
School Transport	
• Other minor changes of less than £0.010m	0.004
Subtotal: School Transport	<u>0.004</u>
Total: Streetscene & Transportation	<u><u>0.021</u></u>

Planning & Environment Portfolio

Planning	
• Other minor changes of less than £0.010m	0.015
Subtotal: Planning	<u>0.015</u>
Public Protection	
• Health Protection - Neighbourhood Wardens have relocated to County Hall causing a reduction in premises costs	(0.015)
• Other minor changes of less than £0.010m	0.001
Subtotal: Public Protection	<u>(0.014)</u>
Highways/Energy	
• Energy Services - reduction of commitments on Repair & Maintenance/Equipment Rental	(0.037)
• Highways Development Control & PROW - reduction of commitments on Sub Contractors and Materials Purchase	(0.008)
• Other minor changes of less than £0.010m	(0.009)
Subtotal: Energy Services and Highways/Public Rights of Way	<u>(0.054)</u>
Management & Performance	
• Other minor changes of less than £0.010m	(0.009)
Subtotal: Management & Performance	<u>(0.009)</u>
Total: Planning & Environment	<u><u>(0.062)</u></u>

Education & Youth

Inclusion Services	
• Inclusion & Behaviour Support - minor variances	0.024
• Out of County - 3 new placements	0.078
Subtotal: Inclusion Services	0.102
Access (School Planning & Provision)	
• School Planning - minor variances	0.016
• School Provision - minor variances	0.000
Subtotal: Access (School Planning & Provision)	0.016
Youth Services (minor variances of less than £0.025m)	
• Adult & Community Education - minor variances	(0.011)
• Children & Young Peoples Partnership - minor variances	0.005
Subtotal: Youth Services	(0.006)
Commissioning & Performance	
• Business Support - Minor variances	(0.004)
Subtotal: Commissioning & Performance	(0.004)
School Management & Information	
• Other minor changes of less than £0.025m	0.001
Subtotal: School Management & Information	0.001
Total: Education & Youth	0.109

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	(0.009)
Subtotal: Corporate Finance	(0.009)
Total: People & Resources	0.007

Governance

Minor variances of less than £0.025m	
• Legal Services	(0.001)
• Records Management	(0.004)
Subtotal: Minor variances of less than £0.025m	(0.005)
Democratic Services	
• Democratic Services - Budget has been transferred as part of cost control exercise (£0.031m) the associated underspend was reported in month 5. Minor variances have increased (£0.012m).	0.043
Subtotal: Democratic Services	0.043
Information Communication Technology	
• ICT - The outturn has been reduced as committed expenditure on packaged software has been transferred to the Procurement section (£0.059m). Minor Variances have increased (£0.003m).	(0.056)
Subtotal: Information Communication Technology	(0.056)
Procurement	
• Procurement - The outturn has increased as committed expenditure on packaged software has been transferred from the ICT service (£0.059m). Minor Variances have increased (£0.001m).	0.060
Subtotal: Procurement	0.060
Total: Governance	0.042

Organisational Change

Minor variances of less than £0.025m	
• Public Libraries & Arts, Culture & Events	0.001
• Leisure Services	0.004
• Valuations & Estates	0.015
• Property Design & Consultancy	(0.007)
• Engineering Services	(0.001)
• Facilities	0.019
Subtotal: Minor variances of less than £0.025m	0.031
Total: Organisational Change	0.031

Chief Executive

• Other minor changes of less than £0.025m	(0.022)
Total: Chief Executive	(0.022)

Central & Corporate Finance

• Additional Corporate Windfall Income (British Gas / NDR Refunds)	(0.110)
• Identified one-off savings through cost control exercise due to a reduction on commitments within Governance (£0.060m)	(0.060)
• Non-standard inflation no longer required (street lighting)	(0.087)
• Other minor variances	0.003
Total: Central & Corporate Finance	<hr/> (0.254) <hr/>
Total Changes	<hr/> (0.273) <hr/>

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Social Services						
Social Services for Adults - Locality Teams (Localities)	14.296	14.669	0.373	0.476	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 £0.505m 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. Various other minor variances amount to a net £0.013m.	Keep under review.
Social Services for Adults - Transition and Disability Services (Disability Services)	0.635	0.703	0.068	0.068	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 £0.068m.	Keep under review.
Social Services for Adults - Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.834	0.804	(0.030)	(0.101)	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.	Keep under review.
Social Services for Adults - Forensic Budget (Mental Health & Substance Misuse Service)	0.310	0.166	(0.144)	(0.128)	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.

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Social Services for Adults - Other Services for Adults variances (aggregate)	29.232	29.308	0.076	0.107	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services Income	(1.573)	(1.812)	(0.239)	(0.223)	Impact of an increase by Welsh Government in the level of the maximum charge cap from £50 per week to £55 per week.	Continue to monitor and review.
Good Health	0.902	0.833	(0.069)	(0.006)	Under spend influenced by increased commitment for CHC Income (54k).	Continue to monitor and review.
Other Development & Resources variances (aggregate)	1.846	1.885	0.039	0.012	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.487	0.260	0.278	The overspend (£0.260m) is mainly as a result of an increase in the number of foster care placements within the service. Part of this 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)	5.343	5.440	0.097	0.094	This projected overspend is due mainly to increased direct payments of £0.138m 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. Various other minor variances amount to a net £0.042m.	Keep under review.
Other Services for Children variances (aggregate)	4.918	4.932	0.014	(0.015)	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	58.970	59.415	0.445	0.562		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	1.093	0.977	(0.116)	(0.096)	An overspend (£0.027m) is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. Estimated underspend (£0.126m) based on reevaluation of B&B accommodation projections and Homeless Prevention Fund income. (£0.017m) underspend due to other minor variances.	Continue to monitor and review.
Supporting People	0.533	0.567	0.034	0.037	Projected overspend (£0.018m) against mileage costs. Projected overspend (£0.015m) on the Maintenance Contract due to insufficient budget to meet renewed contract. (£0.001m) overspend due to other minor variances.	Continue to monitor and review.
Regeneration	0.508	0.540	0.032	0.026	Pressure (£0.046m) projected in respect of Agency costs. (£0.014m) underspend due to other minor variances.	Continue to monitor and review.

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Revenues & Benefits	11.237	10.790	(0.447)	(0.426)	Underspend due to an anticipated surplus on the Council Tax Collection Fund (£0.257m). Projected underspend (£0.210m) 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. (£0.020m) pressure due to minor variances.	Continue to monitor and review.
Customer Services	0.665	0.680	0.015	0.005	Minor Variance.	Continue to review but not expected to be recurrent.
Total Community & Enterprise	14.036	13.554	(0.482)	(0.454)		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation						
Waste Disposal & Waste Collection	6.610	6.805	0.195	0.196	Additional costs of overtime and use of Agency personnel due to high number of vacancies to maintain the necessary service provision £149k. Loss of Trade Waste Income from Housing of £25k due to them renewing with a private contractor. Increased cost of Food Waste disposal of £21k due to the cost per tonne increasing.	Monitor Agency levels and staff vacancies in order to maintain optimum levels for continued service provision.
Business & Strategy	1.965	1.995	0.030	0.034	Knight Owl Security cost of Alarm / Security Provision at Alltami Depot.	Keep under review.
Fleet Operations & Logistics	4.192	4.231	0.039	0.030	Estimated shortfall in achieving fleet efficiencies of £30k from slightly delayed implementation of hire model proposals and purchase of Civica Licence Support & Maintenance at Period 6.	Continue to monitor and review.
Transportation	1.405	1.359	(0.046)	(0.045)	Bus Subsidy payments to Bus Operators. Expenditure commitment reduced based on decreasing contract levels.	Continue to monitor and review.
Streetworks	0.000	0.037	0.037	0.036	Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures.	Continue to monitor and review.
Aggregate of other Variances	14.167	14.221	0.054	0.037	Minor Variances.	Continue to review but not expected to be recurrent.
Total Streetscene & Transportation	28.339	28.648	0.309	0.288		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Planning	1.302	1.227	(0.075)	(0.090)	Higher levels of Planning Fee income than expected i.e. Solar Farm Planning Application. This has been offset slightly at Period 6 by additional Legal Fees in relation to Planning Appeals.	Planning Fee Income Levels will be closely monitored.
Public Protection	2.593	2.558	(0.035)	(0.020)	Additional Community Safety Grant Income of £20k compared to original projections. Premises commitments of £15k relating to the Neighbourhood Wardens relocation to County Hall have been removed at Period 6.	Continue to review but not expected to be recurrent.
Management Support & Performance	0.652	0.646	(0.006)	0.003	Minor Variance.	Continue to review but not expected to be recurrent.
Energy Services (including closed Landfill Sites and Electricity Generation)	0.040	0.052	0.012	0.049	At Period 6 the commitment challenge has been successful in reducing Repairs & Maintenance and Equipment Rental costs.	Monitor Income Generation Levels for Gas Engines.

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Public Rights of Way	0.380	0.382	0.002	0.026	At Period 6 the commitment challenge has been successful in reducing Sub Contractors and Materials Purchase costs.	Continue to review but not expected to be recurrent.
Aggregate of other Variances	0.307	0.309	0.002	(0.006)	Minor Variance.	Continue to review but not expected to be recurrent.
Greenfield Valley & Heritage Park	0.285	0.285	0.000	0.000	No Variance.	
Total Planning & Environment	5.559	5.459	(0.100)	(0.038)		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	43.889	43.889	0.000	0.000	Reallocation of Foundation Phase grant to Early Entitlement to cover the 10% teacher time. Further review of the delivery mechanisms of early entitlement advisory support is ongoing.	
Secondary, 14 - 19 & Continuing Education	36.757	36.767	0.010	0.010	Minor Variance.	Continue to review but not expected to be recurrent.
Inclusion Services	12.856	12.817	(0.039)	(0.141)	Minor Variance.	Education placements may change throughout the year. Detailed monitoring will continue.
Access (School Planning & Provision)	0.715	0.699	(0.016)	(0.032)	Minor Variance.	Continue to review but not expected to be recurrent.
21st Century Schools	0.082	0.083	0.001	0.001	Minor Variance.	Continue to review but not expected to be recurrent.
Youth Services	1.572	1.558	(0.014)	(0.008)	Increased expenditure controls. Minor variances.	Continue to review but not expected to be recurrent.
Commissioning & Performance	0.162	0.131	(0.031)	(0.027)	Minor Variance.	Continue to review but not expected to be recurrent.

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
School Management & Information	0.204	0.206	0.002	0.001	Minor Variance.	Continue to review but not expected to be recurrent.
North East Wales School Library Service	0.000	0.000	0.000	0.000	No Variance.	
Total Education & Youth	96.237	96.150	(0.087)	(0.196)		
People & Resources						
HR&OD	2.307	2.349	0.042	0.026	Minor Variances.	Continue to review but not expected to be recurrent.
Corporate Finance	2.668	2.664	(0.004)	0.005	Minor Variances.	Continue to review but not expected to be recurrent.
Total People & Resources	4.975	5.013	0.038	0.031		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Governance						
Legal Services	0.792	0.944	0.152	0.153	£0.131m pressure due to Litigation around local land charges. Overspend due to other minor variances (£0.021m).	Litigation around land charges is a one off non recurring cost for this financial year.
Democratic Services	2.061	2.036	(0.025)	(0.068)	Minor Variances.	Continue to review but not expected to be recurrent.
Internal Audit	0.504	0.502	(0.002)	(0.002)	Minor Variances.	Continue to review but not expected to be recurrent.
Procurement	0.192	0.252	0.060	0.000	Overspend on Packaged Software due to increased demand on the service (£0.059m). Overspend due to minor variances (0.001m).	The recurring cost on packaged software has been included as a pressure within the next year's budget build up.
Support Services	0.458	0.483	0.025	0.025	Minor Variances.	Continue to review but not expected to be recurrent.
Records Management	0.156	0.161	0.005	0.009	Minor Variances.	Continue to review but not expected to be recurrent.
ICT	4.226	4.272	0.046	0.102	Overspend due to Oracle Licence Management review (£0.040m). Overspend due to other minor variances (£0.006m).	The cost due to the Oracle Licence Management review is a non recurring cost for this year only.
Total Governance	8.389	8.650	0.261	0.219		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.891	1.881	(0.010)	(0.011)	Minor Variance.	Continue to review but not expected to be recurrent.
Museums Service	0.062	0.061	(0.001)	(0.001)	Minor Variance.	Continue to review but not expected to be recurrent.
County Archives	0.261	0.261	0.000	0.000	No Variance.	
Leisure Services	3.537	3.574	0.037	0.034	The projected outturn for Leisure Services at this time is an overspend of £0.037m 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. The remaining £0.003m relates to minor variances.	Leisure Tariffs are being reviewed and any changes will be introduced on the 1st January. This will contribute towards the pressure adjacent. All other areas of expenditure are also being reviewed.
Community Assets	0.057	0.054	(0.003)	(0.003)	Minor Variance.	Continue to review but not expected to be recurrent.
Agricultural Estates	(0.795)	(0.791)	0.004	(0.011)	Minor Variance.	Continue to review but not expected to be recurrent.

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Property Holdings	3.054	3.072	0.018	0.025	Minor Variance.	Continue to review but not expected to be recurrent.
Industrial Units	(0.140)	(0.136)	0.004	0.004	Minor Variance.	Continue to review but not expected to be recurrent.
Facilities Services	1.494	1.521	0.027	0.008	Minor Variance.	Continue to review but not expected to be recurrent.
Total Organisational Change	9.421	9.497	0.076	0.045		
Chief Executives						
Chief Executives	3.408	3.421	0.013	0.035	Minor Variances.	Continue to review but not expected to be recurrent.
Total Chief Executives	3.408	3.421	0.013	0.035		

MONTH 6 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance	25.842	24.488	(1.354)	(1.100)	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 (£0.160m) is one off income. Corporate Windfall Income (£0.234m), 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 (£0.006m) due to minor variances. One off rebate of historical audit fees, (£0.072m). £0.400m - One off time limited costs in relation to former Euticals Ltd - Sandycroft site. An underspend of £0.693m reflects the one off, in-year savings found through the cost control exercise.	Budget realignment, as part of Single Status exercise. Work is now in progress to run a further phase of the Voluntary Redundancy Programme. On-going monthly monitoring.
Total Central & Corporate Finance	25.842	24.488	(1.354)	(1.100)		
TOTAL	255.176	254.295	(0.881)	(0.608)		

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 - Fleet Balance of efficiencies from Fleet review (2014-15)	0.030	Further Report on Phase 1 and 2 implementation being presented to Cabinet in May 2014. On Track.
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		0.193	

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 6		0.881
Total projected Contingency Reserve as at 31st March 2015		3.822

HRA Major Variance Report - Period 6

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	0.111	Garage income is lower than anticipated due to high void rates.	
General Income	(0.734)	(0.650)	0.084	0.084	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	0.914	0.084	0.085	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)	(0.249)	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)	27.865	27.808	(0.057)	(0.075)		
Total :	0.497	0.470	(0.027)	(0.044)		

