

FLINTSHIRE COUNTY COUNCIL**REPORT TO:****CABINET****DATE:****TUESDAY, 20 JANUARY 2015****REPORT BY:****CORPORATE FINANCE MANAGER****SUBJECT:****REVENUE BUDGET MONITORING 2014/15 (MONTH 7)****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 7 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 7 is as follows:

Council Fund

- Net in year expenditure forecast to be £0.821m lower than budget. This now includes variances on pay.
- Projected contingency reserve balance at 31 March 2015 of £3.762m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.083m less than budget.
- Projected closing balance as at 31 March 2015 of £1.249m

3.00 COUNCIL FUND LATEST 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. This work is now substantially complete and revised workforce budgets have now been allocated to portfolio areas to meet the costs of their workforce establishment (base pay, allowances and vacancies). The outcome of this work is now reflected in the figures below, though there are some outstanding queries which may result in minor adjustments in future periods.
- 3.03 The table below shows projected in year expenditure to be £0.821m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
				Month 6	Month 7
	£m	£m	£m	£m	£m
Social Services	59.889	59.008	59.098	0.445	0.090
Community & Enterprise	14.368	13.264	12.743	(0.482)	(0.521)
Streetscene & Transportation	28.381	29.566	29.877	0.309	0.311
Planning & Environment	6.394	5.346	5.225	(0.100)	(0.121)
Education & Youth	97.167	96.219	96.174	(0.087)	(0.045)
People & Resources	5.395	4.835	4.873	0.038	0.038
Governance	8.821	8.503	8.800	0.261	0.297
Organisational Change	9.738	9.844	9.920	0.076	0.076
Chief Executive	2.160	3.314	3.236	0.013	(0.078)
Central & Corporate Finance	22.863	25.277	24.409	(1.354)	(0.868)
Total	255.176	255.176	254.355	(0.881)	(0.821)

- 3.04 The reasons for all movements from Month 6 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 6 to month 7

The rebasing of workforce budgets as detailed in 3.02 has resulted in the changes to portfolio budgets from month 6. There are still some outstanding queries to

resolve which may require subsequent adjustments to portfolio budgets.

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 and now reflects a projected under achievement of the VFM efficiency relating to the Review of Administrative Support which was previously reported as unlikely to be achieved (see also 3.10 – 3.15).
- 3.09 The analysis shows that it is currently projected that £7.597m (86%) will be achieved resulting in a net underachievement of £1.243m. Details for the current 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	5.099	5.099	0.000
Achievable in Part	1.048	0.855	(0.193)
Not Achievable	1.050	0.000	(1.050)
Total	8.840	7.597	(1.243)

Workforce Efficiencies

- 3.10 The 2014/15 budget also contains £3.1m of Workforce Efficiencies. Previously it has been reported that there was an amount of £1.7m still to be achieved and an assessment of the second phase of the voluntary redundancy programme was being undertaken, in conjunction with an organisational review of vacancies, in order to ascertain a clear position to the end of the financial year. Paragraphs 3.11 – 3.15 advise of the latest position following this work in relation to all workforce efficiencies (including Administration Review). The month 6 monitoring report advised of an amount still to find of £1.1m in relation to the Administration Review giving an overall figure of £2.8m for both areas.
- 3.11 The second Voluntary Redundancy Scheme closed on 31st October 2014 and an assessment of successful applications has now been undertaken. This has resulted in an additional contribution of £0.240m of efficiencies to the overall target.
- 3.12 The organisational review of vacancies that has been undertaken has identified £0.937m of one off savings in 2014/15 which will also contribute to the in year

target.

- 3.14 The budget for 2015/16 included a one off sum of £4.8m to fund exit costs associated with the above efficiencies of which £2m has been incurred to date. An assessment of the successful VR applicants and an estimate of potential exit costs from Business Plans across the organisation has identified that an additional £1.8m is likely to be incurred by the end of this financial year. This will leave projected balance of £1m. The overall projected position for 2014/15 is summarised below:

3.15	2014/15 Position	£m
	Workforce Efficiencies outstanding at M6	2.800
	Less estimated in year effect of VR2	(0.240)
	Less in year Vacancy Savings	(0.937)
	Estimated Unachieved in 2014/15	1.623
	Less Estimated Investment cost balance	(1.002)
	Potential Impact on Outturn	0.621

The above position is now reflected within the outturn position for Month 7 within central and corporate. Any further Voluntary Redundancies or vacancies that impact on the current financial year will be reflected in future monitoring reports.

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 (NSI) (Fuel, Energy and Food) are held centrally and allocated out to portfolio areas only where a funding need is evidenced. All allocations of NSI have now been made to departments where there has been an evidenced need and this has resulted in an underspend of £0.054m on the amount required for fuel, and an underspend of £0.015m on the amount required for food.

5.00 MONITORING BUDGET ASSUMPTIONS AND RISKS

5.01 Emerging Risks

- Design Fee Income – Risk due to the potential loss of income included within the Design Consultancy business plan income projections.

5.02 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.

5.03 Changes to previously reported risks

- Single Status –Workforce budgets have been rebased however due to the complexity and scale of this there are still some budgets requiring further adjustments.
- Workforce Efficiencies – Work has been undertaken to assess the non achievement of the efficiencies included for Corporate Administration and other Workforce.

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 7, the projected balance on the contingency reserve at 31 March 2015 is £3.762m. 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.

7.03 The position at Month 7 is reporting an overall projected underspend of £0.083m and a projected closing balance at month 7 of £1.249m, which at 4.15% 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 RECOMENDATIONS

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

11.00 ENVIRONMENTAL IMPACT

11.01 None

12.00 EQUALITIES IMPACT

APPENDIX A

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

16.01 Council Fund – Movement in Variances from Month 4 – Appendix 1

Council Fund – Budget 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 7)
Summary of Movement from Month 6

	£m	£m
Month 6		
Portfolios	0.473	
Central and Corporate Finance	(1.354)	
Variance as per Cabinet Report		(0.881)
Month 7		
Portfolios	0.047	
Central and Corporate Finance	(0.868)	
Variance as per Directorate Returns		(0.821)
Change Requiring Explanation		0.060

Social Services**Services For Adults**

• Localities (Localities teams) - Free Nursing income down (£0.016m). Property Income increased (-£0.013m). Purchased residential nursing care costs down (-£0.029m) plus net impact of movements in other minor variances of -£0.019m.	(0.045)
• Disability Services (Resources & Regulated Services) - (£0.099m) reduction in commitments following critical review of expenditure. Plus net impact of movements in other minor variances of -(£0.045m).	(0.144)
• Disability Services (Forensic Budget) (£0.188m) is due to two service users ceasing to be charged to this service. plus net impact of movements in other minor variances of -£0.012m.	(0.200)
• Other minor changes of less than £0.025m for Services for Adults	(0.029)
Subtotal: Services For Adults	(0.418)

Development & Resources

• Public information and planning - workforce costs (+0.027m).	0.027
• Vacancy savings	(0.292)
• Other minor changes of less than £0.025m	0.025
Subtotal: Development & Resources	(0.240)

Services For Children

• Prevention & Support - Overspend is due to increase in Southwark judgement related costs.	0.062
• Professional Support - Overspend due to higher costs in Children and Young Adolescent Support Team (CYAST). Direct payments also causing overspend. Offset by underspend on certain budgets following a review of commitments.	0.067
• Out of County placements - Projected overspend based on current 2014/15 packages and clients, for which there is an adverse impact of £0.180m due to new clients, offset by reduced placement costs for existing clients of -£0.055m.	0.125
• Other minor changes of less than £0.025m	0.049
Subtotal: Services For Children	0.303

Total: Social Services**(0.355)**

Community & Enterprise

Customer & Housing Services	
• Reduced pressure on Support Services recharge due to budget realignment	(0.004)
• Other minor changes of less than £0.025m	0.016
Subtotal: Customer & Housing Services	0.012
Supporting Services	
• Other minor changes of less than £0.025m	0.004
Subtotal: Supporting Services	0.004
Regeneration	
• Other minor changes of less than £0.025m	0.002
Subtotal: Regeneration	0.002
Revenues & Benefits	
• Underspend on Council Tax Reduction Scheme (CTRS)	(0.028)
• Other minor changes of less than £0.025m	(0.033)
Subtotal: Revenues & Benefits	(0.061)
Customer Services	
• Other minor changes of less than £0.025m	0.004
Subtotal: Customer Services	0.004
Total: Community & Enterprise	(0.039)

Streetscene & Transportation Portfolio**Streetscene**

• Other minor changes of less than £0.025m	(0.008)
Subtotal: Streetscene	(0.008)

Highways Strategy & Traffic Services

• Other minor changes of less than £0.025m	0.005
Subtotal: Highways Strategy & Traffic Services	0.005

School Transport

• Other minor changes of less than £0.025m	0.005
Subtotal: School Transport	0.005

Total: Streetscene & Transportation**0.002****Planning & Environment Portfolio****Planning**

• Other minor changes of less than £0.025m	0.008
Subtotal: Planning	0.008

Public Protection

• Other minor changes of less than £0.025m	0.017
Subtotal: Public Protection	0.017

Highways/Energy

• Other minor changes of less than £0.025m	0.002
Subtotal: Energy Services and Highways/Public Rights of Way	0.002

Management & Performance

• Vacancy Budget from Single Status	(0.048)
Subtotal: Management & Performance	(0.048)

Total: Planning & Environment**(0.021)**

Education & Youth

Inclusion Services	
• Minor variances	(0.010)
• Out of County - 3 new placements	0.040
Subtotal: Inclusion Services	0.030
Access (School Planning & Provision)	
• School Planning - minor variances	0.011
• School Provision - minor variances	0.003
Subtotal: Access (School Planning & Provision)	0.014
21st Century Schools	
• Minor variances	(0.001)
Subtotal: 21st Century Schools	(0.001)
Youth Services (minor variances of less than £0.025m)	
• Minor variances	(0.003)
Subtotal: Youth Services	(0.003)
Commissioning & Performance	
• Minor variances	0.006
Subtotal: Commissioning & Performance	0.006
School Management & Information	
• Other minor changes of less than £0.025m	(0.004)
Subtotal: School Management & Information	(0.004)
Total: Education & Youth	0.042

Governance

Minor variances of less than £0.025m	
• Legal Services	0.020
• Democratic Services	0.016
• Procurement	0.001
• Information Communication Technology	(0.017)
• Records Management	0.016
Subtotal: Minor variances of less than £0.025m	0.036
Total: Governance	0.036

Chief Executive

• Workforce pay variances (£0.084m). The balance (£0.007m) is due to minor variances.	(0.091)
Total: Chief Executive	(0.091)

Central & Corporate Finance

• Central Loans and Investment Account	(0.157)
• Reduction in Pension Fund Contributions - Impact of Workforce Reduction	0.102
• Review of the need of Non Standard Inflation allocations	(0.070)
• Cost control exercise adjustment	0.033
• Movement on workforce efficiencies less investment costs (Net)	0.621
• Additional Non Domestic Rate Revaluations - windfall income	(0.036)
• Other minor variances	(0.007)
Total: Central & Corporate Finance	0.486
 Total Changes	 0.060

MONTH 7 - 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)	14.187	14.515	0.328	0.373	There is a major demand influenced pressure of £0.897m on the Domiciliary Care service within Localities teams. Key demand led influences include clients returning to the service following successful past reablement, the changing democratic profile, increased complexity of need and increasing numbers of people with dementia. The significant projected overspend is being offset by a projected under spend of £0.537m on residential care, which includes a £0.328m increase in the level of property related income offset, plus further increases in income above budget including free nursing. An underspend of £0.032m is due to minor variances.	Keep under review.
Resources & Regulated Services (Intake & Reablement)	5.693	5.772	0.079	0.051	Further work ongoing on single status pay budgets, indications that there may be some additional budget in Zero hours budgets within Residential Care and the relief pool. Current budget to be reviewed.	Keep under review.
Transition and Disability Services (Disability Services)	0.456	0.547	0.091	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 £0.091m.	Keep under review.
Resources & Regulated Services (Disability Services)	16.042	15.853	(0.189)	(0.045)	LD Supported Living - Independent Sector under spend of £0.118m due to reduction in commitments following critical review of expenditure to date. In-house increases in expenditure across houses account +£0.126m. Day Opportunities - +£0.065m overspend taking account of agency costs and minor variances of £0.026m. Day Services - projected overspend of +£0.081m inclusive of additional agency costs and minor variances of +£0.025m. PSI Residential -£0.269m projected underspend based on current residential care package costs. This is offset by PSI - Domiciliary & DP +£0.153m projected overspend. Increased CHC income results in - £0.224m and other minor variances total a net -£0.003m.	Keep under review.

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Forensic Budget (Disability Services)	0.507	0.356	(0.151)	0.049	Reflects current care packages for 2014/15.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.314	0.179	(0.135)	(0.144)	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.
Other Services for Adults variances (aggregate)	7.961	7.863	(0.098)	(0.009)	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services - Income	(1.573)	(1.808)	(0.235)	(0.239)	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	0.852	0.796	(0.056)	(0.069)	Under spend influenced by Increased commitment for CHC Income (54k).	Continue to monitor and review.
Vacancy Control	0.292	0.000	(0.292)	0.000	Staffing budget savings allocated to portfolio following post Status budget realignment.	Single Keep under review.
Other Development & Resources variances (aggregate)	1.634	1.708	0.074	0.039	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.500	0.273	0.260	The overspend is mainly (£0.260m) 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. Various other minor variances amount to a net -£0.004m.	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.

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Professional Support (Children's Services)	5.164	5.328	0.164	0.097	This projected overspend is due mainly to increased direct payments of £0.138m for Children's Integrated Disability Services (CIDS) These pressures are offset by a saving against general contingencies. Various other minor variances amount to a net £0.026m.	Keep under review.
Out of County placements - (Children's Services)	3.428	3.584	0.156	0.031	£0.156m overspend based on increased number of complex care packages.	Keep under review.
Prevention & Support (Children's Services)	0.102	0.160	0.058	(0.004)	Overspend £0.058m increase due to Southwark judgement related costs.	Keep under review.
Other Services for Children variances (aggregate)	1.722	1.745	0.023	(0.013)	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.008	59.098	0.090	0.445		

MONTH 7 - 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	0.975	0.871	(0.104)	(0.116)	An overspend (£0.023m) is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. Estimated underspend (£0.126m) on Homeless Accommodation including a reevaluation of B&B accommodation projections and Homeless Prevention Fund income. (£0.001m) underspend due to other minor variances.	Continue to monitor and review.
Supporting People	0.426	0.464	0.038	0.034	Projected overspend (£0.018m) against mileage costs. Projected overspend (£0.015m) on the Maintenance Contract due to insufficient budget to meet renewed contract. (£0.005m) overspend due to other minor variances.	Continue to monitor and review.
Regeneration	0.264	0.298	0.034	0.032	Pressure (£0.048m) projected in respect of Agency costs. (£0.014m) underspend due to other minor variances.	Continue to monitor and review.
Revenues & Benefits	10.948	10.440	(0.508)	(0.447)	Underspend due to an anticipated surplus on the Council Tax Collection Fund (£0.257m). Projected underspend (£0.238m) 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. (£0.013m) efficiency due to minor variances.	Continue to monitor and review.
Customer Services	0.651	0.670	0.019	0.015	£0.017m pressure due to reduced Welsh Translation recharge income. Pressures due to other minor variances (£0.002m).	Continue to monitor and review.
Total Community & Enterprise	13.264	12.743	(0.521)	(0.482)		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance		Action Required
Streetscene & Transportation	7.310	7.508	0.198	0.195	Additional costs of overtime and use of Agency personnel due to high number of vacancies to maintain the necessary service provision £0.150m.Loss of Trade Waste Income from Housing of £0.025m due to them renewing with a private contractor. Increased cost of Food Waste disposal of £0.021m due to the cost per tonne increasing. £0.002m overspend due to other minor variances.		Monitor Agency levels and staff vacancies in order to maintain optimum levels for continued service provision.
Business & Strategy	1.911	1.945	0.034	0.030	Knight Owl Security cost of Alarm / Security Provision at Altami Depot.	Continue to review.	
Fleet Operations & Logistics	4.240	4.272	0.032	0.039	Estimated shortfall in achieving fleet efficiencies of £0.030m from slightly delayed implementation of hire model proposals. £0.021m due to the cost per tonne increasing. £0.002m overspend due to other	Continue to review but not expected to be recurrent.	
Transportation	1.371	1.325	(0.046)	(0.046)	Bus Subsidy payments to Bus Operators. Expenditure commitment reduced based on decreasing contract levels.		Monitor levels of subsidy payments.
Streetworks	0.014	0.046	0.032	0.037	Lower than anticipated levels of income for Fixed Penalty notices (based on improving standards of repair by utility companies) & road	Continue to review but not expected to be recurrent.	
Aggregate of other Variances	14.720	14.781	0.061	0.054	Minor Variances.	Continue to review but not expected to be recurrent.	
Total Streetscene & Transportation	29.566	29.877	0.311	0.309			

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance		Action Required
Planning & Environment Planning	1.424	1.357	(0.067)	(0.075)	Continued higher levels of Planning Fee income than expected i.e. Solar Farm Planning Application.		Planning Fee Income levels will be closely monitored.
Public Protection	2.454	2.436	(0.018)	(0.035)	Minor Variances.		Continue to maintain commitment challenge across the service.
Management Support & Performance	0.529	0.475	(0.054)	(0.006)	Vacancy Budget allocated following Single Status implementation.		Continue to review but not expected to be recurrent.
Energy Services (including closed Landfill Sites and Electricity Generation)	0.060	0.068	0.008	0.012	At Period 7 further commitment challenge has been successful in reducing Repairs & Maintenance and Equipment Rental costs.		Monitor Income Generation Levels for Gas Engines.
Public Rights of Way	0.378	0.389	0.011	0.002	At Period 7 amended outturn for Sub Contractor works has resulted in slight increase.		Continue to review but not expected to be recurrent.
Aggregate of other Variances	0.228	0.227	(0.001)	0.002	Minor Variance.		Continue to review but not expected to be recurrent.
Greenfield Valley & Heritage Park	0.273	0.273	0.000	0.000	No Variance.		
Total Planning & Environment	5.346	5.225	(0.121)	(0.100)			

MONTH 7 - 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	43.816	43.816	0.000	0.000	No Variance.	
Secondary, 14-19 & Continuing Education	36.739	36.749	0.010	0.010	Minor Variance.	Continue to review.
Inclusion Services	13.024	13.015	(0.009)	(0.039)	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. 3 extra placements during September have reduced this underspend. 2 new Out of County placements in October have adversely affected this budget.	Education placements may change throughout the year. Detailed monitoring will continue.
Access (School Planning & Provision)	0.701	0.699	(0.002)	(0.016)	Minor Variance.	Continue to review.
21st Century Schools	0.132	0.132	0.000	0.001	Minor Variance.	Continue to review.
Youth Services	1.253	1.236	(0.017)	(0.014)	Minor variances.	Continue to review.
Commissioning & Performance	0.369	0.344	(0.025)	(0.031)	Minor Variance.	Continue to review.
School Management & Information	0.180	0.178	(0.002)	0.002	Minor Variance.	Continue to review.
North East Wales School Library Service	0.005	0.005	0.000	0.000	No Variance.	
Total Education & Youth	96.219	96.174	(0.045)	(0.087)		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance		Action Required
People & Resources							
HR&OD	2.421	2.463	0.042	0.042	Minor Variances.		Continue to review.
Corporate Finance	2.414	2.410	(0.004)	(0.004)	Minor Variances.		Continue to review.
Total People & Resources	4.835	4.873	0.038	0.038			
Governance							
Legal Services	1.098	1.270	0.172	0.152	£0.131m pressure due to Litigation around local land charges.	Continue to review.	
					Overspend due to other minor variances (£0.021m). Agency costs (£0.020m).		
Democratic Services	1.937	1.928	(0.009)	(0.025)	Minor Variances.		Continue to review.
Internal Audit	0.437	0.435	(0.002)	(0.002)	Minor Variances.		Continue to review.
Procurement	0.192	0.253	0.061	0.060	Overspend on Packaged Software due to increased demand on the service (£0.060m).		Continue to review.
Support Services	0.719	0.744	0.025	0.025	Minor Variances.		Continue to review.
Records Management	0.167	0.188	0.021	0.005	Minor Variances.		Continue to review.
ICT	3.953	3.982	0.029	0.046	Overspend due to Oracle Licence Management review (£0.040m). Underspend due to other minor variances (£0.011m).	Continue to review.	
Total Governance	8.503	8.800	0.297	0.261			

MONTH 7 - 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	3.205	3.195	(0.010)	(0.010)	Minor Variance.	Continue to review.
Museums Service	0.062	0.061	(0.001)	(0.001)	Minor Variance.	Continue to review.
County Archives	0.237	0.237	0.000	0.000	No Variance.	
Leisure Services	3.067	3.104	0.037	0.037	The projected outturn for Leisure Services 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	0.059	0.056	(0.003)	(0.003)	Minor Variance.	Continue to review.
Agricultural Estates	(1.010)	(1.006)	0.004	0.004	Minor Variance.	Continue to review.
Property Holdings	2.837	2.855	0.018	0.018	Minor Variance.	Continue to review.
Industrial Units	(0.403)	(0.399)	0.004	0.004	Minor Variance.	Continue to review.
Facilities Services	1.790	1.817	0.027	0.027	Minor Variance.	Continue to review.
Total Organisational Change	9.844	9.920	0.076	0.076		
Chief Executives						
Chief Executives	3.314	3.236	(0.078)	0.013	Underspend (£0.064m) on Chief Officer pay budget due to part year vacancy. (£0.014m) underspend due to minor variances.	Continue to review.
Total Chief Executives	3.314	3.236	(0.078)	0.013		

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance		Action Required
Central & Corporate Finance	25.277	24.409	(0.868)	(1.354)	Central Loans and investment £0.457m 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. MRP accounting policy has been reviewed in accordance with CIPFA guidance. MRP on assets funded by Prudential Borrowing is spread over the life of the asset and begins the year after the assets become operational. MRP on 21st century Strike deductions (£0.160m) is one off income. Corporate Windfall Income (£0.270m), this is in relation to additional Non Domestic Rate revaluations, which are one off. (£0.200m) within the budget for Pension Fund Contribution, requires further realignment to pay. Non-Standard Inflation (£0.069m) reflects the balance remaining after allocation to portfolios. A one off rebate of (£0.072m) has been received in relation to historical audit fees. An underspend of £0.661m reflects the one off, in-year savings found through the cost control exercise within Portfolios. (£0.002m) due to minor variances.	Keep under Review	Keep under Review
Central & Corporate Finance	25.277	24.409	(0.868)	(1.354)	Workforce efficiencies achieved now reflect an underachievement of £0.523m in 14/15 together with an underachievement of £1.1m for the exercise. review of Administrative roles though future efficiencies are anticipated Work is now in progress to run a further phase of to be achieved through additional Voluntary Redundancy applications the Voluntary Redundancy Programme. and further workforce review. The under achievement of workforce efficiencies is offset by an anticipated balance on Investment costs of £1m.	On-going monthly monitoring.	
Total Central & Corporate Finance	25.277	24.409	(0.868)	(1.354)	One off / time limited, unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site.		
TOTAL	255.176	254.355	(0.821)	(0.881)			

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.
Central & Corporate Finance	Review of all Admin roles / processes as a result of improved technology.	1.000	Efficiency unlikely to be achieved in 2014/15. Currently under review to assess what level can be achieved in 2015/16.
Total		1.050	

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	A report on the implementation of Phase 1 and 2 of the Fleet Review was presented to Cabinet in September, together with the proposed mechanism for delivery of Phase 3 from 2015/16.
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 7	0.821	
Total projected Contingency Reserve as at 31st March 2015	3.762	

HRA Major Variance Report - Period 7

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Rents	(27.713)	(27.757)	(0.044)	0.111	Garage income is lower than anticipated due to high void garage rates (£0.015m). Other efficiencies identified including void properties (£0.059m).	Continue to monitor and review.
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 £0.096m. Other minor efficiencies (£0.012m).	Continue to monitor and review.
Landlord Services	0.830	0.914	0.084	0.084	Garden service costs are expected to rise by £0.055m due to the service review. Repairs & Maintenance costs on general HRA buildings/lifts etc forecast at last years outturn being £0.038m more than budget. Other minor variances of £0.009m.	Continue to monitor and review.
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.	Continue to monitor and review.
Other variances (aggregate)	27.865	27.907	0.042	(0.057)	Other minor variances.	Continue to monitor and review.
Total :	0.497	0.414	(0.083)	(0.027)		

