

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 17 MARCH 2015**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 9)**

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 9 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 8
	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 9 is as follows:

Council Fund

- Net in year expenditure forecast to be £1.978m lower than budget.
- Projected contingency reserve balance at 31 March 2015 of £4.919m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.304m less than budget.
- Projected closing balance as at 31 March 2015 of £1.470m

APPENDIX A

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 £1.978m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
				Month 8	Month 9
				£m	£m
Social Services	59.889	58.571	58.617	0.196	0.046
Community & Enterprise	14.368	13.361	12.519	(0.905)	(0.842)
Streetscene & Transportation	28.381	29.291	29.449	0.235	0.158
Planning & Environment	6.394	5.777	5.612	(0.131)	(0.165)
Education & Youth	97.167	96.539	96.585	0.053	0.046
People & Resources	5.395	4.858	4.850	0.034	(0.008)
Governance	8.821	8.476	8.656	0.183	0.180
Organisational Change	9.738	10.030	10.139	0.247	0.109
Chief Executive	2.160	3.247	3.151	(0.075)	(0.096)
Central & Corporate Finance	22.863	25.026	23.620	(0.851)	(1.406)
Total	255.176	255.176	253.198	(1.014)	(1.978)

3.04 The reasons for all movements from Month 8 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 8 to month 9**

Changes in revised budget over month 8 relate to adjustments relating to the single

APPENDIX A

status rebasing exercise. Although this work is substantially complete there are still some outstanding queries which will 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 includes a projected under achievement of the VFM efficiency relating to the Review of Administrative Support.

3.09 The analysis shows that it is currently projected that £7.588m (86%) will be achieved resulting in a net underachievement of £1.252m. 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	4.829	4.829	0.000
Achievable in Part	2.318	1.116	(1.202)
Not Achievable	0.050	0.000	(0.050)
Total	8.840	7.588	(1.252)

3.10 Workforce Efficiencies

The 2014/15 budget report also contains £3.1m of Workforce Efficiencies. As previously reported there was an in year pressure of £0.621m once the underspend on investment costs was offset.

Within Month 9 work has been undertaken to identify further in year vacancies which has improved the position further by £0.501m. This has now reduced the in year unachieved workforce efficiencies in 2014/15 to £0.120m.

APPENDIX A

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 £0.015m on the amount required for food and an underspend of £0.102m on fuel, which has increased from month 8 due to a reduction in the amount of inflation required.

5.00 MONITORING BUDGET ASSUMPTIONS AND RISKS

5.01 Existing risks

- Out of County Placements – the risk is the volatility in demand and the impacts on service costs which cannot be predicted. Service fluctuations are being accommodated within the combined budgets of the Social Services and Education Chief Officer portfolios in-year. Status: stable/amber risk
- Former Euticals Site – the risks are the significant cost options for the decommissioning, decontamination and clearance of the former chemical site in Sandycroft and the cost burden for the Council (noting that negotiations with Welsh Government are ongoing). Monthly costs for ongoing security and maintenance of the site are in the region of £0.030m and are accumulating within the financial year. Status: unstable/red risk
- Schools ICT Infrastructure – the risk is the loss of schools income from buying into the service due to a planned change to delivery of ICT in schools. The new service model is at an advanced stage of planning with the full involvement of schools and is to be adopted shortly with a good degree of confidence. Status: stable/amber risk
- Winter Maintenance – the risk is the additional cost of managing the highways network should we experience a severe winter. At a mid-point in the season the winter can be classed as an average one which should mean that the budget provision is sufficient, noting that a ring-fenced reserve is held to draw upon should the situation deteriorate. Every salting turnout in excess of an average winter would result in an additional cost of £0.005m, however if there were to be a prolonged snow event the additional costs would rise significantly to £0.040m per day. Status: stable/amber risk
- Single Status – the risk is the possible unintended impacts on workforce establishment budgets as a consequence of the re-basing of the total corporate budget for employees following the introduction of Single Status. This complex rebasing exercise is nearing completion with no adverse impacts at this stage, however, the exercise is not yet complete. Status: stable/amber risk

APPENDIX A

- Council Tax – the risk is the volatility of the Council Tax Reduction Scheme and collection rates as it is customer demand and compliance led. A budget under-spend reported under Community Enterprise in appendix 2 and is based on current usage patterns. These patterns could change and impact negatively on the in-year and 2015/16 budgets. Status: stable/amber risk

5.02 Changes to previously reported risks

- Workforce Efficiencies – the risk is the under achievements of workforce financial efficiency targets. As previously reported the efficiency targets have been reviewed and adjusted. The impact for 2014/15 has been reduced to a net shortfall of £0.120m due to the further identification of vacancy savings. The 2015/16 impact has been dealt with as part of the 2015/16 budget. The risk remains open as the 2015/16 budget is only in draft form at this stage. Status: stable/green risk

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 8, the projected balance on the contingency reserve at 31 March 2015 is £4.919m. This is summarised in Appendix 4.

7.00 HOUSING REVENUE ACCOUNT

APPENDIX A

- 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 9 is reporting an overall projected underspend of £0.304m and a projected closing balance at month 9 of £1.470m, which at 4.89% 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

12.01 None

13.00 PERSONNEL IMPLICATIONS

13.01 None

14.00 CONSULTATION REQUIRED

14.01 None

15.00 CONSULTATION UNDERTAKEN

APPENDIX A

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**

Contact Officer: Sara Dulson
Telephone: 01352 702287
Email: sara.dulson@flintshire.gov.uk



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

**Budget Monitoring (Month 9)
Summary of Movement from Month 8**

	£m	£m
Month 8		
Portfolios	(0.163)	
Central and Corporate Finance	(0.851)	
Variance as per Cabinet Report		(1.014)
Month 9		
Portfolios	(0.572)	
Central and Corporate Finance	(1.406)	
Variance as per Directorate Returns		(1.978)
Change Requiring Explanation		(0.964)
<u>Social Services</u>		
Services For Adults		
• Disability Services (Resources & Regulated Services) - Supported Living (Independent Sector) - net additional income of £0.293m from Health Board in respect of joint fund placements previously in dispute, revised projection reducing current placements by £0.093m, plus other minor underspends of £0.027m.	(0.413)	
• Localities (Locality Teams) - A reduction on Residential Care of £0.059m, due to decreases in nursing costs of £0.046m and Residential care costs of £0.019m offset by a minor reduction of income of £0.006m. A reduction in Domiciliary Care £0.059m, due to decrease in domiciliary support costs of £0.020m and a reduction of £0.038m within direct payments, which reflects current care packages. Plus a reduction due to minor variances of £0.012m.	(0.130)	
• Disability Services (Forensic Budget) - A placement's costs had previously been understated by £0.114m offset by a reduction due to minor variances of £0.006m.	0.108	
• Other minor changes of less than £0.025m for Services for Adults	(0.130)	
Subtotal: Services For Adults		(0.565)
Development & Resources		
• Vacancy control account - one-off vacancy savings returned to Central & Corporate Finance as contribution towards Corporate workforce efficiency targets	0.314	
• Business Services Income - increase in provision for bad debts (£0.027m), plus recent reduction in average weekly charge per service user based on financial assessment £0.033m).	0.060	
• Good Health team - one off vacancy savings returned to Central & Corporate Finance as contribution towards Corporate workforce efficiency targets (-£0.069m) less other minor variance movements (£0.014m).	0.055	
• Other minor changes of less than £0.025m	(0.087)	
Subtotal: Development & Resources		0.342
Services For Children		
• Professional Support - Movement to reflect changes to current direct payments and other care commitments.	(0.055)	
• Family Placement - increase in relation to numbers of Foster Care placements.	0.060	
• Other minor changes of less than £0.025m	0.068	
Subtotal: Services For Children		0.073
Total: Social Services		(0.150)

Community & Enterprise

Customer & Housing Services	
• Additional support from Supporting People towards homelessness	(0.025)
• New expenditure in respect of SHARP procurement	0.090
• Other minor changes of less than £0.025m	0.010
Subtotal: Customer & Housing Services	0.075
Supporting Services	
• Telecare/Carelink purchase and maintenance	0.057
• Other minor changes of less than £0.025m	(0.016)
Subtotal: Supporting Services	0.041
Regeneration	
• Other minor changes of less than £0.025m	(0.008)
Subtotal: Regeneration	(0.008)
Revenues & Benefits	
• Reduced surplus on Council Tax Collection Fund	0.055
• Other minor changes of less than £0.025m	(0.002)
Subtotal: Revenues & Benefits	0.053
Customer Services	
• Flintshire Connects underspend	(0.090)
• Other minor changes of less than £0.025m	(0.008)
Subtotal: Customer Services	(0.098)
Total: Community & Enterprise	0.063

Streetscene & Transportation Portfolio

Streetscene	
• Waste Disposal/Collection - anticipated reduction in agency staff to year end	(0.041)
• Other minor changes of less than £0.025m	(0.006)
Subtotal: Streetscene	(0.047)
Highways Strategy & Traffic Services	
• Aggregate minor changes of less than £0.025m	(0.037)
Subtotal: Highways Strategy & Traffic Services	(0.037)
School Transport	
• Other minor changes of less than £0.025m	0.007
Subtotal: School Transport	0.007
Total: Streetscene & Transportation	(0.077)

Planning & Environment Portfolio

Planning	
• Other minor changes of less than £0.025m	(0.022)
Subtotal: Planning	(0.022)
Public Protection	
• Other minor changes of less than £0.025m	0.011
Subtotal: Public Protection	0.011
Other Services	
• Energy Services - Income received from Display Energy Certificates	(0.014)
• Public Rights of Way - Expenditure originally allocated to Revenue but subsequently transferred to Capital	(0.013)
• Drainage - reduction in estimated income	0.020
• Other minor changes of less than £0.025m	(0.007)
Subtotal: Other Services	(0.014)
Management Support & Performance	
• Other minor changes of less than £0.025m	0.005
	0.005
Greenfield Valley Heritage Park	
• Other minor changes of less than £0.025m	(0.014)
	(0.014)
Total: Planning & Environment	(0.034)

Education & Youth

Inclusion Services	
• Inclusion & Behaviour Support - minor variances	(0.015)
• Out of County - 3 new placements	0.023
Subtotal: Inclusion Services	0.008
Access (School Planning & Provision)	
• School Planning - minor variances	0.016
• School Provision - minor variances	(0.024)
Subtotal: Access (School Planning & Provision)	(0.008)
Youth Services (minor variances of less than £0.025m)	
• Adult & Community Education - Minor Variances	0.004
• Youth Justice Service - Minor Variances	0.001
• Youth & Community Service - Minor variances	0.001
Subtotal: Youth Services	0.006
Commissioning & Performance	
• Management	0.007
• Business Support - Minor variances	(0.019)
Subtotal: Commissioning & Performance	(0.012)
School Management & Information	
• Regional Capita One	(0.001)
Subtotal: School Management & Information	(0.001)
Total: Education & Youth	(0.007)

People & Resources

HR & OD	
• Minor changes of less than £0.025m	(0.017)
Subtotal: HR & OD	(0.017)
Corporate Finance	
• Workforce pay variances due to reallocation of costs to grant funding (£0.007m). Minor variances (£0.018m).	(0.025)
Subtotal: Corporate Finance	(0.025)
Total: People & Resources	(0.042)

Governance

ICT	
• Variances are due to a decrease in projected income for digital print (£0.012m) and an increase in agency projection (£0.020m).	0.032
	<hr/>
	0.032
Minor variances of less than £0.025m	
• Legal Services	(0.007)
• Democratic Services	(0.002)
• Internal Audit	(0.008)
• Support Services	(0.018)
	<hr/>
Total minor variances of less than £0.025m	(0.035)
	<hr/>
Total: Governance	(0.003)
	<hr/>

Organisational Change

Minor variances of less than £0.025m	
• Public Libraries & Arts, Culture & Events	(0.020)
• County Archives	(0.003)
• Leisure Services	(0.004)
• Community & Assets	0.003
• Valuations & Estates	(0.021)
• Engineering Services	0.005
• Facilities	(0.024)
	<hr/>
Total minor variances of less than £0.025m	(0.064)
Property Design & Consultancy	
• Within the service area savings have been made on conditional survey costs and consultancy costs.	(0.074)
	<hr/>
Subtotal: Property Design & Consultancy	(0.074)
	<hr/>
Total: Organisational Change	(0.138)
	<hr/>

Chief Executive

• Minor changes of less than £0.025m	(0.021)
Total: Chief Executive	(0.021)

Central & Corporate Finance

• Investment Costs	0.256
• Admin Review	(0.114)
• Workforce Efficiencies	(0.643)
• NSI Fuel Distribution	(0.048)
• Other minor variances	(0.006)
Total: Central & Corporate Finance	(0.555)

Total Changes**(0.964)**

MONTH 9 - 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)	14.303	14.497	0.194	0.324	There is an overall improvement in this area, however, there remains a fairly stable level of overspend of £0.857m within Domiciliary Care, influenced by clients returning to the service following successful past rehabilitation, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The significant projected overspend on domiciliary care is being offset by a projected underspend of £0.617m on residential care, which includes an underspend of £0.146m on payments to care home providers, an underspend of £0.316m due to an increase in the level of property related income, plus further increases in income above budget including £0.155m for free nursing. Other variances amount to a net underspend of £0.046m.	Keep under review.
Social Services for Adults - Resources & Regulated Services (Intake & Reablement)	5.738	5.526	(0.212)	(0.203)	Residential Care has a net underspend of £0.094m, due to additional income of £0.219m (being increased client contributions of £0.149m and new one-off grant income of £0.070m) and a projected underspend of £0.011m on pay costs. These underspends are offset by overspends on Premises costs of £0.067m (mainly utilities costs) and Supplies & Services £0.069m (mainly on catering charges). There are further underspends of £0.070m on Extracare facilities, and £0.048m on day care.	Keep under review.
Social Services for Adults - Transition and Disability Services (Disability Services)	0.525	0.618	0.093	0.094	The projected overspend is mainly due to the cost of the support arrangements provided by Penderels in respect of direct payments. This accounts for £0.065m of the total projected overspend of £0.093m.	Keep under review.
Social Services for Adults - Disability Services (Disability Services)	1.830	2.082	0.252	0.270	Increase in projected expenditure due to two new service users being charged to this service.	Keep under review.

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Social Services for Adults - Resources & Regulated Services (Disability Services)	15.673	14.936	(0.737)	(0.324)	Independent Sector Supported Living projected underspend of £0.625m, which is mainly influenced by net additional income of £0.293m from BCUHB in respect of previously disputed joint funded placements, and a underspend on residential placement costs of £0.296m. Other minor variances amount to a net underspend of £0.036m. The new income being received from BCUHB will help to achieve the new budget efficiency from 2015/16 in this area. In-house supported living projected underspend of £0.124m which is mainly due to additional income from joint funded placements £0.132m offset by minor overspends £0.008m. There is an overspend of £0.012m due to minor variances.	Keep under review.
Social Services for Adults - Safeguarding Co-ordinator (Localities)	0.218	0.283	0.065	0.043	The adverse variance is due to increased costs for agency staff and medical advice required for Deprivation of Liberties Safeguarding Assessments (DOLS). This reflects a part year impact of the recently approved full year pressure from 2015/16.	Keep under review.
Social Services for Adults Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.803	0.932	0.129	0.129	Changes in Residential and Domiciliary packages along side additional new package totalling £0.122m. Various other minor variances amount to a net overspend of £0.007m.	Keep under review.
Social Services for Adults - Forensic Budget (Mental Health & Substance Misuse Service)	0.315	0.173	(0.142)	(0.135)	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.
Social Services for Adults - Vulnerable Adults and Disability Service (Disability Services)	1.830	2.082	0.252	0.270	Reflects costs of current projected care packages and residential care overspend of 0.404m offset by joint funded income from BCUHB of £0.143m. Various other minor variances amount to a net underspend of £0.009m.	Keep under review.

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Other Services for Adults variances (aggregate)	3.951	3.489	(0.462)	(0.471)	Various minor variances.	Continue to review but not expected to be recurrent.
Development & Resources - Business Services - Income	(1.573)	(1.801)	(0.228)	(0.235)	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.
Other Development & Resources variances (aggregate)	2.458	2.480	0.022	(0.313)	Various minor variances.	Continue to review but not expected to be recurrent.
Children's Services - Family Placement	2.227	2.487	0.260	0.200	The £0.260m overspend is 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 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.
Children's Services - Professional Support	5.216	5.365	0.149	0.204	This projected overspend is due mainly to increased direct payments of £0.149m for Children's Integrated Disability Services (CIDS).	Keep under review.
Children's Services - Out of County placements	3.428	3.677	0.249	0.262	The projected overspend is mainly influenced by an increased number of complex care packages.	Keep under review.
Children's Services - Prevention & Support	0.103	0.162	0.059	0.056	Projected overspend £0.059m due to Southwark judgement related costs.	Keep under review.
Other Services for Children variances (aggregate)	1.526	1.629	0.103	0.025	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	58.571	58.617	0.046	0.196		

MONTH 9 - 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	1.019	0.996	(0.023)	(0.098)	An additional cost £0.028m is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. Estimated underspend of £0.119m on Homeless Accommodation including a re-evaluation of B&B accommodation projections and Homeless Prevention Fund income. Additional support to Homelessness from Supporting People is identified for £0.025m. New expenditure in respect of SHARP procurement £0.090m. £0.003m overspend due to other minor variances.	Continue to monitor and review.
Supporting People	0.193	0.276	0.083	0.042	Increased costs towards the purchase and maintenance of Carelink/Telecare equipment of £0.072m. Other minor variances identified £0.011m.	Continue to monitor and review.
Regeneration	0.485	0.493	0.008	0.016	Estimated shortfall of £0.032m in markets due to increased waste removal costs and loss of income, exacerbated by Welsh Water works in Mold. Additional income identified through monitoring £0.013m. Other minor efficiencies of £0.011m.	Continue to monitor and review.
Revenues & Benefits	10.999	10.166	(0.833)	(0.886)	Underspend due to an anticipated surplus on the Council Tax Collection Fund of £0.559m. Projected underspend of £0.257m on the budgeted provision for the Council Tax Reduction Scheme. The underspend on this area is volatile and can be subject to change later in the year. £0.017m efficiency due to minor variances.	Continue to monitor and review.
Customer Services	0.665	0.588	(0.077)	0.021	£0.016m pressure due to reduced Welsh Translation recharge income. Underspend in respect of Flintshire Connects of £0.090m. Underspends due to other minor variances £0.003m.	Continue to monitor and review.
Total Community & Enterprise	13.361	12.519	(0.842)	(0.905)		

MONTH 9 - 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	7.369	7.501	0.132	0.173	Additional costs of overtime and use of Agency personnel due to high number of vacancies to maintain the necessary service provision is resulting in a projected overspend of £0.086m. Increased cost of Food Waste disposal of £0.046m due to the cost per tonne increasing.	Business Planning proposals 2015/16 will remove vacancies, otherwise the posts will be filled. Budget Pressure bid submitted for 2015/16 budget for full year effect.
Streetscene - Highways Maintenance	1.158	1.163	0.005	(0.008)	Increased expenditure on Hire, materials and Sub Contractors.	Monitor Expenditure levels, Hire costs expected to reduce in accordance with reduced grounds maintenance requirements.
Fleet Services	4.434	4.434	0.000	0.000	Outturn includes the allocation for Non standard inflation of £0.130m (total budget of £0.177m currently held corporately) for projected total fuel costs in 2014/15.	Overspend of £0.130m has been mitigated by Corporate NSI allocation.
Business & Strategy	1.868	1.899	0.031	0.040	Knight Owl Security cost of Alarm / Security Provision at Alltami Depot.	Depot Budgets to be realigned in 2015/16 to mitigate ongoing cost into the future.
Transportation	1.386	1.343	(0.043)	(0.043)	Bus Subsidy payments to Bus Operators. Expenditure commitment reduced based on decreasing contract levels.	Part of Business Planning proposals for 2015/16.
Streetworks	0.041	0.042	0.001	0.007	Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures.	Use of £0.020m Portfolio Balance at Period 8. Income is also moving in a positive direction so variance will hopefully be further mitigated by financial year end.
Aggregate of other Variances	13.035	13.067	0.032	0.066	Minor Variances.	Continue to review all commitments to attempt to mitigate variances.
Total Streetscene & Transportation	29.291	29.449	0.158	0.235		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Planning	1.467	1.376	(0.091)	(0.069)	Levels of Planning Fee income remain variable, with a slight reduction in fees received Period 09.	Planning Fee Income levels will be closely monitored.
Public Protection	2.522	2.522	0.000	(0.011)	Minor Variances.	Continue to maintain commitment challenge across the service.
Management Support & Performance	0.761	0.712	(0.049)	(0.054)	Vacancy Budget allocated following Single Status implementation inclusive of staff savings to date.	Will be reviewed as part of monthly pay budget monitoring.
Energy Services (including closed Landfill Sites and Electricity Generation)	0.062	0.043	(0.019)	(0.005)	At Period 9 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	0.380	0.378	(0.002)	0.011	Specific items of expenditure within PROW have been identified as Capital Works and have been transferred accordingly.	Continue to review but not expected to be recurrent.
Greenfield Valley & Heritage Park	0.289	0.275	(0.014)	0.000	Commitment Challenge through monitoring has resulted in a reduction in the expected outturn.	Continue to review.
Aggregate of other Variances	0.296	0.306	0.010	(0.003)	Minor Variance.	Continue to review.
Total Planning & Environment	5.777	5.612	(0.165)	(0.131)		

MONTH 9 - 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	43.886	43.886	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.	Continue to review.
Secondary, 14 -19 & Continuing Education	36.739	36.758	0.019	0.019	Minor Variance.	Continue to review.
Inclusion Services	13.213	13.323	0.110	0.102	This is a volatile budget and one additional placement can make a significant change to projections. 2 new Out of County placements in October adversely affected this budget. 2 new placements and an emerging placement were received during November. In addition to this an increase in 1 to 1 support of 2 clients created a further £0.38m cost.	Education placements may change throughout the year. Detailed monitoring will continue.
Access (School Planning & Provision)	0.716	0.717	0.001	0.009	Minor Variance.	Continue to review.
21st Century Schools	0.067	0.067	0.000	0.000	Minor Variance.	Continue to review.
Youth Services	1.421	1.419	(0.002)	(0.008)	Minor Variance.	Continue to review.
Commissioning & Performance	0.314	0.251	(0.063)	(0.051)	Reduction in external legal costs associated with school staff. Tightening of uptake of subscriptions, plus other minor variances.	Continue to review.
School Management & Information	0.183	0.164	(0.019)	(0.018)	Minor Variance.	Continue to review.
North East Wales School Library Service	0.000	0.000	0.000	0.000	No Variance.	
Total Education & Youth	96.539	96.585	0.046	0.053		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.394	2.416	0.022	0.039	Minor Variances.	Continue to review.
Corporate Finance	2.464	2.434	(0.030)	(0.005)	Minor Variances.	Continue to review.
Total People & Resources	4.858	4.850	(0.008)	0.034		
Governance						
Legal Services	0.834	0.994	0.160	0.167	£0.131m pressure due to Litigation around local land charges. Overspend due to other minor variances of £0.009m. Agency costs £0.020m.	Litigation around land charges is a one-off non-recurring cost for this financial year.
Democratic Services	1.979	1.947	(0.032)	(0.030)	Minor Variances.	Continue to review but not expected to be recurrent.
Internal Audit	0.414	0.403	(0.011)	(0.003)	Minor Variances.	Continue to review but not expected to be recurrent.
Procurement	0.218	0.219	0.001	0.001	Minor Variances.	Continue to review but not expected to be recurrent.
Support Services	0.716	0.691	(0.025)	(0.007)	Minor Variances.	Continue to review but not expected to be recurrent.
Records Management	0.168	0.189	0.021	0.021	Minor Variances.	Continue to review but not expected to be recurrent.
ICT	4.147	4.213	0.066	0.034	Overspend is due to Oracle License review of £0.040m, a pressure on the software budget for £0.036m and the cost of Agency costs £0.207m. These costs are being offset by vacancy savings of £0.195m and surplus income on digital print of £0.038. The balance is due to minor overspends of £0.016m.	The pressure due to the Oracle review is in-year only.
Total Governance	8.476	8.656	0.180	0.183		

MONTH 9 - 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	1.885	1.874	(0.011)	0.009	Minor Variance.	Continue to review.
Museums Service	0.062	0.058	(0.004)	(0.004)	Minor Variance.	Continue to review.
County Archives	0.254	0.249	(0.005)	(0.002)	Minor Variance.	Continue to review.
Leisure Services	4.153	4.186	0.033	0.037	The projected outturn for Leisure Services is an overspend of £0.033m 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 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. £0.001m relates to minor variances underspend.	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	0.060	0.060	0.000	(0.003)	No Variance.	
Valuation & Estates	(0.997)	(1.018)	(0.021)	0.000	Minor Variance.	Continue to review.
Property Design & Consultancy	2.845	2.972	0.127	0.201	The projected overspend of £0.127m relates to anticipated loss of income linked to reconsideration of the new Secondary School in Queensferry. Part of the pressure has been offset by savings within the service.£0.075m has been vired from this budget to Engineering Services to alleviate pressures.	Action has been taken to reduce costs in-year where possible. This is a non recurring pressure.
Engineering Services	(0.118)	(0.107)	0.011	0.006	Minor Variance.	Continue to review.
Facilities Services	1.886	1.865	(0.021)	0.003	Minor Variance.	Continue to review.
Total Organisational Change	10.030	10.139	0.109	0.247		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Chief Executives	3.247	3.151	(0.096)	(0.075)	The Policy Unit is showing an underspend of £0.055m. £0.013m of this underspend is due to a reallocation of costs which will now be grant funded, £0.042m is due to the removal of expenditure commitments. The balance of £0.041m is due to minor variances.	Continue to review.
Total Chief Executives	3.247	3.151	(0.096)	(0.075)		
Central & Corporate Finance						
Central & Corporate Finance	25.026	23.620	(1.406)	(0.851)	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 schools will not begin until 2017/18. Strike deductions of £0.150m are a one off underspend. Corporate windfall income is £0.374m. The Pension Fund contribution shows an underspend of £0.095m. An underspend on non-standard inflation of £0.117m reflects the balance remaining after distribution to portfolios. An underspend of £0.660m relates to identified in-year efficiency savings. A one off rebate of £0.072m has been received in relation to historical audit fees.	Keep under Review

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance (continued)					There exists a net underachievement of £0.120m for Administrative/ Workforce Efficiencies, this due to an underachievement of £0.986m for the review of Administrative roles (though future efficiencies are anticipated to be achieved through Voluntary Redundancy applications and further workforce review) offset by an overachievement on Workforce efficiencies of £0.120m and the anticipated balance on Investment costs of £0.746m. One off / time limited, unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site. An underspend of £0.001m is due to minor variances.	Work is now in progress to run a further phase of the Voluntary Redundancy Programme. On-going monthly monitoring.
Total Central & Corporate Finance	25.026	23.620	(1.406)	(0.851)		
TOTAL	255.176	253.198	(1.978)	(1.014)		

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
Central & Corporate Finance	Review of all Admin roles / processes as a result of improved technology.	0.986	Efficiency unlikely to be achieved in 2014/15. Currently under review to assess what level can be achieved in 2015/16.
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.
Organisational Change 1	Leisure - Changes to rotas and cover arrangements.	0.023	1/12th of the efficiency is unlikely to be achievable because the Service Review was not able to be implemented until July. This meant that posts could not be deleted until July. The delay due to Single Status implementation (Apr & May) has been funded from the reserve.
Total		1.202	

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 9		1.978
Total projected Contingency Reserve as at 31st March 2015		4.919

HRA Major Variance Report - Period 9

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Rents	(27.713)	(27.768)	(0.055)	(0.055)	Garage income is lower than anticipated due to high void rates.	Keep under review.
Subsidy	6.404	6.215	(0.189)	(0.189)	Calculation of subsidy submission identifies that the capital element is lower than reported at budget setting 12mths earlier. Therefore resulting in an reduced HRAS bill.	Keep under review.
General Income	(0.714)	(0.609)	0.105	0.103	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.	Keep under review.
Landlord Services	0.830	0.912	0.082	0.082	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.	Keep under review.
Vacancy Savings	0.235	0.000	(0.235)	(0.235)	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.	Keep under review.
Other variances (aggregate)	21.455	21.443	(0.012)	(0.030)	Various minor variances.	Keep under review.
Total :	0.497	0.193	(0.304)	(0.324)		

