

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 21 APRIL 2015**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **REVENUE BUDGET MONITORING 2014/15 (MONTH 10)**

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 10 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 10 is as follows:

Council Fund

- Net in year expenditure forecast to be £1.716m lower than budget.
- Projected contingency reserve balance at 31 March 2015 of £4.657m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.354m less than budget.
- Projected closing balance as at 31 March 2015 of £1.519m

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 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.

3.03 The table below shows projected in year expenditure to be £1.716m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend	
				Month 9	Month 10
				£m	£m
Social Services	59.889	58.568	58.557	0.046	(0.011)
Community & Enterprise	14.368	13.591	12.775	(0.842)	(0.816)
Streetscene & Transportation	28.381	29.485	29.619	0.158	0.134
Planning & Environment	6.394	5.806	5.596	(0.165)	(0.210)
Education & Youth	97.167	96.539	96.811	0.046	0.272
People & Resources	5.395	4.901	4.895	(0.008)	(0.006)
Governance	8.821	8.452	8.606	0.180	0.154
Organisational Change	9.738	10.027	10.174	0.109	0.147
Chief Executive	2.160	3.253	3.157	(0.096)	(0.096)
Central & Corporate Finance	22.863	24.554	23.270	(1.406)	(1.284)
Total	255.176	255.176	253.460	(1.978)	(1.716)

3.04 The reasons for all movements from Month 9 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 9 to month 10**

Changes in revised budget from month 9 relate mainly to adjustments relating to the

single status rebasing exercise and to workforce efficiency accounting adjustments.

- 3.06 The movement from Month 9 is mainly due to John Summers High School no longer being progressed within the 21st Century Schools Programme as agreed at Cabinet on 17th February 2015. Costs incurred on this scheme which would have usually been classified as capital, as part of the overall delivery programme, will now have to be met from revenue with the overall position that this has resulted in a decrease in the overall revenue underspend by £0.250m in Month 10.

3.07 Programme of Efficiencies

Corporate and Functional Efficiencies

- 3.08 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.

- 3.09 The table below summarises the latest position for the achievement of these specific efficiency programmes which includes a projected under achievement of the VFM efficiency relating to the Review of Administrative Support.

- 3.10 The analysis shows that it is currently projected that £7.688m (87%) will be achieved resulting in a net underachievement of £1.152m. 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	1.772	1.772	0.000
Expected to be Achieved in Full	4.917	4.917	0.000
Achievable in Part	2.101	0.999	(1.102)
Not Achievable	0.050	0.000	(0.050)
Total	8.840	7.688	(1.152)

3.11 Workforce Efficiencies

The 2014/15 budget also contains £3.1m of Workforce Efficiencies. The overall net underachievement on all workforce related efficiencies (including admin support) is £0.211m after taking into account lower than anticipated exit costs. This has increased by £0.091m due to a decrease in efficiencies of £0.063m and an increase in exit costs of £0.028m.

4.00 CARRY FORWARD REQUESTS

- 4.01 Governance – A carry forward for £0.019m is requested for software maintenance

within ICT. The contract for Geographic Information System (GIS)/Mapping products is to be renegotiated in 2015/16. The 2014/15 costs will not be invoiced until a new contract is agreed. A number of options are being considered in April 2015 and the contract option chosen will affect the amount invoiced for 2014/15.

Previously agreed brought forward balances

- 4.02 Organisational Change – request to carry forward £0.049m in relation to online payment for school meals. In 2013/14 funding of £0.083m was agreed for this project, however due to capacity within ICT this has not yet been rolled out to all schools. A balance of £0.049m remains from the initial agreed funding.
- 4.03 People & Resources – in 2013/14 a carry forward request of £0.010m was granted for the purchase of Disclosure & Barring Service (DBS) software. The amount is no longer required for DBS software however a change of use for this amount is being requested as there is a development requirement for iTrent.
- 4.04 Governance – request to carry forward £0.046m for provision of Event and Log Management solutions. In 2013/14 funding of £0.046m was agreed for the provision of Event and Log Management solutions. Implementation has been delayed due to ICT capacity.

5.00 INFLATION

- 5.01 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).
- 5.02 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. Allocations of NSI have been made to departments where there has been an evidenced need, this has resulted in an underspend of £0.156m on the amount required for fuel, an underspend of £0.054m on the amount required for food, together with an underspend of £0.065m on the amount required for Non-Domestic Rates.

6.00 MONITORING BUDGET ASSUMPTIONS AND RISKS

6.01 Emerging Risks

- Recycling - The recycling market (paper in particular) is going through a volatile period with fluctuating re-cycle sale values. This is likely to impact on 2015/16 recycling income levels for the Council. There is a risk of under achieving 2015/16 income targets. Status: unstable/amber risk
- Contingency Budgets - £0.050m to £0.100m is potentially required to support two sensitive multi-agency operations in child protection and adult social care. One operation is concluding and the other is ongoing. Status: unstable/amber risk.

6.02 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. Monthly costs for ongoing security and maintenance of the site are in the region of £0.030m and are accumulating within the financial year. Costs incurred within 2014/15 for the phase 1 decontamination of the site are estimated at £0.800m. The total projected cost for the whole operation, combining costs incurred to date, phase 1 decontamination, and phase 2 site disposal, are in the region of £1.7m. Negotiations with the Welsh Government have successfully led to the award of a significant grant to co-fund the project costs. The Council can now proceed with the two phase plan to close the risks to public health through site clearance and disposal. A full report will be made to the April meeting of Cabinet. Status: unstable/amber 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
- Single Status – The rebasing of the workforce establishment budget is substantially complete without any adverse impact on revenue budget provision. Similarly the position of the single status reserve shows that it is sufficient to meet any outstanding liabilities. Status: stable/green risk.
- 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. Status: stable/green risk

6.03 **Changes to previously reported risks (closed)**

- Workforce Efficiencies – the risk is the under achievements of workforce financial efficiency targets. As reported to Cabinet in January the exercise to review and readjust the targets, and build in the implications into the 2014/15 budget and the 2015/16 draft budget has been completed. The risk has been mitigated.
- Winter Maintenance – the risk is the additional cost of managing the highways network should we experience a severe winter. At the year end the winter can be classed as an average one which should mean that the budget provision is sufficient. The number of planned salting turnouts exceeded that required in an average year but this was cancelled out by the number of snow affected days which was lower than an average year. The ring fenced reserve will not be required and will need to be carried forward in to next

financial year. This seasonal risk has passed.

7.00 UNEARMARKED RESERVES

- 7.01 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.
- 7.02 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.
- 7.03 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.
- 7.04 Currently it is estimated that £2.5m will be required from the Contingency Reserve to fund the one off costs in 2014/15.
- 7.05 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.
- 7.06 Taking into account all of the above and the current projected outturn at month 10, the projected balance on the contingency reserve at 31 March 2015 is £4.657m. This is summarised in Appendix 4.

8.00 HOUSING REVENUE ACCOUNT

- 8.01 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%.
- 8.02 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.
- 8.03 The position at Month 10 is reporting an overall projected underspend of £0.354m and a projected closing balance at month 10 of £1.519m, which at 5.06% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
- 8.04 Appendix 5 details the reasons for significant variances.

9.00 RECOMENDATIONS

9.01 Members are recommended to :-

- a) Note the overall report.
- b) Note the projected Council Fund contingency sum as at 31st March 2015 (paragraph 7.06)
- c) Note the projected final level of balances on the Housing Revenue Account (paragraph 8.03)
- d) Approve the carry forward requests as stated in paragraphs 4.01-4.04

10.00 FINANCIAL IMPLICATIONS

10.01 The financial implications are set out in Sections 3.00 – 8.00 of the report.

11.00 ANTI POVERTY IMPACT

11.01 The financial implications are set out in Sections 3.00 – 8.00 of the report.

12.00 ENVIRONMENTAL IMPACT

12.01 None

13.00 EQUALITIES IMPACT

13.01 None

14.00 PERSONNEL IMPLICATIONS

14.01 None

15.00 CONSULTATION REQUIRED

15.01 None

16.00 CONSULTATION UNDERTAKEN

16.01 None

17.00 APPENDICES

17.01 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 10)
Summary of Movement from Month 9**

	£m	£m
Month 9		
Portfolios	(0.572)	
Central and Corporate Finance	(1.406)	
Variance as per Cabinet Report		(1.978)
Month 10		
Portfolios	(0.432)	
Central and Corporate Finance	(1.284)	
Variance as per Directorate Returns		(1.716)
Change Requiring Explanation		<u>0.262</u>

Social Services

Services For Adults

• Localities (Locality Teams) - Projected spend on purchased Domiciliary Care reduced by £0.011m. Projected costs in residential long term care reduced by £0.009m. Additional reduction in Nursing Long term care cost projection of £0.020m. This reduction in costs is offset by increased projection of Residential short term care costs of £0.005m. Plus net impact of increases in other minor variances of £0.008m.	(0.027)	
• Mental Health (Residential and Domiciliary Care) - Movement due to reduction in Residential Long Term care projected costs of £0.029m. Plus net impact of increases in other minor variances of £0.002m.	(0.027)	
• Other minor changes of less than £0.025m for Services for Adults.	0.007	
Subtotal: Services For Adults		(0.047)

Development & Resources

• Other minor changes of less than £0.025m.	0.001	
Subtotal: Development & Resources		0.001

Services For Children

• Family Placement - Movement due to decrease in direct foster care support costs and Family placement costs.	(0.055)	
• Out of County placements - increase of £0.060m due to changes to placement costs and new placements.	0.060	
• Other minor changes of less than £0.025m.	(0.016)	
Subtotal: Services For Children		(0.011)

Total: Social Services

(0.057)

Community & Enterprise

Other minor changes of less than £0.025m.

• Customer & Housing Services	(0.002)	
• Regeneration	0.015	
• Revenues & Benefits	0.016	
• Customer Services	(0.003)	
Total minor variances of less than £0.025m		0.026

Total: Community & Enterprise

0.026

Streetscene & Transportation Portfolio

Streetscene	
• Business Strategy - Commitment for Weir Consultants Service Review.	0.020
• Other minor changes of less than £0.025m.	0.010
Subtotal: Streetscene	0.030
Highways Strategy & Traffic Services	
• Transportation - Commitment Challenge Budget reallocated back to service.	(0.030)
• Aggregate minor changes of less than £0.025m.	(0.016)
Subtotal: Highways Strategy & Traffic Services	(0.046)
School Transport	
• Other minor changes of less than £0.025m.	(0.008)
Subtotal: School Transport	(0.008)
Total: Streetscene & Transportation	(0.024)

Planning & Environment Portfolio

Other minor changes of less than £0.025m.	
• Planning	0.008
• Public Protection	(0.017)
• Highways Development Control	(0.021)
• Other Services	(0.009)
• Greenfield Valley Heritage Park	(0.006)
Total minor variances of less than £0.025m	(0.045)
Total: Planning & Environment	(0.045)

Education & Youth

21st Century Schools	
This cost represents charges and expenditure already incurred against the John Summers High School replacement scheme within the 21st Century School programme. Expenditure would have been classed as capital however this scheme is no longer proceeding so expenditure is reflected within revenue.	
• classed as capital however this scheme is no longer proceeding so expenditure is reflected within revenue.	0.250
Subtotal: 21st Century Schools	0.250
Minor variances of less than £0.025m)	
• Secondary, 14-19 & Continuing Education	(0.012)
• Inclusion & Behaviour Support	(0.022)
• Out of County	0.005
• School Planning	0.009
• School Provision	(0.004)
• School Management Information - Minor Variances.	0.001
• Youth & Community Service	(0.001)
Total minor variances of less than £0.025m	(0.024)
Total: Education & Youth	0.226

People & Resources

HR & OD	
• Minor changes of less than £0.025m.	(0.007)
Subtotal: HR & OD	(0.007)
Corporate Finance	
• Minor changes of less than £0.025m.	0.009
Subtotal: Corporate Finance	0.009
Total: People & Resources	0.002

Governance

Minor variances of less than £0.025m	
• Legal Services.	(0.007)
• Democratic Services.	(0.023)
• Internal Audit.	(0.001)
• Support Services.	0.005
Total minor variances of less than £0.025m	(0.026)
Total: Governance	(0.026)

Organisational Change

Leisure Services.	
• Following February half term, the projected income anticipated to be received at Deeside Leisure Centre for the Ice Rink was lower than envisaged.	0.068
Subtotal: Leisure Services	0.068
Valuations & Estates	
£0.027m is due to an in house service relocated from third party accommodation to council building, this will result in an efficiency but this will not be realised this financial year. £0.034m relates to a roof renewal following storm damage in connection with one of the Council's commercial units, the resultant cost is due to the service meeting the insurance payment as this fell within the Council's excess.	0.061
Subtotal: Valuations & Estates	0.061
Property Design & Consultancy	
• Reflects additional fee income identified.	(0.037)
Subtotal: Property Design & Consultancy	(0.037)
Facilities	
• Increase in Catering income.	(0.048)
Subtotal: Facilities	(0.048)
Minor variances of less than £0.025m	
• Engineering Services.	(0.006)
Total minor variances of less than £0.025m	(0.006)
Total: Organisational Change	0.038

Chief Executive

- Minor changes of less than £0.025m.

0.000

Total: Chief Executive0.000**Central & Corporate Finance**

- Pension Fund Contributions.
- Workforce Costs.
- Workforce Efficiencies.
- One-off Efficiencies.
- Non Standard Inflation.
- Euticals - Phase 1 decontamination/Revised running costs
- Other minor variances.

0.045

0.026

0.066

0.030

(0.158)

0.111

0.002

Total: Central & Corporate Finance0.122**Total Changes**0.262

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Social Services for Adults - Locality Teams (Localities)	14.301	14.468	0.167	0.194	There is an overall improvement in this area, however, there remains a fairly stable level of overspend of £0.846m within Domiciliary Care, influenced by clients returning to the service following successful past placement, 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 £0.640m on residential care, which includes an underspend of £0.164m on payments to care home providers, an underspend of £0.321m due to an increase in the level of property related income and further increases in income above budget including £0.155m for free nursing. Other variances amount to a net underspend of £0.039m.	Keep under review.
Social Services for Adults - Resources & Regulated Services (Intake & Reablement)	5.737	5.527	(0.210)	(0.212)	Residential Care has a net underspend of £0.095m 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 of £0.068m (mainly catering charges). There is an underspend of £0.061m on Extracare facilities and an underspend of £0.052m on day care. There is also an underspend of £0.002m due to minor variances.	Keep under review.
Social Services for Adults - Transition and Disability Services (Disability Services)	0.536	0.611	0.075	0.093	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 £0.075m.	Keep under review.
Social Services for Adults - Disability Services (Disability Services)	1.830	2.061	0.231	0.252	The overspend is due to two new service users being charged to this service.	Keep under review.

MONTH 10 - 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)	15.664	14.948	(0.716)	(0.737)	Independent Sector Supported Living has a projected underspend of £0.640m which is mainly influenced by net additional income of £0.293m from BCUHB, in respect of previously disputed joint funded placements, and an underspend on residential placement costs of £0.296m. Other minor variances amount to a net underspend of £0.051m. The new income received from BCUHB will help to achieve the new budget efficiency from 2015/16 in this area. In-house supported living has a projected underspend of £0.131m which is mainly due to additional income from joint funded placements. Variances due minor overspends are £0.055m.	Keep under review.
Social Services for Adults - Safeguarding Co-ordinator (Localities)	0.217	0.274	0.057	0.065	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	0.905	0.102	0.129	Changes in Residential and Domiciliary packages along side additional new package costs totalling £0.098m. Various other minor variances amount to a net overspend of £0.004m.	Keep under review.
Social Services for Adults - Forensic Budget (Mental Health & Substance Misuse Service)	0.315	0.173	(0.142)	(0.142)	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	2.061	0.231	0.252	Reflects costs of current projected care packages and residential care overspend of 0.404m off set by joint funded income from BCUHB of £0.143m. Various other minor variances amount to a net underspend of £0.030m.	Keep under review.

MONTH 10 - 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	3.539	(0.412)	(0.462)	Various minor variances.	Continue to review but not expected to be recurrent.
Development & Resources - Business Services - Income	(1.573)	(1.788)	(0.215)	(0.228)	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)	2.457	2.467	0.010	0.022	Various minor variances.	Continue to review but not expected to be recurrent.
Children's Services - Family Placement	2.227	2.432	0.205	0.260	The £0.205m 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	5.225	5.383	0.158	0.149	This projected overspend is due mainly to increased direct payments of £0.102m for Children's Integrated Disability Services (CIDS). Various other minor variances amount to a net overspend of £0.056m.	Keep under review.
Children's Services - Out of County placements	3.428	3.738	0.310	0.249	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	0.059	Projected overspend of £0.059m due to Southwark judgement related costs.	Keep under review.
Other Services for Children variances (aggregate)	1.517	1.596	0.079	0.103	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	58.568	58.557	(0.011)	0.046		

MONTH 10 - 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	0.993	(0.026)	(0.023)	An additional cost of £0.028m is projected to occur due to a lower level of support recharge to the Council Fund from the HRA. Estimated underspend of £0.121m on Homeless Accommodation including a re-evaluation of B&B accommodation projections and Homeless Prevention Fund income. Additional support to Homelessness identified of £0.025m. New expenditure in respect of SHARP procurement of £0.090m. An overspend of £0.002m due to other minor variances.	Continue to monitor and review.
Supporting People	0.423	0.507	0.084	0.083	Increased costs towards the purchase and maintenance of Carelink/Telecare equipment of £0.072m. Other minor variances identified of £0.012m.	Continue to monitor and review.
Regeneration	0.485	0.508	0.023	0.008	Estimated shortfall of £0.031m in markets due to increased waste removal costs and loss of income, exacerbated by Welsh Water works in Mold. Other minor efficiencies of £0.008m.	Continue to monitor and review.
Revenues & Benefits	10.999	10.182	(0.817)	(0.833)	Underspend due to an anticipated surplus on the Council Tax Collection Fund of £0.559m. Projected underspend of £0.254m 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. £0.004m efficiency due to minor variances.	Continue to monitor and review.
Customer Services	0.665	0.585	(0.080)	(0.077)	£0.016m pressure due to reduced Welsh Translation recharge income. Efficiency in respect of Flintshire Connects of £0.090m. Efficiency due to other minor variances of £0.006m.	Continue to monitor and review.
Total Community & Enterprise	13.591	12.775	(0.816)	(0.842)		

MONTH 10 - 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	7.451	7.585	0.134	0.132	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 £86k. Increased cost of Food Waste disposal of £46k due to the cost per tonne increasing. Other minor variances identified of £0.002m.	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.
Fleet Services	4.570	4.572	0.002	0.000	Outturn includes the allocation for Non standard inflation of £130k (total budget of £177k currently held corporately) for projected total fuel costs in 2014/15.	Overspend of £130k has been mitigated by Corporate NSI allocation.
Business & Strategy	1.868	1.919	0.051	0.031	Knight Owl Security cost of Alarm / Security provision at Altami Depot. Commitment of £20k for Weir Consultants Service Review.	Depot Budgets to be realigned in 2015/16 to mitigate ongoing cost into the future.
Transportation	1.416	1.342	(0.074)	(0.043)	Bus Subsidy payments to Bus Operators. Expenditure commitment reduced based on decreasing contract levels. At Period 10 a budget virement of £30k reversed. Other minor variances identified of £0.001m.	Part of Business Planning proposals for 2015/16.
Streetworks	0.041	0.041	0.000	0.001	Lower than anticipated levels of income for FPN's (based on improving standards of repair by utility companies) & road closures.	Use of £20k Portfolio Balance at Period 8. Income is also moving in a positive direction so variance will hopefully be fully mitigated by financial year end.
Aggregate of other Variances	14.139	14.160	0.021	0.037	Minor Variances.	Continue to review all commitments to attempt to mitigate .
Total Streetscene & Transportation	29.485	29.619	0.134	0.158		

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Planning & Environment Planning	1.428	1.345	(0.083)	(0.091)	Levels of Planning Fee income remain variable, with a slight reduction in fees received at Period 10.	Planning Fee Income levels will be closely monitored.
Public Protection	2.509	2.492	(0.017)	0.000	Budgets allocated following Single Status implementation	Continue to maintain commitment challenge across the service.
Management Support & Performance	0.843	0.793	(0.050)	(0.049)	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	0.037	(0.025)	(0.019)	At Period 10, 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	0.374	(0.006)	(0.002)	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	0.269	(0.020)	(0.014)	Commitment Challenge through monitoring has resulted in a reduction in the expected outturn.	Continue to review.
Aggregate of other Variances	0.295	0.286	(0.009)	0.010	At Period 10, further commitment challenge has been successful in removing Consultancy commitments in Highways Development Control.	Continue to review but not expected to be recurrent.
Total Planning & Environment	5.806	5.596	(0.210)	(0.165)		

MONTH 10 - 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	36.746	0.007	0.019	Minor Variance.	Continue to review.
Inclusion Services	13.213	13.306	0.093	0.110	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 cost of £38k. Staffing savings of £17k were realised during January.	Education placements may change throughout the year. Detailed monitoring will continue.
Access (School Planning & Provision)	0.716	0.722	0.006	0.001	Minor Variance.	Continue to review.
21st Century Schools	0.067	0.317	0.250	0.000	This cost represents charges and expenditure already incurred against the John Summers High School replacement scheme within the 21st Century School programme. Expenditure would have been classed as capital however this scheme is no longer proceeding so expenditure is reflected within revenue.	
Youth Services	1.421	1.418	(0.003)	(0.002)	Minor Variance.	Continue to review.
Commissioning & Performance	0.314	0.251	(0.063)	(0.063)	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	0.165	(0.018)	(0.019)	Minor Variance.	Continue to review.
Total Education & Youth	96.539	96.811	0.272	0.046		

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.438	2.453	0.015	0.022	Minor Variances.	Continue to review.
Corporate Finance	2.463	2.442	(0.021)	(0.030)	Minor Variances.	Continue to review.
Total People & Resources	4.901	4.895	(0.006)	(0.008)		
Governance						
Legal Services	0.760	0.913	0.153	0.160	A pressure of £0.131m due to Litigation around local land charges. Overspend due to other minor variances of £0.002m. Agency costs of £0.020m.	Litigation around land charges is a one-off non-recurring cost for this financial year.
Democratic Services	1.979	1.924	(0.055)	(0.032)	The variance is due to an underspend of £0.017m on canvassing costs, an underspend of £0.020m on the member's training budget and over achievement of £0.008m income for the electoral register. Underspends of £0.010m are due to minor variances.	Continue to review but not expected to be recurrent.
Internal Audit	0.414	0.402	(0.012)	(0.011)	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	0.696	(0.020)	(0.025)	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	4.197	4.263	0.066	0.066	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 of £0.207m. These costs are being offset by vacancy savings of £0.195m and surplus income on digital print of £0.028. The balance is due to minor overspends of £0.006m.	The pressure due to the Oracle review is in-year only.
Total Governance	8.452	8.606	0.154	0.180		

MONTH 10 - 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	1.884	1.873	(0.011)	(0.011)	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)	(0.005)	Minor Variance.	Continue to review.
Leisure Services	4.102	4.203	0.101	0.033	Following February half term, the projected income anticipated to be received at Deeside Leisure Centre for the Ice Rink was lower than envisaged (£0.068m). The overspend balance of £0.033m relates to minor variances.	Investigate reasons as to shortfall on income.
Community Assets	0.060	0.060	0.000	0.000	No Variance.	
Valuation & Estates	(0.984)	(0.944)	0.040	(0.021)	An overspend of £0.027m is due to an in house service relocated from third party accommodation to council building, this will result in an efficiency but this will not be realised this financial year. An overspend of £0.034m relates to a roof renewal following storm damage in connection with one of the Council's commercial units, the resultant cost is due to the service meeting the insurance payment as this fell within the Council's excess. An underspend of £0.021m is due to minor variances.	This is not a recurring pressure.
Property Design & Consultancy	2.850	2.940	0.090	0.127	The projected overspend of £0.090m relates to anticipated loss of income linked to John Summers Secondary . Additional fee income from Corporate Property Maintenance (CPM) has been identified to offset loss of income.	Action has been taken to reduce costs in-year where possible. This is a non recurring pressure.
Engineering Services	(0.087)	(0.082)	0.005	0.011	Minor Variance.	Continue to review.
Facilities Services	1.886	1.817	(0.069)	(0.021)	Increase in Catering income contributing to the overall variance.	Org 2 online payment for school meals - Agreed funding for 13.14 of 0.083m, current balance of 0.049m requested to rollover to 15.16 to continue the rollout out to remaining schools.
Total Organisational Change	10.027	10.174	0.147	0.109		

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Chief Executives	3.253	3.157	(0.096)	(0.096)	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	3.253	3.157	(0.096)			
Central & Corporate Finance						
Central & Corporate Finance	24.554	23.270	(1.284)	(1.406)	Central Loans and investment projected year end underspend of £0.457m. 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. One off efficiencies of £0.630m identified within portfolios as part of budget monitoring. Non standard inflation of £0.275m not required. Strike deductons of £0.150m. Corporate windfall income of £0.375m. Pension fund contributions of £0.050m. A one off rebate of £0.072m has been received in relation to historical audit fees.	Keep under Review

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance (continued)					Workforce efficiencies achieved now reflect an overachievement of £0.057m in 14/15 together with 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. The under achievement of the Administrative efficiencies is partly offset by an anticipated balance on Investment costs of £0.718m. One off / time limited, unbudgeted running costs of £0.411m and net phase 1 decontamination costs of £0.100m in relation to former Euticals Ltd - Sandycroft site. The balance is due to minor overspends of £0.003m.	Work is now in progress to run a further phase of the Voluntary Redundancy Programme. On-going monthly monitoring.
Total Central & Corporate Finance	24.554	23.270	(1.284)	(1.406)		
TOTAL	255.176	253.460	(1.716)	(1.978)		

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	As part of the 2015/16 budget all unachieved workforce efficiencies have been addressed and a revised target set for Admin Review Efficiencies.
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.	0.040	Savings were initially subject to completion of the Service Review by 1 January 2015. However, due to the number of leavers from the various VR phases throughout the year, these have assisted in reducing the efficiency shortfall to £0.040m. The shortfall has reduced steadily throughout the year through minor variances across the portfolio from an initial £0.140m to £0.040m at Month 10.
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		1.102	

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 underspend as at Month 10		1.716
Total projected Contingency Reserve as at 31st March 2015		4.657

HRA Major Variance Report - Period 10

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	0.105	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	0.908	0.078	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	21.397	(0.058)	(0.012)	Various minor variances.	Keep under review.
Total :	0.497	0.143	(0.354)	(0.304)		

