

**FLINTSHIRE COUNTY COUNCIL****REPORT TO:**           **CABINET****DATE:**                   **TUESDAY, 14 JULY 2015****REPORT BY:**           **CORPORATE FINANCE MANAGER****SUBJECT:**               **REVENUE    BUDGET    MONITORING    2014/15**  
**(OUTTURN)****1.00    PURPOSE OF REPORT**

1.01    To provide Members with the revenue outturn budget monitoring information for 2014/15 for the Council Fund and Housing Revenue Account based on actual income and expenditure (subject to Audit).

**1.02    INDEX OF CONTENTS**

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**2.00    EXECUTIVE SUMMARY**

2.01    The final year end position is as follows:

**Council Fund**

- Net in year expenditure was £1.804m lower than budget.
- A contingency reserve balance at 31 March 2015 of £4.745m.

**Housing Revenue Account (HRA)**

- Net in year expenditure was £0.345m less than budget.
- A closing balance as at 31 March 2015 of £1.510m.

**3.00 COUNCIL FUND OUTTURN**

3.01 The table below shows the final position by portfolio which reflects the Council's new Operating Model which came into effect on 1 June 2014.

3.02 The table below shows in year expenditure to be £1.804m less than budget.

TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Outturn	In-Year Over/ (Under) spend	
				Month 12	Outturn
				£m	£m
Social Services	59.889	58.046	58.168	0.124	0.122
Community & Enterprise	14.368	13.367	12.756	(0.613)	(0.611)
Streetscene & Transportation	28.381	29.558	29.642	0.074	0.084
Planning & Environment	6.394	5.644	5.420	(0.246)	(0.224)
Education & Youth	97.167	97.155	97.234	0.078	0.079
People & Resources	5.395	5.029	4.999	(0.029)	(0.030)
Governance	8.821	8.388	8.489	0.103	0.101
Organisational Change	9.738	8.923	8.778	(0.165)	(0.145)
Chief Executive	2.160	3.151	3.111	(0.040)	(0.040)
Central & Corporate Finance	22.863	25.915	24.775	(1.345)	(1.140)
<b>Total</b>	<b>255.176</b>	<b>255.176</b>	<b>253.372</b>	<b>(2.059)</b>	<b>(1.804)</b>

3.03 The reasons for all movements from Month 12 are summarised in appendix 1 with the overall variances summarised within appendix 2.

**3.04 Significant Budget Movement Between month 12 to outturn**

Changes in revised budget from month 12 relate mainly to adjustments relating to the single status rebasing exercise, property maintenance reallocations, and workforce efficiency accounting adjustments.

**BRIEF OVERVIEW OF THE YEAR**

3.05 The early monitoring of the revenue budget for the Council Fund took into account the significant work that needed to be undertaken to rebase the staffing budgets following the implementation of the Single Status agreement in June 2014. As a result, the Month 3 – 6 monitoring reports focussed on non-pay areas with the assumption of no variation on pay budgets due to the fact that the relevant funding had been set aside through the single status funding strategy.

- 3.06 The early Month 3 position projected an overspend of £0.603m with a key influence being a projected overspend within Social Services due to demand on Adults domiciliary care as well as pressures within Children's services on Boarded Out and Direct Payments. Further challenges were experienced within Streetscene with a projected overspend of £0.293m due to delays in the trunk road collaboration project and a service review to be completed later than anticipated.
- 3.07 The Month 4 position reduced this early projection back into a minor underspend which was mainly due to the previously reported overspends in Social Services being offset by projected underspends in residential care, as well as a projected underspend within Community and Enterprise due to a higher level of surplus on Council tax collection and a projected underspend on the Council Tax Reduction Scheme (CTRS).
- 3.08 The 2014/15 budget included an efficiency of £3.1m to be achieved from workforce reductions and two phases of voluntary redundancy programmes were undertaken in year to maximise the contribution to this. However due to the number of workforce related efficiencies within portfolios as part of Value for Money, the recurring efficiencies to be achieved against this were not as much as anticipated. In Month 5, a cost control exercise was undertaken with all Portfolios asked to identify areas of non-essential expenditure to maximise the year end position to mitigate early concerns about the achievement of this efficiency and as a result an additional £0.630m of one off efficiencies were identified to improve the in year position.
- 3.09 As part of the completion of the rebasing of staffing budgets, an in year challenge of vacancies was undertaken across all Portfolios with budgets for vacancies that were not anticipated to be filled in year, given up on a one off basis to contribute towards the achievement of the in year workforce efficiency. As a result of that, the in year projected underspend increased in Month 9 to £1.978m.
- 3.10 Throughout 2014/15, the Council had an obligation to maintain security and the operation of the orphaned chemical site in Sandycroft which incurred running costs of £0.392m. In Month 10, the Council reported that negotiations with Welsh Government to gain a contribution towards the cost of decontamination of the site has been successful and a grant of £0.700m had been awarded. The cost of the phase 1 decontamination of the site was also included at £0.800m.
- 3.11 Between Month 10 and 12, the finalisation of the single status rebasing work and the impact of in year vacancy savings to contribute to the overall workforce efficiency had given a further positive impact on the outturn position. A further provision of £0.800m relating to phase 2 of the risk closure and site disposal of the orphaned site at Sandycroft was included due to the need to account for potential future liabilities.
- 3.12 As part of the outturn report, the Support Service recharges which are undertaken as part of the final account closure has led to an adverse variance of £0.222m which is due to the level of recharge to the Housing Revenue Account (HRA) being less than anticipated.

## Programme of Efficiencies

### Corporate and Functional Efficiencies

- 3.13 The 2014/15 budget contained £8.840m of specific efficiencies comprising Corporate Value for Money (VFM) on Procurement and Back to Basics of £1.301m and specific Functional VFM efficiencies of £7.539m.
- 3.14 The table below summarises the final position in relation to these and the analysis shows that £7.675m (87%) was achieved which resulted in a net underachievement of £1.165m. Details of the efficiencies not achieved in full are shown in appendix 3.

Status of Efficiency	Value of Budgeted Efficiency £m	Value of Actual Efficiency £m	(Under) Over Achievement £m
Fully Achieved	7.033	7.033	0.000
Achieved in Part	0.720	0.657	(0.063)
Not Achieved	1.087	(0.015)	(1.102)
<b>Total</b>	<b>8.840</b>	<b>7.675</b>	<b>(1.165)</b>

### Workforce Efficiencies

- 3.15 The 2014/15 budget also contained £3.1m of Workforce Efficiencies. The final position is a net over achievement on all workforce related efficiencies (including admin support) of £0.354m. This is a positive movement of £0.019m over month 12 due to an increase in overall workforce efficiencies of £0.019m.

## 4.00 CARRY FORWARD REQUESTS

- 4.01 Various requests to carry forward funding into 2015/16 were identified in the month 12 report. The carry forward requests were all approved. There are two additional carry forward requests being made in this report which are shown below.
- 4.02 Community & Enterprise – A carry forward for £0.031m is requested for the continuation of the Welfare Rights Programme.
- 4.03 Community & Enterprise – A carry forward for £0.011m is requested for the DWP Fraud and Error Reduction Incentive Scheme which is continuing into 2015/16.

## 5.00 INFLATION

- 5.01 Included within the 2014/15 budget were 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 £0.144m on the amount required for fuel, an underspend of £0.054m on the amount required for food, together with an underspend of £0.042m on the amount required for Non-Domestic Rates.

## **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 An amount of £2.5m was required from the Contingency Reserve to fund the one off costs in 2014/15.

6.05 The Month 2 Monitoring report to Cabinet on 15<sup>th</sup> July also advised members of an allocation of £0.696m from the contingency reserve to fund investment costs approved under delegated powers.

6.06 Taking into account all of the above and the final outturn, the balance on the contingency reserve at 31 March 2015 is £4.745m. This is summarised in Appendix 4.

## **7.00 HOUSING REVENUE ACCOUNT**

7.01 On 18<sup>th</sup> 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 15<sup>th</sup> July 2014 showed a closing balance at the end of 2013/14 of £1.662m.

7.03 The outturn position reporting an overall underspend of £0.345m and a closing balance of £1.510m, which at 5% 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**

Members are recommended to :-

- a) Note the overall report.
- b) Note the Council Fund contingency sum as at 31<sup>st</sup> March 2015, subject to audit (paragraph 6.06)
- c) Note the final level of balances on the Housing Revenue Account, subject to audit (paragraph 7.03)
- d) Approve the carry forward requests as stated in Section 4

## **9.00 FINANCIAL IMPLICATIONS**

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

## **10.00 ANTI POVERTY IMPACT**

None

## **11.00 ENVIRONMENTAL IMPACT**

None

## **12.00 EQUALITIES IMPACT**

None

## **13.00 PERSONNEL IMPLICATIONS**

None

## **14.00 CONSULTATION REQUIRED**

None

## **15.00 CONSULTATION UNDERTAKEN**

None

## **16.00 APPENDICES**

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 (Outturn)  
Summary of Movement from Month 12**

	£m	£m
<b>Month 12</b>		
Portfolios	(0.714)	
Central and Corporate Finance	(1.345)	
<b>Variance as per Cabinet Report</b>		<b>(2.059)</b>
<b>Outturn</b>		
Portfolios	(0.664)	
Central and Corporate Finance	(1.140)	
<b>Variance as per Directorate Returns</b>		<b>(1.804)</b>
<b>Change Requiring Explanation</b>		<b>0.255</b>
<b><u>Social Services</u></b>		
<b>Minor variances of less than £0.025m</b>		
• Development & Resources	(0.002)	
<b>Total minor variances of less than £0.025m</b>		<b>(0.002)</b>
<b>Total: Social Services</b>		<b>(0.002)</b>
<b><u>Community &amp; Enterprise</u></b>		
<b>Minor variances of less than £0.025m</b>		
• Customer & Housing Services	0.009	
• Regeneration	(0.006)	
• Revenues & Benefits	(0.001)	
<b>Total minor variances of less than £0.025m</b>		<b>0.002</b>
<b>Total: Community &amp; Enterprise</b>		<b>0.002</b>
<b><u>Streetscene &amp; Transportation Portfolio</u></b>		
<b>Streetscene</b>		
• Other minor changes of less than £0.025m.	0.005	
<b>Subtotal: Streetscene</b>		<b>0.005</b>
<b>Highways Strategy &amp; Traffic Services</b>		
• Other minor changes of less than £0.025m.	0.005	
<b>Subtotal: Highways Strategy &amp; Traffic Services</b>		<b>0.005</b>
<b>Total: Streetscene &amp; Transportation</b>		<b>0.010</b>
<b><u>Planning &amp; Environment Portfolio</u></b>		
<b>Planning</b>		
• Other minor changes of less than £0.025m.	0.010	
<b>Subtotal: Planning</b>		<b>0.010</b>
<b>Public Protection</b>		
• Other minor changes of less than £0.025m.	0.012	
<b>Subtotal: Public Protection</b>		<b>0.012</b>
<b>Total: Planning &amp; Environment</b>		<b>0.022</b>
<b><u>Education &amp; Youth</u></b>		
<b>Minor variances of less than £0.025m</b>		
• School Management & Information	0.001	
<b>Total minor variances of less than £0.025m</b>		<b>0.001</b>

<b>Total: Education &amp; Youth</b>		<u>0.001</u>
<b><u>People &amp; Resources</u></b>		
<b>HR &amp; OD</b>		
• Minor changes of less than £0.025m.	0.002	
<b>Subtotal: HR &amp; OD</b>		<u>0.002</u>
<b>Corporate Finance</b>		
• Minor changes of less than £0.025m.	(0.003)	
<b>Subtotal: Corporate Finance</b>		<u>(0.003)</u>
<b>Total: People &amp; Resources</b>		<u>(0.001)</u>
<b><u>Governance</u></b>		
<b>Minor variances of less than £0.025m</b>		
• ICT.	(0.001)	
• Legal Services.	(0.001)	
<b>Total minor variances of less than £0.025m</b>		<u>(0.002)</u>
<b>Total: Governance</b>		<u>(0.002)</u>
<b><u>Organisational Change</u></b>		
<b>Minor variances of less than £0.025m</b>		
• Engineering Services	0.021	
• Facilities Services	(0.001)	
<b>Total minor variances of less than £0.025m</b>		<u>0.020</u>
<b>Total: Organisational Change</b>		<u>0.020</u>
<b><u>Central &amp; Corporate Finance</u></b>		
• Support Services recharge to Housing Revenue Account	0.222	
• Minor changes of less than £0.025m.	(0.017)	
<b>Total: Central &amp; Corporate Finance</b>		<u>0.205</u>
<b>Total Changes</b>		<u><u>0.255</u></u>

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Social Services for Adults - Locality Teams (Localities)	14.196	14.260	0.064	0.064	There is an overall improvement in this area, however, there remains a fairly stable level of overspend of £0.837m within Domiciliary Care, influenced by clients returning to the service following successful past reablement, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The significant projected overspend on domiciliary care is being offset by a projected underspend of £0.688m on residential care (which includes, an underspend of £0.212m on payments to care home providers, an underspend of £0.311m due to an increase in the level of property related income, plus further increases in income above budget including £0.144m for free nursing). There is a further underspend of £0.039m due to usage of Intermediate Care Fund grant and a further underspend of £0.049m due to reduction of use of consultant Occupational Therapists. Other variances amount to a net overspend of £0.003m.	Keep under review.
Social Services for Adults - Resources & Regulated Services (Intake & Reablement)	5.737	5.621	(0.116)	(0.116)	Residential Care net underspend of £0.088m, which is due to additional income of £0.217m (being increased client contributions of £0.146m and new one-off grant income of £0.071m). This underspend is offset by overspends on Pay of £0.017m, Premises costs of £0.052m (mainly utilities costs) and Supplies & Services of £0.060m (mainly on catering charges). There are further underspends of £0.037m on Extracare facilities, £0.017m on day care and £0.011m on transport, and an overspend of £0.037m on home care.	Keep under review.
Social Services for Adults - Transition and Disability Services (Disability Services)	0.555	0.640	0.085	0.085	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 £0.085m.	Keep under review.

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Social Services for Adults - Resources & Regulated Services (Disability Services)	15.546	14.823	(0.723)	(0.723)	Supported Living projected underspend of £0.665m, (which is mainly influenced by net additional income of £0.403m from Betsi Cadwalader University Health Board in respect of previously disputed joint funded placements, and an underspend on residential placement costs of £0.295m). Other minor variances amount to a net overspend of £0.033m. The new income being received from BCUHB will help to achieve the new budget efficiency from 2015/16 in this area). Other net minor underspends of £0.058m.	Keep under review.
Social Services for Adults - Safeguarding Co-ordinator (Localities)	0.220	0.294	0.074	0.074	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	0.896	0.093	0.093	Changes in Residential and Domiciliary packages along side additional new package costs totalling £0.098m. Various other minor variances amount to a net underspend of £0.005m.	Keep under review.
Social Services for Adults - Forensic Budget (Mental Health & Substance Misuse Service)	0.314	0.194	(0.120)	(0.120)	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)	1.815	2.190	0.375	0.375	Reflects costs of current projected care packages and residential care overspend of £0.533m off set by joint funded income from BCUHB of £0.149m. Various other minor variances amount to a net underspend of £0.009m.	Keep under review.

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Other Services for Adults variances (aggregate)	5.645	5.517	(0.128)	(0.128)	Various minor variances.	Continue to review but not expected to be recurrent.
Development & Resources - Business Services - Income	(1.573)	(1.783)	(0.210)	(0.210)	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)	2.439	2.484	0.045	0.047	Various minor variances.	Continue to review but not expected to be recurrent.
Children's Services - Family Placement	2.227	2.449	0.222	0.222	The £0.222m 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.
Flying Start	0.002	0.078	0.076	0.076	Reflects unfunded impacts of Single Status pay increases due to this being a grant funded service £0.046m, plus expenditure of £0.030m relating to 2013/14 which cannot now be claimed.	Keep under review.
Children's Services - Out of County placements	3.428	3.705	0.277	0.277	The projected overspend is mainly influenced by an increased number of complex care packages.	Keep under review.
Other Services for Children variances (aggregate)	6.692	6.800	0.108	0.108	Various minor variances.	Continue to review but not expected to be recurrent.
<b>Total Social Services</b>	<b>58.046</b>	<b>58.168</b>	<b>0.122</b>	<b>0.124</b>		

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	1.016	0.987	(0.029)	(0.038)	Underspend is due to additional income in respect of Welfare Rights of £0.038m and £0.131m on Homeless Accommodation including B&B accommodation projections and Homeless Prevention Fund income. Expenditure in respect of SHARP procurement resulted in an overspend of £0.102m. Other minor variances identified resulted in an overspend of £0.038m.	
Supporting People	0.256	0.304	0.048	0.048	Increased costs towards the purchase and maintenance of Carelink/Telecare equipment of £0.081m. Other minor variances identified resulted in an underspend of £0.033m.	
Regeneration	0.464	0.515	0.051	0.057	Shortfall of £0.053m in markets due to increased waste removal costs and loss of income, exacerbated by Welsh Water works in Mold. Other minor variances of £0.002m.	
Revenues & Benefits	10.969	10.379	(0.590)	(0.589)	Underspend due to a surplus on the Council Tax Collection Fund of £0.713m. Underspend of £0.139m on the budgeted provision for the Council Tax Reduction Scheme. Final accounts transfers in respect of HB Subsidy costs of £0.236m. A £0.027m pressure due to minor variances.	Request to carry forward: £0.031m towards the continuation of the Welfare Rights Programme in 15/16 £0.011m in respect of the DWP Fraud and Error Reduction Incentive Scheme which continues into 15/16.
Customer Services	0.662	0.571	(0.091)	(0.091)	£0.023m pressure due to reduced Welsh Translation recharge income. Efficiency in respect of Flintshire Connects of £0.107m. Efficiency due to other minor variances of £0.007m.	
<b>Total Community &amp; Enterprise</b>	<b>13.367</b>	<b>12.756</b>	<b>(0.611)</b>	<b>(0.613)</b>		

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation						
Waste Disposal & Waste Collection	7.437	7.578	0.141	0.141	Additional costs of overtime and use of Agency personnel due to high number of vacancies to maintain the necessary service provision resulted in an overspend of £0.086m. Increased cost of Food Waste disposal of £0.050m due to the cost per tonne increasing. Other minor variances identified of £0.005m.	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.
Highways Maintenance	1.155	1.215	0.060	0.060	Additional costs of overtime, Agency Personnel and Hired Vehicle costs.	Business Planning proposals 2015/16 will remove vacancies, otherwise the posts will be filled.
Winter Maintenance	0.999	0.951	(0.048)	(0.048)	The Winter Maintenance budget makes provision for one week of snow and there was only one snowfall that was cleared within 24 hours resulting in a reduction in expenditure of £0.048m.	
Fleet Services	4.572	4.542	(0.030)	(0.030)	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. Additional service vehicle budgets were allocated later in the financial year.	
Business & Strategy	1.939	1.998	0.059	0.059	Knight Owl Security cost of Alarm / Security provision at Alltarni Depot. Expenditure relating to Weir Consultants Service Review of £0.020m.	Depot Budgets to be realigned in 2015/16 to mitigate ongoing cost into the future.
Transportation	1.417	1.330	(0.087)	(0.087)	Bus Subsidy payments to Bus Operators.	Part of Business Planning proposals for 2015/16.
Streetworks	0.037	0.021	(0.016)	(0.016)	Slightly increasing levels of income from Fixed Penalty Notices and road closures towards the end of the financial year.	Use of £20k Portfolio Balance at Period 8. Income is now moving in a positive direction.
Aggregate of other Variances	12.002	12.007	0.005	(0.005)	Minor adjustments at final outturn.	
<b>Total Streetscene &amp; Transportation</b>	<b>29.558</b>	<b>29.642</b>	<b>0.084</b>	<b>0.074</b>		

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Planning & Environment Planning	1.492	1.390	(0.102)	(0.112)	Minor reduction in Planning Fee income levels.	Planning Fee income budget increased in line with Business Planning proposals for 2015/16.
Public Protection	2.554	2.539	(0.015)	(0.027)	Minor adjustments at final outturn.	
Management Support & Performance	0.569	0.503	(0.066)	(0.066)	Vacancy Budget allocated following Single Status implementation inclusive of staff savings to date.	Some of these vacancies will be used towards Business Planning efficiencies in 2015/16.
Energy Services (including closed Landfill Sites and Electricity Generation)	0.069	(0.005)	(0.074)	(0.074)	Challenge/accrual monitoring has been successful in reducing Repairs & Maintenance and Equipment Rental costs.	Income generation levels for Gas Engines is a potential risk for 2015/16.
Drainage	0.079	0.110	0.031	0.031	Income for Flood Water Management Act carried forward to mitigate grant funding shortfalls in 2015/16.	
Greenfield Valley & Heritage Park	0.289	0.288	(0.001)	(0.001)		
Aggregate of other Variances	0.592	0.595	0.003	0.003		
<b>Total Planning &amp; Environment</b>	<b>5.644</b>	<b>5.420</b>	<b>(0.224)</b>	<b>(0.246)</b>		



OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Education & Youth Primary & Early Years Education	44.333	44.331	(0.002)	(0.002)	Minor Variances.	Continue to review.
Secondary, 14 - 19 & Continuing Education	36.954	36.933	(0.021)	(0.021)	Minor Variances.	Continue to review.
Inclusion Services	13.123	13.089	(0.034)	(0.034)	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 £0.038m. Staffing savings of £0.017m were realised during January. Increased recoupment of tri-partite payments owing at year-end has resulted in an overall underspend.	Continue to review in 2015/16.
Access (School Planning & Provision)	0.709	0.779	0.070	0.070	The variance has been caused by a sharp increase in the cost of School Trips and in the demand for Free School Meals.	Continue to review.
21st Century Schools	0.087	0.266	0.179	0.179	This represents the final contract exit charges and expenditure already incurred against the John Summers High School replacement scheme within the 21st Century School programme. This scheme is no longer proceeding, which was agreed by cabinet 17th Feb 2015.	
Youth Services	1.472	1.452	(0.020)	(0.020)	Minor Variance.	Continue to review.
Commissioning & Performance	0.283	0.217	(0.066)	(0.066)	Reduction in external legal costs associated with school staff. Tightening of uptake of subscriptions, plus other minor variances.	Continue to review.
School Management & Information	0.194	0.167	(0.027)	(0.028)	Minor Variance.	Continue to review.
<b>Total Education &amp; Youth</b>	<b>97.155</b>	<b>97.234</b>	<b>0.079</b>	<b>0.078</b>		

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.617	2.615	(0.002)	(0.004)	Minor Variances.	Underspend is not expected to be recurrent.
Corporate Finance	2.412	2.384	(0.028)	(0.025)	Minor Variances.	Underspend is not expected to be recurrent.
<b>Total People &amp; Resources</b>	<b>5.029</b>	<b>4.999</b>	<b>(0.030)</b>	<b>(0.029)</b>		
Governance						
Legal Services	0.735	0.869	0.134	0.135	£0.131m pressure due to Litigation around local land charges. Overspend due to other minor variances of £0.003m.	Litigation around land charges is a one-off non-recurring cost for this financial year.
Democratic Services	1.965	1.890	(0.075)	(0.075)	The variance is due to an underspend of £0.017m on canvassing costs, an underspend of £0.020m on the members training budget, over achievement of £0.008m regarding income for the electoral register and an underspend of £0.012m on the Chairman's Dinner. Underspends of £0.018m are due to minor variances.	Underspend is not expected to be recurrent.
Internal Audit	0.402	0.385	(0.017)	(0.017)	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.219	0.219	0.000	0.000	No Variance	
Support Services	0.715	0.690	(0.025)	(0.025)	Minor Variances.	Underspend is not expected to be recurrent.
Records Management	0.168	0.185	0.017	0.017	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.184	4.251	0.067	0.068	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 £0.203m. These costs are being offset by vacancy savings of £0.201m. The balance is due to minor underspends of £0.011m.	The pressure due to the Oracle review is in-year only.
<b>Total Governance</b>	<b>8.388</b>	<b>8.489</b>	<b>0.101</b>	<b>0.103</b>		

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.900	1.867	(0.033)	(0.033)	Minor Variance.	Continue to review.
Museums Service	0.062	0.063	0.001	0.001	Minor Variance.	Continue to review.
County Archives	0.253	0.244	(0.009)	(0.009)	Minor Variance.	Continue to review.
Leisure Services	3.977	3.987	0.010	0.010	Minor Variance.	Continue to review.
Community Assets	0.061	0.054	(0.007)	(0.007)	Minor Variance.	
Valuation & Estates	(0.980)	(0.843)	0.137	0.137	Income on a number of sites has been lower than anticipated. NNDR has increased as a result of a number of empty units. Utilities on Greenfield Business Park were higher than anticipated.	This is not a recurring pressure.
Property Design & Consultancy	1.894	1.712	(0.182)	(0.182)	Underspend on Flintshire Connects of £0.031m. R & M costs have come in £0.037m under budget. Underspend on Leigonella and Asbestos monitoring of £0.047m. Reduced expenditure in respect of Conditional Surveys £0.033m. Other minor variances contributing to overall underspend £0.034m.	This is a non recurring pressure.
Engineering Services	(0.091)	(0.060)	0.031	0.010	Minor Variance.	Continue to review.
Facilities Services	1.847	1.754	(0.093)	(0.092)	Additional income above budget from the increased numbers in school meals has resulted in this net underspend.	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.
<b>Total Organisational Change</b>	<b>8.923</b>	<b>8.778</b>	<b>(0.145)</b>	<b>(0.165)</b>		

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Chief Executives	3.151	3.111	(0.040)	(0.040)	Minor Variances.	Underspend is not expected to be recurrent.
<b>Total Chief Executives</b>	<b>3.151</b>	<b>3.111</b>	<b>(0.040)</b>	<b>(0.040)</b>		
Central & Corporate Finance	25.915	24.775	(1.140)	(1.345)	Central Loans and investment year end underspend of £0.629m. However, this can be affected by many factors such as 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 funded assets has been reviewed in year. Increased Coroners Recharge in Quarter 4 of £0.043m. Pension Fund Contributions reduced by £0.133m due to increased Employees contribution, and information received from our Clwyd Pension Fund Section has amended the projection. Identified one-off budget efficiencies of £0.630m. Additional Windfall income of £0.411m. Underspend on allocation of inflation of £0.240m. Strike deductions of £0.150m. Other minor underspends of £0.041m.	Keep under Review

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Variance Month 12 (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance (continued)					A one-off rebate of £0.072m has been received in relation to historical audit fees. Additional in-year savings on audit fees of £0.067m. Workforce efficiencies achieved now reflect an overachievement of £0.890m in 14/15 together with an underachievement of £1.015m 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 underspend on Investment costs of £0.479m. Cost of £1.292m in relation to the ophaned site at Sandycroft which now includes provision for potentially liability of the risk closure and site disposal. An underachievement in Support Services Recharges of £0.221m. Operation Base costs of £0.031m.	On-going monthly monitoring.
<b>Total Central &amp; Corporate Finance</b>	<b>25.915</b>	<b>24.775</b>	<b>(1.140)</b>	<b>(1.345)</b>		
<b>TOTAL</b>	<b>255.176</b>	<b>253.372</b>	<b>(1.804)</b>	<b>(2.059)</b>		



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.
Social Services	Learning Disabilities - Day Opportunities Efficiencies	0.013	This efficiency was based on vacating premises at Tri Ffordd. These premises have not yet been vacated.
Social Services	Relocation of Estuary Crafts to Tri Ffordd	0.024	Delays in the relocation of Estuary Crafts has meant this efficiency was not achieved.
Central & Corporate Finance	Review of all Admin roles / processes as a result of improved technology.	1.015	As part of the 2015/16 budget all unachieved workforce efficiencies have been addressed and a revised target set for Admin Review Efficiencies.
<b>Total</b>		<b>1.102</b>	

EFFICIENCY ACHIEVABLE IN PART			
Portfolio	Efficiency Description	Efficiency not achieved (£m)	Reason for efficiency not being achieved
Streetscene & Transportation	Streetscene & Transportation - Employment Contracts - Review Employment Contracts to increase service flexibility	0.040	The achievement of this efficiency was dependant on the implementation of Single Status which was delayed into June 2014.
Organisational Change 1	Leisure - Changes to rotas and cover arrangements.	0.023	1/12th of the efficiency was achievable because the Service Review was not 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.
<b>Total</b>		<b>0.063</b>	





**APPENDIX 4**

**Movements on Council Fund Unearmarked Reserves**

	<b>£m</b>	<b>£m</b>
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		<b>5.392</b>
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		<b>2.941</b>
Add projected underspend as at Outturn		1.804
<b>Total projected Contingency Reserve as at 31<sup>st</sup> March 2015</b>		<b>4.745</b>



## HRA Major Variance Report - Outturn

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance Outturn (£m)	Variance Month 12 (£m)	Cause of Variance	Action Required
Rents	(27.713)	(27.727)	(0.014)	(0.014)		
Subsidy	6.404	6.235	(0.169)	(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.	
General Income	(0.714)	(0.567)	0.147	0.147	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.	
Landlord Services	0.830	0.901	0.071	0.066	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.	
Vacancy Savings	0.257	0.000	(0.257)	(0.257)	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.	
CERA	6.581	6.884	0.303	0.303	Demolition costs for Castle Heights car park £0.150m Communal Heating £0.063m Shortfall in MRA £0.090m.	
Other variances (aggregate)	14.852	14.426	(0.426)	0.013	Carry forward balances for Software amount to £0.159m, Pension & Redundancy £0.035m. HRA Insurances made savings of £0.042m. Reduction in support service recharge £0.156m	
<b>Total :</b>	<b>0.497</b>	<b>0.152</b>	<b>(0.345)</b>	<b>0.069</b>		

