



CABINET MEETING

Date of Meeting	15 September 2015
Report Subject	Revenue Budget Monitoring 2015/16 (Month 3)
Portfolio Holder	Leader of the Council and Lead Member for Finance
Report By	Corporate Finance Manager
Strategic / Operational	Operational

EXECUTIVE SUMMARY

This regular monthly report provides the latest revenue budget monitoring position for 2015/16 for the Council Fund and Housing Revenue Account. The position is based on actual income and expenditure as at Month 3, and projects forward to year-end.

The projected year end position, as estimated at Month 3 is as follows:

Council Fund

- Net in year expenditure forecast to be £0.212m lower than budget
- Projected contingency reserve balance at 31 March 2016 of £4.958m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.070m higher than budget
- Projected closing balance as at 31 March 2016 of £1.168m

Recommendations	
(1)	Note the overall report and the projected Council Fund contingency sum as at 31 st March 2016.
(2)	To Approve the transfer from Social Services of £0.300m of budget for Independent Living Fund (ILF) to be held within Central and Corporate Finance as a one off in year efficiency.
(3)	Note the projected final level of balances on the Housing Revenue Account.
(4)	Approve an allocation of £0.210m from the Contingency Reserve for the costs of the speed limit review which is an improvement plan priority.

1.0	<u>REPORT DETAILS</u>																																																																											
1.01	<p><u>Council Fund Latest In Year Forecast</u></p> <p>The table below shows the projected position by portfolio.</p> <table border="1"> <thead> <tr> <th>TOTAL EXPENDITURE AND INCOME</th> <th>Original Budget</th> <th>Revised Budget</th> <th>Projected Outturn</th> <th>In-Year Over/ (Under) spend</th> </tr> <tr> <td></td> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>59.696</td> <td>59.969</td> <td>59.396</td> <td>(0.573)</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.598</td> <td>12.706</td> <td>12.397</td> <td>(0.309)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.782</td> <td>27.770</td> <td>28.578</td> <td>0.808</td> </tr> <tr> <td>Planning & Environment</td> <td>4.887</td> <td>5.332</td> <td>5.502</td> <td>0.170</td> </tr> <tr> <td>Education & Youth</td> <td>13.760</td> <td>13.538</td> <td>13.563</td> <td>0.025</td> </tr> <tr> <td>Schools</td> <td>82.670</td> <td>83.172</td> <td>83.172</td> <td>0.000</td> </tr> <tr> <td>People & Resources</td> <td>4.595</td> <td>4.644</td> <td>4.680</td> <td>0.036</td> </tr> <tr> <td>Governance</td> <td>8.689</td> <td>8.728</td> <td>8.852</td> <td>0.124</td> </tr> <tr> <td>Organisational Change</td> <td>9.569</td> <td>9.676</td> <td>9.521</td> <td>(0.155)</td> </tr> <tr> <td>Chief Executive</td> <td>3.296</td> <td>3.195</td> <td>3.090</td> <td>(0.105)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>23.915</td> <td>22.727</td> <td>22.494</td> <td>(0.233)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>251.457</td> <td>251.457</td> <td>251.245</td> <td>(0.212)</td> </tr> </tbody> </table>	TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over/ (Under) spend		£m	£m	£m	£m	Social Services	59.696	59.969	59.396	(0.573)	Community & Enterprise	12.598	12.706	12.397	(0.309)	Streetscene & Transportation	27.782	27.770	28.578	0.808	Planning & Environment	4.887	5.332	5.502	0.170	Education & Youth	13.760	13.538	13.563	0.025	Schools	82.670	83.172	83.172	0.000	People & Resources	4.595	4.644	4.680	0.036	Governance	8.689	8.728	8.852	0.124	Organisational Change	9.569	9.676	9.521	(0.155)	Chief Executive	3.296	3.195	3.090	(0.105)	Central & Corporate Finance	23.915	22.727	22.494	(0.233)						Total	251.457	251.457	251.245	(0.212)
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1.02	<p>The reasons for the projected variances occurring to date are summarised within appendix 1.</p> <p>Significant budget movements between original and revised budget</p>																																																																											
1.03	<p>Changes in the revised budget are due to accounting adjustments such as the transfer of budgeted allocations to fund the impact of pension increases to Portfolios from the actuarial valuation.</p> <p>Key issues</p>																																																																											
1.04	<p>Social Services</p> <p>There is a projected underspend within Social Care of £0.573m which is mainly due to the additional allocation included in the budget for Independent Living Fund (ILF) of £0.338m now met by grant from Welsh Government. As a result</p>																																																																											

	<p>of this, it is proposed that £0.300m of this allocation is held centrally as a one off in year efficiency with the potential for any permanent efficiency to be assessed, once confirmation has been received from Welsh Government.</p> <p>Programme of Efficiencies</p> <p>1.05 The 2015/16 budget contains £12.874m of specific efficiencies. These are being tracked through the programme boards.</p> <p>1.06 Appendix 2 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.</p> <p>1.07 This shows that it is currently projected that £10.876m (84%) will be achieved resulting in a net underachievement of £1.998m. The position will be continue to be monitored and reported throughout the monthly monitoring process.</p> <p>Inflation</p> <p>1.08 Included within the 2015/16 budget are provisions for pay (£1.304m), targeted price inflation (£0.421m), non-standard inflation (£0.102m) and income (£0.254m).</p> <p>1.09 For 2015/16 the amounts for non-standard inflation (NSI) include an allocation for food (£0.064m) and an allocation for Non Domestic Rates (£0.038m).</p> <p>1.10 There is also an amount of £0.240m remaining from 2014/15 which is currently also being held centrally. Areas subject to NSI increases will be monitored throughout the year and allocations made to portfolio areas only where a critical funding need is evidenced.</p> <p>Unearmarked Reserves</p> <p>1.11 The 2014/15 outturn reported to Cabinet on 14th July 2015 showed unearmarked reserves at 31 March 2015 (above the base level of £5.769m) of £4.745m (subject to Audit)</p> <p>1.12 Taking into account the current underspend at Month 3 the balance on the contingency reserve at 31st March 2015 is projected to be £4.958m.</p> <p>1.13 A report to Cabinet on 16 June approved expenditure of £0.210m for the costs of the Speed Limit Review (included within Highways Strategy). It is recommended that these costs are met from the Contingency Reserve</p> <p>Housing Revenue Account</p> <p>1.14 On 17 February 2015 the Council approved a Housing Revenue Account (HRA) budget for 2015/16 of £30.776m.</p> <p>1.15 The budget provided for a closing balance of £1.396m which at 4.5% of total expenditure, satisfies the prudent approach of ensuring a minimum level of 3%</p>
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1.16	The 2014/15 Outturn Report to Cabinet on 14 th July 2015 showed a closing balance at the end of 2014/15 of £1.510m (subject to Audit)
1.17	The Month 3 monitoring report for the HRA in projecting in year expenditure to be £0.070m higher than budget and a projected closing balance as at 31 March 2016 of £1.168m.

<u>2.00</u>	<u>RESOURCE IMPLICATIONS</u>
2.01	The Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations occurring to date.

<u>3.00</u>	<u>CONSULTATIONS REQUIRED / CARRIED OUT</u>
3.01	None required

<u>4.00</u>	<u>KEY RISKS AND MITIGATION</u>
4.01	<p>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 (Range of potential risk £0.050m - £0.250m). Status: unstable/amber risk.</p>
4.02	<p>Waste services The interim Waste Treatment Contract is currently out to tender and subject to the value of the returned tender (Range of potential risk £0.050m - £0.500m). Status stable/amber risk.</p>
4.03	<p>Out of County Placements The risk is the volatility in demand and the impacts on service costs which cannot be predicted with any certainty. Therefore there is always a risk of significant variances occurring although this area will continue to be closely monitored. Status: unstable/amber risk.</p>

4.04	<p>Former Euticals Site</p> <p>Provision has been made in the 2014/15 accounts for the phase 1 and 2 decommissioning, decontamination and clearance of the former chemical site in Sandycroft. Monthly costs for ongoing security and maintenance of the site are in the region of £0.030m and will accumulate throughout the financial year until site disposal. Status: unstable/amber risk.</p>
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<u>5.00</u>	<u>APPENDICES</u>
5.01	<p><u>Appendices\Appendix 1.pdf</u> <u>Appendices\Appendix 2.pdf</u> <u>Appendices\Appendix 3.pdf</u> <u>Appendices\Appendix 4.pdf</u></p>

<u>6.00</u>	<p><u>SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972</u> List of Background Documents</p>
6.01	None required

<u>7.00</u>	<u>GLOSSARY OF TERMS</u>
7.01	Budget – A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.
7.02	Council Fund – The fund to which all the Council's revenue expenditure is charged.
7.03	Financial Year – The period of twelve months commencing on 1 April.
7.04	Housing Revenue Account – The Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
7.05	Projected Outturn – Projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	Reserves – These are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the

	level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	Revenue – A term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
7.08	Underspend – When referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
7.09	Variance – Difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
7.10	Virement – The transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Social Services Locality Teams (Localities)	14.252	13.820	(0.432)	0.000	<p>Domiciliary Care There are some significant compensating variances in this area. The main area of pressure is Domiciliary Care, which is still being influenced by clients returning to the service following successful past reablement, the changing demographic profile, increased complexity and increasing numbers of people with dementia. The current level of projected overspend is £0.453m which has significantly reduced from the 2014/15 outturn position of £0.837m, which has been partly influenced by the cessation of one complex care package.</p> <p>Residential Care The projected overspend on Domiciliary care is being offset by a projected underspend of (£0.832m) on residential care, which includes, an underspend of (£0.260m) on payments to care home providers, an underspend of (£0.432m) due to an increase in the level of property related income, plus further increases in income above budget including (£0.122m) for free nursing. Other variances amount to a net (£0.018m).</p> <p>Professional Support A further area of underspend is professional support within the Localities teams. There is a total projected underspend of (£0.136m) of which (£0.137m) relates to Social Worker vacancies, and other minor variances amounting to £0.001m.</p> <p>Other Minor Adaptations is projecting an overspend of £0.100m due to an efficiency included in the budget relating to a means testing approach which is now considered to be unachievable. It is intended that this pressure is addressed by way of realignment of budget from another area. Other minor variances amount to a net (£0.017m).</p>	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Transition and Disability Services (Disability Services)	0.597	0.713	0.116	0.000	<p>The projected overspend is mainly due to the cost of the support arrangements provided by Penderels in respect of direct payments. This accounts for £0.082m of the total projected overspend of £0.116m with other minor variances making up the remaining £0.034m.</p>	Keep under review.

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Resources & Regulated Services (Disability Services)	16.122	15.948	(0.174)	0.000	The main influence on this underspend is an additional budget allocation of £0.338m in respect of the former Independent Living Fund for which devolved administrations have taken over responsibility for from 1st July 2015. This fund was previously managed by UK Government. Additional funding was allocated as it had been anticipated that there would be a funding gap if funding had been allocated based on RSG distribution formula. The funding by way of the Welsh Independent Living Grant is now confirmed at a level which is sufficient to meet obligations to former ILF service users who are resident in Flintshire. Funding allocations for 2016/17 and beyond are still to be confirmed so it is proposed to return £0.300m of the £0.338m allocated to corporate reserves on a one-off basis. The remaining element is needed to fund the additional admin. capacity needed to manage the payments to service users and for obligations to fund employer liability insurance payments for service users who employ carers.	Recommend that £0.300m is retained as an in year Corporate efficiency in 2015/16 with confirmation of impact on future years still to be confirmed.
Vulnerable Adults and Disability Service (Disability Services)	2.271	2.056	(0.215)	0.000	This underspend is mainly due to a current over provision for transition placements, however there is an overdue need to realign some of this budget provision within other areas of the Learning Disabilities budget.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Administrative Support (Disability Services)	0.304	0.421	0.117	0.000	This overspend is mainly due to pressures on workforce costs, including use of agency staff.	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.813	0.984	0.171	0.000	Increases in Residential and Domiciliary packages along side additional new package costs.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.317	0.198	(0.119)	0.000	Reflects current care packages for 2015/16.	Keep under review - potential volatility due to changes in client numbers and demands at short notice from prison or courts.
Other Services for Adults variances (aggregate)	11.378	11.230	(0.148)	0.000	Various minor variances.	Continue to review but not expected to be recurrent.

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Business Services - Charging Policy Income	(1.673)	(1.924)	(0.251)	0.000	Impact of an increase by Welsh Government in the level of the maximum charge cap from £55 per week to £60 per week.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Training	0.047	0.178	0.131	0.000	The base budget for this service has reduced as a consequence of the combined impact of Single Status outcomes and EVRVR determinations. As a consequence the match funding element of the budget has fallen below the level required to meet the grant conditions for the Social Care Workforce Development Programme Grant (SCWDP). It will be necessary to realign the budget within Social Services to top up to the level required.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Other Development & Resources variances (aggregate)	2.417	2.444	0.027	0.000	Various minor variances.	Keep under review.
Family Placement (Children's Services)	2.227	2.421	0.194	0.000	The £0.194m 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.
Professional Support	4.997	5.128	0.131	0.000	Most of this pressure relates to workforce costs, including the need for additional Social Workers to deal with safeguarding issues and statutory responsibilities. Further influences include the need for additional budget allocations following Single Status appeals and maintenance.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Early Years	0.312	0.374	0.062	0.000	This pressure is due to a shortfall of income from the former NOVUS grant due to some of the expenditure claimed for being deemed to be ineligible. This grant ceased in 2014/15 and is therefore only a one-off pressure.	
Other Services for Children variances (aggregate)	5.588	5.405	(0.183)	0.000	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.969	59.396	(0.573)	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	0.777	0.710	(0.067)	0.000	Additional in-year efficiency identified in respect of Homeless Accommodation (£0.094m). Expenditure in respect of SHARP procurement of £0.031m. Other minor efficiencies (£0.004m).	Continue to monitor and review.
Supporting People	0.095	0.109	0.014	0.000	Telecare income lower than anticipated by £0.061m. Community Centres efficiency of (£0.049m). Other minor variances of £0.002m.	Continue to monitor and review.
Regeneration	0.469	0.519	0.050	0.000	Estimated shortfall of £0.050m in markets due to continuing loss of income.	Continue to monitor and review.
Revenues & Benefits	10.655	10.394	(0.261)	0.000	Anticipated surplus on the Council Tax Collection Fund currently stands at £0.061m higher than initially estimated. Projected underspend on the budgeted provision for the Council Tax Reduction Scheme (£0.219m). Other minor variances of £0.019m.	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Customer Services	0.710	0.665	(0.045)	0.000	Underspend on the Flintshire Connects service provision of (£0.048m). Other minor variances of £0.003m.	Continue to monitor and review.
Total Community & Enterprise	12.706	12.397	(0.309)	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation Waste Disposal & Waste Collection	6.652	7.052	0.400	0.000	Reduced electricity sales from gas engines following equipment breakdown and fluctuating levels of gas extraction £0.150m. Further options are being considered and consultation undertaken in relation to the proposed closure of Hope recycling centre. In addition, changes to the later than expected introduction of new operating times at Connah's Quay and Flint sites will result in a total projected shortfall on the budgeted efficiency of £0.175m. Delayed implementation of delivery service for waste containers £0.050m and introduction of charge for second waste bin £0.025m.	Potential for investment to upgrade/install new extraction wells and new management arrangement in line with 15/16 efficiency proposals. Reported through Programme Board Efficiency Tracker - one off.
Ancillary Services & Performance - other Variances	0.988	1.023	0.035	0.000	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Transportation & Logistics - other Variances	12.813	12.838	0.025	0.000	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Highways Strategy	0.904	1.264	0.360	0.000	Speed Limit Review programme of works totalling £0.210m. Delay in the full externalisation of grass cutting service £0.050m. The implementation of the reduced cleansing standards is now anticipated to be 1st January 2016 which will result in an estimated shortfall in the efficiency of £0.100m.	Informal Cabinet (02/06/15) agreed to contribute £0.210m from the contingency reserve to fund these works. Reported through Programme Board Efficiency Tracker.
Highway Network - other Variances	6.413	6.401	(0.012)	0.000	Minor Variances.	Continue to review.
Total Streetscene & Transportation	27.770	28.578	0.808	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Planning & Environment Pest Control Dog Warden	0.043	0.059	0.016	0.000	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income commitment as appropriate.
Licensing	(0.008)	0.014	0.022	0.000	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income commitment as appropriate.
Community - Aggregate of other Variances	0.668	0.660	(0.008)	0.000	Minor Variances.	Continue to review.
Planning Control & Enforcement	(0.133)	0.005	0.138	0.000	Shortfall from Planning Application fees not increasing until October, 2015.	Planning Fee Income levels will be closely monitored.
Development - Aggregate of other Variances	0.133	0.125	(0.008)	0.000	Minor Variances.	Continue to review.
Portfolio Aggregate of other Variances	4.629	4.639	0.010	0.000	Minor Variances.	Continue to review.
Total Planning & Environment	5.332	5.502	0.170	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	0.869	0.881	0.012	0.000	Minor Variances.	Continue to review.
Secondary, 14-19 & Continuing Education	1.122	1.127	0.005	0.000	Minor Variances.	Continue to review.
Inclusion Services	8.667	8.657	(0.010)	0.000	Minor Variances.	Continue to review.
Access (School Planning & Provision)	0.508	0.534	0.026	0.000	This relates to the increase in demand for Free School Meals.	Continue to review.
21st Century Schools	0.489	0.489	0.000	0.000	No Variance.	Continue to review.
Youth Services	1.457	1.455	(0.002)	0.000	Minor Variances.	Continue to review.
Commissioning & Performance	0.234	0.234	0.000	0.000	No Variance.	Continue to review.
School Management & Information Team	0.192	0.186	(0.006)	0.000	Minor Variances.	Continue to review.
Total Education & Youth	13.538	13.563	0.025	0.000		
Schools						
Primary & Early Years Education	43.683	43.683	0.000	0.000	No Variance.	Continue to review.
Secondary, 14-19 & Continuing Education	35.605	35.605	0.000	0.000	No Variance.	Continue to review.
Inclusion Services	3.882	3.882	0.000	0.000	No Variance.	Continue to review.
Archive Services	0.002	0.002	0.000	0.000	No Variance.	Continue to review.
Total Schools	83.172	83.172	0.000	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.243	2.316	0.073	0.000	A 2015/16 budget efficiency of £0.105m is being reported as not achievable. This is being partially offset by workforce underspends of (£0.032m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Corporate Finance	2.401	2.364	(0.037)	0.000	A 2015/16 budget efficiency is being reported as being partially achieved with a shortfall of £0.038m. This is being offset by temporary workforce underspends of (£0.75m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Total People & Resources	4.644	4.680	0.036	0.000		
Governance						
Legal Services	0.610	0.592	(0.018)	0.000	Minor Variances.	Underspend is not expected to be recurrent.
Democratic Services	1.911	2.021	0.110	0.000	The overspend is due to a delay in achieving an efficiency of £0.110m which was agreed within the 2014/15 budget.	The efficiency is expected to be achieved in full next year.
Internal Audit	0.425	0.422	(0.003)	0.000	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.138	0.158	0.020	0.000	Minor Variances.	Overspend is not expected to be recurrent.
Business Support	0.744	0.739	(0.005)	0.000	Minor Variances.	Underspend is not expected to be recurrent.
Records Management	0.174	0.194	0.020	0.000	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.726	4.726	0.000	0.000	No Variance.	Continue to review.
Total Governance	8.728	8.852	0.124	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.769	1.765	(0.004)	0.000	Minor Variances.	Continue to review.
Museums Service	0.064	0.064	0.000	0.000	No Variance.	Continue to review.
County Archives	0.257	0.256	(0.001)	0.000	Minor Variances.	Continue to review.
Leisure Services	3.970	3.979	0.009	0.000	£0.070m Deeside Ice rink income pressure offset by premises & supplies cost savings of (£0.063m). Other minor variances of £0.002m.	Continue to review.
Community Assets	0.061	0.061	0.000	0.000	No Variance.	Continue to review.
Valuation & Estates	(0.839)	(0.910)	(0.071)	0.000	Income from Newtech square over budget. Potential to give up £0.045m as an in year efficiency. Other minor variances contribute to the overall underspend.	Continue to review.
Property Design & Consultancy	2.720	2.657	(0.063)	0.000	Service charges from Mold Town Hall has resulted in an additional £0.033m income. Other minor variances contributing to the underspend.	Continue to review.
Engineering Services	0.000	0.000	0.000	0.000	No Variance.	Continue to review.
Facilities Services	1.674	1.649	(0.025)	0.000	Anticipated additional income above budget from the increased numbers in school meals will result in a reduced subsidy from FCC.	Continue to review.
Total Organisational Change	9.676	9.521	(0.155)	0.000		

MONTH 3 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 2 (£m)	Cause of Major Variance	Action Required
Chief Executives	3.195	3.090	(0.105)	0.000	The underspend is due to workforce savings of (£0.056m) and also a reduction in Core Funding Agreements of (£0.026m). The balance of (£0.023m) is due to minor variances.	The employee savings of £0.56m are expected to be in-year only.
Total Chief Executives	3.195	3.090	(0.105)	0.000		
Central & Corporate Finance	22.727	22.494	(0.233)	0.000	HRA Financing - The settlement amount changed after the budget was set. Based on all original assumptions this equates to a reduction in efficiencies of approximately £0.600m. Balance of unused Non Standard Inflation from previous year (£0.240m). Pension Actuarial Review (£0.912m) due to lower than anticipated costs of additional contributions.	Review of CLIA will identify overall position for possible mitigation. Review as part of Medium Term Finance Strategy, Corporate Financing Options. Consider realignment options. Currently looking at other options.
					Estimated Workforce Efficiency, £0.150m considered unachievable in year. One off / time limited, Unbudgeted costs of £0.185m in relation to former Euticals Ltd - Sandycroft site. Other minor efficiencies of (£0.016m).	Keep under review.
Total Central & Corporate Finance	22.727	22.494	(0.233)	0.000		
TOTAL	251.457	251.245	(0.212)	0.000		

2015/16 Efficiencies Month 3 - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over
	2015/16 £(m)	2015/16 £(m)	Achievement 2015/16 £(m)
<u>People & Resources</u>			
Review of specialist finance functions to identify efficiencies in process	0.170	0.166	(0.004)
Ensure continuation of grant maximisation opportunities identified in 2014/15	0.100	0.066	(0.034)
Review of specialist human resources functions to identify efficiencies in process	0.105	0.000	(0.105)
Total People & Resources	0.375	0.232	(0.143)
<u>Central and Corporate Finance</u>			
Workforce efficiency proposal	0.300	0.150	(0.150)
Central Loans and Investment Review	1.830	1.230	(0.600)
Total Central & Corporate Finance	2.130	1.380	(0.750)
<u>Social Services</u>			
Rationalise the number of sites where In-House day care is provided	0.130	0.095	(0.035)
Develop means testing approach for minor adaptations	0.100	0.000	(0.100)
Review model/costs contracts for catering	0.050	0.000	(0.050)
Rationalise the number of sites where In-House short term care is provided	0.075	0.110	0.035
Review commissioning with Action for Children	0.075	0.015	(0.060)
Regional approach to advocacy	0.053	0.005	(0.048)
Review and realign funding to voluntary sector	0.203	0.070	(0.133)
Total Social Services	0.686	0.295	(0.391)
<u>Community & Enterprise</u>			
Welfare Rights Team Review	0.020	0.035	0.015
Community Centres	0.048	0.096	0.048
Community Based Accommodation Support Service	0.030	0.060	0.030
Telecare Charging	0.200	0.139	(0.061)
Total Community & Enterprise	0.298	0.330	0.032
<u>Streetscene & Transportation</u>			
Introduce non-generic Streetscene roles (3 year plan)	0.080	0.115	0.035
Develop Energy Production at Landfill	0.050	0.000	(0.050)
Rationalise HRC Sistes	0.400	0.225	(0.175)
Removing the Waste Containers delivery service	0.150	0.100	(0.050)
Introduce Charge for 2nd Garden Waste Bin	0.050	0.025	(0.025)
Car Parking Charges	0.400	0.380	(0.020)
Cancel Real Time Info System	0.020	0.025	0.005
Charge Maintenance of Bus Shelters	0.005	0.000	(0.005)
Review subsidised bus routes	0.075	0.050	(0.025)
Externalise grass cutting service	0.075	0.025	(0.050)
Reduced Street Lighting resource	0.050	0.038	(0.013)
Remove second grass cut for highway verges	0.030	0.025	(0.005)
Reduce Cleansing standards zero tolerance litter	0.150	0.050	(0.100)
Part night street lighting in residential areas	0.020	0.030	0.010
Winter Maintenance (Car Parks and standard)	0.150	0.170	0.020
Total Streetscene & Transportation	1.705	1.258	(0.448)
<u>Planning & Environment</u>			
Staffing & Mangement Restructure (incl. all vacancies)	0.295	0.178	(0.117)
Staffing & Collaboration	0.024	0.036	0.012
Animal & Pest Control	0.030	0.005	(0.025)
Increased Planning Fees (15% WG increase)	0.135	0.050	(0.085)
Increase in number of Planning Applications	0.060	0.030	(0.030)
Additional elements of charging (discharge of conditions)	0.050	0.025	(0.025)
Pre-Planning Advice PDM111952P	0.020	(0.006)	(0.026)
Total Planning & Environment	0.614	0.318	(0.296)
<u>Organisational Change</u>			
Land agent	0.043	0.041	(0.002)
Total Organisational Change	0.043	0.041	(0.002)
		%	£
Total 2015/16 Budget Efficiencies		100	12.874
Total Projected 2015/16 Budget Efficiencies Underachieved		16	1.998
Total Projected 2015/16 Budget Efficiencies Achieved		84	10.876

APPENDIX 3

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2015	10.515	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		4.746
Add projected underspend as at Month 3		0.212
Total projected Contingency Reserve as at 31st March 2016		4.958

HRA Major Variance Report - Period 3

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Estate Management	1.634	1.689	0.055	0.029	£18k pressure on Rechargeable Works due to previous years invoices starting to reverse based on bad debt procedures. £13k pressure on salaries due to agency staff engagement. £24k pressure on staff mileage and mobile phone usage due to insufficient budget being allocated.	Keep under review.
Other variances (aggregate)	(1.400)	(1.385)	0.015	0.020	Various minor variances.	Keep under review.
Total :	0.234	0.304	0.070	0.049		

