



CABINET MEETING

Date of Meeting	Tuesday 17 November 2015
Report Subject	Revenue Budget Monitoring 2015/16 (Month 5)
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	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 5, and projects forward to year-end.

The projected year end position, as estimated at Month 5 is as follows:

Council Fund

- Net in year expenditure forecast to be £0.595m higher than budget
- Projected contingency reserve balance at 31 March 2016 of £3.941m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.041m higher than budget
- Projected closing balance as at 31 March 2016 of £1.196m

RECOMMENDATIONS

1	Note the overall report and the projected Council Fund contingency sum as at 31 st March 2016.
2	Note the projected final level of balances on the Housing Revenue Account.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING POSITION FOR MONTH 5 - 2015/16																																																																											
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" data-bbox="300 629 1394 1451"> <thead> <tr> <th data-bbox="300 629 719 842">TOTAL EXPENDITURE AND INCOME</th> <th data-bbox="719 629 900 842">Original Budget</th> <th data-bbox="900 629 1080 842">Revised Budget</th> <th data-bbox="1080 629 1260 842">Projected Outturn</th> <th data-bbox="1260 629 1394 842">In-Year Over/ (Under) spend</th> </tr> <tr> <td></td> <th data-bbox="719 842 900 853">£m</th> <th data-bbox="900 842 1080 853">£m</th> <th data-bbox="1080 842 1260 853">£m</th> <th data-bbox="1260 842 1394 853">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="300 853 719 887">Social Services</td> <td data-bbox="719 853 900 887">59.696</td> <td data-bbox="900 853 1080 887">59.670</td> <td data-bbox="1080 853 1260 887">59.645</td> <td data-bbox="1260 853 1394 887">(0.025)</td> </tr> <tr> <td data-bbox="300 887 719 920">Community & Enterprise</td> <td data-bbox="719 887 900 920">12.598</td> <td data-bbox="900 887 1080 920">12.706</td> <td data-bbox="1080 887 1260 920">12.523</td> <td data-bbox="1260 887 1394 920">(0.183)</td> </tr> <tr> <td data-bbox="300 920 719 999">Streetscene & Transportation</td> <td data-bbox="719 920 900 999">27.782</td> <td data-bbox="900 920 1080 999">27.770</td> <td data-bbox="1080 920 1260 999">28.878</td> <td data-bbox="1260 920 1394 999">1.108</td> </tr> <tr> <td data-bbox="300 999 719 1032">Planning & Environment</td> <td data-bbox="719 999 900 1032">4.887</td> <td data-bbox="900 999 1080 1032">5.331</td> <td data-bbox="1080 999 1260 1032">5.506</td> <td data-bbox="1260 999 1394 1032">0.175</td> </tr> <tr> <td data-bbox="300 1032 719 1066">Education & Youth</td> <td data-bbox="719 1032 900 1066">13.760</td> <td data-bbox="900 1032 1080 1066">13.563</td> <td data-bbox="1080 1032 1260 1066">13.546</td> <td data-bbox="1260 1032 1394 1066">(0.017)</td> </tr> <tr> <td data-bbox="300 1066 719 1099">Schools</td> <td data-bbox="719 1066 900 1099">82.670</td> <td data-bbox="900 1066 1080 1099">83.157</td> <td data-bbox="1080 1066 1260 1099">83.157</td> <td data-bbox="1260 1066 1394 1099">0.000</td> </tr> <tr> <td data-bbox="300 1099 719 1133">People & Resources</td> <td data-bbox="719 1099 900 1133">4.595</td> <td data-bbox="900 1099 1080 1133">4.644</td> <td data-bbox="1080 1099 1260 1133">4.674</td> <td data-bbox="1260 1099 1394 1133">0.030</td> </tr> <tr> <td data-bbox="300 1133 719 1167">Governance</td> <td data-bbox="719 1133 900 1167">8.689</td> <td data-bbox="900 1133 1080 1167">8.728</td> <td data-bbox="1080 1133 1260 1167">8.897</td> <td data-bbox="1260 1133 1394 1167">0.169</td> </tr> <tr> <td data-bbox="300 1167 719 1200">Organisational Change</td> <td data-bbox="719 1167 900 1200">9.569</td> <td data-bbox="900 1167 1080 1200">9.635</td> <td data-bbox="1080 1167 1260 1200">9.466</td> <td data-bbox="1260 1167 1394 1200">(0.169)</td> </tr> <tr> <td data-bbox="300 1200 719 1234">Chief Executive</td> <td data-bbox="719 1200 900 1234">3.296</td> <td data-bbox="900 1200 1080 1234">3.195</td> <td data-bbox="1080 1200 1260 1234">3.010</td> <td data-bbox="1260 1200 1394 1234">(0.185)</td> </tr> <tr> <td data-bbox="300 1234 719 1312">Central & Corporate Finance</td> <td data-bbox="719 1234 900 1312">23.915</td> <td data-bbox="900 1234 1080 1312">23.058</td> <td data-bbox="1080 1234 1260 1312">22.750</td> <td data-bbox="1260 1234 1394 1312">(0.308)</td> </tr> <tr> <td data-bbox="300 1312 719 1346"></td> <td data-bbox="719 1312 900 1346"></td> <td data-bbox="900 1312 1080 1346"></td> <td data-bbox="1080 1312 1260 1346"></td> <td data-bbox="1260 1312 1394 1346"></td> </tr> <tr> <td data-bbox="300 1346 719 1451">Total</td> <td data-bbox="719 1346 900 1451">251.457</td> <td data-bbox="900 1346 1080 1451">251.457</td> <td data-bbox="1080 1346 1260 1451">252.052</td> <td data-bbox="1260 1346 1394 1451">0.595</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	59.670	59.645	(0.025)	Community & Enterprise	12.598	12.706	12.523	(0.183)	Streetscene & Transportation	27.782	27.770	28.878	1.108	Planning & Environment	4.887	5.331	5.506	0.175	Education & Youth	13.760	13.563	13.546	(0.017)	Schools	82.670	83.157	83.157	0.000	People & Resources	4.595	4.644	4.674	0.030	Governance	8.689	8.728	8.897	0.169	Organisational Change	9.569	9.635	9.466	(0.169)	Chief Executive	3.296	3.195	3.010	(0.185)	Central & Corporate Finance	23.915	23.058	22.750	(0.308)						Total	251.457	251.457	252.052	0.595
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1.02	The reasons for the projected variances occurring to date are summarised within appendix 2 with movements between periods summarised in appendix 1.																																																																											
1.03	<p>Significant budget movements between original and revised budget</p> <p>There were no significant budget changes between portfolios in month 5.</p>																																																																											
1.04	<p>Streetscene and Transportation</p> <p>The overall overspend within Streetscene & Transportation has increased from a projected £0.894m at Month 4 to £1.108m. The projected overspend within the service is due in part to the delay in the implementation of a number of efficiencies as reported to the Programme Board. In addition fluctuations in recycle sales due to a volatile market has led to an increased pressure on income projections which have resulted in a shortfall of</p>																																																																											

	£0.347m. Full details of movements are explained in Appendix 1.
	Programme of Efficiencies
1.05	The 2015/16 budget contains £12.874m of specific efficiencies which are being tracked through the relevant programme board.
1.06	Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.
1.07	This shows that it is currently projected that £10.803m (84%) will be achieved resulting in a net underachievement of £2.071m. The position will continue to be monitored and reported throughout the monthly monitoring process.
	Inflation
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).
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).
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.
	Reserves and Balances
	Unearmarked Reserves
1.11	The 2014/15 outturn reported to Cabinet on 14 th July 2015 showed unearmarked reserves at 31 March 2015 (above the base level of £5.769m) of £4.746m.
1.12	Taking into account the current overspend at Month 5 the balance on the contingency reserve at 31 st March 2016 is projected to be £3.941m.
1.13	This includes the expenditure of £0.210m approved at Month 3 for the costs of the Speed Limit Review.
1.14	The Council will shortly be commencing with a number of Community Engagement events to gain feedback on its Medium Term Financial Strategy. There is a requirement for £0.050m of one-off funding for animation, video and presentational costs and it is recommended that this is funded from the Contingency reserve.

	Earmarked Reserves
1.15	The Council has developed a reserves protocol which was considered by Audit Committee and approved by County Council on 24 th September 2015. This sets out the principles around how the council will determine, manage and review the level of its reserves and includes reference to regular reporting of the latest position to Cabinet and Corporate Resources Overview and Scrutiny Committee.
1.16	A summary of earmarked reserves was included as at Month 4. Quarter 2 information will be reported as part of the Revenue Monitoring Report 2014/15 (Month 6).
	Housing Revenue Account
1.17	On 17 February 2015 the Council approved a Housing Revenue Account (HRA) budget for 2015/16 of £30.776m.
1.18	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%.
1.19	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.
1.20	The Month 5 monitoring report for the HRA is projecting in year expenditure to be £0.041m higher than budget and a projected closing balance as at 31 March 2016 of £1.196m.

2.00	RESOURCE IMPLICATIONS
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.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None Required.

4.00	RISK MANAGEMENT
4.01	Recycling The recycling market (paper in particular) is going through a volatile period with fluctuating re-cycle sale values. This will impact on 2015/16 recycling income levels for the Council. The current impact is reflected in the Month 5 projections and will continue to be monitored throughout the year.

	Status: unstable/amber risk.
4.02	<p>Car Parking</p> <p>Due to car parking charges being introduced in some Flintshire towns later than anticipated during 2015/16, it is likely that there will be an increased shortfall in achieving the increased car park income targets. Therefore, work is currently ongoing to take account of the revised implementation dates and the subsequent affect this will have on revised income projections, the updated outturn position is reflected in the Month 5 projections. Status: unstable/amber risk.</p>
4.03	<p>Out of County Placements</p> <p>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>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>
4.05	<p>In Year Reductions in Specific Government Grants</p> <p>This is a generic risk associated with the risk of some Government grants reducing in year. Whilst these are being managed and mitigated where known, they can add to cumulative cost pressures. Status: unstable/amber risk.</p>

5.00	APPENDICES
5.01	<p>Council Fund – Movement in Variances from Month 4 – Appendix 1</p> <p>Council Fund – Budget Variances – Appendix 2</p> <p>Council Fund – Programme of Efficiencies – Appendix 3</p> <p>Council Fund – Movement on unearmarked reserves – Appendix 4</p> <p>Housing Revenue Account Variances – Appendix 5</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None required</p> <p>Contact Officer: Sara Dulson Finance Manager</p> <p>Telephone: 01352 702287</p> <p>E-mail: sara.dulson@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
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.



COUNCIL FUND - REVENUE BUDGET 2015/16
FLINTSHIRE COUNTY COUNCIL

Budget Monitoring (Month 5)
Summary of Movement from Month 4

	£m	£m
Month 4		
Portfolios	0.738	
Central and Corporate Finance	(0.313)	
Variance as per Cabinet Report		0.425
Month 5		
Portfolios	0.903	
Central and Corporate Finance	(0.308)	
Variance as per Directorate Returns		0.595
Change Requiring Explanation		0.170
<u>Social Services</u>		
Services For Adults		
• Reablement Services (Intake and Reablement) - Community Care Officer reallocated to CHC Independence -(£0.030m), Other Minor variances amount to -(£0.005m).	(0.035)	
• Resources & Regulated Services (Intake and Reablement) - Movement due to vacancies being filled.	0.034	
• Residential and Domiciliary Services (Mental Health) - Movement due to increase in Joint funding income of -(£0.055m) from BCUHB.	(0.055)	
• Disability Services (Disability Services) - Reduction in forecast of transition clients care package costs for 15/16.	(0.072)	
• Other minor changes of less than £0.025m for Services for Adults.	(0.024)	
Subtotal: Services for Adults		(0.152)
Development & Resources		
• Finance (Deputyship team) - Reduction in customer care income.	0.019	
• Other minor changes of less than £0.025m.	0.069	
Subtotal: Development & Resources		0.088
Children's Services		
• Professional Support - Increase in court costs within resources In addition increases in Children & Young Adults Support Team (CYAST) support costs.	0.059	
• Other minor changes of less than £0.025m.	0.053	
Subtotal: Children's Services		0.112
Total: Social Services		0.048
<u>Community & Enterprise</u>		
Revenues & Benefits		
• Additional surplus on Council Tax Collection Fund.	(0.019)	
• Council Tax Reduction Scheme expenditure	0.014	
• Minor changes of less than £0.025m	0.001	
Subtotal: Revenues & Benefits		(0.004)
Minor changes of less than £0.025m.		
• Customer & Housing Services	0.004	
• Customer Services	(0.001)	
Subtotal: Customer Services		0.003
Total: Community & Enterprise		(0.001)

Streetscene & Transportation Portfolio

Ancillary Services & Performance	
• Further under achieving in the recycling market due to a volatile period with fluctuating re-cycle sale values	0.111
• Parking & Enforcement - delays in the implementation of car parking charges across the County	0.090
• Other minor changes of less than £0.025m	0.013
Subtotal: Ancillary Services & Performance	0.214
Total: Streetscene & Transportation	0.214

Planning & Environment Portfolio

Minor variances of less than £0.025m	
• Business	0.005
• Community	0.001
• Development	0.004
• Access	(0.001)
• Shared Service	(0.005)
• Strategy	0.001
• Administration	0.003
Total: Planning & Environment	0.008

Education & Youth

Minor variances of less than £0.025m	
• Primary & Early Years Education - Primary Schools	0.004
• Inclusion Services - Out of County	(0.009)
• Regional Services	(0.004)
• School Planning	(0.005)
• Adult & Community Education	0.005
• Youth Justice Service	0.003
• Youth & Community Service	(0.013)
Total minor variances of less than £0.025m	(0.019)
Total: Education & Youth	(0.019)

People & Resources

HR & OD	
Occupational Health - workforce costs have decreased by -(£0.012m) due to vacancies,	
• consultancy costs have reduced by -(£0.008m) due to less doctor consultant days and counselling sessions required.	(0.020)
• Minor changes of less than £0.025m.	(0.006)
Subtotal: HR & OD	(0.026)
Corporate Finance	
• Minor changes of less than £0.025m.	0.021
Subtotal: Corporate Finance	0.021
Total: People & Resources	(0.005)

Governance**Legal Services**

• Increase in workforce costs due to maternity cover and an increase in the duration of an agency contract.	0.030	
Subtotal: Legal Services		0.030

Minor variances of less than £0.025m

• Democratic Services	0.004	
• Business Support	(0.003)	
Total minor variances of less than £0.025m		0.001

Total: Governance		0.031
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Organisational Change**Property Design & Consultancy**

• Projected costs relating to the demolition of Connah's Quay office has been met through funding support from the Vibrant and Viable Places initiative resulting in -(£0.054m) savings within this service area. This approach will support wider strategic regeneration initiatives.	(0.054)	
Subtotal: Property Design & Consultancy		(0.054)

Minor variances of less than £0.025m

• Public Libraries & Arts, Culture & Events	(0.006)	
• County Archives	0.003	
• Leisure Services	0.001	
• Valuations & Estates	0.014	
• Facilities	(0.017)	
Total minor variances of less than £0.025m		(0.005)

Total: Organisational Change		(0.059)
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Chief Executive

• There is a potential underspend of -(£0.044m) on the budget required for increments relating to performance related pay. An underspend of -(£0.008m) is due to minor variances.	(0.052)	
Total: Chief Executive		(0.052)

Central & Corporate Finance

• Minor changes of less than £0.025m.	0.005	
Total: Central & Corporate Finance		0.005

Total Changes

		0.170
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MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Social Services Locality Teams (Localities)	14,250	13,955	(0,295)	(0,291)	<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 of need and increased numbers of people with dementia. The current level of projected overspend is £0.436m which has significantly reduced from the 2014/15 outturn position of £0.837m, which has been partly influenced by the cessation of one complex package.</p> <p>Residential Care The significant projected overspend on Domiciliary care is being more than offset by a projected underspend of (£0.764m) on residential care, which includes, an underspend of (£0.253m) on payments to care home providers, an underspend of (£0.481m) due to an increase in the level of property related income, plus further increases in income above budget including (£0.030m) for free nursing.</p> <p>Professional Support A further area of significant area of underspend is the professional support within the area Localities teams. There is a total projected underspend of (£0.093m) which relates to staffing due to Social Worker vacancies.</p> <p>Other A further area of significant area of overspend is Minor Adaptations where an efficiency measure for £0.105m was approved in the budget relating to a means testing approach 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 £0.021m within Day care services.</p>	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
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MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
First Contact (Intake and Reablement)	0.519	0.435	(0.084)	(0.084)	The projected under spend is due to additional income of (£0.107m) offset by other minor variances amount to net £0.023m.	Keep under review.
Reablement Services (Intake and Reablement)	0.451	0.397	(0.054)	(0.019)	The projected under spend is mainly due to the reallocation of an officer to another service promoting Continuing Health Care independence.	Keep under review.
Hospital Social Work	0.427	0.308	(0.119)	(0.104)	Staffing savings due to vacant posts - which are intended to be used as part of budget realignment adjustments in respect of efficiency proposals which cannot be achieved.	Keep under review.
Resources & Regulated Services (Intake and Reablement)	5.931	5.846	(0.085)	(0.119)	Area of significant area of underspend is the Home Care within the area Resources & Regulated Services teams. There is a total projected underspend of (£0.085m) which relates to staffing due to vacancies.	Keep under review.
Transition and Disability Services (Disability Services)	0.597	0.709	0.112	0.117	The projected overspend is mainly due to the cost of the support arrangements provided by Penderrels in respect of direct payments. This accounts for £0.082m of the total projected overspend of £0.112m with other minor variances making up the remaining £0.030m.	Keep under review.
Resources & Regulated Services (Disability Services)	15.773	15.940	0.167	0.193	This service is now reflecting the transfer of budget in relation to the Independent Living fund (ILF) to Central and Corporate as a one off efficiency. The remaining element is in relation to 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 budget realignment adjustments to use underspends elsewhere in service to address pressures.
Vulnerable Adults and Disability Service (Disability Services)	2.271	2.466	0.195	0.195	Reflects current care packages for 2015/16, estimated commitment with additional transition clients.	Keep under review.

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Administrative Support (Disability Services)	0.304	0.424	0.120	0.117	This overspend is mainly due to pressures on employees costs, including use of agency staff.	Keep under review.
Residential and Domiciliary Service (Mental Health & Substance Misuse Service)	0.813	0.928	0.115	0.170	Increases in Residential and Domiciliary packages along side additional new package costs.	Keep under review.
Professional Support (Mental Health & Substance Misuse Service)	0.693	0.765	0.072	0.077	Overspend is mainly due to pressures on employees costs, including use of agency staff.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Forensic Budget (Mental Health & Substance Misuse Service)	0.317	0.128	(0.189)	(0.189)	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)	3.423	3.269	(0.154)	(0.108)	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services - Charging Policy Income	(1.673)	(1.899)	(0.226)	(0.252)	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	0.213	0.166	0.154	The base budget for this service has naturally reduced as a consequence of the combined impact of Single Status outcomes and EVR/VR 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 therefore to realign the budget from elsewhere within Social Services to top up to the level required.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Other Development & Resources variances (aggregate)	2.418	2.524	0.106	0.056	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.433	0.206	0.196	The £0.206m 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	5.214	0.217	0.158	Most of this pressure (£0.160m) relates to the Children's and Young Adults Support team (CYAST). This is due to pressures within payments to external providers of £0.128m and Transport £0.057m, with some offsetting underspends against pay budgets due to vacancies. There is a further pressure of £0.068m against the Children's Integrated Disability Service (CIDS) which is due to an increased numbers of direct payment service users. There are offsetting net underspends of £0.011m elsewhere within Children's Services Professional Support.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures
Out of County Placements	3.416	3.216	(0.200)	(0.200)	Reflects current care packages for 2015/16	Keep under review.
Other Services for Children variances (aggregate)	2.469	2.374	(0.095)	(0.140)	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.670	59.645	(0.025)	(0.073)		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	0.777	0.725	(0.052)	(0.056)	Additional in-year underspend identified in respect of Homeless Accommodation (£0.094m). Expenditure in respect of SHARP procurement of £0.031m. Other minor variances of £0.011m.	Continue to monitor and review.
Supporting People	0.095	0.124	0.029	0.029	Telecare income lower than anticipated by £0.061m. Community Centres additional underspend of (£0.049m). Other minor variances of £0.017m.	Continue to monitor and review.
Regeneration	0.469	0.529	0.060	0.060	Estimated shortfall of £0.060m in markets due to income targets increasing in line with inflation each year, where charges have not increased at the same rate.	Continue to monitor and review.
Revenues & Benefits	10.655	10.499	(0.156)	(0.152)	Anticipated surplus on the Council Tax Collection Fund currently stands at (£0.143m) higher than initially estimated. Projected underspend on the budgeted provision for the Council Tax Reduction Scheme (£0.226m). Housing Benefit Subsidy budgeted shortfall of £0.193m. Other minor variances of £0.020m.	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Customer Services	0.710	0.646	(0.064)	(0.063)	Underspend on the Flintshire Connects service provision of (£0.048m). Other minor variances of (£0.016m).	Continue to monitor and review.
Total Community & Enterprise	12.706	12.523	(0.183)	(0.182)		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation Waste Disposal & Waste Collection	6.589	7.411	0.822	0.696	<p>Reduced electricity sales from gas engines following equipment breakdown and fluctuating levels of gas extraction £0.150m.</p> <p>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.</p> <p>Delayed implementation of delivery service for waste containers £0.050m and introduction of charge for second waste bin £0.025m.</p> <p>Under achieving in the recycling market due to a volatile period with fluctuating re-cycle sale values £0.236m; At Period 5, further reducing income levels of £0.111m. No income due in 2015-16 for compost from DCC £0.060m as they are no longer using the composting facilities at Greenfield. Other minor variances of £0.015m.</p>	<p>Potential for investment to upgrade/install new extraction wells and new management arrangement.</p> <p>Reported through Programme Board Efficiency Tracker.</p> <p>Reported through Programme Board Efficiency Tracker.</p> <p>Monitor recycling market closely throughout 2015/16 and amend projections accordingly.</p>
Parking & Enforcement	0.096	0.206	0.110	0.020	Shortfall from Business Planning proposals following delays in the implementation of car parking charges across the County	Monitor Car Parking Income closely and amend projections accordingly
Ancillary Services & Performance - Other Variances	0.778	0.791	0.013	0.015	Minor Variances.	Reported through Programme Board Efficiency Tracker

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Transportation & Logistics - other Variances	12.750	12.775	0.025	0.025	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Highways Strategy & Network	7.366	7.504	0.138	0.150	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. Minor variances of (£0.012m).	Reported through Programme Board Efficiency Tracker. Reported through Programme Board Efficiency Tracker.
Highway Network - other Variances	0.191	0.191	0.000	(0.012)	No Variance.	Continue to review.
Total Streetscene & Transportation	27.770	28.878	1.108	0.894		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Pest Control Dog Warden	0.043	0.053	0.010	0.012	Minor Variances.	Monitor level of services provided and adjust income commitment as appropriate.
Licensing	(0.008)	0.015	0.023	0.023	Minor Variances.	Monitor level of services provided and adjust income commitment as appropriate.
Community - Aggregate of other Variances	0.668	0.663	(0.005)	(0.006)	Minor Variances.	Continue to review.
Animal Health & Defra	0.126	0.160	0.034	0.033	Shortfall on Grant Income target due to partnership with Wrexham ending in late 2015.	Investigate ways to reduce Grant Income target through potential budget realignment.
Business - Aggregate of other Variances	1.440	1.444	0.004	0.000	Minor Variances.	Continue to review.
Planning Control & Enforcement	(0.133)	(0.010)	0.123	0.115	Shortfall from Planning App fees not increasing until October, 2015 with a slight improvement at Period 4.	Planning Fee Income levels will be closely monitored
Development - Aggregate of other Variances	0.133	0.123	(0.010)	(0.006)	Minor Variances.	Continue to review.
Portfolio Aggregate of other Variances	3.062	3.058	(0.004)	(0.004)	Minor Variances.	Continue to review.
Total Planning & Environment	5.331	5.506	0.175	0.167		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	0.868	0.881	0.013	0.009	Minor Variances.	Continue to review.
Secondary, 14-19 & Continuing Education	1.122	1.127	0.005	0.009	Minor Variances.	Continue to review.
Inclusion Services	8.676	8.637	(0.039)	(0.030)	Out of County placements are an area of risk to the authority due to the volatile nature of the service and the potential for high cost placements and unpredictability of demand	Continue to review.
Access (School Planning & Provision)	0.508	0.527	0.019	0.024	This relates to the increase in demand for Free School Meals.	Continue to review.
21st Century Schools	0.492	0.492	0.000	0.000	No Variance.	Continue to review.
Youth Services	1.471	1.462	(0.009)	(0.004)	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)	(0.006)	Minor Variances.	Continue to review.
Total Education & Youth	13.563	13.546	(0.017)	0.002		
Schools						
Primary & Early Years Education	43.646	43.646	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	3.906	3.906	0.000	0.000	No Variance.	Continue to review.
Total Schools	83.157	83.157	0.000	0.000		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
People & Resources						
HR&OD	2.243	2.292	0.049	0.075	A 2015/16 budget efficiency of £0.105m is being reported as not achievable. This is being partially offset by workforce underspends of (£0.050m) and minor variances of (£0.006m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Corporate Finance	2.401	2.382	(0.019)	(0.040)	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 (£0.82m). Overspend of £0.025m for beacon method for valuation of Residential Stock which is to be completed by December 2015.	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Total People & Resources	4.644	4.674	0.030	0.035		
Governance						
Legal Services	0.610	0.628	0.018	(0.012)	Minor Variances.	Underspend is not expected to be recurrent.
Democratic Services	1.911	2.023	0.112	0.108	The overspend is due to a delay in achieving an efficiency of £0.110m which was agreed within the 2014/15 budget. An overspend of £0.002m is due to minor variances.	The efficiency is expected to be achieved in full next year.
Internal Audit	0.416	0.414	(0.002)	(0.003)	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.138	0.158	0.020	0.020	Minor Variances.	Overspend is not expected to be recurrent.
Business Support	0.753	0.744	(0.009)	(0.005)	Minor Variances.	Underspend is not expected to be recurrent.
Records Management	0.174	0.194	0.020	0.020	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.726	4.736	0.010	0.010	Minor Variances.	Overspend is not expected to be recurrent.
Total Governance	8.728	8.897	0.169	0.138		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.769	1.763	(0.006)	0.000	Minor Variances.	Continue to review.
Museums Service	0.064	0.064	0.000	0.000	No Variance.	Continue to review.
County Archives	0.259	0.261	0.002	(0.001)	Minor Variances.	Continue to review.
Leisure Services	3.970	3.984	0.014	0.013	£0.070m Deeside Ice rink income pressure offset by premises & supplies cost savings of (£0.063m). Other minor variances of £0.007m.	Continue to review.
Community Assets	0.018	0.018	0.000	0.000	No Variance.	Continue to review.
Valuation & Estates	(0.807)	(0.904)	(0.097)	(0.111)	Workforce efficiencies of (£0.097m) achieved following staff releases within this Service area.	Continue to review.
Property Design & Consultancy	2.688	2.634	(0.054)	0.000	Projected costs relating to the demolition of Connah's Quay office has been met through funding support from the Vibrant and Viable Places initiative resulting in (£0.054m) savings within this service area. This approach will support wider strategic regeneration initiatives.	Continue to review.
Engineering Services	0.000	0.000	0.000	0.000	No Variance.	Continue to review.
Facilities Services	1.674	1.646	(0.028)	(0.011)	The (£0.028m) underspend is as a result of a decrease in the spend on provisions. The new electronic stock management system reduces waste which is resulting in a reduction in expected outturn.	Continue to review.
Total Organisational Change	9.635	9.466	(0.169)	(0.110)		

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 4 (£m)	Cause of Major Variance	Action Required
Chief Executives						
Chief Executives	3.195	3.010	(0.185)	(0.133)	The underspend is due to workforce savings of (£0.075m) and also a reduction in Core Funding Agreements of (£0.028m). There is a potential underspend of (£0.044m) on the budget required for increments relating to performance related pay. The balance of (£0.038m) is due to minor variances.	Employee savings of (£0.056m) are expected to be in-year only.
Total Chief Executives	3.195	3.010	(0.185)	(0.133)		
Central & Corporate Finance						
Central & Corporate Finance	23.058	22.750	(0.308)	(0.313)	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. Estimated Workforce Efficiency - £0.150m considered unachievable in year. One-off in-year efficiency of (£0.300m) in relation to the Independent Living Fund (ILF). One off / time limited, Unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site. Minor Variances of (£0.006m).	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. Continue to review. Keep under review. Keep under review.
Total Central & Corporate Finance	23.058	22.750	(0.308)	(0.313)		
TOTAL	251.457	252.052	0.595	0.425		

2015/16 Efficiencies Month 5 - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over
	2015/16 £(m)	2015/16 £(m)	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>			
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
Develop a 'progression' model for Supported Living	0.250	0.145	(0.105)
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	0.065	(0.138)
Total Social Services	0.806	0.340	(0.466)
<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 Sites	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 & Management 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)
Total 2015/16 Budget Efficiencies		100	12.874
Total Projected 2015/16 Budget Efficiencies Underachieved		16	2.071
Total Projected 2015/16 Budget Efficiencies Achieved		84	10.803

APPENDIX 4

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
Less - Allocation from the Contingency Reserve for the costs of the speed limit review		(0.210)
Less projected overspend as at Month 5		(0.595)
Total projected Contingency Reserve as at 31st March 2016		3.941

HRA Major Variance Report - Period 5

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Estate Management	1.634	1.696	0.062	0.066	£0.018m pressure on Rechargeable Works due to previous years invoices starting to reverse based on bad debt procedures. £0.013m pressure on salaries due to agency staff engagement. £0.025m pressure on staff mileage and mobile phone usage due to insufficient budget being allocated. The remaining £0.006m relates to minor variances.	Keep under review.
Other variances (aggregate)	(1.400)	(1.421)	(0.021)	(0.064)	Various minor variances.	Keep under review.
Total :	0.234	0.275	0.041	0.002		

