



CABINET MEETING

Date of Meeting	Tuesday, 22 March 2016
Report Subject	Revenue Budget Monitoring 2015/16 (Month 9)
Portfolio Holder	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 9, and projects forward to year-end.

The projected year end position is as follows:

Council Fund

- Net in year expenditure forecast to be £1.242m lower than budget
- Projected contingency reserve balance at 31 March 2016 of £4.878m

Housing Revenue Account (HRA)

- Net in year expenditure forecast to be £0.082m lower than budget
- Projected closing balance as at 31 March 2016 of £1.319m

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	THE REVENUE BUDGET MONITORING POSITION FOR MONTH 9 - 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"> <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>59.031</td> <td>59.108</td> <td>0.077</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.598</td> <td>12.872</td> <td>12.345</td> <td>(0.527)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.782</td> <td>28.427</td> <td>29.324</td> <td>0.897</td> </tr> <tr> <td>Planning & Environment</td> <td>4.887</td> <td>5.331</td> <td>5.453</td> <td>0.122</td> </tr> <tr> <td>Education & Youth</td> <td>13.760</td> <td>11.523</td> <td>11.522</td> <td>(0.001)</td> </tr> <tr> <td>Schools</td> <td>82.670</td> <td>84.877</td> <td>84.877</td> <td>0.000</td> </tr> <tr> <td>People & Resources</td> <td>4.595</td> <td>4.617</td> <td>4.503</td> <td>(0.114)</td> </tr> <tr> <td>Governance</td> <td>8.689</td> <td>8.715</td> <td>8.848</td> <td>0.133</td> </tr> <tr> <td>Organisational Change</td> <td>9.569</td> <td>9.546</td> <td>9.027</td> <td>(0.519)</td> </tr> <tr> <td>Chief Executive</td> <td>3.296</td> <td>3.097</td> <td>2.923</td> <td>(0.174)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>23.915</td> <td>23.421</td> <td>22.285</td> <td>(1.136)</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>250.215</td> <td>(1.242)</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	59.031	59.108	0.077	Community & Enterprise	12.598	12.872	12.345	(0.527)	Streetscene & Transportation	27.782	28.427	29.324	0.897	Planning & Environment	4.887	5.331	5.453	0.122	Education & Youth	13.760	11.523	11.522	(0.001)	Schools	82.670	84.877	84.877	0.000	People & Resources	4.595	4.617	4.503	(0.114)	Governance	8.689	8.715	8.848	0.133	Organisational Change	9.569	9.546	9.027	(0.519)	Chief Executive	3.296	3.097	2.923	(0.174)	Central & Corporate Finance	23.915	23.421	22.285	(1.136)						Total	251.457	251.457	250.215	(1.242)
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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 has been a significant budget movement in month 9 with £1.605m having been transferred from Education & Youth to the delegated Schools budget. This relates to the Additional Learning Needs delegated funding being moved from the Inclusion Service to Schools.</p>																																																																											
1.04	<p>Streetscene and Transportation</p> <p>The overall overspend within Streetscene & Transportation has decreased from a projected £0.975m overspend at Month 8 to £0.897m as at Month 9.</p>																																																																											

	<p>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 £0.390m. Full details of movements are explained in Appendix 2.</p>
1.05	<p>Programme of Efficiencies</p> <p>The 2015/16 budget contains £12.874m of specific efficiencies which are being tracked.</p>
1.06	<p>Appendix 3 provides detail on the latest position where there is a variation to the level of efficiency achievable compared to the budget.</p>
1.07	<p>This shows that it is currently projected that £10.744m (83%) will be achieved resulting in a net underachievement of £2.130m. The underachieved efficiencies are included within the projected outturn figure. The position will continue to be monitored and reported throughout the monthly monitoring process.</p>
1.08	<p>Inflation</p> <p>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>
1.09	<p>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>
1.10	<p>There is an amount of £0.240m remaining from 2014/15 which is 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>
1.11	<p>It is anticipated that the £0.064m for food inflation will not be required. In addition to this there is a surplus of £0.061m remaining from inflation set aside for pay. Therefore £0.125m is now projected to underspend. The balance of the 2014/15 inflation and £0.110m from the in-year inflation have been included as an efficiency within the 2016/17 budget.</p>
	<p>Reserves and Balances</p>
1.12	<p>Unearmarked Reserves</p> <p>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</p>

	£4.746m.		
1.13	Taking into account previous allocations and the current underspend at Month 9 the balance on the contingency reserve at 31 st March 2016 is projected to be £4.878m.		
1.14	<p>Earmarked Reserves</p> <p>The Council has developed a reserves protocol which was considered by Audit Committee and approved by County Council on 24th 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.</p>		
1.15	The table below gives a summary of earmarked reserves as at 1 st April 2015 and provides an estimate of projected balances as at the end of the current financial year.		
	<p>Reserve Type</p>	<p>Actual 31/03/2015 as per Final Accounts £</p>	<p>Month 9 Estimated 31/03/2016 £</p>
	Schools	3,540,315	973,846
	Specific Reserves:		
	Single Status/Equal Pay	12,864,332	7,325,819
	General Reserve - Review of Reserves	4,666,025	3,871,630
	General Reserve - Investment in Organisational Change (Flintshire Futures)	855,391	721,807
	Self Insurance Funds	813,486	777,509
	Benefits Equalisation Reserve	213,044	104,740
	Supporting People Reserve	1,511,083	832,163
	County Elections	154,310	154,310
	Winter Maintenance	250,000	250,000
	Waste Disposal Sites	367,475	217,475
	Car Park Reserve	217,494	0
	Building Control Trading	97,697	57,697
	Countryside Projects	190,510	190,510
	Flintshire Enterprise Reserve	96,932	96,932
	Design Fees	120,000	120,000
	Other Specific Reserves of less than £0.025m	64,965	60,886
	Service Balances	4,047,376	1,506,357
	Total	30,070,435	17,261,681

	Housing Revenue Account
1.16	On 17 February 2015 the Council approved a Housing Revenue Account (HRA) budget for 2015/16 of £30.776m. The budget provided for a closing balance of £1.396m.
1.17	The 2014/15 Outturn Report to Cabinet on 14 July 2015 showed a closing balance at the end of 2014/15 of £1.510m.
1.18	The Month 9 monitoring report for the HRA is projecting in year expenditure to be £0.082m lower than budget and a projected closing balance as at 31 March 2016 of £1.319m, which at 4.25% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.

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	<p>Municipal Mutual Insurance (MMI)</p> <p>MMI was the predominant insurer of public sector bodies prior to 1992 when it failed. To ensure an orderly “run off” Flintshire, along with other local authorities, was required to pay a levy of 15% of its share of claims paid previously and of any future claims. MMI’s administrator has recently published their 2015 accounts which shows that due to an increase in the number of claims generally, there will be a need to increase the levy in the future, affecting claims paid previously and future claims. A recommendation was approved to meet a significant liability which reflects a 20% increase in the levy however there remains a risk that the future provision may escalate further.</p> <p>Status: stable/green risk.</p>
4.02	<p>Recycling</p> <p>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 9 projections and continues to be monitored throughout the year. A budget</p>

	<p>pressure for this income has been included in the 2016/17 budget to help mitigate this risk for future years. Status: unstable/red risk.</p>
4.03	<p>Car Parking Due to car parking charges being introduced in some Flintshire towns later than anticipated during 2015/16, there will be a shortfall in achieving the increased car park income targets. The full impact is built into the projected outturn position, and also reflected in the approved 2016/17 budget. Status: risk closed.</p>
4.04	<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 continues to be closely monitored. Status: unstable/amber risk.</p>
4.05	<p>Former Euticals Site 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. A detailed site clearance plan with an agreed budget is now in place. Status: risk closed.</p>

5.00	APPENDICES
5.01	<p>Council Fund – Movement in Variances from Month 8 – Appendix 1 Council Fund – Budget Variances – Appendix 2 Council Fund – Programme of Efficiencies – Appendix 3 Council Fund – Movement on un earmarked reserves – Appendix 4 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
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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 9)
Summary of Movement from Month 8

	£m	£m
Month 8		
Portfolios	0.272	
Central and Corporate Finance	(1.015)	
Variance as per Cabinet Report		<u>(0.743)</u>
Month 9		
Portfolios	(0.106)	
Central and Corporate Finance	(1.136)	
Variance as per Directorate Returns		<u>(1.242)</u>
Change Requiring Explanation		<u><u>(0.499)</u></u>
 <u>Social Services</u>		
Services For Adults		
• Minor Adaptations (Older People Purchasing) - reallocation of costs to grant	(0.100)	
• Professional Support (Older People Purchasing) - staffing savings due to vacancies	(0.043)	
• Reablement (Older People - Provider Services) increased CHC income from Health board	(0.025)	
• Residential Placements (Mental Health & Substance Misuse Service) - increase in numbers of placements including one at high cost	0.070	
• Forensic budget (Mental Health & Substance Misuse Service) - increase in projected placement costs.	0.035	
Minor variances of less than £0.025m		
• Learning Disabilities	(0.023)	
• Older People (Provider Services)	(0.017)	
• Older People (Purchasing)	0.001	
• Mental Health Services	0.010	
Subtotal: Services for Adults		<u>(0.092)</u>
Development & Resources		
• Other minor changes of less than £0.025m.	0.013	
Subtotal: Development & Resources		<u>0.013</u>
Children's Services		
• Family Placement - increased costs of payments for fostering due to increased foster placements	0.037	
• Flying Start - Reallocation of expenditure from grant funding to Council funding	0.050	
• Out of County placements - three placements ending earlier than anticipated including one high cost placement.	(0.066)	
Minor variances of less than £0.025m		
• Training	(0.024)	
• Grants	(0.002)	
• Family Support	0.005	
• Prevention & Support	0.020	
• Residential	0.017	
• Professional Support	0.010	
• Early Years	0.005	
• Safeguarding	0.019	
Subtotal: Children's Services		<u>0.071</u>
Total: Social Services		<u><u>(0.008)</u></u>

Community & Enterprise

Customer & Housing Services	
• In-year underspend in respect of the Switchboard closure	(0.026)
• Additional underspend on Flintshire Connects	(0.015)
Subtotal: Customer & Housing Services	(0.041)
Regeneration	
• Reduced shortfall in Markets income	(0.008)
Subtotal: Regeneration	(0.008)
Revenues & Benefits	
• Additional Surplus on the Council Tax Collection Fund	(0.068)
• Further underspend on the Council Tax Reduction Scheme provision	(0.098)
• Additional DWP New Burdens funding	(0.076)
Subtotal: Revenues & Benefits	(0.242)
Minor changes of less than £0.025m.	
• Customer & Housing Services	0.016
• Council Fund Housing	(0.011)
• Regeneration	(0.017)
• Revenues & Benefits	0.017
• Housing Programmes	0.009
Total minor variances of less than £0.025m	0.014
Total: Community & Enterprise	(0.277)

Streetscene & Transportation Portfolio

Ancillary Services & Performance	
• Increase in projected waste treatment tonnages through to 31st March	0.042
Subtotal: Ancillary Services & Performance	0.042
Transport & Logistics	
• Reduction in fuel prices and more efficient usage of vehicles	(0.100)
Subtotal: Transport & Logistics	(0.100)
Minor variances of less than £0.025m	
• Ancillary Services & Performance	0.010
• Highway Network	(0.008)
• Transport & Logistics	(0.022)
Total minor variances of less than £0.025m	(0.020)
Total: Streetscene & Transportation	(0.078)

Planning & Environment Portfolio

Minor variances of less than £0.025m	
• Business	(0.009)
• Community	(0.013)
• Development	(0.010)
• Access	0.001
• Shared Service	(0.005)
• Strategy	0.010
• Administration	0.010
• Vacant Posts	(0.016)
Total minor variances of less than £0.025m	(0.032)
Total: Planning & Environment	(0.032)

Education & Youth**Inclusion Services**

- 2 new placements, increased provisions and a new 8 week assessment have been partially offset by 2 placements ending.

0.039

Subtotal: Inclusion Services0.039**Minor variances of less than £0.025m**

- Primary & Early Years Education
- Access (School Planning & Provision)
- Commissioning & Performance
- Youth Justice Service
- Community Centres
- Youth & Community Service

0.002

0.001

0.003

(0.001)

(0.006)

0.010

Total minor variances of less than £0.025m0.009**Total: Education & Youth**0.048**People & Resources****Minor variances of less than £0.025m**

- HR & OD
- Corporate Finance

(0.004)

0.020

Total minor variances of less than £0.025m0.016**Total: People & Resources****Governance****Minor variances of less than £0.025m**

- Legal Services
- Democratic Services
- Internal Audit

(0.004)

0.002

(0.001)

Total minor variances of less than £0.025m(0.003)**Total: Governance**(0.003)**Organisational Change****Property Design & Consultancy**

- Additional design fees over budgeted income target achieved.

(0.034)

Subtotal: Property Design & Consultancy**Minor variances of less than £0.025m**

- Public Libraries & Arts, Culture & Events
- County Archives
- Valuation & Estates
- Facilities

(0.008)

(0.001)

(0.009)

(0.006)

Total minor variances of less than £0.025m(0.058)**Total: Organisational Change**(0.058)**Chief Executive****Minor variances of less than £0.025m**

- Minor variances less than £0.025m

0.014

Total: Chief Executive0.014**Central & Corporate Finance**

- Reduction in external audit fees
- Lower than anticipated bank charges
- Minor variances

(0.088)

(0.030)

(0.003)

Total: Central & Corporate Finance(0.121)**Total Changes**(0.499)

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Social Services Locality Teams (Localities)	14.677	14.207	(0.470)	(0.475)	<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 rehabilitation, the changing demographic profile, increased complexity of need and increasing numbers of people with dementia. The current level of projected overspend is £0.483m 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 (£0.732m) on residential care, which includes, an underspend of (£0.214m) on payments to care home providers, an underspend of (£0.478m) due to an increase in the level of property related income, plus further increases in income above budget including (£0.040m) for free nursing.</p> <p>Professional Support A further area of significant underspend is the professional support within the area Localities teams. There is a total projected underspend of (£0.240m) which relates to staffing due to Social Worker vacancies, which includes a total of (£0.119), relating to the Hospital Social Work team which has transferred into Localities from Intake & Reablement (Resources and Regulated Services).</p> <p>Other Other minor variances amount to a net £0.019m within Day care and other services.</p>	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
						Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Reablement Services (Intake and Reablement)	0.429	0.362	(0.067)	(0.043)	The projected under spend is mainly due to the reallocation of an officer to another service promoting Continuing Health Care independence.	Keep under review.
Resources & Regulated Services (Disability Services)	15.239	15.398	0.159	0.201	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 administration 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)	2.299	2.433	0.134	0.203	Reflects current care packages for 2015/16, estimated commitment with additional transition clients.	Keep under review.
Administrative Support (Disability Services)	0.304	0.398	0.094	0.077	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	0.995	0.182	0.112	Increases in Residential and Domiciliary packages alongside additional new package costs.	Keep under review.
Forensic Budget (Mental Health & Substance Misuse Service)	0.317	0.199	(0.118)	(0.153)	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.

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Other Services for Adults variances (aggregate)	11.061	10.989	(0.072)	0.012	Various minor variances.	Continue to review but not expected to be recurrent.
Business Services - Charging Policy Income	(1.673)	(1.891)	(0.218)	(0.218)	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	0.163	0.116	0.114	The base budget for this service has naturally reduced as a consequence of the combined impact of Single Status outcomes and EVRNR 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.
Other Development & Resources variances (aggregate)	2.418	2.538	0.120	0.109	Various minor variances.	Continue to review but not expected to be recurrent.
Family Placement (Children's Services)	2.227	2.474	0.247	0.210	The £0.247m 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.

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Professional Support	4.997	5.122	0.125	0.115	There is a reduced projected overspend of £0.126m on agency pay costs within the Duty & Assessment team, which is due to the need to deploy staff to address key risks within this area of the service. This overspend has been partly mitigated by way of an allocation of £0.100m from the contingency reserve as approved by Cabinet when considering the Month 7 budget monitoring report. There is a further pressure of £0.111m which relates to the Children's and Young Adults Support team (CYAST). This is due to pressures within payments to external providers of £0.097m and Transport £0.051m, with some offsetting underspends against pay budgets due to vacancies. There are offsetting net underspends of (£0.112m) elsewhere within Children's Services Professional Support, including a significant underspend on staffing within the Family Intervention team.	Recommend budget realignment adjustments to use underspends elsewhere in service to address pressures.
Out of County Placements	3.416	3.198	(0.218)	(0.152)	Reflects current care packages for 2015/16.	Keep under review.
Other Services for Children variances (aggregate)	2.460	2.523	0.063	(0.027)	Various minor variances.	Continue to review but not expected to be recurrent.
Total Social Services	59.031	59.108	0.077	0.085		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer & Housing Services	1.654	1.386	(0.268)	(0.243)	Additional in-year saving identified in respect of Homeless Accommodation (£0.094m). Community Centres additional underspend (£0.049m). Underspend on the Flintshire Connects service provision (£0.087m). Switchboard in-year underspend (£0.026m). Other minor variances (£0.012m).	Continue to monitor and review.
Council Fund Housing	(0.035)	(0.024)	0.011	0.022	Telecare income lower than anticipated by £0.061m. Procurement of telecare equipment £0.040m. Savings of (£0.082m) in respect of the Community Based Accommodation Support Service. Other minor variances of (£0.008m).	Continue to monitor and review.
Regeneration	0.550	0.604	0.054	0.079	Estimated shortfall of £0.046m in markets due to income targets increasing in line with inflation each year, where charges have not increased at the same rate. Other minor variances £0.008m.	Continue to monitor and review.
Revenues & Benefits	10.631	10.243	(0.388)	(0.163)	Anticipated surplus on the Council Tax Collection Fund currently stands at (£0.241m) higher than initially estimated. Vacancy savings (£0.058m). Projected underspend on the budgeted provision for the Council Tax Reduction Scheme (£0.326m). Housing Benefit Subsidy budgeted shortfall of £0.350m. Additional New Burdens funding from DWP (£0.076m). Other minor variances of (£0.037m).	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Housing Programmes	0.072	0.136	0.064	0.055	Expenditure of £0.064m to enable the Strategic Housing and Regeneration Programme (SHARP) to move forward with the development of the Over Arching Legal Agreement with Wales Living Space. This expenditure has supported the expedient development of schemes on The Walks, Flint and Custom House School, Connah's Quay which will both be on site by March 2016.	Continue to monitor and review.
Total Community & Enterprise	12.872	12.345	(0.527)	(0.250)		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation Ancillary Services & Waste Performance - Waste Disposal & Waste Collection	6.573	7.456	0.883	0.841	<p>Reduced electricity sales from gas engines following equipment breakdown and fluctuating levels of gas extraction is now estimated at £0.100m.</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 £0.160m.</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 £0.390m. Part year income due of £0.020m in 2015-16 for compost from Denbighshire CC (£0.040m shortfall against £0.060m budget) as they will not be using the composting facilities at Greenfield until January 2016.</p> <p>At Period 8, additional costs of £0.040m for Hire of loading shovels at Greenfield HRC Site / protective clothing costs and equipment purchase.</p> <p>At Period 9, increase in estimated waste treatment tonnages of £0.042m through to the 31st March.</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> <p>Monitor Supplies & services and implement commitment challenge.</p> <p>Continue to monitor and review.</p>

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Ancillary Services & Performance - Parking & Enforcement	0.076	0.175	0.099	0.096	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	0.799	0.794	(0.005)	(0.012)	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Logistics & Resource Services - Fleet	4.808	4.711	(0.097)	0.013	Projected reduction in annual fuel costs, due to reducing fuel prices and more efficient usage of vehicles.	Continue to review.
Transportation & Logistics - other Variances	8.564	8.511	(0.053)	(0.041)	Minor Variances.	Reported through Programme Board Efficiency Tracker.
Highways Strategy & Network	7.416	7.486	0.070	0.078	Delay in the full externalisation of grass cutting service resulting in a net shortfall of £0.030m. 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 £0.090m. Reduced commitment for Ground Work operations following transition into winter related work (£0.032m).	Reported through Programme Board Efficiency Tracker. Reported through Programme Board Efficiency Tracker.
Highway Network - other Variances	0.191	0.191	0.000	0.000	Due to the below average winter up to the end of January 2016, there is a potential underspend of £0.100m within winter maintenance if current weather patterns continue to the 31st March.	No variance currently reported in the monitoring figures. Monitor Employee Costs.
Total Streetscene & Transportation	28.427	29.324	0.897	0.975		Continue to review.

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Planning & Environment Pest Control Dog Warden	0.043	0.061	0.018	0.016	Potential Shortfall in the self financing position.	Monitor level of services provided and adjust income commitment as appropriate.
Licensing	(0.008)	(0.010)	(0.002)	0.020	At Period 9, there is an increase in the level of fees received and the projections to financial year end indicate an improving position.	Monitor level of services provided and adjust income commitment as appropriate.
Community - Aggregate of other Variances	0.668	0.675	0.007	(0.001)	At Period 9, commitment challenge has been successful in reducing the level/value of future projected expenditure and updated income projections.	Continue to monitor committed expenditure and reduce/remove where possible
Animal Health & Defra	0.126	0.170	0.044	0.044	Reduced DEFRA Grant Funding, resulting in the partnership with Wrexham CBC ending in December 2015 and the income target remaining within the service.	Investigate ways to reduce Grant Income target through potential budget realignment as total funding will cease from 2016/17.
Business - Aggregate of other Variances	1.466	1.448	(0.018)	(0.009)	At Period 9, commitment challenge has been successful in reducing the level/value of future projected expenditure.	Continue to monitor committed expenditure and reduce/remove where possible
Planning Control & Enforcement	(0.133)	(0.004)	0.129	0.138	Shortfall from Planning Application fees not being increased by 15% until October, 2015 under the Planning (Wales) Bill. This was originally proposed for April, 2015 and reflected in Business Planning efficiencies. At Period 9 commitment challenge has been successful in reducing the level/value of future projected expenditure.	Planning Fee Income levels will be closely monitored.
Development - Aggregate of other Variances	0.133	0.119	(0.014)	(0.013)	Estimated surplus from additional land charges income.	Continue to review.
Portfolio Aggregate of other Variances	3.036	2.994	(0.042)	(0.041)	Continued commitment challenge across the portfolio.	Continue to monitor committed expenditure and reduce/remove where possible.
Total Planning & Environment	5.331	5.453	0.122	0.154		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Education & Youth						
Primary & Early Years Education	0.868	0.863	(0.005)	(0.007)	Minor Variances.	Continue to review.
Secondary, 14-19 & Continuing Education	1.122	1.129	0.007	0.007	Minor Variances.	Continue to review.
Inclusion Services	6.855	6.964	0.109	0.070	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	0.484	(0.024)	(0.025)	Minor Variances.	Continue to review.
21st Century Schools	0.196	0.196	0.000	0.000	No Variance.	Continue to review.
Youth Services	1.436	1.434	(0.002)	(0.005)	Minor Variances.	Continue to review.
Commissioning & Performance	0.346	0.307	(0.039)	(0.042)	Vacancy savings following a Senior Management Restructure with Education and Youth Portfolio.	Continue to review.
School Management & Information Team	0.192	0.145	(0.047)	(0.047)	Vacancy savings following a Senior Management Restructure with Education and Youth Portfolio.	Continue to review.
Total Education & Youth	11.523	11.522	(0.001)	(0.049)		
Schools						
Primary & Early Years Education	45.220	45.220	0.000	0.000	No Variance.	Continue to review.
Secondary, 14-19 & Continuing Education	35.751	35.751	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	84.877	84.877	0.000	0.000		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
People & Resources HR&OD	2.243	2.228	(0.015)	(0.011)	A 2015/16 budget efficiency of £0.105m is being reported as not achievable. In addition to this there is an overspend on the Disclosure & Disbarring Service of £0.015m and Software of £0.030m. These overspends are being partially offset by workforce underspends of (£0.152m). There are minor variances of (£0.013m).	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Corporate Finance	2.374	2.275	(0.099)	(0.119)	A 2015/16 budget efficiency is being reported as being partially achieved with a shortfall of £0.027m. This is being offset by temporary workforce underspends of (£0.134m). There are minor variances of £0.008m.	The efficiencies are expected to be achieved in full next year. Workforce underspends are in-year only.
Total People & Resources	4.617	4.503	(0.114)	(0.130)		
Governance						
Legal Services	0.610	0.628	0.018	0.022	Minor Variances.	Overspend is not expected to be recurrent.
Democratic Services	1.911	2.009	0.098	0.096	The overspend is due a delay in achieving an efficiency of £0.110m which was agreed within the 2014/15 budget. An underspend of (£0.012m) is due to minor variances.	The efficiency is expected to be achieved in full next year.
Internal Audit	0.416	0.413	(0.003)	(0.002)	Minor Variances.	Underspend is not expected to be recurrent.
Procurement	0.138	0.150	0.012	0.012	Minor Variances.	Overspend is not expected to be recurrent.
Business Support	0.740	0.703	(0.037)	(0.037)	Minor Variances.	Underspend is not expected to be recurrent.
Records Management	0.174	0.191	0.017	0.017	Minor Variances.	Overspend is not expected to be recurrent.
ICT	4.726	4.754	0.028	0.028	Minor Variances.	Overspend is not expected to be recurrent.
Total Governance	8.715	8.848	0.133	0.136		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Organisational Change						
Public Libraries & Arts, Culture & Events	1.764	1.749	(0.015)	(0.007)	Minor Variances.	Continue to review.
Museums Service	0.064	0.066	0.002	0.002	Minor Variances.	Continue to review.
County Archives	0.260	0.259	(0.001)	0.000	Minor Variances.	Continue to review.
Leisure Services	3.970	3.986	0.016	0.016	£0.070m Deeside Ice rink income pressure offset by premises & supplies cost savings of (£0.054m).	Continue to review.
Community Assets	0.018	0.018	0.000	0.000	No Variance.	Continue to review.
Valuation & Estates	(0.813)	(0.957)	(0.144)	(0.135)	Workforce efficiencies of (£0.135m) achieved following staff releases within this Service area. Other minor variances of (£0.009m).	Continue to review.
Property Design & Consultancy	2.629	2.351	(0.278)	(0.244)	An additional (£0.200m) in Design fees over the budgeted income target has been identified, this relates to SHARP and 21st Century schools feasibility works. Projected costs of (£0.078m) relating to the demolition of Connah's Quay office has been met through alternative funding.	Continue to review.
Engineering Services	0.000	0.000	0.000	0.000	No Variance.	Continue to review.
Facilities Services	1.654	1.555	(0.099)	(0.093)	(£0.075m) additional income anticipated over and above income target from increased uptake in school meals. (£0.011m) salary savings from the Team Leader post that is currently vacant. Other minor variances within the service of (£0.013m).	Continue to review.
Total Organisational Change	9.546	9.027	(0.519)	(0.461)		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Chief Executives	3.097	2.923	(0.174)	(0.188)	The underspend is due to workforce savings of (£0.106m) and also a reduction in Core Funding Agreements of (£0.028m). There is an underspend of (£0.042m) relating to the budget required for performance related increments. An overspend of £0.020m is due to a projected spend for public consultation on the Medium Term Financial Strategy. The balance of (£0.018m) underspend is due to minor variances.	The employee savings of (£0.106m) are expected to be in-year only.
Total Chief Executives	3.097	2.923	(0.174)	(0.188)		

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Month 8 (£m)	Cause of Major Variance	Action Required
Central & Corporate Finance	23.421	22.285	(1.136)	(1.015)	<p>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. However, there is no need to borrow this financial year, as capital expenditure is later than planned, resulting in short term savings from interest costs built into the budget.</p> <p>Balance of unused Non Standard Inflation from previous year (£0.240m) and current year (£0.125m). Pension Actuarial Review (£0.912m) due to lower than anticipated costs of additional contributions.</p> <p>Estimated Workforce Efficiency of £0.300m considered unachievable in year.</p> <p>One off identified efficiencies (£0.300m) in relation to the Independent Living Fund (ILF).</p> <p>Higher than projected income as a result of Rent Review for Unilever (£0.189m).</p> <p>Historic budget efficiencies of (£0.073m).</p> <p>External Audit Fees are anticipated to be lower than budget (£0.088m) this is under review with Wales Audit Office. Received no charge on three quarters of the year in relation to corporate Bank Charges (£0.030m). Matrix rebates - lower income received due to less agency staff £0.050m.</p> <p>Unrealised Corporate Admin efficiency of £0.067m, which is under review. Efficiencies have been identified but from 2016/17.</p> <p>One off / time limited, Unbudgeted costs of £0.400m in relation to former Euticals Ltd - Sandycroft site.</p> <p>Minor Variances of £0.004m.</p>	<p>Review of CLIA will identify overall position for possible mitigation.</p> <p>Review as part of Medium Term Finance Strategy, Corporate Financing Options. Consider realignment options.</p> <p>Currently looking at other options.</p> <p>Continue to review.</p> <p>Continue to review.</p> <p>Keep under review.</p> <p>Keep under review.</p> <p>Keep under review.</p> <p>Keep under review.</p>
Total Central & Corporate Finance	23.421	22.285	(1.136)	(1.015)		
TOTAL	251.457	250.215	(1.242)	(0.743)		

2015/16 Efficiencies Month 9 - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	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	0.000	(0.300)
Central Loans and Investment Review	1.830	1.230	(0.600)
Total Central & Corporate Finance	2.130	1.230	(0.900)
<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>			
Close the personal answering service for main switchboard telephone calls	0.099	0.125	0.026
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	0.090	0.060
Telecare Charging	0.200	0.139	(0.061)
Stopping sending remittance advices to Landlords	0.054	0.013	(0.041)
In-house bailiff service	0.100	0.070	(0.030)
Removal of Post Office as payment option	0.028	0.017	(0.011)
Review Single Person Discount	0.150	0.270	0.120
Total Community & Enterprise	0.729	0.855	0.126
<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	0.240	(0.160)
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	0.290	(0.110)
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	0.060	(0.090)
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	1.193	(0.513)
<u>Planning & Environment</u>			
Staffing & Management Restructure (incl. all vacancies)	0.295	0.207	(0.088)
Staffing & Collaboration	0.024	0.040	0.016
Animal & Pest Control	0.030	0.007	(0.023)
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)
Total Planning & Environment	0.594	0.359	(0.235)
Total 2015/16 Budget Efficiencies		100	12.874
Total Projected 2015/16 Budget Efficiencies Underachieved		17	2.130
Total Projected 2015/16 Budget Efficiencies Achieved		83	10.744

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 - Allocation from the Contingency Reserve for the contribution to meet the estimated increase in levy required to meet past and future claim liabilities in relation to the former Municipal Mutual Insurance company		(0.800)
Less - Allocation from the Contingency Reserve to meet the resource requirements for specialist social work for child protection		(0.100)
Plus projected underspend as at Month 9		1.242
Total projected Contingency Reserve as at 31st March 2016		4.878

HRA Major Variance Report - Period 9

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Variance Last Month (£m)	Cause of Variance	Action Required
Estate Management	1,634	1,570	(0.064)	(0.042)	Salary projections have contributed a (£0.054m) underspend. The remaining (£0.010m) relates to other minor efficiencies.	Keep under review.
Repairs & Maintenance	8,394	8,187	(0.207)	(0.193)	The projected underspend of (£0.207m) relates to stores materials. A (£0.029m) profit share relating to last year and careful monitoring has contributed to this underspend although this is a volatile area which could see spend increase in the remaining winter months.	Keep under review.
Finance & Support	2,427	2,305	(0.122)	(0.015)	Removal of the projection for delivering the Handyman Service releases a (£0.038m) underspend. (£0.020m) of the projected underspend relates to consultancy and conferences. Redistribution of salaries across departments and services has realised a (£0.149m) underspend. Agile working equipment for HRA is projected to cost £0.050m. The remaining £0.035m relates to other minor costs.	Keep under review.
Landlord Services	0.882	1,074	0.192	0.070	Cleaning charges for the community centres brought into the HRA from Council Fund have received a charge in the amount of £0.051m which was an unexpected cost. Utility costs relating to the transferred community centres are set to overspend by £0.031m. Recharges of subcontractor works from R&M have increased to £0.110m due to a review of all subcontractor costs, this will be a recharge at yearend.	Keep under review.
Other variances (aggregate)	12,305	(12,984)	0.119	0.032	£0.122m relates to a potential post audit adjustment relating to Housing Subsidy. The remaining (£0.003m) relates to minor efficiencies.	Keep under review.
Total :	0.234	0.152	(0.082)	(0.148)		

