



CABINET

Date of Meeting	Tuesday, 20 th March 2018
Report Subject	Revenue Budget Monitoring 2017/18 (Month 10)
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the current revenue budget monitoring position for 2017/18 for the Council Fund and Housing Revenue Account. The report presents the position, based on actual income and expenditure, as at Month 10 of the financial year. The report projects how the budget would stand at the close of the financial year if all things remained equal.

The projected year end position is:-

Council Fund

- Net in-year expenditure forecasts an operating deficit of £0.375m
- The overall projected in-year position now includes £1.422m due to the change in accounting policy for Minimum Revenue Provision (MRP) charges as agreed by County Council on 1 March. This has the effect of eliminating the operating deficit with net spend projected to be £1.047m less than budget
- Projected Contingency Reserve balance as at 31 March is £8.119m although this reduces to £5.714m when taking account of agreed contributions for the 2018/19 budget

Housing Revenue Account

- Net in-year expenditure forecast to be £0.035m higher than budget
- Projected closing balance as at 31 March 2018 of £1.081m

RECOMMENDATIONS	
1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2018.
2	To approve the transfer of £0.250m from the contingency reserve to an earmarked reserve to use as a contingency against any financial issues arising as a result of implementing different service delivery methods (paragraph 1.23).
3	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 10 POSITION																																								
1.01	<p><u>Council Fund Overall Position</u></p> <p>The operating deficit is projected to be £0.375m which is a decrease of £0.533m from the deficit reported last month and is mainly due to additional grant funding received to support winter pressures within Social Services as detailed in 1.07.</p> <p>On 1st March 2018 County Council agreed a change to the Council's policy for accounting for the Minimum Revenue Provision (MRP) charge. This has resulted in a positive impact of £1.422m on the projected outturn which now shows spend as being £1.047m less than the budget.</p>																																								
1.02	<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> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>61.471</td> <td>62.454</td> <td>62.937</td> <td>0.483</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.518</td> <td>12.540</td> <td>11.664</td> <td>(0.876)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.467</td> <td>27.578</td> <td>29.778</td> <td>2.200</td> </tr> <tr> <td>Planning & Environment</td> <td>5.043</td> <td>4.931</td> <td>5.212</td> <td>0.281</td> </tr> <tr> <td>Education & Youth</td> <td>10.966</td> <td>10.981</td> <td>11.169</td> <td>0.188</td> </tr> <tr> <td>Schools</td> <td>88.862</td> <td>88.928</td> <td>88.928</td> <td>0.000</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	61.471	62.454	62.937	0.483	Community & Enterprise	12.518	12.540	11.664	(0.876)	Streetscene & Transportation	27.467	27.578	29.778	2.200	Planning & Environment	5.043	4.931	5.212	0.281	Education & Youth	10.966	10.981	11.169	0.188	Schools	88.862	88.928	88.928	0.000
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	People & Resources	4.283	4.118	4.537	0.419
	Governance	7.675	7.655	7.785	0.130
	Organisational Change 1	5.801	5.587	5.666	0.079
	Organisational Change 2	2.422	2.288	2.027	(0.261)
	Chief Executive	3.008	2.926	2.795	(0.130)
	Central & Corporate Finance	25.642	25.172	21.611	(3.561)
	Total	255.156	255.156	254.109	(1.047)
1.03	The reasons for the projected variances are summarised within Appendix 1 with key significant portfolio variances explained in paragraphs 1.04 to 1.12 below. As has been the practice in recent years where a variance has been due to a conscious change to policy or practice, the resulting variance is managed corporately with the relevant portfolio not expected to meet any shortfall.				
1.04	<p><u>Streetscene & Transportation</u></p> <p>There is a projected overspend of £2.200m within this portfolio.</p> <p>The overspend partly comprises of the materialisation of some of the known significant risks identified when the 2017/18 budget was set by Council and other conscious changes to policy or practice which were detailed in the Month 4 report.</p> <p>The net position on the projected overspend excluding the conscious changes to policy and practice is a now an operating deficit of £0.864m which is an increase of £0.069m from last month.</p>				
1.05	<p><u>Social Services</u></p> <p>The projected outturn for Out of County placements in Children's Services is £1.433m over budget due to the number of high cost placements, this is a decrease of £0.029m from the figure reported in month 9 and is the net impact of new and ended placements.</p>				
1.06	To help mitigate the overspend a new project between Social Services and Education & Youth is being undertaken to more proactively respond to identified needs, better manage the demand for placements and to develop the market to be more to be more responsive and affordable. An additional allocation of £0.500m has been included as part of setting the 2018/19 budget to further assist in mitigating the position.				
1.07	This month additional grant funding of £0.428m is reported in the Older People service. This grant funding is to contribute to additional expenditure incurred in Social Services due to winter pressures.				

1.08	<p><u>Education & Youth</u></p> <p>The projected outturn for the education element of Out of County placements is reporting an overspend of £0.348m however the Inclusion and Progression service overall has decreased by £0.024m to £0.298m due to reduced agency costs and increased income.</p>
1.09	<p>There is a continuing risk in the volatility of demand for Out of County Placements and the impact on service costs which cannot be predicted with any certainty. There is always a risk of significant variances occurring such as those reported in paragraphs 1.05 and 1.08 above. This area continues to be closely monitored.</p>
1.10	<p><u>Planning & Environment</u></p> <p>There is a projected in-year Planning Fee Income shortfall of £0.260m due to the impact of the Welsh Government requirements for major developers to enter into pre consultation as detailed in the previous report.</p>
1.11	<p><u>Community & Enterprise</u></p> <p>There is a projected underspend on the Council Tax Reduction Scheme (CTRS) of £0.598m based on current demand which will be kept under review throughout the year together. There is also a favourable variance on the Council Tax Collection fund of £0.415 due to Single Person Discount review work.</p>
1.12	<p><u>Central & Corporate Finance</u></p> <p>There is a positive variance of £3.561m projected within this area which is an increase of £1.656m over month 9 which is due to a one off, in-year, underspend of £0.234m on centrally held inflation and £1.422m due to the change in accounting policy for MRP charges.</p> <p>Major variances within this area include a positive variance on the pension fund contributions, due to a lower than anticipated pressure to fund the in-year increase due to the actuarial review of £0.325m, offset by a shortfall in the corporate income target of £0.407m and lower than anticipated levels of car parking income at County Hall of £0.080m.</p> <p>There is also a positive variance due to the auto enrolment of employees to the pension scheme which became effective in October 2017 (now deferred until January 2018). As employers are legally compelled to enrol eligible staff into a qualifying pension scheme budget provision was set aside to meet potential pension contribution costs. Early analysis indicates that the actual numbers are less than originally estimated, and when combined with the postponement of the auto enrolment date, gives a favourable in year variance of £0.443m.</p>
1.13	<p><u>Significant Movements between Month 9 and Month 10 Budget</u></p> <p>There have been no significant budget movements between portfolios for Month 10.</p>

1.14	<p><u>Achievement of Planned In-Year Efficiencies</u></p> <p>The Council set a challenging target for the level of efficiencies to be achieved in year as part of its approach to annual budget planning. These efficiencies are generated from the three year service portfolio business plans and from corporate financial planning. The 2017/18 budget contains £8.433m of specific efficiencies which are tracked and monitored. In recent years the level of efficiency achievement has averaged at around 85% though the council aspires to raise this to 95% in 2017/18 as reflected in the recent MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2017/18 shows that £7.959m (94%) of the efficiencies would be achieved which is 1% less than the agreed target. There is a further risk that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2018/19 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with the overall impact in relation to any impact for 2018/19 being reviewed as part of the ongoing work on the MTFS.</p>
1.15	<p>Tracking of In Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2017/18 a number of significant risks were identified including the costs of procuring local public and school bus services and the potential reduction of the Single Environment Grant.</p>
1.16	<p>In addition to the known risks referred to above there are also a number of new risks which have emerged in-year and are incorporated into the projected outturn.</p>
1.17	<p>A comprehensive and robust piece of work has been undertaken to assess the risks and mitigations of these variances and any potential impacts on the 2018/19 budget. The outcome of this work is detailed in the 'Stages One and Two of the Council Fund Budget 2018/19 and Planning for the Closing Stage Three' report which was reported to Council on 30 January 2018 and those with an impact into 2018/19 have been included in the 2018/19 budget which was approved by Council on 20 February 2018.</p>
1.18	<p>Winter Maintenance</p> <p>The recent adverse weather continues to put pressure on the winter maintenance budget which only provides for 'average' winter conditions comprising of 70 turnouts and 5 snow affected days. The service has already exceeded this number of turnouts and it is projected that spend will be £1.059m which exceeds the budget of £0.844m by £0.215m. However, this will be offset by the drawdown of part of the winter maintenance reserve (£0.095m) and part drawdown of a grant which is ring-fenced for rock salt (£0.120m). Future options to replenish the Winter Maintenance budget will need to be considered as part of the closedown of the accounts.</p>
1.19	<p>Inflation</p>

	Included within the 2017/18 budget are provision for pay (£0.915m), targeted price inflation (£0.313m), food (£0.051m), fuel (£0.033m) and Energy (£0.061m).
1.20	A limited amount of funding was set aside in the 2017/18 budget for non-standard inflation (NSI) which has now been allocated to relevant portfolios and any unallocated budget is reported as an in-year underspend included within Central and Corporate Finance.
1.21	<p>Reserves and Balances</p> <p><u>Un-earmarked Reserves</u></p> <p>The 2016/17 outturn reported to Cabinet on 18 July 2017 showed un-earmarked reserves at 31 March 2016 (above the base level of £5.769m) of £5.133m.</p>
1.22	<p>Taking into account the current projected underspend at Month 10 and previously agreed allocations the balance on the Contingency Reserve at 31 March 2018 is projected to be £8.119m as detailed in appendix 4.</p> <p>However, as agreed as part of the 2018/19 budget an amount of £1.945m will be utilised to balance the budget on a temporary basis. In addition County Council on 1 March approved an additional amount of £0.460m for schools, again on a temporary basis. The available Contingency Reserve after taking account of these contributions will therefore be £5.714m.</p> <p>As presented to Council on 1 March it is essential that a sizeable contingency reserve is maintained to safeguard against some of the significant risks that the Council will face in 2018/19 and include the outcome of national pay negotiations, social care demands such as out of county placements and any shortfall in budgeted efficiencies and other unforeseen variances.</p>
1.23	The 2017/18 Budget Report included in its main body a recommendation that, as the Council continues to progress the implementation of different delivery methods for some of its services, it would be considered prudent to set aside some funding as a contingency against any financial issues arising in the early stages and it is recommended that a sum of £0.250m is now ring-fenced for this purpose.
1.24	<p>Housing Revenue Account</p> <p>The 2016/17 Outturn Report to Cabinet on 18 July 2017 showed an un-earmarked closing balance at the end of 2016/17 of £1.116m and a closing balance of earmarked reserves of £0.526m.</p>
1.25	The 2017/18 budget for the HRA is £33.633m which includes a movement of £0.035m from reserves.
1.26	The Month 10 monitoring for the HRA is projecting in year expenditure to be £0.035m lower than budget and a closing un earmarked balance as at 31

	March 2018 of £1.081m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
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2.00	RESOURCE IMPLICATIONS
2.01	The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first four months and the risks as known.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	There are in-year risks and emerging issues which are covered in the main section of the report from paragraph 1.15 to 1.17. Details of these risks were reported in full within the Month 4 report and any with an impact on 2018/19 have been included within the 2018/19 budget which was approved at Council on 20 February 2018.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 9 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

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

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.

Council Fund: the fund to which all the Council's revenue expenditure is charged.

Financial Year: the period of twelve months commencing on 1 April.

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.

Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.

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.

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.

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.

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.

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.

Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	(0.445)	Additional one off Welsh Government grant income of £0.428m to assist with Winter pressures, plus other minor favourable movements of £0.017m
Resources & Regulated Services	0.030	Additional demand due to winter pressures - mainly within Home care
Other Minor Variances	(0.004)	Minor variances
Disability Services		
Resources & Regulated Services	0.065	Changes to service user placement costs in the Physical Disability and Sensory Impairment service and externally provided supported living, plus some reductions of joint funding contributions from BCUHB
Other Minor Variances	(0.007)	Minor variances
Mental Health Services		
Other Minor Variances	(0.016)	Minor variances
Children's Services		
Out of County Placements	(0.029)	Net impact of new and ended placements
Other Minor Variances	0.007	Minor variances
Development & Resources		
Other Minor Variances	0.046	Net minor variances with the largest being £0.024m on Charging Policy income and £0.024m on the Training budget
Total Social Services	(0.353)	
Community & Enterprise		
Customer And Housing Services	(0.009)	Minor movements.
Council Fund Housing	0.076	Movement of £0.080m resulting from an unexpected increase in Alarm Monitoring costs for 17/18; Other minor movements £0.004m.
Regeneration	0.003	Minor movements.
Revenues & Benefits	(0.061)	Increased underspend on the provision for the Council Tax Reduction Scheme by £0.042m. Decrease in the surplus for Council Tax Collection Fund £0.025m. Enforcement Fee increased income £0.078m. Additional expenditure projected on Housing Benefit subsidy of £0.048m. Other minor movements within the service show a decrease of £0.014m.
Housing Programmes	0.000	Minor movements.
Total Community & Enterprise	0.010	
Streetscene & Transportation		
Ancillary Services & Performance		
Waste Collection	0.032	Delay in the development of the new Rockcliffe Household Recycling Centre site.
Highways Network		
Other Minor Variances	0.024	Minor variances
Transportation & Logistics		
Other Minor Variances	0.012	Minor variances
Total Streetscene & Transportation	0.068	

Planning & Environment		
Business		
Minor Variances	(0.020)	Minor variances
Community		
Minor Variances	0.001	Minor variances
Development		
Minor Variances	(0.002)	Minor variances
Access		
Minor Variances	0.002	Minor variances
Shared Services		
Minor Variances	0.000	Minor variances
Strategy		
Minor Variances	0.001	Minor variances
Management Strategy	0.002	Minor variances
Total Planning & Environment	(0.014)	
Education & Youth		
Inclusion & Progression	(0.024)	Adverse movement £0.011m relates to Out of County Placements. Balanced with favourable movements £0.035m from reduced agency costs and increased levels of income from within the service area.
Integrated Youth Provision	(0.013)	Minor variances from across service area.
School Improvement Systems	(0.015)	Minor variances from across service area.
Business Change & Support	0.045	Increase in Capita One regional costs due to enhanced software
School Planning & Provision	0.008	Minor variance from across service area.
Total Education & Youth	0.001	
Schools	(0.000)	
People & Resources		
HR & OD	(0.000)	Minor variances
Corporate Finance	(0.066)	Increased contributions from HRA and ADMs for finance support have been reported this month
Total People & Resources	(0.066)	
Governance		
Legal Services	0.006	Minor variances
Democratic Services	(0.006)	Minor variances
Internal Audit	(0.000)	Minor variances
Procurement	0.000	Minor variances
ICT	0.023	Minor variances
Total Governance	0.022	
Organisational Change 1		
Public Libraries & Arts, Culture & Events	(0.016)	Minor changes offset between Leisure Services and Libraries.
Museums	0.000	Minor movements.
County Archives	(0.002)	Minor movements.
Leisure	0.020	Minor changes offset between Leisure Services and Libraries.
Community Assets	0.000	Minor movements.
Total Organisational Change 1	0.002	
Organisational Change 2		
CPM & Design Services	0.048	£0.050m anticipated reduction in design fees.
Minor Variances	(0.017)	Minor variances
Total Organisational Change 2	0.031	
Chief Executive	0.001	Minor variances
Central and Corporate Finance	(1.656)	Centrally held inflation one off in-year underspend £0.240m. Change to MRP policy £1.422m. Minor variances £0.006m.
Grand Total	(1.955)	

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Social Services						
Older People						
Localities	15.990	15.171	(0.819)	(0.375)	Residential and Nursing Care shows a projected overspend of £0.113m due to the increase in the Residential Care capital limit from £24k to £30k which wasn't fully funded by Welsh Government. Domiciliary Care reflects a projected underspend of £0.515m based on existing service users, this position has improved significantly as a consequence of additional one-off grant funding by Welsh Government for managing Winter Pressures in the final quarter of this financial year. Other underspends include £0.108m on Intake/First Contact of which £0.075m is due to part year vacancy savings from within the Single Point of Access team. Locality Teams show an underspend of £0.267m due to short term vacancy savings for a number of posts. Overall net minor variances amount to £0.033m.	Continue to lobby Welsh Government seeking regional support on the basis that the additional funding allocated by Welsh Government was inadequate to meet the full cost of additional service users.
Reablement Services	0.469	0.401	(0.068)	(0.071)	Reablement reflects a projected underspend of £0.068m which is due to additional Continuing Health Care (CHC) funding from BCUHB	Continue to monitor and review.
Community Equipment Contribution	0.478	0.365	(0.113)	(0.105)	Following review and implementation of an updated Section 33 partnership agreement for the North East Wales Community Equipment Store (NEWCES), the contribution levels of partners have been updated resulting in a reduced level of contribution from FCC going forward. In the longer term this saving has been earmarked for funding of some of the revenue costs for the new extra care facilities.	These savings have been earmarked for future realignment to meet some of the revenue costs funding requirement for the new Flint Extra Care facility - Llys Raddington.
Resources & Regulated Services	5.983	5.595	(0.388)	(0.418)	The main influences on the projected underspend of £0.418m are short term vacancy savings within extra care schemes £0.205m due to recruitment and retention difficulties in the care sector. Additional residential client contributions amount to £0.220m, and other minor variances amount to a net £0.037m.	Continue to monitor and review.
Minor Variances	0.234	0.232	(0.002)	(0.003)		
Disability Services						
Resources & Regulated Services	19.744	19.870	0.126	0.061	The increased projected overspend of £0.126m is mainly due to demand influences within in-house and externally provided Supported Living, there are some offsetting under and overspends within Work Opportunities/Day Centre and PDSI services are being reviewed with a view to corrective action being taken by way of budget realignment.	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Disability Services	0.716	0.551	(0.165)	(0.185)	Increased CHC Funding for two service users under Transition to Adulthood from BCUHB. In addition, the contribution the Council is required to make for four high cost Transition service users to Welsh Government for residential college placements has reduced.	Continue to monitor and review.
Administrative Support	0.168	0.006	(0.162)	(0.142)	The projected underspend is due mainly to short term vacancy savings.	Continue to monitor and review.
Minor Variances	0.692	0.727	0.035	0.041		
Mental Health Services						
Residential Placements	1.140	1.412	0.272	0.263	Ongoing pressure due to the numbers of long term residential placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Minor Variances	2.525	2.438	(0.087)	(0.062)		

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Children's Services						
Family Placement	2.464	2.671	0.207	0.203	The projected overspend is due to the number of children in care. There has been an increase in the number of children who are subject to Foster Care/Special Guardianship/Adoption who have moved through the age barriers. Other influences include new adoption and Special Guardianship Order (SGO) payments and new Foster Carers entering the system, foster carers progressing from Level 1, 2, 3 and 4. Travel costs and Christmas and birthday allowances.	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Family Support	0.296	0.371	0.075	0.074	There are pay pressures due to a combination of new contractual arrangements having been implemented for seasonal workers and a number of the staff working significant additional hours.	Continue to monitor and review.
Prevention & Support	0.142	0.210	0.067	0.049	The projected overspend relates to additional costs of legal fees including costs of barristers, court costs and professional fees relating to medical examinations.	Continue to monitor and review
Professional Support	4.797	5.036	0.239	0.250	The projected overspend is due mainly to ongoing service pressures particularly within Prevention and Support, and is influenced by the need to support wider regional work on child protection issues	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Out of County Placements	3.641	5.074	1.433	1.462	This pressure is a continuation in the increase in the number of high cost placements which was partly influenced by interpretations of additional responsibilities under the Social Services and Well-being (Wales) Act 2014.	Pressure included in 2018/19 budget as partial mitigation. A project group has been set up to more proactively respond to identified needs, better manage demand for placements and develop the market to be more responsive and affordable.
Minor Variances	1.149	1.110	(0.038)	(0.033)		
Development & Resources						
Charging Policy income	(2.641)	(2.759)	(0.118)	(0.142)	The projected underspend is due to surplus income which is mainly caused by the full year impact of changes to disregard rules on financial assessments which came into effect from August 2016	Continue to monitor and review.
Safeguarding Unit	0.810	0.913	0.103	0.097	There are continued significant demand influenced pressures on this service particularly within Adults safeguarding due to a significant increase in the numbers of referrals and the ongoing impact of the Deprivation of Liberty Safeguarding (DoLS) assessments.	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action. A pressure for DoLS has been approved as part of the 2018/19 budget.
Good Health	0.941	0.819	(0.122)	(0.121)	The projected underspend is due to a number of short term vacancy savings and from recouping an overpayment from a Voluntary Organisation.	Continue to monitor and review.
Minor Variances	2.715	2.725	0.009	(0.008)		
Total Social Services	62.454	62.937	0.483	0.836		

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Community & Enterprise						
Customer And Housing Services	1.568	1.606	0.038	0.046	Additional expenditure projected on Temporary Homeless Accommodation of £0.035m resulting from a reduction in Housing Benefit income due to Universal Credit roll out. Other variances across the service £0.003m.	Continue to monitor increased expenditure in the Homelessness Service and report on any significant variances.
Council Fund Housing	(0.372)	(0.339)	0.033	(0.043)	There has been an unexpected increase in Telecare costs due to a delay in implementing a new Alarm Monitoring contract, however, this is being offset by Vacancy savings within the Accommodation Support service. Purchase of carelink equipment of £0.042m. Other minor variances across the service £0.010m.	Continue to monitor expenditure in 17/18 and into 18/19.
Regeneration	0.412	0.515	0.103	0.100	Variance relates to Markets income review £0.054m and unachieved framework income for Energy Efficiency projects within 2017/18 £0.050m. Other minor variances within the service £0.001m.	Continue to closely monitor income levels. A budget pressure for Markets has been approved for 2018/19.
Revenues & Benefits	10.792	9.737	(1.054)	(0.994)	Projected underspend on the budgeted provision for Council Tax Reduction Scheme £0.598m. Anticipated surplus on the Council Tax Collection Fund following the conclusion of the Single Person Discount review work £0.415m. Overachievement of Enforcement Fee income in In House Bailiff team £0.079m. Other minor variances within the service £0.038m.	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year. Additional efficiency from SPD review and CTRS reflected in 2018/19 budget.
Housing Programmes	0.140	0.145	0.005	0.005	Minor variances.	Continue to monitor and review.
Total Community & Enterprise	12.540	11.664	(0.876)	(0.886)		
Streetscene & Transportation						
Ancillary Services & Performance						
Waste Collection	7.118	7.620	0.502	0.470	Adverse variance of £0.200m relating to lower than anticipated energy production at the Landfill sites and reduced electricity sales from reducing levels of gas extraction. Environment and Sustainable Development (ESD) grant pressure £0.111m due to the reduction of the grant in 17/18 of 3.7%. Delay in the development of the new Rockcliffe HRC site resulting in additional running costs of two existing sites continuing to operate £0.100m. Increase in CPI apply to the waste treatment contract of 2.8% above the 1% built into the monitoring, 0.030m. £0.020m pressure from additional NNDR costs due to the reassessment of two HRC sites. Potential risk around plastic recycling prices. Its expected in 6 months time prices will drop due to external market factors.	Energy production income levels being monitored monthly and contracts being prepared for the service to be outsourced. Reported in Programme Board Efficiency Tracker Pressure from reduction in grant and renewable energy income reflected within the 2018/19 budget.
Parking & Enforcement	(0.084)	0.018	0.102	0.102	Shortfall of income from Flint Car Parking £0.100m. Pressure due to the town centre re-development being ongoing and impacting on the rollout of changes across the town.	Keep under review as part of MTFS Reported in Programme Board Efficiency Tracker
Other Minor Variances	0.796	0.795	(0.001)	(0.001)		
Highways Network						
Highways Network	7.466	7.836	0.370	0.345	Due to ongoing discussions on Community Asset Transfers (CATs), the maintenance liability being transferred for Cemeteries to Town/Community Councils totalling £0.050m is not yet implemented. Street lighting energy prices above the 2% standard with an increase of 16% resulting in a pressure of £0.131m. Public conveniences at Holywell and Mold (New Street) were due to close in April this year, however they will not close until March 2018 resulting in a pressure of £0.063m. Balance a cumulative amount of minor variances.	Continue to monitor street lighting energy prices. Pressure for street lighting included as part of 2018/19 budget. Reported in Programme Board Efficiency Tracker.
Transportation & Logistics						
Logistics & Resource Services	4.518	4.716	0.198	0.189	Shared specialist plant with neighbouring Authorities has not materialised from 16/17 business planning proposal £0.050m. Increase in Fleet insurance premium for 17/18 £0.100m	Pressure to reflect unachieved efficiency included in 2018/19 budget.
School Transport	4.734	4.919	0.185	0.185	Ongoing additional subsidy costs following re-procurement for covering various school transport routes £0.185m	Reported in Programme Board Efficiency Tracker
Transportation	1.598	2.440	0.842	0.842	Ongoing additional subsidy costs following re-procurement for covering various public transport routes following the previous operator going into liquidation and the delay in introducing the Bus Subsidy efficiency in 17/18 £0.840m	Pressure to address transport issues include within 2018/19 budget. Reported in Programme Board Efficiency Tracker
Other Minor Variances	6.166	6.352	0.187	0.184		
Total Streetscene & Transportation	27.578	29.778	2.200	2.132		

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Business						
Pollution Control	0.476	0.509	0.033	0.049	Fixed term contract EHO posts secured in 2016 and met though the portfolio budget in 2016/17 were recruited to undertake the issues of unlicensed and unsafe residential properties following the successful prosecution of the unlicensed property house of Multiple Occupation at Hyperion House, Sealand in 2015. Increased demand and expectations are being met currently with these additional posts. For the financial year 2017/18 funding for one EHO Post has been secured from the Transition Grant Homelessness.	Secured funding for 2018/19 from Invest to Save for the 2 EHO posts for one financial year.
Minor Variances	1.086	1.073	(0.013)	(0.010)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Community						
Pest Control	0.004	0.066	0.061	0.054	Despite the fact that the service has seen an increase in referrals during 2016/17 and onwards into 2017/18, the income target is unlikely to be achieved, based on current projections.	
Minor Variances	0.896	0.839	(0.058)	(0.052)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Development						
Development Management	(0.384)	(0.143)	0.241	0.236	The projected Planning Fee Income shortfall has increased and is now currently projected at £0.260m as the economy has not continued to recover to the extent which the 3 year Business Plan forecast but the number of applications has increased. The annual income target for non-statutory Pre-Application Fees was met in Q1 and income has continued to remain at consistent levels.	Continue to monitor Planning Fee levels and adjust outturn accordingly. Pressure to reflect reduction in income included within 2018/19 budget.
Minor Variances	0.158	0.110	(0.048)	(0.041)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Access						
Greenfield Valley	0.326	0.293	(0.034)	(0.034)	Vacancy savings and reduced zero hours contracts	Service review within Countryside is currently being undertaken
Minor Variances	1.015	1.008	(0.007)	(0.008)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Shared Services						
Minor Variances	0.177	0.177	0.000	(0.000)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Strategy						
Minor Variances	0.833	0.820	(0.013)	(0.015)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Management Strategy	0.343	0.462	0.119	0.117	Balance of Business Planning Efficiencies for Staffing	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Total Planning & Environment	4.931	5.212	0.281	0.296		
Education & Youth						
Inclusion & Progression	6.843	7.141	0.298	0.322	Variance largely relates to Out of County placements £0.348m. Includes other minor variances from across the service area (£0.050m).	Continue close monitoring arrangements and updates following moderation meetings.
Integrated Youth Provision	1.343	1.284	(0.059)	(0.046)	Minor variances from across service area.	
School Improvement Systems	1.807	1.744	(0.063)	(0.049)	Minor variances from across service area.	
Business Change & Support	0.377	0.381	0.005	(0.040)	Minor variances. Includes savings following the review of software purchase.	
Minor Variances	0.611	0.619	0.008	0.000		
Total Education & Youth	10.981	11.169	0.188	0.187		
Schools	88.928	88.928	(0.000)	(0.000)		
People & Resources						
HR & OD	2.029	2.227	0.198	0.198	Due to partial achievement of business planning efficiency and loss of income contribution from Wrexham Occupational Health Services	Service delivery options are being considered for the Occupational Health Service and a pressure to reflect this has been included in 2018/19 budget.
Corporate Finance	2.089	2.310	0.221	0.288	This is due to the roll out of manager self service and the operating model review taking longer than planned	Continue to look for income maximisation and progress the structural review
Total People & Resources	4.118	4.537	0.419	0.486		

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Governance						
Legal Services	0.688	0.710	0.023	0.017	Minor variances	Continue to monitor and review
Democratic Services	1.924	1.936	0.012	0.018	Minor variances	Continue to monitor and review
Internal Audit	0.443	0.375	(0.069)	(0.068)	There underspend is due to in-year vacancies	Continue to monitor and review
Procurement	0.168	0.274	0.106	0.106	Due to a conscious decision to no longer pursue supplier income for registration onto the Councils payment portal	Pressure included in 2018/19 budget.
ICT	4.432	4.490	0.058	0.035	There is a projected overspend of £0.023m within records management mostly due to higher volumes of box destruction. This will however reduce storage costs in future years. There is also an unachieved business planning efficiency of £0.035m.	Continue to monitor and review.
Total Governance	7.655	7.785	0.130	0.108		
Organisational Change 1						
Public Libraries & Arts, Culture & Events	0.763	0.753	(0.010)	0.007	Minor variances.	Continue to monitor and report on any significant variances.
Museums	0.028	0.028	(0.000)	(0.000)	Minor variances.	Continue to monitor and report on any significant variances.
County Archives	0.286	0.288	0.002	0.004	Minor variances.	Continue to monitor and report on any significant variances.
Leisure	4.485	4.572	0.087	0.067	Aura Leisure and Libraries Ltd was established on 1st September. This was delayed by 2 months due to a range of queries in 3 separate responses from the Financial Conduct Authority (FCA) in registering the company. These issues are now resolved.	Continue to monitor and report on any significant variances.
Community Assets	0.024	0.024	0.000	0.000	Minor variances.	Continue to monitor and report on any significant variances.
Total Organisational Change 1	5.587	5.666	0.079	0.077		
Organisational Change 2						
Administrative Buildings	1.241	1.129	(0.112)	(0.115)	£(0.107)m estimated efficiencies from the closure of phases 3 and 4 in County Hall. Other minor variances	Continue to monitor and report on any significant variances.
Property Asset And Development	0.446	0.366	(0.080)	(0.084)	£(0.066)m in year salary savings. Other minor variances	Continue to monitor and report on any significant variances.
Caretaking & Security	0.302	0.249	(0.053)	(0.050)	£(0.018)m contractor savings. Other minor variances	Continue to monitor and report on any significant variances.
CPM & Design Services	0.691	0.565	(0.125)	(0.174)	£(0.045)m projected additional income above target. £(0.070)m in year salary savings. Other minor variances.	Continue to monitor and report on any significant variances.
Industrial Units	(1.153)	(1.080)	0.073	0.089	£0.073m as a result of unachieved rental income, to be offset against office efficiencies.	Continue to monitor and report on any significant variances.
Minor Variances	0.763	0.798	0.035	0.042		
Total Organisational Change 2	2.288	2.027	(0.261)	(0.292)		
Chief Executive	2.926	2.795	(0.130)	(0.132)	in-year vacancy savings and underspends on specialist budgets such as sustainable development, Your Community/Your Council and public relations	Continue to monitor and review

Budget Monitoring Report
Council Fund Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Central and Corporate Finance	25.172	21.611	(3.561)	(1.905)	<p>An underachievement on the income target of £0.407m, though work is continuing to identify areas of opportunity.</p> <p>Support Services recharge, has resulted in a shortfall of £0.131m due to a reduction in overall operating costs.</p> <p>County Hall Car parking income shortfall of £0.072m.</p> <p>Reduced audit fees, underspend of £0.127m.</p> <p>Social Services, one off in year underspend of £1.608m held centrally to mitigate any in year overspends; £0.513m resulting from remaining pressure budgeted in 17/18 no longer required, £0.500m due to funding being secured from the Regional Integrated Care Fund, a revenue grant allocation on a one off basis.</p> <p>An additional £0.595m of Welsh Government funding for Social Care has recently been confirmed.</p> <p>Projected Pension fund variance £0.312m due to surplus of budget required for increase in contributions in 2017/18.</p> <p>Apprentice Tax Levy underspend of £0.079m, increased data has enabled a more accurate projection.</p> <p>Auto Enrolment of employees to the pension scheme became effective in October 2017. Early analysis indicates that the actual numbers are less than estimated which gives a favourable in year variance of £0.443m.</p> <p>Windfall income an underachievement of £0.060m.</p> <p>Centrally held inflation £0.254m, one off in year underspend.</p> <p>A change of Minimum Revenue Provision policy reduces outturn by £1.422m.</p> <p>Minor variances £0.014m</p>	<p>Work is continuing to identify areas of opportunity to generate income. A pressure has been included in the 2018/19 budget which will partially mitigate this.</p> <p>Budget pressures and efficiencies have been included to address these within the 2018/19 budget.</p> <p>Social Services issues which have been included within 2018/19 budget.</p> <p>Pension Fund / Apprentice Tax Levy - Keep under review in year to consider potential for mitigation of 18/19 pressure. Auto enrolment - further analysis is required to assess the impact on 2018/19. Efficiency for pension fund contribution has been included as part of 2018/19 budget. Continue to monitor and review.</p>
Grand Total	255.156	254.109	(1.047)	0.908		

2017/18 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2017/18 £(m)	2017/18 £(m)	2017/18 £(m)
People & Resources			
Finance - Implementation of Collaborative Planning Software to finance to improve and automate our processes thus enabling workforce efficiencies. Phased roll out of new finance model.	0.270	0.160	(0.110)
Review of Human Resources & Organisational Design operating model and job roles and various other efficiencies.	0.148	0.052	(0.096)
DBS recharges	0.058	0.025	(0.033)
Total People & Resources	0.476	0.237	(0.239)
Governance			
ICT - Reduction in management, staff and non pay costs.	0.350	0.310	(0.040)
Total Governance	0.350	0.310	(0.040)
Social Services			
Develop alternative approaches to in house day services and work opportunity schemes.	0.250	0.130	(0.120)
Total Social Services	0.250	0.130	(0.120)
Organisational Change 1			
Alternative Delivery Models	0.415	0.335	(0.080)
Total Organisational Change 1	0.435	0.355	(0.080)
Community & Enterprise			
Council Tax Reduction Scheme.	0.200	0.798	0.598
Total Community & Enterprise	0.200	0.798	0.598
Streetscene & Transportation			
Develop energy production at landfill.	0.100	0.000	(0.100)
Review subsidised bus routes.	0.350	0.000	(0.350)
Total Streetscene & Transportation	0.450	0.000	(0.450)
Planning & Environment			
Staffing - management restructure.	0.125	0.062	(0.063)
Self financing for Public Protection Services.			
- Animal & Pest Control.			
- Licencing Charging.	0.030	0.000	(0.030)
Increase in planning fees (15% WG increase) and applications	0.015	0.000	(0.015)
Increase in number of planning applications	0.035	0.000	(0.035)
Total Planning & Environment	0.205	0.062	(0.143)
Total 2017/18 Budget Efficiencies		100	8.433
Total Projected 2017/18 Budget Efficiencies Underachieved		6	0.474
Total Projected 2017/18 Budget Efficiencies Achieved		94	7.959

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2017	10.953	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		5.184
Less – allocation from the Contingency Reserve to support initial set up costs and final technical support for the Community Asset Transfer (CAT) of Holywell Leisure Centre and Alternative Delivery Model (ADM) agreed in 2016/17		(0.050)
Less – allocation from the Contingency Reserve to provide financial support to meet in-year budget pressures in 2017/18 for regional economic structures and support for events		(0.052)
Add – projected outturn underspend		1.047
Add – Amount released from earmarked reserves as agreed by Council as part of 2018/19 budget		1.990
Total Contingency Reserve as at 31st March 2018		8.119
Less – amount committed as part of balancing 2018/19 budget		(1.945)
Less – One off contribution to Schools agreed at Council on 1 March 2018		(0.460)
Total Contingency Reserve available for 2018/19		5.714

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 10 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account Income	(32.269)	(32.377)	(0.108)	(0.080)	£0.080m reflects the decision to delay implementation of Service Charges to 1st April 2018 (from January 2018) to allow more time for full consultation. £0.034m relates to the loss of income on garages following refurbishments and demolition. £0.227m relates to a reduction in the contribution towards the provision for bad debts. £0.064m relates to Council Tax credits. £0.064m relates to delays in the handover of new properties compared to the estimated dates in the original business plan. The remaining £0.005m relates to minor variances.	
Capital Financing - Loan Charges	7.545	7.486	(0.059)	(0.059)	£0.118m relates to a reduction in the expected interest charge for HRA borrowing. This is because interest rates have remained low since the Brexit referendum. Borrowing costs have also been minimised through efficient treasury management. £0.016m relates to a reduction in the minimum revenue payment (MRP). This is calculated based on the total HRA borrowing at 31st March 2017 which was slightly lower than assumed in the budget. £0.075m relates to the anticipated support services charge relating to Corporate Management and Democratic Representation.	
Estate Management	1.633	1.588	(0.045)	(0.049)	Minor Variance	
Landlord Service Costs	1.386	1.405	0.019	(0.006)	Minor variance	
Repairs & Maintenance	8.559	8.017	(0.542)	(0.518)	A saving of £0.542m is anticipated on Repairs and Maintenance. £0.201m relates to staffing costs. £0.382m relates to subcontractor spend. This expenditure is reflected in the capital budget. £0.035m relates to increased costs for Fleet damage to vehicles. The remaining £0.006m relates to minor variances.	
Management & Support Services	2.273	2.205	(0.068)	(0.046)	Minor variance	
Capital Expenditure From Revenue (CERA)	10.863	11.293	0.430	0.608	The variance of £0.430m relates to an increase in the contribution from revenue towards capital costs. This increase is possible because of decreased costs elsewhere in the HRA. Contributing towards the capital budget from revenue reduces the requirement to borrow.	
HRA Projects	0.046	0.384	0.338	0.151	£0.333m relates to SHARP pre-development costs which were approved by Cabinet in March 2017. If these schemes are approved before 31st March 2018, then costs will be capitalised. The remaining £0.005m relates to minor variances.	In March 2017 Cabinet approved progression of site investigation works on several possible sites for SHARP. If, for any reason, schemes are not approved by 31st March 2018, these costs will be charged to the HRA.
Contribution To / (From) Reserves	(0.035)	0.000	0.035	0.000	HRA reserves will be kept at existing levels to meet Business Planning requirements in future years.	
Total Housing Revenue Account	(0.000)	(0.000)	(0.000)	0.000		

