



CABINET

Date of Meeting	Tuesday, 18 December 2018
Report Subject	Revenue Budget Monitoring 2018/19 (month 7)
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 latest revenue budget monitoring position for 2018/19 for the Council Fund and Housing Revenue Account. This report presents the position, based on actual income and expenditure, as at Month 7 of the financial year. The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

Council Fund

- An operating deficit of £0.325m (£0.222m at Month 6)
- A projected contingency reserve balance as at 31 March 2019 of £7.347m this reduces to £5.447m when taking into account agreed contributions for the 2019/20 budget

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.067m lower than budget
- A projected closing balance as at 31 March 2019 of £1.165m

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2019.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 7 POSITION																																																								
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> • An operating deficit of £0.325m • A projected contingency reserve balance as at 31 March 2019 of £7.347m which reduces to £5.447m when taking into account agreed contributions for the 2019/20 budget 																																																								
1.02	<p>Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1"> <thead> <tr> <th>TOTAL EXPENDITURE AND INCOME</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> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>65.211</td> <td>65.000</td> <td>(0.212)</td> </tr> <tr> <td>Out of County</td> <td>7.274</td> <td>9.065</td> <td>1.791</td> </tr> <tr> <td>Education & Youth</td> <td>8.261</td> <td>8.125</td> <td>(0.136)</td> </tr> <tr> <td>Schools</td> <td>89.937</td> <td>89.937</td> <td>0.000</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>30.243</td> <td>31.313</td> <td>1.070</td> </tr> <tr> <td>Planning & Environment</td> <td>5.663</td> <td>5.663</td> <td>0.000</td> </tr> <tr> <td>People & Resources</td> <td>4.383</td> <td>4.382</td> <td>0.000</td> </tr> <tr> <td>Governance</td> <td>8.248</td> <td>7.971</td> <td>(0.277)</td> </tr> <tr> <td>Strategic Programmes</td> <td>4.853</td> <td>4.853</td> <td>0.000</td> </tr> <tr> <td>Housing & Assets</td> <td>13.498</td> <td>13.427</td> <td>(0.071)</td> </tr> <tr> <td>Chief Executive</td> <td>3.013</td> <td>2.700</td> <td>(0.314)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>23.745</td> <td>22.219</td> <td>(1.526)</td> </tr> </tbody> </table>	TOTAL EXPENDITURE AND INCOME	Revised Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	Social Services	65.211	65.000	(0.212)	Out of County	7.274	9.065	1.791	Education & Youth	8.261	8.125	(0.136)	Schools	89.937	89.937	0.000	Streetscene & Transportation	30.243	31.313	1.070	Planning & Environment	5.663	5.663	0.000	People & Resources	4.383	4.382	0.000	Governance	8.248	7.971	(0.277)	Strategic Programmes	4.853	4.853	0.000	Housing & Assets	13.498	13.427	(0.071)	Chief Executive	3.013	2.700	(0.314)	Central & Corporate Finance	23.745	22.219	(1.526)
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	Total	264.328	264.653	0.325
1.03	<p>There is an increase in the operating deficit of £0.103m from the previous month (deficit of £0.222m) and the reasons for these changes are summarised in Appendix 1 with the key significant changes explained in paragraphs 1.04 to 1.06 below. The reasons for the projected variances in all Portfolio areas are summarised within Appendix 2.</p>			
1.04	<p>Out of County Placements</p> <p>The projected overspend for Out of County Placements has increased by £0.207m from the previous month.</p> <p>The Children's Service element has increased by £0.226m due to the net impact of six new placements and three placements ending. This is offset by a decrease in costs for the Education and Youth element by £0.019m due to the net impact of four placements ending and three placements starting together with some minor changes to current placement costs.</p>			
1.05	<p>Disability Services (Resources & Regulated Services) – Health Contributions</p> <p>The level of income contributions from Betsi Cadwaladr University Health Board (BCUHB) for a number of joint funded care packages is currently under discussion and there is a risk that some of the expected funding may not be received. To manage this risk it is considered prudent to account for a reduction in the projected level of expected income of £0.200m.</p>			
1.06	<p>Employers Contribution to the Pension Fund</p> <p>The impact of auto enrolment has been far less than anticipated and the projected underspend in this area has now increased by £0.127m to £0.400m.</p>			
1.07	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2018/19 a number of significant risks were identified and an update is provided below.</p>			
1.08	<p>Out of County Placements</p> <p>A further risk identified at the time of setting the 2018/19 budget was the rising social care costs, and the upward trend in the number of cases of Out of County placements across Wales. This was partly addressed by the inclusion of an additional £0.500m in the budget proposals for 2018/19 however the volatility in demand and the impacts on service costs cannot be predicted with any certainty. The main influence on this increase is the Social Services and Wellbeing Act which has led to a higher number of</p>			

	<p>court outcomes and placements which has increased the financial pressure on this service area.</p> <p>The month 7 report details the projected outturn as £1.791m higher than budget, which is an increase to the amount reported at month 6, however costs can be subject to volatility and are likely to change.</p>
1.09	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2018/19 budget includes £5.511m of specific efficiencies which are closely tracked and monitored. In 2017/18 the level of efficiency achievement was 94% which was an improvement on the 91% achieved during the previous year. The Council aims to achieve a 95% rate in 2018/19 as reflected in the MTFs KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2018/19 shows that £5.341m or 97% of the efficiencies will be achieved. The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2019/20 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with any impact for 2019/20 being reviewed as part of the ongoing work on the Medium Term Financial Strategy.</p>
1.10	<p>Other Tracked Risks</p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.11	<p>Independent Inquiry into Child Sexual Abuse (IICSA)</p> <p>IICSA have required the council to produce a statement on the handling of historic child sexual abuse claims. The statement will need to cover how litigation between 1992 and 2000 was handled. No one remains at the council from that time who has knowledge of the cases. The external solicitors who acted jointly for us and our insurers are being instructed to review their files and supply the information.</p> <p>The initial cost of this work will be a minimum of £0.015m and this could increase significantly if IICSA do not agree to narrow the scope of the statement in the way we have requested.</p> <p>In addition payments have been made during the year to settle historic child abuse cases which pre-date Flintshire. A total of £0.019m has been paid to date in 2018/19, these costs are met from the Contingency Reserve and this amount is reflected in appendix 4. There are a number of outstanding cases still to be settled and it is difficult to estimate the timing and full financial impact of these.</p>
1.12	<p>Income</p> <p>The Council introduced its Income Strategy in late 2017. A target of £0.200m remains to be achieved from the identification of new sources of</p>

	income and the review of fees and charges. The Council now has additional capacity to pursue this strategy, a number of potential opportunities will be considered as part of business planning and annual review as well as one off opportunities to mitigate this in-year.
1.13	<p>Recycling Income</p> <p>In past years the market rate for income received from recycling plastic, paper and card has been extremely volatile and can fluctuate rapidly. Recycling income is already expected to be £0.165m less than budgeted for and there is a risk that fluctuating market rates may reduce the shortfall further.</p>
1.14	<p>Schools – Risks and Impacts</p> <p>The schools overall budget for 2018/19 included an uplift in recurring funding of £1.140m and additional one-off funding of £0.460m. At the time of setting the budget the outcome of pay awards for teacher and non-teacher staff was not known.</p> <p>The outcome of the these pay awards will have a significant impact on school budgets which are detailed below:</p>
1.15	<p><u>Teachers Pay</u></p> <p>As part of the Provisional Settlement announcement Welsh Government notified that additional funding will be allocated to Authorities to part fund the pay award in 2018/19. A recent announcement by the First Minister advised of an all Wales amount of £7.5m for teacher pay in both 2018/19 and 2019/20. Flintshire are awaiting confirmation of the timing and specific amount for the Council of the 2018/19 funding contribution which, when received, will be passported in full to schools.</p>
1.16	In planning for the 2019/20 budget the First Minister's announcement allows the Council to move to the previously advised minimum position of providing a 1% uplift in the base funding of schools meaning that schools will need to share the impact of the costs.
1.17	<p>Other In-Year Issues</p> <p>Inflation</p> <p>Included within the 2018/19 budget are provision for pay (£0.937m), food (£0.124m), fuel (£0.069m) and Energy (£0.442m). As in previous years, these amounts are held centrally until there is an evidenced business need identified.</p>
1.18	An allocation of £0.075m for Energy has been transferred to the Street Lighting service to reflect the additional cost impact.
1.19	At this time it is anticipated that all of the above will be required apart from £0.110m food inflation and is reflected in the outturn figure. This area will

	be kept under review over the winter with any further underspend considered as part of the 2019/20 budget solutions.																																						
1.20	<p>Reserves and Balances</p> <p>Un-earmarked Reserves</p> <p>The 2017/18 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2018 (above the base level of £5.769m) of £7.928m.</p> <p>As agreed in the 2018/19 budget an amount of £1.945m was approved as part of the strategy to balance the budget and in addition County Council on 1 March approved a one off amount of £0.460m for schools, on a temporary basis. The available Contingency Reserve after taking account of these contributions is therefore £5.523m.</p>																																						
1.21	At month 4 it was agreed that the amount recovered due to a change in accounting policy for the Minimum Revenue Provision of £1.400m and a VAT rebate on some sporting exemptions for £1.940m would be transferred to the Contingency Reserve.																																						
1.22	Taking into account the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2019 is projected to be £7.347m as detailed in appendix 4.																																						
1.23	As part of the budget strategy work for 2019/20 an agreed contribution from the Contingency Reserve of £1.900m will be used to assist in closing the budget gap on a one off basis. After considering this impact, the total available balance of the Contingency Reserve which can be drawn upon is £5.447m.																																						
1.24	<p>Earmarked Reserves</p> <p>The table below gives a summary of earmarked reserves as at 1 April 2018 and provides an estimate of projected balances as at the end of the current financial year.</p>																																						
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	Winter Maintenance	0.215	0.215
	Car Parking	0.048	0.048
	Insurance Reserves	1.805	1.805
	Cash Receipting Review	0.084	0.084
	Flintshire Trainees	0.476	0.476
	Rent Income Shortfall	0.150	0.150
	Customer Service Strategy	0.103	0.103
	Capita One	0.019	0.000
	Supervision Fees	0.049	0.049
	Transportation Review	0.170	0.170
	LMS Curriculum	0.779	0.097
	Restoration of Ewloe Offices	0.830	0.830
	Organisational Change/ADM	0.155	0.000
	Emergency Remediation	0.050	0.050
	Solar Farms	0.000	0.296
	Grants & Contributions	2.924	2.539
	Total	14.876	11.096
1.26	Housing Revenue Account		
	The 2017/18 Outturn Report to Cabinet on 17 July 2018 showed an un-earmarked closing balance at the end of 2017/18 of £1.116m and a closing balance of earmarked reserves of £0.802m.		
1.27	The 2018/19 budget for the HRA is £34.381m which includes a budgeted movement of £0.018m from reserves. The projected outturn is an underspend of £0.067m which has the impact of bringing the closing un-earmarked reserves balance to £1.165m which at 3.4% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.		
1.28	There is an increase of £0.081m in the budget contribution towards capital expenditure (CERA) of £12.170m. The increase in this contribution decreases the level of borrowing required to fund the proposed capital programme.		

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
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4.01	There are three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.08 to 1.16.
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5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 6 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	<p>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.</p> <p>Council Fund: the fund to which all the Council's revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>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.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>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</p>

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 7 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Minor Variances	-0.020	
Disability Services		
Resources & Regulated Services	0.155	Contingency of £0.200m against risk of potential for non payment of some joint funding contributions from Betsi Cadwaladr University Health Board (BCUHB), which is offset by cost reductions within the Physical Disability and Sensory Impairment (PDSI) residential care by £0.045m.
Disability Services	0.035	Reduction of joint funding contributions.
Minor Variances	0.021	
Mental Health Services		
Minor Variances	0.039	
Children's Services		
Children's Development		
Minor Variances	0.025	
Development & Resources		
Good Health	0.047	Movement of staff budgets and costs to reflect management reporting lines.
Commissioning	-0.050	Movement of staff budgets and costs to reflect management reporting lines.
Minor Variances	-0.058	A number of minor variances each less than £0.025m. The largest of these are a reduction of £0.020m in Business Support and a reduction of £0.019m in Training.
Total Social Services (excl Out of County)	0.194	
Out of County		
Children's Services	0.226	Net impact of three new placements being six new placements less three ended placements.
Education & Youth	-0.019	The favourable change in variance relates to 4 x placements ending, 3 x new placements confirmed and other minor changes several other placements.
Total Out of County	0.207	
Education & Youth		
Inclusion & Progression	-0.029	Favourable movement in variance, largely relating to delays in recruitment. Includes minor variances from across service area.
Minor Variances	-0.018	
Total Education & Youth	-0.047	
Schools	0.000	
Streetscene & Transportation		
Highways Network	0.026	Minor variances across the Service,
Other Minor Variances	-0.014	
Total Streetscene & Transportation	0.012	
Planning, Environment & Economy		
Management & Strategy	-0.030	Vacant Post within Portfolio Admin, Commitment Challenge.
Minor Variances	0.027	
Total Planning & Environment	-0.003	
People & Resources		

HR & OD	0.034	A review of the Employee National Insurance rebates and costs associated with the Cycle to Work Scheme and Childcare Voucher Scheme has lead to an increase in projected costs by £0.022m. Minor variances across the rest of the service £0.012m.
Corporate Finance	-0.025	Recharges to the Treasury Management and Insurance Fund.
Total People & Resources	0.009	
Governance		
Legal Services	-0.000	Minor variances.
Democratic Services	-0.004	Minor variances.
Internal Audit	-0.006	Minor variances.
Procurement	0.000	No variance.
ICT	-0.061	Some employees are not on top of grade and some employees have opted out from the pension scheme. There have also been some short term vacancies during the year. Completion of a recent service review and budget realignments have meant that it hasn't been possible to accurately report the full impact of these variances until this month.
Customer Services	-0.019	Minor variances.
Revenues	-0.021	Minor variances.
Total Governance	-0.111	
Strategic Programmes		
Minor Variances	0.000	No variance.
Total Strategic Programmes		
Housing & Assets		
Housing Solutions	-0.063	Homeless Accommodation underspend (£0.060m). Other minor movements (£0.003m).
Minor Variances	0.018	
Total Housing & Assets	-0.045	
Chief Executive's	-0.028	Reduced commitments against a number of expenditure lines such as printing.
Central and Corporate Finance	-0.085	Increased Write Offs £0.031m, due to historic balances, within Payroll Holding account. Auto Enrolment £0.127m, numbers are less than expected as the year progresses. Minor variances of £0.011m.
Grand Total	0.103	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - 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	17.026	16.987	-0.039	-0.036	Residential and Nursing Care reflects a projected overspend of £0.410m due to increased numbers of funded placements following the increase in the capital limit to £40,000. Domiciliary Care reflects a projected underspend of £0.221m based on existing service users, however there are challenges due to capacity of external supply markets which are currently having to be met within Provider Services. Other underspends include a projected underspend of £0.036m on day care due to reduced demand, £0.040m on Intake/First Contact due to vacancy savings and £0.027m on Minor Adaptations. Locality Teams staffing reflects a projected underspend of £0.114m due mainly to some posts being filled at below the top of grade. Minor variances account for a £0.011m underspend.	
Community Equipment Contribution	0.478	0.334	-0.144	-0.144	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 reduced. 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	6.700	6.572	-0.128	-0.111	The main influence on the net projected underspend of £0.128m is extra care schemes where there is a projected underspend of £0.302m due mostly to the delay to the opening of the new Llys Raddington, Flint extra care facility. This is offset by a projected overspend of £0.131m on Home Care due to the need to cover capacity gaps in purchased Domiciliary Care. There are also other minor overspends amounting to a total of £0.043m in Residential Care and Day Centres.	Continue to monitor and review.
Minor Variances	0.896	0.856	-0.040	-0.040		
Disability Services						
Disability Services	0.533	0.466	-0.067	-0.102	The projected underspend is mainly due to increased levels of contributions from Betsi Cadwaladr University Health Board (BCUHB) for 2 service users.	Continue to monitor and review
Minor Variances	24.265	24.241	-0.025	-0.201		
Mental Health Services						
Residential Placements	1.184	1.542	0.358	0.339	Ongoing pressure due to the numbers of long term residential placements, including four new placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB.	Continue to monitor and review and consider pressure item within 2019/20 budget process
Minor Variances	2.622	2.590	-0.032	-0.052		
Children's Services						
Family Placement	2.564	2.795	0.231	0.226	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.	Continue to monitor and review
Family Support	0.364	0.424	0.060	0.044	Staff costs are higher than budget and some of these costs are associated with the carrying out of statutory duties to support looked after children in external placements. We have many strategies to resolve this in the longer term but in the short term we need to fulfil our duties to oversee the care of our younger people.	Continue to monitor and review
Professional Support	4.968	5.062	0.094	0.118	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 which has been partly mitigated by an allocation of £0.100m from the contingency reserve.	Continue to monitor and review
Minor Variances	1.329	1.336	0.007	-0.022		

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Development & Resources						
Charging Policy income	-2.469	-2.618	-0.149	-0.143	The projected underspend is due to surplus income which is mainly caused by changes to disregard rules on financial assessments which came into effect from August 2016.	Continue to monitor and review.
Business Support Service	1.202	1.096	-0.105	-0.085	The projected underspend of £0.105m is due to a number of short term vacancy savings and some posts currently occupied by staff who are below top of grade.	Continue to monitor and review
Safeguarding Unit	0.925	0.863	-0.062	-0.049	The projected underspend of £0.062m is mainly due to staffing savings of £0.049m following a member of the team leaving under Early Voluntary Retirement (EVR) late in 2017/18. A further influence is a non recurring Welsh Government grant of £0.013m in respect of support for Deprivation of Liberty Safeguarding Assessments (DOLS).	Continue to monitor and review
Commissioning	0.631	0.574	-0.057	-0.007	The projected underspend is mainly due to funding of a post from a grant in the short term, plus some reductions of hours following staff returning from maternity leave.	Continue to monitor and review.
Vacancy Management	0.151	-0.024	-0.175	-0.177	Short term vacancy savings transferred from across portfolio.	
Minor Variances	1.841	1.903	0.062	0.037		
Total Social Services (excl Out of County)	65.211	65.000	-0.212	-0.405		
Out of County						
Children's Services	4.191	5.205	1.014	0.788	There is a projected overspend of £1.014m in Social Services Children's Services which is based on current clients and packages and which is likely to be subject to variation during the year.	Continue close monitoring arrangements.
Education & Youth	3.083	3.860	0.777	0.796	Variance relates to Out of County placements. A substantial increase in the number of new educational placements for 2018/19.	Continue close monitoring arrangements.
Total Out of County	7.274	9.065	1.791	1.585		
Education & Youth						
Inclusion & Progression	3.830	3.776	-0.054	-0.025	Variance largely relates to delays in recruitment, includes other minor variances from across service area.	
School Improvement Systems	1.799	1.723	-0.075	-0.065	Variance largely relates to Early Entitlement, a reduction in maintained and non-maintained setting payments as a result of demography and a reduction of the number of settings requiring funding. Includes hourly reductions in established staff. Includes other minor variances from across service area.	
Minor Variances	2.632	2.625	-0.007	0.000		
Total Education & Youth	8.261	8.125	-0.136	-0.089		
Schools	89.937	89.937	0.000	-0.000		
Streetscene & Transportation						
Ancillary Services & Performance	4.085	4.227	0.142	0.141	Delay in the development of the new Rockcliffe HRC site resulting in additional running costs of two existing sites continuing to operate until October, 2018 totalling £0.050m. Shortfall in Recycling Income due to falling plastic, card and paper recycling prices resulting from external market factors £0.165m. Additional income of £0.100m above the original projections following the rollout of brown bin charges. Minor Variances £0.027m.	

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Highways Network	8.120	8.545	0.426	0.400	Additional in year cost of known Vehicle Insurance Premiums totalling £0.060m. Following increased car park charges from May, 2018, together with charges in Flint being implemented for the first time, initial forecasts have indicated lower than anticipated income levels compared to original projections. In addition, officers have recently been appointed to meet the necessary demands of parking enforcement requirements across the County. The overall variance totals £0.260m. Additional urgent road patching repairs as a result of road condition surveys £0.075m. Minor variances of less than £0.050m but totalling £0.031m across the service.	
Transportation & Logistics	9.267	9.629	0.362	0.359	Additional pressure as a result of the provision of additional transport for pupils from John Summers to Connaught Quay, Buckley and Mold campuses £0.242m. Community Travel pilot schemes of £0.047m commencing January, 2019. Increased transport provision to Social Services £0.025m. Minor variances £0.048m.	
Workforce	8.542	8.661	0.119	0.123	Increased Agency and Overtime costs as a consequence of current sickness levels (9%) of the workforce operatives.	
Other Minor Variances	0.230	0.250	0.021	0.035		
Total Streetscene & Transportation	30.243	31.313	1.070	1.058		
Planning, Environment & Economy						
Development	0.060	-0.094	-0.154	-0.163	Higher than expected levels of Planning Fee Income received in the first half of the financial. The projection is dependant on the number and value of the applications received, resulting in a changeable outturn to ensure an accurate reflection. An award of Legal Fees from a Planning Appeal in FCC's favour.	Continue to monitor Planning Fee Income levels and adjust projections accordingly.
Regeneration	0.445	0.506	0.061	0.059	Energy Efficiency framework moved to be accounted for in correct Portfolio £0.050m. Other minor variances £0.011m.	Continue to monitor and review.
Management & Strategy	1.197	1.280	0.083	0.113	Staffing related Business Planning Efficiencies yet to be achieved pending all Service Review outcomes within the Portfolio.	Vacancy savings across the Portfolio can assist in mitigating the unachieved efficiencies in the short term. Continue to monitor and review
Minor Variances	3.961	3.971	0.010	-0.007		
Total Planning & Environment	5.663	5.663	-0.000	0.003		
People & Resources						
HR & OD	2.413	2.409	-0.004	-0.038	Minor variances.	
Corporate Finance	1.970	1.973	0.004	0.028	Minor variances.	
Total People & Resources	4.383	4.382	-0.000	-0.009		
Governance						
Legal Services	0.706	0.743	0.037	0.037	Minor variances.	
Democratic Services	2.021	2.024	0.003	0.007	Minor variances.	
Internal Audit	0.454	0.423	-0.032	-0.026	Minor variances.	
Procurement	0.320	0.331	0.010	0.010	Minor variances.	
ICT	4.561	4.498	-0.063	-0.002	Some employees are not on top of grade and some employees have opted out from the pension scheme. There have also been some short term vacancies during the year.	
Customer Services	0.394	0.427	0.033	0.053	Additional registration services income estimated to be in the region of £0.022m. In year salary saving of Connects Manager post £0.024m. Prior year efficiency in respect of Contact Centres unlikely to be achieved this year £0.100m. Other minor variances £0.021m underspend.	Monitor and Review.
Revenues	-0.209	-0.476	-0.267	-0.247	Anticipated surplus on the Council Tax Collection Fund £0.145m. Additional Council Tax windfall following the conclusion of the Single Persons Discount Review £0.025m. Vacancy savings of £0.050m. Other minor variances £0.047m underspend.	Continue to review on a monthly basis and report on any significant variances or movements.
Total Governance	8.248	7.971	-0.277	-0.167		
Strategic Programmes						
Minor Variances	4.853	4.853	0.000	0.000	No variance.	
Total Strategic Programmes	4.853	4.853	0.000	0.000		
Housing & Assets						

Budget Monitoring Report
Council Fund Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Administrative Buildings	1.179	1.323	0.145	0.153	Ecology issues creating delays to the demolition of County Hall £0.145m. Offset with savings from other service areas.	
CPM & Design Services	0.588	0.495	-0.093	-0.099	£0.85m additional income estimated. Underspend of £0.008m due to minor variances.	
Benefits	10.669	10.625	-0.044	-0.053	Projected underspend on the Council Tax Reduction Scheme (CTRS) £0.045m. Vacancy savings of 0.026m. Additional cost of IT related expenditure such as software and external printing £0.035m. Other savings from across the service £0.008m.	Continue to review and report on significant variances on a monthly basis.
Housing Solutions	1.083	1.014	-0.069	-0.007	Homeless Accommodation underspend £0.060m. Other minor variances including vacancy savings and other temporary accommodation expenditure £0.009m.	Continue to review and report on significant variances on a monthly basis.
Minor Variances	-0.022	-0.030	-0.009	-0.020		
Total Housing & Assets	13.498	13.427	-0.071	-0.026		
Chief Executive's	3.013	2.700	-0.314	-0.286	Due to vacancies resulting from workforce changes during the year.	
Central and Corporate Finance	23.745	22.219	-1.526	-1.441	<p>Increased Coroners Costs £0.042m.</p> <p>Increased Windfall Income £0.098m for to Non Domestic Rates of Empty Properties.</p> <p>Pension Deficit recovery, £1.046m underspend from an increase in contributions, while the repayment figure has remained static.</p> <p>Apprentice Tax Levy, £0.065m underspend.</p> <p>Auto Enrolment, numbers are less than estimated, which gives a favourable variance of £0.400m.</p> <p>Increased Write offs £0.026m, and increased Bank Charges £0.027m.</p> <p>Inflationary underspend of £0.254m of which £0.144m has been identified to contribute towards the 2019/20 budget.</p> <p>An underachievement on the income target of £0.237m.</p> <p>Minor Variances £0.005m.</p>	Continue to review all variances alongside the continuing work on the MTFS.
Grand Total	264.328	264.653	0.325	0.222		

2018/19 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over
	2018/19 £m	2018/19 £m	Achievement 2018/19 £m
Central & Corporate Finance			
Theatre C/wyd tax relief	0.075	0.075	0.000
County Hall (NDR Element)	0.060	0.060	0.000
Audit fee reduction	0.127	0.127	0.000
Total Central & Corporate Finance	0.262	0.262	0.000
Governance			
Records management; Reduce records in storage.	0.010	0.010	0.000
ICT - Digital Print	0.048	0.048	0.000
Customer Services; New customer service models	0.050	0.050	0.000
Flintshire Connects; More flexible service in conjunction with potential income	0.056	0.056	0.000
Registration; Chargeable declaration of births	0.012	0.012	0.000
Revenues; Increase in collection rates enables adjustment to bad debt provision (one off).	0.094	0.094	0.000
Revenues; Second year windfall for single person discount review (one off)	0.140	0.140	0.000
Single Person Discount additional efficiency	0.160	0.185	0.025
Total Governance	0.570	0.595	0.025
Social Services			
Disability Service; Review current contract with external agency to deliver	0.030	0.030	0.000
Disability Service; Reduction of posts.	0.110	0.110	0.000
Workforce Development; Additional Income from QCF assessors through	0.030	0.030	0.000
Business Support and Management; Rationalisation of rented	0.015	0.015	0.000
Increase in domiciliary care charging.	0.220	0.220	0.000
Integrated Care Fund	0.500	0.500	0.000
Care Fees	0.514	0.514	0.000
Merger of Out of Hours Service	0.020	0.020	0.000
Total Social Services	1.484	1.484	0.000
Education & Youth			
Early Entitlement; Reduce sustainability grant payments and remodel	0.020	0.020	0.000
Business Support; Staff reduction	0.010	0.010	0.000
Nursery Education; Staff reductions	0.040	0.040	0.000
Total Education & Youth	0.070	0.070	0.000
Schools			
Schools Demography	0.288	0.288	0.000
Total Schools	0.288	0.288	0.000
Strategic Programmes			
Leisure, Libraries and Heritage; Continuation of previous years' business plan	0.416	0.416	0.000
Total Strategic Programmes	0.416	0.416	0.000
Housing & Assets			
Valuation Service; Property rationalisation through closure and amalgamation of services into other more efficient assets.	0.050	0.050	0.000
Valuation Service; Increase farm income through renewal of grazing licences.	0.021	0.021	0.000
Valuation Service; Community Asset Transfer process, efficiencies through reduced costs.	0.010	0.010	0.000
Valuation Service; Restructure of service as part of move to a commissioning client.	0.020	0.020	0.000
Valuation Service; Remove caretaking/security services at County Offices, Flint.	0.015	0.015	0.000
Corporate Property Maintenance; Restructure of service as part of move to a commissioning client.	0.080	0.080	0.000
Design and Project Management Services; Restructure of service as part of move to a commissioning client.	0.040	0.040	0.000
NEWydd Catering and Cleaning Services; Continuation of previous Business and Marketing plans.	0.050	0.050	0.000
County Hall	0.240	0.140	(0.100)
New Homes; Return anticipated trading surplus to the Council.	0.030	0.030	0.000
Regional Training courses delivered by GT officer	0.003	0.003	0.000
Welfare Rights; Some activity to be absorbed into single financial assessment team.	0.032	0.032	0.000
Benefits; Adjustment to bad debt provision (one off).	0.050	0.050	0.000
Benefits; Council Tax Reduction Scheme.	0.250	0.250	0.045
Benefits; Remove duplication and provide a single financial assessment service.	0.050	0.050	0.000
Reduction of senior management team	0.050	0.050	0.000
Total Housing & Assets	0.991	0.891	(0.055)
Streetscene & Transportation			
Waste Strategy; Charges for garden waste	0.800	0.900	0.100
Car Park Charges	0.450	0.210	(0.240)
Total Streetscene & Transportation	1.250	1.110	(0.140)
Planning, Environment & Economy			
Development management; Production of planning statements and to undertake private appeals	0.015	0.015	0.000
Highways Development Control; Introduce further charges. Review current charges. Retain supervisory function of highway works in the Building Control; Review charges. Introduce charges. Increase partnership working. Increase authorised commencements inspections.	0.015	0.015	0.000
Built Environment; Charing for preapplication advice	0.030	0.030	0.000
Flooding and Drainage; Fees for capital project work.	0.010	0.010	0.000
Energy; Fees for energy efficiency assessment.	0.010	0.010	0.000
Minerals and Waste; Maximise regulatory compliance income. Review day rate charging.	0.050	0.050	0.000
Rights of Way; Increase charging and reduce expenditure.	0.020	0.020	0.000
Economic Development; Workforce efficiency if regional service developed.	0.020	0.020	0.000
Total Planning, Environment & Economy	0.180	0.180	0.000
		%	£
Total 2017/18 Budget Efficiencies		100	5.511
Total Projected 2017/18 Budget Efficiencies Underachieved		3	0.170
Total Projected 2017/18 Budget Efficiencies Achieved		97	5.341

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2018	13.697	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		7.928
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)
Less – Contribution to fund shortfall in MEAG funding (M2)		(0.058)
Add – transfer from revenue for amount recovered in-year due to change in accounting policy for the Minimum Revenue Provision		1.400
Add – transfer from revenue for the amount of the VAT rebate received		1.940
Less – allocation to meet additional in-year budget pressure for the agreed pay award above the 1% included in the 2018/19 budget		(0.999)
Less – allocation for ongoing resourcing of the Victim Contact Team		(0.100)
Less – allocation for Independent Inquiry into Child Sexual Abuse		(0.015)
Less – allocation to meet historic child abuse claims		(0.019)
Less – projected outturn overspend		(0.325)
Total Contingency Reserve as at 31st March 2019		7.347

Less – VAT rebate amount committed as part of balancing 2019/20 budget.		(1.900)
Total Contingency Reserve available for use		5.447

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 7 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(34.381)	(34.105)	0.276	0.222	A pressure of £0.276m is anticipated on Income. £0.143m of this pressure relates to loss of rental income on properties being void longer than anticipated and £0.057m due to delays on handover/delays on new build schemes. £0.029m of the pressure relates to loss of income on garages which are not tenanted. £0.036m of the pressure relates to removal of the early payment discount on the Welsh Water contract. The remaining £0.011m relates to minor pressures.	
Capital Financing - Loan Charges	8.694	8.412	(0.282)	(0.282)	The projected underspend of £0.282m relates to expected borrowing costs for SHARP. £0.051m of the underspend relates to the Minimum Revenue Payment (loan repayment) which is lower than budgeted because borrowing levels were as high on the 31st March as expected. The remaining £0.231m relates to interest charges. Batch 3 schemes will now start on site later than anticipated and this means expenditure will be spread across financial years. In-year interest charges will therefore be lower than originally anticipated.	
Estate Management	1.617	1.504	(0.113)	(0.062)	The projected underspend of £0.113m relates to £0.126m salary savings and £0.013m on minor variances.	
Landlord Service Costs	1.415	1.428	0.013	0.010	Minor variance	
Repairs & Maintenance	8.159	8.140	(0.019)	(0.019)	Minor Variance	
Management & Support Services	2.297	2.179	(0.118)	(0.062)	A saving of £0.118m is anticipated on Management and Support costs. £0.143m relates to vacancy savings. The remaining £0.025m relates to minor pressures elsewhere.	
Capital Expenditure From Revenue (CERA)	12.170	12.343	0.173	0.124	The planned overspend of £0.173m 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	0.047	0.050	0.003	0.003	Minor variance	
Contribution To / (From) Reserves	(0.018)	0.049	0.067	0.067	The projected HRA outturn is an underspend of £0.067m which has the impact of bringing the closing un-earmarked reserves balance to £1.165m.	
Total Housing Revenue Account	0.000	0.000	0.000	0.000		