

## CABINET

<b>Date of Meeting</b>	Tuesday, 22 <sup>nd</sup> October 2019
<b>Report Subject</b>	Revenue Budget Monitoring 2019/20 (Month 5)
<b>Cabinet Member</b>	Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This monthly report provides the second detailed revenue budget monitoring position for 2019/20 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure, as at Month 5. The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

As outlined at Month 4, the format of the report now incorporates changes to emphasise the key areas affecting the Council, emerging risks to the financial position and to reinforce links with the Medium Term Financial Strategy (MTFS).

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 £3.042m which is a negative movement of £0.059m from the deficit figure of £2.983m reported at Month 4.
- A projected contingency reserve balance as at 31 March 2020 of £1.827m

#### **Housing Revenue Account**

- Net in-year revenue expenditure forecast to be £0.108m higher than budget which is a negative movement of £0.027m from the deficit figure of £0.081m reported at Month 4
- A projected closing balance as at 31 March 2020 of £1.215m

At the last meeting members considered reports on the two areas of major variance, namely Children’s Out of County Placements and School Transportation. Members confirmed that they were satisfied that there was very limited scope for mitigation to reduce the in-year overspend and that there would be an inevitable impact on the budget position from 2020/21 that would need to be factored into the Medium Term Financial Strategy.

To assist with mitigating the overall projected overspend the following measures are being introduced:-

- 1) All non-essential spend will be reviewed and challenged with a view to ceasing/delaying where able and
- 2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying

The outcome of this review will be included in the Month 6 Budget Monitoring Report.

## RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 <sup>st</sup> March 2020.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE MONTH 5 POSITION</b>
1.01	<p><b>Council Fund Projected Position</b></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"> <li>• An operating deficit of £3.042m</li> <li>• A projected contingency reserve balance as at 31 March 2020 of £1.827m</li> </ul> <p>At the last meeting members considered reports on the two areas of major variance, namely Children’s Out of County Placements and School Transportation. Members confirmed that they were satisfied that there was very limited scope for mitigation to reduce the in-year overspend and that there would be an inevitable impact on the budget position from 2020/21 that would need to be factored into the Medium Term Financial Strategy.</p>

	<p>To assist with mitigating the overall projected overspend the following measures are being introduced:-</p> <p>1). All non-essential spend will be reviewed and challenged with a view to ceasing/delaying where able and</p> <p>2) Further Portfolio Management Team challenge of recruitment to vacancies i.e. ceasing/delaying</p> <p>The outcome of this review will be included in the Month 6 Budget Monitoring Report.</p>																																																								
1.02	<p><b>Table 1. Projected Position by Portfolio</b></p> <p>The table below shows the projected position by portfolio:</p> <table border="1" data-bbox="320 696 1334 1648"> <thead> <tr> <th data-bbox="320 696 772 891">Portfolio/Service Area</th> <th data-bbox="772 696 968 891">Approved Budget £m</th> <th data-bbox="968 696 1163 891">Projected Outturn £m</th> <th data-bbox="1163 696 1334 891">In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 891 772 947">Social Services</td> <td data-bbox="772 891 968 947">65.962</td> <td data-bbox="968 891 1163 947">66.055</td> <td data-bbox="1163 891 1334 947">0.093</td> </tr> <tr> <td data-bbox="320 947 772 1003">Out of County Placements</td> <td data-bbox="772 947 968 1003">9.033</td> <td data-bbox="968 947 1163 1003">11.140</td> <td data-bbox="1163 947 1334 1003">2.107</td> </tr> <tr> <td data-bbox="320 1003 772 1059">Education &amp; Youth</td> <td data-bbox="772 1003 968 1059">8.519</td> <td data-bbox="968 1003 1163 1059">8.400</td> <td data-bbox="1163 1003 1334 1059">(0.119)</td> </tr> <tr> <td data-bbox="320 1059 772 1115">Schools</td> <td data-bbox="772 1059 968 1115">91.946</td> <td data-bbox="968 1059 1163 1115">91.946</td> <td data-bbox="1163 1059 1334 1115">0.000</td> </tr> <tr> <td data-bbox="320 1115 772 1171">Streetscene &amp; Transportation</td> <td data-bbox="772 1115 968 1171">30.497</td> <td data-bbox="968 1115 1163 1171">32.096</td> <td data-bbox="1163 1115 1334 1171">1.599</td> </tr> <tr> <td data-bbox="320 1171 772 1227">Planning &amp; Environment</td> <td data-bbox="772 1171 968 1227">5.929</td> <td data-bbox="968 1171 1163 1227">5.982</td> <td data-bbox="1163 1171 1334 1227">0.053</td> </tr> <tr> <td data-bbox="320 1227 772 1283">People &amp; Resources</td> <td data-bbox="772 1227 968 1283">4.467</td> <td data-bbox="968 1227 1163 1283">4.567</td> <td data-bbox="1163 1227 1334 1283">0.100</td> </tr> <tr> <td data-bbox="320 1283 772 1339">Governance</td> <td data-bbox="772 1283 968 1339">9.032</td> <td data-bbox="968 1283 1163 1339">9.082</td> <td data-bbox="1163 1283 1334 1339">0.050</td> </tr> <tr> <td data-bbox="320 1339 772 1395">Strategic Programmes</td> <td data-bbox="772 1339 968 1395">5.272</td> <td data-bbox="968 1339 1163 1395">5.272</td> <td data-bbox="1163 1339 1334 1395">0.000</td> </tr> <tr> <td data-bbox="320 1395 772 1451">Housing &amp; Assets</td> <td data-bbox="772 1395 968 1451">15.150</td> <td data-bbox="968 1395 1163 1451">14.849</td> <td data-bbox="1163 1395 1334 1451">(0.301)</td> </tr> <tr> <td data-bbox="320 1451 772 1507">Chief Executive</td> <td data-bbox="772 1451 968 1507">2.797</td> <td data-bbox="968 1451 1163 1507">2.645</td> <td data-bbox="1163 1451 1334 1507">(0.152)</td> </tr> <tr> <td data-bbox="320 1507 772 1563">Central &amp; Corporate Finance</td> <td data-bbox="772 1507 968 1563">22.745</td> <td data-bbox="968 1507 1163 1563">22.356</td> <td data-bbox="1163 1507 1334 1563">(0.389)</td> </tr> <tr> <td data-bbox="320 1563 772 1648"><b>Total</b></td> <td data-bbox="772 1563 968 1648"><b>271.350</b></td> <td data-bbox="968 1563 1163 1648"><b>274.391</b></td> <td data-bbox="1163 1563 1334 1648"><b>3.042</b></td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	65.962	66.055	0.093	Out of County Placements	9.033	11.140	2.107	Education & Youth	8.519	8.400	(0.119)	Schools	91.946	91.946	0.000	Streetscene & Transportation	30.497	32.096	1.599	Planning & Environment	5.929	5.982	0.053	People & Resources	4.467	4.567	0.100	Governance	9.032	9.082	0.050	Strategic Programmes	5.272	5.272	0.000	Housing & Assets	15.150	14.849	(0.301)	Chief Executive	2.797	2.645	(0.152)	Central & Corporate Finance	22.745	22.356	(0.389)	<b>Total</b>	<b>271.350</b>	<b>274.391</b>	<b>3.042</b>
Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m																																																						
Social Services	65.962	66.055	0.093																																																						
Out of County Placements	9.033	11.140	2.107																																																						
Education & Youth	8.519	8.400	(0.119)																																																						
Schools	91.946	91.946	0.000																																																						
Streetscene & Transportation	30.497	32.096	1.599																																																						
Planning & Environment	5.929	5.982	0.053																																																						
People & Resources	4.467	4.567	0.100																																																						
Governance	9.032	9.082	0.050																																																						
Strategic Programmes	5.272	5.272	0.000																																																						
Housing & Assets	15.150	14.849	(0.301)																																																						
Chief Executive	2.797	2.645	(0.152)																																																						
Central & Corporate Finance	22.745	22.356	(0.389)																																																						
<b>Total</b>	<b>271.350</b>	<b>274.391</b>	<b>3.042</b>																																																						
1.03	<p>Movements of £0.059 between months are shown in Appendix 1. The reasons for the projected variances are summarised within Appendix 2 which shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio. This provides the overall position for each portfolio and the overall position for the Council Fund.</p>																																																								
1.04	<p>Enhancements to the format of the Revenue Budget monitoring report have been made which aim to highlight the following key information for Members:</p> <ul style="list-style-type: none"> <li data-bbox="368 2074 1262 2107">• The key major variances to bring to the attention of Cabinet</li> </ul>																																																								

	<ul style="list-style-type: none"> <li>• The tracking of in year financial risks</li> <li>• Potential MTFS Impact of the current in year monitoring position</li> </ul>
	<b>Major Variances to highlight this Month</b>
1.05	<p><b>Out of County Placements</b></p> <p>At this stage in the financial year, there is a projected overspend of £2.108m for the provision of Out of County Placements.</p> <p>The Council included an additional amount of £1.655m in the 2019/20 budget to reflect the number of clients and care packages at that particular time. However, in the early part of 2019/20 there has been an increase in the number of high cost placements.</p> <p>This has created a projected overspend of £1.633m in Social Services Children’s Services and a projected overspend of £0.474m within Education &amp; Youth Inclusion Services. This is based on current clients and their assessed need.</p> <p>This projection includes externally provided placement costs for over 150 children, some of which lie within Flintshire’s geographic boundary. There is the potential for this to impact on future years which includes clients in both Social Services Children’s Services and Education and Youth Inclusion Services. This is based on current clients and packages and is subject to variation during the year.</p> <p>A Report on ‘Improving the in-house offer for Out of County Placements for Children’ taken to the Joint Education &amp; Youth and Social &amp; Health Care OS Committee in July, 2019 outlined the Council’s strategy and commitment in ensuring safe, high quality, support for Children’s Services.</p> <p>A separate report was presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September. (para 1.01 refers).</p>
1.06	<p><b>Street Scene and Transportation</b></p> <p>Transportation and Logistics - £1.599m Overspend</p> <p>The pressure in school transport costs totalling £1.240m is as a result of several factors:-</p> <ul style="list-style-type: none"> <li>- The effect of non-statutory school transport arrangements and ongoing transport policy anomalies;</li> <li>- An increase in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with increases in the number of school escorts to accompany SEN pupils and in the number of single occupancy routes;</li> <li>- Transporting enrolment cohort to Connahs Quay High School and placing duplicate vehicles on public bus services as a response to non-eligible pupil displacement;</li> </ul>

	<p>- An increase in number of school days for 2019/20</p> <p>Work is in hand to try to contain this figure within a cost pressure range which had an estimated ceiling of £0.800m, which was referred to in a separate report presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September.</p> <p>Service Delivery – £0.109m Overspend</p> <p>Following the extreme weather event during June 2019, the service has incurred additional revenue pressures from responding and resolving flooding issues across the County. The network damage was widespread and included road foundations being undermined, particularly on roads adjacent to water courses, and road surfaces being lifted by inspection covers, due to the pressure created by the sheer volume of water within the drainage system. The costs include the additional staffing costs towards responding and repairing the highway along with costs of plant and materials. A claim to Welsh Government has been submitted for these additional costs, which is currently awaiting confirmation on eligibility and award of funding.</p> <p>Car Park Income - £0.175m Overspend</p> <p>The pressure is based on the average shortfall in income against monthly projections for each town using the first full ten months of implementation (received in 2018/19) of the increased tariff charges and projected for 2019/20. More recently, a large section of car parking at Flint Retail Park has been closed for development, which will result in a displacement of vehicles into Council car parks providing an increase in car parking income.</p> <p>Other cumulative variances across the portfolio total £0.075m, which includes increased transport provision to Social Services service users of £0.048m.</p> <p>A separate report was presented to Corporate Resources Overview and Scrutiny Committee on the key issues and latest position at the meeting on 19 September. (para 1.01 refers)</p>
1.07	<p><b>Social Services</b></p> <p>The overall position for Social Services is projecting an overspend of £0.093m.</p> <p>There are however some significant variances both adverse and favourable that underpin this position due to overspends within Children’s Services and net underspends within Adults Services.</p> <p>All details of variances are provided in Appendix 2 and consideration has been given to further realignment of budgets within the Portfolio to address changes in service delivery.</p>

1.08	<p><b>Central &amp; Corporate Finance</b></p> <p>Pension; £0.786m underspend</p> <p>There was a significant underspend on the pension contribution account in 2018/19 with £0.600m contributing towards the 2019/20 budget. Early analysis suggests that there is a further efficiency in year.</p> <p>There are various factors affecting the position including the financial impact of the transfer of various services being less than anticipated and the recovery of a higher level of contribution to the deficit due to the increased pay award. The position is under review as part of the current work on the 2020/21 budget.</p> <p>Income Target; £0.163m un-achieved</p> <p>The Council is continuing to review its fees and charges and to investigate new sources of income. A report to Cabinet in July recommended a process for the annual review of fees and charges with the aim of achieving full cost recovery wherever possible. It is likely that the position will improve in year and this will be reported on in a later monitoring report.</p>
1.09	<p><b>Tracking of In-Year Risks and Emerging Issues</b></p> <p>At the time of setting the Budget for 2019/20 a number of significant risks were identified and an update is provided below.</p>
1.10	<p><b>Out of County Placements</b></p> <p>A key risk identified at the time of setting the 2019/20 budget was the general rising costs of social care and the upward trend in the number of cases of Out of County placements across Wales. The main influence on this increase is the Social Services and Wellbeing Act which has led to a higher number of court outcomes and placements which has increased the financial pressure on this service area.</p> <p>The impact of the current pressures on Out of County Placements are being considered as part of the Councils latest forecast for 2020/21.</p>
1.11	<p><b>School Transport</b></p> <p>Managing the increasing demand into future years in mainstream secondary education pupil transport and Special Educational Needs (SEN) pupil transport, both in-County and for Out of County placements, along with further potential increases in the number of school escorts to accompany SEN pupils and the number of single occupancy routes.</p>
1.12	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2019/20 budget contains £6.939m of specific efficiencies which are tracked and monitored. In 2018/19 the level of efficiency achievement was 98% which was an improvement on the 94% achieved during the previous</p>

	<p>year. The Council aims to achieve a 95% rate in 2019/20 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2019/20 shows that £6.197m or 90% of the efficiencies will be achieved.</p> <p>However when taking into account the decision of Cabinet to re-phase the efficiency from the Aura Subsidy this changes the achievement rate to 91%.</p> <p>The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2020/21 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 2020/21 being reviewed as part of the ongoing work on the MTFS.</p>																								
1.13	<p><b>Income</b></p> <p>The Council introduced its Income Strategy in late 2017. A target of £0.150m remains to be achieved from the identification of new sources of income and the review of fees and charges. The Council now has additional capacity to pursue this strategy with a number of potential opportunities being considered as part of business planning and annual review.</p>																								
1.14	<p><b>Recycling Income</b></p> <p>The market rate for income received from recycling plastic, paper and card are extremely volatile and can fluctuate rapidly. Recycling income has reduced over recent years and there is always a risk that the market rates may reduce further.</p>																								
1.15	<p><b>Schools Pressures</b></p> <p>In recent years there has been considerable pressure on secondary school budgets. 7 out of 11 secondary schools in Flintshire carried forward deficits into 2019/20 and a summary is provided below Schools are required to submit a licensed deficit application to the Council and this is reviewed by the Chief Officer, Education &amp; Youth and the Section 151 Officer.</p> <table border="1" data-bbox="400 1630 1238 1989"> <thead> <tr> <th>School</th> <th>Deficit Balance brought forward</th> <th>% of budget</th> </tr> </thead> <tbody> <tr> <td>Connah's Quay High School</td> <td>-34,477</td> <td>-0.8%</td> </tr> <tr> <td>St. Richard Gwyn</td> <td>-508,276</td> <td>-16.2%</td> </tr> <tr> <td>Ysgol Treffynnon</td> <td>-646,173</td> <td>-29.5%</td> </tr> <tr> <td>Castell Alun High School</td> <td>-8,674</td> <td>-0.2%</td> </tr> <tr> <td>Ysgol Maes Garmon</td> <td>-173,177</td> <td>-6.7%</td> </tr> <tr> <td>Argoed High School</td> <td>-56,000</td> <td>-2.2%</td> </tr> <tr> <td>St. David's High School</td> <td>-452,609</td> <td>-23.9%</td> </tr> </tbody> </table>	School	Deficit Balance brought forward	% of budget	Connah's Quay High School	-34,477	-0.8%	St. Richard Gwyn	-508,276	-16.2%	Ysgol Treffynnon	-646,173	-29.5%	Castell Alun High School	-8,674	-0.2%	Ysgol Maes Garmon	-173,177	-6.7%	Argoed High School	-56,000	-2.2%	St. David's High School	-452,609	-23.9%
School	Deficit Balance brought forward	% of budget																							
Connah's Quay High School	-34,477	-0.8%																							
St. Richard Gwyn	-508,276	-16.2%																							
Ysgol Treffynnon	-646,173	-29.5%																							
Castell Alun High School	-8,674	-0.2%																							
Ysgol Maes Garmon	-173,177	-6.7%																							
Argoed High School	-56,000	-2.2%																							
St. David's High School	-452,609	-23.9%																							

	<p>This position is being reviewed by the Council on a school by school basis due to concerns about the deteriorating position. The issue has also been highlighted by Estyn as a specific recommendation in its recent inspection report.</p>
1.16	<p><b>Other In-Year Issues</b></p> <p><b>Inflation</b></p> <p>Included within the 2019/20 budget are provision for Non Standard Inflation fuel (£0.034m), Energy (£0.329m) and NDR/Price (£0.204m). As in previous years, these amounts are held centrally until later in the year when actual cost pressures are known. It is currently assumed that all of these allocations will be required in 2019/20 but this will be kept under review throughout the financial year.</p> <p>In previous years, the Council has had to make a payment associated with the Carbon Reduction Scheme. This scheme has now ended and the impact of this is likely to result in higher energy charges for the Council. The funding associated with this has now been added to the central inflation budget and will be allocated according to need.</p>
1.17	<p><b>MTFS Impact</b></p> <p>Cabinet considered the latest projection for the MTFS in April which showed a budget gap of £13.3m.</p> <p>The gap included pressures for the following services which are currently under review in view of the emerging in year position:</p> <ul style="list-style-type: none"> <li>• Out of County Placements – Current projection of £2.108m with a pressure of £1.156m already included for 20/21</li> <li>• School Transport - currently projecting an overspend of £1.240m in 2019/20 - £0.700m assumed in the forecast (reducing due to non-statutory school transport arrangements and ongoing transport policy anomalies being removed from July 2020).</li> </ul> <p><b>Further Risks for MTFS</b></p> <p>Any efficiencies not achievable by 20/21 will need to be included as a further pressure together with the impact on any grant funding that does not continue into 20/21.</p> <p>All Portfolios to consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p> <p>An update on the budget forecast for 2020/21 is scheduled to be reported to the next meeting of this Committee.</p>
1.18	<p><b>Reserves and Balances</b></p> <p>Un-earmarked Reserves</p>



	<p>The 2018/19 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2019 (above the base level of £5.769m) of £8.252m.</p> <p>As approved in the 2019/20 budget an amount of £2.221m was utilised as part of the strategy to balance the budget. In addition an amount of £0.062m was approved to operate a Sustainable Drainage System (SuDS) Approving Body (SAB), £1.000m for investment in change and an amount of £0.100m for the ongoing resourcing of the Victim Contact Team within Social Services.</p>																																																																																	
1.19	<p>Taking into account the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2020 is projected to be £1.886m as detailed in Appendix 3.</p>																																																																																	
1.20	<p><b>Earmarked Reserves</b></p> <p>The table below gives a summary of earmarked reserves as at 1 April 2019 and provides an estimate of projected balances as at the end of the current financial year.</p> <p><b>Council Fund Earmarked Reserves 2019/20</b></p> <p><b>Monitoring Summary Month 5</b></p> <table border="1"> <thead> <tr> <th>Reserve Type</th> <th>Balance as at 01/04/19</th> <th>Balance as at 31/03/20</th> </tr> </thead> <tbody> <tr> <td>Service Balances</td> <td>776,994</td> <td>483,449</td> </tr> <tr> <td>Specific Service Balances</td> <td>78,081</td> <td>77,337</td> </tr> <tr> <td>Schools Balances</td> <td>1,335,087</td> <td>1,335,087</td> </tr> <tr> <td>Single Status/Equal Pay</td> <td>1,184,187</td> <td>638,187</td> </tr> <tr> <td>Investment in Organisational Change</td> <td>1,039,115</td> <td>1,139,115</td> </tr> <tr> <td>Budget Strategy</td> <td>208</td> <td>208</td> </tr> <tr> <td>Benefits Equalisation</td> <td>318,370</td> <td>318,370</td> </tr> <tr> <td>County Elections</td> <td>204,561</td> <td>204,561</td> </tr> <tr> <td>Local Development Plan (LDP)</td> <td>180,000</td> <td>180,000</td> </tr> <tr> <td>Waste Disposal</td> <td>82,648</td> <td>67,648</td> </tr> <tr> <td>Enterprise Centres</td> <td>52,554</td> <td>0</td> </tr> <tr> <td>Design Fees</td> <td>200,000</td> <td>0</td> </tr> <tr> <td>Winter Maintenance</td> <td>250,000</td> <td>250,000</td> </tr> <tr> <td>Car Parking</td> <td>47,440</td> <td>0</td> </tr> <tr> <td>Insurance Reserves</td> <td>2,113,852</td> <td>2,413,852</td> </tr> <tr> <td>Cash Receipting Review</td> <td>568</td> <td>568</td> </tr> <tr> <td>Flintshire Trainees</td> <td>540,766</td> <td>265,383</td> </tr> <tr> <td>Rent Income Shortfall</td> <td>70,000</td> <td>0</td> </tr> <tr> <td>Customer Service Strategy</td> <td>33,000</td> <td>33,000</td> </tr> <tr> <td>Capita One</td> <td>18,827</td> <td>18,827</td> </tr> <tr> <td>Supervision Fees</td> <td>48,798</td> <td>48,798</td> </tr> <tr> <td>Transportation Review</td> <td>84,200</td> <td>0</td> </tr> <tr> <td>LMS Curriculum</td> <td>383,440</td> <td>271,499</td> </tr> <tr> <td>Organisational Change/ADM</td> <td>99,965</td> <td>79,965</td> </tr> <tr> <td>Solar Farms</td> <td>42,440</td> <td>0</td> </tr> <tr> <td>Tribunal Costs</td> <td>150,000</td> <td>0</td> </tr> </tbody> </table>	Reserve Type	Balance as at 01/04/19	Balance as at 31/03/20	Service Balances	776,994	483,449	Specific Service Balances	78,081	77,337	Schools Balances	1,335,087	1,335,087	Single Status/Equal Pay	1,184,187	638,187	Investment in Organisational Change	1,039,115	1,139,115	Budget Strategy	208	208	Benefits Equalisation	318,370	318,370	County Elections	204,561	204,561	Local Development Plan (LDP)	180,000	180,000	Waste Disposal	82,648	67,648	Enterprise Centres	52,554	0	Design Fees	200,000	0	Winter Maintenance	250,000	250,000	Car Parking	47,440	0	Insurance Reserves	2,113,852	2,413,852	Cash Receipting Review	568	568	Flintshire Trainees	540,766	265,383	Rent Income Shortfall	70,000	0	Customer Service Strategy	33,000	33,000	Capita One	18,827	18,827	Supervision Fees	48,798	48,798	Transportation Review	84,200	0	LMS Curriculum	383,440	271,499	Organisational Change/ADM	99,965	79,965	Solar Farms	42,440	0	Tribunal Costs	150,000	0
Reserve Type	Balance as at 01/04/19	Balance as at 31/03/20																																																																																
Service Balances	776,994	483,449																																																																																
Specific Service Balances	78,081	77,337																																																																																
Schools Balances	1,335,087	1,335,087																																																																																
Single Status/Equal Pay	1,184,187	638,187																																																																																
Investment in Organisational Change	1,039,115	1,139,115																																																																																
Budget Strategy	208	208																																																																																
Benefits Equalisation	318,370	318,370																																																																																
County Elections	204,561	204,561																																																																																
Local Development Plan (LDP)	180,000	180,000																																																																																
Waste Disposal	82,648	67,648																																																																																
Enterprise Centres	52,554	0																																																																																
Design Fees	200,000	0																																																																																
Winter Maintenance	250,000	250,000																																																																																
Car Parking	47,440	0																																																																																
Insurance Reserves	2,113,852	2,413,852																																																																																
Cash Receipting Review	568	568																																																																																
Flintshire Trainees	540,766	265,383																																																																																
Rent Income Shortfall	70,000	0																																																																																
Customer Service Strategy	33,000	33,000																																																																																
Capita One	18,827	18,827																																																																																
Supervision Fees	48,798	48,798																																																																																
Transportation Review	84,200	0																																																																																
LMS Curriculum	383,440	271,499																																																																																
Organisational Change/ADM	99,965	79,965																																																																																
Solar Farms	42,440	0																																																																																
Tribunal Costs	150,000	0																																																																																

	Property Claims	45,000	0
	Grants & Contributions	3,933,806	2,750,976
	<b>Total</b>	<b>13,313,906</b>	<b>10,576,830</b>
1.21	The projected level of school balances are currently being reviewed as part of the first detailed monitoring of the new academic year. At this stage there is the potential for a significant reduction in overall balances. However, in the past schools have benefitted from the notification in-year of external grant funding opportunities. An update will be provided in future monitoring reports.		
1.22	<b>Housing Revenue Account</b>  The 2018/19 Outturn Report to Cabinet on 16 July 2019 showed an un-earmarked closing balance at the end of 2018/19 of £1.165m and a closing balance of earmarked reserves of £1.056m.		
1.23	The 2019/20 budget for the HRA is £36.239m which includes a movement of £0.158m to reserves.		
1.24	The monitoring for the HRA is projecting in year expenditure to be £0.108m greater than budget and a closing un-earmarked balance as at 31 March 2020 of £1.215m, which at 3.35% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.		
1.25	The budget contribution towards capital expenditure (CERA) is £13.717m.		

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The Revenue Budget Monitoring Report reflects the 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 1.09 to 1.17.
3.02	To assist in managing these key risks and the current financial position at Month 05, is to implement a Review of Non-Essential Spend in conjunction with Month 06 Budget Monitoring and thereafter.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None required.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Movement in Variances from Month 4 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

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None required.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Dave Ledsham (Finance Manager) <b>Telephone:</b> 01352 704503 <b>E-mail:</b> <a href="mailto:dave.ledsham@flintshire.gov.uk">dave.ledsham@flintshire.gov.uk</a>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
	<p><b>Budget:</b> 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><b>Council Fund:</b> the fund to which all the Council’s revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> 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><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</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 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. When referring to income the actual income achieved exceeds the budget.

**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.