



CABINET

Date of Meeting	Tuesday, 18 July 2017
Report Subject	Revenue Budget Monitoring 2016/17 (Outturn)
Portfolio Holder	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides the outturn revenue budget monitoring position for 2016/17 for the Council Fund and Housing Revenue Account (subject to audit).

The final year end position is as follows:

Council Fund

- The net in-year outturn comprises of an operating deficit of £0.846m.
- The overall outturn includes a positive impact of £2.886m due to the change in accounting policy for MRP as agreed by County Council. This had the effect of eliminating the operating deficit with net spend being £2.039m lower than budget.
- A contingency reserve balance as at 31 March 2017 of £5.133m.

Housing Revenue Account (HRA)

- Net in year expenditure was £0.018m lower than budget.
- A closing un-earmarked balance as at 31 March 2016 of £1.116m and earmarked reserves of £0.526m.

RECOMMENDATIONS	
1	Note the overall report and the Council Fund contingency sum as at 31 st March 2017.
2	Note the final level of balances on the Housing Revenue Account.

REPORT DETAILS

1.00	THE REVENUE BUDGET MONITORING POSITION FOR OUTTURN - 2016/17				
1.01	Council Fund Outturn				
	The table below shows the final position by portfolio. As has been the practice in recent years where a variance has been due to a conscious decision to change policy or practice, the resulting variance is managed corporately with the relevant Portfolio not expected to meet any shortfall.				
1.02					
	TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Outturn	Over/ (Under) spend
		£m	£m	£m	£m
	Social Services	58.534	60.551	60.821	0.270
	Community & Enterprise	12.035	12.492	11.868	(0.624)
	Streetscene & Transportation	27.011	28.556	29.364	0.808
	Planning & Environment	4.978	5.052	5.368	0.316
	Education & Youth	11.225	11.389	11.196	(0.193)
	Schools	86.162	87.751	87.751	0.000
	People & Resources	4.319	4.660	4.574	(0.086)
	Governance	8.159	7.722	7.779	0.057
	Organisational Change 1	5.560	6.042	6.112	0.070
	Organisational Change 2	2.244	2.423	1.967	(0.456)
	Chief Executive	3.204	2.930	2.892	(0.038)
	Central & Corporate Finance	28.558	22.423	20.260	(2.163)

	Total	251.990	251.990	249.950	(2.039)
1.03	The reasons for the variances occurring are summarised within appendix 1.				
1.04	Variance between month 12 to outturn				
	There has been a minor variance of £0.011m at outturn, compared with month 12, which relates to the Central Loans and Investment Account within Central & Corporate Finance.				
1.05	Brief Overview of the Year – Council Fund				
	Early on in the year, the Council were made aware that one of its contracted transport operators was going into immediate liquidation. Urgent action was required to secure the school and public transport subsidised routes. Additional costs of £0.440m were projected to be incurred to procure a full replacement service.				
1.06	Month 4 was the first full Revenue Monitoring Report for 2016/17 and an initial working deficit of £1.641m was forecast.				
1.07	Conscious decisions to change proposals for household recycling centres, community assets transfers, town centre & County Hall car parking charging and workforce essential car user allowances resulted in an additional pressure for £0.861m and this pressure was met using the Contingency Reserve which reduced the working deficit to £0.780m.				
1.08	At Month 5 the forecast was revised to project an increase on the working deficit to £0.981m which was mainly due to additional care packages within Social Services.				
1.09	The monthly variance continued to increase until Month 8 at which point the operating deficit was projected to be £1.810m. This was mainly due to increases in Out of County Placements, which influenced by court considerations based on the Social Services and Wellbeing Act (Wales), underachievement of planning fee income, due to reduced number of application fees than anticipated, and under recovery of pension deficit costs.				
1.10	As part of the 2017/18 budget proposals the Council's policy for accounting for minimum Revenue Provision (MRP) was reviewed and approved by Council on 6 December 2016. This resulted in a positive impact of £2.886m on the 2016/17 budget which was reported in Month 8 and meant the projected spend was £1.076m less than the budget.				
1.11	At Month 9 a decrease of £1.011m, from the previous month, was reported which decreased the operating deficit to £0.799m. The largest contributing factor to this decrease was as a result of ongoing negotiations with Betsi Cadwaladr University Health Board as the funding partner in the joint use of				

	Continuing Health Care (CHC) Fund, agreement was reached that the Health Board would increase the funding for a number of high cost Learning Disability care packages.
1.12	The final outturn is reporting an operating deficit of £0.846m. Which when taken into account the change in accounting policy for the MRP results in spend being £2.040m less than budget.
1.13	Throughout the financial year, the Council has successfully lobbied Welsh Government for a fairer funding settlement which led to a lower than anticipated reduction in funding of Revenue Support Grant (RSG). For 2017/18 levels of funding have remained the same, though increasing costs from inflation and the impact of National decisions meant that the Council still had considerable pressures to meet in balancing the 2017/18 budget.
1.14	Further success has been achieved through our campaigning for national and regional funding on Social Care, though this needs to be continued to deliver sustainable services to our residents in the future against a backdrop of increasing demand.
1.15	Work will continue nationally with Welsh Government to enable to build on this success and incorporate into the Council's Medium Term Financial Strategy.
1.16	<p>Programme of Efficiencies</p> <p>The 2016/17 budget initially contained £11.282m of specific efficiencies. An amount of £0.761m was approved from the Contingency Reserve in the month 4 report to meet the impact of conscious decisions to change proposals for household recycling centres, community asset transfers, town centre car parking charging and workforce essential car user allowances resulting in a revised efficiency target of £10.521m.</p>
1.17	Within the year £9.557m (91%) of planned efficiencies were achieved which is an improvement on the previous year where 83% were achieved.
1.18	<p>Inflation</p> <p>Included within the 2016/17 budget was provision for pay (£0.936m), targeted price inflation (£0.573m) and income (£0.185m).</p>
1.19	Following the allocation to portfolios of the provisions described in paragraph 1.14 there was a remaining balance of £0.070m which is included within the overall outturn figure.
	Reserves and Balances
1.20	Unearmarked Reserves

	The 2015/16 outturn reported to Cabinet on 19 July 2016 showed un-earmarked reserves at 31 March 2016 (above the base level of £5.769m) of £4.375m.																																																												
1.21	Taking into account the final outturn and previously agreed allocations the balance on the Contingency Reserve at 31 March 2017 is £5.133m as detailed in appendix 3.																																																												
1.22	The table below gives a summary of earmarked reserves as at 31 st March 2017. A full analysis of the movement in reserves from 1 st April 2016 to 31 st March 2017 is contained within the Statement of Accounts.																																																												
1.23	<p>Council Fund Earmarked Reserves 2016/17</p> <table border="1"> <thead> <tr> <th>Reserve Type</th> <th>Balance as at 1/4/16</th> <th>Balance as at 31/3/17</th> </tr> </thead> <tbody> <tr> <td>Service Balances</td> <td>5,024,743</td> <td>4,285,376</td> </tr> <tr> <td>Schools Balances</td> <td>2,306,721</td> <td>1,556,300</td> </tr> <tr> <td>SingleStatus/Equal Pay</td> <td>7,548,813</td> <td>4,484,743</td> </tr> <tr> <td>Investment & Organisational Change</td> <td>1,268,651</td> <td>937,736</td> </tr> <tr> <td>Budget Strategy - General Reserves</td> <td>4,460,118</td> <td>2,891,326</td> </tr> <tr> <td>Benefits Equalisation</td> <td>192,699</td> <td>119,070</td> </tr> <tr> <td>County Elections</td> <td>193,857</td> <td>137,840</td> </tr> <tr> <td>Supporting People</td> <td>832,163</td> <td>386,638</td> </tr> <tr> <td>Unitary Development Plan (UPP)</td> <td>646,982</td> <td>480,000</td> </tr> <tr> <td>Building Control</td> <td>90,611</td> <td>121,719</td> </tr> <tr> <td>Waste Disposal</td> <td>370,859</td> <td>312,080</td> </tr> <tr> <td>Flintshire Enterprise Ltd</td> <td>72,892</td> <td>67,387</td> </tr> <tr> <td>Design Fees</td> <td>200,000</td> <td>200,000</td> </tr> <tr> <td>Winter Maintenance</td> <td>250,000</td> <td>215,000</td> </tr> <tr> <td>Car Parking</td> <td>86,284</td> <td>26,252</td> </tr> <tr> <td>Insurance Funds</td> <td>1,221,558</td> <td>1,471,156</td> </tr> <tr> <td>Cash Receipting Review</td> <td>241,295</td> <td>79,337</td> </tr> <tr> <td>Grants & Contributions</td> <td>2,737,077</td> <td>2,554,749</td> </tr> <tr> <td>Total</td> <td>27,745,323</td> <td>20,326,710</td> </tr> </tbody> </table>	Reserve Type	Balance as at 1/4/16	Balance as at 31/3/17	Service Balances	5,024,743	4,285,376	Schools Balances	2,306,721	1,556,300	SingleStatus/Equal Pay	7,548,813	4,484,743	Investment & Organisational Change	1,268,651	937,736	Budget Strategy - General Reserves	4,460,118	2,891,326	Benefits Equalisation	192,699	119,070	County Elections	193,857	137,840	Supporting People	832,163	386,638	Unitary Development Plan (UPP)	646,982	480,000	Building Control	90,611	121,719	Waste Disposal	370,859	312,080	Flintshire Enterprise Ltd	72,892	67,387	Design Fees	200,000	200,000	Winter Maintenance	250,000	215,000	Car Parking	86,284	26,252	Insurance Funds	1,221,558	1,471,156	Cash Receipting Review	241,295	79,337	Grants & Contributions	2,737,077	2,554,749	Total	27,745,323	20,326,710
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1.24	<p>Housing Revenue Account</p> <p>The 2015/16 Outturn Report to Cabinet on 19 July 2016 showed an un-earmarked closing balance at the end of 2015/16 of £1.178m and earmarked balances of £0.338m</p>																																																												
1.25	The 2016/17 budget for the HRA is £31.979m which includes a movement of £0.080m from reserves.																																																												
1.26	The final outturn for the HRA reports expenditure to be £0.018m lower than budget and an un-earmarked closing balance as at 31 March 2017 of £1.116m, which at 3.5% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.																																																												

1.27	<p>In 2016/17 the HRA generated £31m income. £8m was spent on repairs and maintenance. £7m contributed towards capital financing costs for existing borrowing and self-financing costs. The HRA budget also provided a total revenue contribution of £11m towards the funding of capital expenditure (CERA); an increase of £1m on the previous year and £1.5m more than budget. The closing balance on un-earmarked reserves was £1.116m at 31st March 2017. Earmarked reserves of £0.526m for software, insurance and solar panel income were also carried forward.</p>
1.28	<p>The continued improvement in the financial management of the HRA during 2016/17 has helped to enable delivery of the following service developments and achievements.</p> <ul style="list-style-type: none"> • Work on the first SHARP scheme to build 12 Council homes at Custom House School, Connah's Quay was completed in December 2016. • Good progress is also being made on The Walks, Flint with the construction of 92 new homes. Thirty of these new homes will be managed by the Council through the HRA. The first phase of new Council properties on the scheme were handed over in June 2017. • Work on the construction of 40 new Council homes on five sites at Mold, Leeswood and Connah's Quay has also begun. These will be handed over to the Council later in 2017. This will bring the total number of new Council homes to 82. • Successfully delivered the second year programme of the 6 year WHQS delivery plan (£25m) • Commenced full review of Sheltered & Garage Stock (phase 1) • Completed the Installation of Sprinklers and New Heating/Water Supply Pipe to the High Rise Block in Flint • Completed Phase 1 of the V&V Project works to the Pen Y Llan Courts in Connahs Quay • Completed the first 6 pilots for the Environmental Programme (Car Parking etc.) • Recruitment of 3 Capital Works Team Leaders and 7 Contract Inspectors into the Capital Works Team. • Completed refurbishment works of 4 main communal areas to residential properties in Flintshire. • Fully implemented Total Mobile for Responsive Repairs teams • Delivered c£1m of efficiency savings including voids security costs, material efficiencies and staffing efficiencies • Outperformed all Responsive Repair targets throughout the year • Achieved an average of 99.67% for Gas Safety certificates • Introduced a revised fleet of vehicles for all trades staff • Implemented a revised Housing Management structure and service policies and procedures • Completed 526 disabled adaptations which enable tenants to return home from hospital or maintain independence. The team works closely with the WHQS team so that WHQS work is completed at the same time and disruption is kept to a minimum.

	<ul style="list-style-type: none"> • Our Apprentice Alex McClareon won FCC Apprentice of the year, Coleg Cambria learner of the year (Electrical) and has made the final round of the national Electrical Apprentice competition. • Achieved full roll out of van stocks to Responsive Repairs • Implementation of Service Charges
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2.00	RESOURCE IMPLICATIONS
2.01	The Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations occurring to date.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None Required.

4.00	RISK MANAGEMENT
4.01	As we have closed the 2016/17 accounts are no significant risks to the Final Outturn reported. The summary of in-year risks are therefore not included.

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

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None required Contact Officer: Sara Dulson 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.
7.02	Council Fund: the fund to which all the Council's revenue expenditure is charged.
7.03	Financial Year: the period of twelve months commencing on 1 April.
7.04	Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
7.05	Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.
7.06	Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
7.07	Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
7.08	Underspend: when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
7.09	Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
7.10	Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Social Services						
Older People						
Localities	15.692	15.073	(0.619)	(0.619)	Domiciliary Care reflects a projected underspend of (£0.300m) based on existing service users and is influenced by recruitment and retention factors affecting external providers. Other significant influences on this projected underspend include Minor Adaptations (£0.066m) for which local demand is currently being met by the Intermediate Care Fund (ICF). Additional one-off income has also been received from the ICF to contribute to external provider fee increases. Other underspends are as a result of full year vacancy savings from within the Single Point of Access team (£0.116m). Residential Care has a projected underspend of (£0.047m). Locality Teams staffing reflects a projected underspend of (£0.070m) due to short term vacancy savings. Overall net minor variances amount to (£0.020m).	
Reablement Services	0.405	0.297	(0.108)	(0.108)	The underspend is mostly influenced by additional CHC income from Betsi Cadwaladr University Health Board.	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Community Equipment Contribution	0.477	0.324	(0.153)	(0.153)	Following review of 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.	
Resources & Regulated Services	5.938	5.580	(0.358)	(0.358)	Short term vacancy savings within provider day care services and extra care schemes plus reduced projections for internal catering recharges at Residential Care homes.	
Minor Variances	0.228	0.226	(0.002)	(0.002)		
Disability Services						
Resources & Regulated Services	17.560	18.152	0.592	0.592	Service user demand level is in excess of current budget provision. A number of budget areas have been reviewed and realigned and projections revised. The allocation of £0.146m for external providers fee increase from the budget strategy reserve to meet a shortfall against the increases made to external care providers from April 2016 aided to reduce the pressure.	
Disability Services	0.660	0.713	0.052	0.052	Projected overspend on school leavers on Transition into Adulthood - mainly in residential college placements and domiciliary care.	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Forensic budget	0.529	0.448	(0.081)	(0.081)	The significant projected underspend of (£0.081m) based on current projected costs and increased income from joint funded care packages has been reduced at period 12 following the re-classification of a care package to Forensic.	
Administrative Support	0.111	(0.249)	(0.359)	(0.359)	This underspend has been influenced by additional joint funding income from Betsi Cadwaladr University Health Board (BCUHB). The income relates to 4 service users from April 2015 and is the outcome of a lengthy disputes process for such cases.	
Minor Variances	0.682	0.660	(0.022)	(0.022)		
Mental Health Services						
Residential Placements	0.844	0.998	0.154	0.154	Service user demand level is in excess of current budget provision. A number of budget areas have been reviewed and projections revised.	
Minor Variances	2.740	2.722	(0.018)	(0.018)		
Children's Services						
Family Placement	2.464	2.519	0.055	0.055	This overspend relates to the high demand for fostering placements and related expenses	
Grants	0.259	0.202	(0.058)	(0.058)	Reduction in contributions to the Integrated Family Support Service (IFSS).	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Early Years & Family Support	0.325	0.382	0.057	0.057	Impact of historic NOVUS grant claw back of £82k offset by other savings	
Professional Support	4.800	5.144	0.345	0.345	Demand influenced staffing pressures within a number of teams including Children's Integrated Disability Services (CIDS) and Prevention and Support. Further significant influences are legal costs and direct payments within the CIDS.	
Out of County Placements	3.484	4.329	0.845	0.845	There has been an unprecedented increase in the number of Child and Parent placements, being 8 placements of which 7 have been the subject of court/legal determinations	
Minor Variances	1.130	1.211	0.082	0.082		
Development & Resources						
Charging Policy income	(2.002)	(2.056)	(0.054)	(0.054)	Impact of changes to disregards within service user financial assessments	
Good Health	0.860	0.777	(0.083)	(0.083)	The underspend is mainly due to short term vacancy savings and reductions in payments to voluntary organisations.	
Minor Variances	3.367	3.370	0.003	0.003		
Total Social Services	60.551	60.821	0.270	0.270		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Community & Enterprise Customer And Housing Services	1.452	1.482	0.029	0.029	Implementation of the Contact Centre Review is expected to begin towards the end of the 2016/17 financial year resulting in a shortfall of £0.100m. Flintshire Connects efficiency (£0.055m). Customer Services efficiencies due to reduced running costs, additional registrars income and additional Welsh Translation income of (£0.041m). Additional expenditure in respect of Homelessness £0.063m. Other Customer and Housing Services efficiencies identified resulting from vacancy and other service savings of (£0.038m).	
Council Fund Housing	(0.335)	(0.395)	(0.061)	(0.061)	Accommodation Support vacancy savings of (£0.124m) identified to offset the pressures on Telecare resulting from equipment purchase and repairs £0.032m and reduced Telecare income £0.047m. Other minor variances of (£0.016m).	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Regeneration	0.416	0.464	0.048	0.048	Estimated shortfall of £0.044m in markets due to income targets increasing in line with inflation each year, where charges have not increased at the same rate. Regeneration efficiency due to the reallocation of officer time to specific grants (£0.031m). Energy Efficiency Framework delayed due to the procurement process - the efficiency will be achieved from 2017/18 onwards, £0.050m. Additional income in respect of Roundabout Sponsorship in year (£0.014m). Other minor variances (£0.001m).	
Revenues & Benefits	10.837	10.065	(0.773)	(0.773)	Underspend on the budgeted provision for the Council Tax Reduction Scheme of (£0.413m). Surplus on the Council Tax Collection Fund of (£0.385m). In-year vacancy savings in the revenues service (£0.045m). Housing Benefit Subsidy budgeted shortfall of £0.078m. Other minor variances (£0.008m).	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Housing Programmes	0.120	0.253	0.133	0.133	Pressure of £0.081m on the SHARP programme relating to feasibility works at the Flint Police Station site. A delay in the progression of the SHARP framework has resulted in a variance of £0.020m. Additional costs in respect of the clean up of unauthorised travellers encampments £0.025m. Other minor variances £0.007m.	
Total Community & Enterprise	12.492	11.868	(0.624)	(0.624)		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Streetscene & Transportation						
Ancillary Services & Performance						
Waste Collection	7.559	7.889	0.330	0.330	Solar Energy Production at Landfill commenced from October, resulting in an in-year shortfall of £0.080m. Adverse variance of £0.310m relating to reduced electricity sales from reducing levels of gas extraction at the Standard and Brookhill landfill sites. Final part-year reduced payment of prudential borrowing for black bins (£0.100m). Improved position from recycling income of (£0.180m). Additional costs for disposal of hazardous waste from HRC sites £0.055m. Additional plant hire costs at Greenfield HRC and composting site of £0.060m and cumulative minor variances within waste services of £0.067m.	Gas engine income levels are being monitored monthly and contracts being prepared for the service to be outsourced. Reported in Programme Tracker. Budget Pressure in 2017/18 relating to the ESD grant. WG have confirmed a 3.7% reduction in the grant.

Budget Monitoring Report
Council Fund Variances

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Highways Network Highways Network	7.477	7.653	0.177	0.177	Due to ongoing discussions on Community Asset Transfers (CATs), the maintenance liability being transferred for Cemeteries to Town/Community Councils totalling £0.050m has not yet been implemented. Probation Service Litter Collection will be implemented later than anticipated, totalling £0.050m. £0.061m of improvement works on the Bagillt flooding event has been capitalised in the land drainage programme. Additional costs and staff time still being picked up by the area teams for ongoing maintenance works. Cumulative minor variances within highways services of £0.030m. Winter maintenance programme to be over spent by £0.035m which will be absorbed by the winter maintenance reserve.	Keep under review as part of MTFs. Reported in Programme Tracker.
Transportation & Logistics Logistics & Resource Services	4.524	4.699	0.175	0.175	Neighbouring Authorities not willing to share specialist plant, £0.050m. Fleet insurance recharge of £0.085m above the budgeted level for the service creating an adverse movement due to late notification of final recharge. Further overspends relate to minor variances across the service area.	Keep under review as part of MTFs. Reported in Programme Tracker.

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
School Transport	4.972	5.117	0.145	0.145	Estimated additional subsidy costs following re-procurement for covering former GHA services for school transport following the company going into liquidation of £0.125m.	WG have been consulted upon with regard to funding the additional costs. Funding highly unlikely due to Statutory provision requirements. Therefore, consideration will be required in the MTFS 2017/18 taking account of full year effect.
Transportation	1.927	2.001	0.075	0.075	Estimated additional subsidy costs following re-procurement for covering former GHA services following the company going into liquidation of £0.285m. This includes the costs of former commercial services routes. Additional bus revenue funding of £0.300m has been awarded in 2016-17 for the North Wales Authorities, of which at this stage it has been confirmed that FCC will receive up to £0.155m following discussions with the Authorities concerned.	Consideration in MTFS 2017/18 if no WG funding is forthcoming after 2016/17, taking account of full year effect.
Other Minor Variances	1.429	1.379	(0.050)	(0.050)		
Total Streetscene & Transportation	28.556	29.364	0.808	0.808		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Planning & Environment						
Business						
Pollution Control	0.470	0.544	0.074	0.074	2 Environmental Health Officer posts were taken on due to service demands. Internal funding had been anticipated, however this was not available and the cost has been borne by the service.	
Minor Variances	1.147	1.097	(0.050)	(0.050)	Minor variances less than £0.050m.	
Community						
Minor Variances	0.891	0.853	(0.038)	(0.038)	Minor variances less than £0.050m.	
Development						
Highway Development Control	0.230	0.175	(0.055)	(0.055)	Introduction of Supervision and Plan Vetting fee income from completed schemes.	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Development Management	(0.345)	0.074	0.419	0.419	Provisional outturn confirms the planning fee income shortfall is finalised at £0.350m as the economy has not continued to recover to the extent which the 3 year Business Plan had forecast. The impact of Welsh Government requirements for major developers to enter into pre consultation for a period of 28 days prior to submitting an application has delayed the submission of some high value applications which in turn will affect the fee income received. This has resulted in a lesser volume of applications being submitted than previously predicted.	

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Minor Variances	(0.049)	(0.046)	0.004	0.004	Minor variances less than £0.050m.	
Access						
Minor Variances	1.319	1.264	(0.055)	(0.055)	Minor variances less than £0.050m.	
Shared Services						
Minor Variances	0.162	0.139	(0.023)	(0.023)	Minor variances less than £0.050m.	
Strategy						
Minor Variances	0.847	0.820	(0.027)	(0.027)	Minor variances less than £0.050m.	
Management Strategy	0.380	0.447	0.067	0.067	Unachieved Business Planning Efficiencies. Expected to be in-year only.	
Total Planning & Environment	5.052	5.368	0.316	0.316		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Education & Youth						
Inclusion & Progression	7.080	7.067	(0.013)	(0.013)	Minor variance only.	
Integrated Youth Provision	1.395	1.364	(0.031)	(0.031)	Minor variance only.	
School Improvement Systems	1.884	1.843	(0.041)	(0.041)	Variance largely relates to Early Entitlement and is from a reduction in support applications. Includes other minor variances.	
Business Change & Support	0.416	0.307	(0.109)	(0.109)	Variance of £0.049m relates to a current secondment in advance of a regional collaboration service from April 2017, funded by GwE. Additionally, £0.035m relates to delays in the implementation of new School Admission software, costs to be met in 2017/18. Includes other minor variances.	
School Planning & Provision	0.614	0.614	0.000	0.000	Minor variances only.	
Total Education & Youth	11.389	11.196	(0.193)	(0.193)		
Schools	87.751	87.751	0.000	0.000		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
People & Resources						
HR & OD	2.280	2.220	(0.060)	(0.060)	The underspend is due to workforce variances.	
Corporate Finance	2.380	2.354	(0.026)	(0.026)	Minor variances.	
Total People & Resources	4.660	4.574	(0.086)	(0.086)		
Governance						
Legal Services	0.642	0.709	0.067	0.067	The overspend is due to legal costs incurred.	
Democratic Services	1.872	1.875	0.003	0.003	Minor variances.	
Internal Audit	0.434	0.365	(0.069)	(0.069)	The underspend is due to workforce variances.	Vacancies are expected to remain vacant until the end of the financial year while the level of service is being assessed with reduced capacity.
Procurement	0.166	0.254	0.088	0.088	No income from supplier charging.	The impact of no longer charging suppliers £50 for access to Flintshire County Council's purchasing portal will result in an ongoing pressure which will need to be considered as part of the MTFS.
Business Support	0.001	0.000	(0.001)	(0.001)	Minor variance.	
ICT	4.607	4.576	(0.031)	(0.031)	Minor variances.	
Total Governance	7.722	7.779	0.057	0.057		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Organisational Change 1						
Public Libraries & Arts, Culture & Events	1.620	1.588	(0.032)	(0.032)	Minor variances.	
Museums	0.064	0.068	0.004	0.004	Minor variances.	
County Archives	0.281	0.272	(0.009)	(0.009)	Minor variances.	
Leisure	4.051	4.149	0.097	0.097	The CAT transfer at Holywell Leisure Centre was completed at 1st April 2017. Continuing to operate the centre as a Council prior to full handover to the community, to ensure continuity of operation, resulted in a pressure of £0.070m in 2016/17 which was identified and reported earlier in the year. Other minor variances of £0.027m.	
Community Assets	0.025	0.034	0.010	0.010	Minor variances.	
Total Organisational Change 1	6.042	6.112	0.070	0.070		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Organisational Change 2						
Administrative Buildings	1.352	1.283	(0.069)	(0.069)	(£0.024m) Backdated Service charges from Mold Town Hall. (£0.045m) Utility savings due to Asset Rationalisation.	
Agricultural Estates	(0.168)	(0.181)	(0.013)	(0.013)	Minor variances.	
Property Holdings	0.023	(0.007)	(0.031)	(0.031)	Minor variances.	
Property Asset And Development	0.588	0.289	(0.299)	(0.299)	(£0.260m) in year salary savings as a result of the proposed staffing structure. (£0.039m) minor variances	
CPM & Design Services	0.413	0.323	(0.090)	(0.090)	(£0.090m) additional Design Fees generated above income target.	
Industrial Units	(1.237)	(1.136)	0.101	0.101	£0.158m shortfall in rental is offset by in year salary savings. (£.057m) windfall income from the Deeside Power Station.	
Catering	0.790	0.784	(0.006)	(0.006)	Minor variances.	
Facilities HQ	0.200	0.203	0.004	0.004	Minor variances.	
Cleaning	0.005	(0.038)	(0.043)	(0.043)	Minor variances.	
CCTV & Open Spaces	0.192	0.198	0.006	0.006	Minor variances.	
Minor Variances	0.265	0.250	(0.015)	(0.015)		
Total Organisational Change 2	2.423	1.967	(0.456)	(0.456)		
Chief Executive	2.930	2.892	(0.038)	(0.038)		

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
Central and Corporate Finance	22.423	20.260	(2.163)	(2.174)	An underspend of (£3.076m) within the Central Loans and Investment Account, (£0.189m) is due to reduced level of borrowing, and higher than projected income from investments, (£2.887m) is due to changes to the Minimum Revenue Provision (MRP) policy as agreed. Additional matrix rebate income of (£0.140m). One off pressure of £0.197m due to liabilities on an unoccupied commercial property. Pension deficit recovery pressure has reduced to £0.141m due to realignment of budget from another portfolio. Increase in Bank Charges of £0.029m. Employment Tribunal provision £0.030m.	Included as a 2017/18 budget pressure

Budget Monitoring Report
Council Fund Variances

OUTTURN - SUMMARY

Service	Revised Budget (£m)	Outturn (£m)	Variance (£m)	Period 12 Variance (£m)	Cause of Major Variance	Action Required
					In year underspend on Audit Fees of (£0.127m).	Included as a 2017/18 budget pressure
					Workforce efficiencies, an underachievement of £0.276m.	
					Additional income generating activities, an underachievement of £0.408m.	
					Charges for Support Services have resulted in a budget shortfall of £0.241m, costs for Support Services have decreased.	
					Remaining Eutical Provision balance (£0.131m), the site has now been sold and the balance remaining in the provision has now been returned to revenue.	
					Minor variances (£0.012m).	
Grand Total	251.990	249.940	(2.039)	(2.050)		

2016/17 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2016/17 £(m)	2016/17 £(m)	2016/17 £(m)
Central & Corporate Finance			
Additional Income Generating Activities.	0.500	0.092	(0.408)
Essential Car User Allowance.	0.500	0.494	(0.006)
Workforce Efficiency.	0.500	0.224	(0.276)
Total Central & Corporate Finance	1.500	0.810	(0.690)
Chief Executive's			
Voluntary Sector Grants review.	0.070	0.072	0.002
Total Chief Executive's	0.070	0.072	0.002
People & Resources			
Finance Modernisation	0.135	0.103	(0.032)
Total People & Resources	0.135	0.103	(0.032)
Organisational Change 1			
Community Asset Transfers.	0.544	0.474	(0.070)
Total Organisational Change 1	0.544	0.474	(0.070)
Community & Enterprise			
Telephone Contact Centre savings.	0.100	0.069	(0.031)
Energy Efficiency Framework.	0.050	0.000	(0.050)
SHARP Framework.	0.020	0.000	(0.020)
Galw Gofal Contract Fees.	0.030	0.015	(0.015)
Council Tax Reduction Scheme.	0.329	0.742	0.413
Total Community & Enterprise	0.529	0.826	0.297
Streetscene & Transportation			
Shared Specialist Plant with neighbouring authority.	0.050	0.000	(0.050)
Introduce non-generic streetscene roles (3 year plan).	0.115	0.085	(0.030)
Develop energy production at landfill.	0.100	0.020	(0.080)
Remove the existing policy of returning for missed bin waste collections.	0.075	0.035	(0.040)
Construction of a waste handling and biomass production facility at Greenfield.	0.100	0.080	(0.020)
Charge maintenance of Bus Shelters to Community & Town Councils.	0.020	0.000	(0.020)
Externalise the Stores Managed Service.	0.050	0.020	(0.030)
Pass Maintenance Liability and Cleanliness of Cemeteries to Town & Community Councils.	0.050	0.000	(0.050)
Probation Service to take on Litter Collections in some areas.	0.100	0.050	(0.050)
Total Streetscene & Transportation	0.660	0.290	(0.370)
Planning & Environment			
Various Planning Efficiencies.	0.101	0.000	(0.101)
Total Planning & Environment	0.101	0.000	(0.101)
Total 2016/17 Budget Efficiencies Met from Contingency Reserve		%	£
Revised Efficiency Target		100	11.282
Total Projected 2016/17 Budget Efficiencies Underachieved		9	0.761
Total Projected 2016/17 Budget Efficiencies Achieved		91	10.521

APPENDIX 3

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2016	10.144	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		4.375
Less - allocation from the Contingency Reserve to meet historic child claims		(0.154)
Less - allocation from the Contingency Reserve to meet costs of summer play schemes		(0.076)
Less - allocation from the Contingency Reserve to meet shortfall in the essential car user allowance efficiency		(0.211)
Less - allocation from the Contingency Reserve to meet shortfall in the community asset transfers efficiency		(0.200)
Less - allocation from the Contingency Reserve to meet shortfall in the rationalisation of household recycling centres efficiency		(0.250)
Less - allocation from the Contingency Reserve to meet shortfall in the Flint car park income efficiency		(0.100)
Less - allocation from the Contingency Reserve to meet shortfall in the County Hall car park income efficiency		(0.100)
Less - allocation from the Contingency Reserve to meet the resource requirements for specialist social work for child protection		(0.100)
Less - allocation from the Contingency Reserve to support a Flintshire play scheme programme for 2017		(0.040)
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)		(0.050)

Plus – final outturn underspend	2.039
Total Contingency Reserve as at 31st March 2017	5.133

Budget Monitoring Report
Housing Revenue Account Variances

FINAL OUTTURN SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance
Housing Revenue Account					
Income	(31.796)	(32.245)	(0.449)	(0.449)	The projected underspend is £0.449m. £0.099m of the movement relates to the use of a historic HRA subsidy balance which is no longer required. £0.095m relates to savings on void properties such as council tax and costs of respite. £0.198m relates to a reduction in the expected provision for bad debts on rent and is supported through better management of arrears. £0.048m relates to additional water surplus. The remaining £0.009m relates to minor variances.
Capital Financing - Loan Charges	7.285	6.940	(0.345)	(0.280)	£0.267m relates to a reduction in the anticipated borrowing costs apportioned to the HRA. This is due to the reduction in Flintshires total borrowing requirement and the reduction in interest rates following the BREXIT referendum. £0.078m relates to the projected corporate support services recharge. The recharge has been reviewed and has been reduced by a number of items which are now charged directly to the HRA. The accommodation charge has also reduced as the amount of office space occupied has also significantly reduced
Estate Management	1.530	1.531	0.002	0.002	Minor variance
Landlord Service Costs	1.207	1.273	0.066	0.066	£0.077m relates to settlement of the council wide British Gas account. The remaining £0.011m relates to minor variances.
Repairs & Maintenance	9.546	9.267	(0.279)	(0.279)	The projected underspend of £0.279m consists of £0.148m savings on staff costs because of vacant positions. £0.036m relates to savings on fleet recharges. This is because some of the expenditure relating to work on disabled adaptations can be capitalised. £0.075m relates to increased expenditure on materials. £0.131m relates to a reduction in recharges to other departments. £0.290m relates to savings on subcontractor budgets. The remaining £0.011m relates to minor variances.
Management & Support Services	2.232	2.095	(0.137)	(0.137)	£0.072m relates to a reduction in the corporate support services recharge relating to office accommodation and other corporate recharges. £0.054m relates to an underspend on site investigation fees for the SHARP as these have been capitalised as schemes were approved. The remaining £0.011m relates to minor variances.
Capital Expenditure From Revenue (CERA)	10.077	11.200	1.123	1.123	£1.123m relates to an increase in CERA which will contribute towards capital WHQS expenditure. This is a re-classification of expenditure from revenue to capital.
Contribution To / (From) Reserves	(0.080)	(0.062)	0.018	(0.047)	Minor variance
Total Housing Revenue Account	0.000	0.000	0.000	0.000	

