

Budget Monitoring Report
Council Fund Variances

MONTH 4 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
Social Services					
Older People					
Localities	16.727	15.903	(0.823)	Residential and Nursing Care shows a projected underspend of £0.349m, due to a decrease in service users, increase in free nursing income from Betsi Cadwaladr University Health Board (BCUHB) and additional property income. Domiciliary Care reflects a projected underspend of £0.206m based on existing service users. There is an underspend of £0.093m on Intake/First Contact of which £0.064m is due to part year vacancy savings from the Single Point of Access team. Locality Teams reflect an underspend of £0.165m due to short term vacancy savings. Minor variances £0.010m.	The level of projected underspends on some areas of this service have been critically reviewed and it is recommended that £0.300m is realigned to meet service pressures within other areas of the Adults Services budget as detailed within the report.
Reablement Services	0.469	0.376	(0.093)	Additional Continuing Health Care (CHC) funding from BCUHB	Continue to monitor and review

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Community Equipment Contribution	0.503	0.393	(0.110)	Following implementation of an updated Section 33 partnership agreement for the North East Wales Community Equipment Store (NEWCES), the contribution levels of partners has resulted in a reduced level of contribution from FCC. From 2018/19 this saving has been earmarked for funding of some of the revenue costs of the new extra care facilities.	Future utilisation of the excess of budget to meet some of the revenue costs of the new extra care facilities.
Resources & Regulated Services	5.920	5.634	(0.286)	The main influences on the projected underspend are short term vacancy savings within provider home care services (£0.131m) and extra care schemes (£0.181m), due to recruitment and retention difficulties in the care sector. This underspend is partly offset by a pressure arising from the cessation of Supporting People grant allocation of £0.058m from the Councils overall allocation due to meeting the eligibility criteria. There is a further projected underspend of £0.034m on Residential Care due mainly to short term vacancy savings, with minor variances making up the balance of £0.002m.	Proposed realignment of £0.058m of budget to partly mitigate some of the pressure arising from the Supporting People grant income no longer being allocated.

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Minor Variances	0.234	0.232	(0.003)		
<i>Disability Services</i>					
Resources & Regulated Services	19.450	20.012	0.563	There are long standing and ongoing demand influenced pressures within the externally provided Supported Living services amounting to a total of £0.482m of the overall projected overspend. The next significant impact relates to Work Opportunities and Day Services which reflects a pressure of £0.169m, which is due partly to the delay in letting a new contract under an alternative delivery model (ADM) for these services. There is a projected underspend of £0.088m on externally purchased care on Physical Disabilities and Sensory Impairment (PDSI).	Proposed realignment of £0.242m of budget to address pressures within the supported group of services within Supported Living providing Domiciliary/Day care and direct payments
Disability Services	0.716	0.783	0.067	There is a pressure of £0.123m on the budget for school leavers in transition to adulthood which is offset by a projected underspend of £0.047m against the resource panel allocation for residential and domiciliary care. Minor variances £0.009m.	Continue to monitor and review

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Administrative Support	0.168	0.040	(0.128)	The projected underspend is due mainly to short term vacancy savings.	Continue to monitor and review
Transition & Disability Services	0.620	0.568	(0.052)	The projected underspend is due mainly to short term vacancy savings.	Continue to monitor and review
Minor Variances	0.072	0.072	0.000		
Mental Health Services					
Residential Placements	1.127	1.427	0.300	There is a long standing and ongoing pressure due to the numbers of long term residential placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB	Continue to monitor and review
Minor Variances	2.537	2.509	(0.028)		

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Children's Services					
Family Placement	2.464	2.604	0.141	There is a long standing and ongoing pressure due to sustained demand influences beyond the level of the allocated budget.	Continue to monitor and review
Family Support	0.356	0.440	0.083	There are pay pressures due to a combination of new contractual arrangements having been implemented for sessional workers and a number of the staff working significant additional hours.	Continue to monitor and review
Professional Support	4.898	5.084	0.186	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	Continue to monitor and review
Out of County Placements	3.607	4.232	0.625	This pressure is a continuation of the experience in 2016/17, where there was a significant increase in the number of high cost placements which was partly influenced by interpretations of additional responsibilities under the Social Services and Well-being (Wales) Act 2014.	Continue to monitor and review
Minor Variances	1.330	1.294	(0.036)		

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<i>Development & Resources</i>					
Charging Policy income	(2.641)	(2.756)	(0.115)	The projected underspend is due to surplus income which is mainly caused by the full year impact of changes to disregard rules on financial assessments which came into effect from August 2016	Continue to monitor and review
Safeguarding Unit	0.810	0.889	0.079	There are continued significant demand influenced pressures on this service particularly within Adults safeguarding due to a significant increase in the numbers of referrals and the ongoing impact of the Deprivation of Liberty Safeguarding (DoLS) assessments.	Continue to monitor and review
Good Health	0.896	0.837	(0.059)	The projected underspend is due to a number of short term vacancy savings	Continue to monitor and review
Minor Variances	2.681	2.686	0.005		
Total Social Services	62.945	63.259	0.314		

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Community & Enterprise					
Customer And Housing Services	1.580	1.558	(0.021)	Minor variances.	Continue to monitor and review.
Council Fund Housing	(0.372)	(0.395)	(0.023)	Minor variances.	Continue to monitor and review.
Regeneration	0.412	0.459	0.047	Continuing shortfall of £0.050m in markets due to historical income targets which have increased in line with inflation and where charges have not increased at the same rate. Other minor variances (£0.003m).	Continue to monitor and review.
Revenues & Benefits	10.780	10.207	(0.573)	Underspend on the budgeted provision for the Council Tax Reduction Scheme of (£0.407m). Surplus on the Council Tax Collection Fund of (£0.153m). Other minor variances (£0.013m).	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Housing Programmes	0.140	0.141	0.001	Minor variances.	Continue to monitor and review.
Total Community & Enterprise	12.540	11.970	(0.570)		

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Streetscene & Transportation					
Ancillary Services & Performance					
Waste Collection	7.099	7.475	0.377	Adverse variance of £0.200m relating to lower than anticipated energy production at the Landfill sites and reduced electricity sales from reducing levels of gas extraction. Environment and Sustainable Development (ESD) grant pressure £0.111m due to the reduction of the grant in 17/18 of 3.7%. Delay in the development of the new Rockcliffe HRC site resulting in additional running costs of two existing sites continuing to operate £0.050m	Energy production income levels being monitored monthly and contracts being prepared for the service to be outsourced. Reported in Programme Board Efficiency Tracker Keep under review as part of MTFS Indicative reduction in ESD grant for 18/19 of 6.9% - £0.199m
Parking & Enforcement	(0.088)	(0.038)	0.050	Shortfall of income from Flint Car Parking £0.050m. Part year pressure against £0.100m target due to the town centre re-development being ongoing and impacting on the rollout of changes across the town.	Keep under review as part of MTFS Reported in Programme Board Efficiency Tracker
Other Minor Variances	0.795	0.796	0.000		

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<i>Highways Network</i>					
Highways Network	7.419	7.623	0.204	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. Street lighting energy prices above the 2% standard with an increase of 16% resulting in a pressure of £0.131m	Keep under review as part of MTFS. Reported in Programme Board Efficiency Tracker. Continue to monitor street lighting energy prices.
<i>Transportation & Logistics</i>					
Logistics & Resource Services	4.488	4.656	0.167	Shared specialist plant with neighbouring Authorities has not materialised from 16/17 business planning proposal £0.050m. Increase in Fleet insurance premium for 17/18 £0.100m	Keep under review as part of MTFS
School Transport	4.722	5.107	0.385	Ongoing additional subsidy costs following re-procurement for covering various school transport routes following the previous operator going into liquidation £0.185m. The transport costs of additional pupils from John Summers High School to Connahs Quay £0.200m	No additional funding from WG due to Statutory provision requirements. Ongoing consideration will be required in the MTFS taking account of the cost for future years. Hoping to reduce cost through the Transportation retendering exercise currently ongoing.

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Transportation	1.615	2.310	0.695	Ongoing additional subsidy costs following re-procurement for covering various public transport routes following the previous operator going into liquidation £0.490m. The delay in introducing the Bus Subsidy efficiency in 17/18 £0.205m Bus Subsidy efficiency saving of £0.145m unlikely to be achieved in year. This is to be offset from any additional savings recognised from the School Transports re-procurement exercise if these come to fruition.	Keep under review as part of MTFS. Reported in Programme Board Efficiency Tracker
Other Minor Variances	1.430	1.463	0.033		
Total Streetscene & Transportation	27.480	29.391	1.910		

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Planning & Environment					
Business					
Pollution Control	0.479	0.574	0.096	An increase in prosecutions relating to unlicensed and unsafe residential properties has resulted in two temporary Environmental Health Officers being recruited to deal with this increase in demand.	Continue to monitor and review.
Minor Variances	1.087	1.081	(0.006)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Community					
Pest Control	0.004	0.040	0.035	Despite the fact that the service has seen an increase in referrals during 2016/17 and onwards into 2017/18, the income target is unlikely to be achieved, based on current projections.	Fees and charges have been subject to a review and Pest Control rates increased in line with an inflationary increase of 3%. Review the future of this service in Autumn 2017.
Minor Variances	0.898	0.873	(0.025)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible

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<i>Development</i>					
Development Management	(0.386)	(0.073)	0.314	The projected Planning Fee Income shortfall is currently £0.325m as the economy has not continued to recover to the extent which the 3 year Business Plan forecast. The impact of the 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. The annual income target for Pre Application Fees has already been met by the end of the first quarter which is an indication of developer interest in sites which have not yet materialised into the start of the formal planning process and with it the application fee.	Monitor Planning Application Fee levels and Pre Application Fee levels and amend projection as required
Minor Variances	0.158	0.155	(0.003)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible

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Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
Access					
Greenfield Valley	0.326	0.275	(0.051)	Vacancy savings and reduced zero hours contracts	Service review within Countryside is currently being undertaken
Minor Variances	1.015	1.023	0.008		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Shared Services					
Minor Variances	0.177	0.177	(0.000)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Strategy					
Minor Variances	0.834	0.833	(0.001)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Management Strategy	0.340	0.476	0.136	Balance of Business Planning Efficiencies for Staffing	Efficiencies to be identified as part of the Service Review. Some vacancy savings will assist in achieving this on a temporary basis. Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Total Planning & Environment	4.932	5.436	0.503		

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Education & Youth					
Inclusion & Progression	6.778	6.709	(0.069)	The underspend reflects the current level of Out of County placements. It is anticipated that the level of placements will increase during the year.	
Integrated Youth Provision	1.291	1.332	0.041	Minor variances	
School Improvement Systems	1.873	1.835	(0.038)	Minor variances	
Business Change & Support	0.400	0.390	(0.010)	Minor variances	
School Planning & Provision	0.592	0.592	0.000		
Total Education & Youth	10.934	10.858	(0.076)		
Schools	88.862	88.862	0.000		

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People & Resources					
HR & OD	2.029	2.268	0.240	Overspend is due to partial achievement of business planning efficiency and loss of income contribution from Wrexham for Occupational Health Services.	
Corporate Finance	2.118	2.336	0.218	There is a potential in year shortfall on the Finance Modernisation efficiency at this stage of the year of £0.200m. This is due to the roll out of manager self serve and the operating model review taking longer than planned.	
Total People & Resources	4.147	4.604	0.457		

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Governance					
Legal Services	0.688	0.724	0.037	Minor variances.	
Democratic Services	1.924	1.927	0.003	Minor variances.	
Internal Audit	0.443	0.443	0.000	No variance.	
Procurement	0.168	0.284	0.116	Overspend is due to conscious decision to no longer pursue supplier income for registration onto the payment portal.	
ICT	4.428	4.518	0.090	Overspend is mostly due to partial achievement of business planning efficiencies.	Continue to monitor and review. The unachieved efficiencies are expected to be achieved in full next financial year.
Total Governance	7.651	7.896	0.246		

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Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
Organisational Change 1					
Public Libraries & Arts, Culture & Events	1.583	1.577	(0.006)	Minor variances.	Continue to monitor and review.
Museums	0.067	0.067	(0.000)	Minor variances.	Continue to monitor and review.
County Archives	0.286	0.286	0.000	Minor variances.	Continue to monitor and review.
Leisure	3.860	3.946	0.086	The establishment of Aura Leisure and Libraries is now set for 1st September. This has been delayed by 2 months due to a range of queries in 3 separate responses from the Financial Conduct Authority (FCA) in registering the company. Work with our legal advisors has shown that a number of these were not relevant and that the FCA should not have held up the application for this length of time. These issues are now resolved.	Continue to monitor and review.
Community Assets	0.024	0.024	0.000	Minor variances.	Continue to monitor and review.
Total Organisational Change 1	5.821	5.900	0.079		

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Organisational Change 2					
Administrative Buildings	1.241	1.115	(0.126)	£0.126m estimated efficiencies resulting from the closure of phases 3 and 4 in County Hall.	
Agricultural Estates	(0.189)	(0.142)	0.046	Minor variances	
Property Holdings	0.015	0.021	0.006	Minor variances	
Property Asset And Development	0.446	0.388	(0.057)	£0.057m in year salary savings.	
CPM & Design Services	0.691	0.470	(0.221)	£0.139m projected additional fee income above target. £0.070m in year salary savings. Other minor variances £0.012m.	
Industrial Units	(1.153)	(0.982)	0.171	£0.171m as a result of unachieved rental income. This will be offset against office efficiencies.	
Minor Variances	1.238	1.230	(0.009)		
Total Organisational Change 2	2.288	2.100	(0.189)		
Chief Executive	2.940	2.824	(0.116)	There are one off vacancy savings for £0.059m. Specialists budgets for sustainable development, Your Community/Your Council and Public Relations are expected to underspend by £0.030m.Minor variances £0.026m.	

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Central and Corporate Finance	24.616	23.312	(1.303)	<p>Additional income generating activities, an underachievement of £0.412m, though work is continuing to identify areas of opportunity.</p> <p>Support Service recharge, has resulted in a shortfall of £0.234m due to a reduction in overall operating costs.</p> <p>Car parking permit income shortfall £0.080m.</p> <p>Reduced Audit fees, underspend of (£0.127m)</p> <p>Social Services, one off in year underspend of (£1.607m) held centrally to mitigate any in year overspends - (£0.512m) resulting from remaining pressure budgeted in 17/18 no longer required, (£0.500m) due to as funding was secured from the Regional Integrated Care Fund revenue grant allocation for a one off basis. An additional £0.595m of Welsh Government funding for Social Care recently confirmed.</p>	<p>Work is continuing to identify areas of opportunity to generate income. Keep under review as part of MTFS considerations</p> <p>Keep under review as part of MTFS considerations to assess 18/19 impact</p>

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				Projected Pension fund variance (£0.288m) due to surplus of budget required for increase in contributions in 2017/18. Minor variances (£0.006m)	Keep under review in year to consider potential for mitigation of 18/19 pressure
Grand Total	255.156	256.412	1.256		

2017/18 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over Achievement
	2017/18 £(m)	2017/18 £(m)	2017/18 £(m)
People & Resources			
Finance - Implementation of Collaborative Planning Software to finance to improve and automate our processes thus enabling workforce efficiencies. Phased roll out of new finance model.	0.270	0.070	(0.200)
Review of Human Resources & Organisational Design operating model and job roles and various other efficiencies.	0.148	0.052	(0.096)
DBS recharges	0.080	0.047	(0.033)
Total People & Resources	0.498	0.169	(0.329)
Governance			
ICT - Reduction in management, staff and non pay costs.	0.350	0.264	(0.086)
Total Governance	0.350	0.264	(0.086)
Social Services			
Develop a 'progression' model for Supported Living.	0.250	0.041	(0.209)
Develop alternative approaches to in house day services and work opportunity schemes.	0.250	0.140	(0.110)
Total Social Services	0.500	0.181	(0.319)
Organisational Change 1			
Alternative Delivery Models	0.415	0.335	(0.080)
Total Organisational Change 1	0.435	0.355	(0.080)
Streetscene & Transportation			
Develop energy production at landfill.	0.100	0.000	(0.100)
Review subsidised bus routes.	0.350	0.145	(0.205)
Total Streetscene & Transportation	0.450	0.145	(0.305)
Planning & Environment			
Staffing - management restructure.	0.125	0.062	(0.063)
Self financing for Public Protection Services.			
- Animal & Pest Control.			
- Licencing Charging.	0.030	0.000	(0.030)
Increase in planning fees (15% WG increase) and applications	0.015	0.000	(0.015)
Increase in number of planning applications	0.035	0.000	(0.035)
Total Planning & Environment	0.205	0.062	(0.143)
Total 2017/18 Budget Efficiencies		%	£
Total Projected 2017/18 Budget Efficiencies Underachieved		100	8.433
Total Projected 2017/18 Budget Efficiencies Achieved		15	1.262
		85	7.171

APPENDIX 3

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2017	10.953	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		5.184
Less – allocation from the Contingency Reserve to support initial set up costs and final technical support for the Community Asset Transfer (CAT) of Holywell Leisure Centre and Alternative Delivery Model (ADM) agreed in 2016/17		(0.050)
Less – projected outturn overspend		(1.256)
Total Contingency Reserve as at 31st March 2018		3.878

Budget Monitoring Report
Housing Revenue Account Variances

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Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account					
Income	(33.598)	(33.558)	0.040	Minor Variance	
Capital Financing - Loan Charges	7.545	7.545	(0.000)	No variance	
Estate Management	1.633	1.656	0.023	Minor Variance	
Landlord Service Costs	1.318	1.314	(0.004)	Minor variance	
Repairs & Maintenance	9.929	9.754	(0.175)	A saving of £0.175m is anticipated on Repairs and Maintenance. £0.107m is savings on staff costs, £0.070m relates to subcontractor spend. The remaining £0.002m is minor variances.	
Management & Support Services	2.272	2.280	0.008	Minor variance	
Capital Expenditure From Revenue (CERA)	10.890	10.990	0.099	The variance of £0.099m is due 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 borrowing costs.	
HRA Projects	0.046	0.046		No variance	
Contribution To / (From) Reserves	(0.035)	(0.026)	0.009	Minor variance	
Total Housing Revenue Account		0.000	0.000		

