



CABINET MEETING

Date of Meeting	Tuesday, 23 January 2018
Report Subject	Revenue Budget Monitoring 2017/18 (MONTH 8)
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the current revenue budget monitoring position for 2017/18 for the Council Fund and Housing Revenue Account. This report presents the position, based on actual income and expenditure, as at Month 8 of the financial year. The report projects how the budget would stand at the close of the financial year if all things remained equal.

The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning is:-

Council Fund

- Net in year expenditure forecast to be £0.846m greater than budget
- Projected contingency reserve balance as at 31 March 2018 of £4.236m

Housing Revenue Account

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

RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 st March 2018.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

REPORT DETAILS

1.00	EXPLAINING THE MONTH 8 POSITION																																																																											
1.01	<p><u>Council Fund Overall Position</u></p> <p>The operating deficit reported is £0.846m greater than the budget which is a decrease of £0.416m from the deficit reported last month.</p>																																																																											
1.02	<p>Council Fund Latest In-Year Forecast</p> <p>The table below shows the projected position by portfolio.</p> <table border="1"> <thead> <tr> <th>TOTAL EXPENDITURE AND INCOME</th> <th>Original Budget</th> <th>Revised Budget</th> <th>Projected Outturn</th> <th>In-Year Over / (Under) spend</th> </tr> <tr> <td></td> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>61.471</td> <td>62.454</td> <td>63.227</td> <td>0.773</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.518</td> <td>12.540</td> <td>11.617</td> <td>(0.923)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.467</td> <td>27.580</td> <td>29.684</td> <td>2.104</td> </tr> <tr> <td>Planning & Environment</td> <td>5.043</td> <td>4.932</td> <td>5.253</td> <td>0.320</td> </tr> <tr> <td>Education & Youth</td> <td>10.966</td> <td>11.048</td> <td>11.171</td> <td>0.123</td> </tr> <tr> <td>Schools</td> <td>88.862</td> <td>88.862</td> <td>88.862</td> <td>0.000</td> </tr> <tr> <td>People & Resources</td> <td>4.283</td> <td>4.118</td> <td>4.572</td> <td>0.455</td> </tr> <tr> <td>Governance</td> <td>7.675</td> <td>7.651</td> <td>7.764</td> <td>0.114</td> </tr> <tr> <td>Organisational Change 1</td> <td>5.801</td> <td>5.768</td> <td>5.843</td> <td>0.075</td> </tr> <tr> <td>Organisational Change 2</td> <td>2.422</td> <td>2.288</td> <td>1.985</td> <td>(0.303)</td> </tr> <tr> <td>Chief Executive</td> <td>3.008</td> <td>2.926</td> <td>2.796</td> <td>(0.130)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>25.642</td> <td>24.990</td> <td>23.228</td> <td>(1.763)</td> </tr> <tr> <td>Total</td> <td>255.156</td> <td>255.156</td> <td>256.002</td> <td>0.846</td> </tr> </tbody> </table>	TOTAL EXPENDITURE AND INCOME	Original Budget	Revised Budget	Projected Outturn	In-Year Over / (Under) spend		£m	£m	£m	£m	Social Services	61.471	62.454	63.227	0.773	Community & Enterprise	12.518	12.540	11.617	(0.923)	Streetscene & Transportation	27.467	27.580	29.684	2.104	Planning & Environment	5.043	4.932	5.253	0.320	Education & Youth	10.966	11.048	11.171	0.123	Schools	88.862	88.862	88.862	0.000	People & Resources	4.283	4.118	4.572	0.455	Governance	7.675	7.651	7.764	0.114	Organisational Change 1	5.801	5.768	5.843	0.075	Organisational Change 2	2.422	2.288	1.985	(0.303)	Chief Executive	3.008	2.926	2.796	(0.130)	Central & Corporate Finance	25.642	24.990	23.228	(1.763)	Total	255.156	255.156	256.002	0.846
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1.03	<p>The reasons for the projected variances are summarised within Appendix 1 with key significant portfolio variances explained in paragraphs 1.04 to 1.09 below. As has been the practice in recent years where a variance has been</p>																																																																											

	<p>due to a conscious change to policy or practice, the resulting variance is managed corporately with the relevant portfolio not expected to meet any shortfall.</p>
1.04	<p><u>Streetscene & Transportation</u></p> <p>There is a projected overspend of £2.104m within this portfolio.</p> <p>The overspend partly comprises of the materialisation of some of the known significant risks identified when the 2017/18 budget was set by Council and other conscious changes to policy or practice which were detailed in the Month 4 report.</p> <p>The net position on the projected overspend excluding the conscious changes to policy and practice is a now an operating deficit of £0.767m.</p> <p>Work is ongoing to assess any potential impact on these in year variances on the Medium Term Financial Strategy (MTFS) forecast for 2018/19.</p>
1.05	<p><u>Social Services</u></p> <p>The projected outturn for Out of County placements in Children's Services is currently £1.365m over budget due to the number of high cost placements, this is an increase of £0.135m from the figure reported in month 7.</p>
1.06	<p><u>Education & Youth</u></p> <p>The projected outturn for the education element of Out of County placements is reporting an overspend of £0.245m. This is an increase of £0.121m from the amount reported in month 7. This increase is due to a number of new placements which have commenced within this period.</p>
1.07	<p><u>Planning & Environment</u></p> <p>There is a projected in-year Planning Fee Income shortfall of £0.255m due to the impact of the Welsh Government requirements for major developers to enter into pre consultation as detailed in the previous report.</p>
1.08	<p><u>Community & Enterprise</u></p> <p>There is a projected underspend on the Council Tax Reduction Scheme (CTRS) of £0.530m based on current demand which will be kept under review throughout the year together. There is also a favourable variance on the Council Tax Collection fund of £0.466m due to the conclusion of the Single Person Discount review work, this is a significant increase of £0.321m on the underspend reported in month 7.</p>
1.09	<p><u>Central & Corporate Finance</u></p> <p>There is a positive variance of £1.763m projected within this area which is mainly due to the finalisation of social care funding issues as previously reported.</p>

	<p>The underspend reported in month 7 has increased by £0.410m and is mostly due to a reduction in the in-year pension costs resulting from the auto enrolment of employees into the pension scheme. This became effective in October 2017 and an early analysis indicates that the actual numbers are less than originally estimated which results in a favourable variance of £0.442m for 2017/18. Further work is required to assess the impact on 2018/19.</p> <p>Other major variances within this area include a positive variance on the pension fund contributions due to a lower than anticipated pressure to fund the in-year increase due to the actuarial review of £0.295m offset by a shortfall in the income target of £0.412m and lower than anticipated levels of car parking income at County Hall of £0.080m.</p>
1.10	<p><u>Significant Movements between Month 7 and Month 8 Budget</u></p> <p>There has been no significant budget transfers between portfolios this month.</p>
1.11	<p><u>Achievement of Planned In-Year Efficiencies</u></p> <p>The Council set a challenging target for the level of efficiencies to be achieved in year as part of its approach to annual budget planning. These efficiencies are generated from the three year service portfolio business plans and from corporate financial planning. The 2017/18 budget contains £8.433m of specific efficiencies which are tracked and monitored. In recent years the level of efficiency achievement has averaged at around 85% though the council aspires to raise this to 95% in 2017/18 as reflected in the recent MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2017/18 shows that £7.940m (94%) of the efficiencies would be achieved which is 1% lower than the target. There is a further risk that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2018/19 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with the overall impact in relation to any impact for 2018/19 being reviewed as part of the ongoing work on the MTFS.</p>
1.12	<p>Tracking of In Year Risks and Emerging Issues</p> <p>At the time of setting the Budget for 2017/18 a number of significant risks were identified including the costs of procuring local public and school bus services and the potential reduction of the Single Environment Grant.</p>
1.13	<p>In addition to the known risks referred to above there are also a number of new risks emerging in-year which have been incorporated into the projected outturn and will also need carefully assessing for the potential impact on the 2018/19 budget.</p>
1.14	<p>These new issues are being monitored as part of the ongoing review of the Councils financial position and are shown in the table below with the current M8 variances included as part of the overall position:</p>

Council Tax Reduction Scheme (CTRS) – Reduction in demand	(0.530)
Council Tax Collection in year efficiency	(0.466)
Social Care Additional Funding in 17/18 – Estimated amount	(0.595)
Intermediate Care Fund (ICF) – Continuation of funding	(0.500)
Pension Deficit Recovery – Due to opt out and surplus allocation from budget pressure for actuarial review	(0.295)
Auto Enrolment – based on early information uptake is less than estimated	(0.433)
Markets Income – Decline in levels of income	0.054
Gas Engine Income – Further decrease to level of income over and above pressure included in 2017/18 budget (£0.150m)	0.200
Planning Fee Income – In year shortfall due to pre consultation	0.255
Shared Specialist Plant – Previous year efficiency not achieved	0.050
Motor Insurance Premium Increase - In year increase not anticipated	0.100
Street Lighting increase in 2017/18 of 16%	0.131
County Hall Parking – Lower than anticipated efficiency on parking permits	0.080
Procurement Supplier Charging – Previous year efficiency not achievable	0.116
Environmental Health Officer temporary posts	0.120
Central and Corporate Support Service pressure offset by efficiency on Audit Fees	0.127
Single Environment Grant – reduction in grant allocation	0.111
Transportation Costs – procuring local and school transport	0.675
Out of County Placements – projected care package costs	1.365
Income – shortfall on income target	0.412
Total New Emerging Risks	0.977

1.15	<p>Winter Maintenance</p> <p>There is a potential risk of overspend in the winter maintenance budget due to the recent snow event which may result in the use of winter maintenance reserves. Average winter consists of 70 turnouts and 5 snow days. The service has currently had 54 turnouts to date with the potential for further adverse weather over the next few months. 2,024 tonnes of salt was spread during the snow period in December.</p>
1.16	<p>Inflation</p> <p>Included within the 2017/18 budget are provision for pay (£0.915m), targeted price inflation (£0.313m), food (£0.051m), fuel (£0.033m) and Energy (£0.061m).</p>
1.17	<p>Portfolios have received their allocations for pay and price and there is a remaining balance of £0.014m which is included within the overall outturn figure.</p>
1.18	<p>No allocations have been made so far for non-standard inflation (NSI) in 2017/18. Areas that may be subject to NSI increases will be monitored throughout the year and any emerging pressures will be considered in future reports though at present it is anticipated that the allocation will be spent in full.</p>
1.19	<p>Reserves and Balances</p> <p><u>Un-earmarked Reserves</u></p> <p>The 2016/17 outturn reported to Cabinet on 18 July 2017 showed un-earmarked reserves at 31 March 2016 (above the base level of £5.769m) of £5.133m.</p>
1.20	<p>Taking into account the current projected overspend at Month 8 and previously agreed allocations the balance on the Contingency Reserve at 31 March 2018 is projected to be £4.236m as detailed in appendix 4.</p>
1.21	<p><u>Earmarked Reserves</u></p> <p>Earmarked reserves are monitored in accordance of the reserves protocol and summary of earmarked as at 1 April 2017 and an estimate of projected balances as at the end of the financial year will be included in the month 9 report.</p>
1.22	<p>Housing Revenue Account</p> <p>The 2016/17 Outturn Report to Cabinet on 18 July 2017 showed an un-earmarked closing balance at the end of 2016/17 of £1.116m and a closing balance of earmarked reserves of £0.526m.</p>

1.23	The 2017/18 budget for the HRA is £33.633m which includes a movement of £0.035m from reserves.
1.24	The Month 8 monitoring for the HRA is projecting in year expenditure to be £0.035m lower than budget and a closing un earmarked balance as at 31 March 2018 of £1.081m, which at 3.2% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.

2.00	RESOURCE IMPLICATIONS
2.01	The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first four months and the risks as known.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required

4.00	RISK MANAGEMENT
4.01	There are in-year risks and emerging issues which are covered in the main section of the report from paragraph 1.12 to 1.15. Details of these risks were reported in full within the Month 4 report.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 7 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

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

7.00	GLOSSARY OF TERMS
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7.01	Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.
	Council Fund: the fund to which all the Council's revenue expenditure is charged.
	Financial Year: the period of twelve months commencing on 1 April.
	Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.
	Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date. Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.
	Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.
	Underspend: when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.
	Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.
	Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.
	Medium Term Financial Strategy: a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.078	Residential Care - decrease in service user contributions from property income £0.036m and increases in service users £0.042m
Resources & Regulated Services	0.052	Increased costs of in-house home care provision due to external domiciliary care providers cancelling contracts
Other Minor Variances	0.010	
Disability Services		
Resources & Regulated Services	(0.117)	Cost reductions on some service contracts and additional joint funding contributions from Betsi Cadwaladr University Health Board (BCUHB)
Disability Services	(0.030)	Updated projection based on latest information on service user placements
Other Minor Variances	0.007	
Mental Health Services		
Residential Placements	0.067	The increase is due to two new service user placements
Other Minor Variances	(0.015)	
Children's Services		
Family Support	0.031	Increase in staffing costs in order to meet service user demand
Out of County Placements	0.135	Net impact of new placements, ended placements and changes to placement end dates.
Other Minor Variances	0.024	
Development & Resources		
Other Minor Variances	(0.038)	
Total Social Services	0.203	
Community & Enterprise		
Customer And Housing Services	0.019	Minor variances.
Council Fund Housing	(0.038)	The variance is mostly for the Telecare contract, the new contract will now begin in April 2018.
Regeneration	0.051	Variance due to the unachieved framework income for Energy Efficiency projects within 2017/18.
Revenues & Benefits	(0.332)	Variance largely relates to the Single Person Discount review work which has been concluded £0.345m. Other minor variances £0.013m.
Housing Programmes	0.004	Minor variances.
Total Community & Enterprise	(0.296)	
Streetscene & Transportation		
Ancillary Services & Performance		
Other Minor Variances	0.027	Cummulative amount of minor variances each under £0.025m. The largest variance is on Waste Collection Services which is £0.023m
Highways Network		
Other Minor Variances	0.008	Minor variances.
Transportation & Logistics		
Other Minor Variances	0.008	Minor variances.
Total Streetscene & Transportation	0.043	

Planning & Environment		
Business		
Minor Variances	0.002	Minor variances.
Community		
Minor Variances	0.021	Minor variances.
Development		
Minor Variances	(0.005)	Minor variances.
Access		
Minor Variances	0.004	Minor variances.
Shared Services		
Minor Variances	0.000	
Strategy		
Minor Variances	0.002	Minor variances.
Management Strategy	(0.003)	Minor variances.
Total Planning & Environment	0.020	
Education & Youth		
Inclusion & Progression	0.121	Adverse movement in variance largely relates to Out of County placements. Several new placements have been agreed during the period. Includes other minor variances from within service area.
Integrated Youth Provision	(0.022)	Minor variances only.
School Improvement Systems	(0.017)	Minor variances only.
Total Education & Youth	0.082	
Schools	0.000	
People & Resources		
HR & OD	0.016	Minor variances
Corporate Finance	(0.020)	Minor variances
Total People & Resources	(0.004)	
Governance		
Legal Services	0.009	Minor variances
Democratic Services	(0.004)	Minor variances
Internal Audit	0.004	Minor variances
Procurement	0.000	No variance
ICT	0.004	Minor variances
Total Governance	0.013	
Organisational Change 1		
Public Libraries & Arts, Culture & Events	(0.007)	Minor variances
Museums	0.000	No variance
County Archives	0.003	Minor variances
Leisure	0.000	No variance
Community Assets	0.000	No variance
Total Organisational Change 1	(0.004)	
Organisational Change 2		
Industrial Units	(0.026)	£0.026m underspend resulting from a reduced repairs and maintenance spend.
Minor Variances	(0.037)	Cummulative amount of minor variances each under £0.025m. The largest variance is on Property Asset & Development which is £0.016m
Total Organisational Change 2	(0.063)	
Chief Executive	(0.001)	Minor variances
Central and Corporate Finance	(0.410)	Auto enrolment of employees to the pension scheme became effective in October 2017. Early analysis indicates that the actual numbers are less than estimated which gives a favourable in year variance of £0.443m. Windfall income an underachievement of £0.040m. Minor variances £0.007m.
Grand Total	(0.416)	

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Social Services						
Older People						
Localities	15.990	15.584	(0.406)	(0.484)	Domiciliary Care reflects a projected underspend of £0.068m based on existing service users. Other underspends include a projected underspend of £0.104m on Intake/First Contact of which £0.071m is due to part year vacancy savings from within the Single Point of Access team. Locality Teams staffing reflects a projected underspend of £0.230m due to short term vacancy savings for a number of posts. Overall net minor variances £0.004m.	Continue to monitor and review.
Reablement Services	0.469	0.395	(0.074)	(0.005)	Reablement reflects a projected underspend of £0.074m which is due to additional Continuing Health Care (CHC) funding from BCUHB	Continue to monitor and review.
Community Equipment Contribution	0.478	0.378	(0.100)	(0.100)	Following review and implementation of an updated Section 33 partnership agreement for the North East Wales Community Equipment Store (NEWCES), the contribution levels of partners have been updated resulting in a reduced level of contribution from FCC going forward. In the longer term this saving has been earmarked for funding of some of the revenue costs for the new extra care facilities.	Continue to monitor and review.
Resources & Regulated Services	5.983	5.513	(0.470)	(0.521)	The main influences on the projected underspend of £0.470m are short term vacancy savings within extra care schemes £0.215m, due to recruitment and retention difficulties in the care sector. Additional residential client contributions amount to £0.264m, together with a further projected underspend of £0.016m on Residential Care due mainly to short term vacancy savings. Other minor variances amount to a net £0.025m.	Continue to monitor and review.
Minor Variances	0.234	0.232	(0.002)	(0.002)		
Disability Services						
Resources & Regulated Services	19.744	19.947	0.202	0.320	There are long standing and ongoing demand influenced pressures within the externally provided Supported Living services amounting to £0.145m. Work Opportunities and Day Services show a pressure of £0.088m, which is due to the delay in letting a new contract under an alternative delivery model (ADM). There is also a projected underspend of £0.076m on externally purchased care on Physical Disabilities and Sensory Impairment (PDSI), and a projected overspend of £0.045m on in house supported living.	Continue to monitor and review.
Disability Services	0.716	0.530	(0.186)	(0.157)	Increased CHC Funding for two service users under Transition to Adulthood from BCUHB. In addition, the contribution the Council is required to make for four high cost Transition service users to Welsh Government for residential college placements has reduced.	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Administrative Support	0.168	0.015	(0.153)	(0.152)	The projected underspend is due mainly to short term vacancy savings.	Continue to monitor and review.
Minor Variances	0.692	0.689	(0.003)	(0.010)		

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<i>Mental Health Services</i>						
Residential Placements	1.140	1.505	0.365	0.298	Ongoing pressure due to the numbers of long term residential placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Professional Support	0.736	0.686	(0.050)	(0.049)	Aggregate saving due to a number of short term vacancy savings	Continue to monitor and review
Minor Variances	1.789	1.748	(0.041)	(0.026)		
<i>Children's Services</i>						
Family Placement	2.464	2.652	0.188	0.185	There is a long standing and ongoing pressure due to sustained demand influences beyond the level of the allocated budget	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Family Support	0.296	0.369	0.073	0.042	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	4.808	5.018	0.209	0.193	The projected overspend is due mainly to ongoing service pressures particularly within Prevention and Support, and is influenced by the need to support wider regional work on child protection issues	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Out of County Placements	3.641	5.006	1.365	1.230	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	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action.
Minor Variances	1.291	1.298	0.007	0.003		
<i>Development & Resources</i>						
Charging Policy income	(2.641)	(2.788)	(0.148)	(0.125)	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	0.908	0.098	0.114	There are continued significant demand influenced pressures on this service particularly within Adults safeguarding due to a significant increase in the numbers of referrals and the ongoing impact of the Deprivation of Liberty Safeguarding (DoLS) assessments.	Following recent feedback from Corporate Resources Overview and Scrutiny committee, a full review will be undertaken of the reasons for this overspend and an action plan will be drawn up with a view to early remedial action
Good Health	0.941	0.824	(0.116)	(0.124)	The projected underspend is due to a number of short term vacancy savings and from recouping an overpayment from a Voluntary Organisation	Continue to monitor and review.
Minor Variances	2.704	2.718	0.014	0.021		
Total Social Services	62.454	63.227	0.773	0.570		

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Community & Enterprise						
Customer And Housing Services	1.568	1.601	0.033	0.014	Minor variances only	
Council Fund Housing	(0.372)	(0.433)	(0.061)	(0.023)	Variance relates to the Telecare contract changes, management decision not to run new and existing contracts parallel until April.	This will be closely monitored in 2018/19.
Regeneration	0.412	0.509	0.097	0.046	Variance relates to Markets income review £0.054m and unachieved framework income for Energy Efficiency projects within 2017/18 £0.050m. Includes other minor variances £0.007m.	Continue to closely monitor income levels.
Revenues & Benefits	10.792	9.791	(1.001)	(0.669)	Variance relates to the Council Tax Reduction Scheme £0.530m and conclusion of the Single Person Discount review work £0.466m. Includes other minor variances of £0.005m from across the service.	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Housing Programmes	0.140	0.149	0.009	0.005	Minor variance only	
Minor Variances				0.000		
Total Community & Enterprise	12.540	11.617	(0.923)	(0.627)		
Streetscene & Transportation						
Ancillary Services & Performance						
Waste Collection	7.118	7.558	0.440	0.417	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. Increase in CPI apply to the waste treatment contract of 2.8% above the 1% built into the monitoring, 0.030m. £0.020m pressure from additional NNDR costs due to the reassessment of two Household Recycling sites. Minor variances £0.029m	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 - £0.299m
Parking & Enforcement	(0.084)	0.024	0.109	0.108	Shortfall of income from Flint Car Parking £0.100m. Pressure due to the town centre re-development being ongoing and impacting on the rollout of changes across the town. Minor variances £0.009m.	Keep under review as part of MTFS Reported in Programme Board Efficiency Tracker
Other Minor Variances	0.798	0.796	(0.003)	(0.006)		

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Highways Network						
Highways Network	7.466	7.810	0.344	0.335	<p>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.</p> <p>Street lighting energy prices above the 2% standard with an increase of 16% resulting in a pressure of £0.131m.</p> <p>Public conveniences at Holywell and Mold (New Street) were due to close in April this year, however they will not close until March 2018 resulting in a pressure of £0.063m.</p> <p>The balance is the a cumulative amount of minor variances</p> <p>Potential risk of overspend in the winter maintenance budget due to the recent snow event which may result in the use of winter maintenance reserves. Average winter consists of 70 turnouts and 5 snow days. The service has currently had 54 turnouts to date with the potential for further adverse weather over the next few months. 2,024 tonnes of salt was spread during the snow period in December.</p>	Keep under review as part of MTFS. Reported in Programme Board Efficiency Tracker. Continue to monitor street lighting energy prices.
Transportation & Logistics						
Logistics & Resource Services	4.518	4.706	0.188	0.182	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. Minor variances £0.038m.	Keep under review as part of MTFS
School Transport	4.734	4.919	0.185	0.185	Ongoing additional subsidy costs following re-procurement for covering various school transport routes £0.185m.	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.
Transportation	1.598	2.439	0.841	0.841	Ongoing additional subsidy costs following re-procurement for covering various public transport routes and the delay in introducing the Bus Subsidy efficiency in 17/18 £0.840m	Keep under review as part of MTFS. Reported in Programme Board Efficiency Tracker
Other Minor Variances	1.432	1.431	(0.000)	(0.002)		
Total Streetscene & Transportation	27.580	29.684	2.104	2.061		

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Planning & Environment Business						
Pollution Control	0.476	0.532	0.056	0.050	An increase in prosecutions for unlicensed and unsafe residential properties has resulted in two temporary Environmental Health Officers being recruited to deal with this increase in demand.	Invest to Save funding bid for 2018/19
Minor Variances	1.086	1.067	(0.019)	(0.015)		Continue to monitor committed expenditure and reduce/remove expenditure where possible
Community						
Pest Control	0.004	0.054	0.050	0.044	Despite the the fact that the service has seen an increase in referrals during 2016/17 and onwards into 2017/18, the income target is unlikely to be achieved, based on current projections.	
Minor Variances	0.898	0.852	(0.046)	(0.061)	Minor variances.	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Development						
Development Management	(0.384)	(0.129)	0.255	0.243	The projected Planning Fee Income shortfall is currently £0.255m as the economy has not continued to recover to the extent which the 3 year Business Plan forecast but the number of applications has increased. The annual income target for non-statutory Pre-Application Fees was met in Q1 and income has continued to increase only slowing down in recent weeks.	Continue to monitor Planning Fee levels and adjust projection accordingly
Minor Variances	0.158	0.106	(0.052)	(0.034)	Cumulative minor variances from a number of services.	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Access						
Greenfield Valley	0.326	0.288	(0.039)	(0.046)	Vacancy savings and reduced zero hours contracts	Service review within Countryside is currently being undertaken
Minor Variances	1.015	1.012	(0.003)	0.001	Minor variances.	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Shared Services						
Minor Variances	0.177	0.177	(0.000)	0.000	Minor variances.	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Strategy						
Minor Variances	0.833	0.819	(0.013)	(0.015)	Minor variances.	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Management Strategy	0.343	0.474	0.130	0.134	Balance of Business Planning Efficiencies for Staffing	Continue to monitor committed expenditure and reduce/remove expenditure where possible
Total Planning & Environment	4.932	5.253	0.320	0.301		
Education & Youth						
Inclusion & Progression	6.843	7.088	0.245	0.124	Variance largely relates to Out of County placements £0.262m. Several new placements have commenced during the period. Includes other minor variances from across the service. Minor variances £0.017m.	Continue close monitoring arrangements and updates following moderation meetings.
Integrated Youth Provision	1.345	1.298	(0.047)	(0.025)	Minor variances from across service area.	
School Improvement Systems	1.873	1.839	(0.034)	(0.017)	Minor variances from across service area.	
Business Change & Support	0.377	0.335	(0.042)	(0.042)	Minor variances. Includes savings following the review of software purchase.	
Minor Variances	0.611	0.611	(0.000)	0.000		
Total Education & Youth	11.048	11.171	0.123	0.041		
Schools	88.862	88.862	0.000	(0.000)		

Budget Monitoring Report
Council Fund Variances

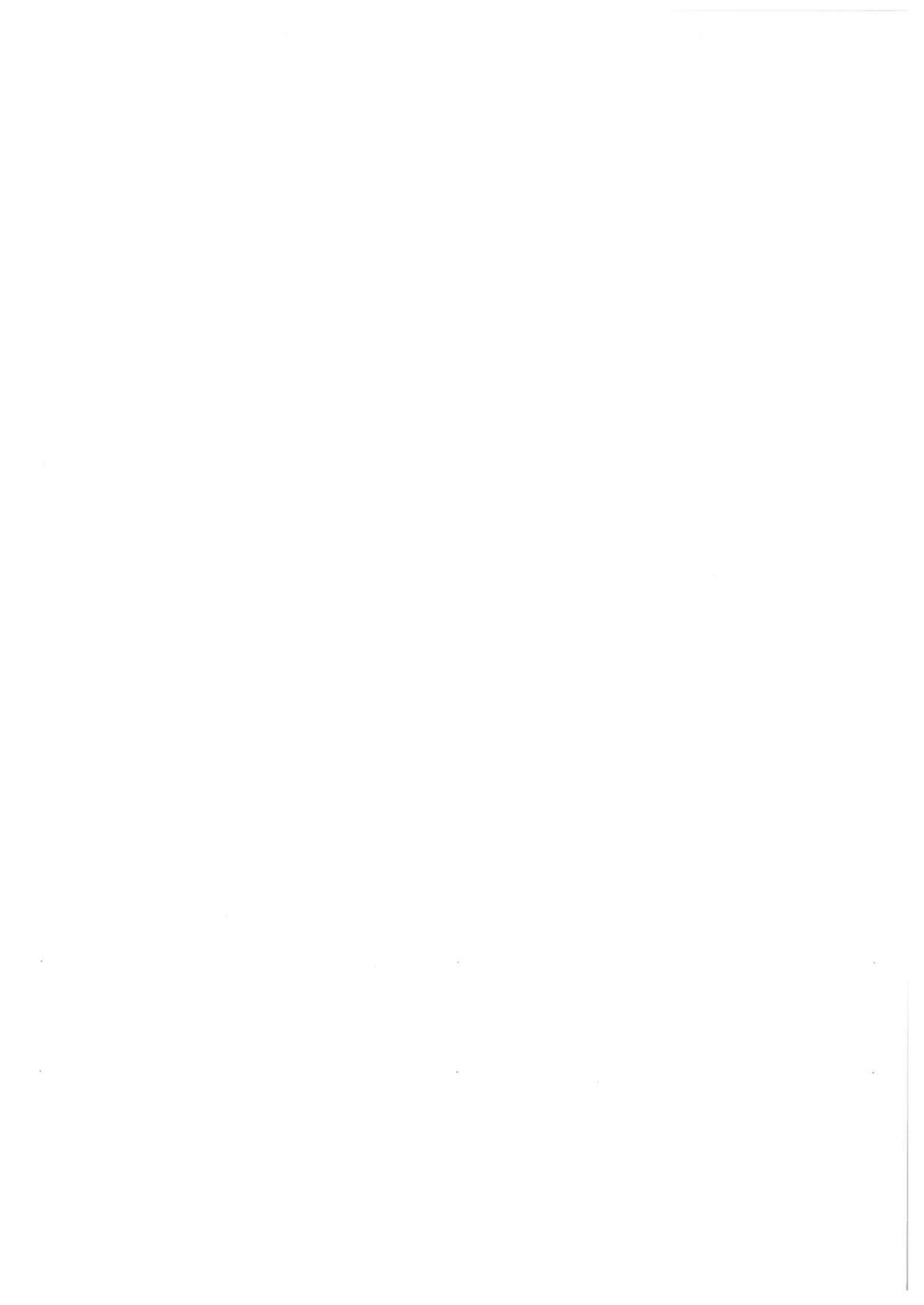
MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
People & Resources						
HR & OD	2.029	2.219	0.190	0.174	The overspend is due to partial achievement of business planning efficiency and loss of income contribution from Wrexham Occupational Health Services	Service delivery options are being considered for the Occupational Health Service
Corporate Finance	2.089	2.354	0.265	0.285	This is due to the roll out of manager self serve and the operating model review taking longer than planned	Continue to look for income maximisation and progress structural review
Total People & Resources	4.118	4.572	0.455	0.459		
Governance						
Legal Services	0.688	0.702	0.014	0.005	Minor variances	Continue to monitor and review
Democratic Services	1.924	1.929	0.005	0.009	Minor variances	Continue to monitor and review
Internal Audit	0.443	0.375	(0.069)	(0.072)	Due to in-year vacancies	Continue to monitor and review
Procurement	0.168	0.296	0.128	0.128	Due to conscious decision to no longer pursue supplier income for registration onto the Councils payment portal	Pressure to be considered as part of the MTF5
ICT	4.428	4.463	0.035	0.031	Minor variances	Continue to monitor and review
Total Governance	7.651	7.764	0.114	0.100		
Organisational Change 1						
Public Libraries & Arts, Culture & Events	1.583	1.589	0.006	0.013	Minor variances	Continue to monitor and review
Museums	0.067	0.067	(0.000)	(0.000)	Minor variances	Continue to monitor and review
County Archives	0.286	0.289	0.003		Minor variances	Continue to monitor and review
Leisure	3.807	3.874	0.067	0.067	Aura Leisure and Libraries Ltd was established on 1st September. This was delayed by 2 months due to a range of queries in 3 separate responses from the Financial Conduct Authority (FCA) in registering the company. These issues are now resolved.	Continue to monitor and review
Community Assets	0.024	0.024	0.000	0.000	Minor variances	Continue to monitor and review
Total Organisational Change 1	5.768	5.843	0.075	0.079		
Organisational Change 2						
Administrative Buildings	1.241	1.130	(0.111)	(0.112)	£0.111m estimated efficiencies from the closure of phases 3 and 4 in County Hall. Other minor variances	
Agricultural Estates	(0.189)	(0.160)	0.028	0.037	Minor variances	
Property Holdings	0.015	(0.010)	(0.025)	(0.010)	Minor Variances	
Property Asset And Development	0.446	0.345	(0.101)	(0.085)	£0.066m in year salary savings. Other minor variances £0.035m	
Caretaking & Security	0.302	0.260	(0.042)	(0.035)	Minor Variances	
CPM & Design Services	0.691	0.474	(0.217)	(0.221)	£0.139m projected additional fee income above target. £0.070m in year salary savings. Other minor variances £0.008m	
Industrial Units	(1.153)	(1.021)	0.132	0.158	£0.132m as a result of unachieved rental income, to be offset against office efficiencies.	
CCTV & Open Spaces	0.184	0.215	0.031	0.027	Minor Variances	
Minor Variances	0.752	0.752	(0.000)	(0.000)		
Total Organisational Change 2	2.288	1.985	(0.303)	(0.241)		
Chief Executive	2.926	2.796	(0.130)	(0.129)	Due to in-year vacancy savings and underspends on specialist budgets such as sustainable development, Your Community/Your Council and public relations.	Continue to monitor and review

Budget Monitoring Report
Council Fund Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Central and Corporate Finance	24.990	23.228	(1.763)	(1.352)	<p>An underachievement on the income target of £0.412m, though work is continuing to identify areas of opportunity.</p> <p>Support Services recharge, has resulted in a shortfall of £0.234m due to a reduction in overall operating costs.</p> <p>Car parking permit income shortfall of £0.080m.</p> <p>Reduced audit fees, underspend of £0.127m</p> <p>Social Services, one off in year underspend of £1.608m held centrally to mitigate any in year overspends; £0.513m resulting from remaining pressure budgeted in 17/18 no longer required, £0.500m due to funding being secured from the Regional Integrated Care Fund, a revenue grant allocation on a one off basis. An additional £0.595m of Welsh Government funding for Social Care has recently been confirmed.</p> <p>Projected Pension fund variance £0.295m due to surplus of budget required for increase in contributions in 2017/18.</p> <p>Apprentice Tax Levy underspend of £0.049m, increased data has enabled a more accurate projection.</p> <p>Auto enrolment of employees to the pension scheme became effective in October 2017. Early analysis indicates that the actual numbers are less than estimated which gives a favourable in year variance of £0.443m.</p> <p>Windfall income an underachievement of £0.040m.</p> <p>Minor variances £0.007m.</p>	<p>Work is continuing to identify areas of opportunity to generate income. Keep under review as part of MTFS considerations.</p> <p>Social Services - Keep under review as part of MTFS considerations to assess 18/19 impact</p> <p>Pension Fund / Apprentice Tax Levy - Keep under review in year to consider potential for mitigation of 18/19 pressure. Auto enrolment - further analysis is required to assess the impact on 2018/19.</p>
Grand Total	255.156	256.002	0.846	1.262		



2017/18 Efficiencies Outturn - Under or Over Achieved

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over
	2017/18 £(m)	2017/18 £(m)	Achievement 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	0.200	(0.070)
Review of Human Resources & Organisational Design operating model and job roles and various other efficiencies.	0.148	0.052	(0.096)
DBS recharges	0.058	0.025	(0.033)
Total People & Resources	0.476	0.277	(0.199)
Governance			
ICT - Reduction in management, staff and non pay costs.	0.350	0.310	(0.040)
Total Governance	0.350	0.310	(0.040)
Social Services			
Develop alternative approaches to in house day services and work opportunity schemes	0.250	0.162	(0.088)
Total Social Services	0.250	0.162	(0.088)
Education & Youth			
Music Service to move to full cost recovery model.	0.035	0.012	(0.023)
Total Education & Youth	0.035	0.012	(0.023)
Organisational Change 1			
Alternative Delivery Models	0.415	0.335	(0.080)
Total Organisational Change 1	0.435	0.355	(0.080)
Community & Enterprise			
Council Tax Reduction Scheme.	0.200	0.730	0.530
Total Community & Enterprise	0.200	0.730	0.530
Streetscene & Transportation			
Develop energy production at landfill.	0.100	0.000	(0.100)
Review subsidised bus routes.	0.350	0.000	(0.350)
Total Streetscene & Transportation	0.450	0.000	(0.450)
Planning & Environment			
Staffing - management restructure.	0.125	0.062	(0.063)
Self financing for Public Protection Services.			
- Animal & Pest Control.			
- Licencing Charging.	0.030	0.000	(0.030)
Increase in planning fees (15% WG increase) and applications	0.015	0.000	(0.015)
Increase in number of planning applications	0.035	0.000	(0.035)
Total Planning & Environment	0.205	0.062	(0.143)
Total 2017/18 Budget Efficiencies		%	£
Total Projected 2017/18 Budget Efficiencies Underachieved		100	8.433
Total Projected 2017/18 Budget Efficiencies Achieved		6	0.493
		94	7.940

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2017	10.953	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		5.184
Less – allocation from the Contingency Reserve to support initial set up costs and final technical support for the Community Asset Transfer (CAT) of Holywell Leisure Centre and Alternative Delivery Model (ADM) agreed in 2016/17		(0.050)
Less – allocation from the Contingency Reserve to provide financial support to meet in-year budget pressures in 2017/18 for regional economic structures and support for events		(0.052)
Less – projected outturn overspend		(0.846)
Total Contingency Reserve as at 31st March 2018		4.236



Budget Monitoring Report
Housing Revenue Account Variances

MONTH 8 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(32 267)	(32 264)	0 005	0 099	£0 078m reflects the decision to delay implementation of Service Charges to 1st April 2018 (from January 2018) to allow more time for full consultation. £0 034m relates to the loss of income on garages following refurbishments and demolition. £0 150m relates to a reduction in the contribution towards the provision for bad debts. This is a permanent reduction which is reflected in the budget for 2018/19. £0 010m relates to changes in the anticipated handover dates for new properties. The remaining £0 032m relates to minor variances.	Continue to monitor and review
Capital Financing - Loan Charges	7 545	7 411	(0 134)	(0 134)	£0 118m relates to a reduction in the expected interest charge for HRA borrowing. This is because interest rates have remained low since the Brexit referendum. Borrowing costs have also been minimized through efficient treasury management. £0 016m relates to a reduction in the minimum revenue payment (MRP). This is calculated based on the total HRA borrowing at 31st March 2017 which was slightly lower than assumed in the budget.	Continue to monitor and review
Estimate Management	1 033	1 590	(0 557)	(0 213)	Minor Variance	Continue to monitor and review
Landlord Service Costs	1 311	1 302	(0 909)	0 021	Minor variance	Continue to monitor and review
Repairs & Maintenance	8 606	8 110	(0 496)	(0 234)	A saving of £0 456m is anticipated on Repairs and Maintenance. £0 177m relates to staffing costs. £0 327m relates to subcontractor spend. This expenditure is reflected in the capital budget. The remaining £0 008m relates to minor variances.	Continue to monitor and review
Management & Support Services	2 273	2 205	(0 068)	(0 068)	£0 035m relates to vacancy savings. £0 010m relates to a reduction in the projected Apprentices Levy. £0 025m relates to software. The remaining £0 002m relates to minor variances.	Continue to monitor and review
Capital Expenditure From Revenue (CERA)	10 890	11 484	0 594	0 385	The variance of £0 594m relates to an increase in the contribution from revenue towards capital costs. This increase is possible because of decreased costs elsewhere in the HRA. Contributing towards the capital budget from revenue reduces the requirement to borrow.	Continue to monitor and review
HRA Projects	0 046	0 197	0 151	(0 000)	£0 146m relates to SHARP pre-development costs which were approved by Cabinet in March 2017. If these schemes are approved before 31st March 2018, then costs will be capitalised.	In March 2017 Cabinet approved progression of site investigation works on several possible sites for SHARP. If, for any reason, schemes are not approved by 31st March 2018, these costs will be charged to the HRA.
Contribution To / (From) Reserves	(0 035)	(0 035)	0 000	0 000	No variance	
Total Housing Revenue Account	(0 000)	(0 000)	(0 000)	(0 000)		

