



CABINET MEETING

Date of Meeting	Tuesday, 24 October 2017
Report Subject	Revenue Budget Monitoring 2017/18 (MONTH 5)
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 5 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 £1.348m more than budget
- Projected contingency reserve balance as at 31 March 2018 of £3.734m

Housing Revenue Account

- Net in-year expenditure forecast to be £0.026m higher than budget
- Projected closing balance as at 31 March 2018 of £1.090m

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 5 POSITION																																																																																
1.01	<p><u>Council Fund Overall Position</u></p> <p>The operating deficit reported is £1.348m above budget which is an increase of £0.092m 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>63.060</td> <td>63.428</td> <td>0.369</td> </tr> <tr> <td>Community & Enterprise</td> <td>12.518</td> <td>12.540</td> <td>11.968</td> <td>(0.572)</td> </tr> <tr> <td>Streetscene & Transportation</td> <td>27.467</td> <td>27.580</td> <td>29.576</td> <td>1.996</td> </tr> <tr> <td>Planning & Environment</td> <td>5.043</td> <td>4.932</td> <td>5.392</td> <td>0.460</td> </tr> <tr> <td>Education & Youth</td> <td>10.966</td> <td>10.960</td> <td>10.956</td> <td>(0.005)</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>4.128</td> <td>4.585</td> <td>0.458</td> </tr> <tr> <td>Governance</td> <td>7.675</td> <td>7.651</td> <td>7.827</td> <td>0.176</td> </tr> <tr> <td>Organisational Change 1</td> <td>5.801</td> <td>5.821</td> <td>5.900</td> <td>0.079</td> </tr> <tr> <td>Organisational Change 2</td> <td>2.422</td> <td>2.288</td> <td>2.094</td> <td>(0.194)</td> </tr> <tr> <td>Chief Executive</td> <td>3.008</td> <td>2.940</td> <td>2.822</td> <td>(0.119)</td> </tr> <tr> <td>Central & Corporate Finance</td> <td>25.642</td> <td>24.395</td> <td>23.094</td> <td>(1.301)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>255.156</td> <td>255.156</td> <td>256.504</td> <td>1.348</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	63.060	63.428	0.369	Community & Enterprise	12.518	12.540	11.968	(0.572)	Streetscene & Transportation	27.467	27.580	29.576	1.996	Planning & Environment	5.043	4.932	5.392	0.460	Education & Youth	10.966	10.960	10.956	(0.005)	Schools	88.862	88.862	88.862	0.000	People & Resources	4.283	4.128	4.585	0.458	Governance	7.675	7.651	7.827	0.176	Organisational Change 1	5.801	5.821	5.900	0.079	Organisational Change 2	2.422	2.288	2.094	(0.194)	Chief Executive	3.008	2.940	2.822	(0.119)	Central & Corporate Finance	25.642	24.395	23.094	(1.301)						Total	255.156	255.156	256.504	1.348
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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 1.08 below. As has been the practice in recent years where a variance has been 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 £1.996m 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 as detailed in the Month 4 report.</p> <p>The net position on the projected overspend excluding the above decisions is a net operating deficit of £0.632m.</p>
1.05	<p><u>Social Services</u></p> <p>The projected outturn for Out of County placements in Children's Services is currently £0.701m due to the number of Child and Parent placements.</p>
1.06	<p><u>Planning & Environment</u></p> <p>There is a projected in-year Planning Fee Income shortfall of £0.300m due to the impact of the Welsh Government requirements for major developers to enter into pre consultation as detailed in the previous report.</p>
1.07	<p><u>Community & Enterprise</u></p> <p>There is a projected underspend on the Council Tax Reduction Scheme (CTRS) of £0.404m based on existing demand which will be kept under review throughout the year together with a favourable variance on the Council Tax Collection fund of £0.156m.</p>
1.08	<p><u>Central & Corporate Finance</u></p> <p>There is a positive variance of £1.301m projected within this area which is mainly due to the finalisation of social care funding issues as detailed last month.</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 £0.288m 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>
1.09	<p><u>Significant Movements between Month 4 and Month 5 Budget</u></p> <p>There has been an accounting adjustment to transfer £0.221m from Central & Corporate Finance to Social Services and Streetscene & Transportation for an allocation of price inflation.</p>
1.10	<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%</p>

	<p>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 £7.779m (92%) of the efficiencies would be achieved which is 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 2 with the overall impact in relation to any impact for 2018/19 being reviewed as part of the ongoing work on the MTFS.</p>																																
1.11	<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>																																
1.12	<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>																																
1.13	<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 M5 variances included as part of the overall position:</p> <table border="1"> <tr> <td>Council Tax Reduction Scheme (CTRS) – Reduction in demand</td> <td>(0.404)</td> </tr> <tr> <td>Council Tax Collection in year efficiency</td> <td>(0.156)</td> </tr> <tr> <td>Social Care Additional Funding in 17/18 – Estimated amount</td> <td>(0.595)</td> </tr> <tr> <td>Intermediate Care Fund (ICF) – Continuation of funding</td> <td>(0.500)</td> </tr> <tr> <td>Pension Deficit Recovery – Due to opt out and surplus allocation from budget pressure for actuarial review</td> <td>(0.288)</td> </tr> <tr> <td>Markets Income – Decline in levels of income</td> <td>0.050</td> </tr> <tr> <td>Gas Engine Income – Further decrease to level of income over and above pressure included in 2017/18 budget (£0.150m)</td> <td>0.200</td> </tr> <tr> <td>Planning Fee Income – In year shortfall due to pre consultation</td> <td>0.325</td> </tr> <tr> <td>Shared Specialist Plant – Previous year efficiency not achieved</td> <td>0.050</td> </tr> <tr> <td>Motor Insurance Premium Increase - In year increase not anticipated</td> <td>0.100</td> </tr> <tr> <td>Street Lighting increase in 2017/18 of 16%</td> <td>0.131</td> </tr> <tr> <td>County Hall Parking – Lower than anticipated efficiency on parking permits</td> <td>0.080</td> </tr> <tr> <td>Procurement Supplier Charging – Previous year efficiency not achievable</td> <td>0.116</td> </tr> <tr> <td>Environmental Health Officer temporary posts</td> <td>0.120</td> </tr> <tr> <td>Central and Corporate Support Service pressure offset by efficiency on Audit Fees</td> <td>0.107</td> </tr> <tr> <td>Single Environment Grant – reduction in grant allocation</td> <td>0.111</td> </tr> </table>	Council Tax Reduction Scheme (CTRS) – Reduction in demand	(0.404)	Council Tax Collection in year efficiency	(0.156)	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	(0.288)	Markets Income – Decline in levels of income	0.050	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	0.325	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	0.107	Single Environment Grant – reduction in grant allocation	0.111
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	Transportation Costs – procuring local and school transport	0.675																														
	Out of County Placements – projected care package costs	0.701																														
	Income – shortfall on income target	0.412																														
	Total New Emerging Risks	1.235																														
1.14	<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>																															
1.15	<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>																															
1.16	<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>																															
1.17	<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>																															
1.18	<p>Taking into account the current projected overspend at Month 5 and previously agreed allocations the balance on the Contingency Reserve at 31 March 2018 is projected to be £3.734m as detailed in appendix 4.</p>																															
1.19	<p><u>Earmarked Reserves</u></p> <p>The table below gives a summary of earmarked reserves as at 1 April 2017 and provides an estimate of projected balances as at the end of the current financial year.</p>																															
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APPENDIX A

	Building Control	121,719	121,719
	Waste Disposal	312,080	312,080
	Flintshire Enterprise Ltd	67,387	67,387
	Design Fees	200,000	100,000
	Winter Maintenance	215,000	215,000
	Car Parking	26,252	26,252
	Insurance Funds	1,471,156	1,473,092
	Cash Receipting Review	79,337	79,337
	LMS Curriculum	785,204	15,810
	Flintshire Trainees	397,814	397,814
	Kitchen Refurb	110,000	0
	Rent Income Shortfall	300,000	300,000
	Schools Kitchen Ventilation	200,000	0
	Customer Service Strategy	129,000	129,000
	Capita One	108,827	108,827
	PSBA	530,000	530,000
	Supervision Fees	141,224	141,224
	Transportation Review	170,200	170,200
	Grants & Contributions	2,554,749	2,480,866
	Total	20,326,710	11,948,736
1.21	Housing Revenue Account		
	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.		
1.22	The 2017/18 budget for the HRA is £33.633m which includes a movement of £0.035m from reserves.		
1.23	The Month 5 monitoring for the HRA is projecting in year expenditure to be £0.026m lower than budget and a closing un earmarked balance as at 31 March 2018 of £1.090m, 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 1.11 to 1.13. Details of these risks were reported in full in the month 4 report.

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 (Finance Manager) 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.
7.11	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 5 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.293	Variance due to the realignment of budget for £0.0300m as approved by Cabinet within Month 4 revenue budget monitoring report and minor variances.
Other Minor Variances	0.005	
Disability Services		
Resources & Regulated Services	(0.304)	Realignment of budget for £0.300m as approved by Cabinet within Month 4 revenue budget monitoring report and minor variances.
Transition & Disability Services	0.025	Contribution to costs of Emergency Duty team
Other Minor Variances	(0.028)	
Mental Health Services		
Other Minor Variances	0.024	
Children's Services		
Family Support	(0.025)	Reduction in projected pay costs for additional hours
Out of County Placements	0.076	Net impact of changes in placements (new placements £0.163m offset by placements ended £0.087m)
Other Minor Variances	(0.002)	
Development & Resources		
Safeguarding Unit	0.026	Grant income no longer being received £0.022m, plus other minor movements
Other Minor Variances	(0.035)	
Total Social Services	0.055	
Community & Enterprise		
Customer And Housing Services	0.024	Minor variances.
Council Fund Housing	(0.006)	Minor variances.
Regeneration	(0.002)	Minor variances.
Revenues & Benefits	(0.008)	Minor variances.
Housing Programmes	(0.010)	Minor variances.
Total Community & Enterprise	(0.002)	
Streetscene & Transportation		
Ancillary Services & Performance		
Other Minor Variances	(0.007)	
Highways Network		
Highways Network	0.087	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. Return of funding from the Road Safety Revenue grant for ineligible spend in 2016/17 £0.010m.
Transportation & Logistics		
Other Minor Variances	0.005	
Total Streetscene & Transportation	0.085	

Planning & Environment		
Business		
Minor Variances	(0.002)	
Community		
Minor Variances	(0.013)	
Development		
Development Management	(0.037)	Increase in Planning Fee Income.
Minor Variances	(0.009)	
Access		
Greenfield Valley	0.021	Appointment of 2 Assistant Ranger posts on a fixed term contract during Service Review.
Minor Variances	0.003	
Strategy		
Minor Variances	(0.007)	
Total Planning & Environment	(0.043)	
Education & Youth		
Inclusion & Progression	0.064	Increase in Out of County educational placements.
School Improvement Systems	0.027	Music Service lower than expected take up following pupil movement between schools.
Other Minor Variances	(0.018)	
Total Education & Youth	0.072	
Schools	(0.000)	
People & Resources		
HR & OD	(0.003)	Minor variances.
Corporate Finance	0.003	Minor variances.
Total People & Resources	0.000	
Governance		
Legal Services	(0.000)	Minor variances.
Democratic Services	0.000	Minor variances.
Internal Audit	(0.063)	Due to vacancies within the service. Future service delivery has been considered and the full impact of the vacancies are reported this month.
Procurement	(0.007)	Minor variances.
ICT	0.000	Minor variances.
Total Governance	(0.070)	
Organisational Change 1		
Public Libraries & Arts, Culture & Events	(0.000)	Minor variances.
Museums	0.000	Minor variances.
County Archives	(0.000)	Minor variances.
Leisure	0.000	Minor variances.
Community Assets	0.000	Minor variances.
Total Organisational Change 1	(0.000)	
Organisational Change 2		
Caretaking & Security	(0.034)	£0.034m underspend due to a reduction in repairs and maintenance costs to be offset against overspend on CCTV.
CCTV & Open Spaces	0.031	£0.031m overspend due to new equipment purchase to be met by the underspend in Caretaking and Security
Total Organisational Change 2	(0.005)	
Chief Executive	(0.003)	Minor variances.
Central and Corporate Finance	0.003	
Grand Total	0.092	

Budget Monitoring Report
Council Fund Variances

MONTH 5 - 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	16.727	16.197	(0.530)	(0.823)	Residential and Nursing Care reflects a projected underspend of £0.201m, due to a decrease in service users, an increase in free nursing income from BCUHB and additional property income. Domiciliary Care reflects a projected underspend of £0.081m based on existing service users. Other underspends include a projected underspend of £0.086m on Intake/First Contact of which £0.065m is due to part year vacancy savings from within the Single Point of Access team. Locality Teams staffing reflects a projected underspend of (£0.156m) due to short term vacancy savings for a number of posts. Overall net minor variances amount to £0.006m.	Continue to monitor and review.
Reablement Services	0.469	0.374	(0.095)	(0.093)	Reablement reflects a projected underspend of £0.095m which is due to additional Continuing Health Care (CHC) funding from BCUHB	Continue to monitor and review.

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Community Equipment Contribution	0.503	0.393	(0.110)	(0.110)	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. In the longer term this saving has been earmarked for funding of some of the revenue costs for 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	5.924	5.644	(0.280)	(0.286)	The main influences on the projected underspend of £0.280m are short term vacancy savings within provider home care services (£0.093m) and extra care schemes (£0.172m), due to recruitment and retention difficulties in the care sector. There is a further projected underspend of £0.029m on Residential Care due mainly to short term vacancy savings, with other minor variances making up the balance of £0.014m.	Continue to monitor and review.
Minor Variances	0.234	0.232	(0.002)	(0.003)		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Disability Services Resources & Regulated Services	19.503	19.762	0.259	0.563	There are long standing and ongoing demand influenced pressures within the externally provided Supported Living services amounting to £0.250m. Work Opportunities and Day Services pressure of £0.113m, which is due to the delay in letting a new contract under an alternative delivery model (ADM). Projected underspend of £0.142m on externally purchased care on Physical Disabilities and Sensory Impairment (PDSI).	Continue to monitor and review.
Disability Services	0.716	0.766	0.050	0.067	The net overspend of £0.050m is due to a pressure of £0.114m on the budget for school leavers in transition to adulthood which is offset by a projected underspend of £0.054m against the resource panel allocation for residential and domiciliary care and other minor projected underspends of £0.010m.	Continue to monitor and review.
Administrative Support	0.168	0.029	(0.139)	(0.128)	The projected underspend is due mainly to short term vacancy savings.	Continue to monitor and review.
Minor Variances	0.692	0.665	(0.027)	(0.052)		
Mental Health Services Residential Placements	1.127	1.447	0.320	0.300	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	2.513	(0.025)	(0.028)		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Children's Services						
Family Placement	2.464	2.620	0.156	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	0.414	0.058	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	5.067	0.169	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	3.641	4.341	0.701	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	(0.037)	(0.036)		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Development & Resources						
Charging Policy income	(2.641)	(2.758)	(0.117)	(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	0.915	0.105	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	0.814	(0.081)	(0.059)	The projected underspend is due to a number of short term vacancy savings	Continue to monitor and review.
Minor Variances	2.704	2.699	(0.006)	0.005		
Total Social Services	63.060	63.428	0.369	0.314		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - 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	1.580	1.582	0.003	(0.021)	Minor variances.	Continue to monitor and review.
Council Fund Housing	(0.372)	(0.401)	(0.029)	(0.023)	Minor variances.	Continue to monitor and review.
Regeneration	0.412	0.456	0.044	0.047	Continuing shortfall of £0.053m 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 (£0.009m).	Continue to monitor and review.
Revenues & Benefits						
	10.780	10.198	(0.582)	(0.573)	Underspend on the budgeted provision for the Council Tax Reduction Scheme of (£0.404m). Surplus on the Council Tax Collection Fund of (£0.156m). Other minor variances (£0.022m).	Continue to monitor closely as these areas are highly volatile and projections are likely to change throughout the year.
Housing Programmes	0.140	0.131	(0.009)	0.001	Minor variances.	Continue to monitor and review.
Total Community & Enterprise	12.540	11.968	(0.572)	(0.570)		
Streetscene & Transportation						
Ancillary Services & Performance						
Waste Collection	7.118	7.495	0.377	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% - £199k

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Parking & Enforcement	(0.084)	(0.035)	0.049	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	0.798	0.792	(0.006)	0.000		
Highways Network						
Highways Network	7.466	7.757	0.290	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. 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.	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	4.690	0.171	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

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
School Transport	4.734	5.119	0.385	0.385	Ongoing additional subsidy costs following re-procurement for covering various school transport routes £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.
Transportation	1.598	2.293	0.695	0.695	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 £0.695m Bus Subsidy efficiency saving of £145k unlikely to be achieved in year. This is to be offset from any additional savings recognised from the School Transport re-procurement exercise if these come to fruition.	Keep under review as part of MTFs. Reported in Programme Board Efficiency Tracker
Technical Commissioning	0.677	0.669	(0.008)	(0.009)		
Management Costs	0.233	0.236	0.002	0.002		
Other Minor Variances	1.432	1.466	0.034	0.033		
Total Streetscene & Transportation	27.580	29.576	1.996	1.910		

**Budget Monitoring Report
Council Fund Variances**

MONTH 5 - 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	0.479	0.574	0.095	0.096	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.	Continue to monitor and review.
Minor Variances	1.087	1.080	(0.007)	(0.006)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Community						
Pest Control	0.004	0.040	0.036	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	0.859	(0.039)	(0.025)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Development						
Development Management	(0.386)	(0.110)	0.277	0.314	The projected Planning Fee Income shortfall is currently £0.300m as the economy has not continued to recover to the extent which the 3 year Business Plan forecast.	Monitor Planning Application Fee levels and Pre Application Fee levels and amend projection as required
Minor Variances	0.158	0.146	(0.012)	(0.003)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Access						
Greenfield Valley	0.326	0.296	(0.030)	(0.051)	Vacancy savings and reduced zero hours contracts	Service review within Countryside is currently being undertaken
Minor Variances	1.015	1.026	0.011	0.008		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Shared Services						
Minor Variances	0.177	0.177	(0.000)	(0.000)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Strategy						
Minor Variances	0.834	0.826	(0.008)	(0.001)		Continue to monitor committed expenditure and reduce/remove committed expenditure where possible
Management Strategy	0.340	0.477	0.136	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	5.392	0.460	0.503		
Education & Youth						
Inclusion & Progression	6.808	6.803	(0.005)	(0.069)	Minor variances.	Continuously review and monitor known placements and challenge providers for accurate costings.
Minor Variances	4.152	4.153	0.001	(0.008)		
Total Education & Youth	10.960	10.956	(0.005)	(0.076)		
Schools	88.862	88.862	(0.000)	0.000		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - 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	2.265	0.237	0.240	The overspend is due to partial achievement of business planning efficiency and loss of income contribution from Wrexham for Occupational Health Services	Service Delivery options are being considered for the Occupational Health service.
Corporate Finance	2.099	2.320	0.221	0.218	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	4.128	4.585	0.458	0.457		
Governance						
Legal Services	0.688	0.724	0.037	0.037	Minor variances.	Continue to monitor and review.
Democratic Services	1.924	1.927	0.003	0.003	Minor variances.	Continue to monitor and review.
Internal Audit	0.443	0.380	(0.063)	0.000	The underspend is due to in-year vacancies within this section.	The underspend in this service will be within 2017/18 only as plans to recruit to a vacant post are in place.
Procurement	0.168	0.278	0.109	0.116	The overspend is due to a conscious decision to no longer pursue supplier income for registration onto the Councils payment portal.	Pressure is to be considered as part of the MTFs.
ICT	4.428	4.518	0.090	0.090	The overspend is mostly due to partial achievement of business planning efficiencies.	Continue to monitor and review. It is expected that the business planning efficiencies will be met in full in 2018/19
Total Governance	7.651	7.827	0.176	0.246		

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Organisational Change 1						
Public Libraries & Arts, Culture & Events	1.583	1.577	(0.006)	(0.006)	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	0.286	0.000	0.000	Minor variances.	Continue to monitor and review.
Leisure	3.860	3.946	0.086	0.086	The establishment of Aura Leisure and Libraries is set for 1st September. There has been a delay of 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	0.000	Minor variances.	Continue to monitor and review.
Total Organisational Change 1	5.821	5.900	0.079	0.079		

**Budget Monitoring Report
Council Fund Variances**

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Organisational Change 2						
Administrative Buildings	1.241	1.143	(0.098)	(0.126)	£0.098m estimated efficiencies resulting from the closure of phases 3 and 4 in County Hall.	
Enterprise Centres	(0.041)	(0.041)	(0.000)	(0.000)		
Agricultural Estates	(0.189)	(0.153)	0.035	0.046		
Property Holdings	0.015	0.025	0.010	0.006		
Property Asset And Development	0.446	0.383	(0.062)	(0.057)	£0.062m in year salary savings. Other minor variances.	
Caretaking & Security	0.302	0.268	(0.034)			
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.	
Industrial Units	(1.153)	(1.003)	0.151	0.171	£0.151m as a result of unachieved rental income. This will be offset against office efficiencies.	
CCTV & Open Spaces	0.184	0.215	0.031	0.000		
Minor Variances	1.065	1.097	0.032	0.043		
Total Organisational Change 2	2.288	2.094	(0.194)	(0.189)		
Chief Executive	2.940	2.822	(0.119)	(0.116)	There are a number of in-year vacancy savings as well as 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 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Central and Corporate Finance	24.395	23.094	(1.301)	(1.303)	<p>An underachievement on the income target 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 (£1.608m) 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>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>

Budget Monitoring Report
Council Fund Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
					Projected Pension fund variance (£0.288m) due to surplus of budget required for increase in contributions in 2017/18.	Keep under review in year to consider potential for mitigation of 18/19 pressure.
					Minor variances (£0.004m).	
Grand Total	255.156	256.504	1.348	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	0.200	(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	0.264	(0.086)
Total Governance	0.350	0.264	(0.086)
Social Services			
Develop a 'progression' model for Supported Living.	0.250	0.076	(0.174)
Develop alternative approaches to in house day services and work opportunity schemes.	0.250	0.200	(0.050)
Total Social Services	0.500	0.276	(0.224)
Education & Youth			
Music Service to move to full cost recovery model.	0.035	0.014	(0.021)
Total Education & Youth	0.035	0.014	(0.021)
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	0.604	0.404
Total Community & Enterprise	0.200	0.604	0.404
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		100	8.433
Total Projected 2017/18 Budget Efficiencies Underachieved		8	0.654
Total Projected 2017/18 Budget Efficiencies Achieved		92	7.779

APPENDIX 4

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		(1.348)
Total Contingency Reserve as at 31st March 2018		3.734

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 5 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(33.593)	(33.575)	0.022	0.040	Minor Variance	
Capital Financing - Loan Charges	7.545	7.529	(0.016)	(0.000)		
Estate Management	1.633	1.650	0.017	0.023		
Landlord Service Costs	1.318	1.320	0.002	(0.004)		
Repairs & Maintenance	9.929	9.756	(0.172)	(0.175)	A saving of £0.172m is anticipated on Repairs and Maint. £0.64m relates to staffing costs, £0.120m relates to subcontractor spend. The remaining £0.012m relates to minor variances.	
Management & Support Services	2.272	2.275	0.002	0.008		
Capital Expenditure From Revenue (CERA)	10.890	11.025	0.135	0.099	The variance of £0.135m 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 borrowing costs.	
HRA Projects	0.046	0.046				
Contribution To / (From) Reserves	(0.035)	(0.026)	0.009	0.009		
Total Housing Revenue Account	0.000	(0.000)	(0.000)	0.000		

