

## CABINET

<b>Date of Meeting</b>	Tuesday 17th December, 2024
<b>Report Subject</b>	Revenue Budget Monitoring Report 2024/25 (Month 7)
<b>Cabinet Member</b>	Cabinet Member for Finance and Social Value
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position for the 2024/25 financial year for the Council Fund and Housing Revenue Account and presents the position, based on actual income and expenditure as at Month 7.

The projected year end position is as follows:

#### **Council Fund**

- An operating deficit of £6.375m (this reduces to £3.375m with the utilisation of the budget risk reserve of £3m agreed when setting the budget) which is an adverse movement of £0.566m from the deficit figure of £5.809m reported at Month 6.
- A projected contingency reserve balance as of 31 March 2025 of £0.783m (after taking account of previously approved allocations – this will reduce to £0.381m if the recommended use for illegal tipping costs is approved).

This significant projected overspend (and impact on our available reserves) continues to be of major concern and needs to continue to be addressed urgently to bring expenditure back in line with the approved budget. Based on current projections the council still has a very low level of contingency reserve which it uses to deal with any significant in-year unforeseen events. It should also be noted that there are still a number of risks identified in the report that could lead to further deterioration of the Council's financial position.

As required by Financial Procedure Rules - Action Plans have been compiled by Social Services, Streetscene and Transportation and Housing and Communities which detail the measures being put in place to improve the position by the end of the financial year and these plans have been referred to the relevant Overview and Scrutiny Committees.

Our ability to mitigate pressures and risks during the financial year will again predominantly centre on review and challenge of non-essential spend and maximising income streams and grant funding. The moratorium on non-contractually committed spend and vacancy management process put in place during 2023/24 continues throughout 2024/25 and is being applied with rigour. Appendix 2 details the split of the moratorium savings to date.

### Housing Revenue Account

- Net in-year revenue expenditure is forecast to be on budget.
- A projected closing balance as of 31 March, 2025 of £4.451m

## RECOMMENDATIONS

1.00	<p>That Cabinet</p> <ol style="list-style-type: none"> <li>1) Note and comment on the report and the estimated financial impact on the 2024/25 budget</li> <li>2) Approve funding from the Contingency Reserve for illegal tipping costs as detailed in section 1.20.</li> <li>3) Support the measures being put in place to improve the financial position by the end of the financial year.</li> </ol>
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2024/25</b>
1.01	<p>This monthly report provides the latest detailed overview of the budget monitoring position for the 2024/25 financial year for the Council Fund and Housing Revenue Account and presents the position, based on actual income and expenditure as at Month 7.</p> <p>The projected year end position is as follows:</p> <p><b>Council Fund</b></p> <ul style="list-style-type: none"> <li>• An operating deficit of £6.375m (this reduces to £3.375m with the utilisation of the budget risk reserve of £3m agreed when setting the budget) which is an adverse movement of £0.566m from the deficit figure of £5.809m reported at Month 6.</li> <li>• A projected contingency reserve balance as at 31 March 2025 of £0.783m (after taking account of previously approved allocations – this will reduce to £0.381m if the recommended use for illegal tipping costs is approved).</li> </ul>

	<p><b>Housing Revenue Account</b></p> <ul style="list-style-type: none"> <li>• Net in-year revenue expenditure is forecast to be on budget.</li> <li>• A projected closing balance as of 31 March, 2025 of £4.451m</li> </ul>																																																																				
1.02	<p><b>Table 1. Projected Position by Portfolio</b></p> <p>The table below shows the projected position by portfolio:</p> <table border="1"> <thead> <tr> <th>Portfolio/Service Area</th> <th>Approved Budget £m</th> <th>Projected Outturn £m</th> <th>In-Year Over / (Under) spend £m</th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>92.047</td> <td>96.418</td> <td>4.372</td> </tr> <tr> <td>Out of County Placements</td> <td>19.299</td> <td>21.025</td> <td>1.726</td> </tr> <tr> <td>Education &amp; Youth (Non Schools)</td> <td>10.148</td> <td>10.227</td> <td>0.079</td> </tr> <tr> <td>Schools</td> <td>117.302</td> <td>117.138</td> <td>(0.164)</td> </tr> <tr> <td>Streetscene &amp; Transportation</td> <td>42.695</td> <td>44.495</td> <td>1.799</td> </tr> <tr> <td>Planning Env &amp; Economy</td> <td>7.682</td> <td>7.726</td> <td>0.044</td> </tr> <tr> <td>People &amp; Resources</td> <td>4.290</td> <td>4.202</td> <td>(0.089)</td> </tr> <tr> <td>Governance</td> <td>12.066</td> <td>11.684</td> <td>(0.382)</td> </tr> <tr> <td>Assets</td> <td>11.403</td> <td>11.366</td> <td>(0.037)</td> </tr> <tr> <td>Housing &amp; Communities</td> <td>18.161</td> <td>20.451</td> <td>2.289</td> </tr> <tr> <td>Chief Executive</td> <td>1.641</td> <td>1.619</td> <td>(0.022)</td> </tr> <tr> <td>Central &amp; Corporate Finance</td> <td>31.372</td> <td>28.131</td> <td>(3.241)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>368.106</b></td> <td><b>374.481</b></td> <td><b>6.375</b></td> </tr> <tr> <td colspan="3">Utilisation of Budget Risk Reserve</td> <td><b>(3.000)</b></td> </tr> <tr> <td><b>Total – Revised Overspend</b></td> <td></td> <td></td> <td><b>3.375</b></td> </tr> </tbody> </table>	Portfolio/Service Area	Approved Budget £m	Projected Outturn £m	In-Year Over / (Under) spend £m	Social Services	92.047	96.418	4.372	Out of County Placements	19.299	21.025	1.726	Education & Youth (Non Schools)	10.148	10.227	0.079	Schools	117.302	117.138	(0.164)	Streetscene & Transportation	42.695	44.495	1.799	Planning Env & Economy	7.682	7.726	0.044	People & Resources	4.290	4.202	(0.089)	Governance	12.066	11.684	(0.382)	Assets	11.403	11.366	(0.037)	Housing & Communities	18.161	20.451	2.289	Chief Executive	1.641	1.619	(0.022)	Central & Corporate Finance	31.372	28.131	(3.241)					<b>Total</b>	<b>368.106</b>	<b>374.481</b>	<b>6.375</b>	Utilisation of Budget Risk Reserve			<b>(3.000)</b>	<b>Total – Revised Overspend</b>			<b>3.375</b>
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1.03	<p>Appendix 1 shows all monthly movements of £0.025m since Month 6 with relevant narratives. In addition, the reasons for the projected variances are summarised within Appendix 2 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.</p>																																																																				
	<p><b>Significant Movements at Month 7</b></p>																																																																				
1.04	<p><b>Social Services £0.762m</b></p> <p><u>Older Peoples Service</u></p> <ul style="list-style-type: none"> <li>• Localities – £0.617m. Demands for Older People services are leading to increased costs. This includes pressures from ensuring</li> </ul>																																																																				

	<p>safe hospital discharges and this pressure will likely increase during the winter period. Residential care service costs have increased by £0.288m and domiciliary care costs by £0.320m. Minor variances account for the balance.</p> <ul style="list-style-type: none"> <li>Resources &amp; Regulated Services (£0.052m). There has been an overall decrease in the projected outturn due to changes to projected workforce costs to deliver in-house care services. Homecare costs have reduced by (£0.054m), residential care increased by £0.023m and Extra Care reduced by (£0.022m).</li> </ul> <p><u>Adults of Working Age</u></p> <ul style="list-style-type: none"> <li>Resources and Regulated Services £0.362m. There was an increase in costs in the Physical Disabilities and Sensory Impairment (PDSI) service of £0.167m due to an additional placement. In-house Supported Living service costs have increased by £0.034m and Learning Disability service costs have increased by £0.172m due to changes to care packages. Day service costs reduced by (£0.011m).</li> <li>Residential Placements (£0.098m). This is due to a reduction in care package costs following review.</li> </ul> <p><u>Children's Services</u></p> <ul style="list-style-type: none"> <li>Early Years and Family Support (£0.144m). Service Balances have been drawn upon to offset eligible expenditure.</li> <li>Professional Support £0.169m – There has been an additional agency worker required within the Childrens First Contact team. Contributions from external funding has reduced as there is less slippage on grant funded schemes than originally anticipated.</li> </ul> <p><u>Safeguarding and Commissioning</u></p> <ul style="list-style-type: none"> <li>Charging Policy Income (£0.070m). This is due to an increase in the anticipated income received through contributions to care.</li> </ul> <p>There is a net (£0.022m) in minor movements across the portfolio.</p>
1.05	<p><b>Out of County Placements £0.308m</b></p> <ul style="list-style-type: none"> <li>Children's Services £0.555m – Due to an increased number of new placements, causing a significant adverse variance of £0.555m.</li> <li>Education &amp; Youth (£0.247m) – A number ending Education Day placements have been removed from the current placement caseload, causing a (£0.247m) favourable movement.</li> </ul>
1.06	<p><b>Education and Youth (Non Schools) – (£0.070m)</b></p> <p>The positive movement is as a result of:</p> <ul style="list-style-type: none"> <li>Inclusion and Progression (£0.026m) – This is due to funding claw back from schools, as a result of permanent exclusions of (£0.018m). The remaining (£0.008m) relates to additional income received and a reduction in forecasts across all service areas.</li> </ul>

	<ul style="list-style-type: none"> <li>School Improvement Systems (£0.033m) – Favourable movement of (£0.024m) within Early Entitlement service which primarily relates to the maximisation of Early Years Pupil Development Grant against core expenditure. Favourable movement of (£0.009m) within the School Improvement Service. The amount calculated for the GwE recharge was estimated based on the service reduction of 10%. Actual recharge amount has now been confirmed.</li> </ul> <p>Minor movements across the Portfolio account for the remainder of (£0.011m).</p>
1.08	<p><b>Governance – (£0.069m)</b></p> <p>A number of minor movements across the Portfolio account for the positive movement at Month 7, each less than £0.025m.</p>
1.09	<p><b>Housing and Communities – (£0.155m)</b></p> <p>Housing Solutions - A positive movement of (£0.155m) as a result of additional Housing Support Grant (£0.133m) plus (£0.022m) of minor variances across the service.</p>
1.10	<p><b>Central and Corporate Finance – (£0.091m)</b></p> <p>A previous commitment of £0.091m to fund the on-going clean-up from the impact of illegal tipping at land adjacent to the Riverside Site, Queensferry has been removed as this expenditure is now recommended to be funded from Contingency Reserve (see para 1.20).</p>
1.11	<p>Cumulative minor variances across the Council of (£0.119m) account for the remainder of the total monthly movement.</p>
1.12	<p><b>Tracking of In-Year Risks and Emerging Issues</b></p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>
1.13	<p><b>Council Tax Income</b></p> <p>Council Tax collections remain stable and on track. As at the end of October, in-year collections were 65.82%, compared to 66.08% in the previous financial year. In recently published benchmarking data, the Council's in-year collections for 2024/25 remain in the upper quartile across Wales, despite a marginal reduction in collections at Month 7.</p>
1.14	<p><b>Pay Awards (Teacher and Non-Teacher)</b></p> <p><u>Teachers Pay</u></p> <p>The 2024/25 budget provides additional funding for a 5% pay award from September 2024. The Independent Wales Pay Review Body (IWPRB)</p>

	<p>had recommended a 4.3% increase, but Welsh Government increased this to 5.5% due to the “no detriment” principle, which means that teacher pay rises in Wales keep pace with those in England. In September 2024, the First Minister accepted the recommendations of the Independent Pay Review bodies for 2024-25.</p> <p>It is anticipated that additional funding will be received from Welsh Government to meet the in-year shortfall, but this is yet to be confirmed. The ongoing pressure from 2025/26 also remains a risk.</p> <p>Confirmation is still awaited on funding for additional Teacher Pay employer pension costs and negotiations are ongoing between UK Government and Welsh Government – no provision was included in the budget. There is a risk that the costs may not be met in full, both in-year and on an ongoing basis.</p> <p><u>NJC (Green Book)</u></p> <p>The pay offer for NJC (Green Book) employees for the current year (2024/25) was agreed nationally on 22 October 2024 covering the period 1 April 2024 to 31 March 2025.</p> <p>The pay award comprises £1,290 (pro-rata for part-time employees) on all NJC points 2 to 43 inclusive and 2.50% on all pay points above the maximum of the national pay spine (in Flintshire this relates to SCP 45-61).</p> <p>As a result, there is an in-year benefit to the budget of £0.755m and the Pay Award were disseminated across service pay budgets during November.</p> <p><u>Pay Modelling</u></p> <p>No figures are currently included for any impact of the pay modelling review which is intended to help address the problems being encountered by the Council in the ongoing recruitment and retention of staff.</p>
1.15	<p><b>Out of County Placements</b></p> <p>As in previous years there is potential for significant numbers of new placements. The service areas within this pooled budget continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.16	<p><b>Waste Recycling Infraction Charge</b></p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government (WG) can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has previously been confirmed.</p>

	<p>The statutory recycling targets were also not achieved in 2022/23 and 2023/24, which means that further infraction fines of £0.356m and £0.184m respectively could be levied. Therefore, the financial risk across all three financial years currently totals £1.203m.</p> <p>WG officials have now provided their advice for the Minister on the 2021/22 Infraction Charges. We are hopeful we will know the outcome of this in the coming weeks. However, they are yet to start considering the 2022/23 or 2023/24 Infraction Charges so further updates will be provided as details become available.</p>
1.17	<p><b>Homelessness</b></p> <p>There is a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 when changes in policy by Welsh Government were implemented and has accelerated markedly since the start of 2023.</p> <p>The Council will continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.</p> <p>WG are currently providing support via the 'No One Left Out' grant for which the 2024/25 allocation is currently £0.423m and a grant for £0.112m to assist with the early release of prisoners. One favourable impact of the increase in costs and demand is the ability to recover additional Housing Benefit income over and above the amount budgeted which is currently helping to offset the projected overspend by £0.573m.</p>
1.18	<p><b>Storm Ashley and Storm Bert</b></p> <p>In October the County was hit by severe flooding and storm damage due to Storm Ashley. In November, Storm Bert also brought further flooding to the County. The response and subsequent clean-up from these storms are currently being assessed and the financial implications will be included in future reports.</p>
1.19	<p><b>Winter Maintenance</b></p> <p>Heavy snowfall in November has led to additional Winter Maintenance costs being incurred and 1,700 tonnes of additional salt being required for spreading over the six days, at a cost of £0.120m. The outturn for this service is already projected to be £0.370m over budget at Month 7, so costs will be closely monitored through the winter period and any variation to the current projected outturn reported in future reports.</p>
1.20	<p><b>Illegal Tipping Costs</b></p>

	<p>Costs associated with illegal tipping on Council land adjacent to the Riverside Site, Queensferry are estimated to be £0.402m. Natural Resources Wales (NRW) have approved the engagement of the waste contractors and carriers, and the waste volume is in the region of 1,200 tonnes. The matter is being investigated by external agencies with those responsible likely to be pursued through legal channels. The cost of the clean-up operation will be pursued as part of any legal action. It is recommended that the cost of this is funded from Contingency Reserve in 2024/25.</p>
1.21	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.22	<p><b>Medium Term Financial Strategy (MTFS) Impact</b></p> <p>Cabinet considered the latest projection for the MTFS in September which showed a revised budget requirement of £38.420m.</p> <p>Further work has been undertaken on options for solutions to meet the budget requirement and an update on the latest position is detailed in a separate report on this agenda.</p> <p>The Council is expecting to be advised of its Welsh Local Government Provisional Settlement allocation on 11 December.</p> <p>All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.</p>
1.23	<p><b>Benefits</b></p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.765m over budget, although this will be monitored closely throughout the year due to the potential for growth. There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future.</p> <p>Other pressures within the service such as meeting income targets for recovery of overpayments and related bad debt provision increases are also expected to remain. The £0.765m can be fully mitigated by use of the Reserve previously set aside.</p>
1.24	<p><b>Harpur Trust vs Brazel Case</b></p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m has provided some funding towards these costs. There are currently 319 live employment</p>



	<p>tribunal claims in respect of this. The next preliminary hearing is scheduled for 8<sup>th</sup> May 2025.</p> <p>It is hopeful that we will get to a position where we could seek to settle on a without prejudice basis, but there is some further work to undertake first. There is also a risk that it will cost considerably more than the £0.254m currently held in reserves.</p>
1.25	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2024/25 budget contains £14.921m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2024/25 as reflected in the MTFS KPI's and fully achieved all efficiencies in the previous financial year.</p> <p>It is projected that 95% of efficiencies will be achieved in 2024/25 and further details can be seen in Appendix 3.</p>
1.26	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2024/25 was £2.972m as detailed in the 2023/24 outturn report (subject to audit) elsewhere on this agenda.</p> <p>The Base Level Reserves have been increased to £8.985m by using the remaining balance of £3.216m of the COVID-19 Hardship Fund Reserve from 2023/24.</p> <p>As per section 1.20, it is recommended that £0.402m of estimated costs associated with illegal tipping are approved to be funded from Contingency Reserve, with the intention that recovery of these costs is made in the future from the organisation responsible for the illegal tipping.</p> <p>Taking into account the current projected final outturn and previously agreed allocations the contingency reserve available is £0.783m – this will reduce to £0.381m if the recommended use for illegal tipping costs is approved.</p> <p>As required by Financial Procedure Rules all Portfolios will be expected to identify solutions in-year to mitigate the risks and potential overspends identified in the report.</p>
1.27	<p><b>Summary and Conclusion</b></p> <p>The significant projected overspend (and impact on our available reserves) continues to be of major concern and needs to be addressed urgently in an attempt to bring expenditure back in line with the approved budget. Based on current projections the Council still only has a contingency reserve of £0.783m (which will reduce to £0.381m if the recommended allocation is approved) available to deal with any significant in-year unforeseen events. It should also be noted that there are also still a number of risks identified in the report that could further worsen the Council's financial position.</p>

	<p>As required by Financial Procedure Rules - Action Plans have been compiled by Social Services, Streetscene and Transportation and Housing and Communities which detail the measures being put in place to improve the position by the end of the financial year and these have been referred to relevant Overview and Scrutiny Committees.</p> <p>Our ability to mitigate pressures and risks during the financial year will again predominantly centre on review and challenge of non-essential spend and maximising income streams and grant funding. The moratorium on non-contractually committed spend and vacancy management process put in place during 2023/24 will continue throughout 2024/25 and needs to be applied with rigour.</p>
1.28	<p><b>Housing Revenue Account (HRA)</b></p> <p>The 2023/24 Outturn Report to Cabinet on 23rd July 2024 showed an un-earmarked closing balance at the end of 2023/24 of £3.512m and a closing balance of earmarked reserves of £2.471m.</p>
1.29	<p>The 2024/25 budget for the HRA is £42.166m which includes a movement of (£0.193m) from reserves.</p>
1.30	<p>The projected outturn for the HRA shows an in-year revenue expenditure at the same level as the Annual Budget with a closing un-earmarked balance as at 31<sup>st</sup> March, 2025 of £4.451m.</p> <p>The adverse movement of £0.222m from Month 6 is explained as follows:</p> <ul style="list-style-type: none"> <li>• Income (£0.104m) movement on the Bad Debt Provision and movement on Voids</li> <li>• Estate Management (£0.010m) minor movements</li> <li>• Landlord Service Costs (£0.134m) movement in salaries and usage of Garden Reserve (£0.112m) and minor variances (£0.012m)</li> <li>• Repairs and Maintenance £3.966m resulting from the drive to reduce the backlog of void properties within the HRA. An additional £3.5m CERA has been introduced to meet the overspend. The balance has been met from underspend within the service.</li> <li>• Capital Expenditure from Revenue Account (CERA) transfer of (£3.500m)</li> </ul> <p>Minor variances account for the remainder £0.002m.</p>
1.31	<p>The budget contribution towards capital expenditure (CERA) is £10.967m.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

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

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Movement in Variances from Month 6 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Various budget records.

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Budget:</b> a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.  <b>Council Fund:</b> the fund to which all the Council’s revenue expenditure is charged.  <b>Financial Year:</b> 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.

**Regional Integration Fund (RIF):** Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.

**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.

**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.