

FLINTSHIRE COUNTY COUNCIL

BUDGET 2013/14

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BUDGET 2013/14

The budget for the coming year provides significant investment in Council priorities, local public services and customer service. We have achieved this against a background of the continuing economic downturn and reduced national funding for local government. The economic forecasts show that this will be the case for some years to come. Faced with this financial challenge, and mindful of the impacts on people and communities who are personally affected by the economic position and possibly the national Welfare Reform Programme, the budget strategy for 2013/14:

- manages the reduced level of funding available to local government and the wider public sector and the on-going impacts of the economic position.
- protects 'front line' public services.
- protects communities and customers.

Invests in improved services and Council Priorities. Through careful budget planning and £5.5m of new efficiencies we are able to:

- support and invest in Council Priorities including schools and social care.
- prepare communities for the impacts of Welfare Reform.
- protect core services where national grant is reducing.
- provide funds to achieve change for the future.
- control Council Tax and fees and charges at reasonable levels.

As work on preparing for 2013/14 closes, we are already planning for the year ahead. Our Flintshire Futures Programme to modernise services and further reduce operating costs will continue to be key to managing our finances and providing new investment in services and Council Priorities.

Colin Everett
Chief Executive

Kerry Feather
Head of Finance

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**
DATE: **TUESDAY, 20 NOVEMBER 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT: **COUNCIL TAX BASE FOR 2013-14**

1.00 PURPOSE OF REPORT

- 1.01 To approve the Council Tax Base for the financial year 2013-14.

2.00 BACKGROUND

- 2.01 The setting of the Council Tax Base for the next financial year allows the County Council, North Wales Police Authority and Town/Community Councils to calculate next year's Council Tax charges based on the estimated number of chargeable properties, expressed as the equivalent number of Band 'D' properties in the Council's area.
- 2.02 The Council Tax base is always set as at 31st October each year and must be submitted in draft to the Welsh Government by 9th November 2012. Accordingly, the draft Council Tax Base for 2013-14 has now been notified to the Government within the prescribed deadline pending approval of this report by cabinet.

3.00 CONSIDERATIONS

- 3.01 The calculation of the Council Tax Base for 2013-14 is the measure of the taxable capacity of all areas in the County and is calculated in accordance with prescribed rules. The Tax Base is the number of chargeable dwellings expressed as band D equivalents, taking into account the total number of exemptions, disabled banding reductions, other discounts together with an estimate to reflect new build properties plus allowances for bad debts.
- 3.02 From April 2013 council tax benefit will be abolished and replaced with a local council tax support scheme. From October 2013, housing benefit will also be abolished for new claimants and replaced by Universal Credit. Existing housing benefit claimants (not new claims) will migrate to Universal Credit in a phased approach from October 2013 to 2017.

3.03 From an income collection perspective the impact of these legislative changes, specifically around the abolition of council tax benefit, is considerable in that council tax recovery action will be made more difficult. This is due to the reduction in financial assistance available from the replacement council tax support scheme from April 2013, to residents currently receiving housing and or council tax benefit.

3.04 The Council is now working on assumptions that during the first year of these significant changes the assumed collection rate when setting to Tax Base will need to be 97.5% for 2013-14 and this expected to still be one of the highest assumed collection levels in Wales.

3.05 The calculation of the overall Tax Base is based on the following headline data :-

Total number of properties	65,872
Estimated number of new builds	118
Reductions for exempt property	1,651
Reductions for disabled banding relief	577
Reductions for 25% and 50% discounts	21,323

3.06 Each year, the Council is also required to determine what discount, if any, is awarded to owners of second or holiday homes (known as Prescribed Classes A and B) and long term empty properties (known as Prescribed Class C). The Prescribed Classes are as detailed below

Class A - property which is unoccupied and furnished but occupation is prohibited by law for over 28 days each year.

Class B - property which is unoccupied and furnished and occupation is not prohibited by law

Class C - property which is unoccupied and substantially unfurnished beyond the normal exempt period (usually 6 months).

3.07 The current policy is not to award discounts to any Prescribed Class and this applies to the whole of the County area. This has also been reflected in the 2013-14 Tax Base calculation.

3.08 The Council Tax Base calculations are supplied to the Welsh Government and used for the distribution of Revenue Support Grant in the annual Provisional and Final Local Authority Revenue Settlement. The calculations are also used by the Council when it sets its annual budget to calculate the Council Tax levels - this is done by dividing the net budget requirement by the Council Tax Base to provide the amount of Council Tax for a dwelling in Band D. A set formula is then used to determine the Council Tax levels for the eight remaining Property Bands (A to C and E to I).

- 3.09 The Council Tax Base for 2013-14 is 60,254 as shown in Appendix A to this report, this compares with 60,865 in the previous year.

4.00 RECOMMENDATIONS

- 4.01 That cabinet continue to set a 'nil' level of discount for properties falling within any of the Prescribed Classes (A, B or C) and for this to apply to the whole of the County area.
- 4.02 That the Tax Base of 60,254 chargeable Band 'D' equivalent properties (as shown in Appendix A) be approved for the financial year 2013-14.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The setting of the Council Tax Base will allow members to determine Council Tax charges for the next financial as part of the Council's 2013-14 budget considerations.

6.00 ANTI POVERTY IMPACT

- 6.01 None

7.00 ENVIRONMENTAL IMPACT

- 7.01 None

8.00 EQUALITIES IMPACT

- 8.01 None

9.00 PERSONNEL IMPLICATIONS

- 9.01 None

10.00 CONSULTATION REQUIRED

- 10.01 None

11.00 CONSULTATION UNDERTAKEN

- 11.01 None

12.00 APPENDICES

- 12.01 Appendix A to the report details the breakdown of the Tax Base for 2013-14 by Town/Community Council area.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Local Government Finance Act 1992 - section 68
Local Authorities (Calculation of Council Tax Base) (Wales)
Regulations 1995
Council Tax (Prescribed Classes of Dwellings) (Wales) Amendment
Regulations 2004

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APPENDIX A - COUNCIL TAX BASE FOR 2013-14

Community	2013-14 Properties Band "D"	2012-13 Properties Band "D"
Argoed	2,417.48	2,467.60
Bagillt	1,441.25	1,447.29
Broughton & Bretton	2,363.13	2,387.49
Brynford	459.07	469.17
Buckley	6,086.98	6,114.79
Caerwys	601.33	606.68
Cilcain	729.47	732.05
Connahs Quay	5,900.81	5,948.33
Flint	4,389.63	4,459.37
Gwernaffield	1,002.20	1,012.34
Gwernymynydd	549.88	559.38
Halkyn	1,338.51	1,352.56
Hawarden	6,005.87	6,080.94
Higher Kinnerton	780.22	787.59
Holywell	3,168.95	3,210.99
Hope	1,760.07	1,774.39
Leeswood	813.11	829.96
Llanasa	1,874.27	1,887.38
Llanfynydd	814.02	825.36
Mold	4,069.91	4,100.86
Mostyn	694.77	707.11
Nannerch	265.77	267.63
Nercwys	301.99	302.19
Northop	1,489.52	1,492.70
Northop Hall	703.36	718.06
Penyffordd	1,661.43	1,645.75
Queensferry	680.64	691.94
Saltney	1,742.89	1,768.15
Sealand	1,104.91	1,118.48
Shotton	2,138.58	2,161.18
Trelawnyd & Gwaenysgor	412.67	415.95
Treuddyn	701.42	716.78
Whitford	1,131.53	1,141.65
Ysceifiog	658.36	662.91
TOTAL BAND "D" PROPS	60,254.00	60,865.00

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**
DATE: **TUESDAY, 20 NOVEMBER 2012**
REPORT BY: **HEAD OF FINANCE**
SUBJECT: **PROVISIONAL SETTLEMENT 2013/14**

1.00 PURPOSE OF REPORT

- 1.01 To provide Cabinet with details of the Provisional Welsh Local Government Settlement 2013/14.

2.00 BACKGROUND

- 2.01 The Provisional Local Government Settlement for 2013/14 was announced by the Welsh Government on 16th October 2012.
- 2.02 At this stage figures are provisional only. The final settlement date has provisionally been set for 6th December 2012.

3.00 LOCAL GOVERNMENT PROVISIONAL SETTLEMENT 2013/14

Revenue Settlement

3.01 Aggregate External Finance (AEF)

The Council's allocation of Aggregate External Finance (AEF) (made up of Revenue Support Grant and National Non Domestic Rates) has increased by 1.15% after adjusting for transfers and new responsibilities. Across Wales, there is an overall increase in Aggregate External Finance (AEF) of 1.22%.

- 3.02 Flintshire's allocation of AEF is £199.651m and this equates to £1,321 per capita, ranking Flintshire 18th out of the 22 authorities in Wales.
- 3.03 AEF provides around 75% of the Council's revenue funding with the remainder being raised from Council Tax. The increase of 1.15% after transfers compares to the increase before transfers of 1.1% provided previously by WG as a forward projection and which is included within the Council's Medium Term Financial Plan. Work is being undertaken to evaluate the impact of the transfers and new responsibilities on budget projections.

3.04 **Standard Spending Assessment (SSA)**

Flintshire's SSA has increased by 6.7% to £259.255m. This increase takes account of the transfers into the settlement and the significant new responsibility in relation to the Council Tax Support Scheme which brings in funding previously met by the Department for Works and Pensions (DWP).

3.05 **Transfer into the Settlement**

The Settlement notified of the following eight transfers into the Settlement:-

- Learning Disabilities Settlement Grant (£1.618m)
- Post 16 SEN Special Schools – Out of County (£1.335m)
- School Breakfasts Grant (£0.746m)
- Local Government Borrowing Initiative (£0.385m)
- School Counselling Grant (£0.224m)
- Post 16 SEN in Mainstream (£0.126m)
- Appetite for Life Grant (£0.121m)
- Blue Badge Scheme Grant (£0.018m)

3.06 **New Responsibilities**

There is one significant new responsibility identified in the Settlement in relation to the Council Tax Support Scheme. The provisional amount allocated to fund this role is £8.823m (of the £214m across Wales). This may be subject to change in the Final Settlement when data changes are confirmed and is dependent on the funding to be announced by the Chancellor in the Autumn Statement on 5th December 2012. There also continues to be ongoing discussion on whether the funding should be included in the RSG or be a specific grant.

3.07 **Regional Collaboration Fund**

The provisional settlement advised that across Wales £10.174 million has been taken out of the settlement ("top sliced") to form a new specific grant for regional collaboration, which is equivalent to 0.25% of the 2013-14 AEF (before adding in transfers and new responsibilities).

No details are available as yet as to how this fund can be accessed although the settlement tables set out a possible allocation to six regions.

3.08 **Protection for Schools**

The settlement includes protection for education funding equivalent to 1% above the uplift for the Assembly Government's revenue funding allocation from the UK Government which equates to a 2.08% uplift. By way of a monitoring mechanism, all councils were required to complete a standard proforma for the 2011/12 and 2012/13 budget rounds to evidence that this protection had been included in individual authority budgets. It is anticipated that this will be the case again for 2013/14.

3.09 Recognition of Social Care Pressures

The settlement also includes 1% protection for social services in recognition of the increasing costs and demand led demographic pressures. However, unlike the position for schools, there has been no formal monitoring mechanism put in place for the last two years, and it is anticipated that this will be the case again for 2013/14.

3.10 Specific Grants - Revenue

The settlement only provides limited details on the amounts to be received in respect of specific grants. However, it is anticipated that the majority of grants currently received will continue, although this will continue to be very closely monitored, in terms of the availability of grants and the amounts to be provided.

3.11 Unhypothecated Grants

The value of the Outcome Agreement Grant at the all Wales level has remained at £31.1m. Flintshire's allocation, subject to performance, is £1.467m, a reduction of £0.008m on 2012/13.

Capital Settlement

3.12 For Flintshire, overall general capital funding has decreased by £0.995m (12.7%) to £6.868m. This relates to a reduction of £0.959m for Unhypothecated Supported Borrowing and a reduction in General Capital Grant of £0.036m. The level of funding allocated is £0.009m less than had previously been indicated assumed for budget planning purposes.

3.13 In addition to general capital funding, there will be specific capital grants. No details are available for Flintshire at this stage.

Consultation Period

3.14 The formal consultation period on the Provisional Settlement runs from 17th October 2012 to 16th November 2012. A copy of the Council's response will be tabled at the Cabinet Meeting given the timing of the closing date for consultation responses and the Cabinet Meeting.

4.00 RECOMMENDATIONS

4.01 Members are requested to note the details of the Welsh Local Government Provisional Settlement 2013/14 and the Council's response.

5.00 FINANCIAL IMPLICATIONS

5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

10.00 None directly as a result of this report.

11.00 CONSULTATION UNDERTAKEN

11.01 None directly as a result of this report.

12.00 APPENDICES

12.01 None.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 18 DECEMBER 2012**

REPORT BY: **HEAD OF FINANCE, CHIEF EXECUTIVE, DIRECTOR
OF ENVIRONMENT**

SUBJECT: **CAPITAL STRATEGY AND CAPITAL PROGRAMME
2013/14 TO 2022/23**

1.00 PURPOSE OF REPORT

1.01 The purpose of the report is to –

- (a) Propose the allocation of funding to the core capital programme in 2013/14 (with indicative allocations for future years).
- (b) Set out the work that has been undertaken (and continues), to develop a Council Fund Capital Strategy and 10 year Capital Programme for the Council.

2.00 BACKGROUND

2.01 The Council plans on a 4 year capital programme timescale. In June 2011, the Council formally adopted its Medium Term Financial Strategy (MTFS). Two of the key objectives of the MTFS are to ensure that revenue and capital resources are used to achieve the Council's priorities and objectives, and to fully integrate revenue and capital expenditure plans. The co-planning of revenue and capital budgets is essential, for example, to meet the repayment of unsupported borrowing to support the core capital programme for investment in infrastructure.

2.02 One of the Council's 10 priorities is to 'Be a modern, efficient and cost effective public organisation through our four resource strategies - MTFS, People, Asset Management and ICT'. The Asset Management Strategy is key to determining which assets the Council wishes to hold in its portfolio for future service delivery. From this, plans can be drawn up as to where capital investment is required (in new or upgraded facilities), and where there are opportunities to release resources through asset disposals. Asset decisions are based on priority to support services, asset condition and deterioration, asset growth to suit service purpose and health and safety and other requirements.

2.03 This report covers the Council Fund only. The Housing Revenue Account (HRA) capital programme will be considered alongside the HRA revenue budget proposals for 2013/14. This will be reported to Cabinet and Scrutiny in January 2013 prior to the final proposals being recommended by Cabinet to County Council in February 2013.

2.04 The Local Government Final Settlement is due to be announced on 11th December 2012, and an update will be provided on the detail at the meeting.

3.00 CAPITAL STRATEGY

3.01 The aim of the Capital Strategy is to have in place a 10 year affordable, prioritised programme of all capital needs.

3.02 Due to the impacts on public expenditure constraint of National UK Government economy management decisions, the Council's core capital programme is constrained and is coming under severe pressure to maintain our assets portfolio from schools to roads. Welsh Government specific funding sources for capital investment in particular services are limited and are being directed to a small number of policy priorities.

3.03 This position means that the Council will:-

- Need to be more strategic and decisive over the asset portfolio it needs to retain to support service priorities and the portfolio it can release.
- Need to be more creative about partnering, e.g. Flintshire Connects, Community Asset Transfer.
- Be more creative over capital access options and models (e.g. directing its own investment, asset backed vehicles.)
- Rely on more unsupported borrowing to fund priorities, e.g. schools.

3.04 The challenges and opportunities were explored at a recent Member Workshop which was well attended. The work programmes of Cabinet and Overview and Scrutiny, and the MTFs, will need to reflect these actions.

3.05 A significant impact will be the School Modernisation Programme as part of the Capital Strategy and Capital programme 2012/13 to 2021/22. Funding support of 50% towards estimated costs of £64.2m will come from Welsh Government through 21st Century Schools finance for the preferred options in the three schools area reviews.

- 3.06 There will be significant pressure on the block allocations for core services in the 'static' programme. Careful decision making on allocations across and within these blocks is required to best match resources to priorities. Council officials, both client and contractor, must ensure that value for money is obtained in service design specifications and contract tendering.

4.00 LOCAL GOVERNMENT BORROWING INITIATIVE (LGBI)

- 4.01 A further £4m is to be made available across Wales by Welsh Government in 2013/14 under the Local Government Borrowing Initiative (on top of the £4m provided in 2012/13) to support the borrowing charges (revenue) of highways capital works. This equates to £2.7m for Flintshire in both 2013/14 and 2014/15. Proposals on how this funding will be utilised in 2012/13 are included in a separate report on this agenda.

- 4.02 In addition to the above, Welsh Government has recently announced an extension of the LGBI to include schools; this will bring forward funding (between 2014/15 and 2016/17) of £200m across Wales, in relation to their share of the 21st Century Schools Programme.

5.00 CAPITAL FUNDING AVAILABLE

- 5.01 Capital funding comes from a variety of sources –

General -

- Unhypothecated Supported Borrowing (USB)
- General Capital Grant (GCG)
- Capital Receipts

Specific -

- Specific Capital Grants
- Unsupported (Prudential) Borrowing
- Capital Expenditure financed from Revenue Account (CERA)

- 5.01.1 USB and GCG are as advised by Welsh Government through the Finance Settlement, and are available for the Council to determine their use. Specific Grants are also received from Welsh Government (and other funding bodies), but allocated for specific purposes as defined by the relevant funding body.

- 5.01.2 Capital Receipts are the proceeds from asset disposals - land and buildings, and again are available for the Council to determine their use.

- 5.01.3 Unsupported (Prudential) Borrowing is that borrowing which, as the name implies, is not supported by Welsh Government - borrowing costs (principal and interest) have to be met by the Council from the revenue budget.

- 5.01.4 Capital Expenditure financed from Revenue Account (CERA) is capital expenditure paid for by way of a direct charge to the service revenue account.
- 5.02 The total projected funding available over the 10 year period 2013/14 to 2022/23, by way of the above general sources, amounts to £108.516m as detailed in Appendix 1 (attached); the proposed Core Programme Scheme expenditure (as referred to in Section 6.01 below) amounts to £91.961m (as included in Appendix 1), which produces an available total of £16.555m to fund other programme schemes over the period.
- 5.02.1 In view of the projected shortfall in 2014/15 (£0.140m), which follows a 2013/14 available funding figure of just £0.250m, it may be prudent to consider a consolidated two year programme (2013/14/15). On this basis a cumulative total of £0.110m would be available to provide some headroom for variances.
- 5.03 It can be seen that, taking account of the funding information provided in 5.02 above, there is currently no general funding available to support new capital investment outside of the core programme schemes (see Section 6.00 below) during the consolidated two year programme period (2013/14/15), without the introduction of new and creative ways of delivering capital investment (as described in Section 3.00).

6.00 CORE CAPITAL SCHEMES

- 6.01 'Core' schemes are those that require capital works on an on-going basis in order to ensure life and use enhancement; such schemes include Energy Efficiency Measures, Highways Infrastructure Works, and School Building Works. The proposed Core schemes (as outlined at the Capital Workshop on 22nd November 2012), are detailed in Appendix 2 as attached.
- 6.02 The Appendix 2 information reflects a reviewed position (from that incorporated in the Capital Strategy and Capital Programme 2012/13 to 2021/22) in terms of the listed values, which takes account of the revised available funding projections as referred to in Section 5.02 above. Also included within the Appendix 2 totals are those new schemes approved in 2012/13, funded from the headroom available at the time; these schemes drop out of the analysis in entirety, by the end of 2015/16. The impact on the available funding resources of financing these schemes is recorded in Appendix 1.
- 6.03 A request was received at the Capital Workshop (22nd November 2012) for a reconciliation between the Appendix 2 figures and the indicative Core Programme Schemes list that formed part of the aforementioned Capital Strategy and Capital Programme 2012/13 to 2021/22; this reconciliation is included as Appendix 3. The adjusted

figures reflect those changes referred to in Section 6.02 above, and as noted in the key to Appendix 3; in most cases the 'trimmed' 2013/14 programme scheme budgets are reinstated across the subsequent 9 years (2014/15 to 2022/23).

7.00 CONSULTATION

- 7.01 A meeting of the Corporate Resources Overview and Scrutiny Committee has been scheduled for 31st January 2013, at which the capital programme proposals as set out in this paper will be considered. The scrutiny meeting will be open to all Members of the Council. Final capital proposals for 2013/14 will be considered by Cabinet in February prior to a recommendation to Council on 1st March 2013.
- 7.02 A public consultation survey which covers aspects of the Council's Revenue and Capital Budget Strategies is due to open between 21st December 2012 and 20th January 2013.

8.00 RECOMMENDATIONS

- 8.01 Members are recommended to:
- (a) Note the work which has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
 - (b) Approve the allocation of funding to the core capital programme in 2013/14 as shown in Appendix 2 (and note the indicative allocations for future years), subject to input by Overview & Scrutiny.

9.00 FINANCIAL IMPLICATIONS

- 9.01 As set out in the report.

10.00 ANTI-POVERTY IMPACT

- 10.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

11.00 ENVIRONMENTAL IMPACT

- 11.01 Individual Capital Programme Schemes may have specific environmental impacts.

12.00 EQUALITIES IMPACT

- 12.01 Individual Capital Programme Schemes may have specific equality impacts.

13.00 PERSONNEL IMPLICATIONS

13.01 None directly as a result of this report.

14.00 CONSULTATION REQUIRED

14.01 All Members and Overview & Scrutiny.

15.00 CONSULTATION UNDERTAKEN

15.01 An initial workshop on capital was held on 22nd November 2012 for all Members. A public consultation survey is due to open between 21st December 2012 and 20th January 2013.

16.00 APPENDICES

16.01 Appendix 1 – Available Funding

Appendix 2 – Core Capital Programme Schemes

Appendix 3 - Core Programme Schemes (Reconciliation to 2012/13 Budget Figures)

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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APPENDIX 1

ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total £m
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Financing (Excluding Specific Grants)											
Unhypothecated Supported Borrowing (USB)	*	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	42.700
General Capital Grant (GCG)	#	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	25.980
Capital Receipts		3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.095	39.836
Total		10.778	10.343	12.405	11.423	8.188	11.212	11.068	11.068	10.963	108.516
Expenditure											
Core Capital Programme Schemes - Appendix 1		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Total		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
AVAILABLE/(SHORTFALL)		0.250	(0.140)	3.510	2.558	(0.677)	2.347	2.203	2.203	2.098	16.555
Cumulative		0.250	0.110	3.620	6.178	5.501	7.848	10.051	12.254	14.457	16.555

* WG funding assumptions - USB

2013/14 per Provisional Settlement
2014/15 ref (2013/14) Provisional Settlement
2015/16 → as 2014/15

2012/13 = USB £5.141m

WG funding assumptions - GCG

2013/14 per Provisional Settlement
2014/15 ref (2013/14) Provisional Settlement
2015/16 → as 2014/15

2012/13 = GCG £2.603m

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CORE CAPITAL PROGRAMME SCHEMES

[illegible]

ENVIRONMENT					
Administrative Buildings					
Various	Disability Discrimination Act (DDA) Works	0.180	0.175	0.175	0.175
Various	Energy Efficiency Measures	0.275	0.300	0.300	0.300
Various	Renewable Energy Installations	0.350	0.350		
Various	Asbestos Removal	0.075	0.070	0.070	0.070
Various	Legionella Monitoring	0.075	0.070	0.070	0.070
Various	Upgrading Fire and Intruder Alarms	0.060	0.055	0.055	0.055
Various	Fire Safety Order Works	0.100	0.100	0.100	0.100
Various	Corporate Property Maintenance	0.500	0.500	0.500	0.500
Engineering					
Various	Land Drainage Works - General	0.080	0.075	0.075	0.075
Various	Coast Protection Works - General	0.120	0.110	0.110	0.110
Highways					
Various	Highways Infrastructure	0.600	0.750	0.750	0.750
Various	Bridge Assessments and Replacement	0.160	0.150	0.150	0.150
Various	Street Lighting Replacement	0.200	0.180	0.180	0.180
Various	Structural Maintenance	0.200	0.180	0.180	0.180
Regeneration					
Flint	Townscape Heritage Initiative	0.115	0.115	0.115	0.115
Various	Town Centre Regeneration	0.190	0.190	0.190	0.190
TOTAL - ENVIRONMENT		3.280	3.370	3.020	3.020

CORE CAPITAL PROGRAMME SCHEMES

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**CORE PROGRAMME SCHEMES 2013/14 - SUMMARY
(RECONCILIATION TO 2012/13 BUDGET FIGURES)**

	2013/14 Indicative * £m	2013/14 Estimate £m	Variance £m
SUMMARY			
COUNCIL FUND			
COMMUNITY SERVICES	2.950	2.750	(0.200)
ENVIRONMENT	3.155	3.280	0.125
LIFELONG LEARNING	2.965	2.760	(0.205)
CORPORATE SERVICES	0.930	1.738	0.808
TOTAL - COUNCIL FUND	10.000	10.528	0.528

FINANCING			
Unhypothecated Supported Borrowing (USB)	4.254	4.270	0.016
General Capital Grant	2.605	2.598	(0.007)
Capital Receipts	5.360	3.910	(1.450)
Specific Capital Grants	0.000	0.000	0.000
Unsupported (Prudential) Borrowing	0.000	0.000	0.000
TOTAL - FINANCING	12.219	10.778	(1.441)

AVAILABLE HEADROOM	(2.219)	(0.250)	1.969
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Analysis (from above)	£m
Increased Net Budget	0.528
Reduced Funding	1.441
Reduced Headroom	1.969

* as per 2012/13 Budget

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CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 TOTAL
(See below) £m £m £m £m £m £m £m £m £m £m

COMMUNITY SERVICES												
Grants	Various	1	12/13	2,700	2,425	2,425	2,425	2,425	2,425	2,425	2,425	24,525
			13/14	2,500	2,450	2,450	2,450	2,450	2,450	2,450	24,550	
			Variance	(0.200)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	
	Shotton		12/13	0.250	0.225	0.225	0.225	0.225	0.225	0.225	2,275	
			13/14	0.250	0.225	0.225	0.225	0.225	0.225	0.225	2,275	
			Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	TOTAL - COMMUNITY SERVICES		12/13	2,950	2,650	2,650	2,650	2,650	2,650	2,650	26,800	
			13/14	2,750	2,675	2,675	2,675	2,675	2,675	2,675	26,825	
			Variance	(0.200)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
ENVIRONMENT												
Administrative Buildings												
Various	Disability Discrimination Act (DDA) Works	12/13 13/14	0.180 0.180	0.175 0.175	0.175 0.175	0.175 0.175	0.175 0.175	0.175 0.175	0.175 0.175	0.175 0.175	0.175 0.175	1.755 1.755
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1	Energy Efficiency Measures	12/13 13/14	0.300 0.275	0.300 0.300	0.300 0.300	0.300 0.300	0.300 0.300	0.300 0.300	0.300 0.300	0.300 0.300	0.300 0.300	3.000 2.975
		Variance	(0.025)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.025)
2	Renewable Energy Installations	12/13 13/14	0.350 0.350									0.000 0.700
		Variance	0.350	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.700
Various	Asbestos Removal	12/13 13/14	0.075 0.075	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.705 0.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Legionella Monitoring	12/13 13/14	0.075 0.075	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.070 0.070	0.705 0.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Upgrading Fire and Intruder Alarms	12/13 13/14	0.060 0.060	0.055 0.055	0.055 0.055	0.055 0.055	0.055 0.055	0.055 0.055	0.055 0.055	0.055 0.055	0.055 0.055	0.555 0.555
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Fire Safety Order Works	12/13 13/14	0.100 0.100	0.100 0.100	0.100 0.100	0.100 0.100	0.100 0.100	0.100 0.100	0.100 0.100	0.100 0.100	0.100 0.100	1.000 1.000
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Corporate Property Maintenance	12/13 13/14	0.500 0.500	0.500 0.500	0.500 0.500	0.500 0.500	0.500 0.500	0.500 0.500	0.500 0.500	0.500 0.500	0.500 0.500	5.000 5.000
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Engineering Various	Land Drainage Works - General	12/13 13/14	0.080 0.080	0.075 0.075	0.075 0.075	0.075 0.075	0.075 0.075	0.075 0.075	0.075 0.075	0.075 0.075	0.075 0.075	0.755 0.755
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Coast Protection Works - General	12/13 13/14	0.120 0.120	0.110 0.110	0.110 0.110	0.110 0.110	0.110 0.110	0.110 0.110	0.110 0.110	0.110 0.110	0.110 0.110	1.110 1.110
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Highways Various	1	12/13	0.800	0.725	0.725	0.725	0.725	0.725	0.725	0.725	0.725	7.325
		13/14	0.600	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	7.350
		Variance	(0.200)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
	Various	12/13	0.160	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	1.510
		13/14	0.160	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	1.510
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Various	12/13	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
		13/14	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Various	12/13	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
		13/14	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Regeneration Various	Townscape Heritage Initiative	12/13	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	1.150
		13/14	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	1.150
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Town Centre Regeneration	12/13	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	1.900
		13/14	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	1.900
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	TOTAL - ENVIRONMENT	12/13	3.155	2.995	2.995	2.995	2.995	2.995	2.995	2.995	2.995	30.110
		13/14	3.280	3.370	3.020	3.020	3.020	3.020	3.020	3.020	3.020	30.810
		Variance	0.125	0.375	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.700

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
LIFELONG LEARNING												
Education - General												
Various	School Buildings Repairs and Maintenance											
		12/13	2.555	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	23.255
		13/14	2.350	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	23.275
		Variance	(0.205)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.020
Various	Disability Discrimination Act - Individual Pupils											
		12/13	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
		13/14	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Furniture and Equipment											
		12/13	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
		13/14	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Primary Schools												
Various	Learning Environments (Foundation Phase)											
		12/13	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		13/14	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL - LIFELONG LEARNING												
		12/13	2.965	2.695	2.695	2.695	2.695	2.695	2.695	2.695	2.695	27.220
		13/14	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240
		Variance	(0.205)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.020

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CORPORATE SERVICES												
ICT and Customer Services												
General	ICT Infrastructure											
1	12/13	0.255	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	2.325
	13/14	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.450
	Variance	(0.055)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.125
General	Agile Working Investment											
2	12/13	0.150	0.100									0.000
	13/14											0.250
	Variance	0.150	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250
General	EDRMS Implementation											
2	12/13	0.125	0.105	0.030								0.000
	13/14											0.260
	Variance	0.125	0.105	0.030	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.260
General	ICT Infrastructure											
2	12/13	0.210	0.210	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	13/14	0.210	0.210									0.420
	Variance	0.210	0.210	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.420
General	Microsoft Enterprise Agreement											
2	12/13	0.353	0.353									0.000
	13/14											0.706
	Variance	0.353	0.353	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.706
Flintshire Connects												
Various	Flintshire Connects											
2	12/13	0.500	0.500									0.000
	13/14	0.500	0.500									1.000
	Variance	0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
Corporate Finance												
General	Minor Capital Works - Health & Safety											
	12/13	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
	13/14	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
	Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
General	Corporate Provision - Feasibility Studies											
1	12/13	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	2.000
	13/14	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
	Variance	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(1.000)
General	Housing Stock Options (Subject to Housing Review) *											
3	12/13	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	3.750
	13/14											
	Variance	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(3.750)

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 TOTAL
(See below) £m £m £m £m £m £m £m £m £m £m £m

CORPORATE SERVICES (Cont.)										
Clwyd Theatr Cymru										
General Provision										
12/13	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
13/14	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL - CORPORATE SERVICES										
12/13	0.930	0.905	0.905	0.905	0.905	0.905	0.905	0.905	0.905	9.075
13/14	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	7.086
Variance	0.808	0.813	(0.425)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(1.989)
TOTAL - COUNCIL FUND										
12/13	10.000	9.245	9.245	9.245	9.245	9.245	9.245	9.245	9.245	93.205
13/14	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Variance	0.528	1.238	(0.350)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(1.244)

VARIANCE Figures in brackets indicate a reduced budget, unbracketed an increased/additional budget.

- KEY 1 2013/14 budget reduced in line with reduced funding projections but re-profiled over future years.
2 New to 2013/14 onwards as a result of schemes approved in 2012/13 (From Headroom).
3 No longer needed as a result of the Housing Ballot.

Agenda Item 5

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**
DATE: **TUESDAY, 19 FEBRUARY 2013**
REPORT BY: **CHIEF EXECUTIVE, HEAD OF FINANCE, DIRECTOR
OF COMMUNITY SERVICES, HEAD OF HOUSING**
SUBJECT: **HOUSING REVENUE ACCOUNT 2013/14 AND
CAPITAL PROGRAMME 2013/14**

1.00 PURPOSE OF REPORT

- 1.01 To consider the Housing Revenue Account (HRA) budget as set out in 1.02 and 1.03 following consultation with the Housing Overview and Scrutiny Committee.
- 1.02 Revenue budget proposals for the 2013/14 financial year, including proposed rent and service charge changes, key areas of income and expenditure, and the level of closing balance at the year end.
- 1.03 Budget proposals for the HRA Capital programme 2013/14, which is year two of a six year improvement programme.

2.00 BACKGROUND

- 2.01 As the Council has a stock of Council housing, it is required by the Local Government and Housing Act 1989 to keep a HRA in accordance with proper accounting practices, and to budget to avoid an end of year deficit.
- 2.02 The HRA is a "ring-fenced" account of certain defined transactions relating to Local Authority Housing. The ring-fenced nature of the account means that funding cannot be transferred between the Council Fund and HRA or vice versa, other than in certain prescribed circumstances.
- 2.03 Although there is a legal requirement to avoid an end of year deficit, it is also considered to be good practice to budget for a closing balance of at least 3% of total expenditure of the HRA.
- 2.04 Prior to the start of each financial year, the Welsh Government (WG) consults with Local Authorities on the draft HRA subsidy and Item 8 determinations. These are the key financial determinations set each year by WG which influence Local Authority rent increases, and also the amount of HRA subsidy payable by the Council. The two main elements of the consultation are the "guideline rent increase" and the Management and Maintenance (M&M) element of HRA subsidy.

- 2.05 The guideline rent increase is the amount by which WG considers the Authority should increase weekly rents in order to make progress towards achievement of the key WG objective of “benchmark” rents where Local Authority and Registered Social Landlords (RSL) rents for similar properties in similar areas are broadly the same. WG stipulates that in order to achieve this Local Authority Guideline rents should increase by RPI (Sept figure) +2%, and Housing Association rents by RPI (Sept figure) +1%.
- 2.06 The management and maintenance allowance element of HRA subsidy is the amount which WG considers each Local Authority requires per HRA dwelling to manage and maintain the housing stock held within the HRA.
- 2.07 Initial budget proposals for 2013/14 were approved by Cabinet on 22 January 2013 and considered by the Housing Overview and Scrutiny Committee later the same day. The revenue budget and capital programme proposals were welcomed by scrutiny and no changes were requested to the initial budget proposals set out by the Cabinet. A summary of the questions raised at the scrutiny meeting and responses provided is included as Appendix 4.

3.00 CONSIDERATIONS

Revenue Budget 2013/14

- 3.01 The final Housing Revenue Account subsidy and Item 8 determinations were received from WG on the 6 February 2013 which reflects a minor adjustment to the proposed guideline rent for Flintshire to the Draft determinations that were received 20th December 2012. It increases the all-Wales average weekly guideline rent by 4.6%. This is based on the Minister for Housing Regeneration and Heritage’s decision to apply the standard uplift policies:
- of using the previous September RPI inflation figure of 2.6%; and
 - to apply a 2% real increase to the average local authority guideline rent for 2013-14.
- 3.02 The final guideline weekly rent increase for Flintshire for 2013/14 as per the consultation is £3.46 per week, (on a 52 week collection basis). This is a percentage increase of 5.1%, (compared to a 2012/13 average rent increase of 4.75%. This rent increase was reduced from 7% following consultation responses to WG). The Management and Maintenance allowance element of Housing Revenue Account Subsidy increased to £2,610 per dwelling for each local authority, reflecting an increase of £162 per dwelling (6.6%) on 2012/13.

- 3.03 It has come to light from the rents team that as the 31st March 2014 falls on a Monday the HRA will benefit from the full rental income for that additional week within 2013/14 budget year. This happens once every seven years and is not subject to subsidy therefore bringing an additional £0.5m of rental income into the HRA. This will be utilised to increase the CERA contribution to the capital programme.
- 3.04 The current levels of benefit claimants amongst Flintshire housing tenants are illustrated in the table below :-

Flintshire Tenants - Housing Benefit Claimants		
Benefit Status	Tenants	
	Number	%
Full/Partial Benefit	4,968	66.7%
Full Rent	2,478	33.3%
Total	7,446	100.0%

As illustrated above, approximately 66.7% of the Councils 7,446 tenants would face no additional hardship as a consequence of the proposed rent increase. This will be met by housing benefit subject to claimants personal circumstances remaining the same and their households being unaffected by Welfare Reform. Those tenants who are not currently in receipt of benefit will naturally have to meet the full increase in rent, unless they become eligible for housing benefit.

3.05 **Rent Increase – Garages**

The 2013/14 proposed rent level for all HRA garages is £5.50 per week, an increase of £1.45 per week compared to 2012/13. It is proposed to increase at a rate higher than previous years in order to create additional income in the HRA and bring garage rents to line with other social housing providers. This compares to the current Council and Market rents for Wrexham and Denbighshire which range from £5.84 to £7.00. During 2013/14 a garage review will be undertaken and further proposals, including long term rent levels, investment and redevelopment options, will be brought to Council.

3.06 **HRA – Key areas of expenditure**

Are detailed below.

3.07 **Repairs and Maintenance**

The housing repairs service is continuing its drive to develop into a modern and efficient customer focused service, through the implementation of new technology, lean processes and customer focused working practices to deliver continuous improvement. Repairs and Maintenance is the largest element of expenditure within the HRA (30%) and equates to a unit cost of £1,138 per property in 2013/14. This is a reduction on 2012/13 of £41 per property.

Further savings in the Housing Asset restructure have been included at £0.060m per annum.

3.08 **Mobile Working**

The final loan repayment of £0.103m for mobile working was paid in 2012/13. This saving has been partially offset with £0.050m for replacement costs.

3.09 **Estate Management**

The Estate Management service has identified an overall 3.35% efficiency against the 2012/13 budget. Savings have been identified within the housing management structure, the removal of the Kings Head Building costs and payment of the tenant's water rates upfront, providing a total efficiency of £0.163m.

Service improvements amount to £0.100m; these relate to additional Anti Social Behaviour (ASB) staffing as provided for in the Choices document, an increase in the Tenants Incentive programme to support housing transfers and increased bank charges.

3.10 **Home Ownership**

There has been a dramatic decrease in the number of Right to Buy sales in the last five years. Therefore for budget purposes zero sales have been assumed for 2013/14.

3.11 **Allocations and Welfare**

The majority of these costs relate to the tenancy applications and allocations service. Also included within this area are the budgets for communal laundries and community meeting rooms for tenants. Only inflationary increases are proposed for this budget in 2013/14.

3.12 **Capital Expenditure financed from Revenue Account**

Capital expenditure financed from the revenue account (CERA) enables additional investment in the HRA Capital Programme. The use of this additional source of financing for capital improvements helps to progress the work to achieve the requirements of the Welsh Housing Quality Standard (WHQS). An investment of £5.792m has been included in the 2013/14 budget which is an increase of £1.355m on the 2012/13 budget.

3.13 **Finance and Support Services**

Finance and support have identified an overall 3.5% efficiency against the 2012/13 budget. Savings have been identified through the reduction of support recharges as work previously undertaken within Corporate Finance is now undertaken in the Directorate team and no longer recharged, providing a total efficiency of £0.372m, (including removal of one off pension/redundancy costs).

Service improvements totalling £0.281m are proposed. These include an annual contribution to the Flintshire Connects programme which is offset from other savings identified above and one off costs for the implementation of Job scheduling and a new schedule of rates, which will support further modernisation of the repairs service.

3.14 Capital Financing Charges

A full review has just been finalised by Corporate Finance on the capital financing charges and has resulted in further savings to the HRA of £0.169m

3.15 Closing Balance

A closing balance of 3.20% is recommended for 2013/14. This is a reduction from previous years of 3.25% 2012/13, and 5.02% 2011/12 as strong budgetary control has enabled the Council to reduce the working balance to maximise WHQS investment.

3.16 Communal Heating Charges

The proposed communal heating charges will be provided for review within the formal cabinet report.

4.00 RECOMMENDATIONS

4.01 Members are asked to approve and recommend to Council :

- i. The proposed HRA budget for 2013/14 as set out in Appendix 1, incorporating the proposals for Service Improvements and Efficiencies in Appendix 2.
- ii. The level of rent charges for 2013/14 as set out in paragraphs 3.02 and 3.05.
- iii. The level of projected balances at 31st March 2014 at 3.20% of total expenditure.
- iv. The proposed HRA Capital Programme as set out in Appendix 3.

5.00 FINANCIAL IMPLICATIONS

5.01 The Council has a statutory duty to review the income and expenditure of the HRA, and to set a budget for the forthcoming financial year which avoids a deficit closing balance position. This report sets out how this can be achieved for the Council in 2013/14. The key financial assumptions on which this is proposed are set out in Appendix 2. The proposed budget estimates a closing balance of 3.20% to total expenditure.

6.00 ANTI POVERTY IMPACT

- 6.01 HRA activity helps alleviate poverty by providing safe and secure homes that are energy efficient and economical to run. The ongoing programme maintains the impetus to upgrade heating etc., to minimise fuel use and thereby boost disposable income.

7.00 ENVIRONMENTAL IMPACT

- 7.01 There are no direct environmental impacts arising from the HRA budget as outlined in the report.

8.00 EQUALITIES IMPACT

- 8.01 There are no direct equalities impacts arising from this report.

9.00 PERSONNEL IMPLICATIONS

- 9.01 There are no direct personnel implications arising from this report.

10.00 CONSULTATION REQUIRED

- 10.01 Consultation with all tenants over any rent increase must take place and must be at least 28 days before any rent increase is due to come into effect.

11.00 CONSULTATION UNDERTAKEN

- 11.01 Consultation with tenants on the draft budget and proposed rent increase was undertaken at the tenants' conference on 15th January 2013. The Housing Scrutiny committee considered the draft budget proposals at their meeting on 22nd January 2013.

12.00 APPENDICES

- 12.01 HRA Summary – Appendix 1
HRA Budget Pressures and Savings – Appendix 2
HRA Capital Programme – Appendix 3
Summary of Questions and Response – Appendix 4

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

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HRA BUDGET 2013/14 - Appendix 1

	2012/13 Budget £	2013/14 Budget £	Variance £	% to 2012/13
INCOME				
Rents (Council Dwellings & Garages)	-25,560,258	-26,945,596	-1,385,338	5%
Capitalised Salaries	-1,075,138	-1,138,661	-63,523	6%
Interest on RTB Mortgages	-4,000	-8,000	-4,000	100%
	-26,639,396	-28,092,257	-1,452,861	5%
EXPENDITURE				
HRA Subsidy (Negative/Deficit)	6,043,519	6,166,805	123,286	2%
Capital Financing - Loan Charges	2,349,042	2,180,166	-168,876	-7%
Estate Management	1,881,458	1,818,424	-63,034	-3.4%
Home Ownership	-1,225	-1,225	0	0%
Allocations and Welfare	159,579	166,913	7,334	5%
Repairs and Maintenance	8,632,627	8,296,743	-335,884	-4%
Landlord Services	302,980	244,711	-58,269	-19%
Welsh Housing Quality Standard - CERA	4,437,000	5,792,000	1,355,000	31%
Finance and Support	2,546,122	2,455,851	-90,271	-3.5%
Capitalised Salaries	1,075,138	1,138,661	63,523	6%
	27,426,240	28,259,049	832,809	3%
(Surplus) / Deficit for the year	786,844	166,792	-620,052	
Opening Balance	-1,857,000	-1,070,156	786,844	
HRA Closing Balance	-1,070,156	-903,364	166,792	
% of Total Expenditure (Guideline 3%)	3.90%	3.20%		

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HRA BUDGET PRESSURES & SAVINGS OPTIONS- Appendix 2

Code	Bid Ref	ADDITIONAL CAPITAL INVESTMENT	2013/14	Notes
HRP/HRR		CERA	1,355,000	Increased contribution to the Capital programme
Code	Bid Ref	Increase in Rents	2013/14	Notes
HRP/HRR		5% Rental Increase as per Welsh Government Guidance	-1,414,396	
Code	Bid Ref	EFFICIENCY SAVING OPTIONS	2013/14	Notes
HRD	17S	Increased Garage Rents to £5.50 per week	-134,482	An increase of £1.45 per week to create additional funds for WHQS.
HRE/HRX/HRM	11S	HRA Savings Target - 2.5%	-33,254	Savings target applied to general costs excluding utilities and costs subject to service level agreements.
HRE	12S	Flintshire Connects Savings - Kings Head Building	-34,452	Closure of Kings Head building in line with Flintshire Connects in Holywell opening.
HRE	13S	Neighbourhood Housing Manager Connahs Quay - post deletion	-53,542	Senior Manager Restructure for Housing has created a reduction of 1 Neighbourhood Manager post.
HRE	1S	Early Bird Discount on Water charges	-23,000	If Flintshire pay the yearly water bill in one payment we receive a further discount on our water charges, this saving will offset the Water charge deficit of £20k.
HRM	10S	Income	-64,500	Recharge to capital programme for DLO undertaking smoke alarm and electrical rewiring work.
HRM	19S	Further Housing Asset restructure savings	-60,133	These are in addition to savings of £113k in 2012/13
HRP/HRR	9S/18S	Temp loans	-168,876	Reduction in Capital Financing charges to the HRA.
HRX	21S	Reception savings	-30,366	Reduction in reception staff to off set Flintshire Connects costs
HRX	14S	Support Recharges	-187,869	Reduction in support recharges to the HRA following a review of costs.
HRX/HRD	57/8/22S	Other General Savings	1,018	
HRP	22S	Increase in Right to Buy Income	-4,000	
Total Savings			-793,455	5.2% of Total Operating Costs
Code	Bid Ref	Budget Realignment/One off pressures reversed	2013/14	Notes
HRM	15S	Review of Utility Costs	-74,863	Reduction in utility costs following a review of Landlord services for HRA properties.
HRM	16S/18P	Hard to Let Voids - Subcontractor spend	-128,080	Removal of the one year pressure on Hard to let Voids, offset by a £70k increase in oil contamination costs
HRM	4S	Mobile working loan repayment	-48,544	Reversal of invest to save
HRM	19S	Voids backlog team	-127,260	9 mth fixed term contract for a voids backlog team comes to an end at March 2013.
HRE	2S	ASB Equipment	-3,000	Removal of the one year pressure on CCTV cameras.
HRE	20S	Transfer post to Council Fund	-30,909	Asset Management Officer to be funded through the Homeless restructure savings. This post should sit within the Council Fund.
HRX	6S	Pension/Redundancy	-120,000	Removal of a one year pressure on redundancy costs following the housing restructures.
Total Savings			-532,656	3.5% of Total Operating Costs

Code	Bid Ref	BUDGET PRESSURES/SERVICE IMPROVEMENTS	2013/14	Notes
HRD/HRM	1/2P	Welfare Reform Costs	255,350	
HRE	4/5/6P	Court costs and Giro Charges	11,208	Increased court costs
HRE	7/8P	Phones	9,570	Mobile phone increase due to mobile working, increased landline charges
HRE	9P	Tenants Incentive	10,000	Expected increase in Tenant incentive payments
HRE	10/16P	Estate Management service improvements / ASB	51,459	2 Anti social behaviour officers pro rata 9 mths as agreed in the Choices document, 0.2 FTE for Janitor weekend cover.
HRE/HRM	11P	Subscriptions	6,313	Increase in subscription costs and Membership to TPAS.
HRM	12P	Quality Assurance and Gas Certificates	12,276	
HRX	19P	STAR Survey	13,000	Implementation of STAR survey
HRX	20P	Software for Repairs and Maintenance	101,942	Implementation of Job scheduling and a new schedule of rates
HRX	14P	Flintshire Connects Contribution	100,000	Offset by efficiency points 12S and 13S
HRD		Increase in Garage Voids	32,740	
ALL		Inflation	161,597	Average %
Service Improvements			765,454	2.8% of Rental Income

Appendix 3
Draft HRA Capital Programme 2013/14

HRA Capital programme 2013/14	£m
Smoke Alarm Installations	0.100
Electrical periodicals and rewires	0.150
Heating Replacement - Programme and survey	2.211
Kitchen Replacements - Programme	4.061
Bathroom replacements	0.173
Asbestos Survey and Removal (Ongoing Programme)	0.150
DDA Audits, Fire Risk Assessments and other urgent works	0.100
Fire Risk Assessments	0.250
Vacant Properties	0.350
Planned urgent works	0.300
Disabled Facility Grants (DFG) - Mandatory/ Minor Adapts	1.000
Off Gas Programme	0.743
Maisonettes	0.500
Glan y Morfa phase 3	0.250
Environmental Works (footpaths and fences)	0.344
Capitalised Salaries	0.310
13/14 Budget	10.992

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OVERVIEW & SCRUTINY

Housing Revenue Account - Initial Budget Proposals for Revenue and Capital 2013/14

No.	Comments and Questions:	Responses:
1.0	<u>Housing Revenue Account (Revenue) - Comments / Issues</u>	
	<u>General Comments/Issues</u>	
1.1	<ul style="list-style-type: none"> Is the Rent arrears team working properly, as the position is likely to get worse with the impact of Welfare reform ? 	<ul style="list-style-type: none"> Yes, the team is working properly. There have been improvements in the level of rent arrears compared with the same point in 2011/12, but we can't be complacent and are looking for new ways of supporting our tenants.
1.2	<ul style="list-style-type: none"> Why have the increases in charges for communal heating been deferred ? 	<ul style="list-style-type: none"> This is to ensure that the charges are based on the actual position at the end of the quarter as opposed to estimated costs. The increase is likely to be implemented in July.
1.3	<ul style="list-style-type: none"> What is the impact of Flintshire having to pay a proportion of rent income to the Treasury ? 	<ul style="list-style-type: none"> The annual impact for 2013/14 is estimated at £6.1m. At a political level, Members are urged to lobby for this requirement to cease.
1.4	<ul style="list-style-type: none"> Concern was expressed at the proposed increases in garage rents. Will this result in garages being handed back with a resultant loss of income to the HRA ? 	<ul style="list-style-type: none"> Some of the Council's garage sites are considered to be unfit for purpose. Garage rent levels have been much lower than our neighbouring authorities and the proposed increase will bring Flintshire into line with them. The proposal will generate an additional £0.100m of revenue.

OVERVIEW & SCRUTINY
Housing Revenue Account - Initial Budget Proposals for Revenue and Capital 2013/14

No.	Comments and Questions:	Responses:
1.5	<ul style="list-style-type: none"> A suggestion was made that the age limit for provision of an assisted garden maintenance service be increased to age 70 and over. 	<ul style="list-style-type: none"> This is currently under consideration as part of garden services for the elderly.
2.0	<u>Housing Revenue Account (Capital) - Comments / Issues</u>	
2.1	<u>General Comments/Issues</u> <ul style="list-style-type: none"> Given the need for more houses, can we now start building more housing stock ? 	<ul style="list-style-type: none"> Work is currently underway to look into this, and it is hoped to bring more information to Members in due course.
2.2	<ul style="list-style-type: none"> How has it been possible to achieve such an increase in the provision of heating and kitchen improvements etc.? 	<ul style="list-style-type: none"> The current economic climate has resulted in tenders coming in lower than anticipated which will enable capital allocations to go further in terms of work to be delivered.

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 19 FEBRUARY 2013**

REPORT BY: **HEAD OF FINANCE, CHIEF EXECUTIVE AND
DIRECTOR OF ENVIRONMENT**

SUBJECT: **COUNCIL FUND CAPITAL PROGRAMME 2013/14 TO
2022/23**

1.00 PURPOSE OF REPORT

- 1.01 To propose the Council Fund Capital Programme for 2013/14 and provide indicative details for 2014/15 to 2022/23, following consultation with the Corporate Resources Overview and Scrutiny Committee. As in all years, the capital programme relies upon the availability of budgeted capital funding resources in order to meet its objectives.

2.00 BACKGROUND

- 2.01 Proposals for the Council Fund Capital Programme 2013/14 to 2022/23, together with details of the continuing work in developing a capital strategy were reported to Cabinet on 18th December 2012.
- 2.02 The proposals included in the report of 18th December took account of Welsh Government's Provisional Finance Settlement for 2013/14, together with indicative allocations for forward years. A verbal update regarding the Final Settlement was provided to Cabinet, indicating a final figure of £6.866m, which was £0.002m less than that notified at the provisional stage, but £0.007m more than previous planning assumptions (and £0.007m more in each of the forward years than previous planning assumptions).
- 2.03 At its meeting of 31st January 2013, the Corporate Resources Overview and Scrutiny Committee was consulted on the Cabinet's recommendations. The key issues arising from the meeting are:-
- The anticipated future availability of information regarding the extended Local Government Borrowing Initiative (LGBI), and its likely impact on schools' funding.

- The possibility of a feasibility study for the purpose of establishing the full cost of replacing mobile classrooms, and the financial impact of such.
- Early determination of the cost implications (and funding plans) of any required future works to the Flintshire Bridge.
- A need for greater focus and pace in the move towards the use of more creative capital access options such as asset backed vehicles – a more ambitious and less risk averse approach.
- Re-affirmation of the forward unsupported (prudential) borrowing commitment particularly in respect of 21st Century Schools (by way of the approved 2012/13 Capital Programme), and its recognition in the Medium Term Financial Plan.
- The significance of the review of Council assets (which is currently underway) and the market risks in predicting accurate land sale capital receipts as one form of income to support the capital programme, in informing future capital programme planning and delivery.

2.04 The Corporate Resources Overview and Scrutiny Committee endorsed the recommendations of the 18th December report. A number of comments were made at the meeting and a number of questions asked; details of these, together with the responses provided are included in Appendix 4.

3.00 CONSIDERATIONS

3.01 The development of the Capital Strategy and Capital Programme 2013/14 was set out in detail in the report to Cabinet on 18th December 2012 (as provided at Appendix 5).

3.02 The report to Cabinet on 18th December identified the core capital programme requirements over the ten year capital programme period in key service programme areas including School Buildings and Highways Infrastructure. Details are set out in Appendix 2 attached.

3.03 The allocation of resources to core service programmes in 2013/14 amounting to £10.528m (which includes the second year funding requirement of £1.688m in respect of those schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme) leaves 2013/14 'headroom' of just £0.248m after taking account of the projected general funding available, as set out in Appendix 1 attached. A funding shortfall of £0.142m is projected for 2014/15; on this basis it is prudent to consider a two year programme (2013/14/15), which provides a net £0.106m available to meet minor contingencies, as necessary.

- 304 The total capital availability for 2013/14 is predictive at this stage given the inclusion of targets for capital receipts. The service programme capital allocations are set as maximum allocations subject to the targets being met.
- 3.05 In addition to those programme schemes financed through general capital funding sources, the overall capital programme is supplemented by those schemes funded through specific grants and those ongoing schemes approved in 2012 as part of the Capital Programme and Capital Strategy 2012/13 to 2021/22) funded through unsupported (prudential) borrowing.
- 3.06 The full programme for 2013/14, which includes the core service programmes (as referred to in 3.03), and those schemes financed by way of (indicative) specific grants of £12.785m, unsupported (prudential) borrowing of £3.895m and Local Government Borrowing Initiative (LGBI) funding of £2.700m, amounts to £29.908m, as shown in Appendix 3.

4.00 RECOMMENDATIONS

- 4.01 Taking account of the detail contained in the report to Cabinet on 18th December 2012 and the positive response from Corporate Resources Overview and Scrutiny, Cabinet is asked to recommend to Council on 1st March that they:
- (a) Note the work that has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
 - (b) Note the estimated capital funding available over the 10 year period 2013/14 to 2022/23 (as shown in Appendix 1).
 - (c) Approve the inclusion in the programme of the core service allocations to the maximum levels shown for 2013/14 (as detailed in Appendix 2), which takes account of the second year funding requirement (and funding through to completion in 2015/16) in respect of those schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme.
 - (d) Approve the allocation of resources on the basis of a two year programme (2013/14/15), which provides a net £0.106m available to meet minor contingencies, as necessary.
 - (e) Note the total Council Fund Capital Programme for 2013/14 (as set out in Appendix 3) which includes those schemes funded from specific grants, unsupported (prudential) borrowing and LGBI, over and above the general funding detailed in Appendix 1.

- (f) Note the indicative core programme details for 2014/15 to 2022/23 (as set out in Appendix 2).

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

- 6.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

7.00 ENVIRONMENTAL IMPACT

- 7.01 Individual Capital Programme Schemes may have specific environmental impacts.

8.00 EQUALITIES IMPACT

- 8.01 Individual Capital Programme Schemes may have specific equality impacts.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 All Members and Overview & Scrutiny.

11.00 CONSULTATION UNDERTAKEN

- 11.01 An initial workshop on capital was held on 22nd November 2012 for all Members. A public consultation survey was open between 21st December 2012 and 20th January 2013.

12.00 APPENDICES

Appendix 1 - Available Funding

Appendix 2 - Core Capital Programme Schemes

Appendix 3 - Capital Programme 2013/14 (including specific funding sources – Specific Grants, Unsupported Borrowing and LGBl).

Appendix 4 - Responses from Overview and Scrutiny

Appendix 5 - Cabinet Report 18th December 2012.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

2013/14 budget papers, including Welsh Government papers.

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APPENDIX 1

ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financing (Excluding Specific Grants)											
Unhypotheated Supported Borrowing (USB)	*	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	42.630
General Capital Grant (GCG)	#	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	26.030
Capital Receipts		3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.095	39.836
Total		10.776	10.341	12.403	11.421	8.186	11.210	11.066	11.066	10.961	108.496
Expenditure											
Core Capital Programme Schemes - Appendix 2		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Total		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
AVAILABLE/(SHORTFALL)		0.248	(0.142)	3.508	2.556	(0.679)	2.345	2.201	2.201	2.096	16.535
Cumulative		0.248	0.106	3.614	6.170	5.491	7.836	10.037	12.238	14.439	16.535

* WG funding assumptions - USB

2013/14 per Final Settlement
2014/15 ref (2013/14) Final Settlement
2015/16 → as 2014/15

2012/13 = USB £5.141m

WG funding assumptions - GCG

2013/14 per Final Settlement
2014/15 ref (2013/14) Final Settlement
2015/16 → as 2014/15

2012/13 = GCG £2.603m

CORE CAPITAL PROGRAMME SCHEMES

[illegible]

ENVIRONMENT						
Administrative Buildings						
Various	Disability Discrimination Act (DDA) Works	0.180	0.175	0.175	0.175	0.175
Various	Energy Efficiency Measures	0.275	0.300	0.300	0.300	0.300
* Various	Renewable Energy Installations	0.350	0.350			
Various	Asbestos Removal	0.075	0.070	0.070	0.070	0.070
Various	Legionella Monitoring	0.075	0.070	0.070	0.070	0.070
Various	Upgrading Fire and Intruder Alarms	0.060	0.055	0.055	0.055	0.055
Various	Fire Safety Order Works	0.100	0.100	0.100	0.100	0.100
Various	Corporate Property Maintenance	0.500	0.500	0.500	0.500	0.500
Engineering						
Various	Land Drainage Works - General	0.080	0.075	0.075	0.075	0.075
Various	Coast Protection Works - General	0.120	0.110	0.110	0.110	0.110
Highways						
Various	Highways Infrastructure	0.600	0.750	0.750	0.750	0.750
Various	Bridge Assessments and Replacement	0.160	0.150	0.150	0.150	0.150
Various	Street Lighting Replacement	0.200	0.180	0.180	0.180	0.180
Various	Structural Maintenance	0.200	0.180	0.180	0.180	0.180
Regeneration						
Flint	Townscape Heritage Initiative	0.115	0.115	0.115	0.115	0.115
Various	Town Centre Regeneration	0.190	0.190	0.190	0.190	0.190
TOTAL - ENVIRONMENT		3.280	3.370	3.020	3.020	3.020
						30.810

CORE CAPITAL PROGRAMME SCHEMES

	2013/14 Estimate £m	2014/15 Indicative £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m	2018/19 Indicative £m	2019/20 Indicative £m	2020/21 Indicative £m	2021/22 Indicative £m	2022/23 Indicative £m	TOTAL £m
LIFELONG LEARNING											
Education - General											
Various School Buildings Repairs and Maintenance	2.350	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	23.275
Various Disability Discrimination Act - Individual Pupils	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
Various Furniture and Equipment	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
Primary Schools											
Various Learning Environments (Foundation Phase)	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
TOTAL - LIFELONG LEARNING	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240

CORPORATE SERVICES											
ICT and Customer Services											
* General ICT Infrastructure	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.450
* General Agile Working Investment	0.150	0.100									0.250
* General EDRMS Implementation	0.125	0.105	0.030								0.260
* General ICT Infrastructure	0.210	0.210									0.420
* General Microsoft Enterprise Agreement	0.353	0.353									0.706
Flintshire Connects											
* Various Flintshire Connects	0.500	0.500									1.000
Corporate Finance											
General Minor Capital Works - Health & Safety	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
General Corporate Provision - Feasibility Studies	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
Clwyd Theatr Cymru											
General Provision	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
TOTAL - CORPORATE SERVICES	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
TOTAL - COUNCIL FUND	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

* Schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme

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	Estimate 2013/14 £m
SUMMARY	
COUNCIL FUND	
COMMUNITY SERVICES	3.350
ENVIRONMENT	16.565
LIFELONG LEARNING	8.255
CORPORATE SERVICES	1.738
TOTAL - COUNCIL FUND	29.908

	Estimate 2013/14 £m
COMMUNITY SERVICES	
Grants	
Various Private Sector Renewal and Improvements	2.500
General Housing Renewal Area Support	0.550
Children's Services	
General Flying Start Capital Expansion Programme	0.150
Travellers' Sites	
Queensferry Riverside Caravan Site	0.150
TOTAL - COMMUNITY SERVICES	3.350

		Estimate 2013/14 £m
ENVIRONMENT		
Administrative Buildings		
Various	Disability Discrimination Act (DDA) Works	0.180
Various	Energy Efficiency Measures	0.275
Various	Renewable Energy Installations	0.350
Various	Asbestos Removal	0.075
Various	Legionella Monitoring	0.075
Various	Upgrading Fire and Intruder Alarms	0.060
Various	Fire Safety Order Works	0.100
Various	Corporate Property Maintenance	0.500
Alltami	Depot Rationalisation	2.275
Engineering		
Various	Land Drainage Works - General	3.080
Various	Coast Protection Works - General	0.120
Highways		
Various	Highways Infrastructure	0.600
Various	Bridge Assessments and Replacement	0.160
Various	Street Lighting Replacement	0.200
Various	Structural Maintenance	0.200
Various	Local Government Borrowing Initiative (LGBI)	2.700
Regeneration		
Flint	Townscape Heritage Initiative	0.349
Various	Town Centre Regeneration	3.330
Transportation		
Various	Regional Transport Plan	1.700
Various	Local Road Safety Schemes	0.000
Ranger Services		
Connahs Quay	Wepre Park Development	0.236
TOTAL - ENVIRONMENT		16.565

		Estimate 2013/14 £m
LIFELONG LEARNING		
Education - General		
Various	School Buildings Repairs and Maintenance	2.350
Various	Disability Discrimination Act - Individual Pupils	0.275
Various	Furniture and Equipment	0.060
School Modernisation		
Shotton	Taliesin Junior/Shotton Infant	3.437
Various	21st Century Schools	1.308
Primary Schools		
Various	Learning Environments (Foundation Phase)	0.075
General	Flying Start Capital Expansion Programme	0.750
TOTAL - LIFELONG LEARNING		8.255

	Estimate 2013/14 £m
CORPORATE SERVICES	
ICT and Customer Services	
General ICT Infrastructure	0.410
General Agile Working Investment	0.150
General EDRMS Implementation	0.125
General Microsoft Enterprise Agreement	0.353
Corporate Finance	
General Minor Capital Works - Health & Safety	0.075
General Corporate Provision - Feasibility Studies	0.100
Flintshire Connects	
Various Flintshire Connects Centres - Development Works	0.500
Clwyd Theatr Cymru	
General Provision	0.025
TOTAL - CORPORATE SERVICES	1.738
TOTAL - COUNCIL FUND	29.908

FINANCING	
Unhypothecated Supported Borrowing (USB)	4.263
General Capital Grant	2.603
Capital Receipts	3.910
Specific Capital Grants	12.785
Unsupported (Prudential) Borrowing	3.895
Local Government Borrowing Initiative (LGBI)	2.700
(Unallocated) / Under Financing - Headroom	(0.248)
TOTAL - FINANCING	29.908

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OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
1.0	<p><u>School Modernisation</u></p> <ul style="list-style-type: none"> • 21st Century Schools allocation £64.2m - what is this for? • Can this funding be used for other education priorities? • Should the replacement of mobile classrooms be given greater priority? • What is the basis of the 21st Century Schools allocation? Is it deprivation led? • Why has the school buildings repair and maintenance allocation in 2013/14 reduced by £0.205m when the call on the budget is increasing? 	<ul style="list-style-type: none"> • Prioritised schemes in Holywell and Connah's Quay, (with some flexibility in respect of works at John Summers High School, Queensferry); 50% of the £64.2m to be funded by Welsh Government (WG). • The WG funding is a specific grant awarded for the above schemes only. The Council awaits details of the extended Local Government Borrowing initiative (LGBI) and its likely impact on school funding (although the funding is not due to commence until 2014/15). • A feasibility study would assist in assessing the financial impact of replacing mobile classrooms (approximate build cost of £0.300m to replace each 30 place mobile unit). The use of associated Section 106 monies could contribute funding towards it. • It is based upon the number of surplus places. • The budget was trimmed (as with other core programme allocations) due to reduced available funding, but increases by £0.025m each year over the next 10 years.

OVERVIEW & SCRUTINY Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
2.0	<p><u>Leisure</u></p> <ul style="list-style-type: none"> There's no reference within the paperwork as provided to any budgetary provision for works at leisure centres – funding for painting etc. 	<ul style="list-style-type: none"> There's some scope for funding capital works from the Corporate Property Maintenance budget (within Environment). Painting works would however be a charge to revenue not capital.
3.0	<p><u>Administrative Buildings</u></p> <ul style="list-style-type: none"> Energy Efficiency Measures - Renewable energy installations; tariffs have reduced and thereby the return for energy efficiency purposes will fall - has this been recognised in setting the core programme budget? What was the business case for renewable energy? 	<ul style="list-style-type: none"> Photovoltaics (PVs) are now less expensive and more efficient in energy production as technology moves on, and general energy consumption is reducing through efficient working, thus compensating for the fall off in feed in tariffs. A copy of the business case will be provided.
4.0	<p><u>Highways</u></p> <ul style="list-style-type: none"> Land Drainage – Why is budget only £0.080m and who funds culverts? Bridge Assessments – Budget is only £0.160m, what does this cover? 	<ul style="list-style-type: none"> The Council's budget levers in substantial specific grants from WG (on top of the core programme) to fund land drainage priorities. Funding for culvert works is provided from within the core programme (for capital works), and from within the revenue budget (StreetScene) for routine repairs and maintenance. The allocation covers all bridges (including the Flintshire bridge) and footbridges. A survey is currently

OVERVIEW & SCRUTINY

Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
<p>5.0 <u>General</u></p> <ul style="list-style-type: none"> • Unsupported (Prudential) Borrowing – How does the 2012/13 (and forward) commitment impact on the Council's revenue position? • Capital Programme – I'm struggling to understand why we have a 10 year core programme when the figures across the various programme areas are merely repeated for each year of the 10 years. • Why do unspent programme budgets automatically roll forward when there are other potential schemes left without funding? 		<p>underway in order to assess the full extent of future liabilities in respect of the Flintshire Bridge; the survey costs are funded from the 2012/13 £2.7m LGBI (Highways) monies. If future liabilities become unaffordable, the Council will move to lobby WG for funding.</p> <ul style="list-style-type: none"> • All borrowings have been factored into the Medium Term Financial Plan – borrowing costs rise to approximately £1.5m per annum once the full impact of the 21st Century Schools Programme feeds through. • The core programme is one element only of the total capital programme; the total capital programme includes those schemes funded by way of grants, Capital Expenditure financed from Revenue Account (CERA) and more significantly unsupported (prudential) borrowing. These additional elements are key considerations in the strategic work undertaken in developing the overarching capital strategy, and the linked Medium Term Financial Strategy. • Budgets do not automatically roll forward – this is the clear message from Scrutiny. The Quarter 3 Capital Programme report to Cabinet on 19th March will

APPENDIX 4

OVERVIEW & SCRUTINY Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
	<ul style="list-style-type: none"> • Disposal of Assets – Some clarification is required regarding the asset disposal policy. Is there a level of speculation in the list of anticipated sale receipts? 	<p>provide the updated position regarding schemes not yet started.</p> <ul style="list-style-type: none"> • A detailed asset review is to be carried out in order to assess the status of assets held – those which can be disposed of and those which are required for future service delivery. The Council will be looking into more creative ways to raise capital finance including Asset Backed Vehicles.

Agenda Item 4

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**
DATE: **TUESDAY, 19 FEBRUARY 2013**
REPORT BY: **CHIEF EXECUTIVE AND HEAD OF FINANCE**
SUBJECT: **COUNCIL FUND REVENUE BUDGET 2013/14**

1.00 PURPOSE OF REPORT

- 1.01 To present the finalised Council Fund Revenue budget strategy and detailed proposals for 2013/14 for recommendation to County Council on 1 March 2013.

2.00 BACKGROUND

- 2.01 A report was considered by Cabinet on 18 December 2012 which presented a first draft of the Council Fund Revenue Budget for 2013/14 for initial approval. Further work was to follow and the draft was to be presented to Overview and Scrutiny Committees throughout January for consultation.
- 2.02 The budget strategy and proposals were considered by the five Overview and Scrutiny Committees between 22 and 31 January 2013 and feedback is detailed in sections 3.07 – 3.11.
- 2.03 The budget strategy and proposals and their implications for school budgets were discussed with the School Budget Forum on 31 January 2013. The budget strategy and proposals were shared with the Flintshire Joint Trades Union Committee on 23 January 2013.
- 2.04 The formal Council Fund budget setting for 2013/14 and setting of the Council Tax for the year will take place at County Council on 1 March 2013.

3.00 DEVELOPING THE BUDGET STRATEGY AND CLOSING THE GAP

National and Local Context

- 3.01 The national and local financial context in which the budget is being set was shared and explored at Cabinet in December and with the Overview and Scrutiny Committees throughout January.

3.02 The budget strategy has been developed within the context of the Council's Medium Term Financial Strategy (MTFS). The aims of the developing strategy are:-

- To ensure revenue and capital resources are targeted to support Council priorities and to achieve their outcomes
- To fully integrate revenue and capital plans
- To maintain Council Tax increases at affordable levels for the tax payer
- To optimise opportunities for income generation from fees, charges and grants
- To maintain appropriate level of reserves and provisions
- To ensure strong financial services, systems and processes to underpin the strategy and balance annual budgets

Budget Strategy 2013/14

3.03 The objectives of the budget strategy for 2013/14 have been:-

- To respond to the reduced level of funding available to local government and the wider public sector and the ongoing impacts of the economic position
- To protect 'front line' public services despite the scale of the fiscal challenge
- To minimise the effects on communities
- To reinvest in new, expanded or improved services to meet Council Priorities wherever possible

3.04 We have sought to achieve these objectives by:-

- Challenging and 'compressing' identified service/budget pressures by drawing on evidence-based forecasting and a risk management approach
- Reviewing service/budget pressures and efficiencies identified in previous years and revising them to meet current need
- Taking a targeted approach to inflation – providing additional resources only where necessary
- Ongoing review and challenge of the in-year budget position to identify challenges and opportunities for the 2013/14 budget year
- Reviewing reserves and balances to ensure they are at the level needed
- Progressing the work streams within the Flintshire Futures Programme to achieve our efficiency savings targets.

Budget 'Headlines'

3.05 The budget headlines are:-

- The draft budget as recommended is now balanced
- There are no significant cuts to services or new job reductions
- There is additional investment in Council Priorities. The investment in Schools and Social Care budgets both meets Council Priorities and exceeds the levels set by Ministers as expectations
- Core services are protected where national grant is reducing
- Provision is made to prepare communities for the impacts of Welfare Reform
- Resources are provided to invest-to-save
- The budget is protected for inflationary, economic and demographic impacts on a measured basis
- The recommended increases in council tax and fees and charges and the recommended new charges for introduction, meet the test of reasonableness and affordability

3.06 On Council Priorities specific additional investment is made in:-

- Council Priority 1: Modern and Efficient Organisation
- Council Priority 3: Modern Employer
- Council Priority 4: Customer Services
- Council Priority 5: Safeguarding the Vulnerable
- Council Priority 7: Independent and Healthy Living
- Council Priority 8: Meeting Housing Need (in conjunction with the separate report on the Housing Revenue Account Budget 2013/14)
- Council Priority 9: Learning, Play and Leisure

Overview and Scrutiny Considerations

3.07 The report to Cabinet on 18 December 2012 identified a budget shortfall at that stage of £1.480m made up of £0.417m for one-off costs and £1.063m for ongoing base budget items. This report formed the basis of the Overview and Scrutiny meetings held during January:-

1.	Housing (inc HRA)	22 January
2.	Environment	24 January
3.	Lifelong Learning	25 January
4.	Social & Health Care	28 January
5.	Corporate Resources	28 January

A further Corporate Resources meeting, open to all members was held on 31 January. The purpose of the meeting was to summarise the key issues discussed for consideration by the Cabinet within this report and to resolve specific information requests from members.

- 3.08 Each of the meetings began with a corporate overview of the whole budget and the national and local strategic context jointly presented by the Chief Executive and Head of Finance. This was followed by a portfolio specific presentation by Directors on the service strategies behind the service specific budget proposals along with details of the proposed budget growth, pressures and efficiencies for 2013/14, the investment in the service area arising from the budget proposals and a forward look at the key service issues for the medium term. Cabinet members were present to explain their priorities and the reasoning behind decisions on the draft budget.
- 3.09 In addition, members were advised of a number of “live issues” which had arisen since the initial budget proposals were made and which were still under consideration. These are summarised as follows and are covered in Section 3.10 to 3.20:-

Environment

- Energy generation at landfill sites

Lifelong Learning

- Senior Management Restructure
- Music Service
- Out of County Placements
- Leisure Service
- Play Schemes
- Play Areas
- Reduction in Schools Service Level Agreement pressure

Social and Health Care

- Out of County Placements

Corporate Resources

- Council Tax Support Scheme
- Council Fund improving in-year budget projection
- Level of reserves and balances
- Municipal Mutual Insurance Risk
- Profiling of investment and organisational change needs

Outcome from Scrutiny Meetings

- 3.10 The outcomes from the Overview and Scrutiny meetings round were:-
- The budget proposals were noted by each committee
 - A specific request the from Lifelong Learning Committee for the Task and Finish Group’s recommendation for additional funding of £0.012m for Play Schemes to allow the programme to meet local demand from Town and Community Councils

- There was a request for information on the whole budget as context for investment or efficiency proposals. This was provided at the Corporate Resources meeting on 31 January.
 - Social and Health Care requested detail of £1.9m investment in the service.
- 3.11 Members offered comments and asked a number of questions to clarify issues and a summary of these observations and questions, together with the response of accountable officers, is attached as Appendix 9.

Closing the Gap

- 3.12 At the final Corporate Resources Scrutiny meeting on 31 January, members were advised that following the Final Local Government Settlement and the ongoing work to refine efficiencies and pressures, the revised shortfall stood at £1.400m (0.362 for one-off costs and £1.038m for ongoing base budget items).
- 3.13 It was noted that to reduce the budget for Out of County Placements in 2013/14 to 60% of the projected underspend in 2012/13, would reduce the shortfall to £0.745m (further detailed work following the meeting has enabled a further reduction of £0.128m in this area). However, the cost of including new pressures raised through the Overview and Scrutiny round was in the region of £0.300m. Inclusion of these pressures would therefore increase the shortfall to an estimated £1m.

Achieving a Balanced Budget

- 3.14 Key events since the initial budget proposals were presented were:-
- Notification of the Final Local Government Finance Settlement for 2013/14 from Welsh Government
 - A decision of the Board of Municipal Mutual Insurance (MMI) to 'trigger' the scheme of arrangement
 - An improved estimate of the projected out-turn in 2012/13 from a previously projected overspend to an under-spend of £0.611m
 - Revised regulations laid out by Welsh Government in January amending the level of Council Tax Support in 2013/14 from 90% to 100%
 - Full consideration of service investment and protection needs

Final Local Government Finance Settlement 2013/14

- 3.15 The Final Local Government Settlement was received from the Welsh Government on 11 December 2012. This included details of the final Standard Spending Assessment (SSA), Aggregate External Finance (AEF) and Outcome Agreement Grant.

A briefing note on the changes included compared to the provisional settlement stage was sent to all members in December and is attached as Appendix 1.

Insurance Provision following MMI Scheme of Arrangement

- 3.16 The Board of Municipal Mutual Insurance (MMI) has decided to 'trigger' the scheme of arrangement. This was identified in the 2011/12 accounts as a contingent liability, which did not require financial provision to be made. However, the impact of the decision is to require, under the Accounts and Audit regulations, the making of provision in the 2012/13 accounts. A separate report on this agenda provides further information on this issue and recommends that provision is made from the contingency reserve in 2012/13.

Projected Outturn for 2012/13

- 3.17 The 2012/13 Month 8 Budget Monitoring report (reported separately on this agenda) shows an estimated balance of £0.497m in the Contingency Reserve as at 31st March 2013, after provision is made for the additional insurance costs with MMI (see 3.16). There is the opportunity to meet one-off items of expenditure (from the under-spend in 2012/13) and to review the level of budget required in 2013/14 for those services contributing to the under-spend, most notably the provision of Out of County Placements.

Council Tax Support Scheme 2013/14

- 3.18 In anticipation of the combined impact of Welfare Reform changes and the on-going economic situation, the initial budget proposals assumed a reduction in the Council Tax Collection Rate to 97.5% (from 99%).
- 3.19 The announcement in January of Council Tax support for 2013/14 being at 100% (instead of 90%) enables a more optimistic view to be taken of income to be collected. Whilst a revised collection rate cannot be used in setting the budget, it is reasonable to assume that there will be a surplus in-year in 2013/14. At this stage there is no indication of the level of support in future years of the funding.
- 3.20 At a 98.5% collection rate, there would be an in year surplus of £0.750m, although the final amount will depend on the collection rate achieved. It is proposed therefore to fund the costs associated with Council Tax support (£0.215m) from this in-year and to make a further contribution of £0.205m to base level of reserves to bring this up to 2% of turnover which now includes £9.6m for Council Tax support. This additional income will also provide protection against fluctuating caseloads when the level of funding is fixed. The one-off pressure of £0.027m to fund additional temporary resources within council tax has also been removed.

Council Tax Level

- 3.21 The Council has a policy commitment to maintain Council Tax at an affordable rate for the payer. The Council has to balance the need to maintain its Council Tax base to meet cost pressures and inflation, through annual rises in Council Tax, with this commitment. In recent years the Council has set an annual Council Tax rise of between 3.0% and 3.5% to achieve this balance. The Medium Term Financial Strategy needs to profile a revenue base including local taxation income.
- 3.22 For 2013/14 the Council has to be mindful of the financial pressures on Council Tax payers which come from the economic position, welfare reform and high energy and fuel costs. For some Council Tax payers these pressures will be acute. Therefore, the Council should aim to set the lowest possible Council Tax rise to achieve the 'balancing act' explained above. A Council Tax rise of 2.9% for 2013/14 is recommended.

Answering the Requests of Overview and Scrutiny

- 3.23 Following the round of Overview and Scrutiny Committee meetings the following is proposed to answer the requests for service investment or protection.
- **Music Service:** maintain the service at current levels without change to the charging policy and subsidised transport policy pending completion of the review of the service. The investment in service continuity pending the review, which will be completed and reported by 30 June 2013, is a maximum of £0.130m.
 - **Play Schemes:** the equitable minimum provision to be provided per area as recommended. The requests for local service enhancements, above the minimum provision, to match town and community council requests to be met in full at £0.012m. Given the risks of the continuity of national grant beyond 2013/14 and the pressure on available resources, the on-going review of future provision to be completed as part of a Cabinet-led review of priorities by 30 September 2013. The initial outcomes of the Task and Finish Group on Play is a valuable source of advice for both this annual budget recommendation and the on-going review.
 - **Play Areas:** the additional requests for town and community councils for matching funds for the renewal of play equipment in local play areas/parks to be met in full at £0.035m. The future capital and revenue needs for play areas and the scale and purpose of the annual budget to be set aside for the matching scheme to be reviewed and reported by 30 September 2013.

Further Budget Adjustments

3.24 During the budget discussions it has been reported that there was ongoing refinement to pressures and efficiencies to reflect the latest position. These have been reflected in the final draft and the significant items are:-

- **Denominational Transport:** the efficiency has been re-profiled for implementation from the 2014/15 academic year. Entitlement will be maintained in 2013/14 pending the outcome of the consultation process.
- **Out of County Placements:** the efficiency has been increased to reflect current levels of provision with an allowance for two additional high cost placements within the year. This is seen as a minimum requirement to respond to anticipated demand.
- **Car Park Management:** the efficiency has been revised in line with the report to Cabinet (also on this agenda) following consideration by Overview and Scrutiny.
- **Investment Costs:** the revised amount included reflects available funding for investment in change which adds to funds remaining from previous investment allocations.
- **Landfill Sites:** a new pressure has been included in relation to reduced energy income generation as a result of the deteriorating quality of gas as a consequence of contamination and the age of the sites.
- **Senior Management Restructure:** an additional efficiency has been included in relation to a senior management restructure within Lifelong Learning (see separate report on this agenda)
- **Insurance Contingency:** a refinement in the efficiency in light of the MMI issue
- **Fire Levy:** a reduction in the levy amount following final notification from NW Fire and Rescue Authority.

3.25 Taking into account the issues in 3.14 to 3.24 above, and the continuing work to review new and existing pressures and efficiencies and inflation assumptions, a balanced budget position for recommendation has been achieved. A summary of how the total budget gap has been eliminated is detailed in Appendix 12.

Risk Assessment and Budget Management

- 3.26 The approach to the budget has been to take a risk based approach. This has applied to new costs and efficiencies and also to assessing the on-going impacts of pressures and efficiencies in the current year's budget to ensure the robustness of the budget.
- 3.26 Inevitably in managing a budget of this scale across a large and diverse organisation, variances will occur and will be reported, along with management action to correct in monthly budget monitoring.
- 3.27 During the year, the Council will be implementing its Single Status Agreement. Where previous year or new budget proposals link with the implementation (e.g. part 3 terms and conditions efficiencies), the impact of any delay in implementation will be met from the Single Status/Equal Pay Reserve in line with the approach adopted for 2012/13.

Schools Budget

- 3.28 Under the School Funding (Wales) Regulations 2010 local authorities are required to notify Welsh Government of the proposed budget for schools for the forthcoming year by 14 February each year.
- 3.29 To fulfil the First Minister's commitment of protecting school budgets by 1% above the Welsh Government revenue block grant, councils need to ensure that their net (i.e. excluding specific grants) Individual School Budget is adjusted by one percent more than the WG block grant adjustment. For 2013/14 this equates to an increase of 2.08%. The equivalent increase for 2014/15 is 1.27%. It should be noted that the protection expectation is relative to WG's funding from the UK Treasury and not the level of Individual Council settlements from WG.
- 3.30 The Council is committed to increase the level of school budget and the amount of the school budget delegated to schools. We aim to do this progressively over a number of years. This is within the strategic framework which embraces the school modernisation programme, numbers of children in school (demographic change) and investment through the 21st Century Schools Programme.
- 3.31 The proposed schools budget, as notified to WG, increases from £91.874m to £96.510m, an increase of £4.636m (4.8%). This includes grant transfers into settlement of £2.258m. The budget has been uplifted for the estimated impact of inflationary increases for both pay and non-pay costs.
- 3.32 Throughout 2012/13 there has been an ongoing review of the schools funding formula. The Specialist School formula review has been completed and this identified a shortfall of funding in this sector of £0.250m which has been addressed in the 2013/14 budget. A significant amount of analysis has been undertaken to date on the primary and secondary formulas and the objective is to have a revised formula in place for 2014/15. Any funding issues identified will be fed through into the medium term financial plan.

- 3.33 The Assembly has just notified authorities of their Post 16 Special Education Needs allocation for 2013/14. The allocations for Mainstream Schools with Sixth Forms, Special Educational Needs in Mainstream and Adult Community Learning will increase by 1%. The Welsh Government is intending to introduce a new funding formula for post 16 education in Wales by 2014/15; for 2013/14 the post 16 funds will continue to be delegated to schools on the basis of a locally agreed formula.

Equality Impact Assessment

- 3.34 The Council has an obligation to assess the potential equalities impacts of its budget proposals.
- 3.35 An initial equalities impact assessment has been undertaken for all proposed efficiencies and no major risks have been identified through this work.
- 3.36 Further and more detailed impact assessments are being undertaken on a small number of efficiencies to ensure that there is no discriminatory impact in their implementation.

4.00 FINAL BUDGET PROPOSALS

- 4.01 As a result of the changes outlined above total expenditure and funding now equates to £293.346m and the total budget build up is outlined below. Details of the figures making up the total budget are attached as Appendices 2-8.

It is recommended that the 2013/14 Council Fund Revenue Budget Requirement be set at £258,284,539 (which is £1,720,145 below the calculated Standard Spending Assessment).

<u>Funding</u>		£m
Revenue Support Grant (RSG)		152.733
Additional Allocation (Council Tax Support Scheme)		0.869
National Non Domestic Rates (NDR)		46.872
Council Tax		57.809
Budget Requirement		<u>258.285</u>
<u>Unhypothecated Grants</u>		
Outcome Agreement Grant		1.467
Planned Use of Contingency Reserve		0.297
Specific Grants (Estimated)		33.297
Total Funding		<u>293.346</u>
<u>Expenditure</u>		
Total Budget 2012/13		280.991
Previous Year's Growth / Items Dropping Out	Appendix 2	1.336
Pay & Price Inflation	Appendix 3	2.900
New Responsibilities and Transfers into the Settlement	Appendix 4	14.042
Pressures and Investments - Ongoing	Appendix 5	3.261
Pressures and Investments - One-off and Time Limited	Appendix 6	0.297
Efficiencies	Appendix 7	(5.437)
Less Specific Grants 2012/13	Appendix 8	(37.341)
Plus Specific Grants 2013/14 (Estimated)	Appendix 8	33.297
Total Expenditure		<u>293.346</u>
Shortfall		<u>(0.000)</u>

Income

- 4.02 The budget proposals in this report set a budget requirement of £258,284,539. At this level of spend, the increase on the Band D Council Tax Rate (excluding Police and Town/Community Councils' precepts) is 2.9%. This equates to an increase of £27.04 on 2012/13 and a Band D rate of £959.43.

The Council Tax system in Wales contains nine property bands ranging from Band A to Band I. In order to ensure consistency between councils when reporting Council Tax information it is agreed practice that all related information is expressed in terms of Band D equivalents.

Members are requested to confirm that there be a 2.9% increase in Council Tax at Band D and an assumed 97.5% collection rate.

- 4.03 The amount of Outcome Agreement Grant available for 2013/14 has been advised by the Assembly. Achievement of this is subject to performance. The Council has been successful in achieving 100% of its grant in previous years and so it is a reasonable assumption for 2013/14.

Members are requested to confirm the inclusion of the Outcome Agreement Grant of £1,467,158 in the budget.

- 4.04 The specific grants figure is provisional, and based on the latest information known at this time. Expenditure levels will be managed within the final figures announced by the Assembly.

Members are requested to confirm that the budget will be adjusted to reflect the actual level of specific grant received.

Expenditure

Inflation

- 4.05 Pay and Price Inflation of £2.900m is included in the budget proposals as detailed in Appendix 3. The proposals include pay inflation of £1.279m which assume a 1% increase for teaching staff from September 2013 and 1% for non-teaching staff from April 2013.

- 4.06 Price inflation of £0.988m has been included which represents a targeted 1%-2% increase for all services as required. In addition to the standard level of price inflation outlined above, central non-standard inflation of £0.766m has been included, as detailed in Appendix 3, to reflect the increasing costs of energy, fuel, business rates and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

It is recommended that items of non-standard inflation are only allocated out to services when the actual increase in cost is known.

- 4.07 Inflation on income amounting to £0.133m has been assumed on the yield from existing fees and charges which has generally been applied at 3%. Appendix 7a also details service areas where existing charges have been increased or new charges introduced (including inflation).

Members are requested to confirm the levels of inflation assumed in the budget.

- 4.08 The final settlement included various transfers in totalling £4.400m of funding previously received through a specific grant and an additional new responsibility for the Council Tax Support Scheme of £9.642m as detailed in Appendix 4.

Members are requested to confirm the amounts included in the budget relating to transfers into and out of the settlement.

- 4.09 Appendix 5 a-d sets out recurring pressures totalling £3.261m recommended for inclusion in the budget. These pressures are proposed to be funded from the base budget.

Members are requested to confirm the inclusion of £3.261m of pressures in the budget.

It is recommended that the Council's adopted practice continues that resource to fund new pressures be approved for the purposes set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet.

- 4.10 In addition, Appendix 6 details estimated one-off costs of £0.297m which will be funded by way of a contribution from the Contingency Reserve.

Members are requested to confirm the inclusion of estimated one-off costs totalling £0.297m in the budget.

- 4.11 Appendix 7a-e sets out the efficiencies, totalling £5.437m, recommended for inclusion in the budget.

Members are requested to confirm the inclusion of efficiencies of £5.437m in the budget.

It is recommended that if it should become apparent that achievement of any of the savings (in full or in part) is proving to be not as anticipated, that this is dealt with corporately, with the Corporate Management Team bringing options to Cabinet for consideration.

- 4.12 Full details of the total budget will be included in the 2013/14 Budget Book which will be made available early in the new financial year.

5.00 UNEARMARKED BALANCES AND EARMARKED RESERVES

- 5.01 Under the Local Authority Accounting Panel (LAAP) Bulletin 55, the level and utilisation of all reserves must be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. As part of the budget process, officers have reviewed all of the reserves and balances held as detailed below. This is to ensure that any reserves held are at a reasonable level for the purpose for which they are intended and, if no longer required, are released back into useable funding.

- 5.02 Total Revenue Reserves comprise both the Council Fund Unearmarked balance and various Earmarked Council Fund Reserves, as reported annually in the Statement of Accounts.

- 5.03 The total value of the Council Fund reserves as at 1st April 2012 was £44.520m as outlined below:

Council Fund (Unearmarked) Balance	£m
Base Level of Unearmarked Reserves	5.564
Contingency Reserve	<u>0.992</u>
Sub -Total	6.556
Earmarked Council Fund Reserves	
Service Balances	6.479
Corporate Balances	24.156
Schools' Balances	2.658
Other Specific Reserves	<u>4.671</u>
Total	44.520

Council Fund (Unearmarked) Balance

Base Level of Reserves

- 5.04 The Council's Medium Term Financial Strategy includes a commitment to achieving a base level of reserves of 2% of turnover. The base level of reserves as at 1st April 2012 was £5.564m and it is proposed to increase this by £0.065m in 2013/14 taking the base level of reserves to £5.629m. In addition it is planned to make a further contribution in-year from the anticipated council tax collection fund surplus (see para 3.20).

Contingency Reserve

- 5.05 When the 2012/13 budget was set, the Contingency Reserve was estimated to be £0.414m at 31st March 2012. As a result of the net under-spend reported in the final outturn for 2011/12 the actual amount in the Contingency Reserve at the year end was £0.992m.
- 5.06 Cabinet on 18 September 2012, agreed to utilise £0.361m of this additional funding to support the new leisure facilities in its first year of operation.
- 5.07 The 2012/13 Month 8 Budget Monitoring report which is also on this agenda, shows an estimated balance of £0.497m in the contingency as at 31st March 2013 after setting aside provision for the MMI trigger of the Scheme of Arrangement (see 3.16).

- 5.08 The 2013/14 budget proposals include a recommendation to utilise £0.297m of the contingency reserve to fund one-off costs which would leave an estimated amount remaining at the end of the current financial year of £0.200m.
- 5.09 Whilst the base level of reserves is a known sum which is set aside, the level of Contingency reserve is based on the current estimate and is subject to change at the end of the financial year. The level of contingency reserve will continue to be reported through the monthly budget monitoring reports.

Earmarked Council Fund Reserves

- 5.10 Earmarked Council Fund Reserves include service balances/corporate balances, specific reserves and schools' balances.
- 5.11 Service balances are made up of those balances held by departments which Cabinet has agreed can be carried forward. Corporate Balances are held to meet commitments which fall in future years on specific items of expenditure.
- 5.12 The Council also holds Specific Reserves which are set aside for a specific future purpose.
- 5.13 Appendix 10 details the estimated closing balances for 2012/13 and 2013/14 in respect of all reserves and balances. The Head of Finance is satisfied that the level of these reserves is appropriate.

6.00 CHIEF FINANCE OFFICER REPORT ON ESTIMATES AND RESERVES

- 6.01 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions (the reference to the first person which follows is to the Head of Finance in this role).
- 6.02 Consideration of the budget has been within the framework of the Medium Term Financial Strategy 2011/15. The specific strategy for 2013/14 has been to target inflation, robustly review the ongoing impacts of in-year pressures, challenge and compress new pressures and optimise efficiency options.
- 6.03 I confirm the reasonableness of the estimates contained in the proposed budget, having regard to the Council's spending needs in 2013/14. Inevitably in managing a budget of this scale across a large and diverse organisation variances will occur, but I believe that the budget assumptions represent a measured and acceptable level of risk.
- 6.04 Effective and disciplined in-year financial management will be key to ensuring that budgets are managed effectively and prompt action taken to mitigate the impacts should variances occur.

6.05 The 2013/14 budget has been prepared within the context of reduced funding available to local government and the ongoing impacts of the economic downturn. Economic forecasts show that this will be the case for some years to come. Future rises in spending need (choice and demand led) and real terms cuts in funding mean that the Council needs not only to plan ahead, but also to carefully safeguard its levels of balances.

6.06 The level of reserves and balances is set out in Section 5.00. Within the context described above, I recommend that the Council should maintain the level of general balances of £5.629m and the further planned in-year contribution of £0.205m in 2013/14 (alongside other specific reserves as outlined) to safeguard its position and be in a strong position to plan ahead to meet the continuing period of constraint in public sector funding, the impacts of the economic downturn and be able to invest in its priorities for the future.

7.00 2014/15 AND THE MEDIUM TERM

7.01 The national and local financial context which was shared and explored with members through Cabinet and Overview and Scrutiny meetings during the budget process, sets the backdrop to the likely financial position over the medium term. Significant pressure on public sector finances is expected to continue to the end of the decade through a combination of UK Fiscal Policy, a flat economy and increasing demands and expectations for key services.

7.02 Whilst the Council has had indications of its level of funding for 2014/15 by Welsh Government, its funding forecast from the UK Treasury has subsequently been reduced. As a consequence it is highly probable that the projected budget gap of £29m over 5 years will be increased. The impacts of any WG decisions on the allocation of funding to other areas of the public sector would have a significant additional bearing.

7.03 In this context the Medium Term Financial Plan (MTFP) continues to be under review. The next version will be published in mid 2013, by which time the Council will have a clearer picture of a number of the investment options for key priorities including Single Status and Equal Pay, School Modernisation, School Funding Formula Review, Social Care and Capital Strategy.

7.04 The updated MTFP will model:-

- possible medium-term fiscal outcomes and impacts from the forthcoming comprehensive spending review and potential levels of future funding from Welsh Government
- local taxation and income from fees and charges and other income streams
- necessity-led and priority local choice-led budget revenue and capital needs
- efficiency needs and opportunities

7.05 This work will inform a challenging and evidence based review of priorities for investment and priorities for disinvestment/efficiency and be a true basis and impetus for the next phase of big organisational change within the council.

7.06 The latest position on our MTFP, prior to the inclusion of this work is detailed in Appendix 11.

8.00 RECOMMENDATIONS

8.01 That the Cabinet makes the following recommendations to County Council on 1 March 2013:-

1. That the 2013/14 Council Fund Revenue Budget Requirement be set at £258,284,539 (which is £1,720,145 below the calculated Standard Spending Assessment) (4.01).
2. That there be a 2.9% increase in Council Tax at Band D and an assumed 97.5% collection rate (4.02).
3. The inclusion of the Outcome Agreement Grant of £1.467m in the budget (4.03).
4. The levels of inflation assumed in the budget (4.05-4.07).
6. That items of non-standard inflation are only allocated out to services when the actual increase in cost is known (4.06).
7. The amounts included in the budget relating to transfers into and out of the settlement (4.08).
8. The inclusion of £3.261m of pressures in the budget (Appendix 5 a-d).
9. That the Council's adopted practice continues that resources to fund new pressures be approved for the purpose set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet (4.09).
10. The inclusion of estimated one-off costs totalling £0.297m in the budget (Appendix 6), to be funded from the contingency reserve.
11. The inclusion of efficiencies of £5.437m in the budget (4.11 and Appendix 7 a-e).
12. That if it should become apparent that achievement of any of the savings (in full or part) is proving to be not as anticipated that this is dealt with corporately, with the Corporate Management Team bringing alternatives to Cabinet for consideration (4.11).

13. That additional income derived from the anticipated collection fund surplus be utilised to fund welfare reform costs and increase the base level of reserves (3.20)

9.00 FINANCIAL IMPLICATIONS

- 9.01 As set out in the report.

10.00 ANTI POVERTY IMPACT

- 10.01 Individual growth and efficiency items may have specific anti-poverty impacts.

11.00 ENVIRONMENTAL IMPACT

- 11.01 Individual growth and efficiency items may have specific anti-poverty impacts.

12.00 EQUALITIES IMPACT

- 12.01 Individual growth and efficiency items may have specific equality impacts.

13.00 PERSONNEL IMPLICATIONS

- 13.01 Individual growth and efficiency items may have specific personnel impacts.

14.00 CONSULTATION REQUIRED

- 14.01 Overview and Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee.

15.00 CONSULTATION UNDERTAKEN

- 15.01 Overview and Scrutiny as set out in the report.

School Budget Forum and Flintshire Joint Trade Union have been updated throughout the process.

No responses received to the formal consultation with business ratepayers.

No objections received from proposals shared with Local Service Board and Regional Partners.

16.00 APPENDICES

- 16.01 Appendices 1-12

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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Briefing Note on the Final Local Government Settlement 2013/14

Revenue

Aggregate External Finance (AEF)

- Flintshire's AEF has decreased by £0.045m compared to the provisional settlement (from £199.651m to £199.606m) as detailed below:-

	£m
Transfers Into Settlement:	
<i>Increase in Post 16 SEN Special Schools Transfer</i>	0.013
Less Council Tax Support Scheme funding	(0.050)
Distributional Changes	(0.008)
Total	(0.045)

Standard Spending Assessment (SSA)

Flintshire's calculated SSA has decreased by £0.120m compared to the provisional settlement (from £259.255 to £259.135m)

Transfers into the Settlement

The transfers into the settlement remain the same as per the provisional settlement with the exception of an increase of £0.013m in relation to Post 16 SEN Special Schools.

Council Tax Support Scheme

This new responsibility has been confirmed with a revised amount identified of £8.773m, a reduction of £0.050m on the provisional settlement figure. The Minister has also announced in the Final Settlement an additional £4.6m of additional funding across Wales in the current financial year to assist local authorities with the costs of introducing this new scheme and to help mitigate the wider impact of welfare reforms. Work is underway to assess the specific implications for Flintshire of this complex area.

Specific Grants

Only limited information at an All Wales level has been received to date.

Outcome Agreement Grant

Flintshire's allocation is £1.465m, a reduction of £0.002m than at the provisional stage.

Regional Collaboration Fund

The Provisional Settlement advised that £10.174 million (All Wales) had been taken out of the settlement to form a new specific grant for regional collaboration. The Final Settlement advised of a North Wales indicative allocation of £2.293m and some guidance on eligibility criteria.

Capital

General Capital Funding

- Flintshire's general capital funding has reduced by £0.002m compared to the provisional settlement of £6.868m.

Gary Ferguson – Corporate Finance Manager (12th Dec 12)

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Budget 2013/14**Council Fund - Revenue****Previous Years' Growth / Items Dropping Out**

	2013/14 £m	2013/14 £m
<u>APPROVED 2011/12 BUDGET</u>		
<u>Community Services</u>		
Transition to Adulthood	0.910	
Supporting People	0.200	
Provision of Hired Transport	(0.617)	
	0.493	
<u>Environment</u>		
Additional energy cost as a result of new street lighting	0.060	
Land searches Income	(0.020)	
Building Control Income	(0.010)	
Planning Fees Income	(0.010)	
Landfill Tax Adjustment	0.032	
	0.052	
<u>Lifelong Learning</u>		
Development of Broadband	(0.019)	
Transport policy review - rationalisation of non statutory entitlement	(0.072)	
Rationalisation of LEA run Music Service	(0.118)	
	(0.209)	
<u>Corporate Services</u>		
Employers' Pension - LGPS	0.362	
Intrusion Detection & Prevention System Options	(0.040)	
Changes to Housing Benefit/Council Tax Benefit Administration Grant	0.062	
ISA Registration	0.030	
	0.414	
		0.750

Budget 2013/14
Council Fund - Revenue

Previous Years' Growth / Items Dropping Out

	2013/14 £m	2013/14 £m
<u>APPROVED 2012/13 BUDGET</u>		
<u>Community Services</u>		
Increase in Homelessness costs	0.106	
Homecare - Increased complexity of care	0.100	
Transition to Adulthood	0.067	
Occupational Therapy Service	(0.020)	
Safeguarding for Adults	0.046	
Housing Renewal Agency - income	(0.013)	
Transfer of Responsibility for Community Centres from HRA	0.001	
Shortfall in achievement of Provision of Hired Transport efficiency	0.617	
Management Efficiencies Through Collaborative Working	(0.026)	
Team Manager's Post Efficiency	(0.051)	
Mold Extra Care Scheme	0.300	
	1.127	
<u>Environment</u>		
Rental Income Shortfalls and NNDR charges for vacant properties	0.050	
Environmental Waste Management - reduction in grant funding	0.047	
Revenue Lost due to phased disposal of Agricultural Estates	0.026	
Implementation of Highways Asset Management Plan (HAMP)	0.225	
Continuation of 2011/12 Landfill Tax efficiency	0.145	
Food Waste - increased diversion from landfill	0.128	
	0.621	
<u>Lifelong Learning</u>		
Extension of the centrally hosted school Moodle VLE virtual server farm and supporting infrastructure	0.050	
Transport Policy Review - rationalisation of non statutory entitlement	(0.276)	
Music Service - Adjustment to reflect decision in 2011/12 budget	0.118	
Saltney Library - Lease	0.010	
	(0.098)	
<u>Corporate Services</u>		
Internal Insurance Fund Recharge	0.150	
Business Systems - Software Maintenance Costs	0.019	
Prudential Borrowing Requirement for Capital Investment	0.112	
Methods of Payment	(0.075)	
Review of Admin and Support (Council-wide)	(0.300)	
Procurement Review	(0.022)	
Changes to Housing Benefit/Council Tax Benefit Administration Grant	0.122	
	0.006	
<u>Council-Wide</u>		
Asset Management - planned closure of externally leased properties	(0.097)	
	(0.097)	
		1.559

Budget 2013/14**Council Fund - Revenue****Previous Years' Growth / Items Dropping Out**

	2013/14 £m	2013/14 £m
ONE OFF AND TIME-LIMITED PRESSURES		
<u>Lifelong Learning</u>		
Review of Kitchens	(0.150)	
Play Areas Additional Allocation for Match Funding	(0.022)	
Flint Leisure Centre - loss of income due to effects of redevelopment	(0.076)	
School Maternity Costs	(0.060)	
Redundancy and early retirement costs from schools	(0.219)	
	<hr/> (0.527)	
<u>Environment</u>		
Local Transport Services Grant	(0.149)	
	<hr/> (0.149)	
<u>Corporate Services</u>		
Public Sector Broadband Aggregation	(0.098)	
Base Level of Reserves - 'Top-Up to 2% of Turnover	(0.088)	
Telephone Maintenance	(0.031)	
County Elections - May 2012	(0.080)	
	<hr/> (0.297)	
		<hr/> (0.973)
Total Previous years items		<hr/> 1.336 <hr/>

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Budget 2013/14
Council Fund - Revenue

Inflation

	£m	£m
<u>Pay</u>		
Non-Teachers Pay Inflation from April 2013 (1%)	0.914	
Teachers Pay Inflation from September 2013 (1%)	<u>0.365</u>	
		1.279
<u>Price</u>		
Targeted General Price Inflation (1-2%)	<u>0.988</u>	
		0.988
<u>Non Standard</u>		
Energy - Street Lighting (10%)	0.079	
Energy - Other (8%)	0.285	
Fuel (11.2%)	0.187	
Food (5.8%)	0.141	
Non-Domestic Rates (2.3%)	<u>0.074</u>	
		0.766
<u>Income (3% - see also Fees and Charges Efficiencies)</u>		(0.133)
Total Inflation		<u><u>2.900</u></u>

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Budget 2013/14**Council Fund - Revenue****New Responsibilities and Transfers Into the Settlement**

	£m	£m
<u>New Responsibilities</u>		
Council Tax Support Scheme	8.773	
Additional Support (100% from 90%)	<u>0.869</u>	
		9.642
<u>Transfers In From Specific Grant Funding</u>		
Blue Badge Scheme Grant	0.018	
Appetite for Life Grant	0.121	
School Counselling Grant	0.224	
School Breakfasts Grant	0.560	
Local Government Borrowing Initiative Grant	0.385	
Post 16-SEN in Mainstream Grant	0.126	
Post 16-SEN Special Schools and Out of County Grant	1.348	
Learning Disabilities Resettlement Grant	<u>1.618</u>	
		4.400
Total New Responsibilities and Transfers Into the Settlement		<u><u>14.042</u></u>

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Budget 2013/14
Council Fund - Revenue

Summary of Pressures and Investments

		2013/14 £m	2014/15 £m	2015/16 £m
Economic Impact	Appendix 5a	0.347	0.347	0.847
Welsh Government Policy / Legislative	Appendix 5b	0.078	0.088	0.088
Other Pressures and Investments	Appendix 5c	2.545	2.676	3.918
Council Priority / Invest to Save	Appendix 5d	0.291	1.888	2.804
Total		<u>3.261</u>	<u>4.999</u>	<u>7.657</u>

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ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financing (Excluding Specific Grants)											
Unhypothecated Supported Borrowing (USB)	*	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	42,630
General Capital Grant (GCG)	#	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	2,603	26,030
Capital Receipts		3,910	3,475	5,537	4,555	1,320	4,344	4,200	4,200	4,095	39,836
Total		10,776	10,341	12,403	11,421	8,186	11,210	11,066	11,066	10,961	108,496
Expenditure											
Core Capital Programme Schemes - Appendix 2		10,528	10,483	8,895	8,865	8,865	8,865	8,865	8,865	8,865	91,961
Total		10,528	10,483	8,895	8,865	8,865	8,865	8,865	8,865	8,865	91,961
AVAILABLE/(SHORTFALL)		0,248	(0,142)	3,508	2,556	(0,679)	2,345	2,201	2,201	2,096	16,535
Cumulative		0,248	0,106	3,614	6,170	5,491	7,836	10,037	12,238	14,439	16,535

* WG funding assumptions - USB

2013/14 per Final Settlement
 2014/15 ref (2013/14) Final Settlement
 2015/16 → as 2014/15

2012/13 = USB £5,141m

WG funding assumptions - GCG

2013/14 per Final Settlement
 2014/15 ref (2013/14) Final Settlement
 2015/16 → as 2014/15

2012/13 = GCG £2,603m

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **FLINTSHIRE COUNTY COUNCIL**

DATE: **FRIDAY, 1 MARCH 2013**

REPORT BY: **HEAD OF FINANCE, CHIEF EXECUTIVE, DIRECTOR
OF ENVIRONMENT**

SUBJECT: **COUNCIL FUND CAPITAL PROGRAMME 2013/14 -
2022/23**

1.00 PURPOSE OF REPORT

- 1.01 To present the annual Council Fund Capital Programme for 2013/14 and the indicative Capital Programme for 2014/15 to 2022/23 for consideration.

2.00 BACKGROUND

- 2.01 The draft annual Council Fund Capital Programme for 2013/14, and the indicative Capital Programme for 2014/15 to 2022/23 were presented to the Corporate Resources Overview and Scrutiny Committee on 31 January for consultation (a session to which all members of the Council were invited) and to the Cabinet on 19 February for review and agreement. The attached report is the full report as presented to Cabinet.
- 2.02 Cabinet approved the recommendations set out at 4.01 of the attached report in full for recommendation to Council. It is normal Council practice to approve the annual Capital Programme at the annual budget-setting meeting alongside the annual Council Fund Revenue Budget.

3.00 CONSIDERATIONS

- 3.01 As discussed at the Overview and Scrutiny meeting, and as explained in the report to Cabinet, the financial value of the annual Capital Programme is, in part, dependent on the sale of assets and the availability of the capital receipts from those sales to add to the Council's supported capital borrowing approval and general and specific capital grants. The Asset Strategy sets out a programme of intended disposals and the capital receipts from these disposals are planned into the Capital Programme year by year. Sale of assets need to both occur during or before the financial year for which their capital receipt is needed, and at the financial value estimated, for there to be sufficient funds available for the total Capital Programme approved for that year.

- 3.02 As discussed at Overview and Scrutiny there is a degree of risk in planning capital receipts due to the unpredictability of market interest in purchase and variations in land valuations. Given that the Council is in negotiation for the sale of assets on which the Capital Programme in part relies, the attached report refers to the core service allocations for capital spend being approved up to the maximum levels shown in Appendix 2. This is a safeguard; the Council could only spend up to those levels as maxima should it achieve the level of capital receipts of £3.910m set out in the report.
- 3.03 Since the Cabinet meeting on 19 February the Council has concluded negotiations for the sale of a key site and this is the principal capital receipt needed for the Capital Programme for 2013/14. The gross value of the land has been the subject of intense discussion. Also, due to the need to reclaim the site and decontaminate it for future use, and the costs involved with that work, the negotiated sale price will be less than the original site valuation. Therefore, there will be a reduction in the total capital resources available unless further disposals can be brought forward during the year.
- 3.04 Accordingly, the allocation of funds within and across the core services will need to be reviewed. Until this review is completed and further decisions are made by the Council the allowable capital spend in each core service would be limited to 80% of the maximum level shown in Appendix 2 to avoid the risk of the Council over-spending against available resources.
- 3.05 The Council is advised that the Cabinet has the objective of maximising the capital investment in the core service allocation for school buildings as a priority. The level of investment which can be made in schools will be reassessed as part of the review referred to in 3.04 above.

4.00 RECOMMENDATIONS

- 4.01 The Council is recommended to approve the recommendations listed within the attached report from Cabinet at 4.01, with the additional recommendation that pending certainty of the level of capital receipts to be available for 2013/14 an initial spending limit of 80% be set for each of core service allocations listed at Appendix 2.

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

- 6.01 Individual capital programme schemes may have specific anti-poverty impacts.

7.00 ENVIRONMENTAL IMPACT

- 7.01 Individual capital programme schemes may have specific environmental impacts.

8.00 EQUALITIES IMPACT

- 8.01 Individual capital programme schemes may have specific equalities impacts.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 All Members, and Overview & Scrutiny.

11.00 CONSULTATION UNDERTAKEN

- 11.01 An initial capital workshop was held on 22 November 2012 for all Members; a public consultation survey was open between 21 December 2012 and 20 January 2013; Overview and Scrutiny on 31 January 2013.

12.00 APPENDICES

- 12.01 Appendix A – Report to Cabinet 19th February 2013 : Council Fund Capital Programme 2013/14 to 2022/23.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

2013/14 budget papers, including Welsh Government papers.

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 19 FEBRUARY 2013**

REPORT BY: **HEAD OF FINANCE, CHIEF EXECUTIVE AND**
 DIRECTOR OF ENVIRONMENT

SUBJECT: **COUNCIL FUND CAPITAL PROGRAMME 2013/14 TO**
 2022/23

1.00 PURPOSE OF REPORT

- 1.01 To propose the Council Fund Capital Programme for 2013/14 and provide indicative details for 2014/15 to 2022/23, following consultation with the Corporate Resources Overview and Scrutiny Committee. As in all years, the capital programme relies upon the availability of budgeted capital funding resources in order to meet its objectives.

2.00 BACKGROUND

- 2.01 Proposals for the Council Fund Capital Programme 2013/14 to 2022/23, together with details of the continuing work in developing a capital strategy were reported to Cabinet on 18th December 2012.
- 2.02 The proposals included in the report of 18th December took account of Welsh Government's Provisional Finance Settlement for 2013/14, together with indicative allocations for forward years. A verbal update regarding the Final Settlement was provided to Cabinet, indicating a final figure of £6.866m, which was £0.002m less than that notified at the provisional stage, but £0.007m more than previous planning assumptions (and £0.007m more in each of the forward years than previous planning assumptions).
- 2.03 At its meeting of 31st January 2013, the Corporate Resources Overview and Scrutiny Committee was consulted on the Cabinet's recommendations. The key issues arising from the meeting are:-
- The anticipated future availability of information regarding the extended Local Government Borrowing Initiative (LGBI), and its likely impact on schools' funding.

- The possibility of a feasibility study for the purpose of establishing the full cost of replacing mobile classrooms, and the financial impact of such.
- Early determination of the cost implications (and funding plans) of any required future works to the Flintshire Bridge.
- A need for greater focus and pace in the move towards the use of more creative capital access options such as asset backed vehicles – a more ambitious and less risk averse approach.
- Re-affirmation of the forward unsupported (prudential) borrowing commitment particularly in respect of 21st Century Schools (by way of the approved 2012/13 Capital Programme), and its recognition in the Medium Term Financial Plan.
- The significance of the review of Council assets (which is currently underway) and the market risks in predicting accurate land sale capital receipts as one form of income to support the capital programme, in informing future capital programme planning and delivery.

2.04 The Corporate Resources Overview and Scrutiny Committee endorsed the recommendations of the 18th December report. A number of comments were made at the meeting and a number of questions asked; details of these, together with the responses provided are included in Appendix 4.

3.00 CONSIDERATIONS

3.01 The development of the Capital Strategy and Capital Programme 2013/14 was set out in detail in the report to Cabinet on 18th December 2012 (as provided at Appendix 5).

3.02 The report to Cabinet on 18th December identified the core capital programme requirements over the ten year capital programme period in key service programme areas including School Buildings and Highways Infrastructure. Details are set out in Appendix 2 attached.

3.03 The allocation of resources to core service programmes in 2013/14 amounting to £10.528m (which includes the second year funding requirement of £1.688m in respect of those schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme) leaves 2013/14 'headroom' of just £0.248m after taking account of the projected general funding available, as set out in Appendix 1 attached. A funding shortfall of £0.142m is projected for 2014/15; on this basis it is prudent to consider a two year programme (2013/14/15), which provides a net £0.106m available to meet minor contingencies, as necessary.

- 304 The total capital availability for 2013/14 is predictive at this stage given the inclusion of targets for capital receipts. The service programme capital allocations are set as maximum allocations subject to the targets being met.
- 3.05 In addition to those programme schemes financed through general capital funding sources, the overall capital programme is supplemented by those schemes funded through specific grants and those ongoing schemes approved in 2012 as part of the Capital Programme and Capital Strategy 2012/13 to 2021/22) funded through unsupported (prudential) borrowing.
- 3.06 The full programme for 2013/14, which includes the core service programmes (as referred to in 3.03), and those schemes financed by way of (indicative) specific grants of £12.785m, unsupported (prudential) borrowing of £3.895m and Local Government Borrowing Initiative (LGBI) funding of £2.700m, amounts to £29.908m, as shown in Appendix 3.

4.00 RECOMMENDATIONS

- 4.01 Taking account of the detail contained in the report to Cabinet on 18th December 2012 and the positive response from Corporate Resources Overview and Scrutiny, Cabinet is asked to recommend to Council on 1st March that they:
- (a) Note the work that has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
 - (b) Note the estimated capital funding available over the 10 year period 2013/14 to 2022/23 (as shown in Appendix 1).
 - (c) Approve the inclusion in the programme of the core service allocations to the maximum levels shown for 2013/14 (as detailed in Appendix 2), which takes account of the second year funding requirement (and funding through to completion in 2015/16) in respect of those schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme.
 - (d) Approve the allocation of resources on the basis of a two year programme (2013/14/15), which provides a net £0.106m available to meet minor contingencies, as necessary.
 - (e) Note the total Council Fund Capital Programme for 2013/14 (as set out in Appendix 3) which includes those schemes funded from specific grants, unsupported (prudential) borrowing and LGBI, over and above the general funding detailed in Appendix 1.

- (f) Note the indicative core programme details for 2014/15 to 2022/23 (as set out in Appendix 2).

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

- 6.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

7.00 ENVIRONMENTAL IMPACT

- 7.01 Individual Capital Programme Schemes may have specific environmental impacts.

8.00 EQUALITIES IMPACT

- 8.01 Individual Capital Programme Schemes may have specific equality impacts.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None directly as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 All Members and Overview & Scrutiny.

11.00 CONSULTATION UNDERTAKEN

- 11.01 An initial workshop on capital was held on 22nd November 2012 for all Members. A public consultation survey was open between 21st December 2012 and 20th January 2013.

12.00 APPENDICES

Appendix 1 - Available Funding

Appendix 2 - Core Capital Programme Schemes

Appendix 3 - Capital Programme 2013/14 (including specific funding sources – Specific Grants, Unsupported Borrowing and LGBI).

Appendix 4 - Responses from Overview and Scrutiny

Appendix 5 - Cabinet Report 18th December 2012.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

2013/14 budget papers, including Welsh Government papers.

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ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Financing (Excluding Specific Grants)											
Unhypothecated Supported Borrowing (USB)	*	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	42.630
General Capital Grant (GCG)	#	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	26.030
Capital Receipts		3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.095	39.836
Total		10.776	10.341	12.403	11.421	8.186	11.210	11.066	11.066	10.961	108.496
Expenditure											
Core Capital Programme Schemes - Appendix 2		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Total		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
AVAILABLE/(SHORTFALL)		0.248	(0.142)	3.508	2.556	(0.679)	2.345	2.201	2.201	2.096	16.535
Cumulative		0.248	0.106	3.614	6.170	5.491	7.836	10.037	12.238	14.439	16.535

* WG funding assumptions - USB

2013/14 per Final Settlement
 2014/15 ref (2013/14) Final Settlement
 2015/16 → as 2014/15

2012/13 = USB £5.141m

WG funding assumptions - GCG

2013/14 per Final Settlement
 2014/15 ref (2013/14) Final Settlement
 2015/16 → as 2014/15

2012/13 = GCG £2.603m

CORE CAPITAL PROGRAMME SCHEMES

	2013/14 Estimate £m	2014/15 Indicative £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m	2018/19 Indicative £m	2019/20 Indicative £m	2020/21 Indicative £m	2021/22 Indicative £m	2022/23 Indicative £m	TOTAL £m
SUMMARY											
COUNCIL FUND											
COMMUNITY SERVICES	2.750	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	26.825
ENVIRONMENT	3.280	3.370	3.020	3.020	3.020	3.020	3.020	3.020	3.020	3.020	30.810
LIFELONG LEARNING	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240
CORPORATE SERVICES	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
TOTAL - COUNCIL FUND	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

FINANCING											
Unhypothecated Supported Borrowing (USB)	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	4.263	42.630
General Capital Grant	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	2.603	26.030
Capital Receipts	3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.200	4.095	39.836
Specific Capital Grants	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unsupported (Prudential) Borrowing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(Unallocated - Headroom) / Under Financing	(0.248)	0.142	(3.508)	(2.556)	0.679	(2.345)	(2.201)	(2.201)	(2.201)	(2.096)	(16.535)
TOTAL - FINANCING	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

CORE CAPITAL PROGRAMME SCHEMES

[illegible][illegible]

CORE CAPITAL PROGRAMME SCHEMES

	2013/14 Estimate £m	2014/15 Indicative £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m	2018/19 Indicative £m	2019/20 Indicative £m	2020/21 Indicative £m	2021/22 Indicative £m	2022/23 Indicative £m	TOTAL £m
LIFELONG LEARNING											
Education - General											
Various School Buildings Repairs and Maintenance	2.350	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	23.275
Various Disability Discrimination Act - Individual Pupils	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
Various Furniture and Equipment	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
Primary Schools											
Various Learning Environments (Foundation Phase)	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
TOTAL - LIFELONG LEARNING	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240

CORPORATE SERVICES											
ICT and Customer Services											
General ICT Infrastructure	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.450
* General Agile Working Investment	0.150	0.100									0.250
* General EDRMS Implementation	0.125	0.105	0.030								0.260
* General ICT Infrastructure	0.210	0.210									0.420
* General Microsoft Enterprise Agreement	0.353	0.353									0.706
Flintshire Connects											
* Various Flintshire Connects	0.500	0.500									1.000
Corporate Finance											
General Minor Capital Works - Health & Safety	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
General Corporate Provision - Feasibility Studies	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
Clwyd Theatr Cymru											
General Provision	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
TOTAL - CORPORATE SERVICES	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
TOTAL - COUNCIL FUND	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

* Schemes funded from 'headroom' as part of the approved 2012/13 Capital Programme

	Estimate 2013/14 £m
SUMMARY	
COUNCIL FUND	
COMMUNITY SERVICES	3.350
ENVIRONMENT	16.565
LIFELONG LEARNING	8.255
CORPORATE SERVICES	1.738
TOTAL - COUNCIL FUND	29.908

		Estimate 2013/14 £m
COMMUNITY SERVICES		
Grants		
Various	Private Sector Renewal and Improvements	2.500
General	Housing Renewal Area Support	0.550
Children's Services		
General	Flying Start Capital Expansion Programme	0.150
Travellers' Sites		
Queensferry	Riverside Caravan Site	0.150
TOTAL - COMMUNITY SERVICES		3.350

		Estimate 2013/14 £m
ENVIRONMENT		
Administrative Buildings		
Various	Disability Discrimination Act (DDA) Works	0.180
Various	Energy Efficiency Measures	0.275
Various	Renewable Energy Installations	0.350
Various	Asbestos Removal	0.075
Various	Legionella Monitoring	0.075
Various	Upgrading Fire and Intruder Alarms	0.060
Various	Fire Safety Order Works	0.100
Various	Corporate Property Maintenance	0.500
Alltami	Depot Rationalisation	2.275
Engineering		
Various	Land Drainage Works - General	3.080
Various	Coast Protection Works - General	0.120
Highways		
Various	Highways Infrastructure	0.600
Various	Bridge Assessments and Replacement	0.160
Various	Street Lighting Replacement	0.200
Various	Structural Maintenance	0.200
Various	Local Government Borrowing Initiative (LGBI)	2.700
Regeneration		
Flint	Townscape Heritage Initiative	0.349
Various	Town Centre Regeneration	3.330
Transportation		
Various	Regional Transport Plan	1.700
Various	Local Road Safety Schemes	0.000
Ranger Services		
Connahs Quay	Wepre Park Development	0.236
TOTAL - ENVIRONMENT		16.565

		Estimate 2013/14 £m
LIFELONG LEARNING		
Education - General		
Various	School Buildings Repairs and Maintenance	2.350
Various	Disability Discrimination Act - Individual Pupils	0.275
Various	Furniture and Equipment	0.060
School Modernisation		
Shotton	Taliesin Junior/Shotton Infant	3.437
Various	21st Century Schools	1.308
Primary Schools		
Various	Learning Environments (Foundation Phase)	0.075
General	Flying Start Capital Expansion Programme	0.750
TOTAL - LIFELONG LEARNING		8.255

	Estimate 2013/14 £m
CORPORATE SERVICES	
ICT and Customer Services	
General ICT Infrastructure	0.410
General Agile Working Investment	0.150
General EDRMS Implementation	0.125
General Microsoft Enterprise Agreement	0.353
Corporate Finance	
General Minor Capital Works - Health & Safety	0.075
General Corporate Provision - Feasibility Studies	0.100
Flintshire Connects	
Various Flintshire Connects Centres - Development Works	0.500
Clwyd Theatr Cymru	
General Provision	0.025
TOTAL - CORPORATE SERVICES	1.738
TOTAL - COUNCIL FUND	29.908
FINANCING	
Unhypothecated Supported Borrowing (USB)	4.263
General Capital Grant	2.603
Capital Receipts	3.910
Specific Capital Grants	12.785
Unsupported (Prudential) Borrowing	3.895
Local Government Borrowing Initiative (LGBI)	2.700
(Unallocated) / Under Financing - Headroom	(0.248)
TOTAL - FINANCING	29.908

OVERVIEW & SCRUTINY

Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
1.0	<p><u>School Modernisation</u></p> <ul style="list-style-type: none"> • 21st Century Schools allocation £64.2m - what is this for? • Can this funding be used for other education priorities? • Should the replacement of mobile classrooms be given greater priority? • What is the basis of the 21st Century Schools allocation? Is it deprivation led? • Why has the school buildings repair and maintenance allocation in 2013/14 reduced by £0.205m when the call on the budget is increasing? 	<ul style="list-style-type: none"> • Prioritised schemes in Holywell and Connah's Quay, (with some flexibility in respect of works at John Summers High School, Queensferry); 50% of the £64.2m to be funded by Welsh Government (WG). • The WG funding is a specific grant awarded for the above schemes only. The Council awaits details of the extended Local Government Borrowing initiative (LGBI) and its likely impact on school funding (although the funding is not due to commence until 2014/15). • A feasibility study would assist in assessing the financial impact of replacing mobile classrooms (approximate build cost of £0.300m to replace each 30 place mobile unit). The use of associated Section 106 monies could contribute funding towards it. • It is based upon the number of surplus places. • The budget was trimmed (as with other core programme allocations) due to reduced available funding, but increases by £0.025m each year over the next 10 years.

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
2.0	<p><u>Leisure</u></p> <ul style="list-style-type: none"> There's no reference within the paperwork as provided to any budgetary provision for works at leisure centres – funding for painting etc. 	<ul style="list-style-type: none"> There's some scope for funding capital works from the Corporate Property Maintenance budget (within Environment). Painting works would however be a charge to revenue not capital.
3.0	<p><u>Administrative Buildings</u></p> <ul style="list-style-type: none"> Energy Efficiency Measures - Renewable energy installations; tariffs have reduced and thereby the return for energy efficiency purposes will fall - has this been recognised in setting the core programme budget? What was the business case for renewable energy? 	<ul style="list-style-type: none"> Photovoltaics (PVs) are now less expensive and more efficient in energy production as technology moves on, and general energy consumption is reducing through efficient working, thus compensating for the fall off in feed in tariffs. A copy of the business case will be provided.
4.0	<p><u>Highways</u></p> <ul style="list-style-type: none"> Land Drainage – Why is budget only £0.080m and who funds culverts? Bridge Assessments – Budget is only £0.160m, what does this cover? 	<ul style="list-style-type: none"> The Council's budget levers in substantial specific grants from WG (on top of the core programme) to fund land drainage priorities. Funding for culvert works is provided from within the core programme (for capital works), and from within the revenue budget (StreetScene) for routine repairs and maintenance. The allocation covers all bridges (including the Flintshire bridge) and footbridges. A survey is currently

OVERVIEW & SCRUTINY

Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
<p>5.0 <u>General</u></p> <ul style="list-style-type: none"> • Unsupported (Prudential) Borrowing – How does the 2012/13 (and forward) commitment impact on the Council's revenue position? • Capital Programme – I'm struggling to understand why we have a 10 year core programme when the figures across the various programme areas are merely repeated for each year of the 10 years. • Why do unspent programme budgets automatically roll forward when there are other potential schemes left without funding? 	<p>underway in order to assess the full extent of future liabilities in respect of the Flintshire Bridge; the survey costs are funded from the 2012/13 £2.7m LGBI (Highways) monies. If future liabilities become unaffordable, the Council will move to lobby WG for funding.</p> <ul style="list-style-type: none"> • All borrowings have been factored into the Medium Term Financial Plan – borrowing costs rise to approximately £1.5m per annum once the full impact of the 21st Century Schools Programme feeds through. • The core programme is one element only of the total capital programme; the total capital programme includes those schemes funded by way of grants, Capital Expenditure financed from Revenue Account (CERA) and more significantly unsupported (prudential) borrowing. These additional elements are key considerations in the strategic work undertaken in developing the overarching capital strategy, and the linked Medium Term Financial Strategy. • Budgets do not automatically roll forward – this is the clear message from Scrutiny. The Quarter 3 Capital Programme report to Cabinet on 19th March will 	

OVERVIEW & SCRUTINY
Corporate Resources – Council Fund Capital Programme

No.	Comments and Questions:	Responses:
	<ul style="list-style-type: none"> • Disposal of Assets – Some clarification is required regarding the asset disposal policy. Is there a level of speculation in the list of anticipated sale receipts? 	<p>provide the updated position regarding schemes not yet started.</p> <ul style="list-style-type: none"> • A detailed asset review is to be carried out in order to assess the status of assets held – those which can be disposed of and those which are required for future service delivery. The Council will be looking into more creative ways to raise capital finance including Asset Backed Vehicles.

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 18 DECEMBER 2012**

REPORT BY: **HEAD OF FINANCE, CHIEF EXECUTIVE, DIRECTOR
OF ENVIRONMENT**

SUBJECT: **CAPITAL STRATEGY AND CAPITAL PROGRAMME
2013/14 TO 2022/23**

1.00 PURPOSE OF REPORT

- 1.01 The purpose of the report is to –
- (a) Propose the allocation of funding to the core capital programme in 2013/14 (with indicative allocations for future years).
 - (b) Set out the work that has been undertaken (and continues), to develop a Council Fund Capital Strategy and 10 year Capital Programme for the Council.

2.00 BACKGROUND

- 2.01 The Council plans on a 4 year capital programme timescale. In June 2011, the Council formally adopted its Medium Term Financial Strategy (MTFS). Two of the key objectives of the MTFS are to ensure that revenue and capital resources are used to achieve the Council's priorities and objectives, and to fully integrate revenue and capital expenditure plans. The co-planning of revenue and capital budgets is essential, for example, to meet the repayment of unsupported borrowing to support the core capital programme for investment in infrastructure.
- 2.02 One of the Council's 10 priorities is to 'Be a modern, efficient and cost effective public organisation through our four resource strategies - MTFS, People, Asset Management and ICT'. The Asset Management Strategy is key to determining which assets the Council wishes to hold in its portfolio for future service delivery. From this, plans can be drawn up as to where capital investment is required (in new or upgraded facilities), and where there are opportunities to release resources through asset disposals. Asset decisions are based on priority to support services, asset condition and deterioration, asset growth to suit service purpose and health and safety and other requirements.

2.03 This report covers the Council Fund only. The Housing Revenue Account (HRA) capital programme will be considered alongside the HRA revenue budget proposals for 2013/14. This will be reported to Cabinet and Scrutiny in January 2013 prior to the final proposals being recommended by Cabinet to County Council in February 2013.

2.04 The Local Government Final Settlement is due to be announced on 11th December 2012, and an update will be provided on the detail at the meeting.

3.00 CAPITAL STRATEGY

3.01 The aim of the Capital Strategy is to have in place a 10 year affordable, prioritised programme of all capital needs.

3.02 Due to the impacts on public expenditure constraint of National UK Government economy management decisions, the Council's core capital programme is constrained and is coming under severe pressure to maintain our assets portfolio from schools to roads. Welsh Government specific funding sources for capital investment in particular services are limited and are being directed to a small number of policy priorities.

3.03 This position means that the Council will:-

- Need to be more strategic and decisive over the asset portfolio it needs to retain to support service priorities and the portfolio it can release.
- Need to be more creative about partnering, e.g. Flintshire Connects, Community Asset Transfer.
- Be more creative over capital access options and models (e.g. directing its own investment, asset backed vehicles.)
- Rely on more unsupported borrowing to fund priorities, e.g. schools.

3.04 The challenges and opportunities were explored at a recent Member Workshop which was well attended. The work programmes of Cabinet and Overview and Scrutiny, and the MTFS, will need to reflect these actions.

3.05 A significant impact will be the School Modernisation Programme as part of the Capital Strategy and Capital programme 2012/13 to 2021/22. Funding support of 50% towards estimated costs of £64.2m will come from Welsh Government through 21st Century Schools finance for the preferred options in the three schools area reviews.

- 3.06 There will be significant pressure on the block allocations for core services in the 'static' programme. Careful decision making on allocations across and within these blocks is required to best match resources to priorities. Council officials, both client and contractor, must ensure that value for money is obtained in service design specifications and contract tendering.

4.00 LOCAL GOVERNMENT BORROWING INITIATIVE (LGBI)

- 4.01 A further £4m is to be made available across Wales by Welsh Government in 2013/14 under the Local Government Borrowing Initiative (on top of the £4m provided in 2012/13) to support the borrowing charges (revenue) of highways capital works. This equates to £2.7m for Flintshire in both 2013/14 and 2014/15. Proposals on how this funding will be utilised in 2012/13 are included in a separate report on this agenda.
- 4.02 In addition to the above, Welsh Government has recently announced an extension of the LGBI to include schools; this will bring forward funding (between 2014/15 and 2016/17) of £200m across Wales, in relation to their share of the 21st Century Schools Programme.

5.00 CAPITAL FUNDING AVAILABLE

- 5.01 Capital funding comes from a variety of sources –

General -

- Unhypothecated Supported Borrowing (USB)
- General Capital Grant (GCG)
- Capital Receipts

Specific -

- Specific Capital Grants
- Unsupported (Prudential) Borrowing
- Capital Expenditure financed from Revenue Account (CERA)

- 5.01.1 USB and GCG are as advised by Welsh Government through the Finance Settlement, and are available for the Council to determine their use. Specific Grants are also received from Welsh Government (and other funding bodies), but allocated for specific purposes as defined by the relevant funding body.
- 5.01.2 Capital Receipts are the proceeds from asset disposals - land and buildings, and again are available for the Council to determine their use.
- 5.01.3 Unsupported (Prudential) Borrowing is that borrowing which, as the name implies, is not supported by Welsh Government - borrowing costs (principal and interest) have to be met by the Council from the revenue budget.

- 5.01.4 Capital Expenditure financed from Revenue Account (CERA) is capital expenditure paid for by way of a direct charge to the service revenue account.
- 5.02 The total projected funding available over the 10 year period 2013/14 to 2022/23, by way of the above general sources, amounts to £108.516m as detailed in Appendix 1 (attached); the proposed Core Programme Scheme expenditure (as referred to in Section 6.01 below) amounts to £91.961m (as included in Appendix 1), which produces an available total of £16.555m to fund other programme schemes over the period.
- 5.02.1 In view of the projected shortfall in 2014/15 (£0.140m), which follows a 2013/14 available funding figure of just £0.250m, it may be prudent to consider a consolidated two year programme (2013/14/15). On this basis a cumulative total of £0.110m would be available to provide some headroom for variances.
- 5.03 It can be seen that, taking account of the funding information provided in 5.02 above, there is currently no general funding available to support new capital investment outside of the core programme schemes (see Section 6.00 below) during the consolidated two year programme period (2013/14/15), without the introduction of new and creative ways of delivering capital investment (as described in Section 3.00).

6.00 CORE CAPITAL SCHEMES

- 6.01 'Core' schemes are those that require capital works on an on-going basis in order to ensure life and use enhancement; such schemes include Energy Efficiency Measures, Highways Infrastructure Works, and School Building Works. The proposed Core schemes (as outlined at the Capital Workshop on 22nd November 2012), are detailed in Appendix 2 as attached.
- 6.02 The Appendix 2 information reflects a reviewed position (from that incorporated in the Capital Strategy and Capital Programme 2012/13 to 2021/22) in terms of the listed values, which takes account of the revised available funding projections as referred to in Section 5.02 above. Also included within the Appendix 2 totals are those new schemes approved in 2012/13, funded from the headroom available at the time; these schemes drop out of the analysis in entirety, by the end of 2015/16. The impact on the available funding resources of financing these schemes is recorded in Appendix 1.
- 6.03 A request was received at the Capital Workshop (22nd November 2012) for a reconciliation between the Appendix 2 figures and the indicative Core Programme Schemes list that formed part of the aforementioned Capital Strategy and Capital Programme 2012/13 to 2021/22; this reconciliation is included as Appendix 3. The adjusted

figures reflect those changes referred to in Section 6.02 above, and as noted in the key to Appendix 3; in most cases the 'trimmed' 2013/14 programme scheme budgets are reinstated across the subsequent 9 years (2014/15 to 2022/23).

7.00 CONSULTATION

- 7.01 A meeting of the Corporate Resources Overview and Scrutiny Committee has been scheduled for 31st January 2013, at which the capital programme proposals as set out in this paper will be considered. The scrutiny meeting will be open to all Members of the Council. Final capital proposals for 2013/14 will be considered by Cabinet in February prior to a recommendation to Council on 1st March 2013.
- 7.02 A public consultation survey which covers aspects of the Council's Revenue and Capital Budget Strategies is due to open between 21st December 2012 and 20th January 2013.

8.00 RECOMMENDATIONS

- 8.01 Members are recommended to:
- (a) Note the work which has been undertaken (and continues) to develop a Council Fund Capital Strategy and 10 year capital programme.
 - (b) Approve the allocation of funding to the core capital programme in 2013/14 as shown in Appendix 2 (and note the indicative allocations for future years), subject to input by Overview & Scrutiny.

9.00 FINANCIAL IMPLICATIONS

- 9.01 As set out in the report.

10.00 ANTI-POVERTY IMPACT

- 10.01 Individual Capital Programme Schemes may have specific anti-poverty impacts.

11.00 ENVIRONMENTAL IMPACT

- 11.01 Individual Capital Programme Schemes may have specific environmental impacts.

12.00 EQUALITIES IMPACT

- 12.01 Individual Capital Programme Schemes may have specific equality impacts.

13.00 PERSONNEL IMPLICATIONS

13.01 None directly as a result of this report.

14.00 CONSULTATION REQUIRED

14.01 All Members and Overview & Scrutiny.

15.00 CONSULTATION UNDERTAKEN

15.01 An initial workshop on capital was held on 22nd November 2012 for all Members. A public consultation survey is due to open between 21st December 2012 and 20th January 2013.

16.00 APPENDICES

16.01 Appendix 1 – Available Funding

Appendix 2 – Core Capital Programme Schemes

Appendix 3 - Core Programme Schemes (Reconciliation to 2012/13 Budget Figures)

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Contact Officer: Gary Ferguson
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Email: gary.ferguson@flintshire.gov.uk

ESTIMATED AVAILABLE FUNDING 2013/14 - 2022/23

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total £m
Financing (Excluding Specific Grants)											
Unhypothecated Supported Borrowing (USB)	*	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	42.700
General Capital Grant (GCG)	#	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	25.980
Capital Receipts		3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.095	39.836
Total		10.778	10.343	12.405	11.423	8.188	11.212	11.068	11.068	10.963	108.516
Expenditure											
Core Capital Programme Schemes - Appendix 1		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Total		10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
[AVAILABLE/(SHORTFALL)]		0.250	(0.140)	3.510	2.558	(0.677)	2.347	2.203	2.203	2.098	16.555
Cumulative		0.250	0.110	3.620	6.178	5.501	7.848	10.051	12.254	14.457	16.555

* WG funding assumptions - USB

2013/14 per Provisional Settlement
 2014/15 ref (2013/14) Provisional Settlement
 2015/16 → as 2014/15

2012/13 = USB £5.141m

WG funding assumptions - GCG

2013/14 per Provisional Settlement
 2014/15 ref (2013/14) Provisional Settlement
 2015/16 → as 2014/15

2012/13 = GCG £2.603m

CORE CAPITAL PROGRAMME SCHEMES

	2013/14 Estimate £m	2014/15 Indicative £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m	2018/19 Indicative £m	2019/20 Indicative £m	2020/21 Indicative £m	2021/22 Indicative £m	2022/23 Indicative £m	TOTAL £m
SUMMARY											
COUNCIL FUND											
COMMUNITY SERVICES	2.750	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	26.825
ENVIRONMENT	3.280	3.370	3.020	3.020	3.020	3.020	3.020	3.020	3.020	3.020	30.810
LIFELONG LEARNING	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240
CORPORATE SERVICES	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
TOTAL - COUNCIL FUND	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

FINANCING											
Unhypotheated Supported Borrowing (US\$)	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	4.270	42.700
General Capital Grant	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	2.598	25.980
Capital Receipts	3.910	3.475	5.537	4.555	1.320	4.344	4.200	4.200	4.200	4.095	39.836
Specific Capital Grants	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unsupported (Prudential) Borrowing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
(Unallocated - Headroom) / Under Financing	(0.250)	0.140	(3.510)	(2.558)	0.677	(2.347)	(2.203)	(2.203)	(2.203)	(2.098)	(16.555)
TOTAL - FINANCING	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

CORE CAPITAL PROGRAMME SCHEMES

	2013/14 Estimate £m	2014/15 Indicative £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m	2018/19 Indicative £m	2019/20 Indicative £m	2020/21 Indicative £m	2021/22 Indicative £m	2022/23 Indicative £m	TOTAL £m
COMMUNITY SERVICES											
Grants											
Various	2.500	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	24.550
Shotton	0.250	0.225	0.225	0.225	0.225	0.225	0.225	0.225	0.225	0.225	2.275
TOTAL - COMMUNITY SERVICES	2.750	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	26.825

ENVIRONMENT											
Administrative Buildings											
Various	0.180	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175	1.755
Various	0.275	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	2.975
Various	0.350	0.350									0.700
Various	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
Various	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
Various	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
Various	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
Various	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	5.000
Engineering											
Various	0.080	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.755
Various	0.120	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	1.110
Highways											
Various	0.600	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	7.350
Various	0.160	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	1.510
Various	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
Various	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
Regeneration											
Flint	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	1.150
Various	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	1.900
TOTAL - ENVIRONMENT	3.280	3.370	3.020	3.020	3.020	3.020	3.020	3.020	3.020	3.020	30.810

CORE CAPITAL PROGRAMME SCHEMES

	2013/14 Estimate £m	2014/15 Indicative £m	2015/16 Indicative £m	2016/17 Indicative £m	2017/18 Indicative £m	2018/19 Indicative £m	2019/20 Indicative £m	2020/21 Indicative £m	2021/22 Indicative £m	2022/23 Indicative £m	TOTAL £m
LIFELONG LEARNING											
Education - General											
Various School Buildings Repairs and Maintenance	2.350	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	23.275
Various Disability Discrimination Act - Individual Pupils	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
Various Furniture and Equipment	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
Primary Schools											
Various Learning Environments (Foundation Phase)	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
TOTAL - LIFELONG LEARNING	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240

CORPORATE SERVICES											
ICT and Customer Services											
General ICT Infrastructure	0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.450
General Agile Working Investment	0.150	0.100									0.250
General EDMS Implementation	0.125	0.105	0.030								0.260
General ICT Infrastructure	0.210	0.210									0.420
General Microsoft Enterprise Agreement	0.353	0.353									0.706
Flintshire Connects											
Various Flintshire Connects	0.500	0.500									1.000
Corporate Finance											
General Minor Capital Works - Health & Safety	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
General Corporate Provision - Feasibility Studies	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
Clwyd Theatr Cymru											
General Provision	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
TOTAL - CORPORATE SERVICES	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	0.450	7.086
TOTAL - COUNCIL FUND	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	8.865	91.961

**CORE PROGRAMME SCHEMES 2013/14 - SUMMARY
(RECONCILIATION TO 2012/13 BUDGET FIGURES)**

	2013/14 Indicative *	2013/14 Estimate	Variance
	£m	£m	£m
SUMMARY			
COUNCIL FUND			
COMMUNITY SERVICES	2.950	2.750	(0.200)
ENVIRONMENT	3.155	3.280	0.125
LIFELONG LEARNING	2.965	2.760	(0.205)
CORPORATE SERVICES	0.930	1.738	0.808
TOTAL - COUNCIL FUND	10.000	10.528	0.528

FINANCING			
Unhypotheated Supported Borrowing (USB)			
General Capital Grant	4.254	4.270	0.016
Capital Receipts	2.605	2.598	(0.007)
Specific Capital Grants	5.360	3.910	(1.450)
Unsupported (Prudential) Borrowing	0.000	0.000	0.000
	0.000	0.000	0.000
TOTAL - FINANCING	12.219	10.778	(1.441)

AVAILABLE HEADROOM	(2.219)	(0.250)	1.969
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Analysis (from above)	£m
Increased Net Budget	0.528
Reduced Funding	1.441
Reduced Headroom	1.969

* as per 2012/13 Budget

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Grants Various	12/13	2.700	2.425	2.425	2.425	2.425	2.425	2.425	2.425	2.425	24.525
		13/14	2.500	2.450	2.450	2.450	2.450	2.450	2.450	2.450	2.450	24.550
		Variance	(0.200)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
	Shotton	12/13	0.250	0.225	0.225	0.225	0.225	0.225	0.225	0.225	0.225	2.275
		13/14	0.250	0.225	0.225	0.225	0.225	0.225	0.225	0.225	0.225	2.275
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	TOTAL - COMMUNITY SERVICES	12/13	2.950	2.650	2.650	2.650	2.650	2.650	2.650	2.650	2.650	26.800
		13/14	2.750	2.675	2.675	2.675	2.675	2.675	2.675	2.675	2.675	26.825
		Variance	(0.200)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY		BUDGET	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)			£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
ENVIRONMENT													
Administrative Buildings													
Various	Disability Discrimination Act (DDA) Works	12/13	0.180	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175	1.755
		13/14	0.180	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175	0.175	1.755
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1													
Various	Energy Efficiency Measures	12/13	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	3.000
		13/14	0.275	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	2.975
		Variance	(0.025)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(0.025)
2													
Various	Renewable Energy Installations	12/13	0.350	0.350	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		13/14	0.350	0.350	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.700
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Asbestos Removal	12/13	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		13/14	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Legionella Monitoring	12/13	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		13/14	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Upgrading Fire and Intruder Alarms	12/13	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
		13/14	0.060	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.555
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Fire Safety Order Works	12/13	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
		13/14	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Corporate Property Maintenance	12/13	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	5.000
		13/14	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	5.000
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Engineering													
Various	Land Drainage Works - General	12/13	0.080	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.755
		13/14	0.080	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.755
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various	Coast Protection Works - General	12/13	0.120	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	1.110
		13/14	0.120	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	0.110	1.110
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Highways Various	1	12/13	0.800	0.725	0.725	0.725	0.725	0.725	0.725	0.725	0.725	7.325
		13/14	0.600	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	7.350
	Variance		(0.200)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025
Various		12/13	0.160	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	1.510
		13/14	0.160	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	1.510
	Variance		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various		12/13	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
		13/14	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
	Variance		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various		12/13	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
		13/14	0.200	0.180	0.180	0.180	0.180	0.180	0.180	0.180	0.180	1.820
	Variance		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Regeneration Flint		12/13	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	1.150
		13/14	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	1.150
	Variance		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Various		12/13	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	1.900
		13/14	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	1.900
	Variance		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL - ENVIRONMENT		12/13	3.155	2.995	2.995	2.995	2.995	2.995	2.995	2.995	2.995	30.110
		13/14	3.280	3.370	3.020	3.020	3.020	3.020	3.020	3.020	3.020	30.810
	Variance		0.125	0.375	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.700

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY		BUDGET	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)			£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	LIFELONG LEARNING												
	Education - General												
	Various												
		12/13	2.555	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	23.255
		13/14	2.350	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	2.325	23.275
		Variance	(0.205)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.020
	Various												
		12/13	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
		13/14	0.275	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	0.270	2.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Primary Schools												
	Learning Environments (Foundation Phase)												
	Various												
		12/13	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		13/14	0.075	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.705
		Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	TOTAL - LIFELONG LEARNING												
		12/13	2.965	2.695	2.695	2.695	2.695	2.695	2.695	2.695	2.695	2.695	27.220
		13/14	2.760	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	2.720	27.240
		Variance	(0.205)	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.020

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY		BUDGET	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
(See below)			£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CORPORATE SERVICES													
ICT and Customer Services													
General	ICT Infrastructure												
1	12/13		0.255	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	2.325
	13/14		0.200	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	2.450
	Variance		(0.055)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.125
Agile Working Investment													
General													
2	12/13		0.150	0.100									0.000
	13/14												0.250
	Variance		0.150	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250
EDRMS Implementation													
General													
2	12/13		0.125	0.105	0.030								0.000
	13/14												0.260
	Variance		0.125	0.105	0.030	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.260
ICT Infrastructure													
General													
2	12/13		0.210	0.210									0.000
	13/14												0.420
	Variance		0.210	0.210	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.420
Microsoft Enterprise Agreement													
General													
2	12/13		0.353	0.353									0.000
	13/14												0.706
	Variance		0.353	0.353	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.706
Flintshire Connects													
Various	Flintshire Connects												
2	12/13		0.500	0.500									0.000
	13/14												1.000
	Variance		0.500	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
Corporate Finance													
General	Minor Capital Works - Health & Safety												
	12/13		0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
	13/14		0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.750
	Variance		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Corporate Provision - Feasibility Studies													
General													
1	12/13		0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	2.000
	13/14		0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	1.000
	Variance		(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(1.000)
Housing Stock Options (Subject to Housing Review) *													
General													
3	12/13		0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	3.750
	13/14												
	Variance		(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(0.375)	(3.750)

CORE PROGRAMME SCHEMES 2013/14 - 2022/23 (RECONCILIATION TO 2012/13 BUDGET FIGURES)

KEY BUDGET 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 TOTAL
(See below) £m £m £m £m £m £m £m £m £m £m

CORPORATE SERVICES (Cont.)										
Clwyd Theatr Cymru										
General Provision										
12/13	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
13/14	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.025	0.250
Variance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL - CORPORATE SERVICES										
12/13	0.930	0.905	0.905	0.905	0.905	0.905	0.905	0.905	0.905	9.075
13/14	1.738	1.718	0.480	0.450	0.450	0.450	0.450	0.450	0.450	7.086
Variance	0.808	0.813	(0.425)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(0.455)	(1.989)
TOTAL - COUNCIL FUND										
12/13	10.000	9.245	9.245	9.245	9.245	9.245	9.245	9.245	9.245	93.205
13/14	10.528	10.483	8.895	8.865	8.865	8.865	8.865	8.865	8.865	91.961
Variance	0.528	1.238	(0.350)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(0.380)	(1.244)

VARIANCE Figures in brackets indicate a reduced budget, unbracketed an increased/additional budget.

- KEY**
- 1 2013/14 budget reduced in line with reduced funding projections but re-profiled over future years.
 - 2 New to 2013/14 onwards as a result of schemes approved in 2012/13 (From Headroom).
 - 3 No longer needed as a result of the Housing Ballot.

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: FLINTSHIRE COUNTY COUNCIL
DATE: FRIDAY, 1 MARCH 2013
REPORT BY: HEAD OF FINANCE
SUBJECT: COUNCIL TAX SETTING FOR 2013-14

1.00 PURPOSE OF REPORT

- 1.01 For Council to agree the statutory and other necessary resolutions for the purpose of administering Council Tax and Non-Domestic Rates for 2013-14.

2.00 BACKGROUND

- 2.01 Also on this agenda is consideration of the Council Fund Revenue Budget for 2013-14. The recommendation of the Cabinet is that the Council Fund Budget Requirement for 2013-14 be set at £258,284,539 which will result in Council Tax charges as detailed in this report.

3.00 CONSIDERATIONS

- 3.01 The Council Tax resolution includes elements relating to Flintshire, North Wales Police Authority and all Town/Community Councils.
- 3.02 The proposed resolutions as detailed in Appendix A to this report are split into the following sections :-

Section 1 details the Council Tax Base set for 2013-14, which shows the number of properties (shown in total and for each specific Town/Community Council) expressed as Band 'D' equivalents, taking into account appropriate adjustments for statutory discounts and exemptions.

Section 2 (a) to 2 (i) details the expenditure and income of Flintshire County Council and Town/Community Councils. It also sets out details of the amount of Council Tax to be charged across the various Valuation Bands in respect of the County Council precept and each Town/Community Council precept.

Section 3 details the amount of Council Tax to be charged in each Valuation Band in respect of the Police & Crime Commissioner – North Wales as resolved at a meeting Police and Crime Panel on the 21st January 2013.

Section 4 details the overall amount of Council Tax that taxpayers will be required to pay from April 2013. This is made up of three chargeable precepts, Flintshire County Council, Police & Crime Commissioner – North Wales, and the Town/Community Councils.

Section 5 re-affirms the Councils policy for 2013-14 not to grant discounts on second and long term empty properties which are defined by Regulations under three Prescribed Classes of Dwellings - Class A dwellings are second home which are unoccupied and furnished with a restriction on occupancy for a period of at least 28 consecutive days in any 12 month period. Class B dwellings are second homes which are unoccupied and furnished, with no restriction on occupancy. Class C dwellings are long empty and unfurnished dwellings and have been such for a period of over 6 months in most cases.

Section 6 gives the Head of Finance the authority to make payments to the Police and Crime Commissioner – North Wales in twelve equal instalments payable on the 15th day of each month from April 2013 (adjusted to the next working day as necessary) to March 2014.

Section 7 provides authority to specified officers to issue legal proceedings for non payment of Council Tax and to appear on behalf of the Council to prosecute in cases of non payment.

Section 8 provides similar authority to specified officers to collect Non-Domestic Rates .

Section 9 provides for the advertisement of the Council Tax for 2013-14 in the local press, as defined by Regulations.

- 3.03 The result of these resolutions would be that Council Tax is levied across all areas of the County as set out in Appendix A and further analysed in Appendix B by amounts and percentage increases.

4.00 RECOMMENDATIONS

- 4.01 For members to agree all resolutions as detailed in Appendix A.

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report.

6.00 ANTI POVERTY IMPACT

- 6.01 None

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix A to this report details all resolutions necessary to set the 2013-14 Council Tax charges.

12.02 Appendix B to this report provides Members with some statistical information relating the breakdown of Council Tax charges for 2013-14 by Town & Community Council area.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Local Government Finance Act 1992

Local Government Act 1972 and 2003

Council Tax (Prescribed Classes of Dwellings) (Wales) Regulations

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**STATUTORY & OTHER NECESSARY COUNCIL TAX
RESOLUTIONS FOR 2013-14**

1. That it be noted that at its meeting on 20th November 2012 the Council calculated interim amounts, subsequently modified as follows, for the year 2013-14 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992.

60,254 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Wales Regulations 1995, as its Council Tax base for the year, broken down into the following Town/Community areas :-

Argoed	2,417.48
Bagillt	1,441.25
Broughton & Bretton	2,363.13
Brynford	459.07
Buckley	6,086.98
Caerwys	601.33
Cilcain	729.47
Connahs Quay	5,900.81
Flint	4,389.63
Gwernaffield	1002.20
Gwernymynydd	549.88
Halkyn	1,338.51
Hawarden	6,005.87
Higher Kinnerton	780.22
Holywell	3,168.95
Hope	1,760.07
Leeswood	813.11
Llanasa	1,874.27
Llanfynydd	814.02
Mold	4,069.91
Mostyn	694.77
Nannerch	265.77
Nercwys	301.99
Northop	1,489.52
Northop Hall	703.36
Penyffordd	1,661.43
Queensferry	680.64
Saltney	1,742.89
Sealand	1,104.91
Shotton	2,138.58
Trelawnyd & Gwaenysgor	412.67
Treuddyn	701.42
Whitford	1,131.53
Ysceifiog	658.36

TOTAL BAND "D" PROPERTIES	60,254.00
----------------------------------	------------------

being the amounts calculated in accordance with regulation 6 of the Regulations as the amounts of its Council Tax base for the year for dwelling in those parts of its area to which special items relate.

2. That the following amounts be now calculated by the Council for the year 2013-14 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 and Alteration of Requisite Calculations (Wales) Regulations 2013 :-
 - (a) Aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a)-(d) (including Community Council precepts totalling £2,323,166). £389,386,864
 - (b) Aggregate of the amounts which the Council estimates for items set out in Section 32 (3) (a) and 32 (3) (c). £128,779,159
 - (c) Amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above calculated in accordance with Section 32 (4) as the budget requirement for the year. £260,607,705
 - (d) Aggregate of the sums which the Council estimates will be payable for the year into its Council Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant or Additional Grant. £200,475,044
 - (e) The amount at 2(c) above less the amount at 2(d) above, all divided by the amount at section 1 above, calculated in accordance with Section 33 (1) as the basic amount of Council Tax for the year. £997.99
 - (f) Aggregate amount of all special items referred to in Section 34 (1). £2,323,166
 - (g) Amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at section 1 above calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of Council Tax for the year for dwellings in those parts of the area to which no special items relate. £959.43
 - (h) The amounts given by adding to the amount at 2(g) above the amounts of special items relating to dwellings in those part of the Council's area mentioned below, divided in each case by the amount at 1(b) above, calculated in accordance with Section 34(3) as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which special items relate. £0.00

FLINTSHIRE COUNTY COUNCIL CHARGES (BAND D) 2013-14
(Including Community/Town Councils)

	<u>£</u>
Argoed	984.12
Bagillt	987.48
Broughton & Bretton	1,000.48
Brynford	994.43
Buckley	1,005.50
Caerwys	997.68
Cilcain	986.71
Connahs Quay	1,007.17
Flint	997.36
Gwernaffield	975.39
Gwernymynydd	984.89
Halkyn	989.31
Hawarden	996.89
Higher Kinnerton	994.04
Holywell	1,004.56
Hope	981.59
Leeswood	1,000.01
Llanasa	991.98
Llanfynydd	993.83
Mold	1,010.75
Mostyn	996.85
Nannerch	995.43
Nercwys	1,005.46
Northop	973.43
Northop Hall	988.92
Penyffordd	987.12
Queensferry	1,010.85
Saltney	1,002.40
Sealand	1,007.40
Shotton	1,006.25
Trelawnyd & Gwaenysgor	990.93
Treuddyn	1,003.16
Whitford	995.43
Ysceifiog	988.41

- (i) The amounts given by multiplying the amounts at 2(h) above by the number which in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D calculated in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

APPENDIX A

Area	VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £	I £
Argoed	656.08	765.42	874.78	984.12	1,202.82	1,421.50	1,640.20	1,968.24	2,296.28
Bagillt	658.32	768.04	877.76	987.48	1,206.92	1,426.36	1,645.80	1,974.96	2,304.12
Broughton & Bretton	666.99	778.15	889.32	1,000.48	1,222.81	1,445.13	1,667.47	2,000.96	2,334.45
Brynford	662.95	773.44	883.94	994.43	1,215.42	1,436.40	1,657.38	1,988.86	2,320.34
Buckley	670.33	782.05	893.78	1,005.50	1,228.95	1,452.39	1,675.83	2,011.00	2,346.17
Caerwys	665.12	775.97	886.83	997.68	1,219.39	1,441.09	1,662.80	1,995.36	2,327.92
Cilcain	657.81	767.44	877.08	986.71	1,205.98	1,425.24	1,644.52	1,973.42	2,302.32
Connahs Quay	671.45	783.35	895.27	1,007.17	1,230.99	1,454.80	1,678.62	2,014.34	2,350.06
Flint	664.91	775.72	886.55	997.36	1,219.00	1,440.63	1,662.27	1,994.72	2,327.17
Gwernaffield	650.26	758.63	867.02	975.39	1,192.15	1,408.89	1,625.65	1,950.78	2,275.91
Gwernymynydd	656.59	766.02	875.46	984.89	1,203.76	1,422.62	1,641.48	1,969.78	2,298.08
Halkyn	659.54	769.46	879.39	989.31	1,209.16	1,429.00	1,648.85	1,978.62	2,308.39
Hawarden	664.59	775.36	886.13	996.89	1,218.42	1,439.95	1,661.48	1,993.78	2,326.08
Higher Kinnerton	662.69	773.14	883.59	994.04	1,214.94	1,435.83	1,656.73	1,988.08	2,319.43
Holywell	669.71	781.32	892.95	1,004.56	1,227.80	1,451.03	1,674.27	2,009.12	2,343.97
Hope	654.39	763.46	872.53	981.59	1,199.72	1,417.85	1,635.98	1,963.18	2,290.38
Leeswood	666.67	777.78	888.90	1,000.01	1,222.24	1,444.46	1,666.68	2,000.02	2,333.36
Llanasa	661.32	771.54	881.76	991.98	1,212.42	1,432.86	1,653.30	1,983.96	2,314.62
Llanfynydd	662.55	772.98	883.41	993.83	1,214.68	1,435.53	1,656.38	1,987.66	2,318.94
Mold	673.83	786.14	898.45	1,010.75	1,235.36	1,459.97	1,684.58	2,021.50	2,358.42
Mostyn	664.57	775.32	886.09	996.85	1,218.38	1,439.89	1,661.42	1,993.70	2,325.98
Nannerch	663.62	774.22	884.83	995.43	1,216.64	1,437.84	1,659.05	1,990.86	2,322.67
Nercwys	670.31	782.02	893.75	1,005.46	1,228.90	1,452.33	1,675.77	2,010.92	2,346.07
Northop	648.95	757.11	865.27	973.43	1,189.75	1,406.06	1,622.38	1,946.86	2,271.34
Northop Hall	659.28	769.16	879.04	988.92	1,208.68	1,428.44	1,648.20	1,977.84	2,307.48
Penyffordd	658.08	767.76	877.44	987.12	1,206.48	1,425.84	1,645.20	1,974.24	2,303.28
Queensferry	673.90	786.21	898.54	1,010.85	1,235.49	1,460.11	1,684.75	2,021.70	2,358.65
Saltney	668.27	779.64	891.03	1,002.40	1,225.16	1,447.91	1,670.67	2,004.80	2,338.93
Sealand	671.60	783.53	895.47	1,007.40	1,231.27	1,455.13	1,679.00	2,014.80	2,350.60
Shotton	670.83	782.64	894.45	1,006.25	1,229.86	1,453.47	1,677.08	2,012.50	2,347.92
Trelawnyd & Gwaenysgor	660.62	770.72	880.83	990.93	1,211.14	1,431.34	1,651.55	1,981.86	2,312.17
Treuddyn	668.77	780.23	891.70	1,003.16	1,226.09	1,449.01	1,671.93	2,006.32	2,340.71
Whitford	663.62	774.22	884.83	995.43	1,216.64	1,437.84	1,659.05	1,990.86	2,322.67
Ysceifiog	658.94	768.76	878.59	988.41	1,208.06	1,427.70	1,647.35	1,976.82	2,306.29

3. That it be noted that for the year 2013-14 the Police and Crime Panel have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below :-

	Valuation Bands								
	A £	B £	C £	D £	E £	F £	G £	H £	I £
Precept	148.74	173.53	198.32	223.11	272.69	322.27	371.85	446.22	520.59

4. Having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the following amounts as the amounts of Council Tax for the year 2013-14 for each of the categories of dwellings shown below:

Area	VALUATION BANDS								
	A £	B £	C £	D £	E £	F £	G £	H £	I £
Argoed	804.82	938.95	1,073.10	1,207.23	1,475.51	1,743.77	2,012.05	2,414.46	2,816.87
Bagillt	807.06	941.57	1,076.08	1,210.59	1,479.61	1,748.63	2,017.65	2,421.18	2,824.71
Broughton & Bretton	815.73	951.68	1,087.64	1,223.59	1,495.50	1,767.40	2,039.32	2,447.18	2,855.04
Brynford	811.69	946.97	1,082.26	1,217.54	1,488.11	1,758.67	2,029.23	2,435.08	2,840.93
Buckley	819.07	955.58	1,092.10	1,228.61	1,501.64	1,774.66	2,047.68	2,457.22	2,866.76
Caerwys	813.86	949.50	1,085.15	1,220.79	1,492.08	1,763.36	2,034.65	2,441.58	2,848.51
Cilcain	806.55	940.97	1,075.40	1,209.82	1,478.67	1,747.51	2,016.37	2,419.64	2,822.91
Connahs Quay	820.19	956.88	1,093.59	1,230.28	1,503.68	1,777.07	2,050.47	2,460.56	2,870.65
Flint	813.65	949.25	1,084.87	1,220.47	1,491.69	1,762.90	2,034.12	2,440.94	2,847.76
Gwernaffield	799.00	932.16	1,065.34	1,198.50	1,464.84	1,731.16	1,997.50	2,397.00	2,796.50
Gwernymynydd	805.33	939.55	1,073.78	1,208.00	1,476.45	1,744.89	2,013.33	2,416.00	2,818.67
Halkyn	808.28	942.99	1,077.71	1,212.42	1,481.85	1,751.27	2,020.70	2,424.84	2,828.98
Hawarden	813.33	948.89	1,084.45	1,220.00	1,491.11	1,762.22	2,033.33	2,440.00	2,846.67
Higher Kinnerton	811.43	946.67	1,081.91	1,217.15	1,487.63	1,758.10	2,028.58	2,434.30	2,840.02
Holywell	818.45	954.85	1,091.27	1,227.67	1,500.49	1,773.30	2,046.12	2,455.34	2,864.56
Hope	803.13	936.99	1,070.85	1,204.70	1,472.41	1,740.12	2,007.83	2,409.40	2,810.97
Leeswood	815.41	951.31	1,087.22	1,223.12	1,494.93	1,766.73	2,038.53	2,446.24	2,853.95
Llanasa	810.06	945.07	1,080.08	1,215.09	1,485.11	1,755.13	2,025.15	2,430.18	2,835.21
Llanfynydd	811.29	946.51	1,081.73	1,216.94	1,487.37	1,757.80	2,028.23	2,433.88	2,839.53
Mold	822.57	959.67	1,096.77	1,233.86	1,508.05	1,782.24	2,056.43	2,467.72	2,879.01
Mostyn	813.31	948.85	1,084.41	1,219.96	1,491.07	1,762.16	2,033.27	2,439.92	2,846.57
Nannerch	812.36	947.75	1,083.15	1,218.54	1,489.33	1,760.11	2,030.90	2,437.08	2,843.26
Nercwys	819.05	955.55	1,092.07	1,228.57	1,501.59	1,774.60	2,047.62	2,457.14	2,866.66
Northop	797.69	930.64	1,063.59	1,196.54	1,462.44	1,728.33	1,994.23	2,393.08	2,791.93
Northop Hall	808.02	942.69	1,077.36	1,212.03	1,481.37	1,750.71	2,020.05	2,424.06	2,828.07
Penyffordd	806.82	941.29	1,075.76	1,210.23	1,479.17	1,748.11	2,017.05	2,420.46	2,823.87
Queensferry	822.64	959.74	1,096.86	1,233.96	1,508.18	1,782.38	2,056.60	2,467.92	2,879.24
Saltney	817.01	953.17	1,089.35	1,225.51	1,497.85	1,770.18	2,042.52	2,451.02	2,859.52
Sealand	820.34	957.06	1,093.79	1,230.51	1,503.96	1,777.40	2,050.85	2,461.02	2,871.19
Shotton	819.57	956.17	1,092.77	1,229.36	1,502.55	1,775.74	2,048.93	2,458.72	2,868.51
Trelawnyd & Gwaenysgor	809.36	944.25	1,079.15	1,214.04	1,483.83	1,753.61	2,023.40	2,428.08	2,832.76
Treuddyn	817.51	953.76	1,090.02	1,226.27	1,498.78	1,771.28	2,043.78	2,452.54	2,861.30
Whitford	812.36	947.75	1,083.15	1,218.54	1,489.33	1,760.11	2,030.90	2,437.08	2,843.26
Ysceifiog	807.68	942.29	1,076.91	1,211.52	1,480.75	1,749.97	2,019.20	2,423.04	2,826.88

5. In line with the existing policy of the Council, that for 2013-14, in accordance with Section 12 of the Local Government Finance Act 1992 (as amended by Section 75 of the Local Government Act 2003 and the Council Tax (Prescribed Classes of Dwellings) (Wales) (Amendment) Regulations 2004, no discounts shall be granted to second homes subject to Council Tax which are unoccupied and furnished, (defined as Prescribed Classes A and B) and long term empty and unfurnished properties (defined as Prescribed Class C)
6. That the Head of Finance be authorised to make payments under section 38(9) Local Government (Wales) Act 1994 and the Local Authorities (Precepts) (Wales) Regulations 1995 from the Council Fund by equal instalments on the 15th day of each month from April 2013 (adjusted to the next working day as necessary) to March 2014 in respect of the precept levied by the Police and Crime Panel in the sum of £13,443,270
7. Authorisations - Council Tax
 - a) That the holders of the posts of Head of Finance, Revenues & Benefits Manager, Revenues Manager, Revenues Team Leaders, Court/Prosecutions Officer, Revenues Officers within Finance for the time being be authorised under Section 223 of the Local Government Act 1972 to issue legal proceedings and to appear on behalf of the County Council at the hearing of any legal proceedings in the Magistrates Court by way of an application for the issue of a Liability Order in respect of unpaid Council Taxes and penalties under Part VI of the Council Tax (Administration and Enforcement) Regulations 1992; by way of an application for the issue of a warrant of commitment to prison under Part VI of the Council Tax (Administration and Enforcement) Regulations 1992; to require financial information to make an Attachment of Earnings Order; to levy the appropriate amount by distress and sale of goods; and to exercise all other enforcement powers of the County Council under the Council Tax (Administration and Enforcements) Regulations 1992 and any subsequent amendments of such Regulations.
 - b) That the Head of Finance be authorised to engage the services of bailiffs for the levying of distress and sale of goods where Liability Orders are awarded, obtaining financial information where necessary and enforcing warrants of arrest and warrants of commitment in certain cases on behalf of the Courts and in accordance with the provisions of the Local Government Finance Act 1992 and any Regulations made there under.
8. Authorisations - National Non-Domestic Rates
 - a) That the holders of the posts of Head of Finance, Revenues & Benefits Manager, Revenues Manager, Revenues Team Leaders, Court/Prosecutions Officer, Revenues Officers within Finance for the time being be authorised under Section 223 of the Local Government Act 1972, to institute legal proceedings and to appear on behalf of the Council at the hearing of any legal proceedings in the Magistrates Courts by way of application for the issue of a liability order in respect of unpaid rates; by way of an application for the issue of a warrant of commitment; and to exercise all other powers of enforcement of the County Council under the Non-Domestic (Collection and Enforcement) (Local Lists) Regulations 1989 and any amendment thereto.
 - b) That the Head of Finance be authorised to engage the services of bailiffs to levy distress, sale of goods as may be necessary and to enforce warrants of arrest and warrants of commitment on behalf of the Courts as may be necessary to recover outstanding rates.
9. That notices of the making of the said Council Taxes for 2013-14, signed by the Head of Finance, be given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

FLINTSHIRE COUNTY COUNCIL

REPORT TO: FLINTSHIRE COUNTY COUNCIL
DATE: FRIDAY, 1 MARCH 2013
REPORT BY: HEAD OF FINANCE
SUBJECT: COUNCIL FUND REVENUE BUDGET 2013/14

1.00 PURPOSE OF REPORT

- 1.01 To provide Members with the recommendations of the Cabinet for the Council Fund Revenue Budget 2013/14.

2.00 BACKGROUND

- 2.01 A report was considered by Cabinet on 18 December 2012 which presented a first draft of the Council Fund Revenue Budget for 2013/14 for initial approval.
- 2.02 The Cabinet's initial budget proposals for 2013/14, which at that stage identified a budget gap of £1.480m, were also referred to Overview and Scrutiny for consideration.
- 2.03 The Overview and Scrutiny meetings were held between 22 and 31 January 2013 where Members offered comments and asked a number of questions to clarify issues. A summary of these, together with Officer responses is included in Appendix 9 of the February report.
- 2.04 The final budget proposals for 2013/14, which show a balanced position, were considered by Cabinet on 19 February and were recommended to County Council. A copy of this report is attached as Appendix A.

3.00 CONSIDERATIONS

- 3.01 The recommendations of the Cabinet to County Council are set out in Section 8 of the February report.
- 3.02 Section 3 of the February report provides an overview of the budget strategy for 2013/14, feedback from the Overview and Scrutiny meetings and details of other budget adjustments made to enable a balanced position to be reached. The Section also provides further information on the proposed Schools Budget for 2013/14.

- 3.03 Details of the final proposed budget and its funding are set out in Section 4 of the February report.
- 3.04 Section 5 of the February report sets out details of earmarked and unearmarked reserves.
- 3.05 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and adequacy of reserves. Section 6 of the February report provides this statement in detail.
- 3.06 Section 7 of the February report provides detail on the Council's arrangements for managing its finances over the next few years, by the development of its Medium Term Financial Plan (MTFP), which will be produced within the framework of the Council's Medium Term Financial Strategy (MTFS).

4.00 RECOMMENDATIONS

- 4.01 That the Council approves the recommendations of the Cabinet as set out in Section 8 of the attached report.

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report

6.00 ANTI POVERTY IMPACT

- 6.01 Individual growth and efficiency items may have specific anti-poverty impacts.

7.00 ENVIRONMENTAL IMPACT

- 7.01 Individual growth and efficiency items may have specific environmental impacts.

8.00 EQUALITIES IMPACT

- 8.01 Individual growth and efficiency items may have specific equalities impacts.

9.00 PERSONNEL IMPLICATIONS

- 9.01 Individual growth and efficiency items may have specific personnel implications.

10.00 CONSULTATION REQUIRED

- 10.01 Overview and Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee.

11.00 CONSULTATION UNDERTAKEN

- 11.01 Overview and Scrutiny as set out in the February report.

School Budget Forum and Flintshire Joint Trades Union have been updated throughout the process.

No responses received to the formal consultation with business ratepayers.

No objections received from proposals shared with Local Service Board and Regional Partners.

12.00 APPENDICES

- 12.01 Appendix A - Report to Cabinet 19 February 2013 - Council Fund Budget 2013/14

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**
DATE: **TUESDAY, 19 FEBRUARY 2013**
REPORT BY: **CHIEF EXECUTIVE AND HEAD OF FINANCE**
SUBJECT: **COUNCIL FUND REVENUE BUDGET 2013/14**

1.00 PURPOSE OF REPORT

- 1.01 To present the finalised Council Fund Revenue budget strategy and detailed proposals for 2013/14 for recommendation to County Council on 1 March 2013.

2.00 BACKGROUND

- 2.01 A report was considered by Cabinet on 18 December 2012 which presented a first draft of the Council Fund Revenue Budget for 2013/14 for initial approval. Further work was to follow and the draft was to be presented to Overview and Scrutiny Committees throughout January for consultation.
- 2.02 The budget strategy and proposals were considered by the five Overview and Scrutiny Committees between 22 and 31 January 2013 and feedback is detailed in sections 3.07 – 3.11.
- 2.03 The budget strategy and proposals and their implications for school budgets were discussed with the School Budget Forum on 31 January 2013. The budget strategy and proposals were shared with the Flintshire Joint Trades Union Committee on 23 January 2013.
- 2.04 The formal Council Fund budget setting for 2013/14 and setting of the Council Tax for the year will take place at County Council on 1 March 2013.

3.00 DEVELOPING THE BUDGET STRATEGY AND CLOSING THE GAP

National and Local Context

- 3.01 The national and local financial context in which the budget is being set was shared and explored at Cabinet in December and with the Overview and Scrutiny Committees throughout January.

3.02 The budget strategy has been developed within the context of the Council's Medium Term Financial Strategy (MTFS). The aims of the developing strategy are:-

- To ensure revenue and capital resources are targeted to support Council priorities and to achieve their outcomes
- To fully integrate revenue and capital plans
- To maintain Council Tax increases at affordable levels for the tax payer
- To optimise opportunities for income generation from fees, charges and grants
- To maintain appropriate level of reserves and provisions
- To ensure strong financial services, systems and processes to underpin the strategy and balance annual budgets

Budget Strategy 2013/14

3.03 The objectives of the budget strategy for 2013/14 have been:-

- To respond to the reduced level of funding available to local government and the wider public sector and the ongoing impacts of the economic position
- To protect 'front line' public services despite the scale of the fiscal challenge
- To minimise the effects on communities
- To reinvest in new, expanded or improved services to meet Council Priorities wherever possible

3.04 We have sought to achieve these objectives by:-

- Challenging and 'compressing' identified service/budget pressures by drawing on evidence-based forecasting and a risk management approach
- Reviewing service/budget pressures and efficiencies identified in previous years and revising them to meet current need
- Taking a targeted approach to inflation – providing additional resources only where necessary
- Ongoing review and challenge of the in-year budget position to identify challenges and opportunities for the 2013/14 budget year
- Reviewing reserves and balances to ensure they are at the level needed
- Progressing the work streams within the Flintshire Futures Programme to achieve our efficiency savings targets.

Budget 'Headlines'

3.05 The budget headlines are:-

- The draft budget as recommended is now balanced
- There are no significant cuts to services or new job reductions
- There is additional investment in Council Priorities. The investment in Schools and Social Care budgets both meets Council Priorities and exceeds the levels set by Ministers as expectations
- Core services are protected where national grant is reducing
- Provision is made to prepare communities for the impacts of Welfare Reform
- Resources are provided to invest-to-save
- The budget is protected for inflationary, economic and demographic impacts on a measured basis
- The recommended increases in council tax and fees and charges and the recommended new charges for introduction, meet the test of reasonableness and affordability

3.06 On Council Priorities specific additional investment is made in:-

- Council Priority 1: Modern and Efficient Organisation
- Council Priority 3: Modern Employer
- Council Priority 4: Customer Services
- Council Priority 5: Safeguarding the Vulnerable
- Council Priority 7: Independent and Healthy Living
- Council Priority 8: Meeting Housing Need (in conjunction with the separate report on the Housing Revenue Account Budget 2013/14)
- Council Priority 9: Learning, Play and Leisure

Overview and Scrutiny Considerations

3.07 The report to Cabinet on 18 December 2012 identified a budget shortfall at that stage of £1.480m made up of £0.417m for one-off costs and £1.063m for ongoing base budget items. This report formed the basis of the Overview and Scrutiny meetings held during January:-

1.	Housing (inc HRA)	22 January
2.	Environment	24 January
3.	Lifelong Learning	25 January
4.	Social & Health Care	28 January
5.	Corporate Resources	28 January

A further Corporate Resources meeting, open to all members was held on 31 January. The purpose of the meeting was to summarise the key issues discussed for consideration by the Cabinet within this report and to resolve specific information requests from members.

- 3.08 Each of the meetings began with a corporate overview of the whole budget and the national and local strategic context jointly presented by the Chief Executive and Head of Finance. This was followed by a portfolio specific presentation by Directors on the service strategies behind the service specific budget proposals along with details of the proposed budget growth, pressures and efficiencies for 2013/14, the investment in the service area arising from the budget proposals and a forward look at the key service issues for the medium term. Cabinet members were present to explain their priorities and the reasoning behind decisions on the draft budget.
- 3.09 In addition, members were advised of a number of “live issues” which had arisen since the initial budget proposals were made and which were still under consideration. These are summarised as follows and are covered in Section 3.10 to 3.20:-

Environment

- Energy generation at landfill sites

Lifelong Learning

- Senior Management Restructure
- Music Service
- Out of County Placements
- Leisure Service
- Play Schemes
- Play Areas
- Reduction in Schools Service Level Agreement pressure

Social and Health Care

- Out of County Placements

Corporate Resources

- Council Tax Support Scheme
- Council Fund improving in-year budget projection
- Level of reserves and balances
- Municipal Mutual Insurance Risk
- Profiling of investment and organisational change needs

Outcome from Scrutiny Meetings

- 3.10 The outcomes from the Overview and Scrutiny meetings round were:-
- The budget proposals were noted by each committee
 - A specific request the from Lifelong Learning Committee for the Task and Finish Group’s recommendation for additional funding of £0.012m for Play Schemes to allow the programme to meet local demand from Town and Community Councils

- There was a request for information on the whole budget as context for investment or efficiency proposals. This was provided at the Corporate Resources meeting on 31 January.
 - Social and Health Care requested detail of £1.9m investment in the service.
- 3.11 Members offered comments and asked a number of questions to clarify issues and a summary of these observations and questions, together with the response of accountable officers, is attached as Appendix 9.

Closing the Gap

- 3.12 At the final Corporate Resources Scrutiny meeting on 31 January, members were advised that following the Final Local Government Settlement and the ongoing work to refine efficiencies and pressures, the revised shortfall stood at £1.400m (0.362 for one-off costs and £1.038m for ongoing base budget items).
- 3.13 It was noted that to reduce the budget for Out of County Placements in 2013/14 to 60% of the projected underspend in 2012/13, would reduce the shortfall to £0.745m (further detailed work following the meeting has enabled a further reduction of £0.128m in this area). However, the cost of including new pressures raised through the Overview and Scrutiny round was in the region of £0.300m. Inclusion of these pressures would therefore increase the shortfall to an estimated £1m.

Achieving a Balanced Budget

- 3.14 Key events since the initial budget proposals were presented were:-
- Notification of the Final Local Government Finance Settlement for 2013/14 from Welsh Government
 - A decision of the Board of Municipal Mutual Insurance (MMI) to 'trigger' the scheme of arrangement
 - An improved estimate of the projected out-turn in 2012/13 from a previously projected overspend to an under-spend of £0.611m
 - Revised regulations laid out by Welsh Government in January amending the level of Council Tax Support in 2013/14 from 90% to 100%
 - Full consideration of service investment and protection needs

Final Local Government Finance Settlement 2013/14

- 3.15 The Final Local Government Settlement was received from the Welsh Government on 11 December 2012. This included details of the final Standard Spending Assessment (SSA), Aggregate External Finance (AEF) and Outcome Agreement Grant.

A briefing note on the changes included compared to the provisional settlement stage was sent to all members in December and is attached as Appendix 1.

Insurance Provision following MMI Scheme of Arrangement

- 3.16 The Board of Municipal Mutual Insurance (MMI) has decided to 'trigger' the scheme of arrangement. This was identified in the 2011/12 accounts as a contingent liability, which did not require financial provision to be made. However, the impact of the decision is to require, under the Accounts and Audit regulations, the making of provision in the 2012/13 accounts. A separate report on this agenda provides further information on this issue and recommends that provision is made from the contingency reserve in 2012/13.

Projected Outturn for 2012/13

- 3.17 The 2012/13 Month 8 Budget Monitoring report (reported separately on this agenda) shows an estimated balance of £0.497m in the Contingency Reserve as at 31st March 2013, after provision is made for the additional insurance costs with MMI (see 3.16). There is the opportunity to meet one-off items of expenditure (from the under-spend in 2012/13) and to review the level of budget required in 2013/14 for those services contributing to the under-spend, most notably the provision of Out of County Placements.

Council Tax Support Scheme 2013/14

- 3.18 In anticipation of the combined impact of Welfare Reform changes and the ongoing economic situation, the initial budget proposals assumed a reduction in the Council Tax Collection Rate to 97.5% (from 99%).
- 3.19 The announcement in January of Council Tax support for 2013/14 being at 100% (instead of 90%) enables a more optimistic view to be taken of income to be collected. Whilst a revised collection rate cannot be used in setting the budget, it is reasonable to assume that there will be a surplus in-year in 2013/14. At this stage there is no indication of the level of support in future years of the funding.
- 3.20 At a 98.5% collection rate, there would be an in year surplus of £0.750m, although the final amount will depend on the collection rate achieved. It is proposed therefore to fund the costs associated with Council Tax support (£0.215m) from this in-year and to make a further contribution of £0.205m to base level of reserves to bring this up to 2% of turnover which now includes £9.6m for Council Tax support. This additional income will also provide protection against fluctuating caseloads when the level of funding is fixed. The one-off pressure of £0.027m to fund additional temporary resources within council tax has also been removed.

Council Tax Level

- 3.21 The Council has a policy commitment to maintain Council Tax at an affordable rate for the payer. The Council has to balance the need to maintain its Council Tax base to meet cost pressures and inflation, through annual rises in Council Tax, with this commitment. In recent years the Council has set an annual Council Tax rise of between 3.0% and 3.5% to achieve this balance. The Medium Term Financial Strategy needs to profile a revenue base including local taxation income.
- 3.22 For 2013/14 the Council has to be mindful of the financial pressures on Council Tax payers which come from the economic position, welfare reform and high energy and fuel costs. For some Council Tax payers these pressures will be acute. Therefore, the Council should aim to set the lowest possible Council Tax rise to achieve the 'balancing act' explained above. A Council Tax rise of 2.9% for 2013/14 is recommended.

Answering the Requests of Overview and Scrutiny

- 3.23 Following the round of Overview and Scrutiny Committee meetings the following is proposed to answer the requests for service investment or protection.
- **Music Service:** maintain the service at current levels without change to the charging policy and subsidised transport policy pending completion of the review of the service. The investment in service continuity pending the review, which will be completed and reported by 30 June 2013, is a maximum of £0.130m.
 - **Play Schemes:** the equitable minimum provision to be provided per area as recommended. The requests for local service enhancements, above the minimum provision, to match town and community council requests to be met in full at £0.012m. Given the risks of the continuity of national grant beyond 2013/14 and the pressure on available resources, the on-going review of future provision to be completed as part of a Cabinet-led review of priorities by 30 September 2013. The initial outcomes of the Task and Finish Group on Play is a valuable source of advice for both this annual budget recommendation and the on-going review.
 - **Play Areas:** the additional requests for town and community councils for matching funds for the renewal of play equipment in local play areas/parks to be met in full at £0.035m. The future capital and revenue needs for play areas and the scale and purpose of the annual budget to be set aside for the matching scheme to be reviewed and reported by 30 September 2013.

Further Budget Adjustments

3.24 During the budget discussions it has been reported that there was ongoing refinement to pressures and efficiencies to reflect the latest position. These have been reflected in the final draft and the significant items are:-

- **Denominational Transport:** the efficiency has been re-profiled for implementation from the 2014/15 academic year. Entitlement will be maintained in 2013/14 pending the outcome of the consultation process.
- **Out of County Placements:** the efficiency has been increased to reflect current levels of provision with an allowance for two additional high cost placements within the year. This is seen as a minimum requirement to respond to anticipated demand.
- **Car Park Management:** the efficiency has been revised in line with the report to Cabinet (also on this agenda) following consideration by Overview and Scrutiny.
- **Investment Costs:** the revised amount included reflects available funding for investment in change which adds to funds remaining from previous investment allocations.
- **Landfill Sites:** a new pressure has been included in relation to reduced energy income generation as a result of the deteriorating quality of gas as a consequence of contamination and the age of the sites.
- **Senior Management Restructure:** an additional efficiency has been included in relation to a senior management restructure within Lifelong Learning (see separate report on this agenda)
- **Insurance Contingency:** a refinement in the efficiency in light of the MMI issue
- **Fire Levy:** a reduction in the levy amount following final notification from NW Fire and Rescue Authority.

3.25 Taking into account the issues in 3.14 to 3.24 above, and the continuing work to review new and existing pressures and efficiencies and inflation assumptions, a balanced budget position for recommendation has been achieved. A summary of how the total budget gap has been eliminated is detailed in Appendix 12.

Risk Assessment and Budget Management

- 3.26 The approach to the budget has been to take a risk based approach. This has applied to new costs and efficiencies and also to assessing the on-going impacts of pressures and efficiencies in the current year's budget to ensure the robustness of the budget.
- 3.26 Inevitably in managing a budget of this scale across a large and diverse organisation, variances will occur and will be reported, along with management action to correct in monthly budget monitoring.
- 3.27 During the year, the Council will be implementing its Single Status Agreement. Where previous year or new budget proposals link with the implementation (e.g. part 3 terms and conditions efficiencies), the impact of any delay in implementation will be met from the Single Status/Equal Pay Reserve in line with the approach adopted for 2012/13.

Schools Budget

- 3.28 Under the School Funding (Wales) Regulations 2010 local authorities are required to notify Welsh Government of the proposed budget for schools for the forthcoming year by 14 February each year.
- 3.29 To fulfil the First Minister's commitment of protecting school budgets by 1% above the Welsh Government revenue block grant, councils need to ensure that their net (i.e. excluding specific grants) Individual School Budget is adjusted by one percent more than the WG block grant adjustment. For 2013/14 this equates to an increase of 2.08%. The equivalent increase for 2014/15 is 1.27%. It should be noted that the protection expectation is relative to WG's funding from the UK Treasury and not the level of Individual Council settlements from WG.
- 3.30 The Council is committed to increase the level of school budget and the amount of the school budget delegated to schools. We aim to do this progressively over a number of years. This is within the strategic framework which embraces the school modernisation programme, numbers of children in school (demographic change) and investment through the 21st Century Schools Programme.
- 3.31 The proposed schools budget, as notified to WG, increases from £91.874m to £96.510m, an increase of £4.636m (4.8%). This includes grant transfers into settlement of £2.258m. The budget has been uplifted for the estimated impact of inflationary increases for both pay and non-pay costs.
- 3.32 Throughout 2012/13 there has been an ongoing review of the schools funding formula. The Specialist School formula review has been completed and this identified a shortfall of funding in this sector of £0.250m which has been addressed in the 2013/14 budget. A significant amount of analysis has been undertaken to date on the primary and secondary formulas and the objective is to have a revised formula in place for 2014/15. Any funding issues identified will be fed through into the medium term financial plan.

- 3.33 The Assembly has just notified authorities of their Post 16 Special Education Needs allocation for 2013/14. The allocations for Mainstream Schools with Sixth Forms, Special Educational Needs in Mainstream and Adult Community Learning will increase by 1%. The Welsh Government is intending to introduce a new funding formula for post 16 education in Wales by 2014/15; for 2013/14 the post 16 funds will continue to be delegated to schools on the basis of a locally agreed formula.

Equality Impact Assessment

- 3.34 The Council has an obligation to assess the potential equalities impacts of its budget proposals.
- 3.35 An initial equalities impact assessment has been undertaken for all proposed efficiencies and no major risks have been identified through this work.
- 3.36 Further and more detailed impact assessments are being undertaken on a small number of efficiencies to ensure that there is no discriminatory impact in their implementation.

4.00 FINAL BUDGET PROPOSALS

- 4.01 As a result of the changes outlined above total expenditure and funding now equates to £293.346m and the total budget build up is outlined below. Details of the figures making up the total budget are attached as Appendices 2-8.

It is recommended that the 2013/14 Council Fund Revenue Budget Requirement be set at £258,284,539 (which is £1,720,145 below the calculated Standard Spending Assessment).

<u>Funding</u>		£m
Revenue Support Grant (RSG)		152.733
Additional Allocation (Council Tax Support Scheme)		0.869
National Non Domestic Rates (NDR)		46.872
Council Tax		57.809
Budget Requirement		<u>258.285</u>
<u>Unhypothecated Grants</u>		
Outcome Agreement Grant		1.467
Planned Use of Contingency Reserve		0.297
Specific Grants (Estimated)		33.297
Total Funding		<u>293.346</u>
<u>Expenditure</u>		
Total Budget 2012/13		280.991
Previous Year's Growth / Items Dropping Out	Appendix 2	1.336
Pay & Price Inflation	Appendix 3	2.900
New Responsibilities and Transfers into the Settlement	Appendix 4	14.042
Pressures and Investments - Ongoing	Appendix 5	3.261
Pressures and Investments - One-off and Time Limited	Appendix 6	0.297
Efficiencies	Appendix 7	(5.437)
Less Specific Grants 2012/13	Appendix 8	(37.341)
Plus Specific Grants 2013/14 (Estimated)	Appendix 8	33.297
Total Expenditure		<u>293.346</u>
Shortfall		<u>(0.000)</u>

Income

- 4.02 The budget proposals in this report set a budget requirement of £258,284,539. At this level of spend, the increase on the Band D Council Tax Rate (excluding Police and Town/Community Councils' precepts) is 2.9%. This equates to an increase of £27.04 on 2012/13 and a Band D rate of £959.43.

The Council Tax system in Wales contains nine property bands ranging from Band A to Band I. In order to ensure consistency between councils when reporting Council Tax information it is agreed practice that all related information is expressed in terms of Band D equivalents.

Members are requested to confirm that there be a 2.9% increase in Council Tax at Band D and an assumed 97.5% collection rate.

- 4.03 The amount of Outcome Agreement Grant available for 2013/14 has been advised by the Assembly. Achievement of this is subject to performance. The Council has been successful in achieving 100% of its grant in previous years and so it is a reasonable assumption for 2013/14.

Members are requested to confirm the inclusion of the Outcome Agreement Grant of £1,467,158 in the budget.

- 4.04 The specific grants figure is provisional, and based on the latest information known at this time. Expenditure levels will be managed within the final figures announced by the Assembly.

Members are requested to confirm that the budget will be adjusted to reflect the actual level of specific grant received.

Expenditure

Inflation

- 4.05 Pay and Price Inflation of £2.900m is included in the budget proposals as detailed in Appendix 3. The proposals include pay inflation of £1.279m which assume a 1% increase for teaching staff from September 2013 and 1% for non-teaching staff from April 2013.

- 4.06 Price inflation of £0.988m has been included which represents a targeted 1%-2% increase for all services as required. In addition to the standard level of price inflation outlined above, central non-standard inflation of £0.766m has been included, as detailed in Appendix 3, to reflect the increasing costs of energy, fuel, business rates and food for which inflation is anticipated to be at higher levels based on national intelligence. This sum will be held centrally until it is demonstrated that there is a requirement for the funding to be released. This will be reported in budget monitoring reports during the year.

It is recommended that items of non-standard inflation are only allocated out to services when the actual increase in cost is known.

- 4.07 Inflation on income amounting to £0.133m has been assumed on the yield from existing fees and charges which has generally been applied at 3%. Appendix 7a also details service areas where existing charges have been increased or new charges introduced (including inflation).

Members are requested to confirm the levels of inflation assumed in the budget.

- 4.08 The final settlement included various transfers in totalling £4.400m of funding previously received through a specific grant and an additional new responsibility for the Council Tax Support Scheme of £9.642m as detailed in Appendix 4.

Members are requested to confirm the amounts included in the budget relating to transfers into and out of the settlement.

- 4.09 Appendix 5 a-d sets out recurring pressures totalling £3.261m recommended for inclusion in the budget. These pressures are proposed to be funded from the base budget.

Members are requested to confirm the inclusion of £3.261m of pressures in the budget.

It is recommended that the Council's adopted practice continues that resource to fund new pressures be approved for the purposes set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet.

- 4.10 In addition, Appendix 6 details estimated one-off costs of £0.297m which will be funded by way of a contribution from the Contingency Reserve.

Members are requested to confirm the inclusion of estimated one-off costs totalling £0.297m in the budget.

- 4.11 Appendix 7a-e sets out the efficiencies, totalling £5.437m, recommended for inclusion in the budget.

Members are requested to confirm the inclusion of efficiencies of £5.437m in the budget.

It is recommended that if it should become apparent that achievement of any of the savings (in full or in part) is proving to be not as anticipated, that this is dealt with corporately, with the Corporate Management Team bringing options to Cabinet for consideration.

- 4.12 Full details of the total budget will be included in the 2013/14 Budget Book which will be made available early in the new financial year.

5.00 UNEARMARKED BALANCES AND EARMARKED RESERVES

- 5.01 Under the Local Authority Accounting Panel (LAAP) Bulletin 55, the level and utilisation of all reserves must be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. As part of the budget process, officers have reviewed all of the reserves and balances held as detailed below. This is to ensure that any reserves held are at a reasonable level for the purpose for which they are intended and, if no longer required, are released back into useable funding.

- 5.02 Total Revenue Reserves comprise both the Council Fund Unearmarked balance and various Earmarked Council Fund Reserves, as reported annually in the Statement of Accounts.

- 5.03 The total value of the Council Fund reserves as at 1st April 2012 was £44.520m as outlined below:

Council Fund (Unearmarked) Balance	£m
Base Level of Unearmarked Reserves	5.564
Contingency Reserve	<u>0.992</u>
Sub -Total	6.556
Earmarked Council Fund Reserves	
Service Balances	6.479
Corporate Balances	24.156
Schools' Balances	2.658
Other Specific Reserves	<u>4.671</u>
Total	44.520

Council Fund (Unearmarked) Balance

Base Level of Reserves

- 5.04 The Council's Medium Term Financial Strategy includes a commitment to achieving a base level of reserves of 2% of turnover. The base level of reserves as at 1st April 2012 was £5.564m and it is proposed to increase this by £0.065m in 2013/14 taking the base level of reserves to £5.629m. In addition it is planned to make a further contribution in-year from the anticipated council tax collection fund surplus (see para 3.20).

Contingency Reserve

- 5.05 When the 2012/13 budget was set, the Contingency Reserve was estimated to be £0.414m at 31st March 2012. As a result of the net under-spend reported in the final outturn for 2011/12 the actual amount in the Contingency Reserve at the year end was £0.992m.
- 5.06 Cabinet on 18 September 2012, agreed to utilise £0.361m of this additional funding to support the new leisure facilities in its first year of operation.
- 5.07 The 2012/13 Month 8 Budget Monitoring report which is also on this agenda, shows an estimated balance of £0.497m in the contingency as at 31st March 2013 after setting aside provision for the MMI trigger of the Scheme of Arrangement (see 3.16).

- 5.08 The 2013/14 budget proposals include a recommendation to utilise £0.297m of the contingency reserve to fund one-off costs which would leave an estimated amount remaining at the end of the current financial year of £0.200m.
- 5.09 Whilst the base level of reserves is a known sum which is set aside, the level of Contingency reserve is based on the current estimate and is subject to change at the end of the financial year. The level of contingency reserve will continue to be reported through the monthly budget monitoring reports.

Earmarked Council Fund Reserves

- 5.10 Earmarked Council Fund Reserves include service balances/corporate balances, specific reserves and schools' balances.
- 5.11 Service balances are made up of those balances held by departments which Cabinet has agreed can be carried forward. Corporate Balances are held to meet commitments which fall in future years on specific items of expenditure.
- 5.12 The Council also holds Specific Reserves which are set aside for a specific future purpose.
- 5.13 Appendix 10 details the estimated closing balances for 2012/13 and 2013/14 in respect of all reserves and balances. The Head of Finance is satisfied that the level of these reserves is appropriate.

6.00 CHIEF FINANCE OFFICER REPORT ON ESTIMATES AND RESERVES

- 6.01 Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to report to the Authority when it is considering its Budget and Council Tax on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions (the reference to the first person which follows is to the Head of Finance in this role).
- 6.02 Consideration of the budget has been within the framework of the Medium Term Financial Strategy 2011/15. The specific strategy for 2013/14 has been to target inflation, robustly review the ongoing impacts of in-year pressures, challenge and compress new pressures and optimise efficiency options.
- 6.03 I confirm the reasonableness of the estimates contained in the proposed budget, having regard to the Council's spending needs in 2013/14. Inevitably in managing a budget of this scale across and large and diverse organisation variances will occur, but I believe that the budget assumptions represent a measured and acceptable level of risk.
- 6.04 Effective and disciplined in-year financial management will be key to ensuring that budgets are managed effectively and prompt action taken to mitigate the impacts should variances occur.

- 6.05 The 2013/14 budget has been prepared within the context of reduced funding available to local government and the ongoing impacts of the economic downturn. Economic forecasts show that this will be the case for some years to come. Future rises in spending need (choice and demand led) and real terms cuts in funding mean that the Council needs not only to plan ahead, but also to carefully safeguard its levels of balances.
- 6.06 The level of reserves and balances is set out in Section 5.00. Within the context described above, I recommend that the Council should maintain the level of general balances of £5.629m and the further planned in-year contribution of £0.205m in 2013/14 (alongside other specific reserves as outlined) to safeguard its position and be in a strong position to plan ahead to meet the continuing period of constraint in public sector funding, the impacts of the economic downturn and be able to invest in its priorities for the future.

7.00 2014/15 AND THE MEDIUM TERM

- 7.01 The national and local financial context which was shared and explored with members through Cabinet and Overview and Scrutiny meetings during the budget process, sets the backdrop to the likely financial position over the medium term. Significant pressure on public sector finances is expected to continue to the end of the decade through a combination of UK Fiscal Policy, a flat economy and increasing demands and expectations for key services.
- 7.02 Whilst the Council has had indications of its level of funding for 2014/15 by Welsh Government, its funding forecast from the UK Treasury has subsequently been reduced. As a consequence it is highly probable that the projected budget gap of £29m over 5 years will be increased. The impacts of any WG decisions on the allocation of funding to other areas of the public sector would have a significant additional bearing.
- 7.03 In this context the Medium Term Financial Plan (MTFP) continues to be under review. The next version will be published in mid 2013, by which time the Council will have a clearer picture of a number of the investment options for key priorities including Single Status and Equal Pay, School Modernisation, School Funding Formula Review, Social Care and Capital Strategy.
- 7.04 The updated MTFP will model:-
- possible medium-term fiscal outcomes and impacts from the forthcoming comprehensive spending review and potential levels of future funding from Welsh Government
 - local taxation and income from fees and charges and other income streams
 - necessity-led and priority local choice-led budget revenue and capital needs
 - efficiency needs and opportunities

- 7.05 This work will inform a challenging and evidence based review of priorities for investment and priorities for disinvestment/efficiency and be a true basis and impetus for the next phase of big organisational change within the council.
- 7.06 The latest position on our MTFP, prior to the inclusion of this work is detailed in Appendix 11.

8.00 RECOMMENDATIONS

- 8.01 That the Cabinet makes the following recommendations to County Council on 1 March 2013:-
1. That the 2013/14 Council Fund Revenue Budget Requirement be set at £258,284,539 (which is £1,720,145 below the calculated Standard Spending Assessment) (4.01).
 2. That there be a 2.9% increase in Council Tax at Band D and an assumed 97.5% collection rate (4.02).
 3. The inclusion of the Outcome Agreement Grant of £1.467m in the budget (4.03).
 4. The levels of inflation assumed in the budget (4.05-4.07).
 6. That items of non-standard inflation are only allocated out to services when the actual increase in cost is known (4.06).
 7. The amounts included in the budget relating to transfers into and out of the settlement (4.08).
 8. The inclusion of £3.261m of pressures in the budget (Appendix 5 a-d).
 9. That the Council's adopted practice continues that resources to fund new pressures be approved for the purpose set out. Any proposals to vary the use of the sums allocated are to be the subject of a further report to Cabinet (4.09).
 10. The inclusion of estimated one-off costs totalling £0.297m in the budget (Appendix 6), to be funded from the contingency reserve.
 11. The inclusion of efficiencies of £5.437m in the budget (4.11 and Appendix 7 a-e).
 12. That if it should become apparent that achievement of any of the savings (in full or part) is proving to be not as anticipated that this is dealt with corporately, with the Corporate Management Team bringing alternatives to Cabinet for consideration (4.11).

13. That additional income derived from the anticipated collection fund surplus be utilised to fund welfare reform costs and increase the base level of reserves (3.20)

9.00 FINANCIAL IMPLICATIONS

- 9.01 As set out in the report.

10.00 ANTI POVERTY IMPACT

- 10.01 Individual growth and efficiency items may have specific anti-poverty impacts.

11.00 ENVIRONMENTAL IMPACT

- 11.01 Individual growth and efficiency items may have specific anti-poverty impacts.

12.00 EQUALITIES IMPACT

- 12.01 Individual growth and efficiency items may have specific equality impacts.

13.00 PERSONNEL IMPLICATIONS

- 13.01 Individual growth and efficiency items may have specific personnel impacts.

14.00 CONSULTATION REQUIRED

- 14.01 Overview and Scrutiny, Business Ratepayers, School Budget Forum, Flintshire Joint Trades Union Committee.

15.00 CONSULTATION UNDERTAKEN

- 15.01 Overview and Scrutiny as set out in the report.

School Budget Forum and Flintshire Joint Trade Union have been updated throughout the process.

No responses received to the formal consultation with business ratepayers.

No objections received from proposals shared with Local Service Board and Regional Partners.

16.00 APPENDICES

- 16.01 Appendices 1-12

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

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Briefing Note on the Final Local Government Settlement 2013/14

Revenue

Aggregate External Finance (AEF)

- Flintshire's AEF has decreased by £0.045m compared to the provisional settlement (from £199.651m to £199.606m) as detailed below:-

	£m
Transfers Into Settlement:	
<i>Increase in Post 16 SEN Special Schools Transfer</i>	0.013
Less Council Tax Support Scheme funding	(0.050)
Distributional Changes	<u>(0.008)</u>
Total	(0.045)

Standard Spending Assessment (SSA)

Flintshire's calculated SSA has decreased by £0.120m compared to the provisional settlement (from £259.255 to £259.135m)

Transfers into the Settlement

The transfers into the settlement remain the same as per the provisional settlement with the exception of an increase of £0.013m in relation to Post 16 SEN Special Schools.

Council Tax Support Scheme

This new responsibility has been confirmed with a revised amount identified of £8.773m, a reduction of £0.050m on the provisional settlement figure. The Minister has also announced in the Final Settlement an additional £4.6m of additional funding across Wales in the current financial year to assist local authorities with the costs of introducing this new scheme and to help mitigate the wider impact of welfare reforms. Work is underway to assess the specific implications for Flintshire of this complex area.

Specific Grants

Only limited information at an All Wales level has been received to date.

Outcome Agreement Grant

Flintshire's allocation is £1.465m, a reduction of £0.002m than at the provisional stage.

Regional Collaboration Fund

The Provisional Settlement advised that £10.174 million (All Wales) had been taken out of the settlement to form a new specific grant for regional collaboration. The Final Settlement advised of a North Wales indicative allocation of £2.293m and some guidance on eligibility criteria.

Capital

General Capital Funding

- Flintshire's general capital funding has reduced by £0.002m compared to the provisional settlement of £6.868m.

Gary Ferguson – Corporate Finance Manager (12th Dec 12)

Budget 2013/14
Council Fund - Revenue

Previous Years' Growth / Items Dropping Out

	2013/14 £m	2013/14 £m
<u>APPROVED 2011/12 BUDGET</u>		
<u>Community Services</u>		
Transition to Adulthood	0.910	
Supporting People	0.200	
Provision of Hired Transport	(0.617)	
	0.493	
<u>Environment</u>		
Additional energy cost as a result of new street lighting	0.060	
Land searches Income	(0.020)	
Building Control Income	(0.010)	
Planning Fees Income	(0.010)	
Landfill Tax Adjustment	0.032	
	0.052	
<u>Lifelong Learning</u>		
Development of Broadband	(0.019)	
Transport policy review - rationalisation of non statutory entitlement	(0.072)	
Rationalisation of LEA run Music Service	(0.118)	
	(0.209)	
<u>Corporate Services</u>		
Employers' Pension - LGPS	0.362	
Intrusion Detection & Prevention System Options	(0.040)	
Changes to Housing Benefit/Council Tax Benefit Administration Grant	0.062	
ISA Registration	0.030	
	0.414	
		0.750

Budget 2013/14
Council Fund - Revenue

Previous Years' Growth / Items Dropping Out

	2013/14 £m	2013/14 £m
<u>APPROVED 2012/13 BUDGET</u>		
<u>Community Services</u>		
Increase in Homelessness costs	0.106	
Homecare - Increased complexity of care	0.100	
Transition to Adulthood	0.067	
Occupational Therapy Service	(0.020)	
Safeguarding for Adults	0.046	
Housing Renewal Agency - income	(0.013)	
Transfer of Responsibility for Community Centres from HRA	0.001	
Shortfall in achievement of Provision of Hired Transport efficiency	0.617	
Management Efficiencies Through Collaborative Working	(0.026)	
Team Manager's Post Efficiency	(0.051)	
Mold Extra Care Scheme	0.300	
	1.127	
<u>Environment</u>		
Rental Income Shortfalls and NNDR charges for vacant properties	0.050	
Environmental Waste Management - reduction in grant funding	0.047	
Revenue Lost due to phased disposal of Agricultural Estates	0.026	
Implementation of Highways Asset Management Plan (HAMP)	0.225	
Continuation of 2011/12 Landfill Tax efficiency	0.145	
Food Waste - increased diversion from landfill	0.128	
	0.621	
<u>Lifelong Learning</u>		
Extension of the centrally hosted school Moodle VLE virtual server farm and supporting infrastructure	0.050	
Transport Policy Review - rationalisation of non statutory entitlement	(0.276)	
Music Service - Adjustment to reflect decision in 2011/12 budget	0.118	
Saltney Library - Lease	0.010	
	(0.098)	
<u>Corporate Services</u>		
Internal Insurance Fund Recharge	0.150	
Business Systems - Software Maintenance Costs	0.019	
Prudential Borrowing Requirement for Capital Investment	0.112	
Methods of Payment	(0.075)	
Review of Admin and Support (Council-wide)	(0.300)	
Procurement Review	(0.022)	
Changes to Housing Benefit/Council Tax Benefit Administration Grant	0.122	
	0.006	
<u>Council-Wide</u>		
Asset Management - planned closure of externally leased properties	(0.097)	
	(0.097)	
		1.559

Budget 2013/14**Council Fund - Revenue****Previous Years' Growth / Items Dropping Out**

	2013/14 £m	2013/14 £m
ONE OFF AND TIME-LIMITED PRESSURES		
<u>Lifelong Learning</u>		
Review of Kitchens	(0.150)	
Play Areas Additional Allocation for Match Funding	(0.022)	
Flint Leisure Centre - loss of income due to effects of redevelopment	(0.076)	
School Maternity Costs	(0.060)	
Redundancy and early retirement costs from schools	(0.219)	
	(0.527)	
<u>Environment</u>		
Local Transport Services Grant	(0.149)	
	(0.149)	
<u>Corporate Services</u>		
Public Sector Broadband Aggregation	(0.098)	
Base Level of Reserves - 'Top-Up to 2% of Turnover	(0.088)	
Telephone Maintenance	(0.031)	
County Elections - May 2012	(0.080)	
	(0.297)	
		(0.973)
Total Previous years items		1.336

Budget 2013/14
Council Fund - Revenue

Inflation

	£m	£m
<u>Pay</u>		
Non-Teachers Pay Inflation from April 2013 (1%)	0.914	
Teachers Pay Inflation from September 2013 (1%)	<u>0.365</u>	1.279
<u>Price</u>		
Targeted General Price Inflation (1-2%)	<u>0.988</u>	0.988
<u>Non Standard</u>		
Energy - Street Lighting (10%)	0.079	
Energy - Other (8%)	0.285	
Fuel (11.2%)	0.187	
Food (5.8%)	0.141	
Non-Domestic Rates (2.3%)	<u>0.074</u>	0.766
<u>Income (3% - see also Fees and Charges Efficiencies)</u>		(0.133)
Total Inflation		<u><u>2.900</u></u>

Budget 2013/14

Council Fund - Revenue

New Responsibilities and Transfers Into the Settlement

	£m	£m
<u>New Responsibilities</u>		
Council Tax Support Scheme	8.773	
Additional Support (100% from 90%)	<u>0.869</u>	
		9.642
<u>Transfers In From Specific Grant Funding</u>		
Blue Badge Scheme Grant	0.018	
Appetite for Life Grant	0.121	
School Counselling Grant	0.224	
School Breakfasts Grant	0.560	
Local Government Borrowing Initiative Grant	0.385	
Post 16-SEN in Mainstream Grant	0.126	
Post 16-SEN Special Schools and Out of County Grant	1.348	
Learning Disabilities Resettlement Grant	<u>1.618</u>	
		4.400
Total New Responsibilities and Transfers Into the Settlement		<u><u>14.042</u></u>

Budget 2013/14
Council Fund - Revenue

Summary of Pressures and Investments

		2013/14 £m	2014/15 £m	2015/16 £m
Economic Impact	Appendix 5a	0.347	0.347	0.847
Welsh Government Policy / Legislative	Appendix 5b	0.078	0.088	0.088
Other Pressures and Investments	Appendix 5c	2.545	2.676	3.918
Council Priority / Invest to Save	Appendix 5d	0.291	1.888	2.804
Total		<u>3.261</u>	<u>4.999</u>	<u>7.657</u>

Budget 2013/14

Council Fund - Revenue

Pressures and Investments - Economic Impact

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Environment</u>			
Rental Income Shortfalls for vacant Properties	0.050	0.050	0.050
Income reduction due to Power Station closures	0.120	0.120	0.120
	<u>0.170</u>	<u>0.170</u>	<u>0.170</u>
<u>Lifelong Learning</u>			
Reduced income - Deeside Ice Rink	0.177	0.177	0.177
	<u>0.177</u>	<u>0.177</u>	<u>0.177</u>
<u>Corporate Services</u>			
Income reduction - Vacation of former Council Offices , Ewloe	-	-	0.500
	<u>-</u>	<u>-</u>	<u>0.500</u>
Total	<u>0.347</u>	<u>0.347</u>	<u>0.847</u>

Budget 2013/14

Council Fund - Revenue

Pressures and Investments - Welsh Government Policy / Legislative

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Community Services</u>			
Mental Health - Additional Social Work support	0.032	0.042	0.042
Learning Disability resettlement grant - impact of transfer into RSG	0.046	0.046	0.046
Total	<u>0.078</u>	<u>0.088</u>	<u>0.088</u>

Budget 2013/14

Council Fund - Revenue

Other Pressures and Investments

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Community Services</u>			
Transition to Adulthood	0.138	0.267	1.506
Family Placement team (Children's Services)	0.110	0.110	0.110
Disabled Facility Grants / Aids and Adaptations	0.046	0.062	0.062
Independent Sector residential fees	0.115	0.115	0.115
	<u>0.409</u>	<u>0.554</u>	<u>1.793</u>
<u>Council Wide</u>			
Closure of externally leased properties - revision to previous efficiency	0.097	0.097	0.097
	<u>0.097</u>	<u>0.097</u>	<u>0.097</u>
<u>Corporate Services</u>			
Criminal Records Bureau (CRB) checks	0.070	0.070	0.070
Methods of Payment - delayed efficiency	0.075	0.075	0.075
	<u>0.145</u>	<u>0.145</u>	<u>0.145</u>
<u>Environment</u>			
Landfill Sites - reduced income generation - energy	0.144	0.144	0.144
	<u>0.144</u>	<u>0.144</u>	<u>0.144</u>
<u>Lifelong Learning</u>			
Review of Schools kitchens - revision to previous efficiency	0.300	0.300	0.300
Cleaning Services - Loss of contract income	0.050	0.050	0.050
Staffing Budget Shortfall following restructure	0.120	0.103	0.103
Music Licensing - increased costs	0.037	0.037	0.037
Health & Safety issues - Deeside Leisure Centre	0.025	0.025	0.025
Transport Policy review - previous efficiency unachieved - replaced by new efficiencies	0.348	0.348	0.348
Free School Meals - increased demand	0.144	0.147	0.150
School Remissions - increased demand	0.085	0.085	0.085
Schools redundancy / early retirement costs	0.219	0.219	0.219
Schools maternity pay costs	0.060	0.060	0.060
Special Schools Investment - Formula Review	0.250	0.250	0.250
Play Schemes - Match Funding	0.012	0.012	0.012
Music Service	0.100	0.100	0.100
	<u>1.750</u>	<u>1.736</u>	<u>1.739</u>
Total	<u><u>2.545</u></u>	<u><u>2.676</u></u>	<u><u>3.918</u></u>

Budget 2013/14

Council Fund - Revenue

Pressures and Investments - Council Priority / Invest to Save

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Council Wide</u>			
Investment in Organisational Change and Priorities	0.420	2.000	2.000
Revised Effect of Prudential Borrowing costs for agreed Capital Projects (change due to revised interest rates and receipt of grant funding)	(0.129)	(0.112)	0.804
Total	<u>0.291</u>	<u>1.888</u>	<u>2.804</u>

Budget 2013/14

Council Fund - Revenue

Pressures and Investments - One-Off and Time Limited

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Corporate Services</u>			
Base Level of Reserves - 2% of Turnover	0.065	0.000	0.000
	<hr/> 0.065	<hr/> 0.000	<hr/> 0.000
<u>Lifelong Learning</u>			
School Modernisation Programme	0.025	0.000	0.000
Schools Service Level Agreements (SLA's)	0.172	0.000	0.000
Play Areas - Match Funding	0.035	0.000	0.000
	<hr/> 0.232	<hr/> 0.000	<hr/> 0.000
Total	<hr/> 0.297 <hr/>	<hr/> 0.000 <hr/>	<hr/> 0.000 <hr/>

Budget 2013/14
Council Fund - Revenue
Summary of Efficiencies

		2013/14 £m	2014/15 £m	2015/16 £m
Fees & Charges	Appendix 7a	0.586	0.723	0.760
Service Change	Appendix 7b	1.631	1.569	1.344
Procurement	Appendix 7c	1.803	1.949	2.005
Organisational Design	Appendix 7d	0.531	0.574	0.574
Other Efficiencies	Appendix 7e	0.886	0.913	0.963
Total		<u>5.437</u>	<u>5.728</u>	<u>5.646</u>

Budget 2013/14

Council Fund - Revenue

Efficiencies - Fees & Charges

	2013/14 £m	2014/15 £m	2015/16 £m
<u>EXISTING CHARGES</u>			
<u>Community Services</u>			
Residential Charging - increased income from demand	0.100	0.100	0.100
	<u>0.100</u>	<u>0.100</u>	<u>0.100</u>
<u>Environment</u>			
Agricultural Estate rentals	0.008	0.008	0.008
Public Protection - increase to market rates	0.025	0.025	0.025
Markets Service - increased lettable space	0.019	0.019	0.019
	<u>0.052</u>	<u>0.052</u>	<u>0.052</u>
<u>Lifelong Learning</u>			
Library Service - Fines	0.001	0.001	0.001
Library - Hire charges increase	0.001	0.001	0.001
Leisure Services - increased charges	0.175	0.175	0.175
	<u>0.177</u>	<u>0.177</u>	<u>0.177</u>
<u>Finance - Corporate Services</u>			
Revenues - increased number of Council Tax fines	0.027	0.027	0.027
	<u>0.027</u>	<u>0.027</u>	<u>0.027</u>
<u>ICT & Customer Services - Corporate Services</u>			
Registrars - increased fees	0.019	0.019	0.019
	<u>0.019</u>	<u>0.019</u>	<u>0.019</u>
Total	<u>0.375</u>	<u>0.375</u>	<u>0.375</u>

Budget 2013/14

Council Fund - Revenue

Efficiencies - Fees & Charges

	2013/14 £m	2014/15 £m	2015/16 £m
<u>NEW CHARGES</u>			
<u>Community Services</u>			
Mental Health Service users	0.018	0.018	0.018
	0.018	0.018	0.018
<u>Environment</u>			
Traffic Regulation order Notices	0.013	0.013	0.013
Streetscene - leachate processing	0.075	0.075	0.075
Car Park Management	0.056	0.102	0.109
	0.144	0.190	0.197
<u>Lifelong Learning</u>			
Review of post 16 distance limit	0.030	0.051	0.051
Review of Denominational transport provision	0.000	0.070	0.100
	0.030	0.121	0.151
<u>Legal & Democratic - Corporate Services</u>			
External Fees - conveyancing / S106 agreements	0.015	0.015	0.015
	0.015	0.015	0.015
<u>ICT & Customer Services - Corporate Services</u>			
Network Services - income from hosting PSBA equipment	0.004	0.004	0.004
	0.004	0.004	0.004
Total	0.211	0.348	0.385
Grand Total	0.586	0.723	0.760

Budget 2013/14

Council Fund - Revenue

Efficiencies - Service Change

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Community Services</u>			
Reablement in the level of extra care	0.100	0.100	0.100
Preserved Rights - reduced activity levels	0.053	0.053	0.053
External funding for existing post - Children's Services	0.043	0.043	0.043
Family Placement team - revision of existing practices	0.040	0.040	0.040
Early retirement - non replacement of staff - CSA	0.015	0.015	0.015
General Office Administration review	0.021	0.021	0.021
Housing efficiency savings	0.028	0.028	0.028
Homelessness - timing of presentations	0.106	0.000	0.000
Youth Justice - appropriate adult service	0.010	0.010	0.010
Legal Fees - use of solicitors / barristers	0.010	0.010	0.010
Children's Services - Transport costs efficiency	0.015	0.015	0.015
Children's Services - FAST team budget reduction	0.010	0.010	0.010
Preventative foster care service - day care	0.005	0.005	0.005
	<hr/> 0.456	<hr/> 0.350	<hr/> 0.350
<u>Chief Executive's - Corporate Services</u>			
Corporate Comms - reduced workforce bulletins	0.003	0.003	0.003
Emergency Planning - collaborative working	0.000	0.025	0.025
	<hr/> 0.003	<hr/> 0.028	<hr/> 0.028
<u>Corporate Finance - Corporate Service</u>			
Clwyd Theatr Cymru - Agreed reduction to	0.015	0.015	0.015
	<hr/> 0.015	<hr/> 0.015	<hr/> 0.015
<u>ICT & Customer Services - Corporate Services</u>			
Information & Business services - use of LLPG	0.000	0.014	0.014
	<hr/> 0.000	<hr/> 0.014	<hr/> 0.014

Budget 2013/14

Council Fund - Revenue

Efficiencies - Service Change

	2013/14 £m	2014/15 £m	2015/16 £m
<u>HR & OD - Corporate Services</u>			
CRB checks - review of options	0.035	0.035	0.035
	<hr/> 0.035	<hr/> 0.035	<hr/> 0.035
<u>Legal & Democratic - Corporate Services</u>			
Democratic Services - reduced paper usage	0.010	0.010	0.010
Members Allowances (Basic Allowance) - no inflationary increase	0.010	0.010	0.010
Members Allowances - Special Responsibility Allowances - reduction of number allocated	0.070	0.070	0.070
Members Allowances - NI contributions reduction linked to reduced number of Special Responsibility allowances	0.010	0.010	0.010
	<hr/> 0.100	<hr/> 0.100	<hr/> 0.100
<u>Environment</u>			
Street Lighting - non-residential areas post midnight turn-off	0.050	0.050	0.050
Highways Asset Management Plan (HAMP) - rephasing of full implementation	0.225	0.225	0.000
Public Conveniences - revisit of strategy	0.050	0.050	0.050
Streetscene - implementation of Part III agreement	0.300	0.300	0.300
Waste Services - vehicle savings from full roll out of Saturday collection	0.140	0.140	0.140
Business Development team - agile working	0.004	0.004	0.004
Staff travel - reduced mileage payments	0.003	0.003	0.003
Directorate Support & Performance - Supplies and Stationery - Streamline current processes	0.008	0.008	0.008
	<hr/> 0.780	<hr/> 0.780	<hr/> 0.555

Budget 2013/14

Council Fund - Revenue

Efficiencies - Service Change

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Lifelong Learning</u>			
Operational efficiencies	0.025	0.025	0.025
Youth Service - reduction of senior area workers	0.032	0.032	0.032
Youth Service - term time only contracts	0.026	0.026	0.026
Youth Service - Service reconfiguration	0.012	0.012	0.012
Youth Service - Building costs savings	0.011	0.011	0.011
Youth Service - Building rationalisation	0.005	0.010	0.010
Facilities - Management / Central Office - structure review	0.015	0.015	0.015
Facilities - County Hall revised opening hours - reduced energy / overtime costs	0.025	0.025	0.025
LL ICT - Interim Service review - post reduction	0.025	0.025	0.025
Leisure Services - removal of swimming subsidy	0.023	0.023	0.023
Directorate Management Team Restructure	0.043	0.043	0.043
	<hr/> 0.242	<hr/> 0.247	<hr/> 0.247
Total	<hr/> 1.631 <hr/>	<hr/> 1.569 <hr/>	<hr/> 1.344 <hr/>

Budget 2013/14
Council Fund - Revenue

Efficiencies - Procurement

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Community Services</u>			
PARIS - post implementation expenditure review	0.030	0.030	0.030
Housing Services - Supplies and Services	0.003	0.003	0.003
Social Care - Supplies and Services	0.075	0.075	0.075
Procurement Hub - regional procurement of high cost low volume placements	0.020	0.020	0.020
Children's Services - out of county placements - improved procurement practice	0.533	0.533	0.533
Transport Review - revised contracts	0.025	0.025	0.025
	<u>0.686</u>	<u>0.686</u>	<u>0.686</u>
<u>Chief Executive's - Corporate Services</u>			
Employee / Residents Consultations - reduction in number	0.003	0.003	0.003
Supplies and Services	0.010	0.000	0.000
Joint Working - costs reduction	0.002	0.000	0.000
Alterations / Improvements reductions - future agile working	0.002	0.000	0.000
Employee Safety Measures - reduced demand on budget	0.010	0.015	0.015
Community Strategy / LSB partnership - reduction in planned requirements	0.000	0.005	0.005
Conferences/Seminars/Lectures - reduced attendance	0.001	0.001	0.001
	<u>0.028</u>	<u>0.024</u>	<u>0.024</u>
<u>ICT & Customer Services - Corporate Services</u>			
Training Budget - Procurement via new solutions	0.001	0.001	0.001
Reduced maintenance costs due to new security equipment	0.025	0.025	0.025
Networking Hardware - reduced procurement	0.002	0.002	0.002
ICT Cabling - reduction enabled by IPT solution	0.002	0.002	0.002
Leasing - budget adjustment	0.006	0.006	0.006
Software Licensing - Microsoft licences procured through other agreements	0.010	0.010	0.010
Hardware Maintenance - letting of MFD contracts	0.001	0.001	0.001
Reduce influencable spend by 3%	0.004	0.004	0.004
Reduced ICT Expenditure	0.003	0.003	0.003
Rationalisation of third party software costs	0.013	0.013	0.013
Avoidance of inflationary rises - software maintenance costs	0.020	0.020	0.020
Reduced licence costs - via renegotiation	0.018	0.018	0.018
Supplies and Services	0.061	0.061	0.061
Training budget reduction - build around training solutions	0.001	0.001	0.001
Alterations & Improvements - Datacentres	0.004	0.004	0.004
Other Consumables - reduction in expenditure	0.001	0.001	0.001
Hardware Maintenance - new technology with warranty	0.015	0.015	0.015
Listing Paper - More use of electronic means	0.002	0.002	0.002
Enterprise Servers - hardware	0.003	0.003	0.003
Services work and Consultancy	0.004	0.004	0.004
	<u>0.196</u>	<u>0.196</u>	<u>0.196</u>

Budget 2013/14
Council Fund - Revenue

Efficiencies - Procurement

	2013/14 £m	2014/15 £m	2015/16 £m
<u>HR & OD - Corporate Services</u>			
Supplies & Services	0.009	0.009	0.009
	<u>0.009</u>	<u>0.009</u>	<u>0.009</u>
<u>Finance - Corporate Services</u>			
Supplies & Services	0.012	0.012	0.012
	<u>0.012</u>	<u>0.012</u>	<u>0.012</u>
<u>Environment</u>			
Waste Services - Tender Transport arrangements for waste disposal	0.050	0.050	0.050
Transportation Services - Review of subsidised Bus Service Contracts and re-tender	0.036	0.036	0.036
Reduction in use of consultants	0.013	0.013	0.013
Reduction in influencable spend	0.025	0.025	0.025
Streamline current processes within Directorate Support	0.020	0.020	0.020
	<u>0.144</u>	<u>0.144</u>	<u>0.144</u>
<u>Lifelong Learning</u>			
Reduction of Postage within the Library Service	0.001	0.002	0.002
Out of County - Improved procurement through framework agreements and monitoring of placements.	0.385	0.385	0.385
School Transport Service - Operational efficiencies	0.080	0.120	0.120
	<u>0.466</u>	<u>0.507</u>	<u>0.507</u>
<u>Flintshire Futures Programme</u>			
E-Procurement and Improved Processes	0.102	0.211	0.267
Internal Fleet Review	0.160	0.160	0.160
	<u>0.262</u>	<u>0.371</u>	<u>0.427</u>
Total	<u>1.803</u>	<u>1.949</u>	<u>2.005</u>

Budget 2013/14

Council Fund - Revenue

Efficiencies - Organisational Design

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Chief Executive - Corporate Services</u>			
Reduction in mileage travelled - Emergency Planning	0.001	0.001	0.001
	<hr/> 0.001	<hr/> 0.001	<hr/> 0.001
<u>Community Services</u>			
Review of Supported Living Service	0.350	0.350	0.350
Service Review of Warden Service	0.018	0.018	0.018
Children's Services - Removal of one team manager post	0.040	0.053	0.053
Development and Resources - Rationalisation of Management Team	0.050	0.100	0.100
	<hr/> 0.458	<hr/> 0.521	<hr/> 0.521
<u>Environment</u>			
Review Management Recharge to the Communities First Programme	0.020	0.000	0.000
	<hr/> 0.020	<hr/> 0.000	<hr/> 0.000
<u>Lifelong Learning</u>			
Libraries - Flexible retirement	0.015	0.015	0.015
Libraries - Library Service Review	0.037	0.037	0.037
	<hr/> 0.052	<hr/> 0.052	<hr/> 0.052
Total	<hr/> 0.531	<hr/> 0.574	<hr/> 0.574

Budget 2013/14
Council Fund - Revenue

Efficiencies - Other

	2013/14 £m	2014/15 £m	2015/16 £m
<u>Flintshire Futures Programme</u>			
Assets Workstream - Facilities Management	0.060	0.060	0.060
Assets Workstream - Office Rationalisation	0.000	0.077	0.077
Customer Workstream - Contact Centre	0.100	0.100	0.100
Customer Workstream - Face to Face Customer Contact	0.100	0.100	0.100
Customer Workstream - Channel Shift	0.100	0.100	0.150
	<u>0.360</u>	<u>0.437</u>	<u>0.487</u>
<u>Corporate Financing - Corporate Services</u>			
Reduced contingencies - one-off investment costs	0.240	0.240	0.240
Reduced contingencies - NDR	0.077	0.077	0.077
Reduction in Fire Levy due to formula changes	0.027	0.027	0.027
	<u>0.344</u>	<u>0.344</u>	<u>0.344</u>
<u>Environment</u>			
Agricultural Estates - balance not required	0.025	0.000	0.000
Licensing / Health & Safety - balance not required	0.025	0.000	0.000
	<u>0.050</u>	<u>0.000</u>	<u>0.000</u>
<u>Lifelong Learning</u>			
Demographic Change in Schools (pupil numbers)	<u>0.132</u>	<u>0.132</u>	<u>0.132</u>
	0.132	0.132	0.132
Total	<u>0.886</u>	<u>0.913</u>	<u>0.963</u>

Budget 2013/14
Council Fund - Revenue

Specific Grants

		Budget 2012-13 £	Projection 2013-14 £	Variance to 2012-13 £	Confirmed (C) or Estimated (E)
Lifelong Learning	Appetite For Life (1)	128,233		(128,233)	C
	Basic Skills	316,000	316,000	0	E
Non Delegated	Community Learning	3,278	3,311	33	E
	Families First	1,676,539	1,735,118	58,579	E
	Post 16 SEN provision in schools (1)	1,484,465		(1,484,465)	C
	Education of Travellers	81,534	89,687	8,153	E
	Flying Start	1,566,170	1,652,623	86,453	E
	Foundation Phase	4,818,344	5,021,196	202,852	E
	Foundation Phase Pilot/Early Start Funding	39,581	39,581	0	E
	Free School Milk	179,773	179,773	0	E
	Free Swimming 60+	60,000	60,000	0	E
	Free Swimming Children/Young People	104,807	104,807	0	E
	Funding for Youth Work Training in Wales	22,000	22,000	0	E
	Learning Pathways 14-19	664,080	664,080	0	E
	Minority Ethnic Achievement	101,822	106,913	5,091	E
	National Exercise Referral	0	125,000	125,000	C
	NE Wales Play Forum	61,660	61,660	0	E
	Primary School Free Breakfast Initiative (1)	707,382		(707,382)	C
	School Effectiveness Grant	1,078,580	1,078,580	0	E
	School Uniform Financial Assistance Scheme	30,080	30,080	0	E
	School-based counselling services (1)	228,134		(228,134)	C
	Unlocking the Potential of Special Schools	45,572	45,572	0	E
	Welsh Language (Athrowen Bro and WEG)	218,568	226,611	8,043	E
	Welsh Medium Bilingual Grant	46,940	46,940	0	E
	Welsh Network of Healthy School Schemes	87,320	87,320	0	E
	Youth Service Revenue Grant	90,330	90,330	0	E
		13,841,192	11,787,182	(2,054,010)	
Delegated	DCELLS (Post 16 provision in schools)	6,025,131	6,025,131	0	E
		6,025,131	6,025,131	0	
Community Services	Funding to Implement the Mental Health Act 2007	12,770	12,770	0	E
	LD Strategy Resettlement (1)	1,649,536	0	(1,649,536)	E
	Social Care Workforce Development Programme	346,969	346,969	0	E
	Supporting People	7,109,307	6,824,935	(284,372)	E
	Well Being Activity	25,000	25,000	0	E
	Youth Service Community Safety Grants	60,851	60,851	0	E
	YOT / Youth Justice Board	327,280	327,280	0	E
		9,531,713	7,597,805	(1,933,908)	
Environment	Communities First	873,205	708,911	(164,294)	E
	Concessionary Travel	1,917,131	1,970,427	53,296	E
	Crime Reduction and Anti Social Behaviour	144,461	144,461	0	E
	Domestic Abuse Co-ordinator Funding	27,500	27,500	0	E
	Local Transport Services	397,572	399,062	1,490	E
	Planning - Delivering for Wales	70,000	70,000	0	E
	Safer Communities Fund	205,446	221,882	16,436	E
	Substance Misuse	833,165	926,141	92,976	E
	Sustainable Waste Management	3,334,303	3,287,189	(47,114)	E
	Tidy Towns	90,233	81,742	(8,491)	E
		7,893,016	7,837,315	(55,701)	
Corporate Services	LSB Development Support Grant	50,000	50,000	0	E
		50,000	50,000	0	
Total		37,341,051	33,297,433	(4,043,618)	

1 Transferring into settlement

OVERVIEW & SCRUTINY

Social & Health - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.0	<u>Social & Health Comments / Issues</u>	
1.1	<u>General Comments / Issues</u>	
1.1.1	<ul style="list-style-type: none"> ▪ Will equality impact assessments be completed before any changes are made to the service e.g. review of Supported Living service? 	<ul style="list-style-type: none"> ▪ Yes. Equality impact assessments will be completed prior to any changes being made to services.
1.1.2	<ul style="list-style-type: none"> ▪ What impact will Welfare Reform have on the current budget proposals, what provisions are being made, and will current charges have to increase? 	<ul style="list-style-type: none"> ▪ There will be impacts particularly for services where charges are made. Where families are on reduced income or benefits in particular there will be an impact. Although no specific provision is being made for the direct impacts, Social & Health service managers are working closely with the corporate team looking at the impacts of Welfare reform for the whole of the Council, and a holistic approach will be taken to help families. Provision is being made for additional staff to help with preventative work liaising closely with families and the Welfare Rights team. There will also be intensive training for all staff dealing at the front line with clients affected by the impacts of welfare reform. There is also the wider perspective of the Council's work with the Welfare Reform Board involving a cross-directorate approach and also engaging with other stakeholders and representatives from other support networks. No increases will be made to charges as a consequence and there is a ceiling of £50 per week.

OVERVIEW & SCRUTINY

Social & Health - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.1.3	<ul style="list-style-type: none"> A concern was raised about provision for clients with dementia conditions. The concern related to possible future impacts on Flintshire of decisions made by the Betsi Cadwaladr University Health Board (BCUHB) resulting in additional burdens being placed on the Council for clients with dementia care needs. 	<ul style="list-style-type: none"> This was acknowledged to be a major risk area. Urgent review will be a key priority, including a meeting with representatives from BCUHB. It is a national issue and there are UK studies on sustainability. It is also intended to hold a forum of representatives from Flintshire and neighbouring Authorities to discuss the risks as the extent of impacts is unclear. There was expected to be an additional demand on services. Acknowledgement was made of the level of support within Flintshire for dementia related services including extra care facilities and Living Well. Retaining people within local communities is considered to be the best solution.
1.1.4	<ul style="list-style-type: none"> Clarification was sought on the quoted figure of £1.9m for investment in protection of key front-line Social Care services. 	<ul style="list-style-type: none"> The figure reflects the value of new pressures and efficiencies in 2013/14, impacts of previous years budget decisions, provision for possible pay awards and non pay inflation.
1.1.5	<ul style="list-style-type: none"> A concern was raised about future increases in population putting pressure on Council services recognising that there are major new housing developments currently under way within Flintshire. 	<ul style="list-style-type: none"> Confirmation was given that population growth has been factored in for future years.
1.1.6	<ul style="list-style-type: none"> New charges for Mental Health service users - who will this impact upon? 	<ul style="list-style-type: none"> Historically mental health service users have not been charged. This brings mental health service users in line with other service users but will not affect individuals supported under Section 117.

OVERVIEW & SCRUTINY

Social & Health - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
2.0	<u>Pressures</u>	
2.1	<ul style="list-style-type: none"> An explanation was requested regarding the increase in the pressure amount from £0.138m in 2013/14 to £1.506m in 2015/16 for Transition to Adulthood. 	<ul style="list-style-type: none"> The budget process is a three year cycle. The figures don't reflect investment already approved in previous years, but the additional growth requirement in 2013/14 as a result of new factors and influences on service demand which couldn't have been foreseen previously.
2.2	<ul style="list-style-type: none"> Disabled Facility Grants - the pressure amount of £0.046m rising to £0.062m in 2014/15 and 2015/16 seems a small amount considering the increasing number of referrals month by month. 	<ul style="list-style-type: none"> The pressure bid will provide additional Disability Support Officer provision for ½ post per locality area which should release capacity in the case load for the occupational therapists. Work is also progressing to encourage clients to be signposted to support their own low level adaptation needs.
2.3	<ul style="list-style-type: none"> Mental Health (Additional Social Work support) £0.032m as a result of policy / legislative changes made by Welsh Government - has any additional funding been made available to support this pressure ? 	<ul style="list-style-type: none"> No additional funding has been allocated from Welsh Government. There is an overall accumulation of additional costs to the Council as a result of the introduction of Welsh Government measures.
3.0	<u>Efficiencies</u>	
3.1	<ul style="list-style-type: none"> Review of the Supported Living Service (£0.350m) - This is a very large efficiency - how will this be achieved ? 	<ul style="list-style-type: none"> Changes proposed include reviewing the management structure, applying organisational design principles to the in-house supported living service, reviewing care packages to ensure consistency with other services and further use of telecare as appropriate.

OVERVIEW & SCRUTINY

Corporate Services - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
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PART ONE - Corporate Services		
1.0	<u>Corporate Comments / Issues</u>	
1.1	<ul style="list-style-type: none"> Can the reduction in the budget gap from £11m in July to £1.5m at 18th December be explained? 	<ul style="list-style-type: none"> The £11m budget gap as at July was the starting point prior to a rigorous examination of pressures. This include a lengthy review and challenge process leading to identification of efficiencies totalling £5m and a reduction of £4.5m in the value of pressures.
1.2	<ul style="list-style-type: none"> Has the recent Welsh Government announcement on Welfare Reform relating to the removal of the need for some people who previously received 100% Council Tax benefit to pay 10% in the future changed the Council tax base for those Town and Community Councils which had made provision for bad debt? 	<ul style="list-style-type: none"> Although the Council Tax base cannot be changed, there will be a beneficial impact for Flintshire in terms of bad debt. We had made provision for collecting 97.5 % of Council Tax as opposed to our customary 99 %, so it is possible that there will now be a surplus achieved on Council Tax collection in 2013/14.
1.3	<ul style="list-style-type: none"> Please clarify the difference between this being a “stepping stone” budget between the previous and the new Council as stated in the report to Cabinet on 18th December. 	<ul style="list-style-type: none"> At a time of volatility we are aware of potential pitfalls and we need to ensure that we prepare properly for the future. Flintshire Futures is a key part of our strategy to protect front line services. The status quo is not an option and we will need to become more radical in aligning finances with the new challenges.
1.4	<ul style="list-style-type: none"> Is the assumption of a 3% increase in a Band D property a new proposal? 	<ul style="list-style-type: none"> This is consistent with the approach which has been adopted in previous years and the Council's Medium

OVERVIEW & SCRUTINY

Corporate Services - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.5	<ul style="list-style-type: none"> Why is there an assumption that we will budget at £1.738m below Standard Spending Assessment (SSA)? 	<p>Term Financial Strategy (MTFS).</p> <ul style="list-style-type: none"> This is because if we were to spend up to our standard spending assessment, we would actually need to increase Council Tax by 6% rather than 3% to achieve it because of the amount of Revenue Support Grant (RSG) we receive from Welsh Government.
1.6	<ul style="list-style-type: none"> Is a 1% pay award realistic? 	<ul style="list-style-type: none"> Yes. However, the amount of budget provision doesn't necessarily influence the amount of any pay award. The amount of any pay award will be determined by national negotiations.
1.7	<ul style="list-style-type: none"> Do we use our office space as efficiently as possible? 	<ul style="list-style-type: none"> We have done some rationalisation but we have to recognise that our buildings are old and reworking them for modern use is costly. We are bringing more people into County Hall to free up other buildings.
1.8	<ul style="list-style-type: none"> How much does the Council contribute to Clwyd Theatr Cymru (CTC)? 	<ul style="list-style-type: none"> The Council currently contributes £1.034m to CTC which is around 40% of their running costs. The remaining 60% comes from the Arts Council. CTC is the only local authority producing house in Wales and one of only two in the UK.
1.9	<ul style="list-style-type: none"> Why are we making provision for the former Municipal Mutual Insurance company (MMI)? 	<ul style="list-style-type: none"> MMI faced bankruptcy in 1992. The run-off arrangements which were put in place at the time were intended to ensure that the company would still be able to meet its

OVERVIEW & SCRUTINY

Corporate Services - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.10	<ul style="list-style-type: none"> When we have previously received a specific (hypothecated) grant, which is subsequently subsumed into the non-hypothecated settlement, do we honour the notional amount? 	<p>historic obligations. However, the extent of recent claims has shown that this is no longer possible. Those Authorities which were covered by MMI (most in the UK including Flintshire's constituent Authorities) are effectively being asked for a retrospective premium payment to enable the insurer to meet the needs of former insurance holders.</p> <ul style="list-style-type: none"> Yes we do. The transfer of the finance which was previously a specific grant into the settlement means that its use now becomes an issue of local choice as to how that money is spent. One of the principles contained within our Medium Term Financial Strategy is that we "passport" and thus protect formerly hypothecated sums.
2.0 2.1 2.1.1	<p><u>Corporate Services Comments / Issues</u></p> <p><u>Human Resources and Organisational Development</u></p> <p><u>Pressures</u></p> <ul style="list-style-type: none"> Why are we showing a budget pressure of £0.070m for Criminal Records Bureau (CRB) checks and also an efficiency of £0.035m? 	<ul style="list-style-type: none"> This could have been netted off as a pressure of £0.035m but was shown as it has been for the sake of transparency.

OVERVIEW & SCRUTINY

Environment - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.0	<u>Corporate Comments / Issues</u>	
1.1	<ul style="list-style-type: none"> Why are teachers and non-teachers receiving a pay rise? 	<ul style="list-style-type: none"> Pay rises are subject to national negotiations and the 1% included in the budget proposals is a provision only.
1.2	<ul style="list-style-type: none"> What steps are we taking to inform communities about Welfare Reform? 	<ul style="list-style-type: none"> The Welfare Reform Board meets regularly and includes local partners such as the Citizens Advice Bureau and Job Centre Plus. Around 1,100 Council Tenants have been contacted about the 'bedroom tax'
1.3	<ul style="list-style-type: none"> How do we track and monitor achievement of savings? 	<ul style="list-style-type: none"> During 2011/12, monitoring of efficiencies was reflected in budget monitoring reports throughout the year. At final outturn 89 % of the efficiencies reflected in the budget had been realised. There is now a wider ownership of Flintshire Futures efficiencies due to revised governance arrangements and Members are now represented on the Flintshire Futures Board.
1.4	<ul style="list-style-type: none"> When will we get more detail on fees and charges? 	<ul style="list-style-type: none"> All proposals are included within the budget report and will be discussed at each Scrutiny committee meeting.
1.5	<ul style="list-style-type: none"> What are the criteria for the North Wales element of the Regional Collaboration Fund? 	<ul style="list-style-type: none"> It needs to be for new and significant changes involving a number of public bodies - 3 priority bids are currently being worked on.

OVERVIEW & SCRUTINY

Environment - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.6	<ul style="list-style-type: none"> How confident are we around inflation predictions? 	<ul style="list-style-type: none"> Budget provision for non standard inflation is held corporately and is only released to Directorates as and when required. Historically predictions have been reasonably accurate.
1.7	<ul style="list-style-type: none"> Apprenticeships - Not all schools link into colleges / local businesses. 	<ul style="list-style-type: none"> Agree pathways with Lifelong Learning and Stakeholders. Keep focussed on apprenticeship opportunities across Flintshire.
2.0	<u>Environment Comments / Issues</u>	
2.1	<u>General Comments/Issues</u>	
2.1.1	<ul style="list-style-type: none"> Assurance was sought that a detailed plan would be put in place for closing the public conveniences - Members did not want to see buildings left empty. 	<ul style="list-style-type: none"> Officers will investigate alternative uses and if none are found then the buildings will be demolished.
2.1.2	<ul style="list-style-type: none"> Which are the 4 public conveniences that will close? 	<ul style="list-style-type: none"> Cilcain, Caerwys, Central Shotton and Holywell (Tower Gardens).
2.1.3	<ul style="list-style-type: none"> Is re-organisation now complete within the Environment Directorate? 	<ul style="list-style-type: none"> The Streetscene service review is now complete, but the other reviews are still ongoing, each at different stages of completion.
2.1.4	<ul style="list-style-type: none"> Have flood issues affecting Saltney been considered in the budget? 	<ul style="list-style-type: none"> Allocations are included in the core capital programme and WG grants. The emerging Flood and Water Management Strategy is to be included in the Forward

OVERVIEW & SCRUTINY

Environment - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
2.1.5	<ul style="list-style-type: none"> Local Transport Grant for Bus services - is this part of the discussion at the February Environment Overview and Scrutiny committee? 	<p>Work Programme for the Environment Overview & Scrutiny Committee.</p> <ul style="list-style-type: none"> This will be considered at the February meeting of the Environment Overview and Scrutiny committee. Taith are tasked with creating a Regional Bus Strategy.
3.0	<u>Pressures</u>	
3.1	<ul style="list-style-type: none"> Regarding the pressure item of £0.144m for energy generation at landfill sites - Weren't the gas engines bought a year ago, why are they failing? How were they acquired? 	<ul style="list-style-type: none"> The gas engines were bought a number of years ago. A detailed report into the output of the engines has been carried out to inform the new pressure. The engines were part of the asset transfer resulting from the former AD Waste Ltd. being transferred into the Council.

OVERVIEW & SCRUTINY

Environment - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
4.0	<u>Efficiencies</u>	
4.1	<ul style="list-style-type: none"> A business plan was requested to back up the notion that switching lights off is cheaper than dimming them and that local members and the public would be consulted on all proposals? 	<ul style="list-style-type: none"> The matter will be looked at again as part of the emerging Street Lighting Policy. Savings comparisons will be included in the Street Lighting report to Cabinet in March 2013.
4.2	<ul style="list-style-type: none"> Car Parking management efficiency of £0.085m - Is this based on the proposals which were considered at Cabinet, or do they include revisions following consideration at the Environment Overview and Scrutiny committee? 	<ul style="list-style-type: none"> A revised Appendix D is being worked on following the comments made at the Environment Overview and Scrutiny committee.

OVERVIEW & SCRUTINY

Housing Council Fund - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.0	<u>Corporate Comments / Issues</u>	
1.1	<ul style="list-style-type: none"> The overall picture given is too optimistic. Why does it appear to be so healthy in a time of reduced grant funding? 	<ul style="list-style-type: none"> The Council is encountering reduced grant levels in some areas which are being dealt with, but grant applications have been maximised in order to protect the Council's position as much as possible.
2.0	<u>Housing Council Fund Comments / Issues</u>	
2.1	<u>General Comments/Issues</u>	
2.1.1	<ul style="list-style-type: none"> Have we budgeted sufficiently for our Homelessness responsibilities, and is there also a potential for problems with private sector rents due to the impact of benefit reductions? 	<ul style="list-style-type: none"> Adequate provision has been made for potential increased demand on the Homelessness service as we recognise that this is an emerging pressure as a consequence of Welfare Reforms. There is a potential for problems with private sector rents and the Council will need to be flexible in dealing with both the public and private sector.
2.2	<u>Efficiencies</u>	
2.2.1	<ul style="list-style-type: none"> Information was sought on the efficiency of £0.018m arising from the Service Review on the Resident Wardens service. 	<ul style="list-style-type: none"> The proposal to delete one of the current vacant posts will leave sufficient resources for ongoing service delivery.

OVERVIEW & SCRUTINY

Lifelong Learning - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
1.0	<u>Corporate Comments / Issues</u>	
1.1	<ul style="list-style-type: none"> Will fees and charges be increased by 3 % across the board with consequent implications for users of the Council's youth centres? 	<ul style="list-style-type: none"> There will be a general 3 % increase on fees and charges but also targeted increases resulting from specific proposals. The Youth Service is currently subsidising other users of its premises from within its own budget.
1.2	<ul style="list-style-type: none"> Does the Leisure Services budget have to cover the loan repayments for the new developments? 	<ul style="list-style-type: none"> Yes. The loan repayments are paid for out of the Leisure Services budget on the basis that these additional costs to the service will be covered by the increase in facilities charges.
1.3	<ul style="list-style-type: none"> A query was raised regarding the effects of inflation on schools energy budgets. 	<ul style="list-style-type: none"> This is included within the delegation to schools, however, we are aiming to target energy inflation at those schools with higher inflationary pressures on energy we are also working with colleagues in Energy Services with a view to encouraging alternative forms of energy to replace oil, e.g. woodchips.
2.0	<u>Lifelong Learning Comments / Issues</u>	
2.1	<u>General Comments/Issues</u>	
2.1.1	<ul style="list-style-type: none"> Is the budget for schools ever top-sliced within a financial year? 	<ul style="list-style-type: none"> No. The Council doesn't top-slice the schools budget in-year.
2.1.2	<ul style="list-style-type: none"> Feedback was given on the Play schemes Task and 	<ul style="list-style-type: none"> This will be considered alongside other bids within the

OVERVIEW & SCRUTINY

Lifelong Learning - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
2.1.3	<p>Finish group, with a request that £11,700 be added as a budget pressure to facilitate match funding to increase the new base provision of 3 weeks and 2 sites.</p> <ul style="list-style-type: none"> How will faster broadband be delivered to schools as promised by Welsh Government? 	<p>budget process.</p> <ul style="list-style-type: none"> New grant funding of £39m across all Wales for 3 years has been approved by Welsh Government. This funding is to improve the broadband connections in schools and for the schools to purchase additional hardware.
2.1.4	<ul style="list-style-type: none"> Will increasing the fees and charges in Leisure Centres only lead to less people attending? 	<ul style="list-style-type: none"> Careful benchmarking has been undertaken. Fees were increased in January and there was no drop-off in income.
2.1.5	<ul style="list-style-type: none"> Regarding Play Areas - can we look at meeting the higher number of requests from Town and Community Councils? 	<ul style="list-style-type: none"> This request will be looked at.
2.1.6	<ul style="list-style-type: none"> Does it cost the Council extra money when a teacher retires? 	<ul style="list-style-type: none"> This can depend on the individual circumstances of individual cases. Where this occurs for a school with a delegated budget the school would be able to capitalise the cost whereas the Council would be unable to.
2.1.7	<ul style="list-style-type: none"> Is there a lack of marketing for new developments at Deeside Leisure Centre? 	<ul style="list-style-type: none"> Members and Officers are conscious of the need for marketing and are currently using a targeted approach including development of a strategy with Alliance Leisure.
2.1.8	<ul style="list-style-type: none"> Clarification was sought on the delegation of Schools 	<ul style="list-style-type: none"> An amount is included in the Council's budget to stabilise

OVERVIEW & SCRUTINY

Lifelong Learning - Initial Budget Proposals 2013/14

No.	Comments and Questions:	Responses:
2.1.9	<p>maternity pay costs.</p> <ul style="list-style-type: none"> There are currently problems with parking at Buckley Leisure Centre which could perhaps be overcome by using additional parking at Ysgol Elfed subject to the need for CCTV. Is CCTV included within the budget? 	<p>the funding. The Directorate is currently working with schools to come up with an agreed scheme.</p> <ul style="list-style-type: none"> A capital bid is being prepared relating to a number of issues at the Buckley Leisure Centre site.
2.1.10	<ul style="list-style-type: none"> A query was raised regarding schools paying for the costs of swimming lessons for pupils. 	<ul style="list-style-type: none"> Children have an entitlement to swimming lessons under the Curriculum Entitlement (Wales) Regulations.
2.2 2.2.1	<p><u>Pressures</u></p> <ul style="list-style-type: none"> Are we giving Special Schools extra funding for the extra work that they are doing, which is proving invaluable in reducing the number and costs of our Out of County placements? 	<ul style="list-style-type: none"> A pressure amount of £0.250m has been included in the budget proposals to help improve staffing levels. The special schools are proving to be a real success story for Flintshire.

Budget 2013/14

Council Fund - Revenue

Summary of Council Fund Earmarked Reserves

	Estimated Balance 01/04/13 £m	Estimated Balance 31/03/14 £m
<u>Service Balances</u>		
Community Services	0.317	0.000
Environment	1.177	0.200
Lifelong Learning	0.025	0.000
Corporate Services	0.658	0.000
Total	2.177	0.200
<u>Corporate Balances</u>		
Equal Pay / Single Status	25.700	Note 1
Total	25.700	
<u>Specific Reserves</u>		
Insurance Fund - Asbestos	0.160	0.160
Benefits Equalisation	0.489	0.489
Supporting People	1.493	1.493
Building Control	0.159	0.109
Milk Quotas	0.076	0.080
Waste Disposal	0.612	0.500
Transfer Facility Pad	0.069	0.000
Flintshire Business Services	0.087	0.000
Winter Maintenance	0.245	0.245
County Elections	0.092	0.092
Third Party Insurance Claims	0.087	0.080
Flintshire Insurance	0.674	0.674
Minor Reserves under £0.050m	0.037	0.037
Total	4.280	3.959

Note 1 :

The use of this balance is subject to the outcome of a negotiated settlement on Single Status and agreement on an Equal Pay settlement, scheduled for conclusion in 2013/14.

Budget 2013/14
Council Fund - Revenue

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Funding					
Revenue Support Grant (RSG)	152,733	154,098	154,098	154,098	154,098
Additional Allocation (Council Tax Support)	869	869	869	869	869
NNDR	46,872	46,872	46,872	46,872	46,872
Council Tax	57,809	59,751	61,697	63,707	65,782
SSA / Budget Requirement	258,285	261,590	263,537	265,547	267,622
Unhypothecated Grants	1,467	1,467	1,467	1,467	1,467
Specific Grants	33,297	33,297	33,297	33,297	33,297
Use of Contingency Reserve	297				
Total Funding	293,346	296,355	298,302	300,311	302,387
Expenditure					
Base Budget	280,991	298,344	308,686	319,511	328,040
Inflation:					
Pay	1,279	1,549	1,565	1,581	1,596
Price	(0)	2,360	2,407	2,455	2,504
Price - targeted	1,062	0	0	0	0
Price - NSI Energy	285	308	332	359	388
Price - Street Lighting	79	0	0	0	0
Price - NSI Fuel	187	210	232	258	287
Price - NSI Food	141	149	158	167	176
Fees & Charges	(133)	(549)	(565)	(582)	(600)
Other known items:					
Effect of Previous Years Budget Decisions	1,336	1,544			
Movement in Specific Grants	(4,043)				
New Responsibilities	9,642				
Transfers into/out of Settlement	4,400				
Base Level of Reserves - 2% Turnover		130	39	40	42
NEW PRESSURES:					
Economic Impact	347		500		
WG Policy / Legislative	78	10			
Other Pressures	2,545	131	1,242		
Council Priority / Invest to Save	291	1,597	916	252	29
One off and Time Limited	297	(297)	0	0	0
Est of future investment in Council Priorities		4,000	4,000	4,000	4,000
Total Expenditure	298,783	308,686	319,511	328,040	336,463
Funding Shortfall / (Available)	5,437	13,354	22,233	28,753	35,099
Annual increase/(decrease) in shortfall					
		7,917	8,879	6,520	6,347
Efficiencies carried forward:		(5,437)	(5,728)	(5,646)	(5,646)
Detailed plans in place:					
Other	(886)	(27)	(50)	0	0
Procurement	(1,803)	(146)	(56)	0	0
Service Change	(1,631)	62	225	0	0
Fees and Charges	(586)	(137)	(37)	0	0
Organisational Design Savings	(531)	(43)	0	0	0
Total Efficiencies (incremental effect)	(5,437)	(291)	82	0	0
Possible revised shortfall	0	7,626	16,587	23,107	29,453

Budget 2013/14
Council Fund - Revenue

Reconciliation of Budget Position December to Balanced Position

	Ongoing £m	One-Off £m	Total £m
Shortfall as per December Report	1.063	0.417	1.480
Adjustments arising from Final Settlement	0.008	0.000	0.008
Shortfall following Final Settlement	1.071	0.417	1.488
<u>Removal / Reduction in Investment/ Pressures</u>			
Reprofile of Investment needs	(0.581)		(0.581)
Welfare Reform Pressures	(0.215)	(0.027)	(0.242)
School SLA		(0.053)	(0.053)
Methods of Payment (change to ongoing)	0.075	(0.075)	0.000
<u>Additional Investment / Pressures</u>			
Landfill Sites - reduced energy income generation	0.144	0.000	0.144
Music Service	0.100	0.000	0.100
Play Schemes -Match Funding	0.012	0.000	0.012
Play Areas - Match Funding		0.035	0.035
Shortfall after Investment/Pressures Adjustments	0.606	0.297	0.903
<u>Removal / Reduction of Efficiency Items</u>			
Music Service - Transport	0.030	0.000	0.030
Denomination transport	0.070	0.000	0.070
Car Park Management	0.029	0.000	0.029
Insurance Contingency	0.061	0.000	0.061
<u>Additional Efficiency Items</u>			
Out of County Placements	(0.783)	0.000	(0.783)
Senior Management Restructure (Lifelong Learning)	(0.042)	0.000	(0.042)
Reduction in Fire Levy	(0.027)	0.000	(0.027)
Shortfall after Efficiency Adjustments	(0.056)	0.297	0.241
Contribution from Contingency Reserve	0.000	(0.297)	(0.297)
Reduction in Council Tax to 2.9%	0.056	0.000	0.056
Revised Position	0.000	(0.000)	0.000

COUNCIL FUND SUMMARY

2013/2014

FLINTSHIRE COUNTY COUNCIL

COUNCIL FUND SUMMARY 2013/14

2012/13		2013/14
Cash Limited Budget		Cash Limited Budget
£000		£000
	Directorates	
58,437	Community Services	61,036
31,794	Environment	32,301
109,219	Lifelong Learning	113,064
17,469	Corporate Services	27,115
1,034	Clwyd Theatr Cymru	1,019
217,953		234,535
	Central & Corporate Finance	
187	Coroners	193
14,035	Central Loans & Investment Account	14,551
2,440	Financing & Funding (Insurance, Banking etc.)	2,522
115	Corporate Discretionary Rate Relief	115
3,856	Corporate Other	3,369
20,633		20,750
	Levying Bodies	
6,982	Fire Service	6,955
6,982		6,955
(1,917)	Central Service Recharges	(2,053)
(973)	Contribution to / (from) Balances	(435)
242,678	Total Net Expenditure	259,752

BUDGET 2013/14

COMMUNITY SERVICES

COMMUNITY SERVICES

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Intake and Reablement			
341	Hospital Social Work	362		362
6,157	Resources and Regulated Services	6,947	(1,124)	5,823
330	Reablement Services	648	(270)	378
162	First Contact	506		506
86	Professional Support	101		101
21	Administrative Support	114		114
369	Community Equipment - Contribution	369		369
7,466		9,047	(1,394)	7,653
	Localities			
16,063	Locality Teams	15,397	(1,434)	13,963
197	Reviewing	248		248
88	Safeguarding Co-ordinator	241	(31)	210
84	Professional Support	103		103
158	Administrative Support	138		138
16,590		16,127	(1,465)	14,662
	Disability Service			
10,541	Resources and Regulated Services	19,223	(3,320)	15,903
592	Transition and Disability Services	640	(103)	537
2,432	Vulnerable Adults and Disability Service	2,526	(5)	2,521
86	Professional Support	55		55
243	Administrative Support	314		314
13,894	Sub-Total - Learning Disability Services	22,758	(3,428)	19,330

COMMUNITY SERVICES

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Mental Health and Substance Misuse Service			
23	Contracts	23		23
200	Social Links	206		206
217	Voluntary Sector Services	294		294
408	Intensive Support Team	408		408
306	Community Living	405	(123)	282
(323)	Supporting People	-	(323)	(323)
653	Residential & Domiciliary Support	871		871
747	Professional Support	826	(41)	785
240	Substance Misuse	405	(165)	240
402	Occupation & Employment	424		424
2,873		3,862	(652)	3,210
	Ringfenced Budgets			
466	Learning Disability	858	(376)	482
301	Mental Health	305	-	305
767	Sub-Total - Ringfenced Budgets	1,163	(376)	787

41,590	TOTAL - Social Services for Adults	52,957	(7,315)	45,642
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	Development And Resources			
(1,511)	Business Services - Income	-	(1,529)	(1,529)
757	Business Systems and Financial Assessments	1,224		1,224
76	Finance	121	(45)	76
540	Management & Support	527	(57)	470
400	Public Information & Planning	27		27
750	Partnership Development Performance	1,131	(142)	989
147	Supporting People	-		-
1,358	Commissioning	291		291
189	Training	708	(489)	219
-	Administration Support	-		21
(100)	Vacancy Management	(100)		(100)

2,606	Total - Development And Resources	3,929	(2,262)	1,688
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COMMUNITY SERVICES

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Children's Services			
112	Childrens Training	137	(25)	112
1,833	Family Placement	1,977		1,977
117	Grants	2,429	(2,354)	75
340	Family Support	308		308
100	Prevention & Support	85		85
526	Other Residential	526		526
5,320	Professional Support	5,295		5,295
361	Youth Offending Team	1,123	(794)	329
20	Special Projects	21		21
8,729	Sub-Total - Children's Services	11,901	(3,173)	8,728
	Out County Pooled Budget			
3,712	Children's	3,178		3,178
3,712	Sub-Total - Out County Pooled Budget	3,178	-	3,178
12,441	TOTAL - Social Services for Children	15,079	(3,173)	11,906

COMMUNITY SERVICES

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Customer & Housing			
199	Community Services	199		199
-	Grants and Contributions	0		
465	Homelessness	533	(101)	432
(117)	Renovation Grants	448	(596)	(148)
123	Housing Strategy	106	(2)	104
198	Housing Support Services	193		193
868	Sub Total - Customer & Housing	1,479	(699)	780
	Supporting People			
118	Carelink	237	(120)	117
95	Community Centres	96		96
(920)	General	-	(920)	(920)
	Supporting People	3,164	(3,017)	147
-	Management & Admin			
1,239	Resident Wardens	1,212	(6)	1,206
532	Sub-Total - Supporting People	4,709	(4,063)	646
	Ringfenced Budgets			
400	Homelessness	470	(96)	374
400	Sub-Total - Ringfenced Budgets	470	(96)	374

1,800	TOTAL - Housing Strategy & Services	6,658	(4,858)	1,800
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58,437	TOTAL COMMUNITY SERVICES	78,623	(17,608)	61,036
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COMMUNITY SERVICES

Subjective Analysis

2012/13		2013/14
Budget		Budget
£000		£000
30,893	Employees	29,988
1,071	Premises	966
2,018	Transport	2,062
3,148	Supplies and Services	3,090
34,762	Third Party Payments	36,277
3,767	Transfer Payments	4,042
(75)	Support Services	(93)
-	Capital Financing	
(17,147)	Income	(15,296)

58,437	TOTAL COMMUNITY SERVICES	61,036
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BUDGET 2013/14

ENVIRONMENT

ENVIRONMENT

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Assets and Transportation			
27	Car Parks	299	(143)	156
255	Concessionary Fares	2,249	(1,992)	257
(49)	Engineering Design Consultancy	766	(815)	(49)
416	Policy & Strategy	465	(57)	408
531	Regulatory Services	737	(220)	517
179	Land Drainage Works	-	-	-
128	Structures	-	-	-
522	Traffic Services	656	(143)	513
191	Traffic Works	290	-	290
1,417	Transportation	2,311	(1,078)	1,233
1,236	Public Buildings	1,323	(32)	1,291
242	Energy Services	243	(1)	242
(156)	Agricultural Estates	119	(282)	(163)
90	Property Holdings	231	(138)	93
1,943	Property Maintenance & Design Consultancy	3,310	(1,367)	1,943
533	Property Asset & Development	544	(12)	532
(1,474)	Industrial Units	1,189	(2,436)	(1,247)
6,032	-Total Assets and Transportation -	14,732	(8,716)	6,016
	Planning			
367	Planning Control	1,047	(690)	357
236	Service Development & Support	236	-	236
590	Policy and Implementation	575	-	575
250	Environment and Conservation	362	(78)	284
(57)	Land Charges	93	(170)	(77)
330	Countryside Service	585	(253)	332
1,717	-Total Planning -	2,898	(1,191)	1,707
	Public Protection			
92	Head of Public Protection	92	-	92
838	Community Protection	1,617	(805)	812
1,271	Environmental Protection	2,084	(776)	1,308
1,285	Health Protection	1,297	(55)	1,242
3,485	-Total Public Protection -	5,090	(1,636)	3,454
	Directorate Support & Performance			
103	Finance and Performance			-
842	Directorate Support	930	(30)	900
110	Electronic Services	98	-	98
95	Geographical Information Services	95	(5)	90
1,149	- Directorate Support & Performance -	1,123	(35)	1,088

ENVIRONMENT

Objective Analysis

2012/13		2012/13 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Regeneration			
-	Communities First	713	(713)	-
(101)	Markets	190	(308)	(118)
505	Economic Development	566	(64)	502
133	Tourism	228	(94)	134
197	Flintshire Business Services	197	-	197
734	-Total Regeneration -	1,894	(1,179)	715
	Streetscene			
1,058	Winter Maintenance	1,380	(309)	1,071
1,554	Street Lighting	1,342	(59)	1,283
5,700	Highways, Grounds, Cleansing & Area Teams	7,193	(912)	6,281
(171)	Fleet Services	3,057	(3,041)	16
9,463	Waste Services	14,751	(5,444)	9,307
990	Business Strategy	1,248	(8)	1,240
173	Public Conveniences	123	-	123
18,766	- Total Streetscene -	30,655	(11,334)	19,321
31,883	TOTAL ENVIRONMENT	56,392	(24,091)	32,301

ENVIRONMENT

Subjective Analysis

2012/13		2013/14
Budget		Budget
£000		£000
23,939	Employees	25,729
6,868	Premises	6,554
8,449	Transport	8,280
9,015	Supplies and Services	8,608
6,133	Third Party Payments	6,017
10	Transfer Payments	12
373	Support Services	760
487	Capital Financing	745
(23,391)	Income	(24,404)
31,883	TOTAL ENVIRONMENT	32,301

BUDGET 2013/14

LIFELONG LEARNING

LIFELONG LEARNING

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Culture & Leisure			
	Libraries & Arts	2,134,697	(102,415)	2,032,282
	County Record Office & Records Management	428,553	(12,416)	416,137
	Museums & Heritage Service	355,359	-	355,359
	School Library Service	578,982	(400,955)	178,027
	Leisure Centres	8,124,233	(5,802,397)	2,321,836
	Leisure Services	980,454	(529,115)	451,339
	Sports Development	713,343	(541,325)	172,018
	Public Open Spaces	1,088,665	(141,482)	947,183
	- Total Leisure Services -	14,404,286	(7,530,105)	6,874,181
	Inclusion Services & Special Schools			
	Special Schools	3,818,162	-	3,818,162
	Inclusion & Behaviour Services	7,321,148	(889,366)	6,431,782
	Out of County	3,229,461	(246,922)	2,982,539
	- Total Schools Budgets -	14,368,771	(1,136,288)	13,232,483
	Primary School Services			
	Primary Schools	45,512,134	(4,073,298)	41,438,836
	Primary Breakfast Clubs	560,000	-	560,000
	Primary School Services	2,397,391	(1,022,191)	1,375,200
		48,469,525	(5,095,489)	43,374,036
	Secondary School Services			
	Secondary Schools	41,697,538	(5,930,785)	35,766,753
	Secondary School Services	2,006,811	(1,135,425)	871,386
	Regional Services	825,464	-	825,464
	- Total School Services -	44,529,813	(7,066,210)	37,463,603
	Development and Resources			
	Children, Youth & Community	4,172,828	(2,367,451)	1,805,377
	Schools ICT Unit	1,815,346	(875,043)	940,303
	Pupil/Student Transport	6,464,824	(107,483)	6,357,341
	Service Units	2,054,319	(820,847)	1,233,472
	Facilities Services	7,219,109	(5,964,210)	1,254,899
	Management & Business Support	528,642	(462)	528,180
	- Total Development and Resources -	22,255,068	(10,135,496)	12,119,572
	TOTAL LIFELONG LEARNING	144,027,463	(30,963,588)	113,063,875

LIFELONG LEARNING

Subjective Analysis

2012/13		2013/14
Budget		Budget
£000		£000
	Employees	105,665,907
	Premises	8,602,783
	Transport	5,969,402
	Supplies and Services	13,300,510
	Third Party Payments	5,707,511
	Transfer Payments	1,008,270
	Support Services	2,419,340
	Capital Financing	1,353,740
	Income	(30,963,588)
	TOTAL LIFELONG LEARNING	113,063,875

BUDGET 2013/14

CORPORATE SERVICES

CORPORATE SERVICES

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Chief Executive			
510	Executive Office	521	-1	520
311	Corporate Communications	392	0	392
724	Core Funding Agreements	724	0	724
106	Civil Contingencies	247	-144	103
636	Policy, Performance & Partnerships	667	-50	617

2,287	Total Chief Executive	2,551	-195	2,356
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	Finance			
	Finance Management & Secretariat			
196	Management & Secretariat	204	-8	196
196	- Total Management & Secretariat -	204	-8	196
	Corporate Finance			
108	Corporate Finance Manager	107	0	107
831	Corporate Accounting & Systems	837	-6	831
355	Strategy & Technical	360	-7	353
452	Environment Finance	519	-67	452
789	Lifelong Learning Finance	787	0	787
255	Community Services Finance	255	0	255
2,790	- Total Corporate Finance -	2,865	-80	2,785
	Revenues & Benefits			
54	Revenues & Benefits Manager	54	0	54
421	Revenues	1,026	-656	370
1,363	Benefits	1,346	0	1,346
-920	Income Subsidy & Payments	55,080	-46,039	9,041
			0	0
918	- Total Revenues & Benefits -	57,506	-46,695	10,811
	Internal Audit			
486	Internal Audit	477	-5	472
486	- Total Internal Audit -	477	-5	472

4,390	Total Finance	61,052	-46,788	14,264
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CORPORATE SERVICES

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Legal & Democratic			
	Legal & Democratic Management & Secretariat			
238	Management & Secretariat	238		238
238	- Total Management & Secretariat -	238	0	238
	Legal Services			
808	Legal Services	803	-41	762
808	- Total Legal Services -	803	-41	762
	Democratic Services			
75	Information & Support	75	0	75
2,276	Committee, Member, Electoral & Scrutiny Services	2,071	-1	2,070
2,351	- Total Democratic Services -	2,146	-1	2,145

3,397	Total Legal & Democratic	3,187	-42	3,145
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	Human Resources & Organisational Development			
120	HR & OD Management	123	0	123
76	CRB Checks	140	0	140
441	Corporate Training & Development	439	0	439
65	Trade Union Facilities Agreement	65	0	65
264	Occupational Health	413	-160	253
990	Human Resource Operations	1,191	-70	1,121
117	Pay & Grading	117	0	117
169	Human Resource Specialists	169	0	169

2,242	Total Human Resources & Organisational Development	2,657	-230	2,427
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CORPORATE SERVICES

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	ICT & Customer Services			
102	ICT & CS Management	133	0	133
3,896	Information Communication Technology	3,707	-12	3,695
985	Customer Services	1,105	-158	947
170	Procurement	147		147
5,153	Total ICT & Customer Services	5,092	-170	4,922

17,469	TOTAL - CORPORATE SERVICES	74,539	-47,425	27,114
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CORPORATE SERVICES

Subjective Analysis

2012/13		2013/14 Budget
Budget		Budget
£000		£000
13,935	Employees	14,111
47	Premises	44
161	Transport	146
5,057	Supplies and Services	4,794
794	Third Party Payments	745
45,304	Transfer Payments	55,081
139	Support Services	28
47	Capital Financing	46
-48,015	Income	-47,881
17,469	TOTAL - CORPORATE SERVICES	27,114

BUDGET 2013/14

CLWYD THEATR CYMRU

2012/13	Budget 2013/14	2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
	Clwyd Theatr Cymru			
(212)	General Administration	1,455	1,645	(190)
899	Production Overheads	830	0	830
522	Clwyd Theatr Cymru Productions	1,432	873	559
(51)	Other Art Forms	1,058	1,124	(66)
(125)	Other Earned Income	424	537	(113)
1,033	Sub Total - Clwyd Theatr Cymru	5,199	4,179	1,020

2012/13	Subjective Analysis	2013/14 Budget		
Budget		Gross	Income	Net
£000		£000	£000	£000
2,956	Employees	2,911		2,911
297	Premises	328		328
34	Transport	32		32
1,923	Supplies and Services	1,928		1,928
0	Third Party Payments	0		0
0	Transfer Payments	0		0
0	Support Services	0		0
0	Capital Financing	0		0
(4,177)	Income		(4,179)	(4,179)
1,033	Sub Total - Clwyd Theatr Cymru	5,199	(4,179)	1,020

2012/13	Workforce Summary	2013/14 Budget	
FTE Nos.		Staff Nos.	FTE Nos.
	Clwyd Theatr Cymru		
27.4	General Administration	43	27.0
36.2	Production Overheads	37	34.4
-	Clwyd Theatr Cymru Productions		-
11.2	Other Art Forms	14	11.2
10.5	Other Earned Income	45	10.5
85.3	Sub Total - Clwyd Theatr Cymru	139	83.1

CLWYD THEATR CYMRU

Objective Analysis

2012/13		2013/14 Budget			
Budget		Gross	Income	Net	BVACOP
£000		£000	£000	£000	£000
	Clwyd Theatr Cymru				
(212)	General Administration	1,455	1,645	(190)	
899	Production Overheads	830	0	830	
522	Clwyd Theatr Cymru Productions	1,432	873	559	
(51)	Other Art Forms	1,058	1,124	(66)	
(125)	Other Earned Income	424	537	(113)	
1,033	TOTAL - CLWYD THEATR CYMRU	5,199	4,179	1,020	-

Support

Capital

0	0
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Subjective Analysis

2012/13		2013/14 Budget		
Budget		Original	Adj	BVACOP
£000		£000	£000	£000
2,956	Employees			2,911
297	Premises			328
34	Transport			32
1,923	Supplies and Services			1,928
-	Third Party Payments			0
-	Transfer Payments			
-	Support Services			
-	Capital Financing			0
(4,177)	Income			(4,179)
1,033	TOTAL - CLWYD THEATR CYMRU	-	-	1,020

BUDGET 2013/14

HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT

Summary

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£		£	£	£
	Income			
(25,355,424)	Rents (Council Houses & Garages)	1,249,521	-28,195,116	(26,945,595)
(1,075,138)	Capitalised Salaries	0	-1,138,661	(1,138,661)
(4,000)	Interest	0	-8,000	(8,000)
(26,434,562)	Total Income	1,249,521	-29,341,777	(28,092,256)

	Expenditure			
5,968,474	Housing Subsidy (Deficit)	6,166,805	0	6,166,805
2,349,042	Capital Financing - Loan Charges	2,180,166	0	2,180,166
1,730,197	Estate Management	2,380,785	-562,361	1,818,424
-1,225	Home Ownership (Right to Buy)	3,775	-5,000	(1,225)
170,778	Allocations and Welfare	166,913	0	166,913
317,901	Repairs & Maintenance - Other	246,371	-1,660	244,711
8,777,977	Repairs & Maintenance - Direct Repairs	8,471,743	-175,000	8,296,743
1,075,138	Capitalised Salaries	1,138,661	0	1,138,661
2,346,122	Finance & Support	2,455,851	0	2,455,851
3,937,000	Capital Expenditure from Revenue Account (CERA)	5,792,000	0	5,792,000
0	Supporting People Transitional Costs	0	0	-
0	Stock Options	0	0	-
26,671,404	Total Expenditure			28,259,049

236,842	Net Expenditure before use of / contribution to balances			166,793
236,842	Contribution to / (from) balances			166,793
0	Net Expenditure after use of / contribution to balances			0

	Balances			
(1,103,599)	Opening Balance			(1,930,630)
236,842	Contribution (to) / from Balances			166,793
(866,757)	HRA Closing Balance			(1,763,837)

HOUSING REVENUE ACCOUNT

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£				£
	Housing Subsidy Deficit			
5,968,474	Housing Subsidy Deficit	6,166,805	0	6,166,805
5,968,474	- Total Housing Subsidy Deficit -	6,166,805	0	6,166,805
	Capital Financing / Loans & Other Charges			
537,356	Minimum Revenue Provision 2 %	514,131	0	514,131
1,453,337	Temporary Loans	1,344,067	0	1,344,067
173,861	Premia / Discounts	172,570	0	172,570
140,056	Corporate & Democratic core costs	135,609	0	135,609
30,000	Contributions to collaborative partnerships	0	0	-
14,432	Debt Management Expenses	13,789	0	13,789
2,349,042	- Total Capital Financing / Loan Charges -	2,180,166	0	2,180,166
	Building Maintenance Trading Account			
0	Trading Account Deficit	0	0	0
0	- Total Housing Subsidy Deficit -	0	0	0
	Estate Management			
(152,717)	Rent Collection & Accounting	363,885	-556,061	(192,176)
1,267,894	Housing Management	1,413,192	-6,300	1,406,892
100,656	Tenant Participation	125,807	0	125,807
51,520	Janitor Services	56,184	0	56,184
2,411	Strand (Holywell) Project	2,595	0	2,595
460,433	Tenants Gardens	452,873	0	452,873
1,730,197	- Total Estate Management -	2,414,536	-562,361	1,852,175
	Home Ownership			
-1,225	Right to Buy	3,775	-5,000	-1,225
-1,225	- Total Home Ownership -	3,775	-5,000	-1,225
	Allocations & Welfare			
0	Selection/Application of Tenants	0	0	-
22,258	Communal Centres/Meeting Rooms	143,531	0	143,531
148,520	Laundries	23,382	0	23,382
170,778	- Total Allocations & Welfare -	166,913	0	166,913

HOUSING REVENUE ACCOUNT

Objective Analysis

2012/13		2013/14 Budget		
Budget		Gross	Income	Net
£		£	£	£
	Repairs & Maintenance			
8,777,977	Repairs & Maintenance - Direct Repairs	8,437,993	-175,000	8,262,993
0	Repairs & Maintenance - Other	0	0	0
1,075,138	Capitalised Salaries	1,138,661	0	1,138,661
206,910	Landlord Services	121,330	-1,660	119,670
110,991	Aerial Systems	125,041	0	125,041
0	Cleaning	0	0	0
10,171,016	- Total Repairs & Maintenance -	9,823,025	-176,660	9,646,365
	Finance & Support			
804,538	Policy & Management	1,149,971	0	1,149,971
53,586	Risk Management	55,194	0	55,194
141,482	Finance	170,122	0	170,122
102,956	Management & Administration	299,473	0	299,473
1,243,560	Support Costs	781,091	0	781,091
0	Stock Options Appraisal	0	0	0
0	Unfunded Superannuation Costs	0	0	0
2,346,122	- Total Finance & Support -			2,455,851
	Supporting People Transitional Cost			
0	Supporting People Transitional Cost			0
0	- Total Supporting People Transitional Cost -			0
	Welsh Housing Quality Standard Programme			
3,937,000	Welsh Housing Quality Standard Programme	5,792,000	0	5,792,000
3,937,000	- Total Welsh Housing Quality Standard Programme -			5,792,000
26,671,404	TOTAL - HOUSING REVENUE ACCOUNT			28,259,050

Subjective Analysis

2012/13		2013/14
Budget		Budget
£		£
7,308,464	Employees	7,222,284
1,632,886	Premises	2,499,269
959,507	Transport	982,726
3,780,853	Supplies & Services	4,598,735
31,000	Transfer Payments	47,100
1,428,080	Support Services	1,262,368
12,132,089	Capital Financing	12,390,589
(601,475)	Income	(744,021)
26,671,404	TOTAL - HOUSING REVENUE ACCOUNT	28,259,050



CAPITAL PROGRAMME

2013/14 - 2016/17

CAPITAL EXPENDITURE AND FINANCING

CAPITAL EXPENDITURE

This is broadly defined as expenditure on purchasing assets which are of value to the County Council beyond the end of the financial year in which expenditure is incurred, e.g. new buildings, roads etc., or expenditure which increases the value or extends the life of those assets.

FINANCING

Capital expenditure is financed from a variety of sources and these are detailed below :

- **Unhypothecated Supported Borrowing (USB)** The main source of unhypothecated support for local authority capital investment as provided through the Revenue Support Grant (RSG).
- **General Capital Grant** A general grant from the Welsh Government (WG) to be used to finance capital expenditure.
- **Capital Receipts** The proceeds from the sale of assets. 75% of receipts from the sale of council houses continue to be set aside for the repayment of loans and the balance is used to finance new capital expenditure. Non-housing capital receipts are used 100% for capital expenditure purposes.

The above financing sources are included under the heading 'General' on pages 1 - 6.

- **Capital Grants** Grants received in respect of particular schemes either from WG or from other funding bodies such as CADW, Heritage Lottery Fund etc.
- **Capital Contributions** Contributions from other outside bodies usually as a result of joint funding arrangements or in respect of insurance claims.
- **CERA** Capital Expenditure financed from Revenue Account.
- **Unsupported (Prudential) Borrowing** Discretionary borrowing which is not supported by RSG to meet the debt charge consequences; the debt charges have to be met from existing revenue resources.

The above financing sources are included (as applicable) under the heading 'Specific' on pages 1 – 6.

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	Estimate 2013/14			Indicative 2014/15			Indicative 2015/16			Indicative 2016/17		
	Estimated Payments	Financing		Indicative Payments	Financing		Indicative Payments	Financing		Indicative Payments	Financing	
		General	Specific		General	Specific		General	Specific		General	Specific
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
SUMMARY												
COUNCIL FUND												
COMMUNITY SERVICES	3.350	2.750	0.600	2.825	2.675	0.150	2.825	2.675	0.150	2.825	2.675	0.150
ENVIRONMENT	16.460	3.175	13.285	10.221	3.370	6.851	3.281	3.020	0.261	3.020	3.020	0.000
LIFELONG LEARNING	8.460	2.965	5.495	12.776	2.720	10.056	46.820	2.720	44.100	14.567	2.720	11.847
CORPORATE SERVICES	1.638	1.638	0.000	1.718	1.718	0.000	0.480	0.480	0.000	0.450	0.450	0.000
TOTAL - COUNCIL FUND	29.908	10.528	19.380	27.540	10.483	17.057	53.406	8.895	44.511	20.862	8.865	11.997
HOUSING REVENUE ACCOUNT												
PROGRAMME	10.992	5.200	5.792	-	-	-	-	-	-	-	-	-
TOTAL - HOUSING REVENUE ACCOUNT	10.992	5.200	5.792	-	-	-	-	-	-	-	-	-
TOTAL - ALL	40.900	15.728	25.172	27.540	10.483	17.057	53.406	8.895	44.511	20.862	8.865	11.997

	Estimate 2013/14			Indicative 2014/15			Indicative 2015/16			Indicative 2016/17		
	Estimated	Financing		Indicative	Financing		Indicative	Financing		Indicative	Financing	
	Payments	General	Specific	Payments	General	Specific	Payments	General	Specific	Payments	General	Specific
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
COMMUNITY SERVICES												
Grants												
Various Private Sector Renewal and Improvements	2.500	2.500		2.450	2.450		2.450	2.450		2.450	2.450	
General Housing Renewal Area Support	0.550	0.250	0.300	0.225	0.225		0.225	0.225		0.225	0.225	
Children's Services												
General Flying Start Capital Expansion Programme	0.150		0.150									
Travellers' Sites												
Queensferry Riverside Caravan Site	0.150		0.150	0.150		0.150	0.150		0.150	0.150		0.150
TOTAL - COMMUNITY SERVICES	3.350	2.750	0.600	2.825	2.675	0.150	2.825	2.675	0.150	2.825	2.675	0.150

		Estimate 2013/14			Indicative 2014/15			Indicative 2015/16			Indicative 2016/17		
		Estimated	Financing		Indicative	Financing		Indicative	Financing		Indicative	Financing	
		Payments	General	Specific	Payments	General	Specific	Payments	General	Specific	Payments	General	Specific
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
ENVIRONMENT													
Administrative Buildings													
Various	Disability Discrimination Act (DDA) Works	0.180	0.180		0.175	0.175		0.175	0.175		0.175	0.175	
Various	Energy Efficiency Measures	0.275	0.275		0.300	0.300		0.300	0.300		0.300	0.300	
Various	Renewable Energy Installations	0.245	0.245		0.350	0.350							
Various	Asbestos Removal	0.075	0.075		0.070	0.070		0.070	0.070		0.070	0.070	
Various	Legionella Monitoring	0.075	0.075		0.070	0.070		0.070	0.070		0.070	0.070	
Various	Upgrading Fire and Intruder Alarms	0.060	0.060		0.055	0.055		0.055	0.055		0.055	0.055	
Various	Fire Safety Order Works	0.100	0.100		0.100	0.100		0.100	0.100		0.100	0.100	
Various	Corporate Property Maintenance	0.500	0.500		0.500	0.500		0.500	0.500		0.500	0.500	
Alltami	Depot Rationalisation	2.275		2.275	0.075		0.075						
Engineering													
Various	Land Drainage Works - General	3.080	0.080	3.000	2.075	0.075	2.000	0.075	0.075		0.075	0.075	
Various	Coast Protection Works - General	0.120	0.120		0.110	0.110		0.110	0.110		0.110	0.110	
Highways													
Various	Highways Infrastructure	0.600	0.600		0.750	0.750		0.750	0.750		0.750	0.750	
Various	Bridge Assessments and Replacement	0.160	0.160		0.150	0.150		0.150	0.150		0.150	0.150	
Various	Street Lighting Replacement	0.200	0.200		0.180	0.180		0.180	0.180		0.180	0.180	
Various	Structural Maintenance	0.200	0.200		0.180	0.180		0.180	0.180		0.180	0.180	
Various	Local Government Borrowing Initiative (LGBI)	2.700		2.700	2.700		2.700	0.000			0.000		
Regeneration													
Flint	Townscape Heritage Initiative	0.349	0.115	0.234	0.349	0.115	0.234	0.349	0.115	0.234	0.115	0.115	
Various	Town Centre Regeneration	3.330	0.190	3.140	0.197	0.190	0.007	0.190	0.190		0.190	0.190	
Transportation													
Various	Regional Transport Plan	1.700		1.700	1.700		1.700						
Ranger Services													
Connahs Quay	Wepre Park Development	0.236		0.236	0.135		0.135	0.027		0.027			
TOTAL - ENVIRONMENT		16.460	3.175	13.285	10.221	3.370	6.851	3.281	3.020	0.261	3.020	3.020	0.000

		Estimate 2013/14			Indicative 2014/15			Indicative 2015/16			Indicative 2016/17		
		Estimated	Financing		Indicative	Financing		Indicative	Financing		Indicative	Financing	
		Payments	General	Specific	Payments	General	Specific	Payments	General	Specific	Payments	General	Specific
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
LIFELONG LEARNING													
Education - General													
Various	School Buildings Repairs and Maintenance	2.555	2.555		2.325	2.325		2.325	2.325		2.325	2.325	
Various	Disability Discrimination Act - Individual Pupils	0.275	0.275		0.270	0.270		0.270	0.270		0.270	0.270	
Various	Furniture and Equipment	0.060	0.060		0.055	0.055		0.055	0.055		0.055	0.055	
School Modernisation													
Shotton	Taliesin Junior/Shotton Infant	3.437		3.437	1.794		1.794	0.080		0.080	0.000		
Various	21st Century Schools	1.308		1.308	8.262		8.262	44.020		44.020	11.847		11.847
Primary Schools													
Various	Learning Environments (Foundation Phase)	0.075	0.075		0.070	0.070		0.070	0.070		0.070	0.070	
General	Flying Start Capital Expansion Programme	0.750		0.750									
TOTAL - LIFELONG LEARNING		8.460	2.965	5.495	12.776	2.720	10.056	46.820	2.720	44.100	14.567	2.720	11.847

		Estimate 2013/14			Indicative 2014/15			Indicative 2015/16			Indicative 2016/17		
		Estimated Payments	Financing		Indicative Payments	Financing		Indicative Payments	Financing		Indicative Payments	Financing	
			General	Specific		General	Specific		General	Specific		General	Specific
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
CORPORATE SERVICES													
ICT and Customer Services													
General	ICT Infrastructure	0.310	0.310		0.460	0.460		0.250	0.250		0.250	0.250	
General	Agile Working Investment	0.150	0.150		0.100	0.100							
General	EDRMS Implementation	0.125	0.125		0.105	0.105		0.030	0.030		0.000		
General	Microsoft Enterprise Agreement	0.353	0.353		0.353	0.353							
Corporate Finance													
General	Minor Capital Works - Health & Safety	0.075	0.075		0.075	0.075		0.075	0.075		0.075	0.075	
General	Corporate Provision - Feasibility Studies	0.100	0.100		0.100	0.100		0.100	0.100		0.100	0.100	
Flintshire Connects													
Various	Flintshire Connects Centres - Development Works	0.500	0.500		0.500	0.500							
Clwyd Theatr Cymru													
General	Provision	0.025	0.025		0.025	0.025		0.025	0.025		0.025	0.025	
TOTAL - CORPORATE SERVICES		1.638	1.638	0.000	1.718	1.718	0.000	0.480	0.480	0.000	0.450	0.450	0.000

TOTAL - COUNCIL FUND	29.908	10.528	19.380	27.540	10.483	17.057	53.406	8.895	44.511	20.862	8.865	11.997
FINANCING												
TOTAL - COUNCIL FUND	29.908	10.528	19.380	27.540	10.483	17.057	53.406	8.895	44.511	20.862	8.865	11.997
Unhypothecated Supported Borrowing (USB)	4.263			4.263			4.263			4.263		
General Capital Grant	2.603			2.603			2.603			2.603		
Capital Receipts	3.700			2.275			5.087			4.225		
Specific Capital Grants	12.785			10.501			25.772			6.844		
Unsupported (Prudential) Borrowing	3.895			3.856			18.739			5.153		
Local Government Borrowing Initiative (LGBI)	2.700			2.700								
(Unallocated) / Under Financing - Headroom	(0.038)			1.342			(3.058)			(2.226)		
TOTAL - FINANCING	29.908			27.540			53.406			20.862		

		Estimate 2013/14			Indicative 2014/15			Indicative 2015/16			Indicative 2016/17		
		Estimated Payments	Financing		Indicative Payments	Financing		Indicative Payments	Financing		Indicative Payments	Financing	
		£m	General	Specific	£m	General	Specific	£m	General	Specific	£m	General	Specific
HOUSING REVENUE ACCOUNT													
Programme													
Various	Programme		5.200	5.792									
Various	Electrical Periodicals & Rewires	0.150											
Various	Asbestos Survey & Removal	0.150											
Various	DDA Audits & Other Urgent Works	0.100											
Various	Empty Property Works	0.350											
Various	Fire Risk Assessments	0.250											
Various	Planned Urgent Works	0.300											
Various	Smoke Alarm Installations	0.100											
Various	Bathroom Replacement - Programme	0.173											
Various	Heating Replacement - Programme	2.211											
Various	Kitchen Replacements - Programme	4.061											
Various	Disabled Facility Grants (DFG) - Mandatory	1.000											
Various	Environmental Works	0.344											
Various	Capitalised Salaries	0.310											
Various	Off Gas Programme	0.743											
	Glan-y-Morfa Phase 3	0.250											
Flint	Flint Maisonettes - Regeneration	0.500											
TOTAL - HOUSING REVENUE ACCOUNT		10.992	5.200	5.792	-	-	-	-	-	-	-	-	-
FINANCING													
TOTAL - HOUSING REVENUE ACCOUNT		10.992	5.200	5.792	-	-	-	-	-	-	-	-	-
Capital Receipts													
Grants & Contributions - Major Repairs Allowance (MRA)		5.200											
Capital Expenditure Financed from Revenue Account (CERA)		5.792											
TOTAL - FINANCING		10.992			-			-			-		