

Bwrdd Gweithredol 2ail Mai 2017

Adroddiad Monitro Cyllideb Refeniw y Cyngor

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Sicrhau bod y bwrdd yn derbyn yr adroddiad Monitro Cyllideb ac yn ystyried y sefyllfa cyllidebol.

Y Rhesymau:

I ddarparu'r newyddion i'r Bwrdd Gweithredol ynglyn a sefyllfa diweddaraf cyllideb 2016/17, ar 28ain Chwefror 2017.

Ymgynghorwyd â'r pwyllgor craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad OES

Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Cyng. David Jenkins

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw Pennaeth y Gwasanaeth:
Owen Bowen

Awdur yr Adroddiad:
Owen Bowen

Swyddi:

Pennaeth Gwasanaethau
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EXECUTIVE SUMMARY

Executive Board

2nd May 2017

Council's Revenue Budget Monitoring Report

The revenue budget monitoring reports for the period to 28th February 2017 are attached and indicate that:

COUNCIL FUND REVENUE ACCOUNT(Appendix A)

Overall, the monitoring report forecasts an end of year overspend of £126k on the Authority's net revenue budget with an overspend at departmental level of £1,716k.

Chief Executive's Department

The Chief Executive Department is anticipating an overspend at year end of £76k. In relation to the application of Standby, part year savings have already been identified and work is ongoing with the TIC teams in relation to delivering the full efficiencies identified.

The Regeneration, Policy and Property Division is anticipating an underspend of £131k at year end. There are overspends of £35k on the Beacon following essential R&M work and Un Sir Gar of £59k due to a shortfall in income. The Policy division is expecting to overspend by £124k due to an unfunded post and an unachievable income target. There is also an unachieved efficiency and reduction in income generation potential within marketing and media whilst an ongoing service realignment is reviewed of £76k. These overspends are offset by £342k of staff vacancies in the division and an underspend of £59k in the Property division due to increased rental income from commercial properties and other planned underspends on Business Services of £42k to offset the known Un Sir Gar overspend.

The Admin & Law division is anticipating a £160k underspend despite a Local Duplicating Centre overspend of £31k due to the decrease in printing across the authority and the corresponding income generation potential being lost. The division has staff vacancies totalling £110k, a £48k saving on Democratic due to supplies & services savings and member's vacancies. There is also a £20k saving on franking machine leases following a rationalisation project.

The People Management & Performance Division is underspent by £114k. This is due to £75k of vacant posts in year along with a saving on Supplies & Services costs of £45k.

Department for Education and Children

The Department for Education and Children is projecting a net overspend of £1,672k at year end.

The main adverse budget variations relate to: new school based EVR and redundancy costs £923k; increasing age profile (15-25 year olds) of Looked after Children requiring more costly support for longer £331k; legal fees relating to care proceedings due to court process changes and additional cases £228k; Special Guardianship Orders to keep children with their families and Boarded Out Allowances £279k, rurality impact on Fostering staff and client travel £71k; School Modernisation property decommissioning and cost of sales £217k (which includes £149k NNDR); Out of County residential care placements £146k; Respite Units not achieving contribution from LHB £129k and the Music Service not achieving forecasted SLA income from schools £62k.

These are partially offset by under-spends across the department in: staff vacancies and secondments -£538k; School Meals Service increased income and less spend in respect of the repair and maintenance budget -£72k; and the transfer of a number of Direct Payments to Adult Services due to the recipient turning 18 -£48k.

Corporate Services

The Corporate Services Department is anticipating an underspend at year end of £66k. Both the Financial Services and the Audit, Risk and Procurement Divisions are anticipating underspends due largely to vacant posts of £270k and £68k respectively. The finance division is also anticipating an underspend on supplies and services of £32k and ICT is anticipating a break even position.

There is an anticipated underspend of £47k on audit fees due to a reduction in the number of grants being audited, a £26k underspend on subscriptions and a £50k reduction in ongoing pre LGR pension costs.

Corporate Services Training is also expecting to underspend by £52k.

Executive Board, at its meeting on the 13th March approved support in the sum of £150k for a 3G pitch at Richmond Park, Carmarthen and £350k to provide financial assistance to Llanelly House. Funding will come from the underspend in the Corporate Services Department.

Department for Communities

The Department for Communities is forecasting an overspend of £10k for the year.

Older people/ PD is forecasting an underspend of £243,000 - this reflects the excellent work that has been undertaken to put in budgetary controls and effectively manage demand through improved assessment and preventative practice.

Residential and domiciliary care is broadly within budget, although because of recruitment challenges in this sector we have relied on the independent sector to deliver packages the in house service has been unable to deliver. Recruitment difficulties in social work and OT posts has led to a £392,000 underspend. Plans are in place to address this.

A full Day service review is underway but implementation has been slower than expected and this has led to slower than anticipated reductions in spend.

The Learning Disability / Mental Health Division and Support Services has a projected overspend of £77k. This is due to increased Direct Payments packages of £235k, a reduction in grant receivable for Workchoice £75k, and the review of grant payments to the voluntary sector which has slippage in 2016-2017 of £90k. These are offset by the impact of the Accommodation and Efficiency strategy in reducing the costs of individual placements and staff vacancies £323k.

The Housing Services and Public Protection Division is forecasting coming in on budget.

The Leisure Services Division is forecasting an overspend of £176k mainly due to underachievement of income £82k and delay in implementing mobile library services £47k and additional premises costs £47k.

Environment

The department is anticipating an overspend of £25k at year end which will be met from its departmental reserves.

The Highways and Transport division is anticipating a £151k underspend for the year due mainly to the vacant posts in the Rights of Way section (-£98k) and tender and service efficiencies in Passenger Transport (-£38k).

The Property Division is anticipating an overall overspend of £64k. This is predominantly due to a reduction in work undertaken by Building Maintenance for the HRA, thereby reducing the income projection (£240k). This is offset by underspends on Industrial Premises, County Farms and Livestock markets due to increased occupancy and rental income.

The Waste and Environmental division is anticipating an overspend of £43k at year end. This is due to a £68k overspend on cleansing where a proposed efficiency has not been met due to sustained demands on the service and a £74k overspend on green waste due to the purchase of wheelie bins prior to start of the service in 2017. This is offset by a £44k underspend as a result of a vacant post and a £55k underspend on closed landfill sites due to the sustained success of the leachate plant.

The Business Support & Performance division is overspent by £132k mainly due to the admin review not being implemented to date so the proposed efficiencies have yet to be realised along with temporary additional pay costs to support implementation of the business support review.

The Planning Division is estimated to be £64k underspent at year-end due mainly to staff vacancies.

Capital Charges

Reduced borrowing/interest savings.

HOUSING REVENUE ACCOUNT (Appendix B)

The HRA is forecasting to be -£436k underspent.

Based on the current activity data, repairs and maintenance is predicted to be £435k over budget, primarily on minor works £477k due to anticipated level of slow down not as expected

and voids £72k to ensure properties are available to rent as quickly as possible offset by savings other repairs and maintenance (-£114k).
 There has also been an additional direct revenue contribution of £423k to fund the capital programme for major void works.

Supervision and Management costs are forecasted to be underspent by -£285k primarily due to lower staffing costs -£220k through vacancies ,premises costs -£233k and travelling expenses -£10k offset by increased spend on supplies and services £116k and reduction in rechargeable salaries £62k.

There is a forecasted underspend on Capital Financing costs -£154k due to opening debt being slightly lower than forecasted therefore giving rise to principal and interest payments being slightly lower than originally estimated.

Reduction in the provision required for debt write-offs , based on arrears levels and forecast movement in arrears to year end -£476k

Additional income from forecast HRA balances,insurance and other income -£32k

Rental income is forecasted to be -£267k higher due to lower level of Void loss. It is anticipated that there will also be an increase in Service charge income of -£80k.

Lists of the main variances are attached to this report.

DETAILED REPORT ATTACHED ?	YES
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IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Owen Bowen

Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

1. Finance

Council Fund

Overall, the Authority is forecasting an overspend of £126k.

HRA

The HRA is forecasting that it will be -£436k under its approved budget.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Owen Bowen

Head of Financial Services

1. Scrutiny Committee – Not applicable

2. Local Member(s) – Not applicable

3. Community / Town Council – Not applicable

4. Relevant Partners – Not applicable

5. Staff Side Representatives and other Organisations – Not applicable

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
2016/17 Budget		Corporate Services Department, County Hall, Carmarthen