

Y CABINET

22^{ain} TACHWEDD 2021

ADRODDIAD MONITRO CYLLIDEB REFENIW Y CYNGOR

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Sicrhau bod y Cabinet yn derbyn yr adroddiad Monitro Cyllideb ac yn ystyried y sefyllfa cyllidebol a'r camau cywirol priodol.

O ran adrannau yn rhagweld gorwariant sylweddol, dylai'r Prif Swyddogion a Phenaethiaid y Gwasanaethau barhau i adolygu eu sefyllfaoedd cyllidebol yn feirniadol a pharhau i roi ar waith bob gweithrediad priodol angenrheidiol, er mwyn cadw o fewn yr adnoddau a ddsbarthwyd, tra'n cydnabod y pwysau mae COVID19 wedi'i roi ar gyllideb yr Awdurdod yn ei gyfanrwydd.

Y Rhesymau:

I ddarparu'r newyddion i'r Cabinet ynglyn a sefyllfa diweddaraf cyllideb 2020/21, ar 31^{ain} Awst 2021.

Ymgynghorwyd â'r pwyllgor craffu perthnasol: AMHERTHNASOL

Angen i'r Cabinet wneud penderfyniad OES
Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:-

Cyng. David Jenkins

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw Cyfarwyddwr y
Gwasanaeth:
Chris Moore

Awdur yr Adroddiad:
Randal Hemingway

Swyddi:

Cyfarwyddwr y Gwasanaethau
Corfforaethol

Pennaeth y Gwasanaethau
Ariannol

Rhif ffôn: 01267 224886
Cyfeiriadau E-bost:

CMoore@sirgar.gov.uk

RHemingway@sirgar.gov.uk

EXECUTIVE SUMMARY

Cabinet

22ND November 2021

The revenue budget monitoring reports as at 31st August 2021 are attached and indicate that:

COUNCIL FUND REVENUE ACCOUNT (Appendix A)

Overall, the monitoring report forecasts an underspend for the year at departmental level of £869k. with a forecast underspend on the Authority's net revenue budget of £399k.

At a high level this is due to a combination of:

- additional COVID19 related costs and lost income being largely refunded under the Welsh Government hardship scheme
- some services still paused or impacted by lockdown measures and social distancing during Q1
- Proposed utilisation of some capital financing underspends, due to some significant pressure points on in-year capital project budgets, which will be considered as part of a separate report.

The full year forecast reflects the impact which includes known financial positions up to the point of writing. As such the forecast continues to remain sensitive to any future worsening of the pandemic, in particular if any reintroduction public restrictions being required. In respect of April-June budgets, additional expenditure and income loss totalling approximately £6 million has been claimed under the Welsh Government hardship scheme.

Members should note the risk on Council Tax collection rates and increased applications under the Council Tax Reduction Scheme, this will continue to be monitored closely, particularly as the furlough scheme has now ended.

Chief Executive's Department

The Chief Executive Department is anticipating an underspend of £342k for the year. This is made up of overspends due to a reduction in anticipated income from Commercial property, livestock markets and provision markets, offset by a net underspend on Industrial Premises, underspends on Member pay and travelling, staffing savings from vacant posts across the department along with savings on utilities costs associated with our administrative buildings.

Operational budgets

The Chief Executive's section has an underspend of £163k, primarily due to vacant posts and an underspend on supplies and services.

There is a £24k net overspend in the People Management section. This consists of £22k in relation to a reduction in supplies and services costs, along with a £39k underspend due to fewer DBS checks being undertaken than budgeted for. These are offset by a £36k overspend in Employee Wellbeing, due to a shortfall in external SLA income. There is also a £40k overspend on various salary related costs along with other small overspends

The ICT & Corporate Policy section are reporting a £91k underspend largely due to part year vacant posts within the division, pending a team review which is due to be completed imminently.

Admin and Law are showing an underspend of £261k. Members pay and travelling are underspent by £92k, and there is an additional £30k of income for work undertaken on behalf of the HRA. There is also additional income from external work of £36k along with a £103k saving on staff vacancies and supplies and services.

The Marketing and Media section have a £71k net underspend, made up of an overspend of £199k within Marketing and Media on salary costs, pending a staffing review within the whole division (2019/20 saving proposal), and also a loss of income streams from external partners such as ERW. This is offset by an underspend on staffing costs in the Customer Services Centres, Translation Unit and Yr Hwb. These will all form part of the divisional staffing review.

Statutory Services are reporting an underspend of £31k. This is made up of a saving on a vacant post of £33k pending a divisional realignment, along with £35k underspend on Registrars due to income generated above the budgeted figure. This is offset by an anticipated overspend on coroners, due to the additional costs associated with a jury inquest.

The Regeneration division is expecting a £251k overspend for the year. This is made up of an overspend of £431k due to a loss of income on Livestock markets, provision markets, farms and Commercial Properties, largely due to an overall reduction in occupancy levels, along with a rent free period at Carmarthen Mart.

This is offset by savings in utilities costs due to staff working from home of £84k, along with additional high levels of income due to continued high occupancy rates within industrial units, despite the pandemic of £81k. There is also an additional saving of £12k on staffing costs due to a vacant post along with other smaller savings.

Department for Communities

The Department for Communities is £476k overspent for the year. There are significant variances in social care services though these are largely offset by reduced costs where service provision is reduced due to COVID19 restrictions, or additional funding. Social care

teams have prioritised the safe delivery of key services, meaning that the department has been unable to progress some of the planned savings proposals.

Older People's budgets have an underspend of £1,002k. There are significant underspends in both commissioned and local authority Residential Beds due to reduced associated costs as a result of fewer occupied beds, as well as reduced provision of day services due to COVID19 restrictions.

Physical Disabilities services are underspent by £102k. The budget variances across the range of services are due to alternative care provision in response to residential respite and community services restrictions.

In Learning Disability services, there is an overspend of £1,353k. Budgetary pressure remains on Residential and Group Homes / Supported Living as the savings target are difficult to deliver due to COVID19 restrictions.

The overspend in Mental Health of £334k is due to increased demand with the main budget pressure in Residential Beds and Group Homes / Supported Living.

Support Services are underspent by £100k largely due to additional income as result of transport support provided to health services.

Leisure & Culture Services is forecasting a nil variance. There is still likely to be a material reduction in income across a number of Services due to the ongoing restrictions, however the Welsh Government have confirmed that the recovery of lost income can now be claimed until the 31st March 2022.

Council Funded Housing and Public Protection Services are underspent by £7k.

Corporate Services

The Corporate Services Department is anticipating a £650k underspend for the year.

Rent Allowances are anticipating an underspend of £294k, largely due to efficient recovery of overpayments. There is a £335k underspend on pre LGR pension costs along with a £133k underspend on Rates Relief due to low take up of the scheme.

There are also underspends on salaries due to vacancies across the department, and staff not yet at the top of their scale, along with a reduction in bank charges. There is also £27k of net additional income from services provided to external organisations.

These underspends are offset by an expected overspend of £572k on Council Tax Reduction Scheme due to increased demand. This is a demand led budget, for which WG funding has not increased for many years despite WG increased expectations in terms of council's tax raising abilities. We received a contribution from WG in 2020/21 to cover this shortfall, but we are yet to receive confirmation whether the same will apply this year.

Department for Education and Children

The Department for Education and Children is currently forecasting an overspend of £5k for the year.

A full review of budget allocation across the department is being undertaken to highlight both the immediate and longer term pressures. Where appropriate, budgets are being realigned.

£400k remains to be allocated across a number of services facing increasing demand – special education needs £90k, commissioning & social work including legal costs £150k, fostering services £60k are the most significant with a number of vacant posts being identified for recruitment across the department.

£390k budget relating to deferred efficiencies will be applied to in year pressures such as school meals £93k, alternative education provision £62k, direct payments £61k.

Schools Delegated Budgets

Schools working budgets are forecasting to utilise £5.6m of their reserves in the current year. A significant proportion of this is committed for recovery and catch up as one-off additional expenditure, funded by grant received last year. Council officers are in the process of reviewing budget submissions however, there remain some schools which continue to experience difficulties in setting a balanced budget.

Environment

The Environment department is reporting a projected underspend of £358k for the financial year, largely due to increased income forecast from internal recharges reflecting the work projected to the end the financial year by property division.

The Waste and Environmental Services division is projecting a £36k underspend, mainly due to the £43k surplus on Green Waste collections due to increased customer base, a £30k underspend in Flood Defence and Land Drainage as a result of 2 vacant posts during the first quarter and savings within other areas including Public Conveniences and Grounds Maintenance. These savings are offset by an underachievement of income against budget on the Sustainable Drainage Approval service which has resulted in a £63k overspend.

Highways and Transportation are projecting a £114k overspend for the year. This is made up of a net loss of income of £165k in parking services due to the volume of ticket sales projected not matching budgeted levels, together with a £16k pressure on Nantyci Park & Ride due to a decrease in demand for the service. These pressures are offset by a £30k salary saving due to a vacant post and a reduction in an employee's contracted working hours within the Road Safety team and savings within other areas including traffic management.

The Planning Division is showing a forecasted £127k underspend, largely due to vacant posts within the team during the year, which includes a vacant Head of Planning post and savings on consultants' fees due to a covid-related delay in the LDP process. These savings are offset by an estimated shortfall in anticipated income.

The Property Division is reporting a £304k underspend, mainly due to increased income from Property Maintenance and Property Design reflecting additional work anticipated during the year including significant unexpected projects.

The Business Support division is projecting a £4k underspend during the year.

HOUSING REVENUE ACCOUNT (Appendix B)

The HRA is predicting to be underspent by £1,159k for 2021/22. Repairs and Maintenance is forecast to be underspent by £693k. Budget Managers are predicting underspends on Minor Works £1,471k due to capacity and procurement issues and an overspend on Voids/Responsive/Other +£778k mainly due to costs associated with catch up on repairs delayed by COVID19.

Supervision & Management and Support is projecting an underspend of £317k mainly due to staff vacancies £286k, transport costs £44k due to reduced visits, offset by premises/supplies/other +£13k.

Capital financing charges will be £155k less than budgeted due to reduced borrowing in 2020/21 reducing the MRP requirement.

Income (inclusive of rents) will be under target by approximately +£6k. This is made up predominantly of less than budgeted rental/service charge income of +£44k and small variation in interest receivable +£15k. We will receive more grant than anticipated of £53k primarily from Welsh Government.

Lists of the main variances are attached to this report.

DETAILED REPORT ATTACHED?

YES

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: Chris Moore

Director of Corporate Services

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

Council Fund

Overall, the Authority is forecasting an underspend of £399k at this point in time. The final out-turn position will be influenced by COVID19 related expenditure, income loss and respective claims from WG through the remainder of the financial year.

HRA

The HRA is predicting to be underspent by £1,159k for 2021/22.

CONSULTATIONS

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

Signed: Chris Moore

Director of Corporate 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

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED
NO

Include any observations here

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
2021/22 Budget		Corporate Services Department, County Hall, Carmarthen