

Y CABINET
25^{AIN} GORFFENNAF 2022

Adroddiad Monitro Cyllideb Refeniw y Cyngor

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Sicrhau bod y Cabinet yn derbyn yr adroddiad Monitro Cyllideb am 2021/22.

Y Rhesymau:

I ddatgan i'r Cabinet sefyllfa y gyllideb ar ddiwedd y flwyddyn 2021/22.

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. Alun Lenny

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw Cyfarwyddwr y
Gwasanaeth:
Chris Moore

Awdur yr Adroddiad:
Randal Hemingway

Swyddi:

Cyfarwyddwr y
Gwasanaethau Corfforaethol

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EXECUTIVE SUMMARY

Cabinet

25th July 2022

The revenue budget monitoring reports for the end of financial year 2021/22 are attached:

COUNCIL FUND REVENUE ACCOUNT (Appendix A)

The final outturn figures indicate an underspend for the year at departmental level of £5,345k (including the effect of overbudgeted pay award for April 2021). After taking account of capital charges and the movement in Earmarked and Departmental reserves the net position for the Authority is a £1,433k underspend.

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
- a number of additional grant funding streams being received from WG during – and particularly towards the end – of the financial year
- staffing shortages in some areas of council services, leading to an underspend situation which may be undesirable
- some services paused or impacted by lockdown measures and social distancing to differing levels during the financial year, leading to a reduction in expenditure
- Utilisation of some capital financing underspends, due to some significant pressure points on in-year capital project budgets, which was approved as part of a separate report.

Chief Executive's Department

The Chief Executive Department has underspent by £850k for the year. There are net underspends on Commercial properties, Industrial Premises, Member pay and travelling, and staffing savings from vacant posts across the department, offset by overspends as a result of a reduction in income from livestock markets and provision markets.

Operational budgets

The Chief Executive's section has an underspend of £172k, primarily due to vacant posts and an underspend on supplies and services.

There is a £77k net underspend in the People Management section. This consists of £41k in relation to a reduction in supplies and services costs, along with a £41k underspend due to fewer DBS checks being undertaken than budgeted for, along with an underspend within the Social Care Workforce Development Programme of £102k due to courses not going ahead late in the year. These underspends are offset by a £20k overspend in Employee Wellbeing, due to a shortfall in external SLA income and an unachieved training efficiency within Organisational Development of £53k, and a £28k overspend on payroll due to costs associated with migrating the payroll system to the cloud. There is also a £6k net overspend on various salary related costs along with other small overspends.

The ICT & Corporate Policy section are reporting a £45k underspend largely due to part year vacant posts within the division, pending a team review which has now been completed. Admin and Law are showing an underspend of £195k. Members pay and travelling are underspent by £119k, and there is an additional £27k of income for work undertaken on behalf of the HRA. There is also additional income for DSU from external work of £28k along with a £49k saving on staff vacancies. This is offset by a small net overspend on supplies and services largely due to work undertaken to prepare for hybrid meetings.

The Marketing and Media section have a £235k net underspend, made up of an overspend of £189k 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. There is also an underspend on Marketing & Tourism Development following receipt of grant money from WG to boost the visitor economy.

Statutory Services are reporting an underspend of £199k. This is made up of a saving on vacant posts of £45k pending a team review which has now been completed, along with a £119k underspend on Registrars largely due to income generated above the budgeted figure. Coroners are underspent by £8k as a result of the appointment of medical examiners by the NHS, resulting in less cases being referred to the coroner. Registration of Electors received a one off contribution towards canvassing costs from the electoral commission resulting in a £27k underspend for the year.

The Regeneration division is reporting a £73k overspend for the year. This is made up of an overspend of £265k due to a loss of income on Livestock markets, provision markets and farms, largely due to an overall reduction in occupancy levels, along with a rent free period at Carmarthen Mart.

This is offset by high levels of income due to continued high occupancy rates within industrial units, despite the pandemic of £90k. Commercial Properties are anticipating a £59k underspend in the current year despite a general loss of income across the portfolio as re-letting becomes more difficult - this is due to a significant one-off benefit of a retrospective rent review for one property in line with the lease terms. There is also an additional saving of £26k on staffing costs due to vacant posts, a £25k saving on City Deal costs along with other small overspends.

Department for Communities

The Department for Communities is underspent by £1,963k for the year. There are significant variances in social care services though these are largely resulting from reduced costs where service provision is reduced due to COVID19 restrictions, additional one off grant funding provided during the year combined with ongoing staff vacancies where it has been difficult to recruit. 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 £1,341k. There are significant underspends in 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. Where there have been offsetting additional costs, these have been largely covered by the Hardship scheme.

Physical Disabilities services are underspent by £161k. 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 underspend of £51k. Budgetary pressure remains on Residential and Group Homes / Supported Living as the savings target are difficult to deliver due to COVID19 restrictions. Also, an increased demand for Direct Payments and a lack of availability of alternative provision due to COVID restrictions has added further pressure. These pressures have been offset with savings due to the reduction of Day Services and Community Support.

The overspend in Mental Health of £291k is due to increased demand with the main budget pressure in Residential Beds and Group Homes / Supported Living.

Support Services are underspent by £1,000k largely due to additional income in respect of departmental Covid response.

The final position for the Leisure & Culture Services Division was a on target. There continued to be a material reduction in income across a number of Services during the year due to the ongoing restrictions, however the recovery of lost income was claimed from the Welsh Government until the 31st March 2022.

Council Funded Housing and Public Protection Services is reporting a £301k overspend primarily on the underachievement of income in Trading Standards due to delays in the courts system (£158k) and additional cost of temporary accommodation (£133k).

Corporate Services

The Corporate Services Department is reporting a £1,164k underspend for the year.

There is a £364k underspend on pre LGR pension costs along with a £143k underspend on Rates Relief due to low take up of the scheme. Budget reductions have been incorporated into future years in the MTFP.

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 and audit fees.

These underspends are offset by an overspend of £223k 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's increased expectations in terms of Council's tax raising

abilities. Rent Allowances are overspent by £112k. This service is demand led and is subject to fluctuation year on year.

Department for Education and Children

The Department for Education and Children had an underspend of £858k for the year.

This is largely a result of further WG grant funding across many service areas, some services were still providing limited provision due to covid restrictions and delays in recruitment.

A number of services faced increasing demand with in-year underspends in other service areas, mainly from staff vacancies, and additional grant funding financially supporting the identified pressures – special education needs £200k, Primary school free breakfast provision 120k, commissioning & social work including legal costs £216k and fostering services £136k are the most significant pressures.

Schools Delegated Budgets

Schools working budgets returned a net surplus position in year of £7.9m, largely driven by one-off WG grants received in year. Some of the forecasted surplus staffing costs due to redundancies not progressing were reduced by schools utilising the Accelerated Learning Programme grant for these teachers (on a temporary basis).

This results in a net surplus on school reserves of £15.2m having brought forward a £7.3m net surplus as at April 2021.

The additional funding received in year was directed towards meeting learning recovery costs. As such it is one-off, temporary in nature and will not resolve pre-existing issues which need to be addressed either in individual schools' budgets or whole system rationalisation.

Members should note that budgets do not include any significant additional COVID19 safety measures incurred for the safe reopening of schools – such costs have been recorded centrally within departmental budgets.

Environment

The Environment department is reporting an underspend of £510k for the financial year, largely due to increased income from internal recharges reflecting work completed during the year by the Property division.

The Business Support division is £112k underspent, the majority of which is due to vacant posts during the year, most of which have now been filled.

The Waste and Environmental Services division is reporting a £165k overspend, mainly due to the additional treatment costs of £726k for the waste service due to alternative processing arrangements as a result of the loss of the materials recycling facility at Nantycaws. This pressure is netted off by a £129k surplus on Green Waste collections due to an increased customer base, a £305k saving on the Grounds Maintenance Service due to a reduced contractor spend and vacancies during the year, a £50k saving in the Waste & Environmental Services Unit, a £28k underspend on the Cleansing service awaiting a service review, and a £48k underspend on Public Conveniences due to a change in legislation for standalone public conveniences, which are now eligible for a 100% business rates relief. Further savings include £24k in Environment Enforcement due to vacancies and £16k in Emergency Planning. These savings also offset the underachievement of income against budget on the Sustainable

Drainage Approval service which is £46k overspent.

Highways and Transportation are reporting a £217k overspend for the year. The main variance is the £457k overspend on school transport due to additional operating days plus supply chain tender prices are increasing. There is a £16k pressure on departmental pooled vehicles due to underutilisation during the pandemic. This pressure is offset by a £138k underspend in Road safety as a result of a vacant post, a reduction in an employee's contracted working hours and also Project Management fees recovered from grants, £97k net increase in income within Traffic management as a result of an increase in Traffic Regulation orders, and a £23k saving from vacant posts within school crossing patrols due to recruitment difficulties in attracting applicants.

The Property Division is reporting a £451k underspend, mainly due to increased income from Property Maintenance reflecting additional work completed during the year including significant unexpected projects.

The Place and Sustainability Division is showing a £328k underspend, largely due to vacant posts within the team during the year, which included the Head of Service post that has now been filled and savings on consultants' fees due to a covid-related delay in the LDP process.

HOUSING REVENUE ACCOUNT (Appendix B)

The HRA is reporting an underspend of £8,907k for 2021/22.

Repairs and Maintenance is forecast to be overspent by £60k. Underspends on Minor Works £1,311k due to capacity and procurement issues and an overspend on Voids/Responsive/Other £1,371k mainly due to costs associated with catch up on repairs delayed by COVID19.

Supervision & Management and Support is projecting an underspend of -£167k mainly due to staff vacancies and pay settlement -£553k, transport costs -£35k due to reduced visits, reduced recharges linked to vacant posts -£243k, offset by additional premises/supplies/other £522k (primarily insurance related) and additional legal costs £142k.

Provision for bad debt not utilised due to limited write-offs and age of existing debt reduces requirement -£543k

Capital financing charges will be -£642k less than budgeted due to reduced borrowing in 2020/21 reducing the MRP requirement as result of 2020/21 end of year position, forecast reduced spend on 2021/22 capital programme and additional grants secured in 2021/22.

The impact of additional grant funding provided during the year will result in no borrowing in year and a reduction in the revenue contribution required by -£7.709m to fund our capital programme.

Income (inclusive of rents) will be below target by approximately £105k. This is made up predominantly of less than budgeted rental/service charge income of £139k, less insurance received £179k and small variation in interest receivable £4k. We will receive more grant than anticipated of -£118k primarily from Welsh Government and other income such as Dwr Cymru - £100k.

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: **Chris Moore**

Director of Corporate Services

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

3. Finance

Council Fund

The final outturn figures indicate an underspend for the year at departmental level of £5,345k. After taking account of the underspend on capital charges and the movement in Earmarked and Departmental reserves, the net position for the Authority is an underspend of £1,433k

HRA

The HRA is reporting an underspend of £8,907k 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