

**CYFARFOD Y CABINET**  
**16eg HYDREF 2023**

**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 ar feysydd cyllidebol penodol, dylai'r Prif Swyddogion a Phenaethiaid y Gwasanaethau adolygu'n feirniadol yr opsiynau sydd ar gael iddynt i fynd i'r afael â'r effaith barhaus.

**Y Rhesymau:**

I ddarparu'r newyddion i'r Cabinet ynglyn a sefyllfa diweddaraf cyllideb 2023/24, ar 30<sup>ain</sup> Mehefin 2023.

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 (Adnoddau)

Y Gyfarwyddiaeth:  
Gwasanaethau Corfforaethol

Enw Cyfarwyddwr y  
Gwasanaeth:  
Chris Moore

Awdur yr Adroddiad:  
Randal Hemingway

Swyddi:

Cyfarwyddwr y  
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# EXECUTIVE SUMMARY

## Cabinet

16<sup>th</sup> October 2023

The revenue budget monitoring reports as at 30<sup>th</sup> June 2023 are attached and indicate that:

### **COUNCIL FUND REVENUE ACCOUNT (Appendix A)**

Overall, the monitoring report forecasts an overspend for the year at departmental level of £7,399k, with a forecast overspend on the Authority's net revenue budget of £4,504k.

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

- ongoing inflationary pressures across a range of service areas
- persistent overspends in service areas where budget reductions have been implemented, but challenges in delivery have made it impossible to keep pace with the level of savings required
- Significant overspends in Childrens Services driven by increased levels of demand combined with complexity, not seen before the pandemic, which has required both a higher number and increased cost of placements

These are partially offset by capital financing underspends due to scheme delays, a reduced need to borrow and increased interest earned on positive cash balances.

The April NJC pay award remains unsettled. As part of the 2023/24 budget setting process the Authority has agreed a £1.5m in year contingency budget which is currently held centrally which provides a partial offset to any costs above the 5% allowed for in the budget.

The full year forecast reflects the impact which includes known financial positions at the point of preparation. As such the forecast does not contain the full impact of any additional in-year and grant adjustments. In line with our existing policies, forecast departmental overspends are met out of departmental reserves, where available.

### Chief Executive's Department

The Chief Executive Department is anticipating an overspend of £43k for the year. There are overspends on Coroners costs, Land Charges income and some efficiencies within People Management that have yet to be achieved. This is offset by net underspends on Member pay and travelling, Industrial Premises income and staffing savings from vacant posts across the department.

### **Operational budgets**

The Chief Executive's section has an anticipated underspend of £123k, primarily due to staff savings due to vacancies and maternity leave in the section.

There is an £363k overspend expected in the People Management section. This consists of a £166k overspend in People Services HR on agency staff costs to deal with the backlog in recruitment, along with unachieved current and prior year efficiencies, an overspend of £84k in payroll, due to current and past year efficiencies not yet being met. There is an overspend of £94k within the TIC team due to additional support for office downsizing with funding yet to be confirmed (£59k) and a £35k income efficiency target not currently being met. There is an overspend of £34k in Organisational Development due to a prior year efficiency not currently being met. Business and Projects support is overspent by £10k due to an unachieved efficiency which is being partially offset by a saving on supplies and services. This is offset by an underspend on DBS (£25k), due to fewer checks being undertaken than budgeted for.

The ICT & Corporate Policy section are anticipating a £53k underspend, largely due to part year vacant posts within the division. These have now been filled or are due to be filled imminently.

Admin and Law are showing an underspend of £49k. Members pay and travelling are underspent by £69k, and there is an additional £11k of income for work undertaken on behalf of the HRA. Central Mailing is also underspent by £23k due to a saving on franking machine leasing costs. Legal Services is underspent by £17k overall despite being overspent on software and licences and external legal fees as a result of staff vacancies within the section offsetting that overspend. Democratic Services support is also expecting to be underspent by £17k as a result of a saving on supplies and services, some additional income and a short term staff vacancy. There are also other a £12k underspend on Civic Ceremonial as a result of savings on expenses costs along with a reduction in vehicle hire costs. This is offset by an overspend on Land Charges of £100k due to a reduction in income, following a fall in demand for the service.

The Marketing and Media section are anticipating a £149k net underspend for the year, mainly due to staff vacancies during the year of £243k. This is offset by an overspend on software and licences costs within the contact centre of £59k and a reduction in income from achieved from renting out office space at Llanelli Hwb, due to a fall in demand of £35k.

Statutory Services are predicting an overspend of £49k. This is due to a £102k estimated overspend within Coroners. This is as a result of a significant increase in the number of cases being referred to the coroner along with a large increase in charges for toxicology and histology reports, post mortems, undertakers fees and mortuary costs. This is offset by a saving of £54k for a vacant post within Elections which is unlikely to be filled in this financial year.

The Regeneration division is anticipating an overspend of £6k for the year. There is an overspend of £22k on Provision Markets due to a shortfall in income due to low occupancy levels, an overspend of £38k on Regeneration Management due to cessation of staff time being able to be recharged to projects, a £27k overspend on Livestock Markets due to a shortfall in income being generated at Carmarthen and Newcastle Emlyn marts along with a net £12k overspend in property which relates to a £70k shortfall in external income which is being offset by 3 vacant posts in 23-24. These are all offset by an underspend on Industrial Premises of £68k and Commercial Properties £19k both as a result of high occupancy along with other small underspends within the division.

### Communities

The Communities Department is projecting an overspend of £2,193k for the year.

There are significant variances as the department continues to recover and respond to the post-pandemic phase.

Leisure and Culture are currently forecasting an overspend of £158k due in the main to a projected shortfall of income to budget. The Division are working to mitigate this amount by year end.

The forecast out-turn for Social Care services is an overspend of £1,957k. Underspends are largely due to difficulty in the recruitment of staff. Several initiatives have been launched to address this albeit success in recruitment to meet assessed need is likely to worsen the financial position. Overspends are due to increased demand for services e.g. LA/Private Homes and in areas where budget savings proposals remain difficult to deliver as Social Work 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 are forecasting an overspend of £602k. Overspends are due to the utilisation of alternative methods of meeting increased demands in LA/Private Homes (E.g. Agency staff) (£712k); increased volume of care packages due to increased demand and numbers on Home Care waiting lists reducing (£981k) and pressures relating to the increased demand for Direct Payments (£201k). These are offset by on-going staff vacancies (£-1,123k)

Physical Disabilities services are forecasting an underspend of £185k. Demand for residential placements (£-117k) and supported living placements (£-177k) remains lower than pre-pandemic levels. These are offset by financial pressures relating to an increased demand for Direct Payments in previous years as an alternative to other service provisions remains (£180k).

In Learning Disability services, there is an overspend of £848k. Budgetary pressure remains on Residential (£507k) and Group Homes / Supported Living (£781k). These pressures have been partially offset with savings due to the reduction of Day Services and Community Support (£-552k).

The overspend in Mental Health of £638k. Budgetary pressure remains on Residential (£393k) and Group Homes / Supported Living (£525k). These are partly offset by on-going staff recruitment difficulties (£-140k).

Support Services is forecasting an overspend of £53k.

Council Funded Housing and Public Protection Services are reporting a £78k overspend. Income receivable through the court system relating to the work of our financial investigation team is reduced/delayed £55k and general reduction in income due to reduced activity post covid £133k. is partially offset by additional income and reduced spend on supplies and services (£110k).

There continues to be additional pressures on homeless/temporary accommodation services circa £160k which will probably be mitigated by additional targeted grant income. This will become clearer during the financial year.

#### Corporate Services

The Corporate Services Department is anticipating a £776k underspend for the year.

There is a £425k underspend on pre LGR pension costs along with a £140k underspend on Council Tax Reduction Scheme, and a £95k underspend on Rates Relief due to lower than budgeted take up of both schemes.

There are also underspends on salaries due to vacancies across the department.

This is offset by an overspend in Revenues, primarily due to an increase in bank charges as a result of a rise in card payments, and also an overspend in Local Taxation due to an increase in postage costs in recent years.

#### Department for Education and Children

The Department for Education and Children is forecasting a net overspend of £4,949k at year end. The Director budget currently holds £800k growth budget to be allocated to specific service pressures once pressures are reviewed in terms of longevity.

The Education Services division is reporting a net underspend of £136k. An overspend due to increased Out of County provision £200k is partially offset by £158k of vacant posts currently being recruited to. Within Education Other Than at School, mainly the PRU settings, an overspend of £113k is due to additional staffing costs for the increased demand and more complex nature of behaviour issues since Covid. Early years provision for 3 year olds in non-maintained settings is reporting an underspend of £308k as a WG grant funds what would have otherwise utilised core budget.

The Access to Education division is reporting a net overspend of £672k mainly within the Schools Meals service of £448k for lunch provision and £233k primary breakfast provisions. Workforce pressures, pay award impact and increased food costs contribute to the challenges of providing the service within the meal price across all schools, ranging from providing 15 to 600 meals per site. Ongoing costs of closed school premises forecasts a £65k overspend. This is reduced by a £75k underspend on the School Admissions budget as a result of part year vacant posts recently recruited to.

Strategy and Learner Support division report a net underspend of £40k due to part year vacant posts which will contribute to funding pressures across other areas of the department.

Children's Services division forecast a net overspend of £5,305k with pressures across a number of areas. Commissioning and Social Work £985k overspend is a mix of increased

agency cover costs £607k, legal related costs (combination of number of cases and support for families in complex cases) £306k and increased demand for assistance for clients £188k, partially offset by grant income.

The Out of County budget is sufficient to cover the expected level of provision but there are currently highly complex placements creating an overspend of £1,907k.

£445k of the fostering & other looked after services overspend of £894k relates to specialist support packages for 2 children with the remaining £440k funding an increased number of foster placements and additional payments in excess of the existing budget.

Residential units £499k overspend is due to ongoing challenges around LHB contribution, and staffing pressures generating significant agency expenditure. The new setting additional costs of £400k are forecasted to be grant funded for this year.

Short breaks and direct payments have all seen an increase in demand generating an overspend of £982k.

These pressures are partially offset by £150k of maximisation of grant income and part year vacant posts in other service areas.

### Schools Delegated Budgets

Schools working budgets are forecasting a net overspend in year of £8.7m, with a mix of supporting their formula funding to enable appropriate provision, continued covid recovery/catch up and some schools utilising their balances for additional maintenance or initiatives that they would not otherwise have had resources to fund.

This level of utilisation of school reserves will reduce the brought forward balance of £11.1m net surplus to £2.4m by year end.

### Place and Infrastructure

The Place & Infrastructure Department is forecasting an overspend of £990k for the financial year.

The Waste and Environmental Services division is forecasting an overspend of £252k which is mainly due to a £550k pressure from the delivery of the interim phase of the waste strategy having increased costs as a result of contingency measures put in place. This pressure is offset by a £112k underspend due to an interim staffing complement and temporary recruitment freeze to ensure a comprehensive review of staffing / management structure is based on the amalgamation of service, £78k underspend on Green Waste Collection as a result of increased customer base, staff vacancies in Environmental Enforcement where future needs are being assessed and more grounds maintenance works being kept in-house therefore less sub-contractor costs.

Highways and Transportation are forecasting a £857k overspend for the year. The two main variances are the loss of income on Parking Services of £380k and a £664k overspend on School Transport. The School Transport overspend is due to increased transport costs for operators which subsequently escalate the tendered contract prices for the statutory provision of home to school transport. Transport operators are continuing to experience driver shortages, global supply chain shortages for vehicles and parts and a period of very high fuel prices which make for a challenging operating environment.

The Property Division is estimating a £89k underspend for the year mainly due to the £136k underspend on the vacant Property division Head of Service post. This saving is offset by a

£48k overspend on Property Design due to 11 vacant posts which includes 3 trainees and graduates therefore not generating income to cover indirect costs

The Place and Sustainability Division is forecasting a £34k underspend, largely due to vacant posts within the team also planning application income which may vary as the year progresses.

## **HOUSING REVENUE ACCOUNT (Appendix B)**

The HRA is predicting to be underspent by £94k for 2023/24. This will be reviewed as the significant issues identified become clearer from a financial perspective.

Variances in Repairs and Maintenance (R&M) costs (-£86k) reflect the managers current position that they will operate near the existing allocated resources. However, given current inflation and the impact on construction industry capacity post-Covid and post-Brexit including significantly increasing pay, energy, fuel, and construction materials costs, there will continue to be upwards pressure on contractor rates and reduced availability as we progress through 2023/24. This pressure of contractor rates could be as high as 10% or £1m+ on the R&M budget, future budget monitoring will show this developing scenario linked to industry capacity.

Supervision and management cost will be on target some components have variances as detailed on the report.

There is a small variance in additional income of -£8k

Lists of the main variances are attached to this report.

<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>
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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 <b>NONE</b>	Legal <b>NONE</b>	Finance <b>YES</b>	ICT <b>NONE</b>	Risk Management Issues <b>NONE</b>	Staffing Implications <b>NONE</b>	Physical Assets <b>NONE</b>
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### 3. Finance

#### Council Fund

Overall, the Authority is forecasting an overspend of £4,504k at this point in time. The final out-turn position will be significantly influenced by the level of pay awards agreed, and the extent of any additional funding forthcoming to meet this unforeseen and exceptional pressure.

#### HRA

The HRA is predicting to be underspent by £94k for 2023/24.

# 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 request for pre-determination**

Not applicable

If yes include the following information: -

**Scrutiny Committee**

**Date the report was considered:**

**Scrutiny Committee Outcome/Recommendations:**

**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
2023/24 Budget		Corporate Services Department, County Hall, Carmarthen