

EXECUTIVE BOARD
29th JULY 2019

Council's Revenue Budget Monitoring Report

Recommendations / key decisions required:

That the Board receives the Budget Monitoring report.

Reasons:

To provide the Executive Board with an end of year financial position in respect of 2018/2019.

Relevant scrutiny committee to be consulted: NA

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr. David Jenkins

Directorate: Corporate
Services

Name of Director:
Chris Moore

Report Author:
Randal Hemingway

Designations:

Director of Corporate Services

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EXECUTIVE SUMMARY

EXECUTIVE BOARD

29TH JULY 2019

The year end financial position for the financial year 2018/2019 is attached :

COUNCIL FUND REVENUE ACCOUNT(Appendix A)

The final outturn figures indicate an overspend for the year at departmental level of £1,337k however, after taking account of the underspend on capital charges and the movement in Earmarked and Departmental reserves the net position for the Authority is a £593k underspend.

Chief Executive's Department

The Chief Executive Department was underspent by £24k for the year. This was made up of a £327k overspend relating to Corporate Savings, and a £351k underspend on operational budgets.

Corporate Savings (£327k): Delivery of efficiency proposals in relation to Health & Safety have not been realised during the year.

Operational budgets (£351k underspent):

ICT services were £33k underspent due to staff vacancies during the year.

Admin and Law were underspent by £221k, this includes a £122k underspend due to staff vacancies, a reduction in Members allowances, NI, and printing costs of £90k.

There was a £182k underspend in the Regeneration and Policy section. This is made up of a net £279k underspend on salaries due to vacant posts and realignments that are in progress, as well as a reduction in CCTV costs following transfer of responsibility back to the police of £24k. There is also a reduction in community safety projects of £16k whilst a new partnership structure is established. This is offset by an overspend of £69k due to the additional costs associated with the move to Parc y Rhun, £22k on the running costs of the Ammanford Hwb and £39k due to increased costs associated with running various tourism events.

Chief Executive's section was underspent by £15k due to savings on supplies and services

Electoral Services was underspent by £46k mainly due to a member of staff being on maternity leave along with an additional grant received from the Electoral Commission.

The Wellness project was overspent by £137k due to additional legal costs associated with the project review.

Property, Regeneration and People Management broke even for the year.

Department for Communities

The Department for Communities have returned an overspend of £549k for the year.

Services supporting Older People and Physical Disabilities reported an overspend of £319k: £608k relating to packages of care (£423k on residential care, £310k on Domiciliary Care and -£125k on Direct Payments); staffing and miscellaneous running expenses are underspent by £289k.

Services supporting Learning Disabilities, Mental Health and Safeguarding and Support Services returned an overspend of £497k: £132k for Residential, Group Homes and Supported Living placements, £418k on Direct Payments partially offset by a underspend of £53k on miscellaneous expenditure.

Leisure Services reported an overspend of £115k for the year. Expenditure supporting the Tour of Britain cycle race amounted to £35k, whilst the late delivery of the Spin Studio and Play Centre at Carmarthen Leisure Centre resulted in an income shortfall of £94k. This was offset in part by in year staff vacancies across the Division.

Housing & Public Protection Services reported an underspend of £382k by controlling spend and maximising contributions from grants across all service areas.

Corporate Services

The Corporate Services Department was underspent by £185k for the year.

This was due to £85k of vacant posts, a £65k underspend on Council Tax reduction scheme due to low take up, as well as a £30k underspend on Rent Allowances due to the efficient recovery of overpayments. There was also a £70k underspend on grant audit fees and £24k of various small underspends across a variety of areas.

This is offset by one off software and data cleansing costs in risk management of £12k and a £16k under recovery of income on grant funded posts. There was also an additional cost of £63k relating to cost of asset sales.

Department for Education and Children

The Department for Education and Children ended the year with an overspend of £747k.

The main adverse budget variations relate to: increased demand for Special Educational Needs provision £417k within County; school based EVR and redundancy costs £253k; Education Other Than At School £120k; School Modernisation property decommissioning costs £81k; School Meals service sickness cover and kitchens' maintenance £83k ; Music Service running costs (mainly staff) exceeding the SLA income from schools by £155.

These are partially offset by staff vacancies and the utilisation of additional grants to support core spend -£299k.

Environment

The department reported an overspend of £251k for the financial year which was met from departmental reserves. The continuing pressures with Planning application fees and car parking income are largely responsible for this overspend as reported during this financial year as well as the previous financial year.

The Waste and Environmental Services division reported a £369k overspend. The Trade Waste transfer is not yet fully completed as CCC's operational requirements remained until April 2019 – this has resulted in a £89k overspend. In addition, Clinical waste is showing a £42k overspend as a result of the service transfer postponement, due to complexity of ensuring appropriate service for all users and Residual waste treatment reported an £87k overspend due to the limited availability and restricted capacity of outlets for the treatment of residual waste thereby resulting in an increased cost of disposal. There is a £45k overspend on green waste collection, as it is not yet self-financing. We did not anticipate breaking even this financial year, as per the original business plan, but we are on track with growing the service as anticipated, with a view to being break even in future years. The cleansing service is overspent by £54k. Service reviews have commenced to look at ways to reduce costs within the service.

The Highways and Transportation division's underspend was £90k for the year. The £387k shortfall in car park income as a result of parking fees not increasing in line with increasing income targets was offset by numerous underspends in other sections, eg. £70k increased income on Highways Adoptions, a £74k underspend in Traffic Management due to increased income and a vacant post, a £60k underspend in Civil design as a result of increased income recovery and £34k of core transport planning staff were also recharged to grant schemes during the year.

The outturn for the Planning Division is a £175k overspend for the year. There is a £300k shortfall in development management income, but this overspend is partially offset by vacant posts within the division.

The Property division is reporting a £172k underspend for the year. This is due to a £132k underspend in the Strategic Asset Management Business Unit due to vacant posts and the award of an asset collaboration grant; £158k underspend on livestock markets due to the release of bad debt provisions for Nantyci and Llandeilo livestock markets; £115k additional Industrial Units income due to high occupancy levels; £100k saving on the Carbon reduction programme due to energy efficiency initiatives and £51k increase in income generated from solar PV feed-in-tariffs.. The underspends have been offset by a £466k overspend in the property maintenance operational function which is as a result of under-recovery of the surplus target.

The Business Support Division was £31k underspent due to a few short term vacant posts during the year.

HOUSING REVENUE ACCOUNT (Appendix B)

The HRA is underspent by £43k for 2018/19.

Repairs and Maintenance is overspent by £405k mainly due to additional expenditure on minor works and servicing. Supervision and Management costs are overspent by £247k due to additional services being provided by building services, £240k and premises related expenditure £116k (mainly rents £70k and cleaning charges £46k) & supplies and services of £112k offset by savings on staffing costs of £219k and £2k on staff travelling.

Capital financing charges were £105k less than budgeted due to a slight reduction in interest rates.

There was a reduction in the provision required for debt write-offs, based on arrears levels and age debt analysis to year end of £141k. The removal of the HRA borrowing cap allowed us to review our funding of the capital programme and reduce our revenue contribution to this programme by £618k.

Rental income/service charges were £490k lower due to underachievement of rental income – void loss was forecast as 2.87% compared to a budget of 2.1%. The increased void loss is the result of a greater number of voids than predicted and increased time to turnaround revenue voids as a result of the increased number of major voids.

Income for commission from the collection of water rates was also reduced by £97k due to implementation of new scheme which benefits eligible tenants. Settlement of insurance claims -£147k, additional interest -£49k and net grant receivable/other income -£220k will result in £319k additional receipts.

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

1. Finance

Council Fund

The final outturn figures indicate an underspend for the year at departmental level of £1,337k however, 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 £593k

HRA

The HRA is forecasting that it will be £43k under budget for 2018-2019.

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

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
2018/19 Budget		Corporate Services Department, County Hall, Carmarthen