

# EXECUTIVE BOARD

18<sup>TH</sup> NOVEMBER 2019

## COUNCIL'S REVENUE BUDGET MONITORING REPORT

### Recommendations / key decisions required:

That the Executive Board receives the Budget Monitoring report and considers the budgetary position and appropriate corrective action.

In light of the current forecast of a potential significant overspend at departmental level, Chief Officers and Heads of Service continue to critically review their budgetary positions and implement appropriate mitigating actions to deliver their services within their allocated budgets as a matter of urgency.

### Reasons:

To provide the Executive Board with an update on the latest budgetary position as at 31<sup>st</sup> August 2019, in respect of 2019/2020.

Relevant scrutiny committee to be consulted: NA

Exec Board Decision Required YES

Council Decision Required NO

**EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-** Cllr. David Jenkins (Resources)

Directorate: Corporate Services

Name of Director:  
Chris Moore

Report Author:  
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Designations:

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# EXECUTIVE SUMMARY

## EXECUTIVE BOARD

18<sup>TH</sup> NOVEMBER 2019

The revenue budget monitoring reports for the period to 31st August 2019 are attached and indicate that:

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

Overall, the monitoring report forecasts an end of year overspend of £3,831k on the Authority's net revenue budget with an overspend at departmental level of £5,560k. The most significant pressure points are within Education and Children's Services and the department needs to critically examine the current forecasted position.

#### Chief Executive's Department

The Chief Executive Department is anticipating an overspend of £288k for the year. This is made up of a £339k overspend relating to non-delivery of Corporate Savings and a £51k net underspend on operational budgets.

Corporate Savings: £290k Non-delivery of the efficiency proposal in relation to Health & Safety and a £49k shortfall in Standby efficiency delivery.

Operational budgets (£51k overspend):

Chief Executive's section are anticipating an underspend of £10k due to a temporary part year vacant post within the business support unit.

There is an anticipated £12k overspend in People Management. This is predominantly due to a £33k overspend within the Employee Well Being section as a result of an efficiency proposal not yet achieved in 2019-20. (£38k income generation from Pembs for the OH service) This is offset by a saving on supplies and services within Business and Projects support of £16k and other very small underspends.

ICT & Corporate Policy are anticipating a £145k underspend due to part year vacant posts within Policy and Welsh Language pending a review of those sections.

Admin and Law are anticipating an overspend of £44k, this includes an £18k overspend on Land Charges due to a decline in demand for searches, and a £36k overspend in Legal services as a result of an additional responsibility allowance and a regrading not being budgeted for.

The Marketing and Media section are anticipating a £30k net overspend. This is largely due to an overspend of £118k within Marketing and Media on salary costs pending a staffing review within the whole division. There has also been a loss of income streams from external partners (ERW). Potential alternative income streams are currently being sought. This is offset by an underspend on staffing costs in the Customer Services centres of £31k, and a £57k underspend within the Translation unit, both due to vacant posts. These will all form part of the divisional staffing review due to be completed during this financial year.

Electoral Services is anticipating a £158k underspend for this financial year. This is due to £95k of additional income within Registrars following a statutory increase in fees, a £40k underspend in Electoral Services due to a vacant post and a £24k underspend on Coroners fees which fluctuates according to demand for the service.

The Regeneration division is anticipating a £175k overspend for the year. This is largely due to £90k of costs associated with meeting the Authority's objective to reduce carbon emissions in the forthcoming years; a £50k overspend on admin buildings due to a proposed rental income efficiency of £50k for Ty'r Nant no longer achievable as the building is in the process of being sold; a £157k overspend at Nantyci Livestock market due to an anticipated shortfall in rental income and a £49k overspend on Provision Markets due to essential work at both sites. This is offset by £79k underspend on commercial properties and an £57k underspend in Industrial Premises due to high occupancy levels. There is also an anticipated £33k underspend on Regeneration Management due to staff time being charged to the City Deal project.

### Department for Communities

The Department for Communities is projecting an £811k overspend for the year

Performance data shows increased demographic pressure on demand in line with national information that shows a year on year increase in Older People of 3.4%. Cost of agency staff at residential homes is expected to be £208k overspent due to workforce recruitment issues in parts of the county. There has been a significant increase in demand for domiciliary care that has only been partly offset by a fall in residential care placements, £245k overspend. Integrated Care Fund initiatives such as Releasing Time to Care resulting in lower demand e.g. for double handed care packages are being applied to try to reduce these costs. Private sector homes are also feeling the impact of greater demand predicting £179k overspend.

Physical Disabilities services hold several vacancies (mainly occupational therapists) resulting in £61k savings. Performance data shows pressure on demand for Direct Payments with this client group which will result in an overspend of £147k.

In Learning Disability services there is an overspend in Employment & Training re staffing in Coleshill Day Centre of £30k and slower than anticipated delivery of savings of £106k; staff vacancies across the Division of -£144k, and pressures on packages of care of £47k resulting in the LD net overspend of £39k.

Professional fees relating to increased number of Deprivation of Liberty Standards (DoLS) referrals will result in an overspend of £19k.

Leisure Services are predicting a nil variance.

Housing & Public Protection Services are predicting a £6k underspend.

### Corporate Services

The Corporate Services Department is projecting a £579k underspend for the year.

This is due to £370k of vacant posts, a £160k underspend in pre LGR pension costs, a £17k underspend on grant audit fees and a £9k reduction in our new bank contract costs,. There is also £25k of net additional income from a new S151 support arrangement with M&WWFA.

### Department for Education and Children (excluding Schools Delegated)

The Department for Education and Children is forecasting a net overspend of £1,059k at year end.

The main adverse budget variations relate to: increased demand for Special Educational Needs provision £505k; school based EVR and redundancy costs £121k; Education Other Than At School £172k; School Modernisation property decommissioning costs £62k; One off net balances of closed schools transferring back to the department £59k; School Meals service sickness cover and kitchens' maintenance £77k ; Music Service running costs (mainly staff) exceeding the SLA income from schools by £134k; Dispute with LHB regarding the partnership arrangement for Garreglwyd Residential Unit £80k; Legal costs within Childrens' Services £79k based on year to date demand.

This is partially offset by staff vacancies and the utilisation of additional grants to support core spend -£192k.

### Schools Delegated Budgets

Schools working budgets are predicting a net overspend in year of approximately £3m. The year-end position 2018/19 resulted in a net deficit on school reserves of £373k which is a significant change from the historical situation of holding healthy school reserves within the balance sheet. The position is being considered in detail by the Corporate Management Team in liaison with Portfolio Members, and a further report with corrective actions will be presented at the earliest opportunity.

## Environment

The department is anticipating an overspend of £980k for the financial year, largely due to pressures within Planning, School Transport and Waste Services.

The Waste and Environmental Services division is projecting a £292k overspend. The Trade Waste transfer is not yet fully completed which has resulted in a £29k overspend, in addition, Clinical waste is showing a £43k overspend as a result of the service transfer postponement, due to complexity of ensuring appropriate service for all users. There has also been increased operational costs within refuse collection of £46k; temporary additional resource was required to service the new routes whilst they were being implemented. There is a £56k anticipated overspend on green waste collection, as it is not yet self-financing and a third vehicle has now been introduced to cater for potential additional customers. The cleansing service is overspent by £59k. Service reviews have commenced to look at ways to reduce costs within the service. Sustainable Drainage Approval Body Unit is likely to overspend by £60k for the year due to anticipated income not being likely to materialise based on current income trends. There is also an anticipated overspend of £31k within Urban Parks for the year, the level of works is to be reviewed. This is offset by a £23k underspend on public conveniences.

Highways and Transportation are anticipating a £251k overspend for the year. This is down to a projected £214k overspend on school transport due to increases in the number of pupils with additional learning needs, a number of successful appeals along with increased contractor costs and an increased minimum wage. There is also a £65k anticipated overspend in car parks due to the temporary loss of spaces in St Peters car park. This is offset by a £30k underspend on Sec278 HT agreements following drawdown of commuted sums.

Planning Division is anticipating a £463k overspend for the year. There is a projected £483k shortfall in development management income, but this overspend is partially offset by additional income generated from running training courses at the Tywi centre.

The Business Support Division is expecting to be £43k underspent largely due to a few short term vacant posts during the year.

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

The HRA is predicting to be underspent by £32k for 2019/20. Repairs and Maintenance is likely to be overspent by £62k mainly due to additional responsive repairs; Supervision & Management is projecting an overspend of £17k mainly due to use of agency staff. Capital financing charges will be £212k less than budgeted due to a slight reduction in interest rates.

Income (inclusive of rents) will be underachieved by approximately £101k.

Lists of the main variances are attached to this report.

**Attachments:**

**Appendix A – Councils Budget Monitoring Report 2019/20**  
**Appendix B – Housing Revenue Account (HRA)**

## 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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**1. Finance**

Council Fund

Overall, the Authority is forecasting an overspend of £3,831k.

HRA

The HRA is predicting to be underspent by £32k for 2019/20.

## 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
2019/20 Budget		Corporate Services Department, County Hall, Carmarthen