

REPORT OF THE DIRECTOR OF CORPORATE SERVICES
PRELIMINARY EXECUTIVE BOARD - 22nd February 2016
COUNCIL'S BUDGET MONITORING REPORT 2015/16 as at 31st December 2015

Head of Service & Designation	Author & Designation	Telephone No	Directorate
O Bowen, Interim Head of Financial Services	O Bowen, Interim Head of Financial Services	01267 224886	Corporate Services

Table 1

Forecasted for year to 31 March 2016

Service	Working Budget				Actual				Variance For Year £'000
	Controllable Expenditure £'000	Controllable Income £'000	Net Non Controllable £'000	Total Net £'000	Controllable Expenditure £'000	Controllable Income £'000	Net Non Controllable £'000	Total Net £'000	
Chief Executive	17,543	-5,286	-1,512	10,745	18,420	-6,254	-1,512	10,654	-91
Education & Childrens Services	177,715	-39,311	21,011	159,415	179,265	-39,592	21,011	160,684	1,269
Corporate Services	87,449	-55,305	-9,482	22,662	88,836	-57,242	-9,482	22,112	-550
Communities	126,155	-47,247	12,065	90,973	127,413	-48,120	12,065	91,358	385
Environment Services	117,121	-80,901	9,380	45,600	118,935	-82,602	9,380	45,713	113
Departmental Expenditure	525,983	-228,050	31,462	329,395	532,869	-233,810	31,462	330,521	1,126
Capital Charges/Asset Man. Acc.				-3,535				-5,285	-1,750
Pension Reserve Adjustment				-5,085				-5,085	0
Levies and Contributions:									
Brecon Beacon National Parks				147				147	0
Fire Authority				9,067				9,067	0
Net Expenditure				329,989				329,365	-624
Outcome Agreement Grant				-570				-570	0
Contribution from Balances				-138				-138	0
Transfer from Balances/Earmarked Reserves				-1,060				-1,060	0
Transfers to/from Departmental Reserves									
- Chief Executive				0				45	45
- Education & Children's Services				0				-967	-967
- Corporate Services				0				275	275
- Communities				0				0	0
- Environment				0				-113	-113
Net Budget				328,221				326,837	-1,384

HOUSING REVENUE ACCOUNT

Table 2

Forecasted for year to 31 March 2016

Service	Approved Budget £'000	Actual Expenditure £'000	Variance For Year £'000	Variance Reported Previous Period £'000
Expenditure				
Repairs & Maintenance				
Responsive	1,600	1,550	-50	-2
Minor Works	2,400	2,221	-179	-163
Voids	2,369	2,369	0	100
Servicing	1,550	1,546	-4	-25
Drains & Sewers	230	155	-75	0
Grounds	700	600	-100	0
Unadopted Roads	100	100	0	0
Supervision & Management				
Employee	3,258	3,094	-164	40
Premises	1,323	1,290	-33	-28
Transport	108	64	-44	-48
Supplies	766	687	-79	-23
Recharges	1,044	1,044	0	0
Provision for Bad Debt	652	228	-424	-258
Capital Financing Cost	12,512	12,583	71	168
Central Support Charges	1,609	1,609	0	0
Capital - DRF	9,913	9,446	-467	0
Total Expenditure	40,134	38,586	-1,548	-238
Income				
Rents	-34,625	-35,033	-408	-397
Service Charges	-846	-939	-93	-93
Supporting People	-355	-355	0	0
Mortgage Interest	-3	-3	0	0
Interest on Cash Balances	-66	-75	-9	0
Insurance	0	-22	-22	-30
Other Income	-727	-737	-10	-8
Total Income	-36,622	-37,164	-542	-528
Net Expenditure	3,512	1,422	-2,090	-766

	£'000
BALANCE B/F 1/4/15	10,662
Budgeted movement in year	-3,512
Variance for the year	2,090
BALANCE C/F 31/3/16	9,240

Main Variance Summary

The following are items contributing to the variances identified for each department in the summary above:

	Variance £000
<u>Chief Executives Department</u>	
Chief Executive - Chief Officer - Vacant posts	-29
Corporate Savings Target - Efficiency savings will not be met until 2016-17	441
Corporate Savings Initiative - Saving from energy budget rationalisation	-278
People Management & Performance - Corporate Serv - Translation - Staff levels over and above the budgeted structure to meet demand for the service	48
People Management & Performance - Personnel Management - Part year vacant posts	-56
Admin and Law - Corporate Serv-Democratic - Part year vacant posts - Restructure imminent	-42
Customer Focus and Policy - Carbon Reduction Programme - Projection based on current estimate of likely charge	-22
Customer Focus and Policy - Complaints and Compliments Team - Vacant Post	-24
Customer Focus and Policy - Customer Services Centres - Vacant posts	-73
Customer Focus and Policy - Contact Centre - Vacant posts	-55
Statutory Services - Electoral Services - Staff - Vacant post	-28
Regeneration - West Wales European Centre - Mainly due non-achievement of consultancy income	35
Regeneration - Llanelli Community -Due to the result of recharging 1 member of staff to an externally funded project as a direct cost	-20
Regeneration Business Support Unit - Efficiency saving was identified for 14/15 in relation to premises costs at Nant Y Ci, with the intention of selling the property. The sale is currently on hold so savings have not been realised at this point	45
Regeneration Management - Vacant post	-58
Other	25
Chief Executive - Net Variance	-91
<u>Education & Childrens Services</u>	
Director & Management Team - Utilisation of grant income which ends March 2016 -£70k and a forecasted underspend in supplies and services -£36k	-106
Education Services - School Expenditure not currently delegated - WJEC reviewed and reduced fees for 2015-16 -£39k ,further savings identified due to fewer occasions arising where legal advice was required -£17k and a reduction in supplies and services -£10k. Efficiency saving of -£30k is planned for 2016-17	-66
Education Services - School Redundancy & EVR - Additional cost of School related EVR and redundancies	1,072
Education Services - Governor Support & Admissions - Expenditure relating to the updating of school plans less than estimated	-32
Education Services - Early Years Non-Maintained Provision - Reduction in demand for 10 hours free education for 3 year olds in non maintained settings. This forecasted underspend has reduced significantly (£-96k in the October 2015 report) due to more up to date information being used when calculating the forecasted spend	-22
Education Services - Special Educational Needs - Projected underspend due to fewer out of county placements. The underspend is being managed in conjunction with the current pressures within EOTAS (Education Other Than At School) below, although budget reduction is planned in next year's efficiency savings	-514
Education Services - EOTAS (Education Other Than At School) & Behaviour Services - Projected overspend in the cost of EOTAS. Additional staff employed in PRU(Pupil Referral Unit) in response to a need highlighted by ESTYN for additional capacity to intervene in volatile situations	426
Education Services - Rhydygors Day Centre - Vacant posts within the day centre are being considered within the review of provision	-43
Strategic Development - Information & Improvement - Underspend due to part time secondment not being back filled	-22
Learner Programmes - Music Services for Schools - Forecasted overspend relates to a reduction of SLA income from schools £18k and redundancy costs £52k	70
Learner Programmes - Youth Service - Forecasted overspend relating to staffing £40k, partially offset by a contribution from schools -£20k	20
Learner Programmes - Adult & Community Learning - Forecast overspend due to the cost of course tuition exceeding the franchise income. This situation is being addressed for 2016-17 following a comprehensive review of the service	154
Children's Services - Commissioning and Social Work - In year vacancies across the Social Care Teams. This forecasted underspend has reduced significantly (£-203k in the October 2015 report) due to an under-commitment of salary costs in previous returns	-86
Children's Services - Fostering Services & Support - Overspends forecasted in staffing £85k, the taxi's budget £77k which in previous reports was forecasting an underspend, and a further commitment made to families for extension work to be done on their homes in order to keep children in a home environment £26k. These are offset by a reduction in general supplies and services -£19k	169
Children's Services - Adoption Services - Forecasted underspend relating to adoption allowances as less placements	-24

Children's Services - Residential & Respite Units - Planned additional contribution from the LHB is unlikely to be achieved in 2015-16 £150k netted off with salary savings -£13k	137
Children's Services - Garreglwyd Residential Accommodation - Additional staffing costs £70k offset by additional income recharge to Hywel Dda -£36k	34
Children's Services - Short Breaks and Domiciliary Care -Maximsation of grant income	-58
Children's Services - Childcare - Maximsation of grant income	-20
Children's Services - Other Family Services incl Young Carers and ASD - Additional costs incurred as a result of contract decommissioning	34
Children's Services - Out of Hours Service - Increased number of referrals being handled.	94
Children's Services - Children's Services Management and Support Service (incl Care First) - Part year vacant posts in Policy -£45k, staff travelling & other efficiencies in management team -£33k and an increase in SLA costs for Carefirst £12k	-66
Children's Services - Legal Fees - Additional costs incurred from long standing adoption arrangements and out of county fees.The service is planning a budget reduction as an efficiency saving proposal in 2016-17	108
Other	10
Education and Children's Services - Net Variance	1,269
<u>Corporate Services</u>	
Chief Officer - Part year vacancy	-72
Accountancy - Part year vacancy	-67
Local Taxation - Vacant post and projected underspend on Post Office Giro fees	-42
Housing Benefits Admin - Part year vacant posts	-19
Revenues - Reduction in security costs, reduced staffing costs and increase in Court recovery income	-65
Benefits Fraud - Transfer of staff to DWP in August 2015, but no reduction in DWP grant until 2016/17	-66
Audit - Maternity leave and new staff members at bottom of salary scale in current year	-39
Information Technology - Vacant posts	-95
Corporate Property Division - Vacant posts	-13
Operational Depots - Mid year reduction in electricity budgets	22
Administrative Buildings - Efficiency saving relating to charging Health Board for occupancy not in place	89
Industrial Premises - Reduction in anticipated lettings income	41
Rural Estate - Tenants entitlements reduced & increased rental income	-17
Provision Markets - Additional lettings	-40
Livestock Markets - Repairs and maintenance expenditure at Newcastle Emlyn and Llandovery	29
Council Tax Benefits - Slight downward movement in caseload meaning CTR being paid is 0.8% below the budget of £15.02m	-118
Rent Allowances - Minor fluctuation in Housing Benefits awarded	20
Miscellaneous Services - Reduction in subscriptions -£37k and reduction in past pension benefit claimants	-57
Other	-41
Corporate Services - Net Variance	-550
<u>Communities</u>	
Older People - Commissioning - Staff vacancies	-57
Older People - Private/Vol Homes - Additional placements (partly through early closure of Glanmarlais) and additional cost of increased fees paid to providers £391k	724
Older People - Extra Care - Contract renegotiation.	31
Older People - LA Home Care - Reduced care packages	-304
Older People - Direct Payments - Increase in packages	28
Older People - Private Home Care - Reduction in care packages	-686
Older People - Enablement - Staff vacancies	-271
Older People - Day Services - Efficiency saving slippage from 14/15 and 15/16. Proposal paper to CMT to reduce spend with significant reshape of service	382
Physical Disabilities - Commissioning & OT Services - Staff vacancies	-64
Physical Disabilities - Private/Vol Homes - Reduction in Packages	-70
Physical Disabilities - Group Homes/Supported Living - Increase in Packages	52

Learning Disabilities - Employment & Training - Lower grant income due to change in funding arrangements for Workchoice	65
Learning Disabilities - Commissioning - Staff vacancies	-25
Learning Disabilities - Private/Vol Homes - Slower than anticipated reduction in placements required to meet efficiency savings, work underway to address	419
Learning Disabilities - Direct Payments - Net cost of packages exceeds budgeted costs	157
Learning Disabilities - Group Homes/Supported Living - Additional placements	126
Learning Disabilities - Adult Respite Care - Staff Vacancies	-94
Learning Disabilities - Day Services - Reduction placements	-61
Learning Disabilities - Transition Service - Staff Vacancies	-30
Learning Disabilities - Community Support - Additional packages	24
Learning Disabilities - Grants - Slippage in re-negotiation of contract	79
Learning Disabilities - Adult Placement/Shared Lives - Underspend on travelling, and supplies & services	-27
Learning Disabilities/Mental Health - SSMSS - Vacant posts, and underspend on travelling and supplies & services	-47
Mental Health - Commissioning - Additional staffing costs re out of hours service	25
Mental Health - Private/Vol Homes - Additional packages resulting in an over commitment on a very volatile budget	219
Mental Health - Group Homes/Supported Living - Increase in packages	54
Mental Health - Substance Misuse Team - Underspend on salaries	-43
Director's Office - SSMSS - Adult Safeguarding & Improvement Team - Staff vacancies	-40
Departmental Support - Underspend on salaries, and supplies & services partly offset by overspend on repairs and maintenance	-131
Public Protection - PP Business Support unit - Underspend in salary costs due to vacant posts offset by agency staff costs	-31
Public Protection - Licencing - General savings on expenditure offset by an underachievement of licence fee income.	21
Public Protection - Animal Licence Movement Scheme - Vacant post for the first 7 months of 15/16	-22
Public Protection - Trading Standards Services Management - Underachievement of fee income anticipated.	35
Independent Living and Affordable Homes - General underspends in supplies and services for Supporting People	-32
Supporting People Providers - Underachievement of grant income due to 15/16 grant award being reduced by 14/15 underspend.	31
Home Improvement (Non HRA) - Underachievement of income relating to recoverable fees and costs to be covered by underspends in Homelessness	40
Homelessness -Savings in bond payments and prevention payments that are eligible under the transitional funding grant scheme. Underspend to cover the overspends anticipated in the Home Improvement and Temporary Accommodation cost centre	-43
Non HRA Affordable Housing - Anticipated underachievement of income relating to affordable home fees £13k plus one off legal/professional costs relating to one of the cases £10k	23
Leisure - Millenium Coastal Park - Supplies & Service -£18k along with increased income -£19k	-37
Leisure - Burry Port Harbour - Forecast overspend on dredging contract	19
Leisure - Pembrey Ski Slope - Forecast shortfall in income	32
Leisure - Carmarthen Leisure Centre - Part year staff vacancies -£39k, higher forecast income -£75k, Utilities -£26k	-140
Leisure - Amman Valley Leisure Centre - Part year vacancies	-28
Sport & Leisure - General - Projected overspend due to forecast investment in fitness and linked refurbishments	115
Libraries - Carmarthen Library - Part year vacancies	-28
Libraries - Ammanford Library - Part year vacancies	-39
Libraries - General - Computer related expenditure due to H6 (Heritage 6, rollout of digital format), income collection and RFID (tagging) rollout	67
Libraries - Mobile Library - Vacant Post	-26
Museums - Parc Howard Museum - Maintenance commitment	38
Other	-45
Communities - Net Variance	385

<u>Environment Services</u>	
Policy & Development - Emergency Planning - Severance not delivered £36k, estimated overspend on out of hours service £5k and £3k on other miscellaneous costs	44
Street Scene - Streetscene Core - £78k severances not fully delivered	22
Street Works and Road Adoptions - Unpredictable income from developers more than expected also legal works being undertaken within section	-26
Street Scene - Public Conveniences - PC's - Full savings not yet realised currently in year 2 of 3 year programme	40
Street Scene - Cleansing Service - Due to service demands current year efficiencies cannot be met	72
Street Scene - Waste Services - On going review of waste strategy has produced savings	-54
Transport - Civil Design - Under recovery of income due to vacant Technician post, recruitment is underway	31
Bus Stations/Community Transport/Concessionary Fares Grant - Service adjustments undertaken to manage budget pressures	-57
Car Parks - No commitment included for the £109k increased income target for 20p price increase on all tariffs and the introduction of evening charges - implementation date awaited. Increase in income banked.	-66
Nant y Ci Park & Ride - Members decision to withdraw the service/funding in 12/13 - The modified service is currently being trialled with the LHB to generate additional revenue to cover the shortfall	43
Property Services - Building Maintenance - Unachievable income target not met due to reduction in Carmarthenshire Homes Standard works	212
Property Services - Parks & PC Landlord - Asset transfer not undertaken - budget removed in 11/12 efficiencies	30
Property Services - Pumping Stations - No R&M budget for Pumping stations	25
Property Services - Grounds Maintenance Service - Effect of ongoing efficiency savings within the grounds maintenance service	-112
Property Services - Building Cleaning - Pressure due to increase in relief and overtime payments £16k; Superannuation costs £23k; Other £2k; with no corresponding budget or increased income achievable as SLA's agreed at start of the year	41
Planning - Admin - Underspend anticipated, mainly due to planned general reduced spending on administration to offset the reduction in fees generated by the division	-24
Planning - Building Control (Other) - Staff vacancies	-26
Planning - Minerals - Underspend mainly due to proposed charging out of 2 members of staff to externally funded projects as a 'direct cost'	-52
Planning - Policy - Development Planning - Vacant posts, use of reserves to cover LDP costs and additional income from work undertaken for Corporate Property	-63
Planning - Development Management - Overspend mainly attributable to projected shortfall in Planning fee income	56
Other	-23
Environment Services - Net Variance	113

<u>Capital Charges</u>	
Reduced borrowing (interest savings)	-1,750

<u>Housing Revenue Account</u>	
Expenditure - Repairs & Maintenance - Anticipated expenditure based on profiled spend to date. Reduction in forecast spend due to poor weather conditions	-406
Supervision & Management - Employee - Underspend in staffing costs due to vacant posts -£194k, pension set aside for any redundancy costs in 15/16 -£50k, medical exam fees -£8k, recruitment expenses -£3k, staff training -£18k offset by overspend on agency staff £109k	-164
Supervision & Management - Premises - Underspends in energy costs -£79k, Rents & Rates -£44k, offset by an overspend in Water £25k, Fixtures and Fittings £23k and Responsive Maintenance £42k	-33
Supervision & Management - Transport - General reduction in staff travelling expenditure	-44
Supervision & Management - Supplies - Overspends in legal & professional fees £28k, postages £4k and photocopying £4k offset by underspends in admin, office & operational equipment -£24k, fuel club/other allowances -£14k, compensation, misc expenditure and void decoration allowance -£62k, printing charges -£7k, telephone -£6k and services provided by other providers -£19k, computer hardware -£13k and other supplies & services £30k	-79
Supervision & Management - Provision for Bad Debt - Provision for bad debt adjustment includes an estimate for write offs based on current data available	-424
Supervision & Management - Capital Financing Cost - Slightly higher than forecast interest applicable to existing borrowing and buy-out from HRAS	71
Supervision & Management - DRF - Savings and roll forward on capital programme in excess of borrowing required to fund capital programme for 15/16	-467
Income - Rents - Void loss prediction at budget setting of 2.71% currently forecast at 2.01%	-408
Income - Service Charges - Forecast overachievement of service charge income	-93
Income - Insurance - Insurance income received	-22
Other	-21
HRA - Net Variance	-2,090

