

**CORPORATE PERFORMANCE & RESOURCES
SCRUTINY COMMITTEE
31st MARCH 2023**

**REVENUE & CAPITAL BUDGET
MONITORING REPORT 2022/23**

THE SCRUTINY COMMITTEE IS ASKED TO:

- Receive the Authority's Corporate Budget Monitoring Report, the Chief Executive and Corporate Services departmental reports and the Savings Monitoring report and considers the budgetary position.

Reasons:

- To provide Scrutiny with an update on the latest budgetary position, as at 31st December 2022, in respect of 2022/23.

CABINET MEMBER PORTFOLIO HOLDERS:

- Cllr. Darren Price (Leader)
- Cllr. Alun Lenny (Resources)
- Cllr. Phillip Hughes (Organisation and Workforce)

Directorate: Corporate Services	Designation:	Tel No. / E-Mail Address:
Name of Director of Service: Chris Moore	Director of Corporate Services	01267 224120 CMoore@carmarthenshire.gov.uk
Report Author: Chris Moore		

EXECUTIVE SUMMARY
CORPORATE PERFORMANCE & RESOURCES
SCRUTINY COMMITTEE
31st MARCH 2023

Revenue & Capital Budget
Monitoring Report 2022/23

The Financial Monitoring report is presented as follows:

Revenue Budgets

Appendix A – Authority Corporate Budget Monitoring Report

Overall, the monitoring report forecasts an overspend for the year at departmental level of £6,259k, with a forecast overspend on the Authority's net revenue budget of £270k.

Across the whole authority, the largest driver remains the effect of nationally negotiated pay offers at much higher levels than budgeted, for which additional governmental funding has not been provided. Since the last report, the effect of the pay award has been built into departmental budgets, leading to some service areas such as the School Meals Service and Older Peoples budgets showing a significantly worse overspend position. The updated monitoring position indicates that individual grants have been able to accommodate the increase without drawing on core budgets to fund overspends. The unfunded cost has been partially mitigated by increased staffing vacancies due to ongoing recruitment challenges. It should be noted that the current forecast includes now an allowance for an increased teachers pay offer.

In addition, there remain:

- overspends in service areas driven by increased demand combined with reduced grant funding versus previous years, particularly Learning Disabilities and Children's Service
- a sustained reduction in commercial income, covering car parks, leisure centres and school meals
- capital financing underspends due to scheme delays and reduced need to borrow. The inherent underspend is £3m, against which £750k direct has been committed to cover the tendered price increase required to proceed with the Oriel Mryddin project, which attracts c. £1m national lottery match funding.

As part of the 2022/23 budget setting process the Authority agreed a £3m in year contingency budget which is currently held centrally which provides a partial offset to the general pressures above. £200k has been used to offset the increase in fuel prices impacting on School Transport.

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 grant adjustments which may yet be received. In line with our existing policies, forecast departmental overspends are met out of departmental reserves, where available.

Appendix B

Chief Executive and Corporate Services detailed variances for information purposes only.

Capital Budgets

Corporate Capital Programme Monitoring 2022/23

The current capital programme is based on information available as at the end of December 2022. Part of the General Fund budget (£56,878k net) has been slipped to future years and has been incorporated into the new Capital Programme 2023-2028. This brings the working budget more in-line with the projected outturn for the year. HRA budgets remain unchanged.

Appendix C therefore shows the position after this slippage has been stripped out of the current year's budget. It shows a forecasted net spend of £56,590k compared with a working net budget of £92,515k, giving a **-£35,925k** variance (-£15,567k General Fund and -£20,358k HRA).

Some of the budgets have also been amended to account for differences in actual grant allocations compared with the anticipated allocations at the time the programme was approved, and new grant awards received during the year to date.

Appendix D

Details the main variances within each department.

New Projects and virements to note and approve for the current year:

A slippage virement from 2022/23 to future years of the new capital programme: Gross £119,883k less External Funding £63,005k = £56,878 Net. **Appendix E** sets out the individual detail. This slippage is incorporated into the new five-year capital programme approved by County Council on 1st March 2023.

Leisure:

A new project for the Upgrade of Electrical Infrastructure at Pembrey County Park introduced to the programme which will be funded by direct revenue funding: £106k.

Regeneration:

The residual budget of £380k relating to the purchase of the Grillo Site in Burry Port has been withdrawn from the programme because the purchase amount was lower than expected.

Appendix F

Details a full list of Chief Executive and Regeneration schemes, respectively. There are no Corporate Services schemes.

Savings Report

Appendix G

The Savings Monitoring report.

DETAILED REPORT ATTACHED?

YES – A list of the main variances is attached to this report.

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	YES

3. Finance

Revenue

Overall, the Authority is forecasting an overspend of £270k.

Corporate Performance & Resources Services are projecting to be under the approved budget by £1,705k.

Capital

The capital programme shows a variance of -£35,925k against the 2022/23 approved budget.

Savings Report

The expectation is that at year end £417k of Managerial savings against a target of £484k are forecast to be delivered. There were no Policy savings put forward.

7. Physical Assets

The expenditure on the capital programme will result in the addition of new assets or enhancement to existing assets on the authority's asset register.

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. Local Member(s) – N/A
2. Community / Town Council – N/A
3. Relevant Partners – N/A
4. Staff Side Representatives and other Organisations – N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE / CONSULTED? YES	(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
2022/23 Budget	Corporate Services Department, County Hall, Carmarthen
2022-27 Capital Programme	Online via corporate website – Minutes of County Council Meeting 2 nd March 2022