

Final Accounts 2016/17						
Adults, Health and Wellbeing Department	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services						
Older People's Service						
Residential and Nursing - Homes	9,861	9,589	(272)	46	(226)	(316)
Home Care	6,329	6,306	(23)	0	(23)	(28)
Other	1,954	1,916	(38)	0	(38)	(18)
	18,144	17,811	(333)	46	(287)	(362)
Physical Disability Services						
Residential and Nursing	479	439	(40)	0	(40)	(50)
Home Care	1,016	1,069	53	0	53	41
Other	677	605	(72)	0	(72)	(63)
	2,172	2,113	(59)	0	(59)	(72)
Learning Disability Services						
	14,545	14,188	(357)	0	(357)	(103)
Mental Health Services						
Residential and Nursing	1,386	1,595	209	0	209	236
Other	1,953	1,802	(151)	0	(151)	(48)
	3,339	3,397	58	0	58	188
Other Services (Adults)						
Management	290	255	(35)	0	(35)	(34)
Older People and Physical Disability Team	2,450	2,460	10	0	10	(5)
	2,740	2,715	(25)	0	(25)	(39)
Adult Services Total	40,940	40,224	(716)	46	(670)	(388)

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Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Provider Services (showing net budget)</u>						
Residential Care	(616)	(457)	159	0	159	86
Day Care	(232)	(232)	0	0	0	3
Community Care	59	228	169	0	169	122
Other	(37)	(74)	(37)	0	(37)	(27)
<u>Provider Services Total</u>	(826)	(535)	291	0	291	184
<u>Other Services</u>						
Housing Services	1,601	1,565	(36)	0	(36)	13
Departmental Central Services <i>(including Department savings)</i>	2,990	3,305	315	0	315	279
<u>Total Other Services</u>	4,591	4,870	279	0	279	292
<u>Adults, Health and Wellbeing Total</u>	44,705	44,559	(146)	46	(100)	88

Adults, Health and Wellbeing Department

After the forecasts of overspending slowly reduced through the year, there was a change in the final financial position, with an underspend of (£146k). The main movements and variances are as follows:

Older People's Services - an underspend of (£333k) mainly as the trend of a reduction in the number of clients in residential and nursing placements continued.

Physical Disability Services - an underspend of (£59k), with (£40k) of this sum on residential and nursing, the trend of a reduction in the number of direct payment cases continues, but an increase in the demand for home care packages.

Learning Disability Services - the underspend is mainly on residential and nursing and therefore follows the same trend reported on elderly and physical disability services above. The use of a grant in the final quarter on Supported Accommodation resulted in a substantial increase in the underspend, together with backdated contributions from Health.

Mental Health Services - a reduction of (£130k) in the net overspend, with a reduction in the number of residential and nursing packages. During the final quarter, Health have contributed to a number of support packages, with some of these relating to the previous year. An additional grant has resulted in the reduction to the forecasted overspend on alcohol and drugs care.

Provider Services - a continuation in the trend in the overspend which has increased to £291k, with the main movement during the quarter being on residential care, stemming from additional staffing costs, including long term sickness. An overspend of £169k on community care, £86k of this from an overspend on travelling costs, with the remainder on staffing and overheads.

Other Services - Central Departmental - net under achievement of realising the savings schemes is responsible for a £483k overspend under this heading, with slippage on a number of savings schemes to be realised in 2017/18. The Department propose taking additional steps to try to ensure that the position improves by re-packaging their savings schemes. Staffing underspend and receipt of an additional grant has reduced the reported overspend to £315k.

Summary and Recommendation

In accordance with the usual practice, £100k can be carried forward to 2017/18.

It is recommended that (£46k), which is the underspend above £100k Adults, Health and Wellbeing is used to contribute towards the shortfall in another department.

Final Accounts 2016/17						
Children and Families Department	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	483	466	(17)	0	(17)	(23)
Operational Services	1,906	2,154	248	0	248	226
Placement Services						
Out of County Placements	2,322	2,413	91	0	91	60
Agency Fostering	970	999	29	0	29	25
Internal Fostering	1,640	1,713	73	0	73	110
Support Services and Other	1,440	1,584	144	0	144	99
	6,372	6,709	337	0	337	294
Post-16 Services	1,045	847	(198)	0	(198)	(184)
Specialist Services/Derwen	1,476	1,397	(79)	0	(79)	(34)
Youth Justice Services	242	217	(25)	0	(25)	(25)
Early Years Services	122	59	(63)	0	(63)	(45)
Other Services	1,344	1,338	(6)	0	(6)	13
Recommendation				(197)		
Children and Families Total	12,990	13,187	197	(197)	197	222

Children and Families

Operational Services - an increase of £22k in the overspend since what was reported in the third quarter review, with an overspend of £248k at the year end. The overspend mainly on staffing, and the Department was successful with a bid to respond to the pressure on the budget from 2017/18 onwards. £54k of the overspend was on higher costs of complex care packages.

Placement Services - an overspend of £337k on placement services, which is £43k higher than reported in quarter 3, but with a reduction in the overspend on internal fostering as there was no increase in the number of cases during the quarter. There was an increase in the overspend on out of county placements as there was one new case during the quarter and the costs of two other cases were higher than anticipated. There was an increase in the overspend on special guardianship allowances and residential orders to £144k by the year end.

Post 16 Services - an underspend of (£198k) following a reduction in the demand for Post-16 support packages, in accordance with the trend throughout the year.

Derwen Specialist Services - One-off staff savings, use of a grant, and early realisation of 2017/18 savings schemes.

Early Years Services - an increase in the underspend by the year end following receipt of additional grants in the final quarter together with additional fee income.

Summary and Recommendation -

The reported overspend has reduced £25k during the last quarter, being £197k at the end of the year. The Children and Families Department have already used up all their reserves. The Department received a permanent bid of £50k and £210k one-off towards 2017/18 to acknowledge the pressure on the services. The Department is therefore asking for the Cabinet's support with this financial year end overspend position. The Head of Children and Families Department, with the support of the Corporate Management Team, is presenting an application to the Cabinet to write off the Department's deficit of £197k on 31/03/2017.

It is recommended that the Children and Families overspend is written off to allow them move forward to face the 2017/18 challenge, and to finance this by re-directing the underspend in the Adults, Health and Wellbeing Department (£46k) and Corporate underspend (£151k).

Final Accounts 2016/17						
Education Department	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools	71,361	71,361	0	0	0	0
Transport	4,266	4,297	31	0	31	7
Redundancies and Early Retirement	1,373	1,373	0	0	0	2
Integration						
Out of County	979	973	(6)	0	(6)	0
Catering and Cleaning	228	127	(101)	0	(101)	(103)
Nursery Education	569	559	(10)	0	(10)	(10)
Education Improvement Grant	588	601	13	0	13	0
Management	1,393	1,386	(7)	0	(7)	(22)
Additional Learning Needs and Inclusion	1,952	2,128	176	0	176	186
Support for Underperforming Schools			0	0	0	0
Further Education	24	13	(11)	0	(11)	(14)
School Reserve Budgets	95	79	(16)	0	(16)	0
Contribution to Joint Committees	1,574	1,544	(30)	0	(30)	0
Other	(2,650)	(2,737)	(87)	0	(87)	(4)
Education Total	81,752	81,704	(48)	0	(48)	42

Education

A favourable movement of (£90k) was seen since quarter three forecasts, with the Education Department in an underspend position of (£48k) by the year end. The main areas contributing to the position are:

Transport - a deterioration of £24k since quarter three, with an overspend of £31k now apparent, which is a combination of an overspend on school bus transport following on from higher costs, and a reduction in post-16 transport income, but which is reduced by an underspend in school taxi transport.

Catering and Cleaning - an underspend of (£101k) in accordance with the forecasts during the year, mainly as a result of the early realisation of 2017/18 school catering savings.

Additional Learning Needs and Inclusion - Circumstances relating to one specific centre being responsible for the overspend of £186k under this heading, with receipt of additional income to the Pre School Units at the year end reducing the overspend to £177k.

Education Contribution to Joint-Committees (GwE and Cynnal) - one-off savings in Gwynedd's contribution to the Joint-committees and to Cynnal for 2016/17.

Other - Education support budgets are responsible for the favourable movement since quarter three, with an underspend of (£87k) on various Education budgets. This includes (£16k) on the Disclosure and Barring Service (DBS) costs, (£12k) supply teacher budget, (£11k) school visits and (£8k) strategic group budgets, with the remainder on support budgets in the Education Department.

Final Accounts 2016/17						
Economy and Community Department	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	409	409	0	0	0	0
Business Support	(120)	(124)	(4)	0	(4)	7
Marketing and Customer Care	603	601	(2)	0	(2)	0
Community Regeneration	458	468	10	0	10	6
Skills and Enterprise	61	59	(2)	0	(2)	(5)
Strategic Projects Team	258	295	37	0	37	45
Strategy and Development	317	312	(5)	0	(5)	0
Archives	285	272	(13)	0	(13)	(10)
Museums	89	98	9	0	9	(5)
Galleries	63	64	1	0	1	0
Halls	175	181	6	0	6	3
Arts	263	256	(7)	0	(7)	(3)
Country Parks	40	1	(39)	0	(39)	(26)
Maritime	(198)	(107)	91	0	91	75
Youth Service	987	879	(108)	0	(108)	(98)
Healthy Communities Service - Leisure Centres	1,285	1,310	25	0	25	25
Sports Development	210	204	(6)	0	(6)	(2)
Libraries	1,474	1,462	(12)	0	(12)	(10)
Total Economy a Community	6,659	6,640	(19)	0	(19)	2

Economy and Community

The financial situation has improved during the year and now in an underspend position of (£19k), with a number of services across the Department having succeeded in reducing their costs and attracting more income. The areas with the greatest variances are:

Strategic Projects Team - an overspend of £37k relating to the financing of one strategic project.

Country Parks - an underspend of (£39k) mainly as a result of parking fees at Parc Padarn exceeding the target for the year.

Maritime - the overspend has increased to £91k by the year end, mainly stemming from the shortfall of income at Hafan Pwllheli and the harbours, following a reduction in the demand for anchorages. The Department has tried to reduce the shortfall in the income by reducing the costs at the sites. The Economy and Community Department is to prepare a comprehensive report on the situation at Hafan Pwllheli, following a request by The Audit Committee on 1 December 2016.

Youth Service - the trend of an underspend reported during the year continues and has now increased to (£108k), of which (£74k) is on two vacant Development Officer job posts, and (£34k) on youth clubs, as the Department identify savings for 2017/18 and onwards in these fields.

Final Accounts 2016/17						
Highways and Municipal Summary Position (including Trunk Roads)	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk Roads)	7,827	7,797	(30)	0	(30)	23
Engineering Services	491	517	26	0	26	33
Municipal Services						
Waste						
Waste Disposal	2,617	2,508	(109)	0	(109)	(125)
Treatment and Transfer Sites	973	973	0	0	0	5
Waste Collection and Recycling	3,079	3,254	175	(88)	87	56
Commercial Waste	(94)	(6)	88	0	88	119
Other Waste	1,458	1,524	66	0	66	19
Waste Sub-total	8,033	8,253	220	(88)	132	74
Crematorium and Cemeteries	(172)	(275)	(103)	0	(103)	(36)
Other Municipal	3,500	3,542	42	0	42	32
	11,361	11,520	159	(88)	71	70
Municipal Works Unit	958	891	(67)	0	(67)	(68)
Highways and Municipal (including Trunk Roads) Total	20,637	20,725	88	(88)	0	58

Highways and Municipal (including Trunk Roads)

An increase of £30k in the overspend from the figure reported in the third quarter to £88k.

Waste - numerous reasons for the variances by the services within the waste field including:

- **Waste Disposal** - in line with the trend throughout the year, an underspend of (£109k) as a result of less waste going into land-fill.
- **Waste Collection and Recycling** - an increase in the overspend since quarter three to £175k, with £89k of the increase in the last quarter emanating from higher fleet costs. A higher tonnage than forecasted on dealing with recycling materials leading to an increase in the overspend to £139k. A reduction in the recycling bank savings, grant reduction, and additional pressures on the service due to the increase in the number of houses resulting in higher operating and renewal costs. An underspend on costs and additional income from green waste has reduced the reported overspend level.
- **Commercial Waste** - following on from new rationalisation arrangements in respect of school bins, there was a loss of income that has reduced to £37k by attracting external income. But side by side with this, the effects of rationalisation can already be seen as there has been a reduction in the waste going into landfill, and accordingly an underspend against the Waste Disposal budgets reported above. The 2017/18 prices have been adjusted to reflect the loss of income. Overspend on fleet costs has increased in the last quarter but an underspend on staff costs has helped the situation.
- **Other Waste** - less gasses from the Cilgwyn old landfill site leading to a £54k income shortfall on royalties and problems in the last quarter with machinery at the Recycling Centres leading to an overspend.

Crematorium and Cemeteries - an increase in the income from that forecasted in the third quarter, with the crematorium income (£73k) higher and funerals (£20k) and a further £10k saving on energy.

Municipal Provider Unit - an underspend of (£67k) by the end of the financial year as a result of early realisation of staffing savings and less operating costs.

Summary and Recommendation

An overspend of £88k at the end of the year as a result of pressure on the Department's Waste services. It is expected that the Department will take positive steps in 2017/18 to ensure that they operate within their budget. The Department received a permanent bid of over £657k to meet the increasing costs from 2017/18 onwards. The Department is therefore asking for the Cabinet's support with this financial year end overspend position. The Head of Highways and Municipal, with the support of the Management Team, is submitting a request to the Cabinet to write off the deficit of £88k.

It is recommended that the Highways and Municipal Department overspend is written off to allow them move forward to face the 2017/18 challenge, and to finance this by re-directing Corporate underspend (£88k).

Final Accounts 2016/17						
Environment Department (formerly Regulatory)	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	155	143	(12)	0	(12)	(15)
Planning Services						
Development Control	175	170	(5)	0	(5)	(5)
Other	(104)	(119)	(15)	0	(15)	(12)
	71	51	(20)	0	(20)	(17)
Street Works and Transport Services						
Forward Planning	50	50	0	0	0	0
Structural Maintenance	1,143	1,143	0	0	0	0
Road Safety	160	140	(20)	0	(20)	(9)
Traffic and Statutory Arrangements	102	86	(16)	0	(16)	(2)
Parking Services and Parking Enforcement	(1,745)	(1,746)	(1)	0	(1)	3
Integrated Transport	1,620	1,579	(41)	0	(41)	(10)
Enforcement and Transport	303	321	18	0	18	0
	1,633	1,573	(60)	0	(60)	(18)
Countryside and Access Services	891	940	49	0	49	(1)
Joint Planning Policy Unit	252	252	0	0	0	(1)
Public Protection Services	1,455	1,462	7	0	7	(23)
Catering, Cleaning and Caretaking Services	(10)	(17)	(7)	0	(7)	(16)
Property Services	1,561	1,566	5	0	5	(8)
Environment Total	6,008	5,970	(38)	0	(38)	(99)

Environment (formerly Regulatory)

Movement of £62k during the last quarter with the underspend reducing to (£38k) by the end of the financial year. A substantial underspend was forecasted by the department in the previous reviews, and £445k has already been transferred towards the Council's priorities, with the Environment Department also having been given approval to use a further £200k towards capital projects to improve the state of car parks.

Department Management and Planning - an underspend on staff costs and supplies and services, and income in excess of the target by Planning.

Enforcement and Transport - an underspend of (£60k) for a number of reasons including vacant posts in Road Safety and Integrated Transport, higher income by Traffic and Statutory Arrangements and Integrated Transport and lower supplies and services and fuel costs. The Department is using part of the underspend to finance related capital projects.

Countryside and Access - movement of £50k during the last quarter following a combination of redundancy costs, lack of income and higher expenditure on footpaths and multi-user paths.

Final Accounts 2016/17						
Consultancy Department	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(175)	(212)	(37)	0	(37)	(35)
Flood Risk Management Unit Services	426	393	(33)	0	(33)	0
Building Control	69	43	(26)	0	(26)	(12)
Consultancy Total	320	224	(96)	0	(96)	(47)

Consultancy

Consultancy financial forecasts have slowly improved during the year from an overspend at the beginning of the year to an underspend of (£96k) by the end of the year.

Roads and Engineering Services - an underspend of (£36k) following the success of the Department in attracting additional income through a combination of additional internal and external work during the year.

Flood Risk Management Unit Services - an underspend on staff costs, use of grants and lower operational costs leading to a favourable movement of (£34k) since the Third Quarter Review.

Building Control - a combination of underspend on supplies and services, and a vacant position.

Final Accounts 2016/17						
Central Departments	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	2,069	2,024	(45)	0	(45)	(55)
Finance	5,572	5,505	(67)	0	(67)	(56)
Corporate Support	7,894	7,838	(56)	0	(56)	(80)
Central Departments Total	15,535	15,367	(168)	0	(168)	(191)

Central Departments

Corporate Management Team and Legal - a reduction of (£10k) in the underspend forecasted in the third quarter to (£45k), mainly as a result of receiving additional income by the Legal Unit, and income from Denbigh Council to the Corporate Director's budget. In addition to this, a 2017/18 saving realised early (£13k) in the Emergency Planning field contributing towards the favourable position at the year end.

Finance - an increase of £11k in the underspend to (£67k) by the year end. One-off underspends across the Department, with substantial staff turnover in the Audit field at the end of the year increasing the Department's underspend. The trend of attracting income in excess of the budget from outside bodies in the Audit and Information Technology fields continues, and contributes to a favourable financial position.

Corporate Support - an underspend of (£56k) by the year end, mainly resulting from one-off staff savings due to staff turnover across the Department. Number of units exceeding their income target, including Registration and Translation, and although the forecast was of an overspend during 2016/17 for the Printroom, there was an underspend of (£11k) by the year end following receipt of additional income, including external income.

Final Accounts 2016/17						
Corporate (Only reflecting variances)	Revised Budget 2016/17	Final Position 2016/17	Gross Overspend / (Underspend) 2016/17	Use of Other Sources or Other Recommended Adjustments	Overspend/ (Underspend)	Net Overspend/ (Underspend) 3rd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Net Interest Income	*	*	82	0	82	78
Benefits	*	*	(382)	0	(382)	0
Corporate Capital Costs	*	*	(35)	0	(35)	-
No 6 Festival Costs Recovered	*	*	(1)	0	(1)	-
Other	*	*	(603)	0	(603)	(83)
Contribution towards Department Overspends	*	*	0	239	239	-
Contribution towards future Financial Strategy	*	*	0	700	700	-
Corporate Total	*	*	(939)	939	0	(5)

Corporate

Net Income Receipts - a shortfall of £82k on interest as a result of the current market position, the shortfall level is in line with the previously forecasted position.

Benefits - an underspend of (£382k) on the element of reducing the Council Tax from Benefits.

Corporate Capital Costs - an underspend of (£35k) as a result of higher departmental contributions to borrowing costs.

Recoupment of Festival No 6 Costs - the Council succeeded to recoup all of its £8k costs in relation to the No 6 Festival problems.

Other - an underspend of (£603k) which is a combination of savings in advance and one-off corporate by nature, business tax appeals cost savings, receipt of additional income on external activities, one-off underspend on related staffing costs and bids.

Contribution towards future Financial Strategy - the Corporate underspend position at the year end means that it is possible to reduce the contribution from financial reserves by £700k, so that it will be available to be used to contribute towards Financial Strategies for the future.

As we are now in the third quarter of the financial year and consequently the end of year picture is clearer, it is possible to release £600k of the reserve budget for 2016/17 as the calls are not as great as the amount reserved.

Within the "other" heading numerous on off savings of a corporate nature are included, including business rates appeals and one-off savings of bid related staffing costs.

It is recommended that £939k of the underspend on Corporate Budgets for 2016/17 is used as follows:

- £151k to clear the overspend in Children and Families
- £88k to clear the overspend in Highways and Municipal
- £700k to be earmarked in a reserve to contribute towards the Financial Strategy for the future.