

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Adults, Health and Wellbeing Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Adults Services</u>						
Older Peoples Services						
Residential and Nursing - Homes	13,447	13,522	75	0	75	645
Home Care	6,831	6,336	(495)	0	(495)	(461)
Other	199	1,404	1,205	0	1,205	905
	20,477	21,262	785	0	785	1,089
Physical Disability Services	2,350	2,298	(52)	0	(52)	(76)
Learning Disability Services	18,189	18,670	481	0	481	308
Mental Health Services	3,466	3,428	(38)	0	(38)	35
Other Services (Adults)	2,989	3,000	11	0	11	24
<u>Adults Services Total</u>	47,471	48,658	1,187	0	1,187	1,380
<u>Provider Services (showing net budget)</u>						
Residential Care	111	65	(46)	0	(46)	(59)
Day Care	64	359	295	0	295	314
Community Care	14	342	328	0	328	375
Other	16	(10)	(26)	0	(26)	32
<u>Total Provider Services</u>	205	756	551	0	551	662

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Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Other Services</u>						
Departmental Central Services <i>(including the Department's savings schemes)</i>	3,671	3,782	111	0	111	182
Receipt of Additional Winter Pressure Grant	0	(542)	(542)	0	(542)	0
Use of specific reserve	0	(649)	(649)	0	(649)	(649)
<u>Total Other Services</u>	3,671	2,591	(1,080)	0	(1,080)	(467)
<u>Adults, Health and Wellbeing Total</u>	51,347	52,005	658	0	658	1,575

Adults, Health and Wellbeing

Older People's Services - numbers in residential and nursing care are up, with 28 new cases in 2018/19 and 35 further cases this year, grant receipt and reassessment of client income and demography funding reducing the forecasted overspend. Failure to realise £669k of savings within the 'Other' heading and an overspend of £431k on Supported Accommodation, with the costs of establishing the Hafod y Gest scheme accounting for a significant proportion of the overspend. Further reduction in demand for home care packages.

Physical Disability Services - the trend of a reduction in the number of home care packages continues, but an increase in the number of Residential and Nursing placements.

Learning Disability Services - the impact of increased demand on supported accommodation and day services is being reduced by an underspend on residential and nursing.

Provider Services - costs associated with staffing above budget level are issues in Day Care and Community Care, with homes having been in special measures, recommendations from Care Inspectorate Wales, and appointments over and above the budget.

Departmental Central Services - grant receipt, income and vacant posts reduces the impact of the slippage in realising £247k worth of savings schemes.

Since the last review the department has received an additional grant of £542k from the Welsh Government towards increased costs arising from winter pressures, this grant has helped to reduce the forecast overspend. The department is also making use of one-off funding of £457k, which is equivalent to a social services support grant received in 2017/18 together with £192k from the department's historical underspend fund to help alleviate part of the overspend this year.

Due to the significant overspend by the Adults, Health and Well-being Department this year, which is £1.8m before the additional grant receipt and use of the one-off funding the Chief Executive has already called a meeting of the relevant officers to gain a better understanding of the issues and a clear response program, so as to gain a better understanding of the intricate details of the situation in Adult care.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Children and Families Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	581	614	33	0	33	24
Operational	2,210	2,298	88	0	88	78
Placement						
Out of County Placements	1,628	3,149	1,521	0	1,521	1,618
Agency Fostering	911	1,396	485	0	485	388
Internal Fostering	1,706	2,251	545	0	545	482
Support Services and Other	1,668	1,773	105	0	105	36
	5,913	8,569	2,656	0	2,656	2,524
Post-16	1,035	1,155	120	0	120	44
Specialist/Derwen	1,814	2,151	337	0	337	332
Youth Justice	280	236	(44)	0	(44)	(44)
Early Years	153	80	(73)	0	(73)	(50)
Youth	857	788	(69)	0	(69)	(102)
Other	1,563	1,676	113	0	113	103
Children and Families Total	14,406	17,567	3,161	0	3,161	2,909

Children and Families

Operational - continues to overspend despite receiving an additional resource of £100k for 2019/20 onwards, with staff costs over and above the budget level plus an increase in the number of children in care but not in more expensive placements.

Placements - demand for the range of services intensifying, much of the overspend stemming from 5 new out-of-county placement cases this year, together with the full year impact of 8 cases that started during 2018/19. In Agency Fostering, there are 9 new cases this year and the full year impact of 4 cases initiated in 2018/19. There is also a further increase in the number of in-house fostering placements. Following a review of the out-of-county commitments, it became clear that the type of cases had changed over recent years, and therefore the associated costs and at the same time, there was also a reduction in Health contributions. In addition, £370k worth of savings within placements are yet to be realised.

Post 16 - high initial support costs arising from 2 new cases that have transferred from out-of-county placements.

Specialist/Derwen - overspend of £337k mainly on support schemes with increased demand for service and specialist support.

Early Years - the receipt of grants in childcare is responsible for the growing underspend.

Youth - the receipt of grants against expenditure together with an underspend following the recent remodeling of the Youth Service.

Others - higher demands on the commitment on the North Wales advocacy service, overspend on statutory reviews, professional fees and the out of hours service.

Given the growing overspend trend of the department, a Children's Budget Task Force has been commissioned by the Chief Executive to address the complex financial issues of the department.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Education Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools	74,862	74,862	0	0	0	0
Schools Quality Services	(429)	(678)	(249)	0	(249)	(244)
Infrastructure and Support Services						
Transport	4,919	5,147	228	0	228	188
Supplementary Service	481	740	259	0	259	247
Other	2,979	2,632	(347)	0	(347)	(318)
	8,379	8,519	140	0	140	117
Leadership and Management	2,263	2,238	(25)	0	(25)	0
Additional Learning Needs and Inclusion	4,426	4,576	150	0	150	214
Education Total	89,501	89,517	16	0	16	87

Education

School Quality Services - a combination of savings in advance, staff turnover, reduced spending and the use of grants are responsible for the favorable position.

Transport - following the overspend in this field over recent years, additional funding of £400k has been allocated for 2019/20. Nevertheless, the growing overspend continues, with latest estimates suggesting £228k, with £65k on School Buses, £41k income shortfall on Post 16 Transport and a projected overspend of £122k on School Taxi Transport.

Transport has been the subject of a review in an attempt to control the increase in expenditure. The £400k allocated this year was a partial solution with the need for further work from the Education Department and the Environment Department continuing, so that efficiency opportunities could be exploited.

Infrastructure and Support Services - Ancillary Service - lack of income for the care element of the breakfast and school meals scheme together with an overspend deriving from staffing matters and sickness in School Catering, Cleaning and Caretaking.

Infrastructure and Support Services - Other - reduced demand on various budgets including the Integration budget.

Additional Learning Needs and Inclusion - the overspend relating to circumstances in one particular center continues to account for a large part of the overspend, with a further one-off overspend arising from the transition period of the Pre-school Early Years Education Units and Education other than in Schools.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Economy and Community Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	352	352	0	0	0	0
Regeneration Programs and Community Support	390	400	10	0	10	(29)
Maritime and Country Parks	82	46	(36)	0	(36)	(14)
Leisure Contracts	1,430	1,498	68	0	68	33
Sports Programs	105	57	(48)	0	(48)	(25)
Economic Development Programs	49	9	(40)	0	(40)	(21)
Marketing and Events	308	308	0	0	0	0
Gwynedd Libraries	1,593	1,584	(9)	0	(9)	(11)
Gwynedd Museums, Arts and Archives	861	930	69	0	69	60
Economy and Community Total	5,170	5,184	14	0	14	(7)

Economy and Community

Maritime and Country Parks - staff turnover is responsible for an underspend by Parc Glynllifon and Parc Padarn. Forecasts have improved since reporting at the end of August with a reduction in the beaches income deficit. Latest figures suggest a balanced position from the Harbours and Hafan, Pwllheli following the reduction in income target this year, but which has been problematic in recent years.

Leisure Contracts - leisure provision transferred to Cwmni Byw'n Iach on 1 April 2019, the overspend is projected to increase to £68k mainly due to one-off running costs of the Leisure Centers.

Sports Programs and Economic Development Programs - vacant posts and reduced expenditure are responsible for the underspend on these headings.

Gwynedd Museums, Arts and Archives - problems persist at Storiel with a forecast deficit of £71k, which is a combination of an overspend on staff costs and a shortfall in income. Underspend on the Arts helps some on the financial position.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Highways and Municipal Department (including Trunk Roads Agency)	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk Roads)	9,994	9,859	(135)	0	(135)	(6)
Engineering Services	386	441	55	0	55	54
Municipal Services						
Waste	11,413	12,409	996	0	996	721
Other	4,057	4,111	54	0	54	(36)
<u>Highways and Municipal Total</u>	25,850	26,820	970	0	970	733

Highways and Municipal (including Trunk Roads Agency)

Highways Services - external income forecast shows more promise as the year has progressed.

Engineering Services - delay in realising a savings scheme together with lack of income, but discussions continue to try and find a solution.

Waste - further increase in the overspend trend seen in 2018/19 in Waste to £996k. Projected overspend of £322k on the transitional waste handling and transport costs through the regional 'Energy from Waste' facility based in Deeside.

Although the department has taken steps to reduce costs by changing shifts and waste collection cycle arrangements, implementation has been delayed. The new arrangements have now come into effect in Dwyfor, and more recently in Arfon with Meirionnydd to follow early 2020, but associated transitional costs and sickness costs account for £276k of the overspend.

Increased operating and transport costs, lack of grant and income on waste and recycling materials.

Although some steps have already been taken on the Waste side during the year in order to operate within the budget, there has been a delay in implementation this year.

Other Municipal Services - staffing costs and costs associated with sickness are higher, an increase in costs associated with materials to be disposed and a delay in realising savings schemes.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Environment Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	409	356	(53)	0	(53)	(58)
Planning Services	402	539	137	0	137	145
Street Works and Transport Services						
Network Management (Transport)	605	555	(50)	0	(50)	(57)
Parking and Parking Enforcement	(1,681)	(1,693)	(12)	0	(12)	(221)
Intergrated Transport	1,592	1,568	(24)	0	(24)	(1)
	516	430	(86)	0	(86)	(279)
Countryside and Access	738	759	21	0	21	12
Public Protection	1,641	1,517	(124)	0	(124)	(40)
End of August 2019 Review Adjustment				0	0	220
Environment Total	3,706	3,601	(105)	0	(105)	0

Environment

Management - general underspend and savings in advance have resulted in one-off savings on the Management heading.

Planning Service - the general trend of a shortfall in Development Control income continues again this year, but is reduced from underspends on services, supplies and transport.

Street Works and Transport Services - substantial decline since the previous review with regards to the forecast on Parking and Enforcement to a current lack of income being alleviated by vacant posts. Favourable income forecast within Traffic and Statutory Arrangements which form part of the department's savings scheme for the next few years.

Integrated Transport - a one-off underspend on staff costs and a surpass of income reduces the impact of the additional costs on bus contracts. The department also makes use of a ring-fenced fund set up for such purposes, to meet the increased costs. The department is in the process of conducting a review of public transport and has commissioned research work from the University to review the provision.

Public Protection - an increase in the underspend since the last review as a result of favourable income in the area of Licensing, Taxis and Trading Standards together with staff turnover and lower expenditure on water sampling materials and supplies and services.

As part of the end of August Review the Environment Department received the Cabinet's approval to earmark £220k of their underspend this year towards costs following a judicial review relating to the entrance road at Llanbedr. As the underspend forecast isn't as favourable by now, following a significant decline in parking income forecasts, the underspend is no longer sufficient to fund, but it is better to wait until the end of the financial year to get clarity on the exact situation.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Consultancy Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(637)	(612)	25	0	25	17
Sustainable Drainage Systems (SuDS) Unit	37	37	0	0	0	0
Flood Risk Management Unit	572	573	1	0	1	1
Building Control	94	155	61	0	61	24
Consultancy Total	66	153	87	0	87	42

Consultancy

Roads and Engineering Services - latest forecast suggests a £25k income shortfall, but the service continues to bid for work on various schemes from external organisations, such as other Councils and the Welsh Government, in order to gain extra income.

Sustainable Drainage Systems Unit (SuDS) - forecasts of income shortage during the establishment of this new unit are alleviated by an underspend on staff costs.

Building Control - lack of income along with one-off costs to buy a system is responsible for the predicted increase in overspending.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Housing and Property Department	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	73	176	103	0	103	83
Housing Services						
Homelessness	1,071	1,231	160	0	160	170
Private Sector Housing	409	340	(69)	0	(69)	(110)
Other	242	184	(58)	0	(58)	(40)
	1,722	1,755	33	0	33	20
Property Services						
Property	3,474	3,367	(107)	0	(107)	(80)
Caretaking, Catering and Cleaning	27	28	1	0	1	1
	3,501	3,395	(106)	0	(106)	(79)
Housing and Property Total	5,296	5,326	30	0	30	24

Housing and Property

Management - savings scheme yet to be realised predominantly responsible for the overspend. The department is looking for an alternative scheme to supersede the current scheme.

Housing Services - pressure on temporary housing and homelessness budget, therefore overspend of £225k. Private Sector Housing excelling on income, underspend on staff costs as well as on supplies and services, with Other heading also underspending on staff costs, therefore contributing to alleviate the overspend.

Property - vacant posts and secondments primarily responsible for the anticipated underspend.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Central Departments	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	1,705	1,628	(77)	0	(77)	(117)
Finance (& Information Technology)	6,265	6,190	(75)	0	(75)	(61)
Corporate Support	7,405	7,309	(96)	0	(96)	(100)
Central Departments Total	15,375	15,127	(248)	0	(248)	(278)

Central Departments

Corporate Management Team and Legal - reduction in the underspend reported due to a portion of the underspend from the vacant Corporate Director post being diverted to finance better wellbeing provisions in the Council offices. Extra income received by the Legal Team has contributed towards the favourable situation but being reduced as a result of higher staffing costs.

Finance (and Information Technology) - underspend due to a combination of reasons including a one-off underspend on staff turnover, secondments and receipt of additional income and grants in many areas. Additional income from various sources, including the Welsh Government for the administration of non-domestic rate relief and an additional grant from the Department for Work and Pensions (DWP) for the transitional period in the Benefits service. Furthermore, the department has achieved savings in advance this year and diverted them for Corporate purposes.

Corporate Support - the underspend mainly due to the receipt of external income that is above the budget level in a number of areas across the department including Human Resources Advisory Service, Translation, Registration and Democracy Service. Vacant posts and secondments also contribute towards the favourable position, in preparation for savings in the coming years, as there is no call on the savings this year the department has already transferred part of its savings in advance for Corporate purposes.

REVENUE BUDGET 2019/20 - END OF NOVEMBER REVIEW						
Corporate (Only reflecting the variances)	Proposed Budget 2019/20	Estimated Final Position 2019/20	Estimated Gross Overspend / (Underspend) 2019/20	Use of Other Sources or Other Recommended Adjustments	Adjusted Estimated Overspend / (Underspend) 2019/20	Net Overspend / (Underspend) August 2019 Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(32)	32	0	0
Premium Council Tax	*	*	(198)	198	0	0
Council Tax Reduction	*	*	(213)	213	0	0
Capital Costs	*	*	(75)	75	0	0
Bids and Budgets Returned by the Departments	*	*	(359)	359	0	0
Sustainable Social Services Support Grant Income Target	*	*	500	(500)	0	0
Other	*	*	(710)	710	0	0
Corporate Total	*	*	(1,087)	1,087	0	0

Corporate

Council Tax and Council Tax Premium - favourable additional tax position of (£32k) on Council Tax and (£198k) on Council Tax Premium, with the Valuer's Office having already allowed for 255 properties to be transferred from Council Tax to the Non-Domestic Rates list up to the end of November, (453 full year in 2018/19, 282 in 2017/18, and 199 in 2016/17). We are awaiting a response from Welsh Government and the Valuer's Office relating to Gwynedd's campaign to prevent owners of second homes from evading the tax.

Council Tax Reductions - projected underspend of (£213k) as the overall Council Tax Reduction (Benefits) scheme applications are at their lowest level for the fourth year running across North and Mid Wales. In Gwynedd there has been a reduction of almost 10% over the period.

Capital Costs - unexpected increase in the rate of borrowing earlier this year meaning that we won't be borrowing, which therefore releases £75k, it is suggested that the underspend should be moved into a fund to be used to support the funding of the capital programme.

Budgets and Bids returned by Departments - a combination of budgets returned following the receipt of grants, bids returned along with other matters where the needs are not as intense in comparison to what was anticipated when setting the budget.

Income Target From the Sustainable Social Services Support Grant - 2019/20 budget was set on the assumption that a grant of £500k would be receivable, unfortunately based on recent forecast this is now unlikely, therefore the sum is to be financed from the Council's funds.

Other - the pressure on a number of budgets are not as intense as predicted and therefore underspending.

It is **recommended** that the extra yield of (£198k) on Council Tax Premium is added to the £2.7 million that has already been allocated in 2019/20 to be considered for the Housing Strategy. (£75k) relating to capital costs be allocated to the capital program fund. (£500k) of Corporate underspend be allocated to fund the lack of grant in the sustainable social services field, (£312k) be used to fund one off bids that have been presented by the departments for the purpose of 2020/21 expenditure with the balance of (£502k) going to the Council's general funds.