

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Adults, Health and Well-being Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Adults Services</u>						
Older People's Services						
Residential and Nursing - Homes	18,257	17,703	(554)		(554)	(676)
Domiciliary Care	7,978	7,789	(189)		(189)	366
Others	294	1,550	1,256		1,256	739
	26,529	27,042	513	0	513	429
Physical Disabilities Services	2,794	2,284	(510)		(510)	(125)
Learning Disabilities Services	23,893	24,108	215		215	284
Mental Health Services	4,141	4,399	258		258	443
Other Services (Adults)	3,784	3,743	(41)		(41)	(108)
<u>Adults Services Total</u>	61,141	61,576	435	0	435	923
<u>Provider Services</u> <u>(shows net budget)</u>						
Residential Care	0	122	122		122	(399)
Day Care	0	(165)	(165)		(165)	(135)
Community Care	0	1,550	1,550		1,550	950
Others	0	35	35		35	(10)
<u>Provider Services Total</u>	0	1,542	1,542	0	1,542	406

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Field:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Other Services</u>						
Departmental Central Services (<i>including Department savings</i>)	3,224	3,564	340	0	340	370
Covid-19 expenditure in the Adults Care field	0	0	0	0	0	0
Care Workforce Additional Expenditure due to Covid-19	59	59	0		0	164
		(397)	(397)		(397)	0
<u>Other Services Total</u>	3,283	3,226	(57)	0	(57)	(1,398)
<u>Adults, Health and Well-being Total</u>	64,424	66,344	1,920	0	1,920	(69)

Adults, Health and Well-being

Older People's Services - In 'Other' impact of the increasing demand on supported accommodation and day services reduced by underspend on residential and nursing and domiciliary care. Difficulties in realising savings also contributes to this picture.

Physical Disabilities Services - reduced demand for domiciliary care; however, increased pressure on direct payments.

Learning Disabilities Services - new cases in the field and increasing pressure on direct payments which is being reduced by fewer support plans.

Mental Health Services - the trend of increased pressures on residential and nursing continues with new costly cases.

Provider Services - staffing above budget level and lack of income are issues in community care. Whilst the increasing prices of electricity has led to an overspend by residential homes. The impact of Covid continues to disrupt the Day Care provision and it is therefore underspending.

Departmental Central Services - savings to the value of £545k still not realised, but the impact being reduced by staff turnover.

2022/23 Budget - this year, the department received bids to the value of over £3.4 million for the increased pressures on the 2022/23 budget, including for the Residential and Nursing, Learning Disability, and Older People fields.

Savings - failure to achieve savings is a prominent factor in the department's overspend, with savings to the value of £930k still not realised.

The department has used £397k of its underspend fund to reduce the overspend reported to £1.9 million.

Given the substantial overspend anticipated by the Adults, Health and Well-being Department this year, to note the Chief Executive's intention to call a meeting with the relevant officers in an attempt to get to the root of the Department's overspend, so that definitive steps are taken in an attempt to bring the situation under control before the end of the financial year, and to report to the Cabinet on the response plan.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Children and Families Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	605	562	(43)		(43)	(53)
Operational	2,462	2,608	146		146	57
Placements						
Out-of-County Placements	5,064	4,729	(335)		(335)	342
Agency Fostering	1,696	1,680	(16)		(16)	(129)
Fostering – Internal	2,613	2,513	(100)		(100)	(32)
Support Services and Others	1,772	1,889	117		117	(14)
	11,145	10,811	(334)	0	(334)	167
Post-16	1,358	1,553	195		195	24
Specialist/Derwen	2,265	2,592	327		327	162
Youth Justice	266	227	(39)		(39)	(51)
Early Years	140	119	(21)		(21)	(74)
Youth	919	711	(208)		(208)	(247)
Others	2,126	2,191	65		65	(82)
Children and Families Total	21,286	21,374	88	0	88	(97)

Children and Families

Operational - expenditure is higher as the numbers who receive the support of support plans are higher and therefore have implications on other costs, including travelling.

Placements - reduction in the average number of Out-of-County Placements this year, namely 23 in comparison with 23.25 for 2021/22. Although the average number of Agency Fostering is 34.5 at the end of August in comparison with 31 in 2021/22, it is anticipated that the cost will be within the budget. In Internal Fostering, a combination of permanent bid receipts and income from the Home Office means that an underspend of (£100k) is anticipated. In Other Support Services, salaries above the organisation in the Placements Team and higher costs of the North Wales Adoption Service are responsible for the overspend.

Post-16 - increase in the pressure on the service with 5 individuals receiving support to the value of £100k each per annum.

Specialist/Derwen - the increasing overspend trend continues as a result of an increase in the demand for support plans and specialist support. A change in the emphasis in terms of how the service is provided, and the increased pressure on direct payments is now obvious.

Youth Justice - staff turnover means that there is an underspend on this heading.

Early Years – the use of grants funding core expenditure, with the receipt of grants in the childcare field responsible for the underspend.

Youth - a grant receipt against the core expenditure as well as an underspend after remodelling the service. The service's activity has been disrupted by the impact of Covid and there is less expenditure as a result.

Others - employment costs and higher costs for services.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Education Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Devolved Schools	85,493	87,001	0		0	0
Devolved Schools - Additional Electricity Costs			1,508		1,508	0
Schools Quality Services	(1,046)	(1,161)	(115)		(115)	(345)
Infrastructure and Support Services						
Transportation	6,017	6,228	211		211	106
Ancillary Services	738	778	40		40	423
Others	3,158	3,065	(93)		(93)	(87)
	9,913	10,071	158	0	158	442
Leadership and Management	2,469	2,241	(228)		(228)	(129)
Additional Learning Needs and Inclusion	5,214	5,203	(11)		(11)	(28)
Education Total	102,043	103,355	1,312	0	1,312	(60)

Education

Devolved Schools - Additional Electricity Costs - for the six months from October 2022 onwards, the impact of higher electricity costs on the schools. Considering that the schools have already benefited from almost a million in energy savings which have derived from Covid and the associated lockdown periods, it is therefore considered appropriate to use school balances to fund the additional pressures this year.

Schools Quality Services - grant receipts, staff turnover, reducing expenditure and a reduction in the demand on some budgets are responsible for the underspend.

Transportation - although £146k of permanent additional funding has been allocated to the school taxis and trains in 2021/22 and a further £150k in 2022/23, an overspend of £208k is anticipated this year. Additional pressure was seen on the budget after Grŵp Llandrillo Menai educational courses were moved to Llangefni as well as the increase in the demand for taxis for the special school pupils of Hafod Lon and Pendalar.

The Transport field has been the subject of a strategic review to try to control the increase in expenditure, it is suggested that the need for further work by the Education Department and Environment Department continues, so that it is possible to take advantage of opportunities for efficiencies.

Infrastructure and Support Services - Ancillary Services - a Welsh Government plan to fund free school meals for reception and Year 1 children from September 2022 and Year 2 from January 2023, means that the income deficit trend that was seen over the past years on school meals is not apparent this year. An increase in food costs, lack of income and higher staffing costs can be seen in the care element of the breakfast clubs. Vacant posts and less pressure on other budgets reduces the level of overspend.

Infrastructure and Support Services - Others - less demand on a number of various budgets.

Leadership and Management - staff turnover and underspend on a number of budget headings.

Additional Learning Needs and Inclusion - mixed picture which is a combination of vacant posts and underspend on several varied headings, while circumstances involving one specific centre continue and responsible for an overspend of £217k.

The Cabinet is asked to note that the overspend of the Education Department is as a result of an overspend on electricity costs at the schools, it is recommended that the Cabinet considers whether the additional electricity costs for this year should be funded from the balances of the individual schools.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Economy and Community Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	383	383	0		0	0
Community Regeneration and Support Programmes	1,009	1,024	15		15	66
Maritime and Country Parks	3	(86)	(89)		(89)	(189)
Byw'n Iach and Other Leisure Contracts	1,596	2,774	1,178		1,178	(12)
Economic Development Programmes	71	71	0		0	111
Marketing and Events	296	301	5		5	11
Gwynedd Libraries	1,689	1,665	(24)		(24)	(77)
Museums, Arts and Gwynedd Archives	881	1,027	146		146	18
<u>Economy and Community Total</u>	5,928	7,159	1,231	0	1,231	(72)

Economy and Community

Maritime and Country Parks – a combination of reasons responsible for the underspend including exceeding income in the beaches and Hafan Pwllheli following favourable weather and therefore a busy season. Staff turnover at the Harbours and Hafan, Pwllheli has also assisted the situation but the increasing electricity costs is reducing the underspend reported.

Byw'n Iach and Other Leisure Contracts - the Leisure provision was transferred to the Byw'n Iach Company on 1 April 2019, but responsibility for the running costs of properties remained with the Council. Due to the side effect of Covid, the Byw'n Iach Company received financial aid from the Welsh Government's hardship fund valued at £1.4 million in 2021/22 and £2.7 million in 2020/21. Such support is not available from the Government this year. However, as the side effect of Covid continues in 2022/23 and disrupts the ability to generate income, the Council confirmed necessary financial support to maintain Cwmni Byw'n Iach services by extending the assurance period provided to the Company until the end of the 2022/23 financial year. According to latest projections, the value of the aid required is £842k. Higher electricity costs are responsible for the remaining overspend.

Gwynedd Libraries - a combination of underspend on staff, travelling and office costs.

Museums, Arts and Gwynedd Archives - it is not anticipated that plans to the value of £70k in Neuadd Dwyfor will be realised this year as the side-effects of Covid has had a negative impact on Neuadd Dwyfor's income levels and since it will also be closed for a two-month period during the financial year for phase 2 work on the building. Problems in Storiol continue, with a deficit of £49k projected for the year. The increasing cost of electricity also contributes to the overspend reported.

The Cabinet is asked to note that the overspend in the Economy and Community Department is as a result of financial aid to the value of £842k to Byw'n Iach, as well as an increase in electricity costs.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Highways and Municipal Department (including Trunk roads)	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk roads)	10,585	10,603	18		18	267
Engineering Services	384	593	209		209	23
Municipal Services						
Waste	12,215	13,366	1,151		1,151	362
Others	5,060	5,518	458		458	94
Highways and Municipal Total	28,244	30,080	1,836	0	1,836	0

Highways and Municipal (including Trunk roads)

Highways Services - a reduction in the works commissioned by the main clients along with a delay to realise savings schemes.

Engineering Services - failure to realise savings schemes including CCTV, Aber bridge and Barmouth Bridge savings but discussions are continuing to seek a resolution.

Waste - number of matters responsible for the overspend, but mainly waste collection and recycling. Additional circuits have resulted in overspending on employment and fleet costs. Sickness and overtime levels are also problematic, while there are additional costs in terms of vehicle hire. Overspend on the costs of handling recycling materials but the income on sales of recycling materials exceeds the budget. Reduction in residual waste means that the associated costs are lower. Higher electricity costs and problems in realising savings in the field also contribute to the level of overspend reported.

Following the increased overspend trend in waste collection in recent years, the Department has now received an external report from WRAP Cymru which provides recommendations on ways to improve this service. The report will receive managerial consideration by the Department.

Other Municipal Services - a mixed picture which is a combination of factors, with some of the main reasons including saving schemes still not found and land maintenance and public toilets income losses. Additional pressure on street cleaning, cleaning public toilets, commercial waste budgets and also rising electricity costs are evident. Higher incomes are predicted by the bereavement services which reduces the overspend reported.

Given the substantial overspend anticipated by the Highways and Municipal Department, to note the Chief Executive's intention to call a meeting with the relevant officers in an attempt to get to the root of the Department's overspend, so that definitive steps are taken in an attempt to bring the situation under control before the end of the financial year, and to report to the Cabinet on the response plan.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Environment Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	836	863	27		27	20
Planning and Building Control Service	586	491	(95)		(95)	(41)
Street Care and Transport Services						
Network Management (Transportation)	309	(68)	(377)		(377)	(481)
Parking and Parking Enforcement	(1,830)	(1,484)	346		346	190
Integrated Transport	1,803	2,070	267		267	195
	282	518	236	0	236	(96)
Countryside and Access	765	761	(4)		(4)	29
Public Protection	1,799	1,622	(177)		(177)	(103)
<u>Environment Total</u>	4,268	4,255	(13)	0	(13)	(100)

Environment

Planning and Building Control Services - the income projections have improved again this year after substantial applications were submitted over the past months. Underspend on various budgets including statutory notices, professional services and appeals.

Streetcare and Network Management (Transport) - exceeding the streetworks fees income, as well as vacant posts and underspend on many of the budget headings.

Parking and Parking Enforcement - lack of parking income of £270k and overspend electricity costs which is reduced by an underspend of staff and training budgets.

Integrated Transport - overspend of £366k and public bus contracts, but higher incomes and various underspend reduce the overspend reported. It is suggested that the review into the Transport provision should continue following a delay as a result of the Covid crisis.

Public Protection - empty posts and less expenditure on a number of the budget headings this year, including food and water samples, services and supplies.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW

Consultancy Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(552)	(588)	(36)		(36)	(14)
Sustainable Urban Drainage Systems Unit (SuDS)	0	0	0		0	0
Flood Risk Management Unit	607	607	0		0	(92)
Building Service	(46)	(40)	6		6	(3)
<u>Consultancy Total</u>	9	(21)	(30)	0	(30)	(100)

Consultancy

Roads and Engineering Services - vacancies and exceeded income from external organisations such as other Councils and Welsh Government.

Building Service - underspend on staff resulting in a lack of income generation.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Housing and Property Department	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	242	213	(29)		(29)	(49)
Housing Services						
Homelessness	3,270	6,480	3,210		3,210	28
Private Sector Housing	446	421	(25)		(25)	(44)
Others	436	361	(75)		(75)	(49)
	4,152	7,262	3,110	0	3,110	(65)
Property Services						
Property	5,015	5,209	194		194	(142)
Caretaking, Catering and Cleaning	(20)	(12)	8		8	(24)
	4,995	5,197	202	0	202	(166)
Closure of Accounts Adjustments					0	180
Housing and Property Total	9,389	12,672	3,283	0	3,283	(100)

Housing and Prope

Housing Services, Homelessness - the trend of significant pressure on the Temporary Accommodation service in Homelessness is intensifying. During the year, the Welsh Government compensated us for £2.9 million of the relevant additional expenditure of £3.3 million from the Covid hardship fund. However, this year the Welsh Government grant is worth only £475k towards the cost. The current financial year has seen a further increase in demand, along with higher average costs as landlords have increased prices and the availability of temporary accommodation in the county has reached capacity. The reported net overspend of £3.2m on Homelessness follows an allocation of £1.5m from the Council's covid recovery arrangements fund to the service.

Housing Services, Private Sector Housing and Others - underspend on staff costs and on a number of budget headings.

Property Services - overspend resulting from an increase in electricity prices but reduced by vacancies within the Property service. Combination of reduced expenditure on services and supplies and income losses in the Caretaking, Catering and Cleaning field.

The Cabinet is asked to note that the overspend of the Housing and Property Department is as a result of a change in legislation in relation to Homelessness, with the implications leading to a net overspend of £3.2 million this year.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Central Departments	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	2,163	2,136	(27)		(27)	(33)
Finance (and Information Technology)	7,449	7,428	(21)		(21)	(96)
Corporate Support	8,155	8,113	(42)		(42)	(63)
Total Central Departments	17,767	17,677	(90)	0	(90)	(192)

Central Departments

Corporate Management Team and Legal - the impact of vacancies of the two Corporate Directors for part of the year along with staff turnover and vacancies in Legal, which is reduced by the use of agency solicitors.

Finance (and Information Technology) – combination of reasons responsible for the underspend, including one-off underspend due to vacant posts, as well as income for administering various grants and higher income received in several fields.

Corporate Support - staff turnover and underspend on a number of headings across the department contributes to the general underspend position. The underspend reported is reduced by forecasts of a £66k income shortfall by the Printroom.

REVENUE BUDGET 2022/23 - END OF AUGUST REVIEW						
Corporate (Reflects variances only)	2022/23 Proposed Budget	2022/23 Estimated Position	Estimated Over / (Under) Spend 2022/23	Use of Other Sources or Other Adjustments Recommended	Estimated Adjusted Over / (Under) Spend 2022/23	Net Over / (Under) Spend Final Position 2021/22
Field:-	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(962)		(962)	0
Council Tax Reductions	*	*	(913)		(913)	0
Capital Costs	*	*	(310)		(310)	0
Interest Received	*	*	(1,145)		(1,145)	0
Pay inflation above budget	*	*	3,544		3,544	0
Reserve provision for inflation	*	*	(1,637)		(1,637)	0
Savings provision	*	*	(1,200)		(1,200)	0
Requirements of Financial Side Effects of Covid	*	*	474		474	0
Others	*	*	(334)		(334)	0
<u>Corporate Total</u>	*	*	(2,483)	0	(2,483)	0
<i>Use of General Funds / Balances</i>				(7,054)		

Corporate

Council Tax - up to the end of August, the Valuer's Office permitted 139 properties to transfer from Council Tax to Non-domestic Tax (469 in 2021/20, 506 in 2020/21, 397 in 2019/20, 453 in 2018/19). Nevertheless, a favourable situation is anticipated from the output of the additional tax due to prudential projections when setting the 2022/23 budget. £6m of Council Tax Premium has been programmed to be received during 2022/23 to be earmarked for consideration for the Housing Strategy.

Council Tax Reductions - a reduction in the numbers who claim the reduction in Gwynedd compared with previous years as well as setting prudential estimates.

Capital Costs - current treasury management policy means that external borrowing can be avoided, consequently creating underspend.

Interest Receipts - the latest increase in interest rates means that the projections interest receipts exceeds the expected budget.

Chwyddiant Tâl Uwchlaw'r Gyllideb - mae'r ffigyrau diweddaraf yn awgrymu y bydd oblygiadau'r cynnydd cyflogau a argymhellir yn genedlaethol yn £3.5m, sydd yn sylweddol uwch na'r 4% a gynghorwyd i Gynghorau ei gyllidebu wrth sefydlu'r gyllideb am 2022/23 a ystyrid i fod yn ddarbodus ar y pryd.

Reserve provision for Inflation - a budget was provided to fund potential additional pressure stemming from inflation.

Savings Provision - following the failure of certain departments to realise savings in some fields, a corporate provision has been set up for the purpose, which is available for appropriate distribution.

Requirements of Financial Side Effects of Covid - the requirement above the £1.4m provided in the budget for Covid is £474k, which is to be funded from a fund.

Others - bids returned and pressures on a number of budgets not as much as what was projected.

Use of General Funds / Balances - in order to fund the Council's financial position, by the end of the year it is anticipated that £7.1m from the Council's funds will have to be used. The latest forecasts suggest that £1.5m needs to be used from Schools Balances for overspend on electricity in the schools, £4.5 from the post-Covid recovery arrangements fund and the rest, namely £1.1m from the Financial Strategy Fund.

Although it is premature to transfer money from funds until the financial situation is finalised at the end of the year, it is recommended that the procedure in terms of using funds to fund the financial deficit at the time will:

- firstly, Schools Balances to fund the increase in electricity prices in the schools
- secondly, use £4.5 million from the post-Covid recovery arrangements fund established to fund the associated financial challenges that face the Council
- finally, the rest to be funded from the Financial Strategy Fund.