

Revenue Budget 2016/17 - Summary of position by Department

	Third Quarter Review					Second Quarter Review £ '000
	Revised Budget 2016/17 £'000	Overspend / (Underspend) 2016/17 £ '000	Movement to/from Reserves £ '000	Recommended Adjustments £'000	Revised Overspend/ (Underspend) £ '000	
Adults, Health and Wellbeing	50,207	88	0	0	88	168
Children and Families	13,941	222	0	0	222	168
Education	89,057	42	0	0	42	13
Economy and Community	11,719	2	0	0	2	73
Highways and Municipal	23,076	58	0	0	58	118
Regulatory (Planning, Transportation and Public Protection)	8,954	(215)	0	115	(100)	(23)
Gwynedd Consultancy	1,163	(47)	0	0	(47)	70
Corporate Management Team and Legal	711	(55)	0	0	(55)	(29)
Finance	765	(56)	0	0	(56)	(67)
Corporate Support	512	(80)	0	0	(80)	(88)
Corporate Budgets <i>(Variances only)</i>	*	(1,285)	0	1,280	(5)	(190)
Totals (net)	200,105	(1,326)	0	1,395	69	213

Revenue Budget 2016/17 - Third Quarter Review						
Adults, Health and Wellbeing Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services						
Older People's Service						
Residential and Nursing - Homes	9,860	9,544	(316)	0	(316)	(320)
Home Care	6,329	6,301	(28)	0	(28)	2
Other	2,785	2,767	(18)	0	(18)	(33)
	18,974	18,612	(362)	0	(362)	(351)
Physical Disability Services						
Residential and Nursing	479	429	(50)	0	(50)	(60)
Home Care	1,016	1,057	41	0	41	25
Other	711	648	(63)	0	(63)	(52)
	2,206	2,134	(72)	0	(72)	(87)
Learning Disability Services	14,949	14,846	(103)	0	(103)	(124)
Mental Health Services						
Residential and Nursing	1,386	1,622	236	0	236	265
Other	2,064	2,016	(48)	0	(48)	(105)
	3,450	3,638	188	0	188	160
Other Services (Adults)						
Management	424	390	(34)	0	(34)	(12)
Older People and Physical Disability Team	2,432	2,427	(5)	0	(5)	(9)
	2,856	2,817	(39)	0	(39)	(21)
Adult Services Total	42,435	42,047	(388)	0	(388)	(423)

Revenue Budget 2016/17 - Third Quarter Review						
Adults, Health and Wellbeing Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
<u>Provider Services (showing net budget)</u>						
Residential Care	68	154	86	0	86	62
Day Care	(20)	(17)	3	0	3	23
Community Care	92	214	122	0	122	142
Other	25	(2)	(27)	0	(27)	(37)
<u>Provider Services Total</u>	165	349	184	0	184	190
<u>Other Services</u>						
Housing Services	4,403	4,416	13	0	13	28
Departmental Central Services <i>(including Department savings)</i>	3,204	3,483	279	0	279	373
<u>Total Other Services</u>	7,607	7,899	292	0	292	401
<u>Adults, Health and Wellbeing Total</u>	50,207	50,295	88	0	88	168

Adults, Health and Wellbeing Department

Older People's Services - an underspend of (£362k) is forecasted mainly as the trend of a reduction in the number of clients in residential and nursing placements continues, with a reduction of 68 residents since the beginning of the financial year, from 409 to 341 by now.

Physical Disability Services - an underspend of (£72k) is forecasted, with (£50k) 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, an underspend on day services but an overspend on support packages and direct payments.

Provider Services - the trend continues with a net overspend of £188k as a result of new expensive residential and nursing cases, and an increase of £46k during the quarter on the spend on alcohol and drug care. A one-off underspend of £40k on vacant posts has assisted in reducing the overspend.

Mental Health Services - continuation in the trend with an overspend of £184k, mainly on community care, £92k of which is from an overspend on travelling costs with the remainder on staffing and overheads. An increase in the overspend on residential care as a result of additional staffing costs.

Departmental Central Services - there was a significant rise in the number of 2016/17 saving schemes being realised within the Department, and now it is forecasted that the net underachievement will reduce to £273k (£508k in quarter 2), but a number of saving schemes continue to slip, or are yet to be realised in 2016/17. The Department's intention is to take further additional steps to try and ensure that the situation improves by the end of the financial year, and this through repackaging its saving schemes.

Revenue Budget 2016/17 - Third Quarter Review						
Children and Families Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	467	444	(23)	0	(23)	(22)
Operational Services	1,864	2,090	226	0	226	195
Placement Services						
Out of County Placements	2,264	2,324	60	0	60	72
Agency Fostering	970	995	25	0	25	62
Internal Fostering	1,640	1,750	110	0	110	56
Support Services and Other	1,448	1,547	99	0	99	80
	6,322	6,616	294	0	294	270
Post-16 Services	1,037	853	(184)	0	(184)	(194)
Specialist Services/Derwen	1,444	1,410	(34)	0	(34)	(54)
Youth Justice Services	235	210	(25)	0	(25)	(24)
Early Years Services	107	62	(45)	0	(45)	(51)
Other Services	2,465	2,478	13	0	13	48
Children and Families Total	13,941	14,163	222	0	222	168

Children and Families

Operational Services - an increase of £31k in the forecasted overspend since what was reported in the second quarter review, with an overspend of £226k now being forecasted by the end of the financial year on staffing and higher costs of complex care packages. This field is the subject of a bid for 2017/18.6

Placement Services - an overspend of £294k on placement services, which is £24k higher than forecasted in quarter 2, with the overspend on internal fostering having doubled to £110k following the placing of new cases during the quarter. Part of the increase has been counterbalanced by a reduction of £37k in the overspend forecasted on fostering with agents and £12k on out of county placements, as only one new case was seen during the quarter, and accordingly there is capacity to reduced the relevant provision. The overspend continues on allowances, and the payments for internal fostering, that is the 'Cynllun Aros Ymlaen' overspending by £59k. Work continues to meet the related savings targets.

Post 16 Services - an underspend of (£184k) is forecasted following a reduction in the demand for Post-16 support packages.

Early Years Services - additional fee income but an increase incosts since the second quarter.

It is expected that the Department will take steps to try to manage their budget by the end of the financial year. There are reserves of £58k held by the Department to contribute towards the reported overspend. This will be given further consideration in closing down the accounts, after establishing the final position.

Revenue Budget 2016/17 - Third Quarter Review						
Education Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Delegated Schools	72,236	72,236	0	0	0	0
Transport	4,303	4,310	7	0	7	37
Redundancies and Early Retirement	551	553	2	0	2	0
Integration	135	135	0	0	0	0
Out of County	992	992	0	0	0	0
Catering and Cleaning	350	247	(103)	0	(103)	(121)
Nursery Education	587	577	(10)	0	(10)	(21)
Education Improvement Grant	529	529	0	0	0	0
Management	1,680	1,658	(22)	0	(22)	(30)
Additional Learning Needs Unit	1,928	2,114	186	0	186	185
Support for Underperforming Schools			0	0	0	0
Further Education	23	9	(14)	0	(14)	(12)
School Reserve Budgets	277	277	0	0	0	0
Contribution to Joint Committees	1,726	1,726	0	0	0	0
Other	3,740	3,736	(4)	0	(4)	(25)
Education Total	89,057	89,099	42	0	42	13

Education

An overspend position of £42k is forecasted by the Education Department by the end of the financial year, a deterioration of £29k from the overspend of £13k reported in the second quarter, with the level of underspend by numerous services having reduced by the third quarter, and not adequate by now to counterbalance the overspend. The main areas contributing to the position are:

Catering and Cleaning - according to the latest forecasts, an underspend of (£103k) is likely, mainly as a result of the early realisation of 2017/18 school catering savings, but a combination of higher costs and a reduction in net income leading to an underspend forecast by now.

Additional Learning Needs Units - no change since the position reported in the second quarter, with circumstances relating to one specific centre being responsible for the overspend of £186k forecasted under this heading.

Revenue Budget 2016/17 - Third Quarter Review						
Economy and Community Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Management	903	903	0	0	0	0
Business Support	173	180	7	0	7	19
Marketing and Customer Care	607	607	0	0	0	0
Community Regeneration	556	562	6	0	6	0
Skills and Enterprise	11	6	(5)	0	(5)	0
Strategic Projects Team	845	890	45	0	45	46
Strategy and Development	261	261	0	0	0	0
Archives	411	401	(10)	0	(10)	(9)
Museums	158	153	(5)	0	(5)	(5)
Galleries	77	77	0	0	0	0
Halls	278	281	3	0	3	11
Arts	272	269	(3)	0	(3)	(3)
Country Parks	115	89	(26)	0	(26)	(16)
Maritime	167	242	75	0	75	108
Youth Service	1,326	1,228	(98)	0	(98)	(98)
Healthy Communities Service - Leisure Centres	3,392	3,417	25	0	25	40
Sports Development	270	268	(2)	0	(2)	0
Libraries	1,897	1,887	(10)	0	(10)	(20)
Total Economy a Community	11,719	11,721	2	0	2	73

Economy and Community

The financial situation has improved by £71k from the £73k overspend reported in the second quarter, following an attempt by a number of services across the Department to reduce costs and attract more income. The areas with the greatest variances are:

Maritime - the latest forecasts suggest that the net overspend will reduce to £75k, from the £108k reported in the second quarter. The overspend is mainly stemming from the shortfall of income at Hafan Pwllheli and the harbours, following a reduction in the demand for anchorages. The position has improved since the second quarter with a reduction in the income shortfall that is being forecasted. The Department have also tried to reduce the shortfall in the income by reducing the costs at the sites. The Audit Committee has requested on 1 December 2016, for the Economy and Community Department to prepare a comprehensive report on the situation at Hafan Pwllheli, this work is ongoing.

Youth Service - the trend of an underspend of (£98k) reported in the second quarter continues by the Youth Service, (£78k) of which is on two vacant Development Officer job posts, and (£20k) on youth clubs, as the Department identify savings for 2017/18 and onwards in these fields.

Revenue Budget 2016/17 - Third Quarter Review						
Highways and Municipal Summary Position (including Trunk Roads)	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Highways Services (including Trunk Roads)	9,132	9,155	23	0	23	31
Engineering Services	460	493	33	0	33	19
Municipal Services						
Waste						
Waste Disposal	2,280	2,155	(125)	0	(125)	(165)
Treatment and Transfer Sites	1,636	1,641	5	0	5	47
Waste Collection and Recycling	3,752	3,808	56	0	56	92
Commercial Waste	(20)	99	119	0	119	125
Other Waste	1,719	1,738	19	0	19	37
Waste Sub-total	9,367	9,441	74	0	74	136
Crematorium and Cemeteries	125	89	(36)	0	(36)	(57)
Other Municipal	3,953	3,985	32	0	32	7
	13,445	13,515	70	0	70	86
Municipal Works Unit	39	(29)	(68)	0	(68)	(18)
Highways and Municipal (including Trunk Roads) Total	23,076	23,134	58	0	58	118

Highways and Municipal (including Trunk Roads)

The latest forecasts suggest a substantial reduction in the level of the overspend to £58k, a movement of £60k from the £118k forecasted in the second quarter, with the financial position generally more favourable across the whole Department.

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

- **Waste Disposal** - an underspend of (£125k) as a result of less waste going into land-fill.

- **Waste Collection and Recycling** - the latest forecasts suggest a reduction in the overspend to £56k. A combination of early realisation of green waste savings and lower costs following on from changes to operating arrangements. But, this is counterbalanced by slippage in the recycling bank savings, £48k grant reduction, and additional pressure on the service following an increase in the number of new houses during the year, leading to higher operating and renewal costs.

- **Commercial Waste** - following on from new rationalisation arrangements in respect of school bins, a loss of income of £119k was obtained. 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 on above. The 2017/18 prices will be adjusted to reflect the loss of income.

Municipal Provider Unit - it is forecasted that there will be a (£68k) underspend by the end of the financial year as a result of early realisation of staffing savings and less operating costs.

Revenue Budget 2016/17 - Third Quarter Review						
Regulatory Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	314	284	(30)	15	(15)	0
Planning Services						
Development Control	294	289	(5)	0	(5)	0
Other	(46)	(58)	(12)	0	(12)	0
	248	231	(17)	0	(17)	0
Street Works and Transport Services						
Forward Planning	2,482	2,482	0	0	0	0
Structural Maintenance	1,136	1,136	0	0	0	0
Road Safety	271	262	(9)	0	(9)	0
Traffic and Statutory Arrangements	322	305	(17)	15	(2)	1
Parking Services and Parking Enforcement	(1,392)	(1,389)	3	0	3	0
Transport	1,983	1,973	(10)	0	(10)	0
Enforcement and Transport	503	418	(85)	85	0	0
Other	3	2	(1)	0	(1)	0
	5,308	5,189	(119)	100	(19)	1
Countryside and Access Services	1,184	1,183	(1)	0	(1)	(4)
Joint Planning Policy Unit	305	304	(1)	0	(1)	0
Public Protection Services	1,670	1,647	(23)	0	(23)	(4)
Catering, Cleaning and Caretaking Services	6	(10)	(16)	0	(16)	(4)
Property Services	(81)	(89)	(8)	0	(8)	(12)
Regulatory Total	8,954	8,739	(215)	115	(100)	(23)

Regulatory

The latest forecasts suggest an underspend of (£215k), which is a movement of (£192k) since the second quarter position, and which stems from a general underspend by the majority of services within the Department, with a number having already achieved their 2017/18 staff savings, including in Regulatory, Development Control, Road Safety, Enforcement and Transport, and Public Protection.

Transport and Enforcement - a one-off underspend of (£85k) is forecasted from realising the savings of re-structuring the unit one year ahead of schedule.

Summary and Recommendation

As the underspend level forecasted by the Department is above (£100k), it is suggested that (£115k) is harvested from the underspend to be placed in general balances, to assist with the changes facing us as a Council.

It is recommended that (£115k) is transferred from the Regulatory Department to the Council's general balances to assist with the changes facing us to achieve the Council's priorities.

Revenue Budget 2016/17 - Third Quarter Review						
Consultancy Department	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	46	11	(35)	0	(35)	128
Flood Risk Management Unit Services	933	933	0	0	0	(52)
Building Services	184	172	(12)	0	(12)	(6)
Consultancy Total	1,163	1,116	(47)	0	(47)	70

Consultancy

A favourable movement of (£117k) since the overspend of £70k reported in the second quarter review, with an underspend of (£47k) by now being forecasted by the end of the financial year.

Roads and Engineering Services - an underspend of (£35k) is by now foreseen following a substantial movement in the forecasts during the quarter, this following the success of the Department in attracting additional income through a combination of additional internal and external work.

Flood Risk Management Unit Services - a balanced financial position is by now forecasted, following on from using the underspend forecasted in the second quarter to finance plans in the risk and flood management fields, together with spending on essential work on a vehicle.

Revenue Budget 2016/17 - Third Quarter Review						
Central Departments	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	711	656	(55)	0	(55)	(29)
Finance	765	709	(56)	0	(56)	(67)
Corporate Support	512	432	(80)	0	(80)	(88)
Resources Total	1,988	1,797	(191)	0	(191)	(184)

Central Departments

Corporate Management Team and Legal - an increase of (£26k) in the underspend forecasted since the second quarter position, mainly as a result of receiving additional income by the Legal Unit and additional 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 situation forecasted.

Finance - a reduction in the underspend forecasted since the previous review, but the trend of attracting income in excess of the budget in the Audit and Information Technology fields, together with a one-off underspend on posts continues by the Department.

Corporate Support - an underspend of (£80k) is forecasted by the year end, mainly resulting from one-off staff savings due to staff turnover across the Department, with a number of 2017/18 savings already realised. Included within this is a £18k income shortfall in the Printroom, which is in line with what was reported in the second quarter.

Revenue Budget 2016/17 - Third Quarter Review						
Corporate (Only reflecting variances)	Revised Budget 2016/17	Estimated Final Position 2016/17	Estimated Gross Overspend / (Underspend) 2016/17	Use of Other Sources Or other Recommended Adjustments	Revised Overspend/ (Underspend)	Net Overspend/ (Underspend) 2nd Quarter Review
Area:-	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	(250)	250	0	0
Benefits	*	*	(180)	180	0	0
Net Interest Income	*	*	78	0	78	66
Reserve Budget	*	*	(600)	600	0	0
Other			(333)	250	(83)	(256)
Corporate Total	*	*	(1,285)	1,280	(5)	(190)

Corporate

A favourable position of a higher Council Tax collection of (£250k) is forecasted, mainly resulting from an increase in the number of new houses during the year and a reduction in the exceptions of reducing the Council Tax payable. An underspend of (£180k) on Benefits, but the interest forecast has deteriorated during the quarter as a result of the present market position, and accordingly, a £78k reduction in Net Interest Receipts is forecasted by the year end.

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 (£250k) is harvested from the favourable collection of Council Tax, (£180k) of the underspend on Benefits, (£600k) reserve budget, together with (£250k) of the underspend included under 'Other' to the Council's general balances, with £1,055k (£756k 2017/18, and £299k 2018/19) of it towards the commitments in the Education field that have already been approved by the Cabinet on 13 December 2016.