

## REVENUE BUDGET 2011/12 -THIRD QUARTER REVIEW

Opening Budget 2011/12	Revised Budget 2011/12	Forecasted Position 2011/12	Estimated Gross Ovespend/(Underspend)	Recommended Changes and Adjustments	Net Ovespend/(Underspend)	Explanation	Decisions: Consideration to - - Return to balances, - Transfer to fund, - Approve additional budget, or - Suggest other specific action
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**Social Services and Housing****Central Services**

Central Services	4,146	4,156	4,137	(19)		(19)	A slight underspend is now forecasted on this heading, following the Board's decision in the second quarter review to earmark £253k of the 'Category C' savings achieved here to support the savings plan towards the £16 million. Additionally, in the second quarter review, the board also recommended the transfer of a budget of £50k on a one-off basis to alleviate the overspend position on the Children and Families budget.	
<b>Central Services Total =</b>	<b>4,146</b>	<b>4,156</b>	<b>4,137</b>	<b>(19)</b>	<b>0</b>	<b>(19)</b>		

**Children and Families Service**

Out of county Placements	2,329	2,829	2,800	(29)		(29)	At present, a slight underspend is forecasted under this heading due to the Board's decision during the second quarter review to transfer a budget of £500k on a one-off basis from the Adult Service to alleviate the overspend position forecasted at the time.	
Agency Adoption	1,573	1,603	1,606	3		3	A more-or less neutral position, again arising from the Board's decision during the second quarter review to transfer a budget of £30k on a one-off basis from the budget of this service to the Adult Service to alleviate the overspend forecasted at the time.	
Post - 16 Services	993	1,031	1,090	59		59	An overspend position which is consistent with the £66k overspend forecasted in the second quarter review following the Board's decision to transfer a budget of £40k on a one-off basis from the Adult Service, to alleviate the £106k overspend forecasted at the time.	
Support Schemes	853	852	777	(75)		(75)	An increase of (£23k) is forecasted in the underspend position since the second quarter review, due to some cases coming to an end, one-off staff savings on some schemes, and reduced expenditure on respite care.	
Other	7,927	7,934	8,043	109		109	Projection which includes overspends and underspends on several headings, including additional one-off staff costs of £42k on the Operating Service, £29k on the Placements Team, and £29k on Specialist Service.	
<b>Children and Families Service Total =</b>	<b>13,675</b>	<b>14,249</b>	<b>14,316</b>	<b>67</b>	<b>0</b>	<b>67</b>	On the whole for the Children Service, a reduction of (£99k) in the overspend position is forecasted from £166k which was forecasted in the second quarter. It should be noted that the £67k net underspend arises after taking into account all the budgetary transfers recommended by the Board to alleviate the overspend position forecasted 3 months ago.	

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Adult Services

Elderly People	18,828	18,568	18,309	(259)		(259)	An increase of (£220k) is forecasted in the underspend position from (£39k) which was forecasted in the second quarter review, and this after the transfer of £320k to the Children Service. The net underspend of (£259k) includes an underspend of (£358k) on Independent Homes (an increase of (£150k) due to a reduction in the number of placements), an 'overspend' of £13k in relevant income (which is an improvement of (£143k) since the second quarter due to an additional settlement of previous years' fee claims), and an overspend of £265k on Home Help (an increase of £204k since the second quarter due to additional demand for the service). The higher costs of Home Help should be considered in the context of a reduction in the number of placements in Independent Homes and also, the effect of restricting individual contributions to £50 a week. The net underspend (£259k) also includes a (£62k) underspend on Day Care (an improvement of (£75k) since the second quarter), and an underspend of (£63k) on Occupational Therapy.	
Physical Disabilities	2,192	2,089	1,965	(124)		(124)	An increase of (£81k) in the underspend position of (£43k) forecasted in the second quarter, mainly due to a reduction of (£87k) on Home Care expenditure as a result of a reduction in number of cases, and also a reduction in the costs of some other cases. The underspend position of (£124k) occurs after the transfer of £100k to the Children Service in the second quarter.	
Learning Disabilities	10,889	10,741	10,784	43		43	An additional net expenditure of £105k since the underspend position of (£62k) forecasted in the second quarter. The forecast of £43k overspend includes the transfer of £147k on a one-off basis to the Children Service. The net overspend of £43k includes an underspend of (£28k) on Hostels (reduction of £23k since the second quarter), an underspend of (£83k) on Residential and Nursing (reduction of £26k), an underspend of (£53k) on Residential Support (reduction of £10k) and an underspend of (£85k) on Support Schemes (reduction of £4k). Also, an overspend of £217k is forecasted on Day Services (an increase of £16k), and it is forecasted that the Historical Savings Scheme will not be achieved in full, resulting in a further overspend of £83k within the £43k net figure.	
Mental Health	3,144	3,070	3,115	45		45	An increase of £29k in the overspend position of £16k forecasted in the second quarter, which includes one-off staff savings of (£42k) with Field Workers (reduction of £38k since the second quarter), an underspend of £39k on Residential and Nursing (increase of (£25k)), and an overspend of £99k on Residential Support (increase of £18k).	
Other	2,788	2,857	2,896	39		39		
<b>Adult Services Total =</b>	<b>37,841</b>	<b>37,325</b>	<b>37,069</b>	<b>(256)</b>	<b>0</b>	<b>(256)</b>		

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**Housing**

Homelessness	828	808	810	2		2	At present, a slight overspend is forecasted, which is an improvement of (£19k) on the £21k overspend forecasted in the second quarter. Although the provision for Temporary Accommodation continues to show an overspend of £39k, an additional one -off staff saving of (£20k) has arisen.
Private Housing Sector	3,642	3,639	3,608	(31)		(31)	An underspend position achieved mainly through staff savings, partly due to staff turnover and also by early achievement of the 2012/13 savings plan.
Other	730	730	704	(26)		(26)	
<b>Total Housing =</b>	<b>5,200</b>	<b>5,177</b>	<b>5,122</b>	<b>(55)</b>	<b>0</b>	<b>(55)</b>	
<b>Social Services and Housing Total =</b>	<b>60,862</b>	<b>60,907</b>	<b>60,644</b>	<b>(263)</b>	<b>0</b>	<b>(263)</b>	For the Department as a whole, an increase of (£60k) is forecasted on the underspend position forecasted during the second quarter review.

**Provider and Leisure**

Central Services	0	(8)	(36)	(28)		(28)	By now, the (£39k) underspend position forecasted in the second quarter is predicted to be reduced by £11k. The (£28k) underspend is mainly due to staff savings.
Provider Services							
Expenditure	28,934						A substantial reduction in the overspend position of £106k forecasted in the second quarter, including an overspend of £18k on Catering (reduction of (£1k)), an overspend of £14k on Cleaning and Catering (reduction of (£3k)), an underspend of (£5k) on Residential and Day (improvement of (£59k)), and an underspend of (£27k) on Community Services (improvement of (£42k)) mainly due to increased income.
Income	(28,943)						
<b>Provider Service Net Total =</b>	<b>(9)</b>	<b>24</b>	<b>25</b>	<b>1</b>	<b>0</b>	<b>1</b>	
Leisure Services	4,517	4,543	4,585	42		42	From the neutral position in the second quarter, an overspend position of £42k is now forecasted and it includes several variances, mainly, an overspend on operating costs in some centres, one-off overspend on developing a weight-lifting room in one centre and overspend on purchasing fitness equipment. Although some centres have not achieved the expected levels of income, success has been seen in one centre to increase usage and income levels as a result of additional marketing.
<b>Total Provider and Leisure =</b>	<b>4,508</b>	<b>4,559</b>	<b>4,574</b>	<b>15</b>	<b>0</b>	<b>15</b>	

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**Education**

Transport	4,585	4,567	4,628	61		61	A slight increase of £5k in the overspend position of £56k forecasted in the second quarter review, mainly due to the failure to achieve the relevant savings target by charging in full for over-16 pupils in this financial year, the scheme having only been in operation since September 2011.
Special Needs Education Units and Education other than in Schools	2,317	2,200	1,988	(212)		(212)	An increase of (£50k) in the underspend position of (£162k) forecasted in the second quarter, including (£74k) in the field of Pupil Behaviour Support, (£40k) by changing working practice in the Education at Home Service, (£48k) by rationalising arrangements in the Language Disorder Units, and (£50k) mainly from one-off staff turnover savings together with the 2012/13 savings schemes being achieved in advance.
Inclusion Strategy	0	0	131	131		131	The Department has committed itself to an Inclusion Strategy Project with three schools in a pilot scheme which runs from September 2010 to March 2012. The relevant cost was financed by an external grant from September 2010 to August 2011, with the hope of attracting resources from the Three Year Plan to finance the remainder of the costs in 2011/12. Until now, no extra funding has been secured for this year and therefore, for the time being, it will be financed from underspend in other departmental headings.
Other	16,691	16,446	16,449	3		3	
Devolved Schools	62,750	62,892	62,892	0		0	
<b>Education Total =</b>	<b>86,343</b>	<b>86,105</b>	<b>86,088</b>	<b>(17)</b>	<b>0</b>	<b>(17)</b>	

**Economy and Community**

Management	1,452	1,427	1,400	(27)		(27)	An increase of (£5k) in the underspend position of (£22k) forecasted in the second quarter, mainly due to the early completion of the 2012/13 savings scheme, together with minor underspendings on various other headings.
Business Support	75	108	84	(24)		(24)	An increase of (£9k) in the underspend position of (£15k) forecasted in the second quarter, including staff turnover savings, overspend on the business units' operating costs and the receipt of additional rental income.
Country Parks	177	158	144	(14)		(14)	A reduction of £7k in the underspend position forecasted in the second quarter, mainly due to an increase in the net overspend in Parc Glynllifon following the loss of rental income from the units.
Maritime	(241)	(260)	(239)	21		21	A slight increase of £8k in the overspend position of £13k previously forecasted, mainly due to higher expenditure of £26k on repairs and maintenance and increased fee income of (£19k) from Harbours and Beaches.
Youth Service	1,087	1,136	1,101	(35)		(35)	An increase of (£20k) in the underspend position of (£15k) forecasted in the second quarter, mainly due to staff turnover savings.
Erail	3,419	3,540	3,548	8		8	
<b>Economy and Community Total =</b>	<b>5,969</b>	<b>6,109</b>	<b>6,038</b>	<b>(71)</b>	<b>0</b>	<b>(71)</b>	

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**Highways and Municipal Service  
(including Trunk Road Agency)**

Highways Maintenance and Lighting	10,362	10,473	10,487	14		14	On the basis of the expenditure for 9 months, a somewhat neutral position is forecasted, but the position could change rapidly should there be "winter maintenance" demands in the last quarter. Until now, the winter has been relatively mild which puts less pressure on the financial provisions. If the position is to continue until the end of March, then it will be possible for the Highways and Municipal Department to put the underspend in a fund in order to support any necessary capital expenditure in the Waste field in the following years.	
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**Relating to Waste**

Waste Disposal	3,770	3,778	3,926	148		148	Since the second quarter review, an increase of £64k in the overspend position is forecasted which includes higher landfill tax, because it is forecasted that we will fall short of the internal recycling target, together with higher costs of disposing wood and dangerous waste.	
Civic Amenity Sites	844	770	621	(149)		(149)	An underspend position, which is a one-off saving for this year because of the delay in opening the Dolgellau amenity site, which is now likely to be opened in February.	
Waste Collection and Recycling	4,078	4,395	4,208	(187)		(187)	An underspend is forecasted on this heading due to slippage in the work programme for food waste circuits, mainly due to the delay in receiving appropriate new vehicles.	
Commercial Waste	184	184	372	188		188	Recycling targets have not been reached and as a result a substantial overspend exists on disposal costs and the relevant landfill costs. It is intended to review the position in full in the process of establishing commercial waste fees for 2012/13.	
Waste Disposal Sites	4,194	4,202	4,191	(11)		(11)	A reduction of (£120k) in the overspend position of £109k forecasted in the second quarter, mainly due to a reduction of (£56k) in operating costs and an increase in income of (£64k).	
Other Waste	747	578	631	53		53		

**Total Relating to Waste =** 13,817 13,907 13,949 42 0 42

Highways and Municipal Service- Other (including Trunk Road Agency)	6,014	6,028	5,984	(44)		(44)		
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**Highways and Municipal Total** 30,193 30,408 30,420 12 0 12

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**Regulatory (Planning, Transportation and Public Protection)**

Development Control	686	727	873	146		146	A reduction of (£23k) in the overspend position of £169k forecasted in the second quarter, mainly due to an increase in income fees.	
Enforcement	455	462	425	(37)		(37)	An increase of (£21k) in the underspend position of (£16k) forecasted previously due to an increase in income fees.	
Car Parks	(1,009)	(874)	(831)	43		43	A reduction of (£36k) in the overspend position of £79k forecasted in the second quarter, due to improved parking fees income, together with minor reductions in operating costs.	
Integrated Transport	22	26	77	51		51	The net operating costs are forecasted to be higher than originally predicted, but it is understood that a review of the Department's arrangements will be made to try to seek a resolution to the issue by 2012/13.	
Public Protection	2,392	2,520	2,306	(214)		(214)	A reduction of £36k in the overspend position of (£250k) forecasted in the second quarter (mainly due to vacant post savings being achieved ahead of restructuring), following a reduction of £11k in fee income, together with higher operating costs of £25k.	
Other	8,524	8,473	8,430	(43)		(43)	Various minor underspending (£43k) on several headings.	
<b>Regulatory Total =</b>	<b>11,070</b>	<b>11,334</b>	<b>11,280</b>	<b>(54)</b>	<b>0</b>	<b>(54)</b>		

**Consultancy**

Consultancy Services	(567)	(489)	(400)	89		89	In the second quarter review, the Board recommended an additional budget of £70k allowing the Department to reduce its budgeted income target by reducing the pricing scale to assist in being more competitive in attracting new work. Nevertheless, a further decrease of £45k in income fees is forecasted.	
Building Control	269	265	334	69		69	An improvement of (£26k) in the overspend position of £95k forecasted in the second quarter, mainly due to an increase in fee income of (£24k).	
Other	864	875	898	23		23		
<b>Consultancy Total =</b>	<b>566</b>	<b>651</b>	<b>832</b>	<b>181</b>	<b>0</b>	<b>181</b>	The latest financial forecasts for the Consultancy Department are disappointing, especially after having received an additional budget of £70k in November.	<b>It is recommended</b> that the Head of Consultancy should review all of the relevant budgetary arrangements in order to resolve the Department's financial position.

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**Human Resources**

Expenditure	3,619					A position which is consistent with the underspend of (£68k) forecasted in the second quarter, mainly due to an underspend of (£65k) in the Support Service Unit by achieving its savings target early, and also one-off staff savings as a result of higher absences due to maternity leave.	
Income	(3,619)						
<b>Human Resources Net Total =</b>	<b>0</b>	<b>337</b>	<b>267</b>	<b>(70)</b>	<b>(70)</b>		

**Finance**

Expenditure	7,385					A reduction of £34k in the underspend position of (£56k) forecasted in the second quarter, mainly due to higher costs of supplies and services and reduced income expected from the recovery of court order fees relating to non-domestic rates following the extension of the rate relief scheme to small businesses.	
Income	(6,496)						
<b>Finance Net Total =</b>	<b>889</b>	<b>901</b>	<b>879</b>	<b>(22)</b>	<b>(22)</b>		

**Democracy and Legal**

Expenditure	6,063					An overspend of £97k was forecasted in the second quarter, mainly due to the position in the Print Unit which showed a deficit of £147k. By now the position has improved slightly, the Unit showing an increase in income of (£10k). A business review of the Unit has recently been conducted and the Head of Democracy and Legal will submit relevant proposals soon. In addition, the Department in general has been assisted by one-off staff savings of (£15k), and a further underspend of (£13k) on supplies and services across the units.	
Income	(5,488)						
<b>Democracy and Legal Net Total =</b>	<b>575</b>	<b>638</b>	<b>697</b>	<b>59</b>	<b>59</b>		

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**Customer Care**

Expenditure	11,649						By now, a substantial increase of (£77k) is forecasted in the overspend position compared to that reported upon in the second quarter. The gross position of (£105k) includes an underspend of (£111k) by the Information Technology Unit due to staff savings and reduced expenditure on supplies and services, an underspend of (£31k) by the Communications Unit, an underspend of (£13k) by the Web Unit (within the Customer Contact Unit), and an underspend of (£7k) by the Information Service's Documents Processing Unit. Also, an overspend of £41k is forecasted on central telephones and £21k by the Emergency Unit's failure to realise its savings plan as intended. Due to the irregular patterns of some expenditure aspects from one year to another in the Information Technology Unit, for example, renewal of software licences across-departments, the Head the Customer Care Service is eager to establish a related renewals fund to be able to respond and plan according to the circumstances .	It is recommended that £65k should be transferred to establish a renewals fund for information technology demands, in order to respond to irregular spending patterns on corporate matters or cross-departmental in the future.
Income	(9,378)							
<b>Customer Care Total</b>	<b>2,271</b>	<b>2,509</b>	<b>2,404</b>	<b>(105)</b>	<b>65</b>	<b>(40)</b>		

**Strategic and Improvement**

Expenditure	6,150						By now, a £46k reduction is forecasted in the underspend position of (£98k) predicted in the second quarter, with this reduction being mainly due to a £9k increase in costs of supplies and services in the Community Safety Partnership Unit, £11k additional expenditure by the Strategic Reviews Unit , £4k additional expenditure by the Research and Information Unit, £14k additional expenditure by the Housing Policy Unit and a reduction in income of £6k by the Research and Information Unit.	
Income	(5,246)							
<b>Strategic and Improvement Net Total =</b>	<b>904</b>	<b>789</b>	<b>737</b>	<b>(52)</b>		<b>(52)</b>		

**Leadership Team**

Expenditure	751							
Income	(751)							
<b>Leadership Team Net Total =</b>	<b>0</b>	<b>59</b>	<b>53</b>	<b>(6)</b>		<b>(6)</b>		



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**Corporate Budgets**

Council Tax (additional element only)	0	0	50	50		50	For the 2011/12 budget the notional collection rate for Council Tax was raised from 98% to 99%. In the current economical climate it is difficult to predict how many taxpayers will be able/unable to pay eventually, but it is forecasted for the time being, that there will be a £50k reduction in the tax collected (an improvement of (£20k) on the position reported upon in the second quarter review).	
Net Interest Receipt	(700)	(722)	(832)	(110)		(110)	The latest outlook is consistent with that reported upon in the second quarter and it reflects an increase of (£110k) in net interest received due to cash flow and better than expected performance. A recommendation on this matter will be made at the end of the financial year.	
Corporate Savings Plans	(838)	(1,045)	(855)	190		190	A position which is more or less consistent with that predicted in the second quarter and for the time being it is likely that £190k of the corporate savings will not be achieved this year.	
Reserve Provision for 2011/12 pay settlement	998	998	0	(998)	998	0	In establishing the 2011/12 budget, a provision was made for possible additional pay awards. Further national negotiations have now revealed that no relevant proposals will be made to staff, and therefore this provision can be released for other purposes by the Council.	Due to the continuous demand for additional capital resources, <b>it is recommended</b> that the £998k should be released to supplement the demands within the capital programme.
Recovery of Landfill Tax paid to the Customs and Excise	0	0	(795)	(795)	795	0	Recently the part of landfill tax paid in relation to the element of waste placed on landfill sites was successfully recovered.	Due to the uncertain position in relation to future budgets, <b>it is recommended</b> that £795k should be placed in a relevant fund to provide strategic funding to assist and to give some financial flexibility to the Council.
Other	15,759	14,416	14,416	0		0		
<b>Corporate Net Total =</b>	<b>15,219</b>	<b>13,647</b>	<b>11,984</b>	<b>(1,663)</b>	<b>1,793</b>	<b>130</b>		
<b>Total (for reviewing purpose) =</b>	<b>219,369</b>	<b>218,953</b>	<b>216,897</b>	<b>(2,056)</b>	<b>1,858</b>	<b>(198)</b>		