

## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>THE EXECUTIVE</b>
<b>DATE:</b>	<b>14 FEBRUARY 2017</b>
<b>SUBJECT:</b>	<b>REVENUE BUDGET MONITORING, QUARTER 3 2016/17</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>COUNCILLOR H E JONES</b>
<b>HEAD OF SERVICE:</b>	<b>MARC JONES</b>
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<b>LOCAL MEMBERS:</b>	<b>n/a</b>

### **A - Recommendation/s and reason/s**

1. In March 2016, the Council set a net budget for 2016/17 with net service expenditure of £124.037m to be funded from Council Tax income, NNDR and general grants.
2. The budget for 2016/17 included required savings of £3.46m. These have been incorporated into the individual service budgets and achievement or non-achievement of these is reflected in the net under/overspends shown.
3. This report sets out the financial performance of the Council's services for the third quarter of the financial year which relates to the period 1 April 2016 to 31 December 2016. The projected position for the year as a whole is also summarised.
4. The overall projected financial position at quarter 3 for 2016/17, including Corporate Finance and the Council Tax fund, is an overspend of £16k. This is 0.01% of the Council's net budget for 2016/17. This is a significant improvement on the overspend of £660k predicted during quarter 2.
5. It is recommended that:-
  - (i) The position set out in respect of the financial performance to date is noted.
  - (ii) Approval be provided for the transfer of any underspend at year-end on the winter gritting budget to an earmarked reserve. This would help fund additional costs in future years arising from adverse winter conditions.

### **B - What other options did you consider and why did you reject them and/or opt for this option?**

n/a

### **C - Why is this a decision for the Executive?**

This matter is delegated to the Executive.

### **CH - Is this decision consistent with policy approved by the full Council?**

Yes

### **D - Is this decision within the budget approved by the Council?**

Yes

<b>DD - Who did you consult?</b>		<b>What did they say?</b>
1	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
2	<b>Finance / Section 151</b> (mandatory)	n/a– this is the Section 151 Officer's report
3	<b>Legal / Monitoring Officer</b> (mandatory)	Will be consulted as part of SLT
4	<b>Human Resources (HR)</b>	
5	<b>Property</b>	
6	<b>Information Communication Technology (ICT)</b>	
7	<b>Scrutiny</b>	
8	<b>Local Members</b>	
9	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	
2	<b>Anti-poverty</b>	
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix A - Revenue Budget Monitoring Report – Quarter 3, 2016/17</li> <li>• Appendix B – table of forecast Revenue Outturn 2016/17, Quarter 3</li> <li>• Appendix C – Summary of Contingency Budgets 2016/17</li> <li>• Appendix CH – Summary of Forecast Financial Performance on the Achievement of 2016/17 Budget Savings</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
2016/17 revenue budget (as recommended by this Committee on 1 March 2016 and adopted by the the County Council on 9 March 2016).		

## REVENUE BUDGET MONITORING – QUARTER 3, 2016/17

## 1. General Balance – Opening Position

1.1 The general fund balance at the start of the year was £7.886m. However, against this there is a need to allow for a potential commitment of at least £2.15m to settle outstanding equal pay claims, which reduces the uncommitted reserve level to £5.736m, which is £736k above the minimum figure of £5m set by the Executive for the balance of general reserves in 2016/17. The Council is endeavouring to secure agreement from the Welsh Government which would allow the Council to treat the expenditure as capital expenditure, which would charge the cost to the revenue budget over a number of years. If this is successful, then the £2.15m becomes uncommitted and adds back to the general reserve available to the Council.

## 2. Projected Financial Performance by Service

2.1 The details of the financial performance by service for the period and the projected outturn position for each is set out in Appendix B. An overspend of £756k (0.70%) on services is predicted at 31 March 2017. However, an underspend of £1.004m (6.31%) is forecast on Corporate Finance which will fund the predicted overspend on services. In addition, a shortfall of £264k is predicted on the collection of Council Tax. This increases the total revenue forecast for 2016/17 to an overspend of £16k (0.01%). The table below summarises the significant variances (£100k or higher). This is a more favourable position than that reported at quarter 2 when a total overspend of £660k was forecast.

<b>Summary of projected variances at 31 March 2017 based upon financial information as at 31 December 2016</b>	
	<b>(Under) / Overspend £000</b>
Lifelong Learning	700
Children's Social Care	718
Planning and Public Protection	(258)
Property Services	(175)
Corporate Management	(100)
Corporate Finance	(1,004)
Council Tax Collection	264
Other (total of variances less than £100k)	(129)
Net over/(under) spend	16

### **3. Explanation of Significant Variances**

#### **3.1 Lifelong Learning**

##### **3.1.1 Central Education**

**3.1.1.1** The service expenditure was £604k (24.91%) ahead of the profiled budget at the end of quarter 3. The service is predicted to overspend by £775k (21.14%) for the financial year 2016/17. This is a worsened position from the underspend of £167k reported at quarter 2. An increase in specialist out-of-county placements has led to significant budgetary pressures for the service, with an estimated overspend of £405k forecast on these budgets. In addition, there is a further increase in estimated school transport costs, which is predicted to overspend by £310k. There are also a number of other minor compensating over and underspends. The service has had an invest-to-save bid accepted to invest in the One Management System, which will help to reduce school transport costs (taxis) from 2017/18. All 2016/17 efficiency savings are on target to be achieved.

##### **3.1.2 Culture**

**3.1.2.1** This service expenditure was £149k (13.42%) below the profiled budget at the end of period, with the forecast outturn for the year being an underspend of £75k (5.28%). This is an increase on the projected underspend of £53k reported at quarter 2. Museums and Galleries are expected to overspend by £10k and Library Services are expected to underspend by £60k. An underspend of £25k is forecast for South Stack, £16k of this is due to surplus income following an increase in fees. All efficiency savings for 2016/17 are on target to be achieved.

#### **3.2 Adults Social Care**

**3.2.1** This service expenditure was £605k (3.58%) ahead of the profiled budget at the end of the period. However, the majority of this will be funded from grants. The forecast outturn for the year as a whole is a predicted overspend of £44k (0.20%). This is an improvement on the overspend of £143k predicted at quarter 2.

**3.2.2** The elements within the forecast outturn variance are as follows:-

- Services for the Elderly: forecast overspend of £44k;
- Physical Disabilities (PD): forecast overspend of £173k;
- Learning Disabilities (LD): forecast overspend of £461k;
- Mental Health (MH): forecast overspend of £141k;
- Provider Unit: forecast underspend of £722k;
- Management and Support: forecast underspend of £53k.

**3.2.3** These budgets are demand-led and a small increase in placements can lead to a significant increase in costs depending on the complexity of care packages. The most significant budgetary pressure is in Learning Disabilities. The budget pressures from Mental Health services have reduced since quarter 2, though additional pressures were seen in Physical Disability services. Two new residential placements and increased fees have increased the predicted overspend within Physical Disability services from £8k reported in quarter 2 to a forecast overspend of £173k. However, remedial action has been taken within the Provider Unit to increase the underspend to £722k, and an underspend of £53k in management and support offset much of these budgetary pressures.

- 3.2.4** The budget projection has improved since quarter 2, primarily due to reduced budgetary pressures in recent months in Mental Health, services for the Elderly and an increase in the underspend in the Provider Unit.
- 3.2.5** The service aims to reduce the overspend by bringing forward specific savings in 2017/18 to the current year. There are savings targeted for two individuals placed within specialist placements in other counties. The service will continue to closely manage the placement numbers through a weekly resource panel within both Older People / Disability Services and within Learning Disability Services. The panels play a vital role in managing expenditure and ensuring appropriate and, where possible, cost effective services are commissioned.

### **3.3 Children's Services**

- 3.3.1** The service expenditure was £513k (9.05%) ahead of the profiled budget at the end of quarter 3 and is projected to be overspent by £718k (9.59%) for the financial year as a whole. This includes a projected overspend of £721k for Looked-after-Children (LAC). This is a small increase on the overspend of £683k reported at quarter 2.
- 3.3.2** The projected overspend is caused by an increase in the number of specialist placements for Looked-after-Children. The demand for these statutory services is difficult to control and one or two complex cases can significantly increase expenditure in a short period of time. However, as reported in quarter 2, the Executive at its meeting of 25 July 2016 approved the release of additional funding to Children's Services to fund an Edge-of-Care team. This team will provide a preventative approach to the delivery of the wellbeing of children and aims to reduce the number of Looked after Children on Anglesey. £100k has been set aside for 2016/17 from contingencies and £241k will be added to the service's budget for 2017/18 and 2018/19. The service expects to start to see the benefits of this project in terms of cost avoidance from 2017/18.

### **3.4 Housing (Council Fund)**

- 3.4.1** This service was £114k (8.62%) behind the profiled budget at the end of the period. The service is expected to have an underspend of £50k (6.05%) at the end of the financial year. This is an increase on the predicted underspend of £12k reported at the end of quarter 2. Housing strategy is now expected to underspend by £30k and Housing administration continues to predict an underspend of £40k. The J E O'Toole Centre and Homelessness are both forecast to overspend by £10k each. The work is continuing to complete and implement the changes in welfare advice but it is now unlikely that the saving will be achieved in 2016/17. The shortfall will be met from service resources.

### **3.5 Regulation and Economic Development**

#### **3.5.1 Economic and Community (includes Maritime and Leisure)**

- 3.5.1.1** The service overall was £281k (14.68%) below the level of the profiled budget at the end of quarter 3. £153k of the underspend is due to profiling issues on grant budgets but these will be spent by year-end. The service is projected to be underspent by £9k (0.47%) by 31 March 2017. This is an improvement on the overspend of £17k predicted during quarter 2.

- 3.5.1.2** The Economic Development element of the Service is forecast to underspend by £41k due to increased income from centre facilities hire and internal recharges. Vacant posts are also contributing to the underspend.
- 3.5.1.3** The Maritime Section is expected to be £53k underspent at year-end due to vacancy management and other remedial action such as reducing day-to-day expenditure.
- 3.5.1.4** The forecast for the Leisure Service at year-end is an overspend of £85k. This is, in part, due to reduced income from the closure of Holyhead Leisure Centre Pool during the summer period for essential maintenance work and repairs following storm damage last financial year.

### **3.5.2 Regulation (Planning and Public Protection)**

- 3.5.2.1** This service was £332k (15.27%) below the profiled budget at the end of the period and is projected to be £258k (10.35%) underspent by the year-end. This is an increase on the underspend of £170k reported during quarter 2. In addition, there is an estimated surplus income of £140k from major developments which will form an earmarked reserve to support implementation of major developments in the future.
- 3.5.2.2** Most of the budgets within Regulation are underspending with the exception of Planning Delivery Wales, Countryside and Coast, Trading Standards and Markets, which are estimated to overspend slightly.

## **3.6 Highways, Waste and Property**

### **3.6.1 Highways**

- 3.6.1.1** This service was £57k (0.88%) below the profiled budget at the end of the period and is projected to be £16k (0.25%) underspent by the year-end if the mild winter conditions continue. This is an improvement on the forecast overspend of £80k reported during quarter 2. This forecast outturn does not include any prediction on the works budgets as these may still be affected by winter maintenance requirements and any storm damage. There is also uncertainty around public transport, therefore, a balanced budget has been assumed for these. While the impact of winter budgets have not been included in the forecast, any underspends on the gritting budget should be transferred to an earmarked reserve. This would help fund any future year additional costs arising from severe winter weather.
- 3.6.1.2** The improvement is largely due to remedial action from reduced spending on street works which is estimated to underspend by £80k. Maintenance Design is expected to overspend by £76k and maintenance management is estimated to overspend by £50k. There are a number of other minor compensating over and underspends.

### **3.6.2 Waste**

**3.6.2.1** The Waste service was £63k (1.02%) below the profiled budget at the end of the December 2016. The service is predicting a significant improvement in outturn with an underspend of £60k (0.96%) forecast. This is an estimated reduction in expenditure of £205k compared to the overspend of £145k reported for quarter 2.

**3.6.2.2** There are still budgetary pressures within the service with the Electricity Generating Site and Penhesgyn Transfer Station both expected to overspend by £60k. However, disposal costs have reduced significantly through a combination of the new three weekly collection arrangements and alternative disposal arrangements. The net effect of increased collection costs and decreased disposal costs is not yet known. Waste disposal is expected to underspend by £180k at the end of the Financial year due to these changes.

### **3.6.3 Property**

**3.6.3.1** Property Services was £209k (20.39%) below the profiled budget at the end of the period and is predicted to underspend by £175k (19.12%) at 31 March 2017. This is an increase on the underspend of £115k forecast at quarter 2.

**3.6.3.2** Budget pressures, such as an overspend of £100k on repairs and maintenance, refuse collection costs and office rationalisation costs are estimated to be offset by: underspends on employees (£70k), underspends in Non Domestic Rates (£100k), Cleaning service (80k) and underspends of £30k each on rents and utilities.

### **3.7 Transformation**

**3.7.1** The Transformation Service shows that expenditure exceeded the profiled budget by £386k (14.94%) at the end of the period, however, much of these costs will be funded from earmarked reserves and grants which will be credited to the Service budget at the end of the year. The service is predicted to underspend by £50k (1.37%) at year-end, which is the same as the underspend reported during quarter 2.

**3.7.2** An overspend of £50k in ICT will be offset by predicted underspends in the Corporate Transformation team (£50k) and the Anglesey and Gwynedd Partnership (£50k).

### **3.8 Resources**

**3.8.1** The Resources Function budget showed an underspend of £91k (3.57%) by the end of the period. The function is forecast to overspend by £92K (3.37%) by the end of the financial year. This is an improvement on the overspend of £131k reported at quarter 2.

**3.8.2** The key budgetary pressures relate to technical subscriptions (£15k), consultancy (£46k), software support costs (£40k), bank charges (£30k) and staffing (£25k). Windfall grants (£44k) and audit staffing savings (£20k) help reduce the net overspend.

### **3.9 Council Business**

- 3.9.1** The function is £19k (1.79%) ahead of the profiled budget as at 31 December 2016. However, the service continues to forecast an underspend of £62k (4.12%) for the financial year.
- 3.9.2** The more significant reasons for this is due to an expected underspend in Committee Services (£42k) and land charges over-achievement of income (£25k). There are also other compensating minor over and underspends.

### **3.10 Corporate and Democratic Costs**

- 3.10.1** The budget was £141k (7.45%) behind profiled budget at the end of the period. An underspend of £18k (0.94%) is projected at year-end.

### **3.11 Corporate Management**

- 3.11.1** The function was £72k (12.90%) underspent at 31 December 2016 and an underspend of £100k (13.38%) is still projected for the financial year due to savings arising from the restructuring of Strategic Management.

## **4. Corporate Finance**

- 4.1** Corporate Finance is expected to underspend by £1,004k (6.31%) at year-end.
- 4.2** The benefits granted budget covers housing benefits, discretionary housing payments and the council tax reduction scheme. This budget is estimated to underspend by £274k. The significant element of this is an underspend of £501k due to caseloads which are less than originally budgeted for. However, this is reduced by an estimated £150k increase in the bad debt provision and £77k of costs which are not eligible for subsidy.
- 4.3** There is an estimated shortfall on the Corporate savings target of £302k relating to smarter working. There are savings that can be clearly linked to the project, for example closure of offices can be credited against this budget. However, other savings in staff administration and general administration costs are being realised within service budgets and not accounted for against this target. That is not to say that the Smarter Working project will not deliver the savings envisaged at the outset.
- 4.4** There is also a significant shortfall on interest receivable on the Authority's bank deposits (£105k), which has worsened by the cut to the official bank rate from 0.50% to 0.25%. These overspends are offset, however, as an underspend of £844k is forecast on capital financing due to reduced borrowing costs from the Authority's use of balances rather than external borrowing on the capital programme. The HRA's increased proportion of interest charges following the HRA buy-out loan also reduces the cost of interest on the Council Fund. This internal borrowing, however, may not be possible into the future due to the significant capital projects, particularly in relation to the 21 Century Schools programme.



**4.5** Appendix C summarises the financial position on contingency budgets as at 31 December 2016. A total contingencies budget of £2.039m was approved as part of the 2016/17 budget. A net £620k has been vired to services to fund specific projects or budgetary issues approved by the Section 151 Officer. In addition, £1,507k has been committed from contingencies to fund approved costs. It is estimated that there will be an underspend of £150k on the general contingency. In addition, the earmarked contingency for the Adults service is projected to underspend by £143k. The total forecast underspend on contingencies is, therefore, £293k. The remaining contingency budgets will be fully spent by year-end in accordance with the necessary approvals for use of contingency budgets.

## **5. Collection of Council Tax**

**5.1** It is estimated that there will be a shortfall on the actual Council Tax collected of £88k. In addition, the increase in the provision for bad and doubtful debts is currently projected to be £176k. Therefore, the current projection is that the Council Tax Fund will underachieve the target figure by £264k (0.21%), largely due to the requirement to make a prudent provision for bad debts. This is a worsened position on the shortfall of £198k predicted during quarter 2.

## **6. Budget Savings 2016/17**

**6.1** Budget savings of £3.06m were removed from service budgets for 2016/17 with an additional £400k of savings from voluntary redundancies held as a contingency. Appendix CH provides a summary of expected performance against these budget savings for the year. £2.476m (80.9%) of the savings have already been achieved or are deemed achievable during the year.

**6.2** £542k (17.7%) of the savings targets are not achievable in 2016/17 but are likely to be achievable in 2017/18. £251k of these have already been included in the forecast outturn for the year. However, £291k has not been included in the forecast due to a lack of information to assess the achievability of these savings. If these savings are not achievable, then the overspend for the year will increase by a further £291k. Despite the fact that £542k of the savings are not achievable in 2016/17, the work to implement the proposals is ongoing and, as a result, the savings are likely to be achieved in 2017/18. However, £42k (1.4%) will not be achieved in the future. The £10k income target for advertising on bins will not be achieved as there is no market for this. In addition, £32k will not be achieved within Children's Services due to increased legal requirements which make the savings unviable.

**6.3** The majority of the £400k (75%) savings from voluntary redundancies will be achieved. As staff are released, staffing structures are reorganised and there is a need to appoint staff to the revised structures. In some cases, this process has taken more time to implement and staff, which the Council have agreed to release, are still employed by the Council.

## **7. Conclusion**

**7.1** A total overspend of £16k (0.01%) is projected for the year ending 31 March 2017. An overspend of £756k is predicted on service budgets, though this is made up of a number of over and underspends. The services that are experiencing significant budgetary pressures are Lifelong Learning and Children's Services. This is due to the cost of statutory services for specialist placements over which these services have limited control. The overspend on services is expected to be funded by an underspend in Corporate Finance of £1.004m, which is mainly due to an underspend on the Council Tax Reduction Scheme and savings on Corporate Financing. In addition, there is an estimated shortfall on the collection of Council Tax of £264k, mainly due to the requirement to provide for bad debts.

**7.2** It should be noted that this is a forecast and items outside the control of the Council, such as severe weather, will have an impact on expenditure but cannot be factored into this forecast. Forecasts are subject to change as new information becomes available, however, with regular scrutiny from SLT and remedial action is taken by Heads of Services these will help the services manage within the budgets they can control.

## Appendix B

### Isle of Anglesey County Council Forecast Outturn 2016/17 – Quarter 3

Service/Function	Revised Budget 2016-17 (excluding CSC and Depreciation)	Q3 2016/17 Budget	Q3 Actual & Committed spend	Q3 2016/17 Variance	Q3 Estimated Expenditure to 31 March 2017	Q3 Estimated Outturn 31 March 2017 over/(under)	Q2 Estimated Outturn 31 March 2017 over/(under)	2016/17 over/(under) spend as a % of revised Budget 2016/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
<b><u>Lifelong Learning</u></b>								
Delegated Schools Budget	43,779	33,581	33,581	0	43,779	0	0	0.00%
Central Education	3,665	2,426	3,030	604	4,440	775	167	21.14%
Culture	1,419	1,111	962	(149)	1,344	(75)	(53)	(5.28%)
Adult Services	22,295	16,916	17,522	605	22,339	44	143	0.20%
Children's Services	7,491	5,664	6,176	513	8,209	718	683	9.59%
Housing	826	1,324	1,210	(114)	776	(50)	(12)	(6.05%)
<b><u>Highways, Waste &amp; Property</u></b>								
Highways	6,472	6,458	6,401	(57)	6,456	(16)	80	(0.25%)
Property	915	1,027	818	(209)	740	(175)	(115)	(19.12%)
Waste	6,278	6,172	6,109	(63)	6,218	(60)	145	(0.96%)
<b><u>Regulation &amp; Economic Development</u></b>								
Economic	1,073	1,039	865	(174)	979	(94)	(53)	(8.76%)
Leisure	857	873	767	(107)	942	85	70	9.92%
Planning and Public Protection	2,493	2,171	1,840	(332)	2,235	(258)	(170)	(10.35%)
<b><u>Transformation</u></b>								
Human Resources	1,186	879	1,023	144	1,186	0	0	0.00%
ICT	1,613	1,238	1,456	218	1,663	50	50	3.10%
Corporate Transformation	858	466	491	24	758	(100)	(100)	(11.65%)
<b><u>Resources</u></b>								
Resources	2,733	2,546	2,637	91	2,825	92	146	3.37%
Council Business	1,505	1,070	1,089	19	1,443	(62)	(62)	(4.12%)
Corporate & Democratic costs	1,913	1,893	1,752	(141)	1,895	(18)	(18)	(0.94%)
Corporate Management	747	560	487	(72)	647	(100)	(100)	(13.38%)
<b>Total Service Budgets</b>	<b>108,120</b>	<b>87,415</b>	<b>88,216</b>	<b>802</b>	<b>108,876</b>	<b>756</b>	<b>801</b>	<b>0.70%</b>

Service/Function	Revised Budget 2016-17 (excluding CSC and Depreciation)	Q3 2016/17 Budget	Q3 Actual & Committed spend	Q3 2016/17 Variance	Q3 Estimated Expenditure to 31 March 2017	Q3 Estimated Outturn 31 March 2017 over/(under)	Q2 Estimated Outturn 31 March 2017 over/(under)	2016/17 over/(under) spend as a % of revised Budget 2016/17
Levies	3,194	2,393	2,397	4	3,198	4	0	0.13%
Capital Financing	8,286	2,931	3,015	84	7,546	(740)	(88)	(8.93%)
Corporate adjustment for depreciation	0	0	0	0	0	0	0	0.00%
Discretionary Rate Relief	60	0	0	0	57	(3)	(2)	(5.00%)
General & Other Contingencies	1,658	0	0	0	1,365	(293)	(40)	(17.67%)
Funding and use of Reserves	(3,218)	0	0	0	(2,916)	302	102	9.38%
Benefits Granted	5,937	5,985	6,060	75	5,663	(274)	(311)	(4.62%)
<b>Total Corporate Finance</b>	<b>15,917</b>	<b>11,309</b>	<b>11,473</b>	<b>164</b>	<b>14,913</b>	<b>(1,004)</b>	<b>(339)</b>	<b>(6.31%)</b>
<b>Total Budget 2016/17</b>	<b>124,037</b>	<b>98,724</b>	<b>99,689</b>	<b>965</b>	<b>123,789</b>	<b>(248)</b>	<b>462</b>	<b>(0.20%)</b>
Funding 2016/17								
NNDR	(21,309)				(21,309)	0	0	
Council Tax	(32,109)				(31,845)	264	198	
Revenue Support Grant	(70,619)				(70,619)	0	0	
<b>Total Funding 2016/17</b>	<b>(124,037)</b>				<b>(123,773)</b>	<b>264</b>	<b>198</b>	<b>0.21%</b>
<b>Total outturn including impact of funding</b>	<b>(0)</b>				<b>16</b>	<b>16</b>	<b>660</b>	<b>0.01%</b>

Appendix C

**Summary of the Financial Position on Contingency Budgets 2016/17 as at Quarter 3**

	Original Budget	Virements	Amended Budget	Committed to date (31/12/16)	Current Remaining Un-Committed	Estimated over/(under) spend at 31/03/17
	£	£	£	£	£	£
Improvement	400,000	(104,730)	295,270	285,000	10,270	-
General Contingency	317,927	47,680	365,607	165,000	200,607	(150,000)
Salary and Grading	500,000	(168,080)	331,920	-	331,920	-
Cost of Change	136,000	(63,000)	73,000	-	73,000	-
NNDR Allow disc rate	60,000	-	60,000	60,000	-	-
Earmarked Contingency	625,000	-	625,000	625,000	-	(143,000)
<b><u>Total contingency budgets</u></b>	2,038,927.00	(288,130)	1,750,797	1,135,000	615,797	(293,000)

**Summary of Forecast Performance on Achievement of 2016/17 Budget Savings – Quarter 3**

<b>Service/Function</b>	<b>Budget Savings 2016/17 £000</b>	<b>Achievable 2016/17 £000</b>	<b>Potentially not- achievable 2016/17 £000</b>	<b>Will not be achieved at all £000</b>	<b>Comments</b>
Lifelong Learning	1,308	1,308	-	-	All savings are expected to be achievable from 2016/17.
Regulation and Economic Development	258	217	41	-	£28k is not achievable in 2016/17 due to a shortfall of income from the leisure centre cafes, much of which is due to closures while repairs were completed. This will be funded during the year from underspends elsewhere within the service. In addition, the £13k increased income target in Pest Control was not achieved but will be funded from underspends within the service.
Highways, Waste and Property	730	406	314	10	£17k will not be achieved on car park income from additional car parks, though maintenance will be reduced to fund this. £6k saving from Porth Swtan septic tank not achievable in 2016/17 due to delayed works. In addition, £291k of savings are difficult to assess until the winter period. The £10k for advertising on bins will not be achieved as there is no market for this, but this will be funded this year by underspends in Waste Disposal.
Adults' Services	335	200	135	-	£135k difficult to achieve during 2016/17 due to review, consultation and legal processes.
Children's Services	143	96	15	32	£32k unachievable due to change in the law, £15k is likely to be achievable from 2017/18.
Housing	74	37	37	-	£37k, due to the lateness of the Consultant's report, have been deferred to 2017/18. However, in 2016/17 these savings will be funded from underspends elsewhere in the service.
Transformation	4	4	-	-	All savings are expected to be achievable from 2016/17.
Council Business	56	56	-	-	All savings are expected to be achievable from 2016/17.
Resources	72	72	-	-	All savings are expected to be achievable from 2016/17.
Anglesey and Gwynedd Partnership	80	80	-	-	All savings are expected to be achievable from 2016/17.
<b>Total</b>	<b>3,060</b>	<b>2,476</b>	<b>542</b>	<b>42</b>	