

## ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE COMMITTEE
DATE:	18 SEPTEMBER 2017
SUBJECT:	REVENUE BUDGET MONITORING, QUARTER 1 2017/18
PORTFOLIO HOLDER(S):	COUNCILLOR JOHN GRIFFITH
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LOCAL MEMBERS:	n/a

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

1. In February 2017, the Council set a net budget for 2017/18 with net service expenditure of £126.157m to be funded from Council Tax income, NDR and general grants. An additional £0.490m was approved for expenditure on schools, which was to be funded from Council reserves. The total budget approved for 2017/18 is, therefore, £126.647m.
2. The budget for 2017/18 included required savings of £2.444m. 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 first quarter of the financial year which relates to the period 1 April 2017 to 30 June 2017. The projected position for the year as a whole is also summarised.
4. The overall projected financial position for 2017/18, including Corporate Finance and the Council Tax fund, is an overspend of £2.119m. This is 1.68% of the Council's net budget for 2017/18.
5. It is recommended that:-
  - (i) The position set out in respect of financial performance to date is noted;
  - (ii) To agree a review of earmarked reserves, to identify earmarked reserves which are no longer a priority and which could be used to help fund the significant projected overspend;
  - (iii) To note the position of the invest to save programmes;
  - (iv) To note the position of the efficiency savings 2017/18;
  - (v) To note the monitoring of agency and consultancy costs 2017/18;
  - (vi) To delegate the release of the Council Tax Premium to the Section 151 Officer based on the calculations that the Premiums have been paid.

### 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

<b>D - Is this decision within the budget approved by the Council?</b>		
Yes		
<b>DD - Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	n/a– this is the Section 151 Officer’s report
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	TBC
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	
<b>E - Risks and any mitigation (if relevant)</b>		
<b>1</b>	<b>Economic</b>	
<b>2</b>	<b>Anti-poverty</b>	
<b>3</b>	<b>Crime and Disorder</b>	
<b>4</b>	<b>Environmental</b>	
<b>5</b>	<b>Equalities</b>	
<b>6</b>	<b>Outcome Agreements</b>	
<b>7</b>	<b>Other</b>	
<b>F - Appendices:</b>		
<ul style="list-style-type: none"> <li>• Appendix A - Revenue Budget Monitoring Report – Quarter 1, 2017/18</li> <li>• Appendix B – Table of Forecast Revenue Outturn 2017/18</li> <li>• Appendix C – Summary of Contingency Budgets 2017/18</li> <li>• Appendix CH – Review of the Invest-to-Save projects</li> <li>• Appendix D - Review of Efficiency Savings 2017/18</li> <li>• Appendix DD - Information regarding monitoring of Agency Staff</li> <li>• Appendix E - Information regarding monitoring of Consultants</li> </ul>		
<b>FF - Background papers (please contact the author of the Report for any further information):</b>		
<ul style="list-style-type: none"> <li>• 2017/18 Revenue Budget (as recommended by this Committee on 14 February 2017 and adopted by the County Council on 28 February 2017).</li> </ul>		

**REVENUE BUDGET MONITORING – QUARTER 1 2017/18****1. General Balance – Opening Position**

**1.1** At the start of the financial year, the Council had £13.357m of earmarked reserves and school reserves amounting to £2.089m. The provisional outturn for 2016/17 resulted in general balances at the start of the current financial year of £8.697m. However, it is important to note that this figure is unaudited and may be subject to change following completion of the external audit. The final audit report is due to be completed by 30 September 2017. There is also a risk against this £8.697m, as approximately £2m of this may be required to fund Equal Pay claims once these are settled. The Council may be able to capitalise these Equal Pay costs to spread the cost over a number of years, however, this is subject to a capitalisation directive from Welsh Government. The minimum balance of the general reserve has been set at £6m and approved by Full Council on 28 February 2017.

**2. Projected Financial Performance by Service**

**2.1** The details of the financial performance by service for the period and the projected out-turn position for each is set out in Appendix B. An overspend of £3.049m (2.82%) on services is predicted as at 31 March 2018. However, an underspend of £0.234m is estimated on Corporate Finance. In addition, a surplus of £0.695m is predicted on the collection of Council Tax, of which £0.347m is due to a surplus on the new Council Tax Premium. The total revenue forecast for 2017/18 is an overspend of £2.119m, which is 1.68% of the Council's total net revenue budget.

**2.2** The table below summarises the significant variances (£100k or higher). The below forecast excludes the impact of winter maintenance and also excludes the impact of the new highways maintenance contract which is likely to cost more. There is the risk, therefore, that the overspend might be higher than £2.119m. The most significant budgetary pressure is the cost of Corporate Parenting, as the Children and Families Service is expected to overspend by £2.106m. This is a statutory demand-led Service over which there is limited control. If the Council overspends in accordance with the current forecast, the general reserve will be put under considerable pressure.

**2.3** An alternative to funding the overspend from the general reserve would be to review earmarked reserves, of which there are £13.357m. This would identify any reserves which are no longer required or which do not meet the priorities of the Council given the difficult financial position the Council is likely to be in at year-end. However, some earmarked reserves can only be used for their specific purpose, for example, delegated schools funded reserves or grant funded reserves.

<b>Summary of projected variances at 31 March 2018 based upon financial information as at 30 June 2017</b>	
	<b>(Under) / Overspend £000</b>
Learning	618
Children and Families Services	2,106
Adults Services	299
Transformation	100
Corporate and Democratic costs	(172)
Corporate Finance and Benefits Granted	(234)
Council Tax Collection	(695)
Other (total of variances less than £100k)	97
<b>Total Variance over/(under) spend</b>	<b>2,119</b>

### 3. Explanation of Significant Variances

#### 3.1 Lifelong Learning

##### 3.1.1 Central Education

**3.1.1.1** This service was overspent by £37.6k (3.74%) at the end of quarter 1. The forecast for the year-end is an overspend of £618k (19.38%). There are a number of minor compensating over and underspends within Central Education. However, the school transport – taxis budget is under pressure and is expected to overspend by £373k during the year. Similarly, Out-of-County/Educated Other Than at School (EOTAS) budget, which is also demand-led, is expecting to overspend by £142k by year-end. Cynnal costs are expected to exceed budget by £77k by 31 March 2018. Pre-school care club is also projecting an overspend of £66k.

**3.1.1.2** The impact of EOTAS costs is likely to reduce in the future as this will form part of the new Môn and Gwynedd Joint SEN Strategy from September 2017 and this new strategy is expected to reduce the overspend going forward.

**3.1.1.3** The Service has secured an invest-to-save bid for the One Management system. Investment in this system is expected to reduce expenditure on taxis in the future. Joint working with the Procurement Service is also expected to bring efficiencies against the taxis budget.

##### 3.1.2 Culture

**3.1.2.1** This service was £56k (12.38%) overspent during the period, with the forecast outturn for the year being an overspend of £20k (1.52%). Library Services is projected to underspend by £80k due to remodelling of the service. The Service may also be subject to a one-off dilapidations charge following the early termination of the lease on South Stack back to its owner.

**3.1.2.2** During the budget setting process, the budget for the Melin Llynonn Site was removed as the transfer of the site was imminent. However, the site transfer is taking more time than that was envisaged and, therefore, it is important to note that there could be approximately an overspend in this area of up to £40k, depending on the timing of decisions and transfer of the site.

## **3.2 Adults Social Care**

**3.2.1** This service was £101k (1.68%) overspent for the period, with the forecast outturn for the year as a whole being a predicted overspend of £299k (1.33%).

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

- Services for the Elderly: forecast underspend of £176k;
- Physical Disabilities (PD): forecast overspend of £332k;
- Learning Disabilities (LD): forecast overspend of £532k;
- Mental Health (MH): forecast overspend of £349k;
- Provider Unit: forecast underspend of £659k; and
- Management and Support: forecast underspend of £79k.

**3.2.3** The most significant budgetary pressures are in Physical Disabilities, Learning Disabilities and Mental Health Services, with Learning Disabilities being the most significant budget pressure. This is due to a small number of high cost specialist placements which are needed to meet the complexity of needs of these Service users.

**3.2.4** The Service has taken action to help offset the overspend by reducing expenditure in the areas it has more control. The internal provider unit is forecasting an underspend of £659k and Management and Support are expected to underspend by £79k by year-end.

**3.2.5** The first quarterly report for Adult Service illustrates that there are a number of areas where the department, in partnership with the Resources Function, need to rebalance budgets to reflect current expenditure patterns. In effect, where there are underspends in in-house services, utilise these to redress deficits in areas where services of a similar nature are being commissioned in the independent sector.

**3.2.6** Approximately 59% of the Service's budget is demand-led which leads to a degree of unpredictability in budgets. This is reflected in some current expensive placements in Mental Health and Learning Disability services which may be subject to changes in-year. The department is also agreeing changes in fees within supported living and is working with the Resources Function to ensure their effect is factored into the budget position.

**3.2.7** Grant bids have been successfully made to Intermediate Care Funds and it is of note that further grants will be paid in year to support carers respite and national minimum wage and workers terms and conditions. The service expects to see the impact of these funds and the changes in fees during Q2 of 2017/18.

## **3.3 Children's Services**

**3.3.1** The service was overspent by £426k (20%) during the period and is projected to be overspent by £2,106k (26.32%) for the year as a whole. This includes a projected overspend of £2,098k on Looked-after-Children (LAC).

### **3.3.2** The projections are based on:-

- a worst case assumption on the demand/costs for Looked After Children based on the service costs/demand/likely demand for the future;
- assumptions relating to case decisions/developments. These are far from predictable and individual circumstances can, and do, change. Based on the information available at this point, and assumptions relating to case decisions/developments, a best possible projection has been made. Cost of LAC are, by nature, demand led and can vary between £3k - 10k per week in specialist provision.

**3.3.3** The Local Authority is having to meet the cost of court directed interventions e.g. parent and child residential/supported accommodation assessments, supervised contact and other specialist assessments which are also unpredictable and demand led. The Public Law Outline requires that these assessments are in place pre proceedings also – which is placing a demand on the team budgets.

**3.3.4** Children's Services are currently going through a restructuring process where the focus will be on Early Intervention and Intensive Intervention. The focus of the new structure is on preventive work and supporting children to remain living at home safely. Additional resources provided for the Edge of Care project will support this, but this will take time. The significant increase in children being looked after by the Local Authority is the main reason why the Service is overspending. The Service is closely adhering to thresholds to commence care proceedings which is one reason for the increase and we are identifying matters that should have been issued into proceedings at an earlier stage. For example, reviews of the placements process is being undertaken to ensure placement contracts provide value for money. This will enable the service to regularly review to ensure that the placement is meeting the care objectives of the child for the optimum cost. The Service has seen a 72% (47/81) increase in children who are subject to Full Care Orders over the last 3 years. The demand is outstripping the Service's resources, in that the service is not able to recruit enough Local Authority Foster Carers to meet the demand of children coming into the care system. This means the children are having to be placed in agency foster placements and residential placements which are significantly more expensive. The average annual cost for a residential placement is £220,000 and we currently have 14 children placed in residential care. All the other North Wales Local Authorities are in a similar position.

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

**3.4.1** This service was underspent by £43k (8.91%) during the period. The service is expected to be within budget at the end of the financial year. There has been a thorough review of the budget to take into account the new structure. This has highlighted that the Service will achieve a balanced budget.

## **3.5 Regulation and Economic Development**

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

**3.5.1.1** The Service, overall, was underspent by £159k at the end of quarter 1 (21.48%). However, budget profiling issues excluded, the underspend to 30 June 2017 was £85k. The service is projected to be overspent by £80k (4.08%) by 31 March 2018.

- 3.5.1.2** The Economic Development element of the service is forecast to be within budget at year-end. There are underspends within staffing due to vacant posts but, until the result of the service's restructuring exercise is finalised, it is difficult to predict whether any savings from this will arise in 2017/18.
- 3.5.1.3** The Maritime service is expected to be within budget at year-end. It is expected that the income targets will not be achieved but these will be compensated through remedial action taken by underspending within supplies and services. Recent improvements in the system for billing for mooring fees may be able to increase income in the future.
- 3.5.1.4** The forecast for the Leisure service at year-end is an overspend of £80k. The leisure centres' income, including from cafes, continue to be a pressure due to difficult to achieve income targets and this highlights the risks of increasing income budgets as a way of achieving a balanced budget. The figure is net of savings on outdoor areas which are currently being transferred to outside bodies.

### **3.5.2 Planning and Public Protection**

- 3.5.2.1** This service was £2k underspent (0.40%) during the period and is projected to be £14k (0.65%) underspent by the year-end.
- 3.5.2.2** Most of the budgets within Planning and Public Protection are underspending slightly, with the exception of Planning Delivery Wales, Property & Environmental Grant (PEG), Countryside and Coast, Environmental Health and Markets, which are estimated to overspend slightly. The Planning Section is predicted to overspend by £18k overall by year-end. Public Protection is forecast to underspend by £32k for the financial year. The Major Developments income has not been projected at this early stage due to a lack of information.

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

### **3.6.1 Highways**

- 3.6.1.1** This service was £73k (3.83%) overspent during the period and is projected to be £3k (0.05%) overspent by the year-end. This forecast outturn does not include any prediction on the Works Budget as this budget is affected by winter maintenance requirements and any storm damage. This forecast also excludes the impact of the new highways maintenance contract due to a lack of information at this early stage. However, it is anticipated that this will increase the cost of highways maintenance which would lead to a higher overspend on Highways.
- 3.6.1.2** There are a number of compensating over and underspends, with the most significant overspend being £100k on Maintenance Design. The largest underspend is in Street Works, which is predicting an underspend of £80k.

### **3.6.2 Waste**

**3.6.2.1** The Waste service was £37k (2.28%) underspent at the end of this quarter. However, the service is predicted to overspend by £30k (0.48%) at the end of the financial year. There has been a positive impact in moving to a three weekly collection in that during the period October 2016 to June 2017, in comparison with the same period the previous year, there has been an increase in recycling and green waste by 18%, 26% in food Recycling and a decrease of 19% in residual waste.

**3.6.2.2** The predicted overspend is due to an estimated shortfall of income collected from the Penhesgyn Electricity Generation Site, which is estimated to under achieve the target by £40k for the financial year. An underspend of £10k is projected on Waste Disposal, which reduces the overspend to £30k.

### **3.6.3 Property**

**3.6.3.1** Property Services underspent by £28k (7.19%) during the quarter. The Service is predicted to be underspent by £33k (3.22%) at year-end. Repairs and Maintenance of the Council buildings are estimated to overspend by £60k. An estimated surplus of rental income of £60k is expected on a combination of small holdings, industrial units and sundry properties to offset this. Underspends are also expected in utility costs and NDR.

## **3.7 Transformation**

**3.7.1** The Transformation function overspent by £514k (10.8%) during the period. Most of this relates to commitments raised at the start of the year. Transformation, in total, is expected to overspend by £100k (2.65%). This relates to the IT section, but is a worse case scenario.

**3.7.1.1** The IT section's budgets are under pressure due to the significant activity in relation to Corporate projects that require additional resources to ensure the Council Corporate objectives are met. However, these costs will be met through the corporate project budgets.

**3.7.1.2** The HR section is predicting a balanced budget for the financial year.

**3.7.1.3** The Corporate Transformation section is also forecast to achieve a balanced budget.

## **3.8 Resources (excluding Benefits Granted)**

**3.8.1** The Resources function budget showed an overspend of £217k (27.98%) by the end of the period. This high level of expenditure will be brought back more in line with budget as the year progresses. The function is predicted to overspend by £32k (1.16%) for the financial year. This is due to budget pressures in Revenues and Benefits section, such as an overspend on bailiffs.

## **3.9 Council Business**

**3.9.1** The function is £50k (15.06%) overspent as at 30 June 2017 and an overspend of £50k (3.29%) is predicted for the financial year. An overspend of £40k is predicted on consultancy and external legal fees, the full costs of this are partly offset by an underspend on staffing.



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

**3.10.1** The function was underspent by £89k (13.1%) during the period. An underspend of £172k (10.32%) is projected at year-end. This is due to estimated reductions in pension contributions to Gwynedd (£78k); pensions discounts (£72k) and reduced spend on Coroners' Fees (£31k). A small overspend is expected on staff counselling.

### **3.11 Corporate Management**

**3.11.1** The function was £25k (13.14%) underspent at the end of this Quarter. An underspend of £70k (6.94%) is projected for the financial year due to savings arising from the restructuring of Strategic Management. .

## **4. Corporate Finance (including Benefits Granted)**

**4.1** Corporate Finance including Benefits Granted is expected to underspend by £234k (1.30%) at year-end. Benefits Granted is expected to underspend by £149k due to a reduction in the number of applicants under the Council Tax Reduction Scheme. An underspend of £235k is also projected on capital financing costs due to savings made from internal borrowing and delaying the refinancing of loans.

**4.2** Appendix C summarises the financial position on contingency budgets at the end of this quarter. A total contingencies budget of £1.380m was approved as part of the 2017/18 budget. This includes a £0.300m savings target from voluntary redundancies. A net £54k has been vired to/from services to fund specific projects, budgetary issues or to release savings from voluntary redundancies. A prudent forecast for the underachievement of £150k of voluntary redundancy savings has been made at this early stage. It is hoped that this will improve as the year progresses. £1.315m has been committed from contingencies and it is expected that the remainder 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** The Council Tax Fund budget is determined using the estimated collectable debt for the current year only, based on the tax base figure set in November 2016. It does not provide for arrears collected from previous years, adjustments to liabilities arising from previous years (exemptions, single person discounts etc), changes to the current year's taxbase or the provision for bad and doubtful debts. These changes cannot be estimated and, invariably, lead to a difference between the final balance on the Council Tax Collection Fund and the original budget. The current projection is that the Council Tax Fund will overachieve the target figure by £348k. This figure includes the requirement to reduce the bad debts provision by £61k which is credited to the Collection Fund. In addition, a Council Tax Premium budget, which is an additional Council Tax charge on second homes on Anglesey, was implemented from 1 April 2017. It is currently projected that this will also overachieve its budget target by £347k. In total, therefore, a surplus of £695k is forecast on the collection of Council Tax.

## **6. Budget Savings 2017/18**

**6.1** Budget savings of £2.444m were removed from service budgets for 2017/18 with an additional £300k of savings to be found from voluntary redundancies which is mentioned above. From the budgets savings identified, it is anticipated that £1,670m have or will be fulfilled by the year end, however, this leave £775k which has the potential of not being achieved. £490k of this is in relation to the schools integration budget. A full detailed analysis can be seen for each Service in Appendix D.

## **7. Invest-to-Save**

**7.1** An invest to save programme was undertaken in 2016/17 with an allocation of £982,800 for individual projects. To date, £155,908 has been spent from this allocation of funding. All projects are at various stages of development, with some closer to completion than others. A full detail of the expenditure and progress on each of the programmes can be seen in Appendix CH.

## **8. Agency and Consultancy Costs**

**8.1** During the first quarter, £272k was spent on Agency staff. These were, in the main, part-funded from staffing budgets as they related to staff illness cover, while £152k was related to staff cover while Childrens Services undergoes a restructure. The full details can be seen at Appendix DD.

**8.2** Expenditure on consultancy for quarter 1 was £311k, with £110k related to the Energy Island Programme, for which the whole £110k was funded from external sources. £159k has been funded from the Council's budgets and £41k from specific grants or other sources. There are various reasons for the use of consultants and the full details of the expenditure can be seen at Appendix E.

## **9. Conclusion**

**9.1** A total overspend of £2.119m is projected for the year-ending 31 March 2018. £3.049m of this is on service budgets, though it must be highlighted that this is made up of a number of over and underspends. The Services that are still experiencing significant budgetary pressures are similar to 2016/17 (Children and Families Service, and Learning). The Heads of Service are aware of the issues and are working to reduce the level of overspending which is within their control at the year-end. Corporate Finance is expected to underspend by £0.235m and Council Tax, which includes the Council Tax Premium, is forecast to collect a surplus of £0.695m. The overall overspend is, therefore, reduced to £2.119m. The projected level of overspend is 1.68% of the Council's net budget. There is concern about the impact of this level of overspend on general balances should the overspend materialise. An alternative to part, or fully, fund this would be to review and release any earmarked reserves which are no longer needed or a priority. Some earmarked reserves, however, have to be used for their specific purpose.

**9.2** It should be noted that quarter 1 is early in the financial year and items such as the impact of winter maintenance and the new Highways maintenance contract have not been included in the forecast as there is no information available. Forecasts are subject to change as new information becomes available. However, with regular scrutiny from SLT and if remedial action is taken by Heads of Services these will help the services manage within the budgets they can control.

APPENDIX B

**Projected Revenue Outturn for the Financial Year Ending 31 March 2018 – Quarter 1**

Service/Function	2017/18 Annual Budget	Q1 2017/18 - Budget Year to Date	Q1 Actual & Committed spend	Q1 2017/18 Variance	Q1 Estimated Expenditure to 31 March 2018	Q1 Estimated Outturn 31 March 2018	2017/18 Projected Over/(Under)spend as a % of Total Budget
	£	£	£	£	£	£	%
<b><u>Lifelong Learning</u></b>							
Delegated Schools Budget	43,581,400	11,845,407	11,845,407	0	43,581,400	0	0.00%
Central Education	3,188,490	1,005,109	1,042,743	37,634	3,806,490	618,000	19.38%
Culture	1,312,790	450,131	505,847	55,716	1,332,790	20,000	1.52%
<b><u>Adult Services</u></b>	22,497,160	6,029,748	6,131,097	101,349	22,796,176	299,016	1.33%
<b><u>Children's Services</u></b>	8,001,240	2,127,977	2,554,008	426,031	10,107,240	2,106,000	26.32%
<b><u>Housing</u></b>	1,026,820	479,465	436,735	(42,730)	1,026,820	0	0.00%
<b><u>Highways, Waste &amp; Property</u></b>							
Highways	6,420,800	1,905,334	1,978,341	73,007	6,423,800	3,000	0.05%
Property	1,025,340	(388,554)	(416,478)	(27,924)	992,340	(33,000)	-3.22%
Waste	6,303,040	1,634,256	1,597,039	(37,217)	6,333,040	30,000	0.48%
<b><u>Regulation &amp; Economic Development</u></b>							
Economic Development	1,958,800	740,607	581,505	(159,102)	2,038,800	80,000	4.08%
Planning and Public Protection	2,141,750	472,667	470,796	(1,871)	2,127,750	(14,000)	-0.65%
<b><u>Transformation</u></b>							
Human Resources	1,221,570	274,271	315,866	41,595	1,221,570	0	0.00%
ICT	1,689,790	491,205	960,595	469,390	1,789,790	100,000	5.92%
Corporate Transformation	861,250	156,270	159,945	3,675	861,250	0	0.00%
<b><u>Resources</u></b>	2,755,760	773,455	989,850	216,395	2,787,760	32,000	1.16%
<b><u>Council Business</u></b>	1,517,480	330,800	380,609	49,809	1,567,480	50,000	3.29%
<b><u>Corporate &amp; Democratic costs</u></b>	1,665,860	679,342	590,294	(89,048)	1,493,860	(172,000)	-10.32%
<b><u>Corporate Management</u></b>	1,009,250	189,289	164,419	(24,870)	939,250	(70,000)	-6.94%
<b>Total Service Budgets</b>	<b>108,178,590</b>	<b>29,196,779</b>	<b>30,288,617</b>	<b>1,091,838</b>	<b>111,227,606</b>	<b>3,049,016</b>	<b>2.82%</b>

Service/Function	2017/18 Annual Budget	Q1 2017/18 - Budget Year to Date	Q1 Actual & Committed spend	Q1 2017/18 Variance	Q1 Estimated Expenditure to 31 March 2018	Q1 Estimated Outturn 31 March 2018	2017/18 Projected Over/(Under)spend as a % of Total Budget
	£	£	£	£	£	£	%
Corporate Finance							
Levies	3,334,733	831,392	831,392	0	3,334,733	0	0.00%
Capital Financing	8,149,332	2,029,586	2,029,586	0	7,913,846	(235,486)	-2.89%
General & Other Contingencies	1,667,135	416,784	416,784	0	1,667,135	0	0.00%
Corporate Savings	(232,710)	(58,177)	0	58,177	(82,710)	150,000	
Support Services contribution HRA	(621,950)	0	0	0	(621,950)	0	0.00%
Benefits Granted	5,681,870	686,637	686,155	(482)	5,532,870	(149,000)	-2.62%
<b>Total Corporate Finance</b>	<b>17,978,410</b>	<b>3,906,222</b>	<b>3,963,917</b>	<b>57,695</b>	<b>17,743,924</b>	<b>(234,486)</b>	<b>-1.30%</b>
<b>Total Budget 2017/18</b>	<b>126,157,000</b>	<b>33,103,001</b>	<b>34,252,534</b>	<b>1,149,533</b>	<b>128,971,530</b>	<b>2,814,530</b>	<b>2.23%</b>
<b>Funding</b>							
NNDR	(23,002,000)				(23,002,000)	0	0.00%
Council Tax	(32,941,000)				(33,288,879)	(347,879)	1.06%
Council Tax Premium	(564,000)				(911,480)	(347,480)	61.61%
Revenue Support Grant	(69,650,000)				(69,650,000)	0	0.00%
<b>Total Funding 2017/18</b>	<b>(126,157,000)</b>				<b>(126,852,359)</b>	<b>(695,359)</b>	<b>0.55%</b>
<b>Total outturn including impact of funding</b>	<b>0</b>	<b>33,103,001</b>	<b>34,252,534</b>	<b>1,149,533</b>	<b>2,119,172</b>	<b>2,119,172</b>	<b>1.68%</b>

**Summary of the Financial Position on Contingency Budgets 2017/18 as at Quarter 1**

	Original Budget	Virements	Amended Budget	Committed to date (30/06/17)	Current Remaining Un-Committed
	£	£	£	£	
General Contingency	283,635	- 13,500	270,135	142,600	127,535
Improvement	-	-	-	-	-
Salary and Grading	200,000	-	200,000	-	200,000
Cost of Change	92,000	-	92,000	92,000	-
Apprentishps Levy	290,000	-	290,000	328,816	- 38,816
County Elections	150,000	-	150,000	87,000	63,000
Edge of Care	240,000	-	240,000	240,000	-
Earmarked Contingency	425,000	-	425,000	425,000	-
<b>Total Contingency Budgets</b>	<b>1,680,635</b>	<b>-13,500</b>	<b>1,667,135</b>	<b>1,315,416</b>	<b>351,719</b>
<b>VR Savings Target</b>	<b>-300,000</b>	<b>67,290</b>	<b>-232,710</b>	<b>0.00</b>	<b>-232,710</b>
<b>Total General and other Contingencies</b>	<b>1,380,635</b>	<b>53,790</b>	<b>1,434,425</b>	<b>1,315,416</b>	<b>119,009</b>

Review of Invest-to-Save Projects

Service	Title	Description	Amount Requested	Total Sum Allocated	Capital Expenditure to 30/06/2017	Revenue Expenditure to 30/06/2017 (inc Commitment)	Remaining Budget	Project Update
Resources	Electronic Document Management System for Revenues and Benefits	Provide scanning solution and workflow for Revenues and Benefits	£170,000 in year 1, £10,000 per annum	£170,000	£42,120	£38,142	£89,738	On target - due for December.
I.T.	Local Land and Property Gazetteer	Implement a LLPG system across the Council	£10,800 in year 1, £3,000 per annum	£10,800	-	£8,750	£2,050	Project is 50-70% complete.
I.T. / Transformation	Customer Relationship Management System	Purchase and implementation of a CRM system	£255,000	£255,000	£29,223	-	£225,777	Project is ongoing and will continue for years. First major milestone - Waste - will be delivered in September.
I.T. / Resources	Payment Gateway	Purchase and implement a payment gateway which will enable payments to be received via the App	£27,000 in year 1, £9,400 per annum	£27,000		£6,000	£21,000	Project is underway and is directly related to the CRMS project above.
Regulation & Economic Development	Improve the Resilience of the Planning Systems	Full integration of the new back office planning system.	£62,000	£118,000	£12,769	£9,416.47	£49,231	Scanning & Indexing Officer Employed from 27/02/2017.
		Procurement of Sage time management system.	£16,000				£16,000	
		Scanning of historic planning files and documents.	£25,000				£15,583.53	
		Increase use of digital mobile technology.	£15,000				£15,000	
			<b>£118,000</b>				<b>£95,815</b>	

Service	Title	Description	Amount Requested	Total Sum Allocated	Capital Expenditure to 30/06/2017	Revenue Expenditure to 30/06/2017 (inc Commitment)	Remaining Budget	Project Update
Resources	Improving Income Collection Systems	Purchase and implement a new income management system which links to the current income streams and allows new income collection methods (AppMon etc) to link into the cash management system	£150,000	£150,000		£9,488	£ 140,512	Work is progressing and on target.
Lifelong Learning & Culture	Modernisation of business and performance processes	Implement unused modules in the ONE Management Information system	£87,000	£ 87,000			£ 87,000	<p>The ALNI partnership staff restructuring is complete as of 31/08/17, joint working arrangements for shared Education Data and Statistics Officer for Ynys Môn and Gwynedd have been agreed, June 2017. Restructuring of department's administrative and support officers begins in September 2017. Audit has completed report on Transport arrangements and a meeting between Education and Highways to discuss, amongst other things, how to implement ONE Transport Module, arranged for 09/08/17.</p> <p>Advertising of ONE dedicated Education Officer post will be part of restructure process in September, and IT are in discussions with Education about data cleansing of pupil addresses during Autumn Term. It is proposed that the majority of this Invest to Save budget will, therefore, have been used by March 2018.</p>

Service	Title	Description	Amount Requested	Total Sum Allocated	Capital Expenditure to 30/06/2017	Revenue Expenditure to 30/06/2017 (inc Commitment)	Remaining Budget	Project Update
I.T. / Transformation	Digital First / Digital By Default	Employ a Digital Lead Officer and Digital Services Analyst	£70,000 in year 1, £50,000 in year 2 £70,000	£120,000			£120,000	Recruitment delayed pending preparatory work needed to make the post viable.
Public Protection	Improved Digital Connectivity within the Public Protection Service	Implementation of a cloud based system to record inspection visits. The software is an all Wales solution and has been procured via a framework agreement supported by 19 out of 22 Councils in Wales.	£10,000 per year for 4.5 years  £45,000	£45,000		0	£45,000	<b>No expenditure incurred to date. Decision to be made towards the end of September 2017.</b> Issue has been raised by the Procurement team that, as the Authority has not signed up to the Public Protection Cymru "Framework Agreement", we will have to invoke Exception to Standing Orders that allows the service to go out to a single supplier. This is covered under Anglesey's Constitution Section 4.9.3 - Exceptions. This can be done as it is within the EU limits for price. Tascomi will cost over 5 years £39,000 + (5 x £15,600) = £117,000, that is well within the £164,000 limit defined in the EU directive. Therefore, a business case is being prepared to show all the costs and benefits and explains why Tascomi is the only possible supplier. The business case will have to be signed off by the Section 151 Officer. The invest to save bid will go towards implementation of the new system, when it will be installed.
				<b>£982,800</b>	<b>£84,112</b>	<b>£71,796</b>	<b>£826,892</b>	



**Review of Efficiency Savings 2017/18**

Service/Function	Budget Savings 2017/18 £	Achievable 2017/18 £	Potentially not-achievable 2017/18 £	Will not be achieved at all £	Comments
Lifelong Learning	1,100	454	646		Work is ongoing in relation to the school cleaners. It is anticipated that the saving will be fully achieved from 2018/19 onwards, however, it is likely that the £116k saving to the 2017/18 budget will not be achieved in this financial year, as the process has taken longer to implement than what had been anticipated. £40k will not be achieved due to the decisions made in relation to Melin Llynnon. The remaining £490k is in relation to the Intergration budget, where it was decided that this would be funded from reserves for this financial year while the work was undertaken.
Regulation and Economic Development	187	179	8		Work is continuing to take place in relation to the hours at the leisure centres with HR to ensure that the £3k shortfall is met. The £5k saving on the Leisure Centre café outsourcing is still being worked on with Property and Procurement.
Highways, Waste and Property	339	244	95		The £50k saving on the Highway maintenace is achievable, however, it will be dependant on the severity of this winter. Work is continuing with HR in relation to the staffing elements of the savings, £35k. £5k PROW is currently not being achieved, due to pressures from the public. £5k Crossing Patrol has not yet been achieved, as the posts have not become vacant. Posts will not be filled as they become vacant.
Adults' Services	559	559			All savings are expected to be achievable from 2017/18.
Housing	41	36.5	4.5		There has been a slight delay in the review of the energy performance, one officer has commenced the work while the second officer has not, therefore, it will mean that the target will need to be adjusted to £285k.
Transformation	79	79			All savings are expected to be achievable from 2017/18.
Council Business	18	18			All savings are expected to be achievable from 2017/18.
Resources	121	100	21		Savings expected to be achieved, however, the saving on the postage is dependant on the success of the Northgate Project, this will not be known until later in the financial year.
<b>Total</b>	<b>2,444</b>	<b>1,670</b>	<b>775</b>	<b>0</b>	

## AGENCY COSTS

	£	Funded From	Purpose
Childrens Services	151,646.15	Core budget, un-utilised staffing budget & reserves approved by Executive	To cover vacant posts whilst restructure taking place
Resources	4,615.00	Staff Budget	To cover post for long term Sickness
	21,300.00	Specific Reserve	To assist with the upgrading of the Northgate Payroll & HR Software
	38,804.00	Specific Core Budget & Staff Budget	Recovery of uncollected Debts
Transformation	3,876.12	Staff Budget	To Cover Staff Sickness
Economic & Regeneration	2,750.31	Staff Budget	To meet statutory inspection targets
Waste	16,427.52	Core Budget	Site Agents at Recycling Centres
	32,388.51	Grant Funding	Site Agents at Recycling Centres
<b>Total</b>	<b>271,807.61</b>		

**Information Regarding Monitoring of Consultants**

Service	Amount	Category - Reason Appointed		Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)		Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Central Education	£45.00	✓			Grant	Provider for TRAC experiences for young people.
Central Education	£175.00			✓	Core Budget	Provide advice to headteachers about budgets and staffing.
Central Education	£6,125.00		✓		Core Budget	Provide training and advice and policy development for Safeguarding, health and safety advice and monitoring staff attendance across all schools.
Central Education	£1,100.00			✓	Grant	Monitoring Welsh Language strategy on behalf of LA.
Culture	£870.60	✓			Core Budget	Artist Masterclasses.
Culture	£3,240.75	✓			Core Budget	Artist to lead Criw Celf.
Culture	£609.33	✓			Grant	Tutor of IT course for adults learners.
Economic & Regeneration	£1,000.00			✓	Core Budget	Report on the resilience of the electricity transmission network.
Economic & Regeneration	£32,522.50	✓			External (PPA)	Multi-Disciplinary Framework Agreement - Provision of expertise, skills and capacity to support the development and implementation of activities relating to Major Energy Developments on the Island, with particular regard to the proposed new nuclear build at Wylfa.
Economic & Regeneration	£46,964.99	✓			External (PPA)	Transmissions Infrastructure and Grid Connections Framework Agreement - Provision of support and advice in dealing with technical aspects of National Grid's proposed Development Consent Order application.
Economic & Regeneration	£1,544.60	✓			External (PPA)	Provision of expert archaeological planning advice.

Service	Amount	Category - Reason Appointed		Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)		Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Economic & Regeneration	£26,293.41	✓			External (PPA)	Legal Service Framework Agreement - Provision of legal advice in respect of the Wylfa Nuclear New Build and any other Energy Island Projects.
Economic & Regeneration	£2,890.00	✓			External (PPA)	Multi-Disciplinary Framework Agreement - Provision of expertise, skills and capacity to support the development and implementation of activities relating to Major Energy Developments on the Island, with particular regard to the proposed new nuclear build at Wylfa.
Economic & Regeneration	£122.67	✓			External (PPA)	Provision of Strategic Advice on National Grid Project.
Economic & Regeneration	£23,832.90			✓	External (Welsh Government)	International Visitor Gateway Project - Preparation of RIBA Stage 3 designs for ERDF grant submission.
Economic & Regeneration	£1,950.00			✓	External (NDA)	Business Centre extension cost review (prior to submission to WEFO).
Economic & Regeneration	£1,957.40			✓	External (NDA)	Outline Planning fee for land on Llangefni Enterprise Zone (EZ5).
Economic & Regeneration	£1,125.00	✓			External (costs covered by fee from client)	Cost of structural checks against required criteria.
Economic & Regeneration	£50.00			✓	Core Budget	Outbreak Training for EHOs.
Economic & Regeneration	£30.00			Monthly	Core Budget	Credit scoring checks.
Highways	£109.60			✓	Core Budget	Parking adjudication service levy.
Highways	£128.31	✓		✓	Core Budget	Preparing Term contracts for several bodies.

Service	Amount	Category - Reason Appointed		Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)		Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Schools	£215.00				Core Budget	Art Sessions.
Schools	£525.00				Core Budget	Music / Drama Sessions.
Schools	£500.00				Core Budget	Sport Sessions.
Schools	£83.84			✓	Core Budget	Translation Service.
Schools	£776.47				Core Budget	Creative Practitioner.
Waste	£250.00	✓			Core Budget	Perimeter Gas Monitoring.
Waste	£680.00	✓			Core Budget	Penhesgyn Landfill Gas Technical Support - April 2017.
Waste	£43.40	✓			Core Budget	Metering & Settlement Fee - May 2017.
Waste	£182.50	✓			Core Budget	Annual Fire Risk Assessment Review.
Waste	£3,900.00	✓			Core Budget	Site Permit Compliance.
Waste	£583.80	✓			Core Budget	Annual Groundwater / Surface Water & Leachate Sampling 2017/18.
Waste	£575.00	✓			Core Budget	
Waste	£580.00	✓			Core Budget	
Waste	£600.00	✓			Grant Funded	Consultancy work at Penhesgyn IVC.
Waste	£182.50	✓			Grant Funded	Annual Fire Risk Assessment Review.
HRA	£355.00			✓	Core HRA	Supplementary assessment approved contractors scheme.
HRA	£2,927.20			✓	Core HRA	Legal advice - outsourcing of stores.
HRA	£8,000.00			✓	Grant	Affordable Housing consultancy - Wylfa Newydd.
HRA	£134.10			✓	Core HRA	Expenses for Orchard system consultant.
Children's Services	£5,186.40			✓	Contingency	Set-up of Edge-of-Care team aimed at reducing number of Looked-after-Children.
Children's Services	£30.00			✓		
Children's Services	£2,068.15		✓		Unutilised staffing budget and reserves approved by Executive	Chairing & Reviewing Child Protection Cases.

Service	Amount	Category - Reason Appointed		Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)		Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Children's Services	£2,564.90		✓			
Children's Services	£764.10		✓			
Children's Services	£937.50			✓	Unutilised staffing budget and reserves approved by Executive	Recruitment campaign.
Children's Services	£418.50			✓	Core Budget	Employment advice.
Transformation	£4,000.00			✓	Specific Core Budget	Installation & consultancy.
Transformation	£1,303.98			✓	Specific Core Budget	Installation & consultancy.
Transformation	£6,793.48			✓	Specific Core Budget	Consultancy & project management.
Transformation	£1,900.00			✓	Specific Core Budget	Installation & consultancy.
Transformation	£1,884.00			✓	Grant	Social worker assessments.
Council Business	£54,907.58		Covers full-time post	Post of Contracts Solicitor	Overspend on budget	Contracts and procurement advice - maternity cover to April 2018.
Council Business			Covers full-time post	Manager's post within service	Overspend on budget	Long-term sickness cover.
Council Business	£1,300.00		Advising one Planning Committee	One off	Overspend on budget	Legal Adviser to one Planning Committee.

Service	Amount	Category - Reason Appointed		Source of Funding (Specific Core Budget / Unutilised staffing budget / Grant / External Contribution)		Description of work undertaken
		Ongoing to cover specific skill set that doesn't require Permanent Post	Volume of Work	Specific Work / One Off Project		
Resources	£1,300.00	✓			Staff budget	Management of Internal Audit.
Resources	£6,925.00			✓	Core Budget	Treasury Services.
Resources	£1,333.20	✓			Core Budget	VAT Consultancy.
Resources	£575.00			✓	Core Budget	Work on equal pay claims.
Resources	£7,240.60			✓	Core Budget	Consultancy on Civica system.
Resources	£1,050.00			✓	Core Budget	Consultancy for report production.
Resources	£3,825.00			✓	Core Budget	Project Management – Northgate HR/Payroll
Resources	£7,200.00			✓	Core Budget	Project Management – Northgate HR/Payroll
Resources	£13,500.00			✓	Core Budget	Project Management – Electronic Document Management
Resources	£9,987.50			✓	Core Budget	Project Management – Improving Income Collection
	<b>£310,775.76</b>					