ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	**MEETING OF THE EXECUTIVE**
DATE:	**10 JUNE 2013**
SUBJECT:	**REVENUE BUDGET 2012-13 – PROVISIONAL OUTTURN**
PORTFOLIO HOLDER(S):	**COUNCILLOR H E JONES**
LEAD OFFICER(S):	**CLARE WILLIAMS**
CONTACT OFFICER:	**TONY FURBER**

Nature and reason for reporting:

Spending against service and corporate budgets has been monitored throughout the year and reported to Members on a quarterly basis. These reports have included details of both the position to date and projections to the end of the financial year. The accounts for 2012-13 are now being finalised and the Statement of Accounts prepared.

A – Introduction / Background / Issues

The purpose of this report is to give an early indication of the final position on revenue spending in the Council Fund, although it should be noted that the figures remain provisional at this stage.

The net revenue budget for 2012-13 was set at £119m. This incorporated spending reductions of £3.7m and required the use of £1.2m from reserves. The most recent year end projections were contained in the Quarter 3 Monitoring Report presented to the Executive on 18 February. This indicated that there was expected to be a significant overspend, principally because of pressures on budgets in Education and Social Services. Actions were identified to limit the net impact to an overspend of £1m (see paragraph 5.3 on page 6 of February report).

The provisional outturn figures show a net underspend of £1.1m, representing a total change of £2.1m from the Quarter 3 position. The biggest factor in this is a significant turnaround in the situation in Education, where the previously forecast overspend of £774k has become an underspend of £90k. Beyond this, rather than a small number of large movements, there is a consistent pattern of more limited movement across all headings, which have cumulatively produced the remainder of the change. Factors in producing this pattern have been:-

- the impact of the moratorium on certain types of expenditure in the later months of the year;
- a general restraint shown by services in response to the current outlook for the Council's finances; and
- the cautious approach taken by both Finance staff and budget holders when forecasting the year end position, given the need to avoid unforeseen overspends.

More detail in respect of individual service lines is shown in Section B below. It is stressed again that the figures shown remain provisional and will remain so until the accounts are finalised. The Statement of Accounts will be presented for audit by the end of June and the audit will be completed and the accounts approved by the end of September.

Further decisions are still to be made in respect of the appropriation of reserves and potential

increases in provisions and these will be a key part in determining the final amount that is required from general reserves. Nonetheless, there seems to be an excellent prospect that the final outturn position will show a welcome strengthening of the Council's underlying financial position and allow for increased flexibility in managing the transformation of services and the phasing of spending reductions.

B – Considerations

The position for each service area is shown at Appendix 1. As noted above, there is a consistent pattern of improved financial performance across most headings, compared to the Quarter 3 projection. All movements over £200k are summarised in the table below:

Service Area	Change From Quarter 3 (£'000)
Education	864
Highways	289
Homelessness	273
Benefits	328
Council Tax Income	146
Total	**1,900**

These total almost the full amount of the net movement, with the other net changes being offset by a slightly higher overspend in Social Services, which has increased to £656k compared to £500k.

Comments in respect of individual service areas are as follows.

Education

- The Integration budgets have been a consistent source of overspends over recent time. Although it has still not been possible to eliminate this altogether, careful monitoring and control has reduced the figure by £292k, from its projected level of £650k to £358k.
- Higher than forecast grant in respect of funding sixth form places has produced additional income of £230k.
- The underspend on the Youth Service has been increased by £73k, from its forecast level of £20k to £93k.
- The cost of school meals has shown an improvement of £200k, turning an anticipated overspend to £100k to an underspend of the same amount.
- Movements against other budgets show a net change of £49k, producing the total net movement of £864k for the service.

Highways

Spending on Street Lighting is underspent by £171k. An underspend against profiled budget had been identified earlier in the year. There was an expectation that this would be offset by relatively high expenditure in the final quarter, but this has proved not to be the case.

A forecast overspend of £25k on Public Transport has become an underspend of £48k, a movement of £73k.

Net movements of £45k on other budget headings produce the net change for the service, compared to Quarter 3, of £289k.

Homelessness

Higher than expected income has resulted in a net underspend of £333k, compared to a forecast level of £60k, a change of £273k.

Benefits

Updated information on the levels of subsidy receivable has resulted in a net change to the forecast position of £328k, with the previously projected overspend of £145k becoming an

underspend of £183k.

Council Tax
Better than expected collection rates in the closing months of the year have seen the shortfall in income fall by £145k, from the forecast level of £300k to £155k.

Social Services
The provision for non-recovery of income has been increased by £36k.

Staffing and premises costs for residential homes are £100k greater than previously forecast.

Net movements of £20k on other budget headings produce the net increase in the overspend for the service, compared to Quarter 3, of £156k.

C - Implications and Impacts		
1	**Finance / Section 151**	
2	**Legal / Monitoring Officer**	
3	**Human Resources**	
4	**Property Services** (see notes – separate document)	
5	**Information and Communications Technology (ICT)**	
6	**Equality** (see notes – separate document)	
7	**Anti-poverty and Social** (see notes – separate document)	
8	**Communication** (see notes – separate document)	
9	**Consultation** (see notes – separate document)	
10	**Economic**	
11	**Environmental** (see notes – separate document)	
12	**Crime and Disorder** (see notes – separate document)	
13	**Outcome Agreements**	

CH – Summary
The provisional outturn for the Council Fund for 2012-13 is an overall underspend of £1.1m, representing a significant improvement on the previously forecast overspend of £1.0m. The biggest single factor in the turnaround is the change in the position on Education, where a previously forecast overspend of £774k has become an underspend of £90k. This results partly from higher than forecast grant income, but also reflects significant improvements in respect of expenditure on Integration and School Meals. Beyond this, there is a consistent pattern of better than expected financial performance across most services. This partly reflects the relative caution shown in making the previous year-end projections, but also shows the results of the efforts that have been made, over the closing months of the year, to constrain spending generally. The impact on the level of general reserves will not be known until further decisions have been made, in respect of appropriations to service and specific reserves and the levels of provisions required and, beyond this, final confirmation cannot be given until the completion of the audit and the approval of the accounts. Nonetheless, there seems to be an excellent prospect that the final outturn position will show a welcome strengthening of the Council's underlying financial position and allow for increased flexibility in managing the transformation of services and the phasing of spending reductions.
D – Recommendation
That the report be noted.

Name of Author : Tony Furber,
Job Title : Interim Accountancy Manager
Date: 24 May 2013

Appendices:
Appendix 1: Provisional Outturn Figures 2012-13
Background papers

GWARIANT AMODOL 2012/13
PROVISIONAL OUTTURN FIGURES 2012/13

	CYLLIDEB ADDASIEDIG ADJUSTED BUDGET £000	GWIRIONDDOL ADDASIEDIG ADJUSTED ACTUAL £000	GWAHANIAETH VARIANCE (Tanwario)/ Drosodd / (Under) / Over £000
Addysg Gydol Oes / Lifelong Learning	48,925	48,835	**(90)**
Cymuned / Community			
Gwasanaethau Cymdeithasol/ Social Services	26,358	27,014	**656**
Gwasanaeth Tai/ Housing Service	925	926	**1**
Gwasanaeth Hamdden a Chymuned/ Leisure and Community Service	4,113	4,181	**68**
Datblygu Cynaliadwy / Sustainable Development			
Gwasanaeth Datblygu Economaidd/ Economic Development Service	1,507	1,507	**0**
Gwasanaeth Cynllunio ae Amgylcheddol / Planning and Environment	3,379	3,236	**(143)**
Gwasanaeth Eiddo/ Property Service	977	797	**(180)**
Gwasanaeth Priffyrdd a Thrafnidiaeth/ Highways and Transportation Service	11,068	10,814	**(254)**
Gwasanaeth Gwastraff / Waste Service	8,479	8,209	**(270)**
Dirprwy Brif Weithredwr / Deputy Chief Executive			
Uwch Reolwyr / Senior Management	1,224	1,176	**(48)**
Gwasanaethau Pwyllgorau a Cyfreithiol/ Committee and Legal Services	175	139	**(36)**
Gwasanaeth Polisi/ Policy Service	(216)	(144)	**72**
Gwasanaeth Cyllid/ Finance Service	1,073	1,066	**(7)**
Gwasanaeth Archwilio/ Audit Service	1	8	**7**
Gwasanaeth Adnoddau Dynol / HR Service	201	129	**(72)**
Gwasanaeth Technolog Gwybodaeth a Chyfathrebu/ Information Communication Technology Service	317	63	**(254)**
	108,506	**107,956**	**(550)**
Cyllidebau sy'n Risg Corfforaethol/ Budgets treated as Corporate Risks			
Digartrefedd/Homelessness	1,559	1,469	**(90)**
All Sirol Addysg/ Out of County Education	1,028	879	**(149)**
All Sirol Gwasanaethau Cymdeithasol/ Out of County Social Services	307	(26)	**(333)**
Budd-daliadau/ Benefits	28	(155)	**(183)**
Cyllido Cyfalaf a Llog / Capital Financing and Interest	8,075	8,176	**101**
Costau Corfforaethol a Democrataidd / Corporate and Democratic Costs	1,461	1,403	**(58)**
	120,964	**119,702**	**(1,262)**
Grant Cymorth Refeniw / Revenue Support Grant	(73,544)	(73,544)	**0**
Incwm Treth Annomestig / Non Domestic Rate Income	(18,787)	(18,787)	**0**

Y Dreth Gyngor / Council Tax	(26,704)	(26,550)	**154**
Grant Cymell Perfformiad / Performance Incentive Grant	(729)	(729)	**0**
Newid mewn Cronfeydd Clustnodedig a Balansau Cyffredinol / Change in Earmarked Reserves and General Balances	**1,200**	**92**	**(1,108)**

CYNGOR SIR YNYS MÔN	
ADRODDIAD I:	**PWYLLGOR GWAITH**
DYDDIAD:	**10 MEHEFIN 2013**
PWNC:	**CYLLIDEB REFENIW 2012-13 – CANLYNIADAU DROS DRO**
DEILYDD(ION) PORTFFOLIO:	**CYNGHORYDD H E JONES**
SWYDDOG(ION) ARWEINIOL:	**CLARE WILLIAMS**
SWYDDOG CYSWLLT:	**TONY FURBER**

Natur a rheswm am adrodd

Mae gwariant yn erbyn cyllidebau gwasanaeth a chorfforaethol wedi bod yn cael ei fonitro drwy'r flwyddyn ac adroddiadau ar hynny wedi bod yn cael eu cyflwyno i'r Aelodau bob chwarter. Mae'r adroddiadau hyn wedi cynnwys manylion am y sefyllfa gyfredol a'r rhagamcanion hyd ddiwedd y flwyddyn ariannol. Mae'r cyfrifon ar gyfer 2012-13 wrthi'n cael eu cwblhau a'r Datganiad Cyfrifon wrthi'n cael ei baratoi.

A – Cyflwyniad / Cefndir / Materion sydd angen sylw

Pwrpas yr adroddiad hwn yw rhoi syniad buan ynglŷn â'r sefyllfa derfynol o ran gwariant refeniw yng Nghronfa'r Cyngor er dylid nodi mai ffigyrau dros dro ydynt ar hyn o bryd.

Cafodd cyllideb refeniw net o £119m ei phennu ar gyfer 2012-13. Roedd yn cynnwys gostyngiad o £3.7m mewn gwariant a bu'n rhaid defnyddio £1.2m o'r arian wrth gefn. Cafodd y rhagamcanion diweddaraf ar gyfer diwedd y flwyddyn eu cynnwys yn Adroddiad Monitro Chwarter 3 a gyflwynwyd i'r Pwyllgor Gwaith ar 18 Chwefror. Yn yr adroddiad, dywedwyd y byddid yn disgwyl gorwariant sylweddol yn bennaf oherwydd y pwysau ar y cyllidebau Addysg a Gwasanaethau Cymdeithasol. Nodwyd camau gweithredu i gyfyngu'r effaith net ar orwariant o £1m (gweler paragraff 5.3 ar dudalen 6 adroddiad mis Chwefror).

Mae'r ffigyrau canlyniadau dros dro yn dangos tanwariant net o £1.1m sy'n dangos newid o £2.1m i'r sefyllfa yn Chwarter tri. Gellir priodoli hyn yn bennaf i'r newid mawr yn y sefyllfa o ran Addysg, lle mae'r rhagamcan blaenorol o orwariant o £774k wedi troi'n danwariant o £90k. Ar wahân i hyn, yn hytrach na nifer fechan o symudiadau mawr, gwelwyd patrwm o symudiadau mwy cyfyngedig ar draws yr holl benawdau, sydd, gyda'i gilydd, i gyfrif am weddill y newid. Y ffactorau a gyfrannodd at y patrwm hwn oedd:-

- effaith y moratoriwm ar rai mathau o wariant ym misoedd diwethaf y flwyddyn;
- y pwyll cyffredinol a ddangoswyd gan y gwasanaethau mewn ymateb i'r rhagolygon cyfredol o ran sefyllfa ariannol y Cyngor; a
- y dull gwyliadwrus a fabwysiadwyd gan staff Cyllid a deiliaid cyllidebau wrth ddarogan y sefyllfa diwedd blwyddyn oherwydd yr angen i osgoi gorwariant annisgwyl.

Ceir mwy o fanylion ynghylch llinellau gwasanaethau unigol yn Rhan B isod. Pwysleisir eto mai ffigyrau dros dro yw'r rhain ac y byddant yn parhau felly hyd oni fydd y cyfrifon wedi'u cwblhau. Cyflwynir y Datganiad Cyfrifon i'w archwilio erbyn diwedd mis Mehefin a bydd yr archwiliad yn cael ei gwblhau a'r cyfrifon yn cael eu cymeradwyo erbyn diwedd mis Medi.

Mae penderfyniadau yn parhau i fod angen eu gwneud ynghylch dyrannu arian wrth gefn a chynnydd posibl mewn darpariaeth a bydd y rhain yn ffactorau allweddol wrth benderfynu ar y swm terfynol y bydd ei angen o'r arian wrth gefn cyffredinol. Serch hynny, mae rhagolygon ardderchog y bydd y canlyniadau terfynol yn dangos bod sefyllfa ariannol sylfaenol y Cyngor yn cryfhau – sydd i'w groesawu – ac yn caniatáu ar gyfer mwy o hyblygrwydd o ran rheoli trawsnewidiad gwasanaethau a gostwng gwariant fesul dipyn.

B – Ystyriaethau

Dangosir y sefyllfa ar gyfer pob maes gwasanaeth yn Atodiad 1. Fel y nodir uchod, mae yna batrwm cyson o berfformiad ariannol gwell ar draws y rhan fwyaf o benawdau o gymharu â'r rhagolygon yn Chwarter 3. Caiff pob symudiad dros £200k eu crynhoi yn y tabl isod:

Maes Gwasanaeth	Newid o gymharu â Chwarter 3 (£'000)
Addysg	864
Priffyrdd	289
Digartrefedd	273
Budd-daliadau	328
Incwm Dreth Gyngor	146
Cyfanswm	**1,900**

Mae'r rhain yn cyfrif am bron y swm cyfan o'r symudiadau net gyda newidiadau net eraill yn cael eu gwrthbwyso gan orwariant ychydig yn uwch yn y Gwasanaethau Cymdeithasol, gorwariant sydd wedi codi o £500k i £656k.

Isod, ceir sylwadau mewn perthynas â'r meysydd gwasanaeth unigol:

Addysg

- Yn ddiweddar, gorwariwyd yn gyson ar y cyllidebau integreiddio. Er na fu modd dileu hyn yn gyfan gwbl, mae monitro a rheolaeth ofalus wedi gostwng y ffigwr gan £292k o'r lefel ragdybiedig o £650k i £358k.
- Mae grant uwch na'r disgwyl ar gyfer cyllido llefydd yn y chweched dosbarth wedi cynhyrchu £230k o incwm ychwanegol.
- Mae'r tanwariant ar y Gwasanaeth Ieuenctid wedi cynyddu gan £73k o'r swm rhagamcanedig o £20k i £93k.
- Mae costau prydau ysgol wedi gwella gan £200k gan droi gorwariant o £100k yn danwariant am yr un swm.
- Mae symudiadau yn erbyn cyllidebau eraill yn dangos newid net o £49k gan arwain at gyfanswm o £864k mewn perthynas â symudiadau yn y gwasanaeth.

Priffyrdd

Mae tanwariant o £171k ar oleuadau stryd. Nodwyd tanwariant yn erbyn y gyllideb a broffiliwyd yn gynharach yn y flwyddyn. Disgwyliwyd y byddai hynny'n cael ei wrthbwyso gan wariant gweddol uchel yn y chwarter olaf, ond ni ddigwyddodd hynny.

Mae gorwariant o £25k a ragamcanwyd ar gyfer Cludiant Cyhoeddus wedi troi'n danwariant o £48k, symudiad o £73k.

Mae symudiadau net o £45k ar benawdau cyllidebol eraill yn cynhyrchu newid net ar gyfer y gwasanaeth o £289k o'i gymharu â Chwarter 3.

Digartrefedd

Mae incwm uwch na'r disgwyl wedi arwain at danwariant net o £333k o gymharu â'r rhagolygon o £60k, newid o £273k.

Budd-daliadau
Mae gwybodaeth ddiweddaredig ar lefelau'r cymhorthdal a dderbyniwyd wedi arwain at newid net o £328k o gymharu â'r rhagolygon gyda'r gorwariant o £145k a ragdybiwyd yn flaenorol yn troi'n danwariant o £183k.

Y Dreth Gyngor
Oherwydd y llwyddwyd i gasglu mwy na'r disgwyl yn ystod misoedd diwethaf y flwyddyn, mae'r diffyg mewn incwm wedi gostwng gan £145k, o'r lefel o £300k a ragdybiwyd i £155k.

Gwasanaethau Cymdeithasol
Mae'r ddarpariaeth ar gyfer anallu i adennill incwm wedi cael ei chodi gan £36k.

Mae costau staffio ac adeiladau mewn perthynas â'r cartrefi preswyl £100k yn uwch na'r rhagolygon cynharach.

Mae symudiadau net o £20k ar benawdau cyllidebol eraill yn cynhyrchu'r cynnydd net o £156k yn y gorwariant ar gyfer y gwasanaeth o gymharu â Chwarter 3.

C - Goblygiadau ac Effeithiau		
1	**Cyllid / Adran 151**	
2	**Swyddog Cyfreithiol / Monitro**	
3	**Adnoddau Dynol**	
4	**Gwasanaethau Eiddo** (gweler nodiadau – dogfen ar wahân)	
5	**Technoleg Gwybodaeth a Chyfathrebu (TGCh)**	
6	**Cydraddoldeb** (gweler nodiadau – dogfen ar wahân)	
7	**Gwrthdlodi a Chymdeithasol** (gweler nodiadau – dogfen ar wahân)	
8	**Cyfathrebu** (gweler nodiadau – dogfen ar wahân)	
9	**Ymgynghori** (gweler nodiadau – dogfen ar wahân)	
10	**Economaidd**	
11	**Amgylcheddol** (gweler nodiadau – dogfen ar wahân)	
12	**Trosedd ac Anrhefn** (gweler nodiadau – dogfen ar wahân)	
13	**Cytundeb Canlyniadau**	

CH – Crynodeb
Mae'r canlyniadau dros dro ar gyfer Cronfa'r Cyngor am 2012-13 yn dangos tanwariant cyffredinol o £1.1m, sy'n welliant sylweddol ar y sefyllfa a ragamcanwyd yn flaenorol, sef gorwariant o £1.0m. Gellir priodoli'r rhan fwyaf o'r gwelliant hwn i'r newid yn y sefyllfa mewn perthynas ag Addysg – daeth gorwariant o £774k a ragamcanwyd yn flaenorol yn danwariant o £90k. Mae hyn o ganlyniad yn rhannol i incwm grant uwch na'r disgwyl ond mae'n adlewyrchiad hefyd o'r gwelliant sylweddol o ran gwariant ar Integreiddio a Phrydau Ysgol. Y tu draw i hynny, mae patrwm cyson o berfformiad ariannol gwell na'r disgwyl ar draws y rhan fwyaf o wasanaethau. Mae hyn yn adlewyrchu'n rhannol y pwyll a ddangoswyd o ran gwneud rhagolygon ar gyfer diwedd y flwyddyn ond mae'n dangos hefyd y gwnaed ymdrechion yn ystod misoedd diwethaf y flwyddyn i ffrwyno gwariant yn gyffredinol. Ni wyddys beth fydd lefel yr arian wrth gefn cyffredinol hyd oni fydd penderfyniadau pellach wedi cael eu gwneud mewn perthynas â dyraniadau i wasanaethau ac arian wrth gefn penodol a lefelau'r darpariaethau sydd eu hangen ac, y tu draw i hyn, ni ellir cadarnhau'r sefyllfa'n ffurfiol hyd oni fydd yr archwiliad wedi cael ei gwblhau a'r cyfrifon wedi'u cymeradwyo. Serch hynny, mae rhagolygon ardderchog y bydd y canlyniadau terfynol yn dangos bod sefyllfa ariannol sylfaenol y Cyngor yn cryfhau - sydd i'w groesawu - ac yn caniatáu ar gyfer mwy o hyblygrwydd o ran rheoli trawsnewidiad gwasanaethau a gostwng gwariant fesul dipyn.
D – Argymhelliad
Nodi'r adroddiad

Enw awdur yr adroddiad: Tony Furber
Swydd Ddisgrifiad : Rheolwr Cyfrifeg Dros Dro
Dyddiad : 24 Mai 2013

Atodiadau:
Atodiad 1: Ffigyrau Canlyniadau Dros Dro 2012-13
Papurau Cefndirol: