



CABINET - 22ND JANUARY 2025

**SUBJECT: WHOLE-AUTHORITY REVENUE BUDGET MONITORING REPORT
(PERIOD 7)**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

- 1.1 To provide details of the projected whole-authority revenue budget expenditure for the 2024/25 financial year as at the 31st of October 2024.

2. SUMMARY

- 2.1 This report provides details of the 2024/25 projected revenue budget position based on information available as at the 31st of October 2024 (period 7 of the current financial year). Commentary is also provided throughout the report on the more significant variations against budget.

3. RECOMMENDATIONS

- 3.1 It is recommended that Cabinet: -

- 3.1.1 Notes the content of the report; and

- 3.1.2 Approves the allocation of £0.180m from the Social Services reserves to employ two fixed term financial Assessment Officers until the 31st of March 2027 to improve income collection rates and reduce the number of service user complaints.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Cabinet is aware of the projected revenue budget outturn position for the 2024/25 financial year.

5. THE REPORT

5.1 Projected Revenue Budget Outturn for 2024/25 (Period 7)

- 5.1.1 Members will be aware that detailed budget monitoring reports are prepared for Scrutiny Committees throughout the financial year. In support of improving the Council's financial

resilience, whole-authority reports will now be presented to Cabinet for periods 3, 5, 7, 9 and Outturn. This report is intended to provide a high-level summary position highlighting some of the key variations against budget.

5.1.2 The projected 2024/25 position is based on information known as at the 31st of October 2024, it combines actual income and expenditure for this period with forecast information to get a projection for the year. This report was updated to include grant awards from Welsh Government on the 6th of December as it was a significant change. These are mid-year forecasts and so contain a medium level of uncertainty and assumptions.

5.1.3 Based on the information available as at the 31st of October 2024 and adjusted for the grant award from Welsh Government on the 6th of December 2024, the projected 2024/25 net year-end revenue budget position is an overspend of £0.922m, this is an improvement of £5.086m from the position reported in period 3. The most significant change is in Miscellaneous Finance which has improved by £3.461m from period 5, this is largely due to receiving £3.031m grant from Welsh Government in December 2024 in recognition of the pay award pressures and £0.641m additional income for backdated NNDR rebates for various Council properties. In addition, there have been positive movements across most divisions as detailed throughout the report. Pressures on Home to School Transport and Temporary Accommodation remain, with both areas forecasting increased overspends, with adverse movements of £0.187m and £0.560m respectively since period 5. A summary is provided by Directorate in the following table with further details provided in Appendix 1.

Table 1 – 2024/25 Projected Net Year-End Revenue Position by Directorate

	2024/25 Period 7			2024/25 Period 5	
	Revised Budget £m	Projected Outturn £m	Projected (Overspend)/ Underspend £m	Projected (Overspend)/ Underspend £m	Movement to Period 7 £m
Education & Lifelong Learning	179.419	180.464	(1.045)	(1.446)	0.401
Social Services	139.133	138.453	0.680	(0.490)	1.171
Economy & Environment	56.739	56.878	(0.140)	(0.551)	0.411
Corporate Services	34.478	35.198	(0.720)	(0.363)	(0.357)
Miscellaneous Finance	39.421	39.118	0.303	(3.158)	3.461
Totals: -	449.190	450.112	(0.922)	(6.009)	5.086

5.1.4 As approved by Council on the 27th of February 2024, the 2024/25 budget of £449.190m is supported by the one-off release of reserves of £10.624m and £11.449m of temporary savings. These temporary one-off measures totalling £22.073m will only support the budget for the 2024/25 financial year, effectively allowing a transitional budget to provide time to develop and deliver a range of prioritised projects under the Mobilising Team Caerphilly transformation programme.

5.1.5 The 2024/25 budget includes £19.552m of permanent savings, which includes a £5m Mobilising Team Caerphilly in-year target and a £2.673m non-pay inflation pressure to be absorbed by service areas. Monitoring savings delivery will therefore be critical and to assist with this savings will be regularly reviewed to provide the Leadership Team and Cabinet with an overview of the overall saving delivery position and risk.

5.1.6 The spend control and vacancy management measures put in place are having an impact with most service areas showing a positive movement from period 5 to period 7. However, it is critical that this focus and commitment continues to ensure that a balanced outturn position can be achieved without the need for a further call on reserves.

5.1.7 The following paragraphs summarise some of the key issues in the period 7 budget monitoring reports.

5.2 Education & Lifelong Learning (Projected Overspend of £1.045m)

5.2.1 An overspend of £1.045m is currently forecast for Education & Lifelong Learning, which is an improvement of £0.401m from the position reported in period 5.

5.2.2 The most significant financial pressure for Education and Lifelong Learning continues to be the Home to School Transport service, where the overspend has increased by £0.187m from period 5 and is now projected to be £2.073m. The pressure on this budget is due to special education transport and price increases. The increased overspend from period 5 to period 7 is largely due to price increases from minibus and taxi contract renewals, prices between September 2023 and September 2024 have increased by circa 11%, a contingency of £0.409m was established in the approved 2024/25 budget for transport contract price increases and is held under Miscellaneous Finance, this is being reported as an underspend to partially offset the overspend reported here.

5.2.3 As reported in the period 5 report this service has been prioritised under Mobilising Team Caerphilly, new applications from September 2024 have gone through a new process and matrix for determining the most appropriate model of transport. All existing users will have their provision reviewed in May 2025 for transport in September 2025. Consultation on changing to the statutory minimum distance of 2 miles for primary aged children (currently 1.5 miles) and 3 miles for secondary aged children (currently 2 miles) closed on the 28th of October.

5.2.4 An underspend of £0.061m is being forecast for in-year maternity absences in schools, these are always uncertain and variable. This budget funds the costs of the maternity absence for the school, allowing the school to engage staff to cover the staff absence.

5.2.5 The Early Years (Rising 3's) budget, supports Rising 3 places primarily in Caerphilly maintained schools but also in the non-maintained sector and is still projecting an underspend of £0.062 at period 7. This funding supports placements in the term before a child turns 4 years of age and starts in a school nursery setting. The request for places is demand led by families, the next application round will relate to January 2025, so demand remains uncertain to the end of the current financial year. The costs associated with the spring term have been estimated at £0.350m, this position will be reviewed and updated once the application and placement details are finalised.

5.2.6 There is currently a projected underspend of £0.102m for the Authority's on-going pension liability linked to pension / exit costs for school-based staff. This budget is expected to be insufficient in the coming years, the consequence of a need to reduce posts in schools, linked to reducing pupil numbers and or budget pressures.

5.2.7 Management & Support Services and Psychology Service are projecting a collective £0.194m underspend, this has increased by £0.054m from period 5, this relates to a

mix of salary related savings from managing vacancies and some additional income.

- 5.2.8 The Early Years Central Team budget is required to support the continuation of grant funding into the Authority of circa £10m in the current financial year. An underspend of £0.277m is projected, from maximising grant and charging core funded central team staff to the grant where they are covering the work for vacant grant funded posts, this is an improvement of £0.061m from period 5. This flexibility reduces when staff turnover is low and year on year as the grant funding is cash limited with no annual increase for the impact of pay awards.
- 5.2.9 The Library Service is currently under review as part of Mobilising Team Caerphilly and is projecting an underspend of £0.124m, this relates to a mix of in-year staff savings from managing vacancies of circa £0.055m, a savings on premises related spend on national non-domestic rates of circa £0.031m and additional rental income, for 2 of our key sites, of £0.043m.
- 5.2.10 The previously reported overspend of £0.059m in Youth Services in relation to Crumlin Institute has been removed as the lease has now been surrendered.
- 5.2.11 Welsh Government confirmed 2024/25 funding for Teachers Pay of £1.082m and Teachers Pension of £3.617m, these amounts will now be passported onto schools and services to cover these pressures.
- 5.2.12 At the end of the 2023/24 financial year, the net collective balances position for our 86 schools was a surplus of £5.3m, with 21 schools reporting a deficit balance at outturn. It was reported to School Budget Forum (10th October 2024), that the anticipated schools' balances position at the end of the 2024/25 financial year is a collective deficit of £1.590m. Established processes are in place to support schools at this increasingly challenging time for Local Government.

5.3 Social Services (Projected underspend of £0.680m)

- 5.3.1 There is currently a projected underspend of £0.680m for Social Services (inclusive of transport costs), this is an improvement of £1.171m from period 5 which had forecast an overspend of £0.490m.
- 5.3.2. At the end of August 2024. The Children's Services Division was anticipating a net overspend of £0.964m due to a substantial in-year increase in demand and complexity of residential placements. The situation has improved significantly since then following the move on of three young families from mother and baby placements, saving around £0.510m and a one-off saving of around £0.595m following the release of an over provision in respect of inter-agency adoption fees. It has not proved possible to find adoptive placements for as many children as was originally planned, so the costs that were originally anticipated will not be realised. Additional grant funding in respect of unaccompanied asylum-seeking children has further reduced the committed costs of the Children's Services Division, resulting in a potential underspend of £0.249m as at the end of October 2024. Despite the improved financial position from period 5 to period 7, it should be noted that we are still anticipating an overspend of £1.490m in respect of residential placements, which is being offset in 2024/25 only, through temporary staffing vacancies and one-off funding streams.
- 5.3.3 In response to the recruitment difficulties encountered by the Adult Services Division in 2023/24, the division's budget for management, fieldwork and administrative staff

includes a 9% saving target for 2024/25. Current staffing levels suggest that this target will not be achieved in full, contributing to a potential overspend of £0.298m.

- 5.3.4 The Adults Services Division has continued to experience an increase in demand for supported living placements for vulnerable adults and domiciliary care packages (including direct payments). This has increased the potential overspends in these areas to £1.216m and £0.547m, respectively. However, this has been partially offset by a £0.431m increase in service user contributions associated with the increased demand for supported living and domiciliary care.
- 5.3.5 The above financial pressures within Adult Services have been further offset by staff savings across our own direct care facilities (including the Gwent Frailty Programme) amounting to £1.115m, along with reduced demand for residential care, day care, shared lives placements and disability living equipment saving £0.704m. As a result, the Adult Services Division is currently anticipating a net underspend of £0.189m. However, this potential underspend could reduce if we experience an increase in demand for care packages during the coming winter months.
- 5.3.6 Business Support Services are expected to underspend their budget by around £0.242m. This is largely due to staff savings through a combination of grant maximisation initiatives and vacancy management. However, staffing vacancies and long-term absences within the Financial Services team have led to a significant backlog in the financial assessments that must be undertaken to determine how much a service user should contribute towards the cost of their care. This has led to a series of complaints and has begun to impact upon income collection rates. Therefore, it is proposed that Cabinet approve an allocation of £0.180m from Social Services reserve balances to employ two fixed term financial assessment assistants until 31st March 2027, with a view to tackling the backlog to improve collection rates and reduce the level of complaints.
- 5.3.7 Following work to produce a new model for day services undertaken in 2022/23, the shape of the service has continued to evolve, leading to a shift from traditional fixed based service provision to more community-based support. This, in turn has resulted in a reduction in the numbers of service users requiring transport to fixed bases and has contributed to a saving of £0.626m in respect of Social Services transport costs. This saving has now been crystallised and is being captured and reported as a permanent budget saving against the Mobilising Team Caerphilly £5m in-year saving target.
- 5.3.8 In summary, the ongoing pressures of increasing demand for children's residential care placements and supported living for vulnerable adults have been offset in the current financial year by temporary in-year savings, resulting in a net projected underspend for Social Services of £0.680m. However, it is unlikely that the same level of in-year savings will be available in future years to offset the recurring demand pressures.

5.4 Economy & Environment (Projected Overspend of £0.140m)

- 5.4.1 The projected outturn position for the Economy and Environment Directorate is an overspend of £0.140m, this is an improvement of £0.411m from the position reported in period 5.

- 5.4.2 The Regeneration & Planning division is projecting a net overspend of £0.073m. The most significant variance is a net £0.208m overspend projected on the Council's industrial properties as income budgets are forecast to be underachieved due to several vacant units within the portfolio, it is taking longer than expected to find suitable tenants and as a result the pressure on the budget has increased by £0.088m from period 5. This position is further compounded by the need for additional maintenance. The service is engaging with businesses to encourage rental agreements for vacant units, a rent review of the properties has also been undertaken. A potential risk has also been forecast on Ffos market of £0.040m, as the market could under achieve against income budgets, as it continues to establish and move towards a breakeven position, this is being closely monitored.
- 5.4.3 Tourism Venues have undergone a review under Mobilising Team Caerphilly. The decision was taken by Cabinet on the 25th of September 2024 to mothball Llanciaich Fawr at the end of December 2024 and explore options for the facility to be run in a different way in the future. This will not realise any savings in 2024/25 but will deliver £0.445m in 2025/26. Blackwood Miners Institute is still under review and continues to operate as normal, there has been an increase in admission charges resulting in a forecast underspend of £0.133m. Cwmcarn Visitor Centre is forecasting a £0.050m overspend for period 7, this is from increased costs against staffing, security and vehicle hire and a forecast underachievement of income.
- 5.4.4 A net underspend of £0.274m is projected for the Infrastructure Division, the underspend has increased by £0.176m from period 5. Network Contracting Services (NCS) is projecting an underspend of £0.119m from staff and agency savings along with increased income. Other small variances are forecast across the division from managing vacancies and maximising grant income. As part of the vacancy management review four posts have been identified for permanent removal and the saving has now been captured against the £5m MTC savings target.
- 5.4.5 On the 18th of September Cabinet approved the Waste Strategy, as part of these recommendations it was also approved that any in year Waste Service revenue underspend would be ringfenced to smooth revenue operations variations as the strategy is implemented. Overall, at period 7 Waste Management was projecting a £0.041m overspend so nothing is forecast to be transferred to the Waste Strategy reserve, this was an improvement of £0.189m from period 5. The service has implemented changes in 2024/25 to increase recycling at the kerbside and at household recycling centres and there have also been changes in relation to commercial waste, this has impacted on the tonnages collected and treatment which is shown in the budget variations. Residual Waste, Organic Recycling, Waste Transfer Station, and Commercial Waste are all forecasting overspends, mainly in relation to increased vehicle maintenance and hire costs for the ageing fleet and increased site running and maintenance costs. These overspends are being partially offset by a projected underspend on Dry Recycling and Civic Amenity from reduced contractor and vehicle costs and smaller underspends on Tre-hir and HQ staffing.
- 5.4.6 Cleansing Services is projecting a net underspend of £0.137m, which is largely due to staff vacancies and staff covering frontline services.
- 5.4.7 Public Protection, Community & Leisure division are projecting a net overspend of £0.384m, which is an improvement of £0.223m from period 5.

- 5.4.8 Cemeteries have reassessed their income target as the number of burials is significantly reducing, the service is realising the impact of opening Sirhowy Crematorium and are currently predicting to under achieve against income budget by £0.376m. To offset this, they have significantly reduced works on trees and shrubs maintenance, this is not sustainable long term, the net overspend is forecast at £0.057m.
- 5.4.9 Parks Operations is currently under review as part of the Mobilising Team Caerphilly transformation programme. Staff savings from vacant posts are being offset by agency staff, there are several staff movements within the service area that has resulted in variances across the service. A review of staffing structure is being undertaken and will be in place for 2025/26. Parks and playing fields are projecting an overspend of £0.485m, this has increased by £0.272m from period 5 and is largely due not achieving income targets. The service is currently developing a recovery plan to reduce the overspend by the end of the financial year.
- 5.4.10 Another area in the Parks service which is under pressure is the arboriculture service. The tree management budget has already been spent as at the 31st of October 2024 due to increased demand and prices. Further health & safety works of £0.072m have been identified which will result in an overspend, there is a risk this could increase further.
- 5.4.11 Outdoor facilities will be under pressure as in previous years and is forecasting an overspend of £0.048m on maintenance budgets, the service is unable to recover full costs based on the current set level of fees and charges.
- 5.4.12 Leisure Services is also under review as part of the Mobilising Team Caerphilly transformation programme. The Leisure Services overspend projection of £0.103m has reduced by £0.207m since period 5 which is largely due to the energy expenditure at Pontllanfraith and increase in income to period 7 projected to the end of the year. Works at Newbridge Leisure Centre are complete and the pool has reopened at a lesser impact than initially anticipated helping to reduce the projected overspend. The service had a vacancy management target for 2024/25, this is not being achieved as frontline vacancies and absences must be covered for the service to operate but the service is limiting the spend by covering absences with relief staff.
- 5.4.13 Vehicle Maintenance and Fleet Management is working through several service changes as part of the Mobilising Team Caerphilly programme. Delays in staff recruitment and savings in the workshop has resulted in a predicted underspend which has been partly offset by unrealised income for MOT testing. The service is projecting an overall underspend of £0.010m, this is a positive position and demonstrates the changes that have been put into place are delivering as for 2023/24 the service reported a £0.471m overspend which has now been brought into line.
- 5.4.14 Trading Standards and Environment Health are forecasting a collective underspend of £0.189m this is largely due to staff savings from managing vacancies and overachieving income targets. These underspends are offsetting the pressures across the service. As part of the vacancy management review one post has been identified for permanent removal this is now captured and reported as a permanent budget saving against the Mobilising Team Caerphilly £5m in-year saving target.
- 5.4.15 The Land & Property service is projecting an underspend of £0.042m. There are staffing underspends of £0.413m from holding vacant posts while the service is restructured and £0.017m underspend on Administration costs with additional income generated of

£0.191m. The underspends are being offset by increased costs on transport, supplies and services and consultants totalling £0.580m.

5.5 Corporate Services (Projected Overspend of £0.720m)

- 5.5.1 The Directorate of Corporate Services is currently projecting a net overspend of £0.720m, this is an adverse movement of £0.357m from period 5.
- 5.5.2 General Fund Housing is forecasting an overspend of £1.414m for Temporary Accommodation, this has increased by a further £0.560m. This is a demand led service and is very difficult to predict. The Council has to fund on average 80% of temporary accommodation costs as it is not eligible for housing benefits. The past few years have seen increasing demand because of Covid-19 and the cost-of-living crisis which is requiring an increasing number of Bed and Breakfast placements. The current placements in Temporary Accommodation is 395, together with accompanying security costs for the relevant establishments which are also increasing significantly. 54 of these placements were families with dependent children, and 341 placements were couples or single persons. There are 180 placements who have been in TA for over six months, with 3 of those have been in TA for three years or more. The placement length for single people is increasing as stock becomes depleted and the development of new sites becomes stagnant or is delayed for several reasons, even then the proportion of single person stock on those new build sites is minimal in comparison to the numbers placed and waiting in TA. Welsh Government have confirmed further funding in 2024/25 of £0.662m via the No One Left Out Grant, however this is lower than the previous year.
- 5.5.3 The position is also compounded by the current Ukraine situation and the increased UK wide Asylum dispersal proposals by central government which could see an increase and further delays with placements.
- 5.5.4 Security provision is currently being reviewed with a view to reducing or withdrawing from some establishments. Processes are also being redrafted to expediate Housing Benefit claims, and the allocations policy is being reviewed. Cabinet agreed to adopt the Welsh Government Leasing Scheme Wales policy which will involve utilising private landlords and give more options to discharge statutory duties, 8 potential properties are in the system however, this is unlikely to alleviate any pressures this financial year as properties need to be inspected for being fit for purpose prior to being taken on. Officers are also awarding priority banding on the Common Housing Register for those cases that sit under prevention and where loss of home through possession is going to happen, to maximise allocation opportunities before TA is required.
- 5.5.5 Welsh Government has set out an ambitious Programme for Government with the aim of making our community a better place to live and work, which will be achieved in part, by reforming homelessness services to focus on prevention and rapid rehousing, which should in theory eradicate the need for B&B placements. However, this a long-term strategy likely to take five to ten years. Emergency Accommodation will still be required but on a smaller scale and officers are currently undertaking a review regarding what this provision will look like for CCBC in the longer term. In the meantime, the Council is maximising its Caerphilly Keys Private Rented Sector project so that the Housing Solutions Team can maximise move on within that sector. Funding from Welsh Government has also helped Caerphilly Homes buy back 42 predominantly ex-council homes. Officers are currently considering modular housing, and further consideration is being given to the Welsh Government White Paper proposal to ending homelessness

with interim accommodation where standards, space sharing, young people, and the use of hotels and B&Bs are concerned, but timescales or impact are not clear yet.

- 5.5.6 Private Sector Housing is projecting an underspend of £0.076m, this is in relation to agency fee income. The Private Sector Housing Renewal Policy was approved by Cabinet on 3rd April 2024, the service will continue to receive a reduced level of fee income following the approval of the new policy.
- 5.5.7 The above overspend in General Fund Housing is being partially offset by staff savings across all of Corporate Services from vacancies and by maximising the use of grants and earmarked reserves. As part of the vacancy management review two posts in People Services, one post in Customer & Digital Services, and one post in Financial Services have been identified for permanent removal, the saving has now been captured against the £5m MTC savings target.
- 5.5.8 Cost pressures in Digital Services are being experienced in relation to increases for IT contracts and from the additional requirement of Microsoft 365 licences as we improve the digital offering across the organisation. This is being monitored and is forecast to be offset in this financial year by one-off staff savings from holding vacant posts while the service is restructured but will need to be re-assessed for the 2025/26 budget.
- 5.5.9 As agreed by Cabinet as part of the 2023/24 Outturn report the procurement budget has been updated to show a further £0.300m income target for the forecast income as a result of the “Wales Wide” food procurement contract. The income is not guaranteed and depends on how much the framework is used. The figure has been based on the amount achieved in 2023/24 and will be closely monitored and reported on this year. If due to demand and membership it does not meet the target the budget will need to be adjusted through future budget setting rounds. This saving has now been captured and reported against the £5m MTC savings target.
- 5.5.10 Catering is currently being reviewed under MTC, the Hive staff canteen is operating a reduced service and will close by the end of the financial year, the service is reporting a small overspend of £0.039m which is largely due to increased prices as a result of the new government legislation around the separation of commercial waste. The service has flagged a risk regarding an increase in food prices as a result of adverse weather conditions and new Welsh Government Legislation being introduced for 2025/26 which will affect Secondary Schools, Primaries and Breakfast Clubs. This legislation is anticipated to result in increased prices due to the requirement to provide more locally sourced foods, and healthier eating options. Although legislation will not be introduced this financial year, Catering will need to run trials and test menus in readiness for next year’s potential rollout.

5.6 Miscellaneous Finance (Projected Overspend of £0.303m)

- 5.6.1 There is an overall projected overspend of £0.303m in Miscellaneous Finance, this is an improvement of £3.461m from period 5.
- 5.6.2 On the 6th of December Welsh Government set out in year additional grant funding to help support Councils to manage pressures, especially relating to pay, for Caerphilly this was £3.031m. Furthermore, an additional £0.614m income has been received in relation to backdated NNDR rebates for various Council properties. This additional income is offsetting the pressures detailed below.

- 5.6.3 There is a projected net overspend of £0.068m on Capital Financing budgets which is a £0.569 reduction to the overspend reported in period 5. This mainly relates to Interest Payments which is currently forecasting an underspend of £0.381m, this is resulting from the repayment of a LOBO loan in October 2024. There is currently £0.404m forecast shortfall in investment income, which is an improvement of £0.188m to the overspend reported in period 5. This is from changes to the forecast use of reserves, capital programme and interest rates secured. The level of investment income we receive is dependent on the level of funds we have to invest; this is why forecasting on the use of reserves and capital is so important, programmes are being reviewed to ensure spend profiles are accurate and realistic. In addition, debt charges (principal repaid) is projecting a net overspend of £0.046m due to a higher than anticipated movements in capital expenditure.
- 5.6.4 Pension contributions to former authorities is forecast to overspend by £0.072m, this forecast is based on the actual payments to date, payments fluctuate as they are dependent on the individuals in the scheme and their circumstances.
- 5.6.5 There is a projected overspend of £0.067m on the Trade Union budget. We are currently still in discussions with Trade Union colleagues to review and update our facilities agreement to ensure that equitable support arrangements are in place.
- 5.6.6 There is a projected net overspend of £0.061m on Class 1A NI savings. This overspend is from a reduced take-up of the Tusker GASS car scheme. The take-up of this scheme has reduced over the years and if this continues it will continue to put pressure on the overall Miscellaneous Finance budget.
- 5.6.7 A £5m MTC in-year savings target was set as part of the 2024/25 budget. Savings have been approved for £1.476m to date with a further £0.081m identified and forecast as at the 31st of October 2024, so this is currently reporting a £3.443m overspend. The MTC programme is ongoing, and as further services are reviewed and projects developed, new efficiencies and savings will come forward however due to the timing of implementing these proposals they may fall into 2025/26.
- 5.6.8 As previously reported a contingency of £0.409m was established in the approved 2024/25 budget for transport contract price increases, and this is currently showing as an underspend to partially offset the overspend reported under Education & Lifelong Learning for Home to School Transport. As described above this service has been prioritised under Mobilising Team Caerphilly, officers are reviewing the service to ensure the most appropriate and most cost-effective provision is provided for pupils.
- 5.6.9 The Counsel Fees budget is projected to be breakeven at present, but this is a volatile budget. The service has flagged a risk that this budget may overspend due to a few high value cases in the pipeline. At this time, it is not possible to confirm the cost of these cases so this will be monitored closely during the financial year.

5.7 Savings Delivery 2024/25

- 5.7.1 As approved by Council on the 27th of February 2024, the 2024/25 budget includes savings totalling £31.002m, of which £11.449m are temporary savings (one-off) and £19.552m are permanent savings (recurring). The permanent savings include the £5m Mobilising Team Caerphilly programme target that needs to be captured and detailed in-year as savings are identified, and a £2.673m non-pay inflation pressure that must be absorbed by service areas. The savings are reflected in the budgets and monitoring

positions detailed throughout this report. These savings need to be delivered in full or they will result in an overspend at year end. Robust monitoring of savings delivery is therefore critical to managing the risk, to report on what savings have been achieved and progress made throughout the year and to inform financial planning to ensure budgets remain deliverable.

- 5.7.2 The table below summarises the assessment of savings delivery for 2024/25 as at the 31st of October 2024, full details at saving level can be found in Appendix 4. £12.153m savings have been assessed as being fully achieved as at the 31st of October 2024. £7.410m savings are forecast to be achieved by the end of financial year. £5.755m savings are considered to have some deliverability risk but are still forecast to be achieved this financial year. £5.683m savings have been assessed as having significant deliverability risk and are therefore not forecast to be achieved this financial year. These savings have been reported as overspends within the above forecasts.

Table 2 - Savings delivery BRAG assessment 2024/25 as at the 31st of October 2024

Budget Setting 2024/25 Savings	Total £m	Blue £m	Green £m	Amber £m	Red £m
Corporate Services	1.845	0.931	0.905	0.009	0.000
Corporate Services Miscellaneous Finance	10.805	6.289	3.995	0.521	0.000
Economy & Environment	3.289	0.543	1.898	0.841	0.006
Social Services	3.071	1.738	0.489	0.201	0.643
Education & Lifelong Learning	1.319	1.177	0.124	0.018	0.000
Education & Lifelong Learning Schools	3.000	0.000	0.000	1.410	1.590
Mobilising Team Caerphilly	5.000	1.476	0.000	0.081	3.443
Non-Pay Inflation	2.673	0.000	0.000	2.673	0.000
Total	31.002	12.153	7.411	5.755	5.683
% of Total		39%	24%	19%	18%

5.8 Conclusion

- 5.8.1 The 2024/25 projected overspend is £0.922m as at the 31st of October 2024 (updated for grants notifications from Welsh Government on the 6th of December 2024), is an improvement of £5.086m from period 5. This position is net of a £10.624m contribution from General Fund reserves to support the 2024/25 budget. The positive movement is largely due to Welsh Government grant to support pay pressures of £3.031m and backdated NNDR rebates on various Council properties of £0.641m. In addition, there have been positive movements across most service areas as detailed throughout the report which is a good indication that Mobilising Team Caerphilly spend control and vacancy management measures are working.
- 5.8.2 Home to School Transport and Temporary Accommodation continue to come under pressure and have forecast increased overspends for period 7. As detailed in the report both areas are reviewing options to improve this position, with Home to School Transport prioritised under Mobilising Team Caerphilly and Temporary Accommodation reporting to Leadership, however it should be recognised there are no quick solutions to these issues, they are both demand led and the changes being developed and proposed will have long lead in times.

5.8.3 This is the revenue budget monitoring position based on information as at the 31st of October 2024 (adjusted for grant notification from Welsh Government received on the 6th of December 2024), so forecasts contain a medium level of uncertainty and assumptions. Budgets and savings delivery will continue to be closely monitored between reporting cycles to ensure management action is taken on areas forecasting to overspend.

6. ASSUMPTIONS

6.1 A wide range of assumptions are made in the preparation of budget monitoring reports based on information available for the relevant reporting period.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 As this report is for information only an Integrated Impact Assessment is not required.

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

10.1 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

11.1 Local Government Act 1972.

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Appendices:

Appendix 1 – 2024/25 Whole-Authority Revenue Budget Monitoring Report (Period 7) -
Summary by Directorate/Service Division

Appendix 2 – 2024/25 Savings Delivery BRAG Assessment Period 7

Background Papers:

Council (27/02/24) – [Budget report 2024/25](#)