

WILTSHIRE COUNCIL

CABINET

23 February 2010

Revenue Budget Monitoring: April to December 2009

Cabinet Member: Councillor Fleur de Rhe Philipe, Finance, Performance and Risk

Executive Summary

The financial pressures previously reported as £1.484 million have now been managed down to £0.956 million. Work is ongoing on the implementation of action plans to address the £0.956 million of outstanding pressures. The financial projections are based on the position as at 31 December 2009. Completion of Action Plans will take place during the final quarter of the financial year.

Proposal

The Cabinet is asked to note the report.

Reasons For Proposals

That Members are aware of the Council's budgetary pressures.

MARTIN DONOVAN

Chief Finance Officer

WILTSHIRE COUNCIL

CABINET

23 February 2010

Revenue Budget Monitoring: April to December 2009

Cabinet Member: Councillor Fleur de Rhe Philipe, Finance, Performance and Risk

Purpose of Report

1. To advise Cabinet of the latest position regarding the revenue budget monitoring for 2009-10.

Background

2. Throughout the financial year, budget action plans have been implemented by all departments to ensure their year end position is in line with budget. During the last month these action plans have reduced the previous reported financial pressures from £1.484 million down to £0.956 million. The detailed revenue budget monitoring statement is attached at Appendix 1. Departmental Action Plans to manage the £0.956 million are shown in Appendix 2. The financial projections are based on the position as at 31 December 2009. Completion of Action Plans will take place during the first quarter of the financial year.

Department of Transport, Environment and Leisure

3. As per last month, it is forecast that the projected outturn will be in line with the budget. No action plan is currently required at this stage. The budget continues to be closely monitored, with specific focus on the cost of winter gritting. Currently it is forecast that this work will be managed within budget.

Department of Economic Development, Planning & Housing

4. Following successful implementation of its action plan, and improved income forecasts the Department continues to forecast an underspend of £35,000. Although no action plan is required at this stage, the budget continues to be closely monitored.

Department of Community Services

5. The department previously reported a forecast overspend of £0.475m, with an action plan to mitigate these financial pressures. Management action against this plan is ongoing and progress has been made towards achieving the actions identified. Therefore, the department is

reporting a revised forecast overspend as at the end of December 2009 of £0.349m. Appendix 2 summarises the in month movement in the forecast overspend and remaining action plan.

6. In addition, as a result of the demand led nature of the Adult Social Care budgets such as Services for Older People, the department is continuing to keep under review the level of demand it is facing. The current level of known demand is reflected in the budget forecasts. However, there is evidence, both locally and nationally, to suggest that the demand for services has and is growing and as a result, the service continues to face budget pressures, which will potentially continue into the next financial year. In particular, there is evidence of growing demand as a consequence of the current economic climate. Within Adult Care services this is reflected in increasing numbers of self funders becoming eligible for local authority funded services.

Department of Children and Education

7. Last month, after taking into account the departmental action plan which addressed £0.885 million of pressures, there were residual pressures of £651,000. These pressures are continuing at a level of £657,000 and are as a result of increased external placements for Looked After Children. As reported last month this is as a result of increased numbers of asylum seekers and movements from other local authorities. In terms of the latter appropriate challenges are made to minimise costs. Work is in hand within the Department to develop an Action Plan to address the outstanding £657,000 of financial pressures.

Department of Resources

8. Previously an action plan was reported to address £393,000 of financial pressures. These actions have now been delivered and the Department is forecast to outturn in line with budget, with a slight underspend of £15,000. No Action Plan is needed at this stage.

Main Considerations for the Council

9. To note the current budget monitoring report.

Environmental Impact of the Proposal

10. None have been identified as arising directly from this report.

Equality and Diversity Impact of the Proposal

11. No equality and diversity issues have been identified as arising from this report.

Legal Implications

12. None have been identified as arising directly from this report

Risk Assessment

13. SAP provides the Council's new financial management system. Work is progressing in terms of confirming the integrity of SAP's financial reporting. Volatility in budget areas caused by the demand led nature of some services within Department of Community Services and the Department of Children and Education, together with the impact of the recession across the Council are being closely monitored on a monthly basis.

Financial Implications

14. Previously, financial pressures of £1.484 million were reported. Actions already taken have reduced these pressures down to £0.956 million. Actions are either in place to address these residual pressures or are being developed. Three of the Departments have already implemented Action Plans to manage the financial pressures within their service areas. In light of the demand led nature of some services areas already described (e.g. Department of Community Services and Department of Children and Education) and because the Department of Children and Education is still finalising remedial action plans, a Corporate approach is also being taken. All departments are looking for actions over and above their immediate departmental requirements.

MARTIN DONOVAN
Chief Finance Officer

Report Author: Martin Donovan

Unpublished documents relied upon in the preparation of this report: NONE
Environmental impact of the recommendations contained in this report: NONE

Appendices :

- Appendix 1 – detailed revenue budget monitoring statement.
- Appendix 2 – departmental action plans.

Wiltshire Council Revenue Budget Monitoring Statement

31-Dec-09

		<i>Approved Budget 2009-10</i>	<i>Profiled Budget at 31-12-2009</i>	<i>Actual Position 31-12-2009</i>	<i>Projected Position for Year</i>	<i>Projected Variation for Year</i>	<i>Variation as % of Approved Budget</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	
SUMMARY							
Children and Education	Gross	380.808	286.254	284.920	381.465	(0.657)	(0.2%)
	Income	-327.050	-57.477	-88.013	-327.050	-	-
	Net	53.758	228.777	196.907	54.415	(0.657)	(1.2%)
Community Services	Gross	153.182	116.561	118.774	154.650	(1.468)	(1.0%)
	Income	-38.229	-28.174	-28.462	-39.348	1.119	(2.9%)
	Net	114.953	88.387	90.312	115.302	(0.349)	(0.3%)
Transport, Environment & Leisure	Gross	120.437	90.326	88.420	118.405	2.032	1.7%
	Income	-33.409	-25.056	-23.424	-31.377	(2.032)	6.1%
	Net	87.028	65.270	64.996	87.028	(0.000)	(0.0%)
Economic Development, Planning & Housing	Gross	26.518	19.888	18.473	24.964	1.554	5.9%
	Income	-15.204	-11.403	-9.107	-13.685	(1.519)	10.0%
	Net	11.314	8.485	9.366	11.279	0.035	0.3%
Department of Resources	Gross	155.808	118.246	134.986	162.599	(6.791)	(4.4%)
	Income	-106.648	-79.864	-9.089	-113.454	6.806	(6.4%)
	Net	49.160	38.382	125.897	49.145	0.015	0.0%
Corporate Headings							
Movements to and from Reserves	Net	-4.075	-	-	-4.075	-	-
Capital Financing	Net	20.085	13.663	0.878	20.085	-	-
GRAND TOTAL		332.223	442.964	488.356	333.179	(0.956)	(0.3%)

Note: Approved Budget is original budget plus authorised changes.

Note overspendings are shown in brackets

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DETAIL				Note 1			
Children and Education							
Commissioning & Performance	Gross Costs	250.916	188.971	188.971	250.914	0.002	0.0%
	Income	-250.631	-0.215	-30.751	-250.631	-	-
	Net	0.285	188.756	158.220	0.283	0.002	0.7%
Children & Families	Gross Costs	48.198	36.171	42.153	49.253	(1.055)	(2.2%)
	Income	-12.368	-9.276	-9.276	-12.368	-	-
	Net	35.830	26.895	32.877	36.885	(1.055)	(2.9%)
Targeted Services	Gross Costs	17.544	13.064	12.086	17.406	0.138	0.8%
	Income	-7.524	-5.591	-5.591	-7.524	-	-
	Net	10.020	7.473	6.495	9.882	0.138	1.4%
Early Years	Gross Costs	21.478	15.823	15.626	21.478	-	-
	Income	-21.478	-16.108	-16.108	-21.478	-	-
	Net	-	-0.285	-0.482	-	-	-
Schools Support	Gross Costs	41.501	31.380	25.528	41.501	-	-
	Income	-34.532	-25.899	-25.899	-34.532	-	-
	Net	6.969	5.481	-0.371	6.969	-	-
School Buildings & Places	Gross Costs	1.171	0.845	0.556	1.171	-	-
	Income	-0.517	-0.388	-0.388	-0.517	-	-
	Net	0.654	0.457	0.168	0.654	-	-
Agreed Recovery Actions still to be actioned	Gross Costs				-0.258	0.258	
Sub Total	Gross Costs	380.808	286.254	284.920	381.465	(0.657)	(0.2%)
	Income	-327.050	-57.477	-88.013	-327.050	-	-
	Net	53.758	228.777	196.907	54.415	(0.657)	(1.2%)

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All DSG related projections are highlighted *

Note 1 - Profiled actuals to account for schools transactions and grant

Wiltshire Council Revenue Budget Monitoring Statement

31-Dec-09

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Community Services							
Older People	Gross Costs	45.503	33.318	35.347	46.997	(1.494)	(3.3%)
	Income	-7.902	-5.667	-5.874	-8.723	0.821	(10.4%)
	Net	37.601	27.651	29.473	38.274	(0.673)	(1.8%)
Physical Impairment	Gross Costs	7.636	5.856	6.924	8.832	(1.196)	(15.7%)
	Income	-1.062	-0.812	-0.668	-0.932	(0.130)	12.2%
	Net	6.574	5.044	6.256	7.900	(1.326)	(20.2%)
Learning Disabilities	Gross Costs	44.151	34.763	34.692	43.097	1.054	2.4%
	Income	-12.892	-9.893	-9.804	-13.012	0.120	(0.9%)
	Net	31.259	24.870	24.888	30.085	1.174	3.8%
Mental Health	Gross Costs	24.281	18.407	18.277	24.274	0.007	0.0%
	Income	-3.905	-2.902	-3.121	-4.213	0.308	(7.9%)
	Net	20.376	15.505	15.156	20.061	0.315	1.5%
Resources Strategy & Commissioning	Gross Costs	9.630	7.214	7.151	9.729	(0.099)	(1.0%)
	Income	-2.847	-1.672	-1.516	-2.847	-	-
	Net	6.783	5.542	5.635	6.882	(0.099)	(1.5%)
Supporting People	Gross Costs	8.285	6.779	6.591	8.285	-	-
	Income	-8.175	-6.131	-6.131	-8.175	-	-
	Net	0.110	0.648	0.460	0.110	-	-
Libraries Heritage & Arts	Gross Costs	8.564	6.375	6.194	8.389	0.175	2.0%
	Income	-1.091	-0.829	-1.212	-1.091	-	-
	Net	7.473	5.546	4.982	7.298	0.175	2.3%
Community Safety	Gross Costs	1.170	0.878	0.775	1.170	-	-
	Income	-0.302	-0.227	-0.001	-0.302	-	-
	Net	0.868	0.651	0.774	0.868	-	-
Community Leadership & Governance	Gross Costs	3.962	2.971	2.823	3.877	0.085	2.1%
	Income	-0.053	-0.041	-0.135	-0.053	-	-
	Net	3.909	2.930	2.688	3.824	0.085	2.2%
Sub Total	Gross Costs	153.182	116.561	118.774	154.650	(1.468)	(1.0%)
	Income	-38.229	-28.174	-28.462	-39.348	1.119	(2.9%)
	Net	114.953	88.387	90.312	115.302	(0.349)	(0.3%)

Note: Approved Budget is original budget plus authorised changes.

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Transport, Environment & Leisure							
Highways	Gross Costs	17.320	12.990	13.016	17.354	(0.034)	(0.2%)
	Income	-1.133	-0.850	-0.774	-1.032	(0.101)	8.9%
	Net	16.187	12.140	12.242	16.322	(0.135)	(0.8%)
Sustainable Transport	Gross Costs	35.529	26.647	25.863	34.485	1.044	2.9%
	Income	-15.578	-11.684	-10.763	-14.351	(1.227)	7.9%
	Net	19.951	14.963	15.100	20.134	(0.183)	(0.9%)
Waste Disposal	Gross Costs	21.740	16.305	14.463	19.793	1.947	9.0%
	Income	-1.128	-0.846	-0.720	-0.960	(0.168)	14.9%
	Net	20.612	15.459	13.743	18.833	1.779	8.6%
Waste Collection & Amenities	Gross Costs	22.218	16.663	16.904	22.538	(0.320)	(1.4%)
	Income	-8.406	-6.304	-6.038	-8.051	(0.355)	4.2%
	Net	13.812	10.359	10.866	14.487	(0.675)	(4.9%)
Leisure	Gross Costs	10.180	7.634	7.989	10.655	(0.475)	(4.7%)
	Income	-5.001	-3.750	-3.615	-4.820	(0.181)	3.6%
	Net	5.179	3.884	4.374	5.835	(0.656)	(12.7%)
Property	Gross Costs	10.151	7.613	7.688	10.251	(0.100)	(1.0%)
	Income	-2.163	-1.622	-1.510	-2.163	-	-
	Net	7.988	5.991	6.178	8.088	(0.100)	(1.3%)
Management Support Servs & Emerg Pla	Gross Costs	3.299	2.474	2.497	3.329	(0.030)	(0.9%)
	Income	-	-	-0.004	-	-	-
	Net	3.299	2.474	2.493	3.329	(0.030)	(0.9%)
Sub Total	Gross Costs	120.437	90.326	88.420	118.405	2.032	1.7%
	Income	-33.409	-25.056	-23.424	-31.377	(2.032)	6.1%
	Net	87.028	65.270	64.996	87.028	(0.000)	(0.0%)

Note: Approved Budget is original budget plus authorised changes.

Note overspendings are shown in brackets

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Economic Development, Planning & Housing							
Economic Development	Gross Costs	8.601	6.450	6.023	8.601	-	-
	Income	-5.651	-4.238	-3.210	-5.651	-	-
	Net	2.950	2.212	2.813	2.950	-	-
Housing Management	Gross Costs	4.889	3.666	3.210	4.427	0.462	9.4%
	Income	-2.358	-1.768	-1.388	-1.829	(0.529)	22.4%
	Net	2.531	1.898	1.822	2.598	(0.067)	(2.6%)
Public Protection	Gross Costs	5.157	3.868	3.555	5.057	0.100	1.9%
	Income	-1.074	-0.806	-0.896	-1.074	-	-
	Net	4.083	3.062	2.659	3.983	0.100	2.4%
Development Services	Gross Costs	7.871	5.904	5.685	6.879	0.992	12.6%
	Income	-6.121	-4.591	-3.613	-5.131	(0.990)	16.2%
	Net	1.750	1.313	2.072	1.748	0.002	0.1%
Sub Total	Gross Costs	26.518	19.888	18.473	24.964	1.554	5.9%
	Income	-15.204	-11.403	-9.107	-13.685	(1.519)	10.0%
	Net	11.314	8.485	9.366	11.279	0.035	0.3%

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		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	
Resources							
Chief Executive	Gross Costs	0.613	0.443	0.633	0.591	0.022	3.6%
	Income	-0.013	-	-0.179	-0.013	-	-
	Net	0.600	0.443	0.454	0.578	0.022	3.7%
Policy & Communications	Gross Costs	3.609	2.744	6.941	3.340	0.269	7.5%
	Income	-1.865	-1.286	-0.460	-1.486	(0.379)	20.3%
	Net	1.744	1.458	6.481	1.854	(0.110)	(6.3%)
Transition Fund	Gross Costs	1.868	1.401	4.166	9.053	(7.185)	(384.6%)
	Income	-	-	-	-7.185	7.185	-
	Net	1.868	1.401	4.166	1.868	-	-
Corp Director / Central Resources	Gross Costs	0.203	0.153	0.005	0.203	-	-
	Income	-	-	-	-	-	-
	Net	0.203	0.153	0.005	0.203	-	-
Finance (incl Revs & Bens)	Gross Costs	111.869	85.291	91.601	111.869	-	-
	Income	-99.910	-74.932	-3.648	-99.910	-	-
	Net	11.959	10.359	87.953	11.959	-	-
HR	Gross Costs	2.185	1.639	1.675	2.085	0.100	4.6%
	Income	-0.380	-0.285	-0.318	-0.380	-	-
	Net	1.805	1.354	1.357	1.705	0.100	5.5%
ICT	Gross Costs	16.888	12.666	14.942	16.888	-	-
	Income	-0.034	-0.026	-0.044	-0.034	-	-
	Net	16.854	12.640	14.898	16.854	-	-
Corporate Procurement	Gross Costs	1.081	0.811	0.855	1.153	(0.072)	(6.7%)
	Income	-0.073	-0.055	-0.010	-0.073	-	-
	Net	1.008	0.756	0.845	1.080	(0.072)	(7.1%)
Legal & Democratic	Gross Costs	6.573	4.904	5.135	6.473	0.100	1.5%
	Income	-1.672	-1.254	-1.194	-1.672	-	-
	Net	4.901	3.650	3.941	4.801	0.100	2.0%
Performance & Risk	Gross Costs	0.426	0.320	0.463	0.366	0.060	14.1%
	Income	-	-	-	-	-	-
	Net	0.426	0.320	0.463	0.366	0.060	14.1%
Shared Services & Customer Care	Gross Costs	10.189	7.642	8.312	10.274	(0.085)	(0.8%)
	Income	-2.701	-2.026	-3.236	-2.701	-	-
	Net	7.488	5.616	5.076	7.573	(0.085)	(1.1%)
Business Transformation	Gross Costs	0.304	0.232	0.258	0.304	-	-
	Income	-	-	-	-	-	-
	Net	0.304	0.232	0.258	0.304	-	-
Sub Total	Gross Costs	155.808	118.246	134.986	162.599	(6.791)	(4.4%)
	Income	-106.648	-79.864	-9.089	-113.454	6.806	(6.4%)
	Net	49.160	38.382	125.897	49.145	0.015	0.0%

Note: Approved Budget is original budget plus authorised changes.

Note overspendings are shown in brackets

Department of Community Services – Movement in Forecast

	£'000
Forecast Financial Pressures (as at 30 November 2009)	475
Value of mitigating actions already achieved	(126)
Revised Forecast Financial Pressure (as at 31 December 2009)	349
Actions to Mitigate Financial Pressures:	
Actions previously identified to manage staffing vacancies and non-demand led controllable budgets	349

Actions instigated by the department have already addressed £125,000 of the previously reported financial pressures of £475,000. Consequently the financial pressures have reduced to £349,000. Further actions continue to be instigated to address these pressures.

The figures presented this month are dependent on the achievement of a number of savings, equalling some £4.8m, which have already been built into the budgets for 2009-10. These are the:

- (a) Achievement of savings targets from commissioning and procurement savings;
- (b) Achievement of savings targets from the delivery of the FOCUS project.

Department of Children and Education

	£'000
Financial Pressures Forecast as at 31 December (after identification of £885,000 savings)	657
Actions still to be identified	657
<i>Actions being taken include:</i> <ul style="list-style-type: none">○ <i>Review of all budgets within DCE to identify areas that are underspending;</i>○ <i>Review of grants to confirm where eligible expenditure may be badged against grant income;</i>○ <i>All vacancies continue to be scrutinised at Service Director level and only key posts recruited to;</i>○ <i>Robust decision making processes for placements;</i>	