

## Wiltshire Council

### Cabinet

**25 September 2018**

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Subject: **Revenue and Capital Budget Monitoring Period 4 2018/19**

Cabinet Member: **Cllr Philip Whitehead – Finance**

Key Decision: **No**

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#### **Executive Summary**

This report advises members of the revenue and capital budget monitoring positions as at the end of Period 4 (end of July 2018) for the financial year 2018/19 with recommended actions as appropriate.

The forecasts indicate a general fund variance, if no further action is taken, of £2.558 million. This is 0.8% of the Council's net budget and is after transfers from earmarked reserves of £0.250 million in respect of *No Wrong Door* and £1.250 million to support some of the additional expenditure in the waste management service.

Since the budget was agreed in February 2018 the Council had to react suddenly to a nerve agent attack in Salisbury in March and a second outbreak in June in Amesbury. This had a significant impact on senior capacity within the Council as one corporate director and 4 directors were involved in the reaction to events and the recovery phase on an almost full-time basis for nearly six months. This has had an impact in business-as-usual activity.

The forecasted year end position is the sum of some significant variations (up and down) within individual services which are set out in the report. The largest of these is additional grant income in respect of business rates.

Attention is drawn to the fact that forecasts are most difficult to do in the first monitoring report of the year given that there is only a relatively short period of activity (expenditure) in services and budget forecasts have to be made for two thirds of the year. This is particularly so in demand led services of Children, Adults and Waste.

One disappointing aspect of the year to date is the progress on delivery of savings that were included in the approved budget (£26.706 million). These were the largest to be achieved in a single year in the Council's history and as such any shortfall in delivery has a marked effect not only in-year but over the medium term. If the expenditure cannot be contained within the approved budget, then this will result in an unplanned use of the Council's limited reserves. Therefore, the Corporate Leadership Team recognise it is a major priority to bring expenditure in line with budget.

Reference is made in the report to the cost of dealing with the incidents in Salisbury and Amesbury.

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The report includes commentary on the Dedicated Schools Grant (DSG). This is coming under increased pressure, not just in Wiltshire but across the country. Current forecast is for a £0.959 million overspend.

This report also details changes to the capital budget made since the 2018/19 budget was set on 20 February 2018 and reflects the position of the 2018/19 capital spend against budget as at Period 4 (as at 31 July 2018).

### **Proposal**

Cabinet is asked to note the outcome of the period 4 (end of July) budget monitoring and to approve all revenue budget amendments outlined in the report in appendix B.

Cabinet is asked to reinforce the need for expenditure to be contained within the budget agreed in February 2018.

To note the budget movements undertaken to the capital programme shown in appendices E and F and to also note the reprogramming of £9.520 million capital budget between 2018/19 and 2019/20.

### **Reason for Proposal**

To inform effective decision making and ensure a sound financial control environment.

To inform Cabinet of the position of the 2018/19 capital programme as at Period 4 (31 July 2018), including highlighting any budget changes.

**Ian Duncan, Interim Director – Finance and Procurement**

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## **Wiltshire Council**

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Key Decision: **No**

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### **Purpose of Report**

1. To advise Members of the revenue and capital budget monitoring position as at the end of period 4 (end of July 2018) for the financial year 2018/19 with suggested actions as appropriate.
2. To inform Cabinet on the position of the 2018/19 capital programme, as at period 4 (31 July 2018), including budget changes.

### **Background**

3. The Council approved the 2018/19 budget at its meeting on 20 February 2018 in the sum of £327.746 million. The report focuses on forecast exceptions to meeting the original budget. Action will be required to bring expenditure within budget. Comprehensive appendices showing the individual service headings are included in Appendix C. More details on any revisions to the original base budgets in year are also included in the report.
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## Revenue Summary

4. The projected year end position for the relevant accounts is set out as follows:

Summary Position	2018/19 Budget £ m	Profiled Budget to date £ m	Actual to date £ m	Projected Position for Year (before mitigation) £ m	Projected Variance £ m
General Fund Total	327.746	144.031	144.827	330.304	2.558
Dedicated Schools Grant (DSG)	180.580	60.193	60.513	181.539	0.959*
Housing Revenue Account	(0.245)	(4.707)	(5.677)	0	0

\*High Needs Block

5. This projected position is the current projected outturn position after any current approved recovery actions have been actioned. Forecasting at this early part of the financial year is the most difficult as there is only a relatively short period of activity (expenditure) and forecasts have to be made for over two thirds of the year. This is particularly so in demand-led services of Children, Adults and Waste.
6. There have been a number of budget movements during 2018/19. These are due to budget virements (transfers) relating to factors such as structural changes or allocation of funding for the pay award. A full trail is shown in appendix A. The overall net budget remains the same as agreed by Full Council in February 2018.
7. In accordance with the scheme of delegation those budget transfers amounting to more than £0.250 million are shown in appendix B.

## Savings Delivery Performance

8. The Council has a savings requirement of £26.706 million within its 2018/19 budget. These were identified in the February budget setting. The deliverability of these proposals are closely monitored and reported to CLT on a regular basis.
9. The latest assessment on the deliverability of the savings are set out in detail in Appendix 4. The table below summarises the position.
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<b>RAG analysis by Directorate</b>	<b>Saving Target</b>	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Alternative Savings</b>
	<b>(£ m)</b>	<b>(£ m)</b>	<b>(£ m)</b>	<b>(£ m)</b>	<b>(£m)</b>
ASC Operations - Access & Reablement	(5.660)	(3.720)	(1.940)	-	-
Learning Disabilities & Mental Health	(1.940)	(0.300)	(0.640)	(1.000)	-
Public Health & Protection	(1.793)	(1.223)	-	(0.570)	(0.500)
Commissioning	(0.300)	-	(0.200)	(0.100)	(0.100)
Family & Children Services	(1.040)	(0.955)	-	(0.085)	(0.085)
Education & Skills	(0.325)	(0.230)	-	(0.095)	(0.095)
Economic Development & Planning	(1.083)	(0.683)	-	(0.400)	(0.250)
Highways & Transport	(1.714)	(1.184)	-	(0.530)	-
Waste & Environment	(2.570)	(1.740)	-	(0.830)	-
Housing & Commercial Development	(1.000)	(0.296)	-	(0.704)	(0.580)
Communities & Communications	(2.469)	(1.039)	(0.230)	(1.200)	(0.102)
Corporate Services & Digital	(1.043)	(0.743)	-	(0.300)	(0.150)
Finance	(0.575)	(0.130)	(0.075)	(0.370)	(0.325)
Legal & Democratic	(0.166)	(0.050)	(0.050)	(0.066)	-
Human Resources & Org Development	(0.373)	(0.278)	(0.095)	-	-
Corporate	(4.655)	(3.000)	(0.100)	(1.555)	-
	<b>(26.706)</b>	<b>(15.571)</b>	<b>(3.330)</b>	<b>(7.805)</b>	<b>(2.187)</b>

Key     Green = Deliverable  
Amber = Deliverable with risks  
Red = Unlikely to be delivered  
Alternative savings = Other compensating savings identified

10. Out of £26.706 million savings proposals, £3.330 million are assessed as amber rated. This means that they are deemed to be deliverable in 2018/19, but with some risks associated with them.
11. £7.805 million (29%) of savings targets are currently assessed as red. This means they are deemed unlikely to be delivered as planned. Officers are currently identifying compensating savings and corresponding mitigating actions.

So far £2.187 million of alternative savings have been identified, some of which are one-off in nature.

12. Overall a shortfall of £5.618 million (21% of target) is forecast for the year. This is included in the General Fund figures set out below.
13. Work is also being undertaken to assess the deliverability of a number of historic savings targets built into the budget base. This work is currently ongoing.

### General Fund Monitoring Details

14. Overall a good proportion of service expenditure is in line with budget profiles and forecasts. There are some services which have identified larger variances at this stage of the year than originally planned. Details of these areas are included below. Directors and Heads of Service are identifying compensating actions in an attempt to bring these back in line.
15. Overall the period 4 report identifies potential net cost pressures of £2.558 million. This is after the application of £0.255 million from no wrong door earmarked reserve and £1.250 million from waste ear marked reserve and the benefit of £7.200 million of additional grants for business rates. Below are the comments on the main variances over £0.250 million.

### Adults Social Care

16. Adult Social Care budgets are projecting a net overspend of £3.951 million for 2018/19. This is split

Service Area	2018/19 Budget £m	Projected Outturn Period 4 £m	Variance £m	%
18+ Service	£50.453	£50.904	£0.451	0.89%
Mental Health	£16.776	£17.641	£0.865	5.16%
Learning Disabilities	£46.193	£49.417	£3.224	6.98%
Commissioning	£25.386	£24.797	(£0.589)	(2.32%)
<b>TOTAL</b>	<b>£138.808</b>	<b>£142.759</b>	<b>£3.951</b>	<b>2.85%</b>

17. £117.989 million was being spent at the start of the financial year supporting 4,705 different care packages. In the first four months of the financial year, this has grown to £120.293 million supporting 4,713 different packages of care. Whilst the increase in costs appears material, the metrics below show a shift from

placing residents into residential care settings, which reduces their independence, to maintaining these residents in their communities.

Care Type	At Budget Setting		Period 4 Forecast Expenditure		Movement	
	No of Clients	Costs £m	No of Clients	Costs £m	No of Clients	Costs £m
Domiciliary Care	1,381	19.366	1,433	21.726	52	2.360
Day Care	279	1.569	283	1.568	4	(0.001)
Supported Living	497	19.059	542	20.408	45	1.349
Shared Lives	27	0.575	26	0.504	(1)	(0.071)
Residential (spot)	814	48.017	796	47.984	(18)	(0.033)
Nursing (spot)	321	13.873	314	12.876	(7)	(0.997)
Carers	574	1.617	567	1.755	(7)	0.138
Direct Payments	812	13.913	752	13.471	(60)	(0.442)
<b>Total</b>	<b>4,705</b>	<b>117.989</b>	<b>4,713</b>	<b>120.292</b>	<b>8</b>	<b>2.303</b>

18. Learning Disabilities is currently projecting a £3.224 million overspend, which equates to 82% of the projected overspend. The majority of this relates to £1.000 million of undeliverable savings from the Care Fund Calculator Programme and £1.700 million attributable to the increase in residents going into a Shared Lives setting. Work is ongoing within the team to find compensating savings to address this and the outcome of this work will be reported in the next Cabinet budget monitoring report.
19. Mental Health is currently projecting a £0.865 million overspend, which equates to 22% of the projected overspend. This relates to an increase in both residential and nursing placements.
20. Adults' Commissioning are underspending by £0.589 million which relates to savings in both Supported Housing and Telecare.



## **Children & Young People in Care Placements**

21. The number of Children & Young People in Care at the time of setting the budget was 425. Additional growth for demography and inflation was added to the budget to reflect the anticipated upward trend particularly in relation to unaccompanied asylum-seeking children. The number of Children & Young People in Care at the end of July was 457.
22. There is currently no variance projected from the approved budget on placements for children and young people in care.

## **Children's Social Care**

23. In June 2018 Cabinet approved part year investment of £0.900 million in additional social care posts and the part year effect of that has been added to the budget. A recruitment campaign is underway to recruit to these posts and agency staff are being used in the interim.

## **0-25 Service: Disabled Children & Adults**

24. The 0-25 SEND Service is currently projected to underspend by £0.589 million.
  25. There are a number of children with SEND we have responsibility for whose needs will require support from adult services upon reaching stability or age 25 years. The original base budget allowed for element of placement budget being passed to adult services alongside the case. This funding arrangement has now ceased and the service is therefore projecting an underspend.
  26. The number of children with education, health and care plans (EHCP) and statements at the time of setting the budget was 2,956. Additional growth representing demography and inflation was added to the budget reflect the anticipated upward trend. The number of children with EHCP plans and statements at the end of July was 3,208. Most children require specialised or additional educational support, some medical some social care some more require support across more than one of these.
  27. Of the 3208 children with an EHCP statement, the budget plan was for 226 children to have support from the SEN social care placement budgets. The table below shows the different types and cost of care settings:
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Care Type	At Budget Setting		Period 4 Forecast Expenditure		Movement	
	No of Clients	Costs £m	No of Clients	Costs £m	No of Clients	Costs £m
Independent Fostering Agencies	10	0.705	8	0.549	(2)	(0.156)
Residential Homes	17	1.962	13	1.654	(4)	(0.308)
Residential School	22	2.040	21	1.946	(2)	(0.094)
Supported Living	27	1.691	19	1.346	(8)	(0.345)
Direct Payments	12	0.518	13	0.580	1	0.062
Respite	0	0.000	0	0.019	0	0.019
Care Packages and Personal Budgets	138	0.691	146	0.924	8	0.233
<b>Total</b>	<b>226</b>	<b>7.607</b>	<b>219</b>	<b>6.327</b>	<b>(6)</b>	<b>(0.589)</b>

## Highways

28. Highways is currently projecting a net overspend of £0.900 million in relation to street lighting energy. The energy budgets have been under pressure due to significant increases in previous years for energy costs. Some of this has been mitigated by reducing street lighting usage in certain areas, however there is a base pressure of £0.500 million. In addition to this a saving proposal was put forward for 2018/19 to move to LED lighting of £0.400 million. This requires significant investment of circa £12 million, the business case for the LED street lighting under evaluation and implementation is likely to be delayed until April 2019.

## Waste & Environment

29. Waste is currently projecting a net overspend of £3.786 million.
  30. The Council's contractor has experienced significant delay in obtaining planning permission for construction of a materials recovery facility (MRF) to sort dry recyclable materials. As a consequence, the contract for sorting dry recyclable materials (Lot 1) and the contract for collection of waste and recycling (Lot 5), which commenced on 30 July 2018, could not be delivered as originally intended.
  31. An interim service commenced that enables the collection and recycling of additional plastic materials from the blue lidded bin. However, this requires the use of additional vehicles and employment of additional staff as the collection of dry recyclable materials continues to be based on separate collection of materials from the black box.
  32. Work is ongoing with the contractor to reduce the costs of this arrangement but the information presented to date shows a pressure in relation to Lot 1 and Lot 5 of £3.389 million.
  33. In addition, a number of savings proposals for 2018/19 are unlikely to be achieved. This is due to a combination of the delay in implementing the service changes referred to above and the availability of sufficient resource in the Waste and IT teams, given ongoing work on implementing new systems for management of the waste contracts. A total of £0.830 million of the savings target has been rated red as part of the period 4 budget monitoring process.
  34. The service has identified further efficiencies and mitigating savings of £0.432 million so far.
  35. The forecast above is based on the assumption that waste tonnages continue to reduce as experienced in previous years, and that higher rates of recycling (and therefore landfill diversion) are achieved through the delivery of the new contracts and saving actions taken. £1.313 million of the 2018/19 savings rated green relate to a reduction in tonnage, to be achieved through access restrictions at household recycling centres, re-negotiating the contract over the disposal of commercial waste, the transfer of commercial waste collection and disposal to the private sector and additional efficiencies. The actions to deliver these savings have been taken but tonnage data will need to be closely monitored to ensure that these initiatives are successful in reducing overall waste tonnage as forecast. Small changes in tonnages have a significant financial impact, and overall waste arisings can be heavily influenced by external factors such as weather and changing consumer behaviours. The impact of these external influences can militate against the interventions the Council has taken to manage demand. If tonnages do not reduce as forecast the waste budget could overspend further.
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36. A sum of £1.250 million was set aside in an earmarked reserve at the end of 2017/18 to assist with additional costs of the contract. It is proposed that this reserve be released in the current year. This is shown in the movement in reserves below.

### **Libraries, Heritage & Arts**

37. Libraries, Heritage & Arts is currently projecting a net overspend of £0.883 million. This is due to a delay in actioning 2018/19 savings proposals, largely around structures and job redesign and the review and devolution of libraries. In addition, the service is managing historic savings targets in relation to Melksham Lunch Club and Income generation re City Hall and Advertising and Sponsorship.
38. Plans are in development to improve income generation and deliver these savings however they will not be delivered in full in 2018/19 but are expected to be in future years.

### **Movement on Reserves**

39. This represent a release of £1.250 million waste transformation earmarked reserve that was created at the end of 2017/18.

### **Restructure & Contingency**

40. This is showing as £1.555 million overspend. This relates to corporate saving targets agreed as part of the 2018/19 budget setting.

### **General Government Grants**

41. General Government Grants are forecasting to be £7.200 million higher than budget, mainly in respect of business rates. In prior years, this was used at year end to mitigate spending pressures and support the earmarked reserve for forecast losses in business rates. For 2018/19 the whole amount is being used to support revenue budget forecasts.

### **Corporate Levies**

42. This is currently forecasting a £0.500 million underspend. This is mainly due to a combination of lower than budgeted gross cost in terms of purchasing and surrendering Carbon Reduction Commitment (CRC) trading allowances for the year, together with additional business rates income of circa £0.200 million for renewable energy schemes.
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## Salisbury & Amesbury

43. As a result of the incidents in Salisbury on Sunday 4 March and Amesbury on Saturday 30 June, the Council has incurred significant expenditure/loss of income in response to the incidents and as part of recovery.
  44. In 2017/18 £0.140 million loss of income as a result of the decision to provide free car parking and £0.010 million for emergency business support was met by the Council.
  45. In the current year £1.400 million was provisionally set aside from reserves. Of this, £1.074 million has been allocated to response and recovery work streams, leaving a balance of £0.226 million. The main component is £0.733 million to cover the loss of income to the Council due to free car parking and Park and Ride for the period April to June 2018. Other costs include £0.100 million to back fill for a Service Director and £0.141 million for the reinstatement of Bourne Hill and Five Rivers plus other expenses. From the reserve, a further £0.100 million has been set aside for National Armed Forces day and £0.100 million to provide further support to Salisbury Tourism.
  46. Free all day car parking and Park and Ride was offered from 24 March in response to the Salisbury incident in order to encourage footfall and sales in the city and support local business. Following feedback from local businesses on the impact of free parking, on Monday 14 May Wiltshire Council-run car parks in Salisbury were changed to free from midday on weekdays, and free all day on Saturdays and Sundays. The five Park and Ride sites that serve the City continued to be free.
  47. In response to the nerve agent incident in Amesbury Town on 2 July 2018 the Council introduced the same arrangements to assist the local businesses in all of Council-run car parks in Amesbury.
  48. The government awarded the Council a grant of £0.570 million in July 2018 to support the continuation of parking arrangements from July. The cost of continuing the above arrangements for July and August 2018 is £0.363 million, leaving a balance of £0.207 million.
  49. The proposal for future parking support is to use the remaining balance of the grant to continue to operate free Park and Ride services in Salisbury until 13 January 2019. This will mean ceasing free car parking at Council car parks in Salisbury and Amesbury from 9 September.
  50. Funding has been secured from various government departments and the Local Economic Partnership to help businesses impacted by the incident and to promote recovery and growth in Salisbury. Funding secured to date amounts to £1.495 million; to date £1.168 million has been allocated to recovery work streams leaving a balance to be allocated of £0.327 million. Actual and committed spend as at period 4 is £0.763 million.
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51. Funding has also been secured from the Government towards the Council's Response and Recovery costs. Funding to date for this totals £1.217 million; £1.210 million has been allocated to recovery work streams leaving a balance of £ 0.007 million. Actual and committed spend as at period 4 is £0.483 million.
52. The Council managed the collection and disposal of dry cleaning, these costs are being recovered from DEFRA. Total cost to date is £0.004 million.
53. Currently the total funding secured (Council, Government, LEP) allocated for Wiltshire Council Recovery is £4.835 million, with a total of £2.827 million spent or committed as at period 4. £1.448 million has been allocated to recovery work streams, with £0.560 million remaining to be allocated as proposals come forward to support Salisbury recovery.

### **Dedicated Schools Grant**

54. The Education and Skills Funding Agency (ESFA) provides pre-16 funding for schools to local authorities via the dedicated schools grant (DSG). This grant is ringfenced and is separate to local authority budget. Any underspend or overspend is also ringfenced. At the end of 2017/18, the positive balance of the DSG reserve was £0.846 million.
55. DSG comprises, four blocks: schools; central school services; high needs; and early years. Spend in each block is prescribed by the ESFA. The commentary in this report relates to pressures on the high needs block.
56. High needs funding is for children and young people with special educational needs or disabilities who need extra support at school, college or alternative provision settings. Many local authorities are now incurring deficit on their overall DSG account largely because of overspending on their high needs block. When children with additional needs are placed in Wiltshire schools, funding is passed to schools to support those children. Where children are placed outside Wiltshire schools, commissioning budgets are held and managed by the Head of Service for SEND. Early indications of DSG spend on the high needs block for 2018/19 are an overspend of £0.959 million this is largely attributable to spend rising in line with increased numbers of children in Wiltshire with an EHCP statement exceeding the amount of DSG available for high needs. Approval will be sought from Schools Forum to use the DSG reserve to fund the high needs overspend in 2018/19.
57. The residue of £0.133 million will be carried forward and plans will be required to make good this amount and also identify a sustainable means of financing higher needs in the future.

### **Housing Revenue Account Summary**

58. Budget figures on the Housing Revenue Account (HRA) have been reviewed as part of the regular budget monitoring process.
  59. The HRA is currently projecting a balanced position.
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## Capital Summary

60. The original budget for 2018/19 was approved by Council during budget setting on 20 February 2018. Since that date there have been a number of changes to the budget for 2018/19, largely due to reprogramming of budget from 2017/18 and to 2019/20; but also, to reflect additional funding being available. The changes to the budget since it was last amended in the Budget setting report are summarised in the table that follows, a fuller breakdown of the changes made at a scheme by scheme level is attached as Appendix E.

### Breakdown of Budget Amendments from Original Budget to Period 4 Budget (as at 31 July 2018)

Summary of Movements in Capital Programme	£m	Further information
Original Capital Programme Budget (reported to Council 20 Feb 2018)	131.820	Appendix E
<b>Amendments to Capital Programme 2018/19 Since Original Budget Setting:</b>		
Budgets Reprogrammed from 2017/18 to 2018/19	35.725	Appendix E
Additional Budgets added to Programme	11.689	Appendix E & F
Grant Amendments	(0.161)	Appendix E
Reduced Budgets	(0.001)	Appendix E
Budgets Reprogrammed from 2018/19 to 2019/20	(9.430)	Appendix E & F
<b>Current Budget 2018/19</b>	<b>169.642</b>	

61. The budget additions shown above largely reflect increases in funding being available and brought into the programme under the Chief Financial Officer delegated authority. They largely comprise additional grants from Central Government, Section 106 contributions and other contributions used to finance capital spend within the capital programme. Further information on the budget movements at an individual scheme level is shown in Appendix E and in further detail in Appendix F.
62. The budgets that have been reprogrammed into 2018/19 are shown in further detail in Appendices E and F.
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## Summary of Capital Position as at 31 July 2018

63. The current budget for the year 2018/19 is £169.642 million. Actual spend on schemes as at 31 July 2018 was £22.626 million. A full breakdown of these figures is attached in Appendix E.
64. At present Porton Science Park is the only scheme forecast to overspend significantly with a forecast overspend of £0.342 million. The scheme is at the completion stage with only final retention, fee and contingency costs outstanding.
65. The Microsoft cloud navigator project has been added to the capital programme in 2018/19. The sources of funding of the project will be reviewed as part of an overall financing review.

## Reserves

66. The table below provides the projected position for the year as at period 4 on the general fund balance held by the Council.

<b>General Fund Balance</b>	<b>£ million</b>	<b>£ million</b>
Balance as at 1 April 2018		(12.943)
Support for budget agreed in February 2018	0.900	
Projected overspend at period 4	2.558	
Total Forecast movement		3.458
<b>Forecast Balance 31 March 2019</b>		<b>(9.485)</b>

67. Without further mitigating actions the general fund reserve will be below the minimum level of £12 million set by the Council in February 2018. The Corporate Leadership Team will continue to identify measures to keep expenditure within budget for the year.

## Overall Conclusions

68. 2018/19 is proving to be a challenging year on the financial front. A combination of: an ambitious savings target; senior officers having to focus on the incidents at Salisbury and Amesbury and; complications with the waste contract have led to budgets not expected to be achieved. This is despite additional income of £7.200 million from business rates grant.
69. It is vital that focussed attention is given to keep expenditure within budget to avoid the unplanned use of our limited level of reserves. The Corporate Leadership Team will continue to prioritise the identification of opportunities and actions to limit spending and improve income. Further monitoring reports will be brought to Cabinet throughout 2018/19.

## Implications

70. This report informs Members' decision making.
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## **Overview & Scrutiny Engagement**

71. Regular reports are taken to Overview & Scrutiny relating to the Council's financial position.

## **Safeguarding Implications**

72. Safeguarding remains a key priority for the Council and this report reflects the additional investment support the ongoing spend in looked after children and safeguarding.

## **Public Health Implications**

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

## **Procurement Implications**

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

## **Equalities and diversity impact of the proposals**

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

## **Environmental and Climate Change Considerations**

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

## **Risks Assessment**

77. If the Council fails to take actions to address forecast shortfalls, overspends or increases in its costs it will need to draw on reserves. The level of reserves is limited and a one-off resource that cannot thus be used as a long term sustainable strategy for financial stability. Budget monitoring and management, of which this report forms part of the control environment, is a mitigating process to ensure early identification and action is taken.

## **Financial implications**

78. This is the subject of the report.

## **Legal Implications**

79. None have been identified as arising directly from this report.
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## **Proposals**

80. Cabinet is asked to note the outcome of the period 4 (end of July) budget monitoring and to approve all revenue budget amendments outlined in the report in appendix B.
81. Cabinet is asked to reinforce the need for expenditure to be contained within the budget agreed in February 2018.
82. To note the budget movements undertaken to the capital programme shown in appendices E and F and to also note the reprogramming of £9.430 million capital budget between 2018/19 and 2019/20.

## **Reasons for Proposals**

83. To inform effective decision making and ensure a sound financial control environment.

## **Background Papers and Consultation**

None

### **Contact Name:**

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### **Appendices:**

Appendix A: Revenue Budget Movements 2018/19

Appendix B: Major Virements between Service Areas from Original budget

Appendix C: Revenue Budget Monitoring Statements

Appendix D: 2018/19 Budget Setting Savings

Appendix E: 2018/19 Capital Programme Budget Movements and spend to 31 July 2018

Appendix F: Delegated authority for budget movements

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