

## Wiltshire Council

### Cabinet

5 February 2019

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Subject: **Revenue and Capital Budget Monitoring Period 9 2018/19**

Cabinet Member: **Cllr Philip Whitehead – Cabinet Member for Finance, Procurement, ICT and Operational Assets**

Key Decision: **Non-Key**

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#### **Executive Summary**

This report advises members of the revenue and capital budget monitoring positions as at the end of Period 9 (end of December 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 £1.158m. This is 0.4% of the Council's net budget and is improvement on the period 7 variance of £2.064m.

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. Directors and Heads of Service are identifying compensating actions in order to bring these back into a balanced year end position. Individual recovery plans will be produced for areas showing overspends.

The report includes commentary on the Dedicated Schools Grant (DSG). This is coming under increased pressure in Wiltshire as it is across the country. Current forecast is for a £2.307m 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 forecast year end position of the 2018/19 capital spend against budget as at Period 9 (as at 31 December 2018).

#### **Proposal**

Cabinet is asked to note the outcome of the period 9 (end of December) budget monitoring.

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 £5.227m 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 9 (31 December 2018), including highlighting any budget changes.

**Becky Hellard, Interim Director – Finance and Procurement**

## **Wiltshire Council**

### **Cabinet**

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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 9 (end of December 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 9 (31 December 2018), including budget changes.

### **Background**

3. The Council approved the 2018/19 budget at its meeting on 20 February 2018 for the sum of £327.746m. The report focuses on forecast exceptions to meeting the approved 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.

## Revenue Summary

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

Summary Position	2018/19 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance	Variance reported at period 7	Movement since period 7
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
<b>General Fund Total</b>	327.746	341.989	327.285	328.904	1.158	2.064	(0.906)
<b>Dedicated Schools Grant (DSG) *</b>	180.599	135.449	137.180	182.906	2.307	3.238	(0.931)
<b>Housing Revenue Account</b>	(0.245)	(11.173)	(10.765)	(0.745)	(0.500)	0.000	(0.500)

\*High Needs Block

5. This projected position is the current projected outturn position after any current approved recovery actions have been actioned.
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 breakdown 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 £0.250m need to be reported to Members. There are no such transfers since period 7, so appendix B has no entries.

8. The breakdown of the projected year end position by services is set out as follows

<b>Summary Position</b>	<b>2018/19 Budget</b>	<b>Profiled Budget to date</b>	<b>Actual to date</b>	<b>Projected Position for Year</b>	<b>Projected Variance</b>	<b>Variance reported at period 7</b>	<b>Movement since period 7</b>
	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>
Adult Care & Public Health Service	144.052	107.282	110.058	146.563	2.511	2.458	0.053
Children & Education Service	76.804	162.057	143.895	78.228	1.424	1.908	(0.484)
Growth, Investment & Place Service	103.532	78.091	82.877	107.797	4.265	4.040	0.225
Corporate	3.358	(5.441)	(9.545)	(3.684)	(7.042)	(6.342)	(0.700)
<b>General Fund Total</b>	<b>327.746</b>	<b>341.989</b>	<b>327.285</b>	<b>328.904</b>	<b>1.158</b>	<b>2.064</b>	<b>(0.906)</b>

### **General Fund Monitoring Details**

9. Overall the period 9 report identifies potential net year end forecast overspend of £1.158m. Below are the details of the services and comments on the main forecast variances.
10. Overall a significant 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 order to ensure a balanced year end position.

**ADULT SOCIAL CARE, PUBLIC HEALTH & PROTECTION AND LEGAL & DEMOCRATIC SERVICES**

Summary Position	2018/19 Budget £ m	Profiled Budget to date £ m	Actual to date £ m	Projected Position for Year £ m	Projected Variance £ m	Variance reported at period 7 £ m	Movement since period 7 £ m
Adults 18+	50.667	37.520	41.774	50.280	(0.387)	(0.165)	(0.222)
Mental Health	16.338	12.956	13.773	16.234	(0.104)	(0.189)	0.085
Learning Disabilities	46.194	34.560	38.876	50.907	4.713	4.786	(0.073)
Adults Commissioning	25.395	20.372	13.606	23.600	(1.795)	(2.074)	0.279
<b>Total Adults</b>	<b>138.594</b>	<b>105.408</b>	<b>108.029</b>	<b>141.021</b>	<b>2.427</b>	<b>2.358</b>	<b>0.069</b>
Public Health Grant	0.084	(1.981)	(3.757)	(0.259)	(0.343)	(0.247)	(0.096)
Other Public Health & Public Protection	1.129	0.693	2.269	1.406	0.277	0.247	0.030
<b>Total Public Health &amp; Protection</b>	<b>1.213</b>	<b>(1.288)</b>	<b>(1.488)</b>	<b>1.147</b>	<b>(0.066)</b>	<b>0.000</b>	<b>(0.066)</b>
Legal & Democratic	4.245	3.162	3.517	4.395	0.150	0.100	0.050
<b>Adult Care &amp; Public Health Service Total</b>	<b>144.052</b>	<b>107.282</b>	<b>110.058</b>	<b>146.563</b>	<b>2.511</b>	<b>2.458</b>	<b>0.053</b>

11. Adult Social Care budgets are projecting a net forecast overspend of £2.427m for 2018/19, which shows an increase in projected spend of an additional £0.069m from period 7. This is split as per the below.

12. Adults 18+ is currently projecting an underspend of £0.387m, an improvement from period 7 of £0.222m, this is due to a delay in getting staff into posts in hard to recruit to areas, such as Salisbury. Whilst the service is underspending on staff due to the implementation of transformation programme Phase 1, this is mitigating forecast overspends on placements.

13. Mental Health is currently projecting a forecast underspend of £0.104m, which shows an increase from period 7 which had a projected forecast of £0.085m. There is pressure on nursing and residential placements.

14. Learning Disabilities is currently projecting a £4.713m overspend, a slight improvement from period 7 of £0.073m.

15. The overspend is mainly due to:

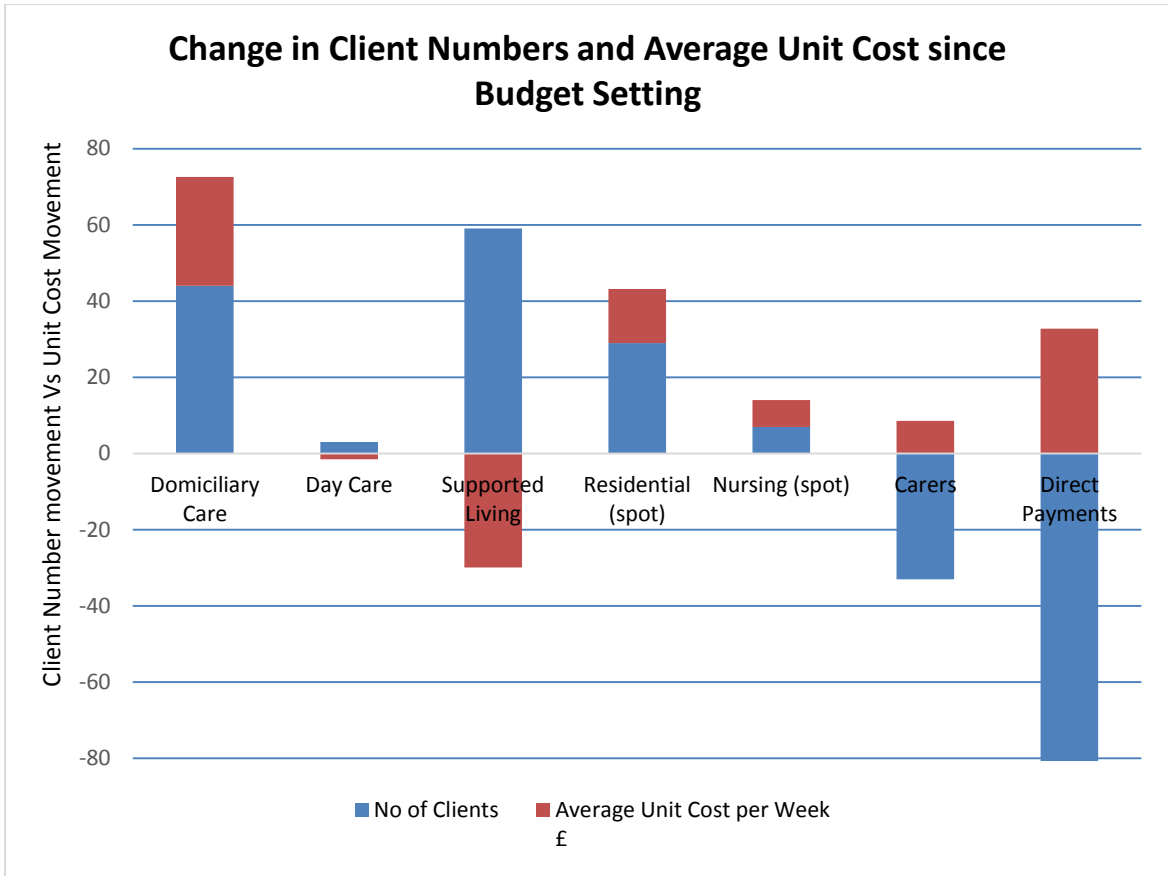
- a. An increase in demand, over and above the net demographic growth projected of 2%.

<b>Type of Care</b>	<b>Demand Growth</b>	<b>Financial Pressure £m</b>
Day care	11%	£0.109
Supported Living	12%	£1.834
Residential care	4%	£1.553

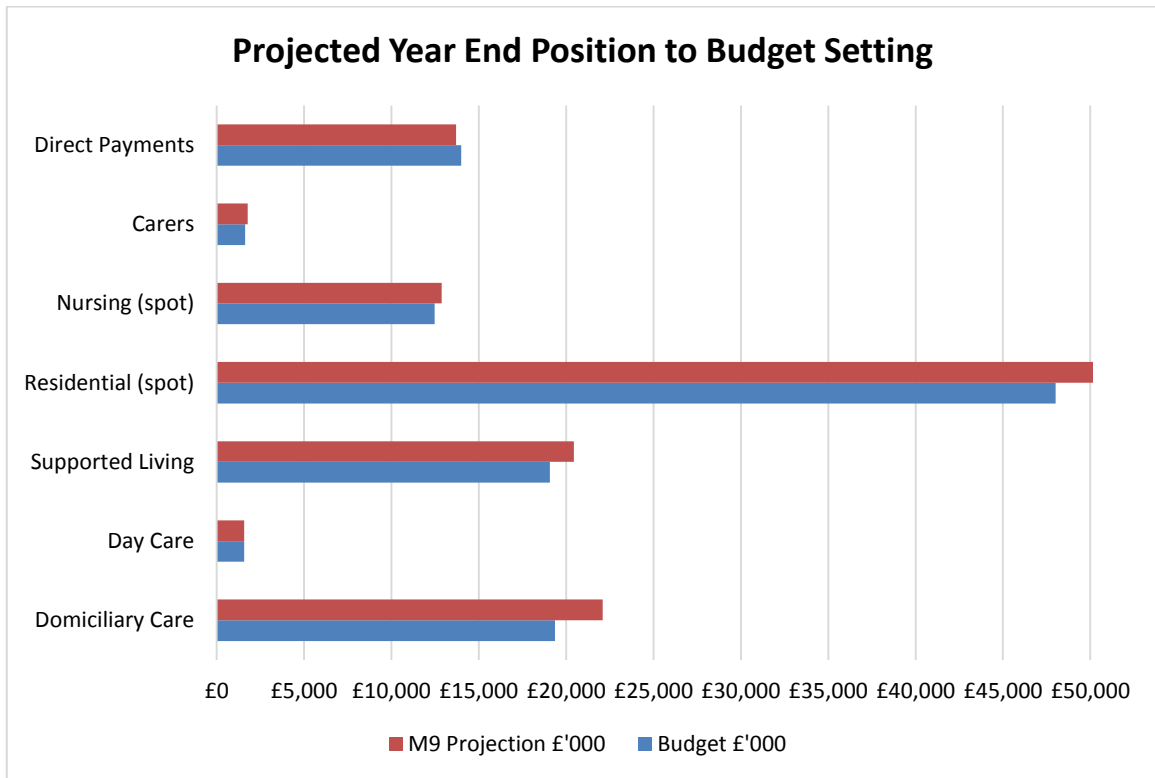
- b. £1.000m of this relates to the undeliverable savings from the Care Fund Calculator Programme.
- c. £0.684m relates to additional staffing costs to cover vacancies within the in-house provider services.
- d. 2 ordinary residency cases transferring over to the council, with a backdated charge of £0.436m, which are one-off and will not be recurring into 2019/20.

16. Adults' Commissioning are forecasting an underspend of £1.795m which relates to savings in Supported Housing, Telecare and block residential placements.

17. The main underlying pressure across Adult Social Care relates to placements and the movement in both activity and unit cost. The below table shows the effect of both these dynamics together to explain this by care group.



The impact of the above movements identifies an ongoing budgetary pressure identified by care groups as per the below table:





18. After movements in nine months of the financial year, the council is projecting to spend £123.242m supporting 4,700 different packages of care.

Care Type	Projected Year End Figures at Budget Setting			Period 9 Forecast		
	No of Clients	Costs £'000	Average Unit Cost per Week £	No of Clients	Costs £'000	Average Unit Cost per Week £
Domiciliary Care	1,381	£19,366	£270	1,425	£22,099	£298
Day Care	279	£1,569	£108	282	£1,563	£107
Supported Living	498	£19,059	£736	557	£20,450	£706
Shared Lives	28	£575	£395	24	£452	£362
Residential (spot)	813	£48,017	£1,136	842	£50,350	£1,150
Nursing (spot)	299	£12,467	£802	306	£12,871	£809
Carers	574	£1,617	£54	541	£1,765	£63
Direct Payments	812	£13,993	£331	723	£13,691	£364
<b>Total</b>	<b>4,684</b>	<b>£116,663</b>	<b>£479</b>	<b>4,700</b>	<b>£123,241</b>	<b>£504</b>

**CHILDREN & EDUCATION, COMMUNITIES & COMMUNICATION AND HUMAN RESOURCES SERVICES**

Summary Position	2018/19 Budget	Profiled Budget to date	Actual to date	Projected Position for Year	Projected Variance	Variance reported at period 7	Movement since period 7
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Childrens Commissioning	5.515	24.733	23.324	4.896	(0.619)	0.000	(0.619)
Childrens Social Care	41.269	31.408	30.734	40.902	(0.367)	0.053	(0.420)
0-25 Service: Disabled Children & Adults	19.472	39.076	42.857	20.289	0.817	0.327	0.490
Early Help	(0.050)	(0.114)	(0.079)	0.033	0.083	0.083	0.000
School Effectiveness	1.935	3.885	3.945	2.000	0.065	0.000	0.065
Funding Schools	0.000	56.385	35.371	0.000	0.000	0.000	0.000
<b>Children &amp; Education Totals</b>	<b>68.141</b>	<b>155.373</b>	<b>136.152</b>	<b>68.120</b>	<b>(0.021)</b>	<b>0.463</b>	<b>(0.484)</b>
Communications	1.435	1.170	1.130	1.373	(0.062)	(0.062)	(0.000)
Libraries, Heritage & Arts	4.010	2.842	4.071	5.272	1.262	1.262	0.000
Leisure	(0.173)	0.100	0.148	0.072	0.245	0.245	0.000
Human Resources & Org Development	3.391	2.572	2.394	3.391	0.000	0.000	0.000
<b>Children &amp; Education Service Totals</b>	<b>76.804</b>	<b>162.057</b>	<b>143.895</b>	<b>78.228</b>	<b>1.424</b>	<b>1.908</b>	<b>(0.484)</b>

**Childrens Commissioning**

19. The Troubled Families Programme is supporting families with multiple and complex problems; changing lives and services for the better. The Council is in receipt of payment by results monies which reflect the success of the Wiltshire Troubled Families model in driving a focus on outcomes for families. Due to the late nature of this income, there is a risk that this will not be fully spent by 31st March 2019.

## Children & Young People with Social Care Needs

20. The table below shows a significant increase in numbers of children and young people with social care needs. Additional growth for demography and inflation was added to the placement budgets to reflect the anticipated upward trend particularly in relation to unaccompanied asylum-seeking children. Although the placement budgets continue to be under pressure, they are closely monitored and currently within budget.

	<b>Child Protection Plans</b>	<b>Children in Need</b>	<b>Children Looked After</b>	<b>Total</b>
Number as at Budget Setting	340	1,975	425	2,740
Number as at 31 December 2018	441	2,390	480	3,311
Movement	101	415	55	571
% Change	30%	21%	13%	21%

21. The table above shows a significant increase in Children in Need and Child Protection Plans. Parental/adult needs have been increasing including drug and alcohol misuse, mental health and domestic abuse. Also safeguarding issues related to Child Sexual Exploitation, County Lines, FGM and Honour Based Violence have increased demand. As a result of these pressures, in June 2018 Cabinet approved part year investment of £0.900m in additional social care posts. A recruitment campaign is underway to recruit to these posts and agency staff are being used in the interim.

22. There is currently a £0.367m projected underspend from the approved budget which comprises an underspend on placements and social work staff. The Council is committed to keeping caseloads of social workers at acceptable levels however this is challenging due to the national shortage of experienced social workers

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

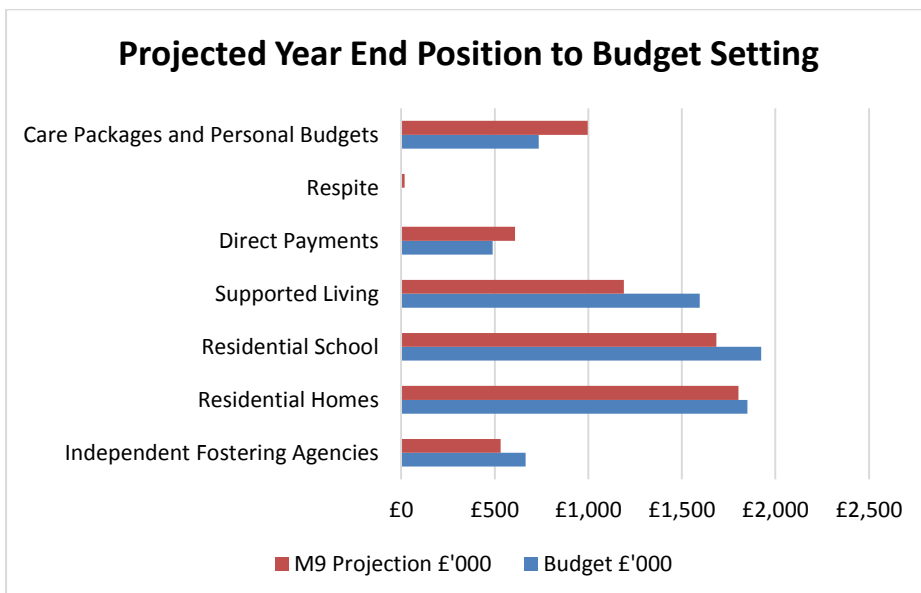
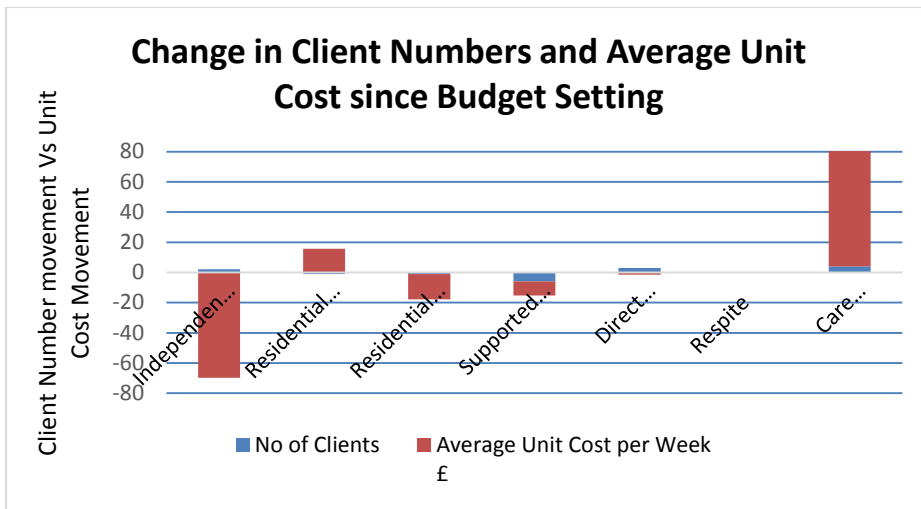
23. The 0-25 SEND Service is currently projected to overspend by £0.817m.

24. There are a number of children with SEND for which we have responsibility and 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 placements budget is therefore projecting a forecast underspend.

25. 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 to reflect the anticipated upward trend. The number of children with EHCP plans and statements at the end of December was 3,351. Most children require specialised or additional educational support, some medical, some social care and some more require support across more than one of these.
26. Of the 3,351 children with an EHCP statement, the budget plan was for 231 children to have support from the SEN social care placement budgets. The table below shows the different types and cost of care settings:

Care Type	At Budget Setting			Period 9 Forecast Expenditure			Variance	
	No of Clients	Costs £m	Weekly Cost £	No of Clients	Costs £m	Weekly Cost £	No of Clients	Costs £m
Independent Fostering Agencies	9	0.665	202.30	11	0.532	132.46	2	(0.133)
Residential Homes	16	1.850	323.11	15	1.802	338.71	-1	(0.048)
Residential School	21	1.924	251.02	20	1.685	234.23	-1	(0.239)
Supported Living	26	1.595	170.89	20	1.190	161.63	-6	(0.405)
Direct Payments	12	0.489	115.06	15	0.608	113.54	3	(0.119)
Respite	0	0.000	0		0.018	0	0	(0.018)
Care Packages and Personal Budgets	147	0.735	4992.64	151	0.997	6596.62	4	0.262
<b>Total</b>	<b>231</b>	<b>7.258</b>		<b>232</b>	<b>6.832</b>		<b>1</b>	<b>(0.426)</b>



27. The overspend of £0.817m above is largely attributed to SEN home to school transport costs. All children with an EHCP under 16 years are entitled to free transport to school. As the specialist schools and centres are often in the larger conurbations, and the needs of the children complex, often requiring a passenger assistant or solo transport, the costs of transport have risen above budgeted levels.

### Early Help

28. The extension of the Outdoor Education Centres (Oxenwood) trading position has impacted on the income levels and as during this period of uncertainty schools have made alternative arrangements for 2018/19 which has a negative impact of £0.083m on income targets

## **School Effectiveness**

29. The extension of the Outdoor Education Centres (Braeside) trading position has impacted on the income levels and during this period of uncertainty schools have made alternative arrangements for 2018/19 which has a negative impact of £0.065m on income targets.

## **Libraries, Heritage & Arts**

30. Libraries, Heritage & Arts is currently projecting a forecast net overspend of £1.262m. This is due to a delay in actioning 2018/19 savings proposals totalling £1.069m and £0.193m historic pressures.
31. 2018/2019 Restructure savings, including a reduction in Heads of Service totalling £0.549m have now been actioned. This will deliver part year in 2018/2019 of £0.065m, the remainder £0.484m is contributing to the overspend but will be delivered in full in 2019/2020.
32. The 2018/19 £0.200m savings target to review and fund area board youth activity from Public Health grant cannot be taken forward and this has been rebased as part of 2019/20 budget setting.
33. This addresses all of the 2018/19 savings proposals with the exception of the £0.385m target to review and devolve libraries to communities, increasing further volunteers and securing greater efficiencies in sites, a plan to deliver this is being developed and timescales will need to be reviewed.
34. In addition, the service is managing historic savings targets in relation to Melksham Lunch Club and Income generation regarding City Hall totalling £0.193m. It is currently forecast that income targets will not be fully achieved in 2018/19.

## **Leisure**

35. Leisure is still projecting an overspend of £0.245m this is in relation to the 2018/19 savings target for renegotiating the contract with Places for People. The target was for £0.750m of which £0.505m has been delivered by the negotiations. Leisure continue to look at ways to improve income and one off ways to reduce expenditure in order to deliver a balanced budget. This has been rebased as part of 2019/20 budget setting.

**GROWTH, INVESTMENT & PLACE, CORPORATE SERVICES AND FINANCE & PROCUREMENT SERVICE**

Summary Position	2018/19 Budget	Profiled Budget to date	Actual to date	Projected Position for Year	Projected Variance	Variance reported at period 7	Movement since period 7
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Economic Development & Planning	1.930	1.344	2.279	2.180	0.250	0.000	0.250
Highways	18.194	13.887	13.012	18.194	0.000	0.000	0.000
Transport	17.203	11.753	11.360	17.203	0.000	0.000	0.000
Car Parking	(6.807)	(5.162)	(4.705)	(6.527)	0.280	0.000	0.280
Waste & Environment	36.456	21.544	22.105	40.421	3.965	3.965	0.000
Housing Services	4.252	3.813	3.689	4.197	(0.055)	0.000	(0.055)
Strategic Asset & Facilities Management	11.642	9.545	5.991	11.467	(0.175)	0.000	(0.175)
<b>Growth, Investment &amp; Place Totals</b>	<b>82.870</b>	<b>56.724</b>	<b>53.731</b>	<b>87.135</b>	<b>4.265</b>	<b>3.965</b>	<b>0.300</b>
Corporate Services	5.392	4.169	4.467	5.392	0.000	0.150	(0.150)
Information Services	9.068	8.075	8.998	9.068	0.000	0.000	0.000
Finance & Procurement	6.902	7.866	8.411	6.902	0.000	(0.075)	0.075
Revenues & Benefits - Subsidy	(0.700)	1.257	7.270	(0.700)	0.000	0.000	0.000
<b>Growth, Investment &amp; Place Service Totals</b>	<b>103.532</b>	<b>78.091</b>	<b>82.877</b>	<b>107.797</b>	<b>4.265</b>	<b>4.040</b>	<b>0.225</b>

**Economic Development & Planning**

36. Economic Development & Planning is forecasting a net overspend of £0.250m due to underachievement on income. This is across Development Control, Building Control and Land Charges and is the net position after accounting for vacancies

that are being held to mitigate the impact. Major planning applications are down by 25% in 2018/19, 155 major applications in 2018 compared to 206 in 2017 (period January to December).

## **Highways & Transport**

37. Highways is currently projecting a forecast net overspend of £0.900m in relation to street lighting energy as reported in period 7. The business case for the LED street lighting was presented to cabinet in December 2018 and approval to proceed. Overall Highways will present a balanced budget in 2018/19 as one off mitigating savings have been identified to offset the above forecast overspend. This includes use of Development control income, revenue savings as a result of delaying and slowing down programmes in street scenes and car parking, review of and use where appropriate of S106 and commuted sums and the holding vacancies in the service where possible.
38. As at 11 January 2018 we have carried out 14 gritting runs. The budget can accommodate 31 runs, any after this will need to be covered from General Fund Reserves. This is entirely down to the weather and cannot be predicted. Recent weather forecasts are indicating that February will be cold, this will be monitored and reported closely.
39. Car parking is projecting a net forecast overspend of £0.280m, this is based on income projections and is in part due to a delay in the implementation of parking consultation proposals and the removal of Sunday car parking charges. Free car parking for Salisbury has been extended until the end of the financial year and will be reported through the Salisbury recovery programme.

## **Waste & Environment**

40. Waste is currently projecting a net forecast overspend of £3.965m, no movement since period 7 report which included a full breakdown. This is after the release of the reserve identified for Waste of £1.250m that was set aside as part of 2017/18 outturn.

## **Housing & Commercial Development**

41. Housing Services are forecasting an underspend of £0.055m as a result of new ways of funding rent deposits through DHP, this has also been factored into 2019/20 budget setting.
42. The SA&FM budget is forecasting an underspend of £0.175m. Unexpected income receipts including the settlement of a long-standing claim against an energy supplier (£0.150m), back-dated income from rent reviews in the commercial estate (£0.130m), and one-off cost savings such as the part-year closure of Bourne Hill (£0.125m), were all received in-year. The overall impact of the windfall income and one-off cost savings has mitigated the in-year cost pressures caused by the non-delivery of approved savings proposals, including the continued building operating costs associated with the Outdoor Education Centres, the Wiltshire & Swindon Learning Resource facility, and various libraries that were all approved to close.



43. The underspend delivered by Housing & Commercial Development will contribute to covering overspends in other areas of the Growth, Investment & Place Directorate budget.

### Corporate Services & Digital

44. Management action has been taken on Corporate Services & Digital to bring the reported overspend of £0.150m as at period 7 in online and present a balanced budget. A Head of Service restructure has been undertaken, vacancies have been held and removed and programme office support has been costed against capital and grant funded projects.

### CORPORATE EXPENDITURE

Summary Position	2018/19 Budget	Profiled Budget to date	Actual to date	Projected Position for Year	Projected Variance	Variance reported at period 7	Movement since period 7
	£ m	£ m	£ m	£ m	£ m	£ m	£ m
Corporate Directors	1.054	0.820	0.862	1.054	0.000	0.000	0.000
Members	2.227	1.650	1.632	2.227	0.000	0.000	0.000
Movement on Reserves	(1.011)	(0.111)	(0.111)	(1.011)	0.000	0.000	0.000
Capital Financing	21.024	6.694	4.508	21.024	0.000	0.000	0.000
Restructure & Contingency	(1.918)	(1.789)	(0.416)	(0.560)	1.358	1.358	0.000
General Government Grants	(24.846)	(18.635)	(21.348)	(32.746)	(7.900)	(7.200)	(0.700)
Corporate Levies	6.828	5.930	5.328	6.328	(0.500)	(0.500)	0.000
<b>Corporate Totals</b>	<b>3.358</b>	<b>(5.441)</b>	<b>(9.545)</b>	<b>(3.684)</b>	<b>(7.042)</b>	<b>(6.342)</b>	<b>(0.700)</b>

### Capital Financing

45. This shows the revenue costs of funding the capital programme. As discussed in the capital section below, the capital programme is currently being reviewed to ensure affordability and deliverability. At present it is forecast that £2.600m will be transferred into the capital financing ear marked reserve at the end of the financial year. This is required against large capital schemes in the future plan, such as special schools and digital programme.

## **Restructure & Contingency**

46. This is showing as £1.358m overspend. This relates to £1.555m corporate saving targets agreed as part of the 2018/19 budget setting. There is £0.197m of one off corporate income that mitigates against this in this year. There is no movement forecast from period 7 report. The corporate savings have been included in budget setting 2019/20.

## **General Government Grants**

47. General Government Grants are forecasting to be £7.900m 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. General Government Grants is showing an improvement of £0.700m from period 7 report. This is mainly relates to extra s31 grant threshold changes for small business rate relief.

## **Corporate Levies**

48. This is currently forecasting a £0.500m 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 £0.200m for renewable energy schemes. There is no movement forecast from period 7 report.

## **DEDICATED SCHOOLS GRANT**

49. 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 £0.846m.
50. Many local authorities are now incurring deficit on their overall DSG account largely because of overspending on their high needs block. High needs funding block is for children and young people with special educational needs or disabilities who need extra support at school, college or alternative provision settings.
51. In December 2018, Damien Hinds, Secretary of State for Education acknowledged these pressures and awarded Wiltshire an additional allocation of £1.128m for 2018/19 financial year.
52. Following new placements for the new academic year and taking into account the additional funding above, the projected overspend of DSG spend on the high needs block for 2018/19 is an overspend of £3.331m. 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 partially fund the high needs overspend in 2018/19.

53. A task and finish group; the High Needs Block Working Group was set up in September to identify contributory factors and to make proposals to reduce the cost pressure on the high needs block. Proposed mitigations of the group are currently being taken forward as actions. The overall overspend of £2.307m will be carried forward into the DSG reserve. This will lead to a deficit DSG reserve and will be addressed at year end when all reserve levels are reviewed and this addressed.
54. Schools Forum, through the High Needs Block Working Group are working with external consultants to establish a sustainable means of servicing high needs moving forward. Given the in year pressure and the Schools Forum agreement to transfer 1% between blocks to support the high needs block, the Council will prioritise the in year deficit in the review of balances at the year end

<b>Summary Position</b>	<b>2018/19 Budget</b>	<b>Projected Position for Year (before mitigation)</b>	<b>Projected Variance</b>	<b>Variance reported at period 7</b>	<b>Movement since period 7</b>
	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>	<b>£ m</b>
<b>Schools Funding</b>	<b>112.073</b>	<b>111.993</b>	<b>(0.080)</b>	<b>0</b>	<b>(0.080)</b>
<b>High Needs Block</b>	<b>39.518</b>	<b>42.849</b>	<b>3.331</b>	<b>4.125</b>	<b>(0.794)</b>
<b>FTE ECHP Pupils</b>	<b>2,767</b>	<b>3,196</b>		<b>429</b>	<b>(16% increase)</b>
<b>Early Years Block</b>	<b>26.756</b>	<b>25.938</b>	<b>(0.818)</b>	<b>(0.769)</b>	<b>(0.049)</b>
<b>FTE EY Pupils</b>	<b>5,360</b>	<b>5,238</b>	<b>(122)</b>	<b>(122)</b>	
<b>Central Schools Block</b>	<b>2.252</b>	<b>2.126</b>	<b>(0.126)</b>	<b>(0.118)</b>	<b>(0.008)</b>
<b>TOTAL DSG</b>	<b>180.599</b>	<b>182.906</b>	<b>2.307</b>	<b>3.238</b>	<b>(0.931)</b>

## **HOUSING REVENUE ACCOUNT SUMMARY**

55. The Housing Revenue Account is forecasting an underspend of £0.500m. Continuing savings have been delivered in the repairs and maintenance budget, in particular, responsive repairs over recent years. This follows investment in capitalised repairs works and the substitution of responsive repairs with more efficient planned works. The expansion of the in house DLO provision and reduction in external contractors is forecast to see further savings in 2019/20 and future years, this has been factored into budget setting and the 30 year business model.

## **SAVINGS DELIVERY PERFORMANCE**

56. The Council has a savings requirement of £26.706m 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.

57. The latest assessment on the deliverability of the savings is summarised below. Overall a shortfall of £4.402m (16% of target) is forecast for the year. This is included in the General Fund figures set out in this report.

	<b>Saving Target (£ m)</b>	<b>Green (£ m)</b>	<b>Amber (£ m)</b>	<b>Red (£ m)</b>
<b>RAG analysis by Service</b>				
<b>Adult Care &amp; Public Health Service</b>				
ASC Operations - Access & Reablement	(5.660)	(4.754)	(0.906)	-
Learning Disabilities & Mental Health	(1.940)	(0.614)	(0.326)	(1.000)
Commissioning - Adults	-	-	-	-
Public Health & Protection	(1.793)	(1.793)	-	-
Legal & Democratic	(0.166)	(0.166)	-	-
<b>Children &amp; Education Service</b>				
Commissioning - Children	(0.300)	(0.300)	-	-
Family & Children Services	(1.040)	(1.040)	-	-
Education & Skills	(0.325)	(0.325)	-	-
Communities & Communications	(2.469)	(1.264)	-	(1.205)
Human Resources & Org Development	(0.373)	(0.373)	-	-
<b>Growth, Investment &amp; Place Service</b>				
Economic Development & Planning	(1.083)	(1.083)	-	-
Highways & Transport	(1.714)	(1.714)	-	-
Waste & Environment	(2.570)	(1.740)	-	(0.830)
Housing & Commercial Development	(1.000)	(1.000)	-	0.000
Corporate Services & Digital	(1.043)	(1.043)	-	(0.000)
Finance	(0.575)	(0.575)	-	-
<b>Corporate</b>				
Corporate	(4.655)	(3.288)	-	(1.367)
	<b>(26.706)</b>	<b>(21.072)</b>	<b>(1.232)</b>	<b>(4.402)</b>

Key      Green = Deliverable  
             Amber = Deliverable with risks  
             Red = Unlikely to be delivered

58. Out of £26.706m savings proposals £1.232m are assessed as amber rated. This means that they are deemed to be deliverable in 2018/19, but with some risks associated with them.

59. £4.402m (16%) of savings targets are currently assessed as red after compensating savings. This means they are deemed unlikely to be delivered as planned. However, officers will continue to try and identify compensating savings and corresponding mitigating actions. So far £4.199m of alternative savings have been identified, some of which are one-off in nature, and these are included in the figures in this report.

## 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 9 Budget (as at 31 December 2018)

Summary of Movements in Capital Programme	£m	Further information
Budget Period 7	138.059	Appendix E
<b>Amendments to Capital Programme 2018/19 Since Original Budget Setting:</b>		
Additional Budgets added to Programme	1.750	Appendix E & F
Grant Amendments	0.000	Appendix E
Reduced Budgets	0.000	Appendix E
Budgets Reprogrammed from 2018/19 to 2019/20	(5.227)	Appendix E & F
<b>Current Budget 2018/19</b>	<b>134.582</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 comprise of the flexible use of capital receipts for transformation programmes, additional grants from Central Government and 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
62. The budgets that have been reprogrammed into 2019/20 are shown in further detail in Appendices E and F.

## Summary of Capital Position as at 31 December 2018

63. The current budget for the year 2018/19 is £134.582m. Actual spend on schemes as at 31 December 2018 was £72.262m. A full breakdown of these figures is attached in Appendix E.

## RESERVES

64. The table below provides the projected position for the year as at period 9 on the general fund balance held by the Council.

<b>General Fund Balance</b>	<b>£m</b>	<b>£m</b>
Balance as at 1 April 2018		(12.943)
Support for budget agreed in February 2018	0.900	
Projected overspend at period 9	1.233	
Total Forecast movement		2.133
<b>Forecast Balance 31 March 2019</b>		<b>(10.810)</b>

65. Without further mitigating actions the general fund reserve will be below the minimum level of £12.000m 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

66. 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 £7.200m from business rates grant.
67. 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.

## Implications

68. This report informs Members' decision making.

## Overview & Scrutiny Engagement

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

### **Safeguarding Implications**

70. 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**

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

### **Procurement Implications**

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

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

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

### **Environmental and Climate Change Considerations**

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

### **Risks Assessment**

75. 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**

76. This is the subject of the report.

### **Legal Implications**

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

### **Proposals**

78. Cabinet is asked to note the outcome of the period 9 (end of December) budget monitoring and to approve all revenue budget amendments outlined in the report in appendix B.
79. Cabinet is asked to reinforce the need for expenditure to be contained within the budget agreed in February 2018.



80. To note the budget movements undertaken to the capital programme shown in appendices E and F and to also note the reprogramming of £5.227m capital budget between 2018/19 and 2019/20.

### **Reasons for Proposals**

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

### **Background Papers and Consultation**

None

#### **Contact Name:**

Becky Hellard, Interim Director – Finance and Procurement,  
[becky.hellard@wiltshire.gov.uk](mailto:becky.hellard@wiltshire.gov.uk)

Report Author: Matthew Tiller, Chief Accountant

#### **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: Forecast Variance Movements

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

Appendix F: Delegated authority for budget movements