

**WILTSHIRE COUNCIL
CABINET**

26 JANUARY 2010

REVENUE BUDGET MONITORING: APRIL TO NOVEMBER 2009

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

Executive Summary

The delivery of Departmental Action Plans, have managed the previously reported financial pressures of £1.539 million down to £1.484 million. As reported Action Plans are either in place or being developed to manage the £1.484 million of pressures.

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

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Purpose of Report

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

Background

2. Budget action plans have been produced 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 £1.539 million down to £1.484 million. The detailed revenue budget monitoring statement is attached at Appendix 1. Departmental Action Plans to manage the £1.484 million are shown in Appendix 2.

Department of Transport, Environment and Leisure

3. Last month, financial pressures of £230,000 were reported. It is now projected that the outturn will be in line with the budget. Although no further Action Plan is required at this stage the budget is being closely monitored. A particular issue is the cost of winter gritting. Currently it is forecast that this work will be managed within budget.

Department of Economic Development, Planning & Housing

4. Last month, the Department forecast an underspend of £35,000 as a result of the delivery of the Action Plan and an improved position with regard to income forecasts. This month the Department is still projecting an underspend of £35,000. Although no further Action Plan is necessary at this stage, the budget will continue to be closely monitored.

Department of Community Services

5. The department is continuing to implement the previously reported Action Plan to manage financial pressures of £0.475 million. The action plan is detailed in Appendix 2.

6. In addition, as a result of the demand led nature of the Adult Social Care budgets such as Services for Older People, which can be under increasing pressure particularly at this time of year, a thorough review has been undertaken to confirm the level of commitment associated with these budgets. This is reflected in the budget forecasts. This review has confirmed that there is evidence to suggest that the demand for services has grown and as a result, the service continues to face budget pressures. As a result, the department has taken further management action to control these pressures.

Department of Children and Education

7. Last month, actions had been put in place to manage financial pressures of £1.259 million down to £374,000. This month the outstanding financial pressures have increased by £276,000 to £651,000. This increase is mainly as a result of new pressures within the external placement budgets for Looked After Children. This is as a result of the placement of Young People that could not be anticipated. For instance, unaccompanied asylum seekers and movements from other local authorities. In terms of the latter appropriate challenges are made to minimise costs. Work is in hand to identify necessary actions to manage the financial pressures of £651,000.

Department of Resources

8. The previously reported financial pressures of £500,000 have now been managed down to £393,000. Ongoing actions to address this are shown in Appendix 2.
9. Specific financial pressures which are partly offset by underspends in other budgetary areas include Policy and Communication (£123,000) as a result of a decline in Research income, and Shared Services and Customer Care (£455,000) mainly due to SAP Support Centre (£300,000) and higher than expected Coroner's costs (£125,000).
10. Logistical delays in centralising communication budgets and Design and Print budgets have meant that total savings of £400,000 have not been realised during the 2009-10 financial year. This issue is being addressed corporately and will be closely monitored.

Main Considerations for the Council

11. To note the current budget monitoring report.

Environmental Impact of the Proposal

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

Equality and Diversity Impact of the Proposal

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

Legal Implications

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

Risk Assessment

15. SAP provides the Council's new financial management system. Work is progressing in terms of confirming the integrity of SAPs 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

16. Previously, financial pressures of £1.539 million were reported. Actions already taken have reduced these pressures down to £1.484 million. Actions are in place to address these residual pressures. In the case of the Department of Children and Education, actions are still being developed to address £651,000 of pressures.

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.