

## Wiltshire Council

### Cabinet

23 July 2019

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Subject: **Budget Monitoring, Performance & Risk Management  
2019/20 Quarter 1 (30 June 2019)**

Cabinet Member: **Cllr Philip Whitehead – Leader of Wiltshire Council and  
Cabinet member for Finance, Procurement and Economic  
Development**

Key Decision: **Non Key**

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#### **Executive Summary**

This report brings together, for the first time, regular reports on Budget Monitoring, Performance & Risk Management. The aim is to combine key information to give a complete picture of performance, both financial and non-financial, in regular reports which highlights the main area for consideration in a clearer format.

This report advises members of the Budget Monitoring, Performance & Risk Management as at the end of Quarter 1 (as at 30 June 2019) for the financial year 2019/20. Highlighting recommended actions as appropriate.

#### **Budget Monitoring**

The forecasts indicate a general fund variance, if no further action is taken, of £0.500 million. This is 0.2% of the Council's net budget.

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. 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 forecast 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 £3.000 million overspend.

This report also details changes to the capital budget made since the 2019/20 budget was set on 20 February 2019 and reflects the forecast year end position of the 2019/20 capital spend against budget as at Quarter 1 (as at 30 June 2019).

#### **Performance**

Due to the timing of the report not all indicators from the Corporate Performance Framework are available to be included. This is because the time required to record work done, extract data from recording systems, validate that data and report it correctly is, in many cases, weeks rather than days. In addition, a number of the Council's chosen indicators require input from partner organisations who are not ready

to report to the council at this time. Available indicators have been included when they relate to the financial information being reported.

### **Risk Management**

The Council's Strategic Risk Register for Quarter 1 (appendix G) contains 12 significant service and composite corporate risks. Four of those risks have a high inherent rating. Most of the risks on the strategic register remain as they were in quarter four. The risk around cyber security has been redefined to be more specific to Wiltshire Council's situation and moved from the *National Risk* section (reported once a year) to become a *Critical Service risk*.

### **Proposal**

Cabinet is asked to note:

- a) the General Fund quarter 1 projected year end outturn is an overspend of £0.500 million, before management action are made
- b) an HRA quarter 1 projected year end outturn is online
- c) the 2019/20 capital programme as at quarter 1 (30 June 2019) has a spend of 13.602 million
- d) outturns against the selected performance measures in relation to the Council's Business Plan
- e) the scoring and commentary on the Strategic Risk Register (appendix G).

Cabinet are asked to approve:

- f) the budget virements in the revenue budget and capital programme, per appendices C & F.
- g) approve delegation of budget virement approval to the cabinet member for finance, procurement, ICT & operational assets
- h) approve giving delegated authority to the Director of Communities and Neighbourhood to vire budget from Future Developments to individual projects within the Health & Wellbeing Centres Live Schemes budget in the Capital Programme upon completion of a full business case, in consultation with the cabinet member for Communities and Neighbourhood and the Directors for Legal and Democratic Services and Finance.

### **Reason for Proposal**

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

To inform Cabinet of the position of the 2019/20 budget as at Quarter 1 (30 June 2019), including highlighting any budget changes.

To inform Cabinet on Performance and Risk in the context of the financial position in relation to the Council's stated aims in its Business Plan.

**Dr Carlton Brand, Alistair Cunningham OBE and Terence Herbert – Executive Directors**

## **Wiltshire Council**

### **Cabinet**

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Key Decision: **Non Key**

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### **Purpose of Report**

1. To advise Members of the Budget Monitoring, Performance & Risk Management position 2019/20 Quarter 1 (30 June 2019) for the financial year 2019/20 with suggested actions as appropriate.
2. To inform Cabinet on the position of the 2019/20 revenue and capital budgets as at quarter 1 (30 June 2019), including highlighting any budget changes.
3. To provide an update on the progress against the stated aims in the Council's Business Plan to include measures from the corporate performance framework as well as the latest version of the Council's strategic risk register as at the end of June 2019.

### **REVENUE BUDGET BACKGROUND**

4. The Council approved the 2019/20 budget at its meeting on 26 February 2019 for the sum of £332.377 million. The report focuses on forecast exceptions to meeting the approved budget. Comprehensive appendices showing the individual service headings are included in Appendix A. More details on any revisions to the original base budgets in year are also included in the report.

## Revenue Summary

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

Summary Position	2019/20 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance
	£ m	£ m	£ m	£ m	£ m
<b>General Fund Total</b>	332.377	88.278	102.929	332.877	0.500
<b>Dedicated Schools Grant (DSG) *</b>	183.655	45.914	46.664	186.655	3.000
<b>Housing Revenue Account</b>	0.000	(3.088)	(4.102)	0.000	0.000

\*High Needs Block

6. This projected position is the current projected outturn position after any current approved recovery actions have been actioned.
7. The figures in the appendix A have been recast to reflect the changes from the recent management restructure. Additionally, there have been a number of budget movements during 2019/20. 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 B. The overall net budget remains the same as agreed by Full Council in February 2018.
8. In accordance with the scheme of delegation those budget transfers amounting to more than £0.250 million need to be reported to Members. Details are included in appendix C.

## Virement Authorisation Limits

9. Full Council, on the recommendation of the Cabinet has set limits for virement within the financial regulations.
10. The following delegation of authority applies to approval of virements:
- Up to £50,000 Directors, in consultation with relevant Executive Director and Cabinet Member
  - Above £50,000 and up to £250,000 Executive Directors, in consultation with the Chief Finance Officer and Cabinet

c) Above £250,000 plus Cabinet

11. In the past, Cabinet have retrospectively authorised virement at the end of the quarter where changes have been requested, as included in appendix C of this report.
12. In order to ensure that decision making is made up front, it is recommended that all virements requested will be approved before they are actioned.
13. It is proposed that a monthly reports are sent to the Cabinet for approval of virement before they are posted. It is recommended that the cabinet delegates the approvals to the Cabinet Member for finance, procurement, ICT & operational assets. All virement will still be reported to cabinet quarterly as part of this report.

## REVENUE BUDGETS

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

Summary Position	2019/20 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance
	£ m	£ m	£ m	£ m	£ m
Adult Care, Public Health & Digital	154.926	41.179	41.167	154.926	0.000
Children & Education Service	81.061	35.295	49.254	81.061	0.000
Growth, Investment & Place Service	102.240	16.185	14.622	105.140	2.900
Corporate	(5.850)	(4.381)	(2.114)	(8.250)	(2.400)
<b>General Fund Total</b>	<b>332.377</b>	<b>88.278</b>	<b>102.929</b>	<b>332.877</b>	<b>0.500</b>

15. The corporate composite risk around budget management remains at a medium level. Details on variations are set out below. The corporate regime of monitoring reporting and assessing budgets by the Corporate Leadership Team on a monthly basis means that the likelihood of these risks becoming an issue has been reduced.

## General Fund Monitoring Details

16. Overall the quarter 1 report identifies potential net year end forecast overspend of £0.500 million. Below are the details of the services and comments on the main forecast variances.

17. As it is early in the financial year, overall a significant proportion of service expenditure is in line with budget profiles and forecasts. 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 AND DIGITAL SERVICE

Summary Position	2019/20 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance
	£ m	£ m	£ m	£ m	£ m
Adults 18+	48.792	12.903	12.692	48.792	0.000
Mental Health	18.280	5.050	4.385	18.280	0.000
Learning Disabilities	51.091	12.458	13.002	51.091	0.000
Adults Commissioning	22.809	5.279	3.008	22.809	0.000
<b>Total Adults</b>	<b>140.972</b>	<b>35.690</b>	<b>33.087</b>	<b>140.972</b>	<b>0.000</b>
Public Health	1.436	0.407	(0.533)	1.436	0.000
Information Services	8.791	4.297	7.178	8.791	0.000
Legal & Democratic	3.727	0.785	1.435	3.727	0.000
<b>Adult Care, Public Health &amp; Digital Service Total</b>	<b>154.926</b>	<b>41.179</b>	<b>41.167</b>	<b>154.926</b>	<b>0.000</b>

#### Adult Social Care

18. Adult Social Care budgets are projecting a net on line forecast for 2019/20.

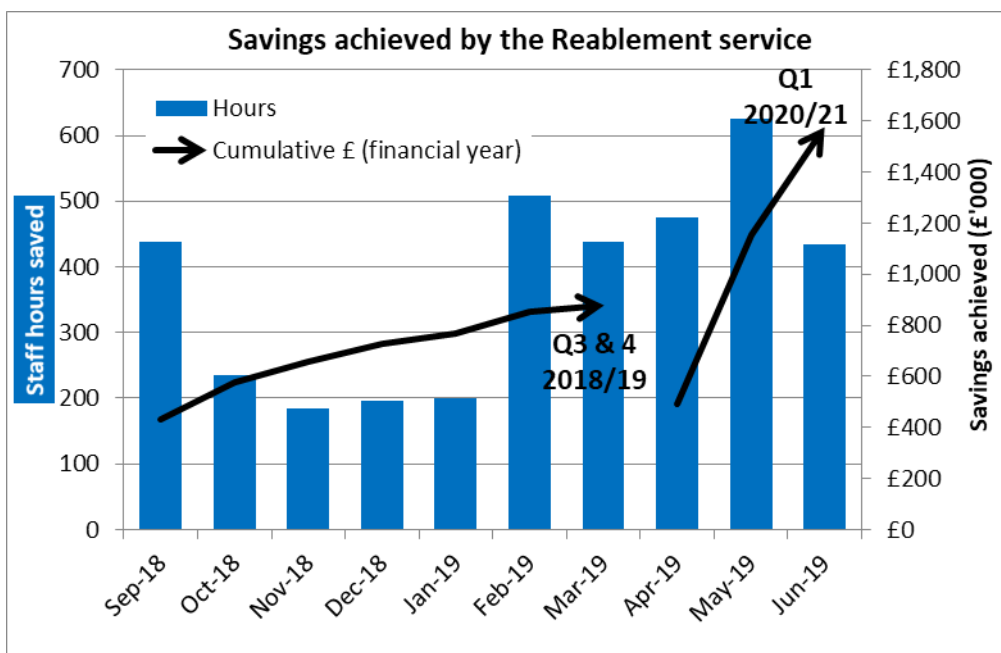
19. Adult Social Care budgets are projecting to achieve a balanced budget position by year end for 2019/20. However, there are additional budget pressures of £0.610 million, if no management action is taken, as described in the below table:

Service Area	Variance Risk Q1 £m
18+ Service	0.838
Mental Health	(0.457)
Learning Disabilities	0.627
Commissioning	£0.398)
<b>TOTAL</b>	<b>0.610</b>

20. The 18+ Service – risk of additional budget pressures of £0.838 million

- a. Although the Reablement in-house service is achieving its savings target of £2.350 million (of which £1.573 million has been achieved to date), there has been an increase of 23 residential spot purchases since budget setting which equates to 7.69%. The demographic growth projected (as per ONS) was 4.5%.

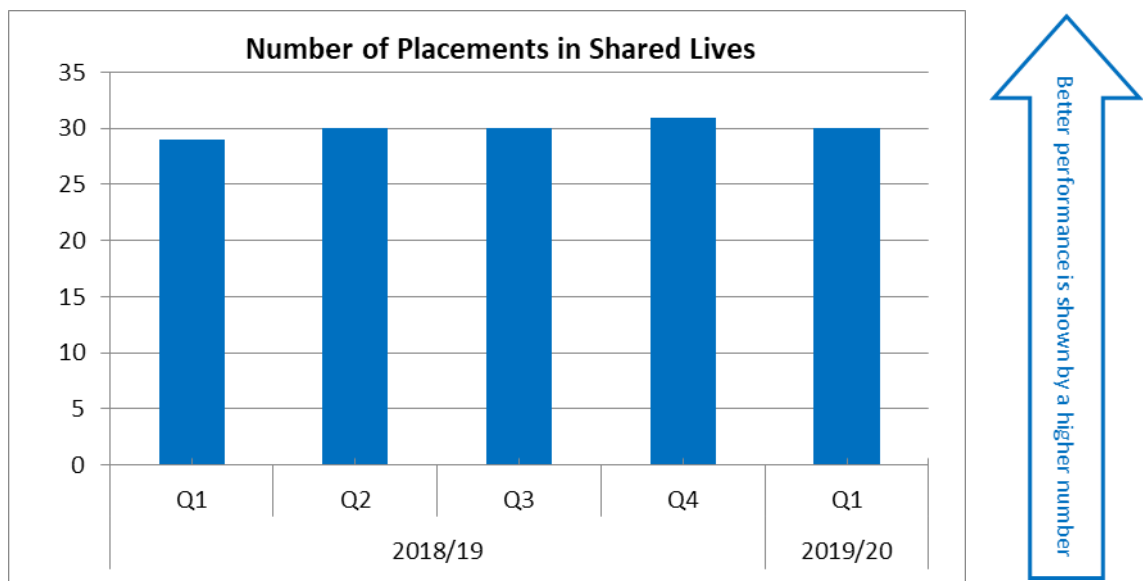
21. Wiltshire Council aims to provide care as close to home as possible for its customers. Wiltshire Council's in-house Reablement service became operational in September 2018. Reablement is a short-term intervention in a person's own home designed to maximise independence and reduce the need for long term and ongoing care. In the second half of the last financial year the Reablement service avoided the need for over 2,000 hours of care; over 1,500 hours have been saved in the first three months of the current financial year.





22. Mental Health, current trends suggest that they will underspend, however this is after taking into account two savings targets which are still to be achieved:
- i. Shared Lives - £0.135 million savings target; and
  - ii. Service Redesign - £0.232 million
- b. Work is ongoing to achieve these targets.

23. The Shared Lives Service provides accommodation, care and support to people unable to live independently. The service is provided in the home of approved Shared Lives carers, where people are helped with their everyday needs - from guidance, reminders or prompts to help with everyday tasks, personal care and accessing health services. The number of Shared Lives Placements has remained consistent over the last 12 months.

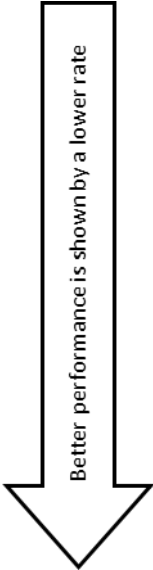
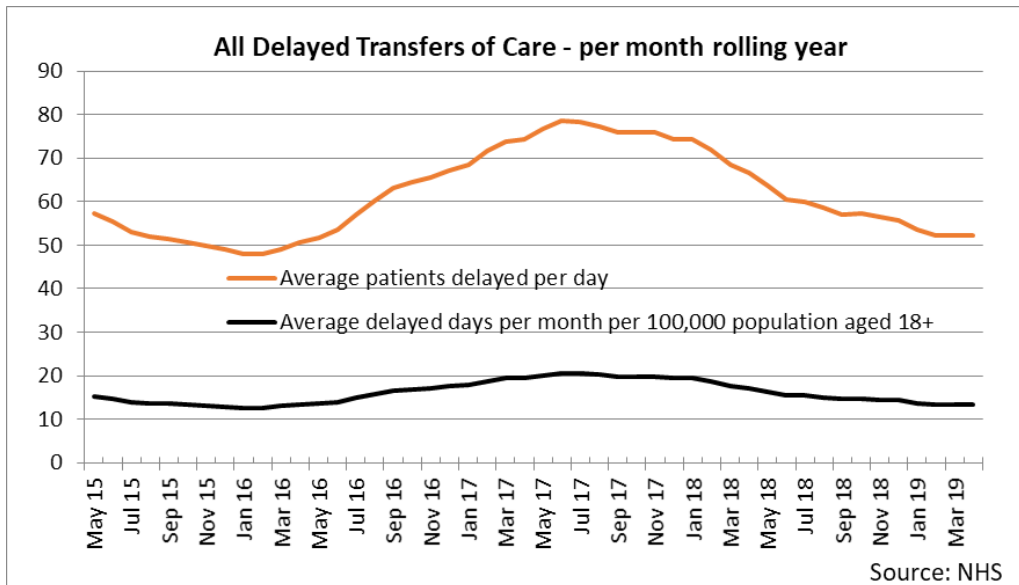


24. Learning Disabilities - risk of additional budget pressures of £0.627 million. This is mainly in the in-house provider service which provides day care and respite. These services are currently being restructured and it is projected that once this has taken place the service will have a breakeven position by year end.

25. Commissioning is currently working towards an underspend of £0.398 million, which relates to the contracts with the OSJ for residential and nursing beds.

26. The main underlying pressure across Adult Social Care relates to placements and the increase in both activity and unit cost.

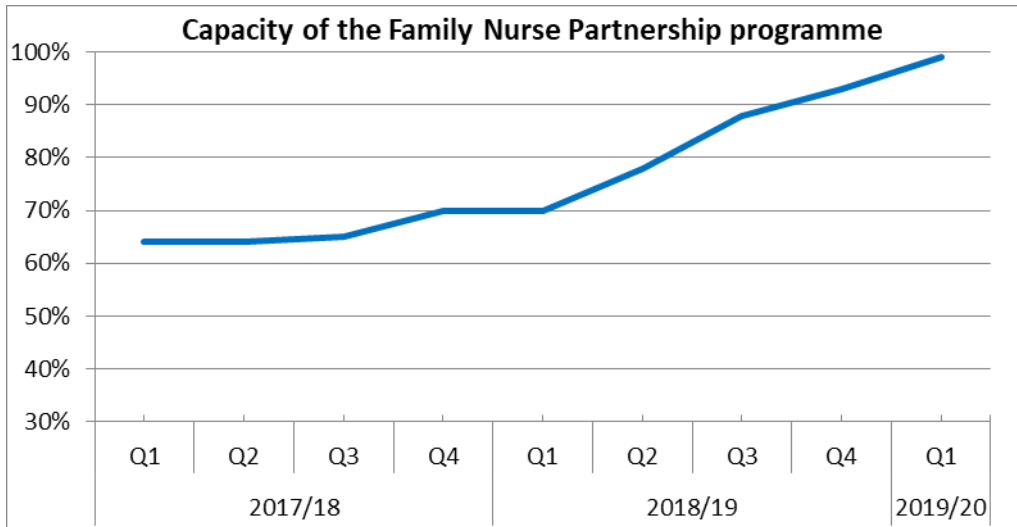
27. Wiltshire Council monitors performance in the delayed transfer of care (DTOC); when a patient is ready to leave hospital but is unable to do so because of a lack of appropriate health or social care. The most recent data available (for April 2019) shows an increase of 49 delayed days (3.3%) on the March figure although a reduction of 2.0% for days delayed by social care. Despite this overall increase in the month the rolling year average rate (per 100,000 of the population) shows a decrease of 21.6% in the 12 months to April 2019; part of a longer-term positive trend over 18 months.



28. The significant service risk around safeguarding adults remains at a medium level. The introduction of the Adult Multi-agency Safeguarding Hub (MASH) last year with a formal launch in May 2019 has meant that all planned mitigation is in place and well maintained. The high impact of any safeguarding issues means that reducing the risk score further is difficult if not impossible. It's therefore recommended that this risk is tolerated and monitored at the current level which is within the Council's agreed risk appetite.

## Public Health

29. Wiltshire Council's public health service coordinates and promotes a number of specific services that aim to promote the health and welling of individuals and whole communities. One such service is the Family Nurse Partnership (FNP) which works with parents aged 24 and under, partnering them with a specially trained family nurse who visits them regularly, from early pregnancy until their child is two. Over the last two years the commissioners of the service have worked hard to improve notifications from the maternity service. The providers of also helped to improve the take up rate of those eligible for the service. As a result, the FNP programme in Wiltshire is now at 99% capacity.



30. The corporate composite risk around health, safety and wellbeing is maintained at the low level that it has been at for the last year. New actions including the introduction of a staff wellbeing platform and a lone working audit help to ensure the component risks across the council are well managed.

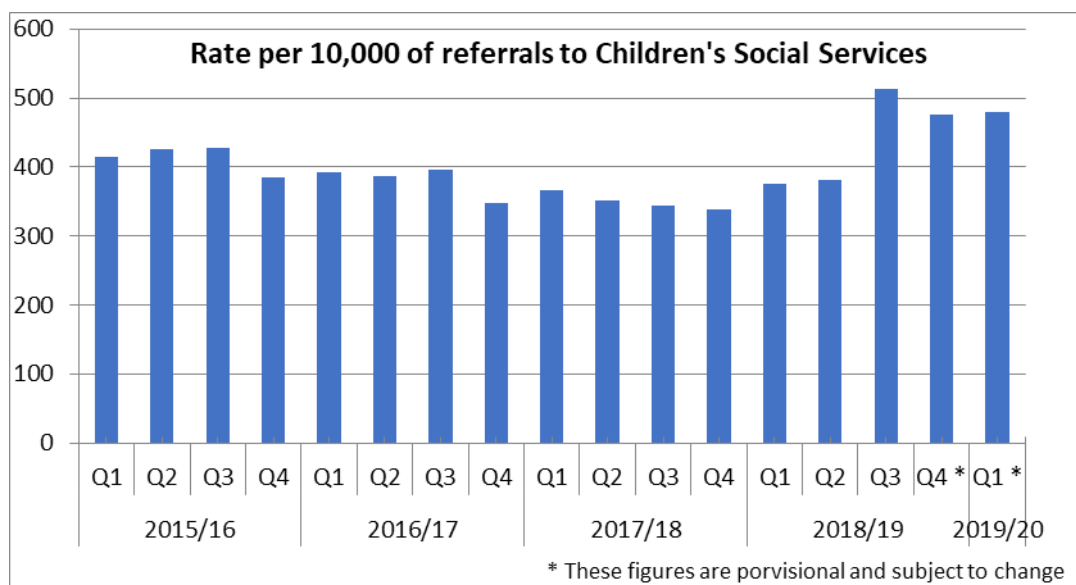
## CHILDREN & EDUCATION, COMMUNITIES & COMMUNICATION AND HUMAN RESOURCES SERVICES

Summary Position	2019/20 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance
	£ m	£ m	£ m	£ m	£ m
Childrens Commissioning	5.554	8.912	7.054	5.554	0.000
Childrens Social Care	42.281	9.789	12.165	42.281	0.000
0-25 Service: Disabled Children & Adults	20.127	12.937	14.527	20.127	0.000
School Effectiveness	3.801	2.124	1.490	3.801	0.000
Funding Schools	0.000	(0.270)	10.615	0.000	0.000
<b>Children &amp; Education Totals</b>	<b>71.763</b>	<b>33.492</b>	<b>45.851</b>	<b>71.763</b>	<b>0.000</b>
Corporate Services	4.916	0.498	1.906	4.916	0.000
Communications	1.189	0.307	0.420	1.189	0.000
Human Resources & Org Development	3.193	0.998	1.077	3.193	0.000
<b>Children &amp; Education Service Totals</b>	<b>81.061</b>	<b>35.295</b>	<b>49.254</b>	<b>81.061</b>	<b>0.000</b>

### Children & Young People with Social Care Needs

31. The looked after children external placement budget is forecasting additional budget pressure of £1.189 million overspend. On top of this, we use the previous year's trend data to estimate the likely additional activity and cost to 31 March 2020 which is £0.383 million. This is forecasting additional budget pressure of £1.572 million. This is offset by underspends in the in-house foster care and special guardianship orders budgets. At this early stage in the year, it is anticipated this position will be pulled back to an overall nil variance through the Placement budget monitoring project and FACT workstreams.
32. Provisional figures suggest that the number of referrals being made into Children's Services is above the expected level in the last three quarters. The cause is the introduction of a new case management system in November 2018 resulting in duplication of referrals during data migration and changes in workflows – system causes rather than a real increase in demand. Over the next 12 months it is

expected that the referral rate will settle as the new case management system becomes embedded. Over the long-term referral rates have remained within target range and Wiltshire continues to perform well against national averages and similar authorities.



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

33. There is a budget pressure in the SEND placement budget - around transitions cases and the budget savings target – which, has now been reallocated on a 50/50 basis with Adult Social Care and Health. This reflects that there is the opportunity to save across SEND and Adult Social Care and Health where two new transitions workers are based and working on this agenda.

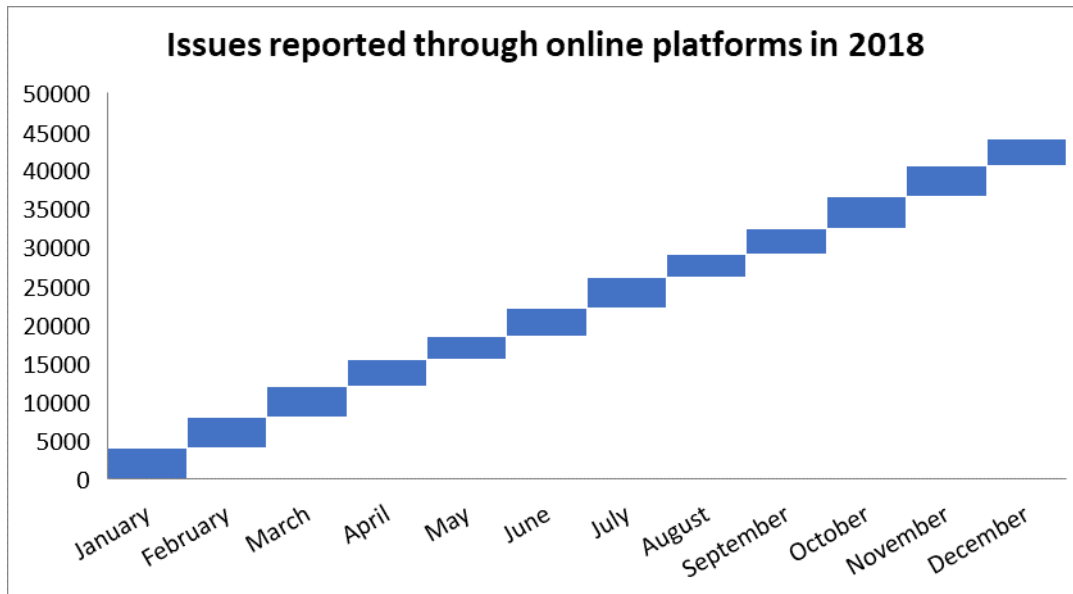
### School Effectiveness

34. School effectiveness is forecasting a balanced year end position.

### Corporate Services & Digital

35. Corporate Services & Digital is forecasting a balanced year end position.

36. The council-wide digital programme is helping to deliver the Council’s strategic aim of becoming an innovative and effective organisation. There were nearly 50,000 reports through the MyWiltshire App and web platform in 2018. Work to roll out a new platform and App is ongoing. For highways issues users will be able to report issues such as fallen trees and potholes using a map. There are three benefits of this new process. First it will be simpler experience for users; second, the user will be able to see if the issue has already been reported; third, users will be directed to the relevant authority if it’s not an issue that Wiltshire Highways can deal with. It is estimated eliminating reports of incidents that are not the responsibility of Wiltshire Council and duplicate reports will save 224 hours of processing time in a 12-month period.



37. Work is being undertaken to improve the Council's Cyber Resilience. As a result, the national level risk has been reviewed and redefined as a critical service risk. In addition to the loss of personal data this risk now considers the possibility of losing access to systems and being unable to provide services. Therefore, the risk is now scored as high and is outside the Council's risk appetite for service delivery risks. Planned mitigation is to put in place a whole-council action plan and to provide disaster recovery and contingency planning. This new action plan is not yet in place but is being discussed with the Extended Leadership Team.
38. The corporate composite risk around information governance remains low and well managed by the Information Governance team who have introduced a full reporting process.
39. The uncertainty surrounding the United Kingdom's departure from the European Union remains just as it did in the previous quarter. The corporate composite risk takes into account the contingency planning required and progress in mitigating the risk remains good.

## GROWTH, INVESTMENT & PLACE SERVICE

Summary Position	2019/20 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance
	£ m	£ m	£ m	£ m	£ m
Economic Development & Planning	2.382	0.462	0.424	2.382	0.000
Highways	19.356	4.198	4.620	19.356	0.000
Car Parking	(6.813)	(1.183)	(1.435)	(6.813)	0.000
Waste & Environment	41.454	2.349	(4.425)	43.854	2.400
Housing Services	4.057	1.185	2.315	4.057	0.000
Strategic Asset & Facilities Management	12.051	1.948	(0.413)	12.051	0.000
Libraries, Heritage & Arts	5.450	1.234	1.483	5.950	0.500
Leisure	(0.164)	0.010	0.338	(0.164)	0.000
Transport	17.580	3.231	2.432	17.580	0.000
Public Protection	0.547	0.029	(0.339)	0.547	0.000
Finance & Procurement	7.040	2.607	2.884	7.040	0.000
Revenues & Benefits - Subsidy	(0.700)	0.115	6.738	(0.700)	0.000
<b>Growth, Investment &amp; Place Service Totals</b>	<b>102.240</b>	<b>16.185</b>	<b>14.622</b>	<b>105.140</b>	<b>2.900</b>

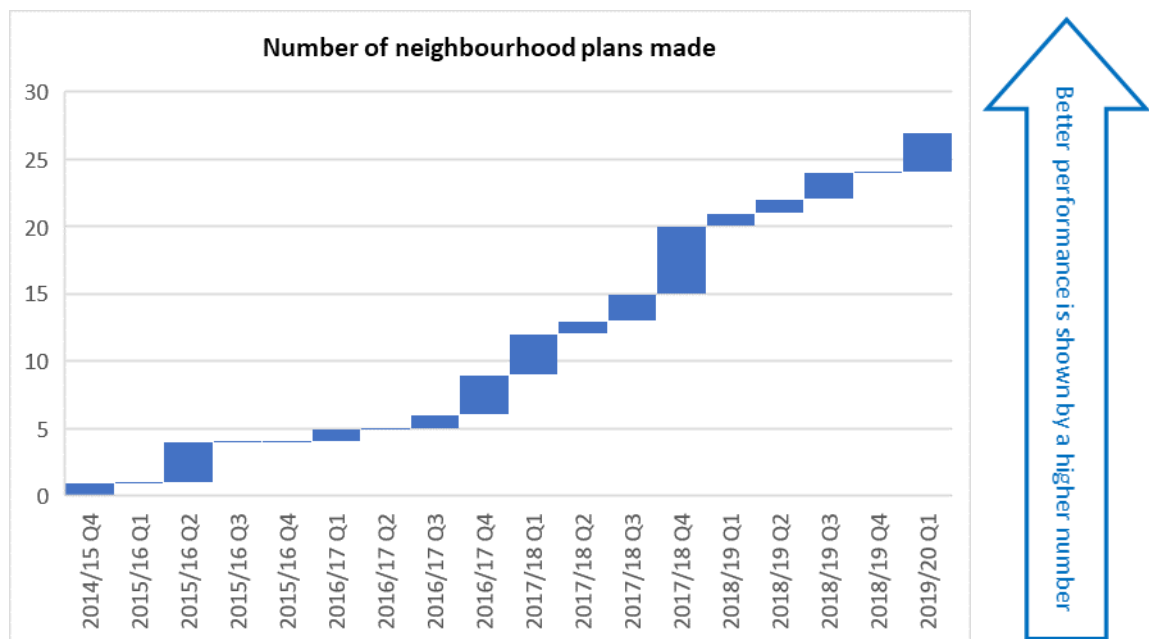
### Economic Development & Planning

40. Economic Development & Planning are forecasting online at this stage; however, the budget carries significant risk as Income Budget totals £7.186 million across Development Management, Building Control and Land Charges.

41. Income budgets were underachieved by £0.871 million in 2018/2019 with major planning applications down by 22% in 2018/19, 158 major applications in 2018 compared to 202 in 2017 (period April to March). Applications have not been this

low since 2013/14. The first quarter of 2019/2020 is also showing underachievement so will need to be closely monitored but it would be unrealistic to provide a forecast at this stage. It is thought that this reduction is in partly down to the uncertainties of Brexit with Developers delaying and shying away from major applications.

42. Ensuring the right development is enabled in the right place is an aim of Wiltshire Council’s Business Plan. One way in which this is supported is by enabling Neighbourhood Plans which allow communities to have much greater control over how their area is developed. Over all Wiltshire now has 28 plans in place. Three were enabled during the first quarter of this financial year. They were Oaksey in April, Sherston in May and West Lavington in June.

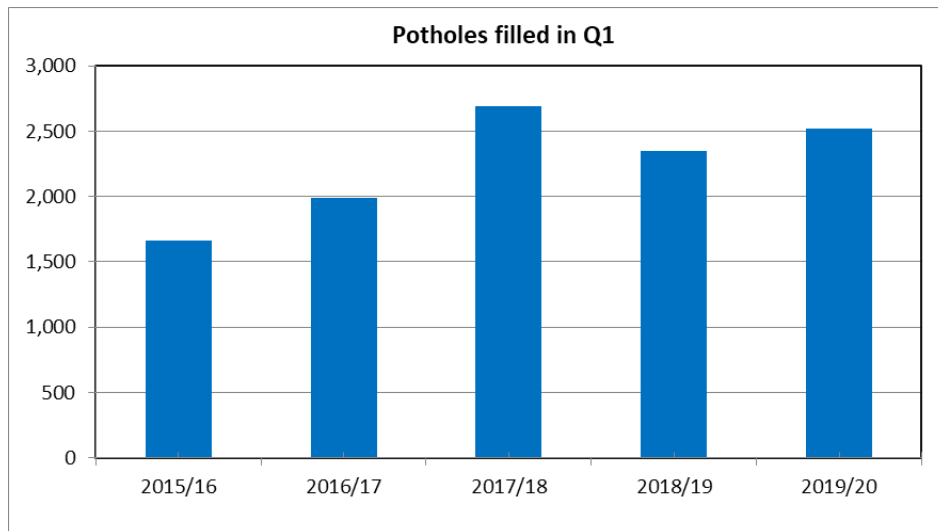


### Highways & Transport

43. Highways is forecasting a balanced year end position.

44. Improving the County’s strategic infrastructure is an expressed goal in the Council’s Business Plan. In order to keep the county moving the Highways department and teams deal with thousands of road repairs every year. In quarter one of 2019/20 31.5km of roads were repaired and over 2,500 potholes were filled.

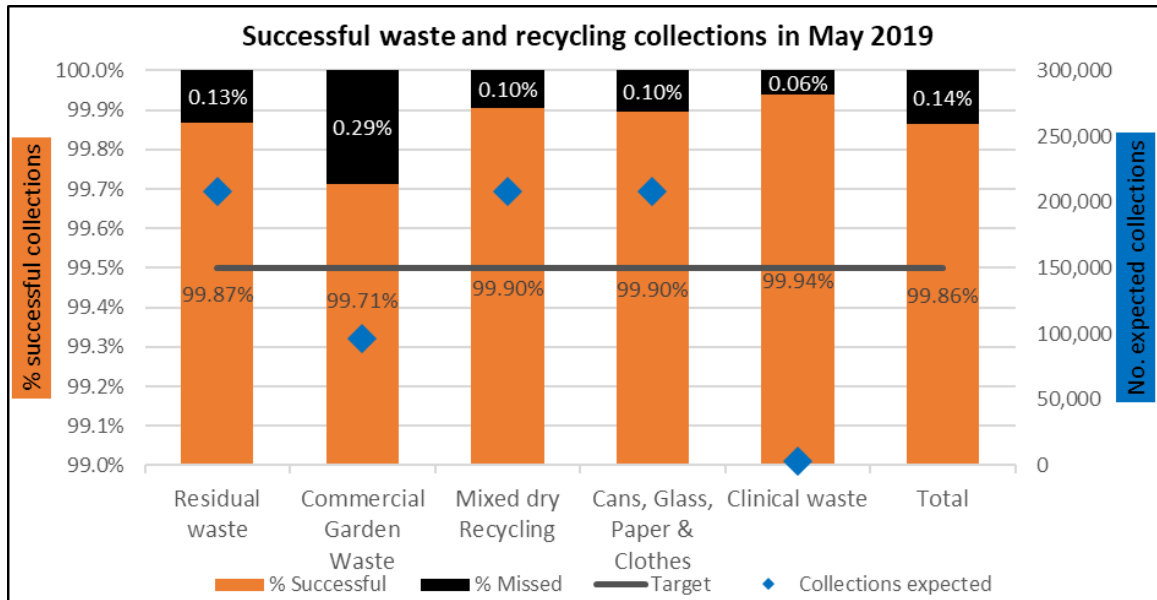




## Waste & Environment

45. The tendered solution for collection of waste and recycling (Lot 5) and the management of dry recyclable material (Lot 1) could not be delivered as originally intended due to significant delay in the council's contractor Hills obtaining planning permission for a new Materials Recovery Facility (MRF) and depot.
46. An interim service change was put in place to enable the collection and recycling of additional plastic materials and cartons from the blue lidded bin. Because the tendered solution could not be implemented, additional vehicles and additional staff were required as the collection of dry recyclable materials continued to be based on separate collection of materials from the black box and the blue lidded bin.
47. The 2019/2020 budget was based on the interim service being in place for 2 months, April and May 2019, and the tendered solution becoming operational from June 2019.
48. The programme has slipped due to difficulties finalising the contract changes and payment arrangements for the Lot 1 MRF equipment and agreeing the parameters for the new rounds design to ensure that the contractor can deliver in accordance with the original tendered solution.
49. The MRF and rounds design are now forecast to be fully operational from February 2020, this will mean that the interim service will need to continue for 8 months more than budgeted. The interim service costs between £0.250 to £0.300 million more than budget per month, the variability is linked to income generation which is a shared risk between the council and the contractor. This is forecast to cost up to £2.400 million above budget in 2019/2020.
50. The other waste contracts and tonnage forecasts have been reviewed and overall are in line with budget setting forecasts.

51. The latest data available (for May 2019) shows that 99.86% of the more than 723,000 waste and recycling collections from households were made successfully. All categories of collection were above the 95% target in May. Reducing litter and improving recycling is a stated aim under goal of building community wellbeing in Wiltshire Council's Business Plan.



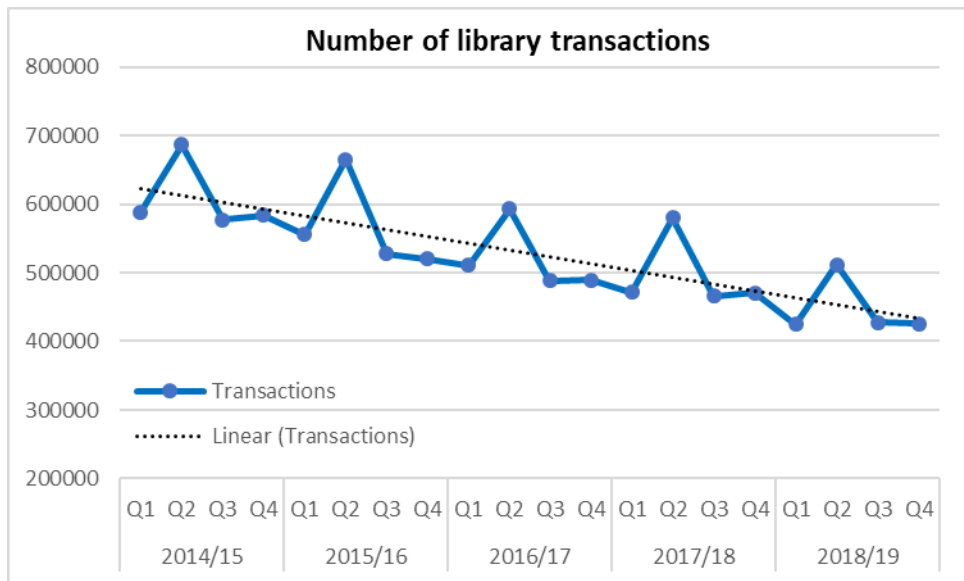
Better performance is shown by a higher rate

### Libraries, Heritage & Arts

52. Communities & Neighbourhood Services are reporting a £0.500 million pressure in relation to Library Services.

53. In 2018/19 a savings proposal was approved to review and devolve libraries to communities, increasing further volunteers and securing greater efficiencies in sites. To implement successfully this proposal requires a full review and may require Equality Impact Assessments and Consultation. In addition, the Library service Income budget has been declining, income is largely generated through DVD rentals and demand has been gradually decreasing in the last couple of years. The service is confident that overall the savings can be delivered but it does require a full and intelligent review that looks at each community area and its needs and secures the most appropriate and cost-effective delivery option for that area. This needs a realistic timeframe and cannot be done piecemeal in order to achieve the overall objective and deliver the full savings.

54. As library buildings get used for a more diverse range of activities traditional borrowing and hiring transactions are decreasing in number. The latest data (for the last financial year) shows a 10% reduction in transactions in the 12 months to April 2019 as part of a longer-term 27% decline in the last four years.

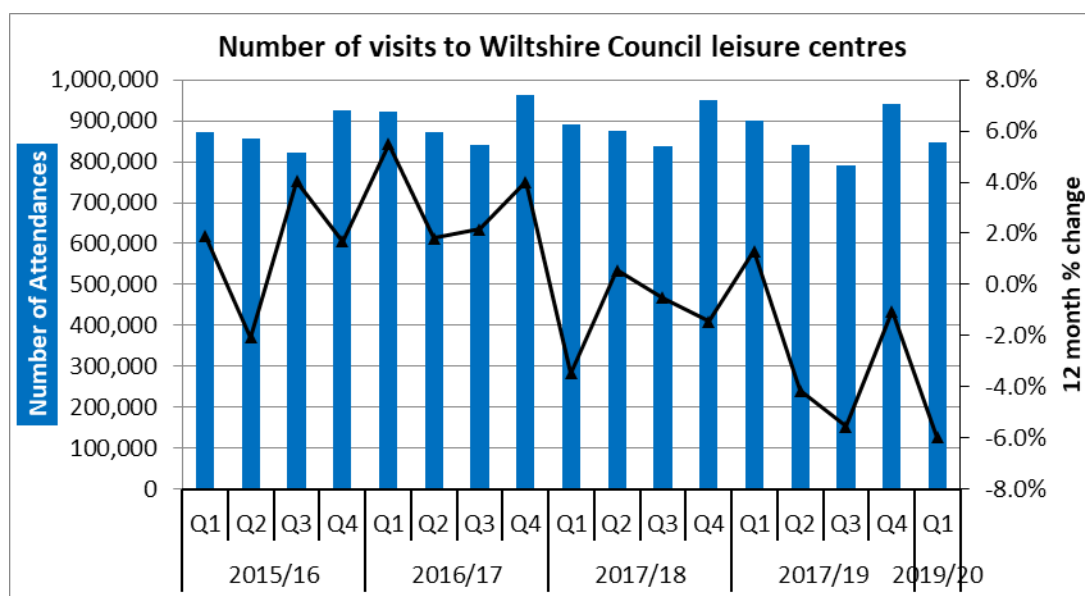


55. It should be recognised that as a service area Income budgets total £13.697 million and are subject to demand, the economy and to an extent the climate. The service continues to work towards these targets and manage any relating pressures, recognising that there are varying degrees of complexity. For example, included within Public Protection for 2019/20 is a target income budget to deliver a new service to provide environmental assessments in line with planning applications. This service is reliant on a buoyant planning environment and unfortunately since the proposal was put forward there has been a significant decline in the number of planning applications received, both in 2018/19 and the first part of 2019/20. Income budgets will continue to be monitored closely but it remains a risk for the service.

## Leisure

56. Leisure is forecasting a balanced year end position.

57. Wiltshire Council aims to provide opportunities for its residents to participate in physical activity through its leisure offer. Visits to Wiltshire Council leisure centres go through an annual cycle with the highest attendance figures in quarter four of each year (following the start of the new calendar year) and quarter three showing the lowest. A major part of the 6% decrease in visits to leisure centres between quarter one 2019/20 and the same period in the previous year is the closure of Christie Miller Sports Centre, Melksham, in October 2018. Despite the overall decrease there are some centres that have seen an increase in the number of visits. These include: Warminster Sports Centre, Amesbury Sports Centre and Durrington Pool.



## CORPORATE EXPENDITURE

Summary Position	2019/20 Budget	Profiled Budget to date	Actual to date	Projected Position for Year (before mitigation)	Projected Variance
	£ m	£ m	£ m	£ m	£ m
Corporate Directors	0.899	0.087	0.444	0.899	0.000
Members	2.230	0.537	0.538	2.230	0.000
Movement on Reserves	(2.297)	(1.636)	(1.701)	(2.297)	0.000
Capital Financing	17.414	2.339	2.671	16.914	(0.500)
Restructure & Contingency	2.545	0.490	0.479	2.545	0.000
General Government Grants	(33.166)	(8.191)	(5.947)	(35.066)	(1.900)
Corporate Levies	6.525	1.993	1.402	6.525	0.000
<b>Corporate Totals</b>	<b>(5.850)</b>	<b>(4.381)</b>	<b>(2.114)</b>	<b>(8.250)</b>	<b>(2.400)</b>

### Capital Financing

58. This is the revenue costs of funding the capital programme. The capital programme was set at budget setting to ensure affordability and deliverability. This included estimates of requirements against large capital schemes in the future plan, such as special schools and the digital programme. These requirements are constantly reviewed. At present it is forecast that Capital Financing will be underspent by £0.500 million at the end of the financial year.

## **General Government Grants**

59. General Government Grants are forecasting to be £1.900 million higher than budget, in respect of business rates. The base is recalculated annually upon submission of the annual return to central government. This is calculated after budget setting is completed. This shows additional £2.300 million grant will be received in 2019/20. Therefore a variance of £1.900 million is reported in this area, after a £0.400 million virement for unachieved cross cutting savings.

## **DEDICATED SCHOOLS GRANT**

60. The high needs block dedicated schools budgets are likely to significantly overspend to a level that is at least 18/19 levels (£3.000 million). This is because there has been no significant increase in national funding levels and no significant changes in policy, procedure or behaviour. The 19/20 solution is to continue with the partnership approach between schools and the local authority. The number of EHCPS at the time of setting the budget was 3,182, the current SEND FTE is 3,543 C&YP (11% increase.) There is much recovery activity in this area. ISOS consultants are working with colleagues from health, the local authority, schools and parents and their initial recommendations have been received, shared and action plans are being implemented. There will be a significant amount of work arising from the final report which will be presented to Schools Forum in October with the findings and detailed action plan. The SEN strategy group is underway and working towards Cabinet approval in February 2020. An external consultant is reviewing processes around transitions and panel arrangements as part of the Families and Children's Transformation – Whole Life Pathway workstream. Wiltshire's involvement in national lobbying consultation and research to evidence the underfunding issue continues.

## **HOUSING REVENUE ACCOUNT SUMMARY**

61. The Housing Revenue Account is forecasting an on line at the year end.

## **SAVINGS DELIVERY PERFORMANCE**

62. The Council has a savings requirement of £27.290 million within its 2019/20 budget which were approved by Council. The deliverability of these proposals are closely monitored and reported to CLT on a regular basis.
63. The quarter 1 assessment on the deliverability of the savings is summarised below. Overall a shortfall of £0.381 million is forecast, for which mitigation plans will be put in place. This is included in the General Fund figures set out in this report.

<b>RAG analysis by Directorate</b>	<b>Saving Target</b>	<b>Green</b>	<b>Amber</b>	<b>Red</b>	<b>Alternative Savings</b>
<b>Adult Care &amp; Public Health Service</b>	<b>(£ m)</b>	<b>(£ m)</b>	<b>(£ m)</b>	<b>(£ m)</b>	<b>(£m)</b>
Access & Reablement Learning Disabilities & Mental Health	(7.057)	(5.755)	(1.002)	(0.300)	(0.300)
Commissioning - Adults Public Health	(3.645)	(1.000)	(1.485)	(1.160)	(1.160)
Digital & Information	(4.031)	(3.065)	-	(0.966)	(0.966)
Legal & Electoral & Registration	(0.506)	(0.025)	(0.481)	-	-
<b>Children &amp; Education Service</b>	(0.716)	(0.451)	(0.265)	-	-
Commissioning - Children Family & Children Services	(0.291)	(0.025)	(0.266)	-	-
Education & Skills	(0.300)	(0.300)	-	-	-
Corporate Services	(2.796)	(1.195)	(1.183)	(0.418)	(0.070)
Human Resources & Org Development	(0.123)	(0.123)	-	-	-
<b>Growth, Investment &amp; Place Service</b>	(0.303)	(0.303)	-	-	-
Economic Development & Planning	(0.213)	(0.092)	(0.121)	-	-
Highways & Environment	(0.151)	(0.134)	(0.017)	-	-
Housing & Commercial Development	(1.195)	(0.962)	(0.200)	(0.033)	-
Communities & Neighbourhood	(0.788)	(0.662)	(0.090)	(0.036)	(0.036)
Finance	(0.932)	(0.647)	(0.262)	(0.023)	(0.023)
<b>Corporate</b>	(0.523)	(0.523)	-	-	-
Corporate Directors	-	-	-	-	-
Corporate	(0.150)	(0.150)	-	-	-
Cross Cutting	(3.300)	(0.650)	(2.150)	(0.500)	(0.500)
	<b>(27.020)</b>	<b>(16.062)</b>	<b>(7.522)</b>	<b>(3.436)</b>	<b>(3.055)</b>

<b>Red savings</b>	<b>(3.436)</b>
<b>Alternative Savings</b>	<b>(3.055)</b>

**Savings Unachievable in 2019/20** 0.381

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

64. Out of £27.020 million savings proposals £7.522 million are accessed as amber rated. This means that they are deemed to be deliverable in 2019/20, but with some risks associated with them.
65. £3.436 million 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 £3.055 million of alternative savings have been identified, some of which are one-off in nature, and these are included in the figures in this report. This leaves £0.381 million of savings for which further compensating savings are being identified at present.

### CAPITAL SUMMARY

66. The original budget for 2019/20 was approved by Council during budget setting on 5 February 2019. Since that date there have been a number of changes to the budget for 2019/20, largely due to reprogramming of budget from 2018/19 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 Quarter 1 Budget (as at 30 June 2019)

Summary of Movements in Capital Programme	£m	Further information
Original Capital Programme Budget (reported to Council 5 Feb 2019)	172.938	Appendix E
<b>Amendments to Capital Programme 2019/20 Since Original Budget Setting:</b>		
Budgets Reprogrammed from 2018/19 to 2019/20	39.667	Appendix E
Additional Budgets added to Programme	9.753	Appendix E & F
Grant Amendments	0.159	Appendix E
Reduced Budgets	(0.361)	Appendix E
Budgets Reprogrammed from 2019/20 to 2020/21	(5.171)	Appendix E & F
<b>Quarter 1 Budget 2019/20</b>	<b>216.985</b>	

67. 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 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.
68. The Health & Wellbeing Centres Live Schemes budget has been increased by £0.481 million. Cricklade Campus budget has been increased by £0.126 million of S106 contributions, increasing the total budget from £3.444 million to £3.570 million. It is necessary to utilise the S106 funds to fulfil the requirements at the centre, in particular the improvements to the fitness suite and purchase of equipment.
69. Calne Campus Budget has been increased by £0.355 million of S106 and Trust contributions, increasing the total budget from £3.392 million to £3.747 million. The preferred contractors estimate for the Calne Community Campus will enable all identified works to be carried out plus a basic redecoration of the first floor and full refurbishment of the upper floor. This work will provide the full removal of asbestos in this area, improvements to the café/bar, refurbished toilets and the creation of multi-purpose spaces that will improve the financial and operational aspects of the building and ensure a more aesthetically pleasing venue.
70. It is recommended (per proposal h) that the Director of Communities and Neighbourhood has the delegated authority to vire budget from Future Developments to individual projects upon completion of a full business case, in consultation with the cabinet member for Communities and Neighbourhood and the Directors for Legal and Democratic Services and Finance.
71. A new budget of £0.500 million for Community Projects for community led and run hub facilities around Wiltshire has been created by viring budget from Whole Life Building & Equipment Refresh and Waste (by bringing in S106 contributions).
72. The ICT Budget has been increased by £4.559 million in 2019/20 in line with the ICT And Digital Strategy paper that was approved at Full Council on the 30 April 2019. The budget is now presented by programmes as outlined in the strategy.
73. The budgets that have been reprogrammed into 2020/21 are shown in further detail in Appendices E and F.

### **Summary of Capital Position as at 30 June 2019**

74. The current budget for the year 2019/20 is £216.985 million. Actual spend on schemes as at 30 June 2019 was £13.602 million. A full breakdown of these figures is attached in Appendix E.



## **GROWTH, INVESTMENT & PLACE SERVICE**

75. The current budget is £143.678 million, actual spend on schemes as at 30 June 2019 was £6.526 million.
76. £20.448 million budget relates to Local Growth Fund Schemes which are funded by grant and profiled to spend in the last two quarters of the year. Actual spend as at 30 June 2019 was £0.847 million. Significant schemes are Chippenham Station Hub, A350 West Ashton/Yarnbrook and Maltings Salisbury. These are complex infrastructure and City centre regeneration schemes and are being done in conjunction with Developers and Partners.
77. Council House Build programme £9.554 million is progressing and is planned to deliver 49 new affordable homes, design process has started on 4 sites, other sites continue to work through feasibility and new options are also being explored.
78. £20 million budget relates to Commercial Housing Company and Commercial Investment. A separate paper will be presented to Cabinet with the Local Housing Company Business plan for approval so that this programme of work can commence. This is all profiled in the last two quarters of the year.
79. Highways budgets including Structural Maintenance, Bridges and the LED Street Lighting programme total £36.757 million, actual spend as at 30 June 2019 was £3.385 million. These programmes are on profile to spend full budget.
80. ICT Strategy budgets and Microsoft Cloud Navigator Digital programme total £25.305 million in 2019/20. The Digital Board are reviewing project plans and spend profiles to ensure deliverability.

## **CHILDREN & EDUCATION SERVICE**

81. The current budget is £71.700 million, actual spend on schemes as at 30 June 2019 was £7.063 million.
82. Health & Wellbeing Centres – Live Schemes 2019/20 budget is £22.501 million. £5.800 million of the budget is in relation to Calne and Cricklade. Tenders have been received back and evaluated, programmes are both anticipated to complete September 2020. £15.000 million of the budget relates to Melksham Campus, this needs to be re-profiled into future years in line with anticipated programme delivery and will be actioned once confirmed.
83. Basic Need Budget is £31.874 million and is funded by grant and S106, actual spend as at 30 June 2019 was £2.758 million. This budget meets the statutory obligation to meet the predicted school places by completing school extensions and expansions. The budget covers circa 28 projects at varying stages from design to build. Due to the number of projects and complexities with planning permissions and managing the changing need this budget can require re-profiling so requires careful monitoring but at this stage is reported online.

84. School Maintenance and Modernisation has a budget of £8.736 million and is funded by grant and S106, actual spend as at 30 June 2019 was £1.007 million. This covers planned school property maintenance and reactive maintenance when required for example boilers and roofs, work is undertaken around school holidays. This budget is forecast online.

## **ADULT CARE & PUBLIC HEALTH SERVICE**

85. The current budget is £0.816 million, actual spend as at 30 June 2019 was £0.013 million. Adults Transformation Phase 2 has been increased by £0.478 million flexible use of capital receipts.

## **RESERVES**

86. The table below provides the projected position for the year of the general fund balance held by the Council, as at Quarter 1

<b>General Fund Balance</b>	<b>£m</b>
Balance as at 1 April 2019	(15.100)
Projected overspend at Quarter 1	0.500
<b>Forecast Balance 31 March 2020</b>	<b>(14.600)</b>

87. It is expected that further mitigating actions will mean that there is no draw on reserves by the end of the financial year

## **Overall Conclusions**

88. The Council continues to rigorously monitor the budget. At Quarter 1, there are only 2 significant variances which have materialised, as set out in paras 40 and 47. Overall, the overall net forecast position is a £0.500 overspend, if no managerial action is taken.
89. 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**

90. This report informs Members' decision making.

## **Overview & Scrutiny Engagement**

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

## **Safeguarding Implications**

92. 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**

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

### **Procurement Implications**

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

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

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

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

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

### **Risks Assessment**

97. 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**

98. This is the subject of the report.

### **Legal Implications**

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

### **Proposals**

100. Cabinet is asked to note:

- a) the General Fund quarter 1 projected year end outturn is an overspend of £0.500 million, before management action are made
- b) an HRA quarter 1 projected year end outturn is online
- c) the 2019/20 capital programme as at quarter 1 (30 June 2019) has a spend of 13.602 million

- d) outturns against the selected performance measures in relation to the Council's Business Plan
- e) the scoring and commentary on the Strategic Risk Register.

Cabinet are asked to approve:

- f) the budget virements in the revenue budget and capital programme, per appendices C & F.
- g) approve delegation of budget virement approval to the cabinet member for finance, procurement, ICT & operational assets
- h) approve giving delegated authority to the Director of Communities and Neighbourhood to vire budget from Future Developments to individual projects within the Health & Wellbeing Centres Live Schemes budget in the Capital Programme upon completion of a full business case, in consultation with the cabinet member for Communities and Neighbourhood and the Directors for Legal and Democratic Services and Finance.

### **Reasons for Proposals**

101. 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)

Robin Townsend Director – Corporate Services

[robin.townsend@wiltshire.gov.uk](mailto:robin.townsend@wiltshire.gov.uk)

Report Authors: Matthew Tiller, Chief Accountant  
Toby Eliot, Corporate Support Manager

#### **Appendices:**

Appendix A: Revenue Budget Monitoring Statements

Appendix B: Revenue Budget Movements 2019/20

Appendix C: Major Virements between Service Areas from Original budget Revenue

Appendix E: 2019/20 Capital Programme Budget Movements and spend to June 2019

Appendix F: Delegated authority for budget movements

Appendix G: Strategic Risk Register for Q1 (April – June) 2019/20