

Wiltshire Council

Cabinet (full version of report)
14 June 2011

Children's Services Select Committee (edited version of report)
9 June 2011

Revenue Outturn 2010-2011

(N/B. This is an edited version of the full Budget report received by Cabinet on 14th June – this version contains only the information pertinent to DCE)

Purpose of Report

1. To advise Cabinet of the revenue outturn position for financial year 2010/2011.

Background

2. This report is set out in the format of the most recent budget monitoring report.

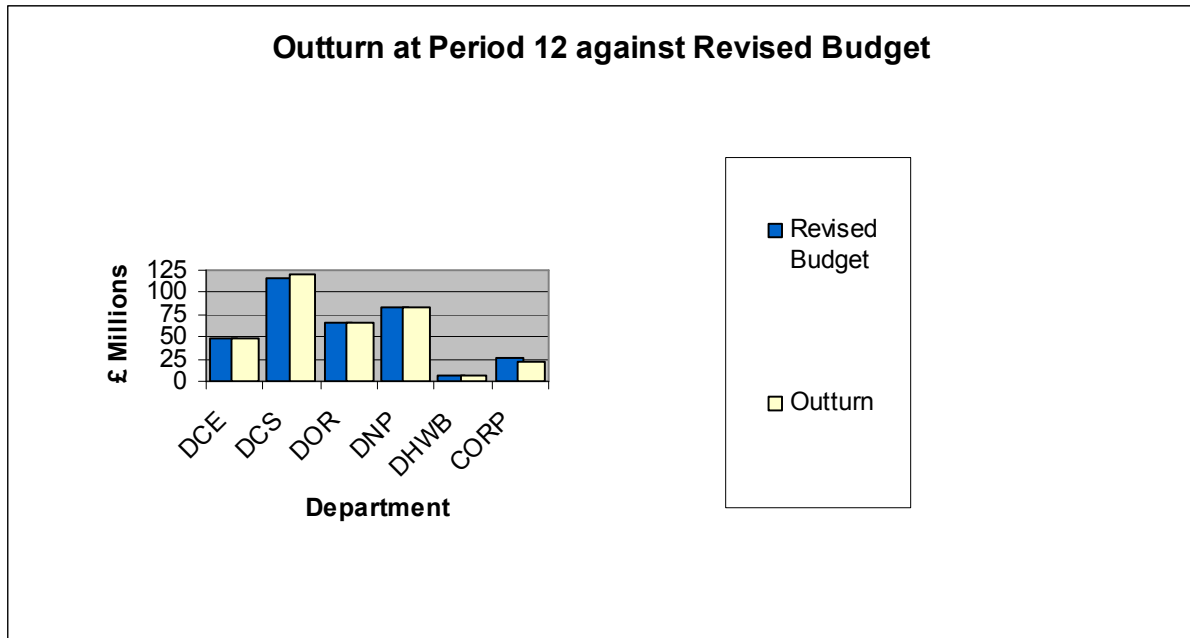
Summary

3. The projected year end position for the relevant account is as follows:

	Revised Budget £ m	Actual Outturn £ m	Under/ Overspend £ m	Movement from period 10 £ m
General Fund	346.321	345.588	0.733	(1.693)
HRA	(1.006)	(2.060)	(1.054)	(1.340)

4. The outturn for the General Fund shows a continued improvement from regular monitoring during the year.

5. The graph below shows the forecast outturn position against the revised annual budget for each department as at period 12. A full analysis is provided in Appendix 1.



6. The outturn position on the general fund is an underspend of £0.733 million. This represents an improvement of £1.693 million on the budget monitoring position reported to members for month 10.
7. The outturn shows improved position since month 10 report. The details around these departmental outturns are set out in the detailed monitoring section below and Appendix 1.
8. This outturn shows an improvement on figures in the financial plan. The financial plan will be updated to reflect this.
9. It is proposed that the £0.700 million of the underspend is ring fenced into two new earmarked reserves to be used on specific projects; as outlined below, this would leave a return to reserves at the end of the year of £33,000.
- i. £500,000 to be ring fenced to an invest to save earmarked reserve to allow for a pot for pump priming of new corporate initiatives to produce savings
 - ii. £200,000 to be ring fenced to an ICT projects earmarked reserve to allow for funding of proposed ICT projects.

Recommendation

10. The outturn position for 2010/11 be noted and members approve that earmarked reserves are set up with £500,000 in invest to save and £200,000 for ICT projects.

Detailed Monitoring

General Fund

11. The overall net position by departments is as follows:

Department	Revised Budget £ m	Actual Outturn £ m	(Under)/ overspend £ m	(Under)/ overspend Reported at period 10 £ m	Movement since period 10 £m
DCE (paras 13-16)	48.166	47.800	(0.366)	0.248	(0.614)
DCS (paras 17-19)	116.088	120.672	4.584	4.800	(0.216)
DNP (paras 20-24)	82.868	82.390	(0.478)	1.023	(1.501)
DHWB (paras 25-26)	7.228	6.952	(0.276)	0.075	(0.351)
DOR (paras 27-35)	66.452	66.533	0.081	0.000	0.081
Corporate (paras 36-39)	25.519	21.241	(4.278)	(5.186)	0.908
TOTAL	346.321	345.588	(0.733)	0.960	(1.693)

12. A summary of the forecast is set out by Departments in the following sections:

Department for Children and Education (DCE)

13. The Department for Children & Education is reporting an underspend of £0.366 million. This represents a favourable movement of £0.614 million compared with the previously reported forecast of £0.248 million overspend. The summary for the Department includes variances against services funded by the Dedicated Schools Grant (DSG) however this does not impact on the overall outturn position as the overall underspend against DSG is rolled forward in accordance with the conditions of grant. Variances against DSG have been reported to Schools Forum throughout the financial year.
14. Expenditure has been tightly controlled through the year and the favourable movement in February and March is attributable to a number of key items including the maximisation of grant income and a reduction in expenditure against the forecast for SEN Transport.

15. **Standards Funds** – Following changes to the schools funding system for 2011/12 which included the mainstreaming of former standards funds in to DSG, the Department for Education (DfE) wrote to Local Authorities in March stating that the final payment of 2010/11 standards funds would not be made to LAs as the funding was now included in the DSG for 2011/12. LAs disagreed with this approach and the non payment does in fact represent a reduction in grant in 2010/11. For Wiltshire the reduction is £1.088 million.
16. Following representations from the LGA and Association of Directors of Children’s Services (ADCS) the DfE confirmed that authorities should set up a debtor in the 2010/11 accounts to reflect the 2010/11 standards funds instalment being paid as part of the 2011/12 DSG, and then also accrue at the end of 2011/12 to reflect the funding of 2011/12 grant as part of the 2012/13 DSG. Wiltshire has complied with this guidance and set up a debtor for £1.088 million in the 2010/11 accounts. The risk of this approach is that the funding will not be forthcoming in 2012/13 and therefore the Council will face a reduction in schools funding in that year. This position will be reviewed when the final DSG settlement is received in late June/early July to establish whether this risk can be reduced in the current year.

Main Consideration for the Council

17. To note the current budget monitoring report.

Environmental Impact of the Proposal

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

Equality and Diversity Impact of this Proposal

19. No equality and diversity issues have been identified or arising from this report.

Legal Implications

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

Risk Assessment

21. During the year, the Council has faced significant service financial pressures, including Central Government grant reductions, have been identified across departments during the financial year. Actions to manage these pressures have been agreed previously and work undertaken to manage the financial position.
22. The Council has identified in its corporate risk register various elements which have been covered in previous monitoring reports, most notably the impact the current economic climate has on the Council’s finances and the recent potential liability surrounding the claim against a Wiltshire school.

Financial Implications

23. These have been examined and are implicit throughout the report.

Proposals

24. That Members note the report showing a outturn underspend of £0.733 million, and agreed proposed ring fencing into two new earmarked reserves, £500,000 to invest to save and £200,000 to ICT projects.

Reasons for Proposals

25. That Members can approve the final outturn for 2010-2011.

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Unpublished documents relied upon in the preparation of this report: NONE

Environmental impact of the recommendations contained in this report: NONE

Appendix 1 – Wiltshire Council Revenue Budget Monitoring Report