

REVENUE BUDGET AND SERVICE STANDARD MONITORING –
AUGUST 2008

Executive Summary

The projected variation on the 2008-9 revenue budget is estimated as an overspend of £186,000 .

Available general balances are estimated to be £8.005 million at 31 March 2009.

Proposal

Cabinet is asked to :-

- a. note that the projected variation on the 2008-09 revenue budget is estimated as an overspend of £186,000.
- b. note the estimated level of balances of £8.005 million as at 31 March 2009.
- c. consider for approval, the virements requested in paragraph 19 of this report.

Reasons For Proposal

To inform the Cabinet of the current 2008-09 budget position, spending pressures, service standards and the implications for the general fund balances.

SANDRA FARRINGTON
Chief Financial Officer

REVENUE BUDGET AND SERVICE STANDARD MONITORING –
AUGUST 2008

Purpose of the Report

1. To inform Cabinet of the current revenue budget monitoring position for August 2008.
2. To inform Cabinet that the available general balances are estimated to be £8.005 million at 31 March 2009.

Main Considerations for the Cabinet

Revenue Budget

3. The projected variation on the 2008-09 revenue budget as at 31 August 2008 is an overspend of £186,000.

Department for Children and Education

4. The Department for Children and Education is currently projecting an overspend of £262,000 at the year end compared to the 2008-09 revenue approved budget. There is also a projected overspend of £1.077 million against Dedicated Schools Grant (DSG) funded services.

Department for Children and Education Budget

5. The Children and Families Services budget is projected to overspend by £258,000 at the year end which includes an overspend of £647,000 for Special Educational Needs (SEN) transport which is currently being investigated. Some of this increase is due to an agreed 7% inflation adjustment for fuel costs across all contracts. The projected overspend on SEN transport has been offset in part within the Children and Families Service budget by the freezing of expenditure.

The Placement Budget for Looked After Children is also projected to overspend by £297,000 at the year end. This overspend is offset by other savings within the Children and Families team budget but numbers of Looked After Children are still in excess of budget and there is a risk that this overspend will not be contained within the 2008-09 financial year.

6. Within the Strategic Services chapter on-going premature retirement costs for staff in schools are projected to exceed the budget by £212,000. The one off lump sum costs are funded from the Dedicated Schools Grant in the year in

which they occur, however the ongoing pension costs are a liability to Wiltshire County Council.

Dedicated Schools Grant Budget

7. Within the Dedicated Schools Grant overspend, maternity costs for staff in schools and premature retirement one off lump sum costs are projected to exceed the year end budget by £292,000 and £175,000 respectively.
8. The budget which funds the free nursery entitlement for three and four year olds is projected to overspend by £400,000 (£300,000 in July 2008) due to increased numbers. This increase is due to demographics will be reported to Schools Forum in September as a cost pressure both for the current year and for 2009-10.
9. Any variance against the Dedicated Schools Grant budget will be carried forward into the financial year 2009-10 if it cannot be recovered in 2008-09 as a first call on the Dedicated Schools Grant for 2009-10.

Department of Community Services

10. The department is reporting a small overspend of £74,000, which is less than 0.1% of the total budget for the department.
11. There has been an increase in the number of Mental Health – Older People clients, and this should be viewed in conjunction with the Older People service block, which is projecting fewer clients.
12. Savings through the reassessment of existing service users against Continuing Health Care (CHC) criteria have been included within the projections reported. However, whilst these savings are being met, they are not always against the client groups where they were originally budgeted. As a result, more CHC savings have been received against the Learning Disability service block, contributing to the underspend reported, rather than against the Physically Impaired service block.
13. It should be noted that Continuing Health Care receipts can include an element relating to the current finance year, and also previous financial years.

Environmental Services Department

14. The Environmental Services Department is projecting a balanced budget as at 31 August 2008. However, there are a number of variations expected in specific service areas as detailed in the following paragraphs;
15. A reduction of income is now projected from developers and land charges fees, within the Highways service chapter. This is a direct result in the downturn in the economy and in particular the housing market. The current projected shortfall in income compared to budget is £350,000.

16. The Passenger Transport service chapter is showing an overspend compared to budget due to a higher than expected increase in contract prices from bus operators reflecting recent increases in fuel prices. Current projections are that costs will exceed budget provision by approximately £300,000.
17. The above overspends have been offset within the Environmental Services Department by a saving of £0.650 million within the Waste service chapter for costs relating to the Lakeside Waste contract. The Lakeside contract is more expensive per tonne than the current contract and was introduced to enable the County Council to reach EU landfill diversion targets which, if not reached, attract fines of £150 per tonne. The position for 2008-09 is that the County Council can reach the landfill diversion target without the Lakeside contract and will therefore not incur penalties in 2008-09.

Resources Department

18. The Resources Department is showing a net underspend of £150,000. This is consistent to the position reported last month and is due to a change in the pension backfunding cost estimate. All other services are currently projecting a breakeven position at the year end.

Virements for consideration.

19. There are 2 Virements that Cabinet are asked to consider;

| From | To | Amount | Reason |
|----------------------------------|----------------------------------|---------------|---------------------------------------|
| Department of Community Services | Department of Resources | 23,000 | PC leases not included in base budget |
| Department of Resources | Department of Community Services | 15,000 | TCE office basic pay |

General Balances

20. Estimated year end balances of £8.005 million as shown in Appendix 3.

Risk Assessment

21. These are explicit in the report.

Equalities Impact of the Proposal

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

Financial Implications

23. These are explicit within this report.

Legal Implications

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

Proposals

25. Cabinet is asked to :-

- a) note that the projected variation on the 2008-09 revenue budget is estimated as an overspend of £186,000.
- b) note the estimated level of balances of £8.005 million as at 31 March 2009.
- c) consider for approval, the virements requested in paragraph 19 of this report.

Conclusion

26. There is currently a year end projected overspend of £186,000 compared to the 2008-09 revenue budget. The general fund balance is estimated to be £8.005 million at 31 March 2009.

Sandra Farrington
Chief Financial Officer

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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

186/2008/CAB/DH