

CABINET
23rd JUNE 2009

SUMMARY OF REVENUE OUTTURN 2008-09 AND BUDGET MONITORING 2009-10

Executive Summary

To summarise the combined 2008-09 revenue outturn position for the former five Councils and the impact on the 2009-10 budget position of the new Wiltshire Council.

Proposal

The Cabinet is recommended to:

Consider the proposals detailed in the reports attached as Agenda Items 11b and 11c, in light of the contents of this report.

Reasons For Proposals

To inform the Cabinet of the year end position and the implications on the general fund balances.

MARTIN DONOVAN

Chief Finance Officer

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CABINET
23rd JUNE 2009

SUMMARY OF REVENUE OUTTURN 2008-09 AND BUDGET MONITORING
2009-10

Purpose of Report

1. To summarise the revenue outturn position 2008-09 for the former County Council and four District Councils in order to assess the impact on the 2009-10 budget position of the new Wiltshire Council.

Background

2. The budget for the new Wiltshire Council was set on 24 February 2009. In light of the assessment of financial risk it was based upon maintaining Revenue Reserves of £15 million during the 2009-10 financial year. This level of reserve allowed for a contribution of £4.1 million to be made to the revenue budget for 2009-10.

Revenue Outturn 2008-09

3. The detailed revenue outturn reports for each Council are shown in the report Agenda Items 11b to 11c. Capital outturn reports are shown in Agenda items 11d to 11e. The combined aggregated revenue outturn position is summarised below.
- 4.

	2008-09 Closing Balance as at 31 March 2009
Wiltshire County Council	£9.414m surplus
Kennet District Council	0.862m surplus
Salisbury District Council	0.472m surplus
West Wiltshire District Council	0.590m surplus
North Wiltshire District Council	5.429m surplus
Total Combined	£16.767m surplus

5. The consequences of this combined total outturn on the reserves of the new Council is summarised below.

	£' million
Projected aggregate Council Revenue Reserves as at 31 March 2009	£19.453m
Consequence of the combined outturn of the five former Councils	-2.686m
Consequence of roll-over underspends (Agenda Item 11b)	-1.398m
Actual Council Revenue Reserves as at 1 April 2009	£15.369m

6. The Council's reserves may obviously be further affected by in-year budgetary variances. For instance there are outstanding claims for overpaid VAT to be reimbursed to the Council in respect of services such as leisure and car parks as a result of the Fleming judgement. The full estimated claim for reimbursement to the Council is in the region of £3 million. The outcome of the claim is still awaited.

Budget Monitoring 2009-10

7. Although it is still early within the financial year in respect of undertaking detailed budget monitoring, nevertheless rigorous high level budget monitoring is on-going as described below. Work is currently in hand finalising regular budget monitoring protocols using the newly implemented SAP finance system.
8. Budgetary and financial issues highlighted by departments are summarised in Appendix 1. At this stage it is forecast that Departments will manage within allocated resources. This is subject to approval of the roll-over of departmental underspends described in Agenda Items 11b. Rigorous budget monitoring will continue throughout the year. Budget variances will be highlighted and reported when identified as part of the regular budget monitoring processes.

Main Considerations for the Council

9. This report is for noting pending consideration of the proposals in Agenda Items 11b, and 11c.

Environmental Impact of the Proposal

10. No environmental issues have been identified arising from this report.

Equality and Diversity Impact of the Proposal

11. No issues have been identified arising from this report.

Risk Assessment

12. A number of budget and financial issues have been identified in 2009-10. Robust budget monitoring will ensure these are effectively managed.

Financial Implications

13. The new Wiltshire Council's opening revenue balance is £15.369 million. Protocols for regular monitoring of the 2009-10 budget are being established. Financial implications will be identified on an on-going basis.

Legal Implications

14. There are no legal issues arising from this report.

Conclusions

15. In respect of the 2008-09 outturn position the actual Council revenue reserves of £15.369 million are both consistent with the £15 million assumed in the overall 2009-10 budget and confirm the robust budget management frameworks in place. In respect of 2009-10, a number of budgetary issues have already been identified for 2009-10 which as noted in paragraph 9 are expected to be managed within allocated resources. Further reports will identify how the issues are being financially managed.

Proposals

16. The Cabinet is recommended to:

Consider the proposals detailed in the reports attached as Agenda Items 11b and 11c, in light of the contents of this report.

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

KEY BUDGET AND FINANCIAL ISSUES 2009-10

DEPARTMENT	KEY ISSUES	PROJECTED OUTTURN 2009-10
Department of Children & Education (DCE)	<ul style="list-style-type: none">• On-going pressures in respect of Placements for Looked after Children continue to be offset by identifying savings from the commissioning strategy.• Overspends in the Dedicated Schools Grant from 2008-09 will be rolled forward as a final call on the 2009-10 budget. The total overspend is £193,000. The announcement of the final Dedicated School Grant for 2009-10 is still awaited.	<p>DCE is forecast to outturn with allocated resources.</p> <p>The Dedicated Schools Grant is ring-fenced. Schools manage the consequences of the overspends rolled forward for 2008-09. There may be indirect consequences for departmental budgets.</p>
Department of Community Services (DCS)	<ul style="list-style-type: none">• Cost pressures are being experienced in relation to the Care in the Community budget as a result of current demand on the service. However these pressures are lower than in previous years. The Department is managing the pressures.• Costs associated with change projects i.e. the FOCUS project and the Transformation of Social Care are robustly monitored via the Transformation Steering Group. The costs are funded from Grants and other	<p>DCS is forecast to outturn with allocated resources.</p>

	<p>one-off resources.</p> <ul style="list-style-type: none"> • The department has developed business cases to deliver significant commissioning and efficiency targets. 	
Department for Transport, Environment and Leisure (TEL)	<ul style="list-style-type: none"> • A cost pressure of £100,000 has been identified in respect of delays to concluding the staffing structure. Measures are in hand to manage this pressure. 	TEL is forecast to outturn within allocated resources.
Department for Economic Development, Planning and Housing (EDPH)	<ul style="list-style-type: none"> • Currently no significant issues have been identified. Rigorous monitoring will promptly identify any pressures. 	EDPH is forecast to outturn with allocated resources.
Department of Resources (DOR)	<ul style="list-style-type: none"> • The ICT budget is facing a cost pressure in the region of £200,000 in respect of achieving the Code of Connection (COCO). Stringent efforts are in hand to manage this pressure. • A further cost pressure relates to delays in finalising the move to new staffing structures. The new structures are being implemented as quickly as possible and it is envisaged that any excess costs will be absorbed within the budget. 	DOR is forecast to outturn with allocated resources.

Corporate Issues	The capital finance costs are currently forecast to be within budget. However the impact of the economic situation on interest rates and capital receipts is being closely monitored.	Capital financing is forecast to outturn within allocated resources.
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