
FINAL REVENUE OUTTURN REPORT FOR WILTSHIRE COUNTY COUNCIL
2008-09

Executive Summary

The final outturn expenditure for Wiltshire County Council 2008-09 is an underspend of £1.223 million.

Available general balances to roll into the overall Wiltshire Council position which relate to Wiltshire County Council activities are £9.414 million at 31 March 2009 before any rollover requests are approved.

Requests for rollovers into 2009-10 total £1.398 million.

Proposal

Cabinet is asked to:

- a. Note the revenue budget underspend of £1.223 million.
- b. Note the level of balances relating to Wiltshire County Council of £9.414 million before any rollover requests.
- c. Approve the rollover requests of £1.398 million which would reduce the Wiltshire County Council element of general balances to £8.016 million. These are detailed in Appendix 2 of the report.

Reasons For Proposal

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

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Purpose of the Report

1. To report the final spending statement for Wiltshire County Council for 2008-09, identifying the major variations against the budget and request approval for rollovers into the 2009-10 Wiltshire Council budget.

Main Considerations for the Cabinet

Final Outturn 2008-09

2. The total net underspend for the County Council in 2008-09 is £1.223 million and is summarised across service areas in Appendix 1.

Department for Children and Education

3. Overall the Department for Children and Education has a net underspend of £0.034 million at the end of 2008-09. Within this net overall underspend the Placement budget for Looked After Children within the Children and Families service area is overspent by £1.302 million. This is as a result of increased provision of an additional 9,218 nights care in excess of the budgeted amount. However this was offset by savings across other areas within the Children and Families budget of £1.143 million, and other service area net underspends totalling £0.193 million.
4. Rollovers of £0.080 million have been requested for 2009-10, details of which can be found at Appendix 2 of this report.

Department of Community Services

5. There is a net overall underspend for the Department of Community Services in 2008-09 of £205,000. Increased costs associated with higher numbers of Mental Health Older Adult clients, were offset by reduced numbers of clients compared to those budgeted in Older People. This reflects a shift between Older People and Mental Health Older People as a result of dementia related illnesses.
6. Within the Department of Community Services, costs have also been managed through the reassessment of existing service users against Continuing Health Care (CHC) criteria.
7. Rollovers of £0.205 million have been requested from DCE, details of which can be found at Appendix 2 of this report.

Environmental Services Department

8. The Environmental Services Department has a net under spent outturn position of £1.078 million for the year 2008-09.
9. Cost pressures were experienced in a number of areas. For instance, Highways incurred significant additional Winter Maintenance requirements contributing to an overspend of £0.476 million; Passenger Transport was subject to increased fuel and service costs (as a result of re-tendering) resulting in a £0.266 million deficit; whilst Property needed to fund additional consultancy fees in relation to the future rationalisation of the Council's estate and, therefore, has overspent by £0.301 million.
10. However, compensatory underspends totalling £2.164 million were realised in Waste Services as a result of the delay of the Lakeside Project and lower landfill tax costs.
11. ESD has requested rollovers on Transport, Environment and Leisure department's behalf of £1.078 million, details of which can be found at Appendix 2 to this report.

Resources Department

12. The Resources Department has a net underspend of £0.048 million.
13. Within this net position, Finance under spent by £0.300 million. A significant saving has been made through the planned management of vacancies in year. This was in anticipation of the move to one council for Wiltshire and was enabled by the joint working of the finance functions across all five authorities within 2008-09 on a number of areas including budget setting and closedown preparation. Smaller items also included additional income during the year for payroll and audit fees made to other authorities and schools.
14. An overspend of £0.346 million is reported within the Information Technology service chapter due to a number of high cost pressures. These include the expansion of the WAN network, Enterprise agreement (licensing) and the Printers project. Higher IT costs have been incurred in moving to one council and ensuring that services have the right infrastructure to deliver their services and support them.
15. Corporate Services including Democratic Services have an underspend of £0.087 million. The underspend has mainly been achieved due to staff vacancies across the service although an element relates to additional income within democratic services for the South West Lift Funding project. This project related to Member development training and it is requested that this and a small element of the under spending is rolled over against the project in 2009-10 to enable the new Council members to receive training. A rollover request of £35,000 is shown in Appendix 2.

Corporate Areas

16. An overspend requires to be reported against the **Major Projects Budget** which relates to the cost of pay reform and the cost of pay increases which exceeded the agreed budget.
17. It was deemed more appropriate during the 2008-09 budget-setting process to hold this budget centrally due to the uncertainty of the final costs; any gain or loss could not be controlled by the departments so the impact would only be felt centrally. Final costs were calculated as an overspend of £0.142 million, exposing the deficit after allocating departmental budgets based on actual costs incurred.
18. **Capital Financing** is reporting a balanced year end position. This is a movement from the projected overspend position reported in year. Capital financing costs are currently calculated in detail annually alongside year end capital procedures and the projected position was the best estimate at the time.
19. The year end work has established that projected works before sales costs were lower as activity has slipped in to 2009-10. It is anticipated, however, that the 2009-10 budget will be sufficient to absorb these delayed costs as a number of very old schemes no longer exist.
20. Interest received on deposits was lower due to the economic downturn but this was a part year effect and healthy returns were still seen in the first six months which helped to offset the overall impact. In addition the downturn in interest received was offset by lower external interest costs as borrowing was delayed in line with slippages in the capital programme. Other savings were made on the minimum revenue provision (provision for debt repayment) being lower than budgeted. Finally contributions to capital reserves were higher than budgeted which led to an overall balanced position.

Treatment of underspends

21. In line with the financial regulations, proposals for investment plans for underspends must be endorsed by portfolios holders, and are reported to Cabinet through this final outturn report for approval. The proposals are summarised below, with full details of the proposals being given in Appendix 2.

Department	Underspend/ (overspend) £ Million	Rollover Request £ Million
Children & Education	0.034	0.080
Community Services	0.205	0.205
Environmental Services	1.078	1.078
Resources	0.048	0.035
Corporate Area	(0.142)	0.000
Totals	1.223	1.398

Risk Assessment

22. It is recommended that for this year the rollover requests are approved and overspends are taken from balances and not applied to services. Departmental budgets will be reviewed as part of the 2010-11 budget setting process, in light of overall available resources. It is also recommended that Members reconsider the overall policy on rollovers which they would like to undertake for 2009-10 and ask departments to provide robust investment plans and implications of overspend rollovers in the equivalent report to this next year. A robust prioritisation exercise on how such funding should be applied could be undertaken next year.

Equality & Diversity Impact of the Proposal

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

Environmental Impact of the Proposal

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

Financial Implications

25. These are explicit within this report.

Legal Implications

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

Proposals

27. The Cabinet is asked to:
- Note the revenue budget underspend of £1.223 million.
 - Note the level of balances relating to Wiltshire County Council of £9.414 million before any rollover requests.
 - Approve the rollover requests of £1.398 million which would reduce the Wiltshire County Council element of general balances to £8.016 million. These are detailed in Appendix 2 of the report.

Conclusion

28. The underspend in 2008-09 is £1.223 million which puts general balances at £8.016 million if all rollover requests are granted.

MARTIN DONOVAN

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