

REVENUE BUDGET MONITORING: APRIL TO AUGUST 2009

Executive Summary

Departmental action plans are in place to manage the consequences of the decline in income levels as a result of the recession. As a consequence it is currently projected that the Council outturn for 2009-10 will be in line with the budget.

Proposal

The cabinet is asked to note the report.

Reasons For Proposals

That members are aware of the Council's budgetary position.

MARTIN DONOVAN
Chief Finance Officer

CABINET
20 October 2009

REVENUE BUDGET MONITORING: APRIL TO AUGUST 2009

Purpose of Report

1. To advise Cabinet of the latest position regarding the revenue budget monitoring for 2009-10.

Background

2. The last budget monitoring report identified financial pressures of £3.864 million mainly as a result of decreased income levels caused by the recession.
3. Actions were immediately instigated to ensure the financial pressures were effectively managed.

Overall Projected Outturn

4. Last month overall pressures of £3.864 million were projected, mainly as a result in the decline of income coming into the Council. Since then actions already taken have reduced the financial pressures by £0.476 million down to £3.388 million. Further actions are in place to ensure the remaining financial pressures are managed by the year end. The Council is forecast to be in line with the budget at year end. The individual projected budgeted variances for each service area are shown in Appendix 1.
5. The projected balanced budget position is after delivery of the relevant action plans which are identified on a departmental basis in Appendix 2. Detailed monitoring of the successful delivery of the action plans is undertaken by each Departmental Management Team and the Corporate Leadership Team.

Department of Transport, Environment and Leisure

6. Last month financial pressures of £490,000 were forecast. Subsequently, considerable volatility has been identified in car park and leisure income but overall, the year end projection is reduced by £110,000 down to £380,000. Actions to manage the remaining financial pressures are detailed at Appendix 2.

Department of Economic Development, Planning and Housing

7. Actions to address financial pressures of £1.028 million, as reported last month are detailed in Appendix 2.

Department of Community Services

8. Financial pressures of £0.470 million were reported last month. Actions to address these are detailed in Appendix 2.

Department of Children and Education

9. Last month, financial pressures of £836,000 were identified. Subsequent actions already taken have reduced these pressures by £211,000 down to £625,000. These actions together with further ones to address the remaining financial pressures of £625,000 are shown in Appendix 2. (These pressures exclude costs of £0.359 million which relate to the Dedicated Schools Grant and which are recoverable from next year's grant).

Department of Resources

10. Last month, financial pressures of £1.040million were identified. Subsequent actions already taken have reduced these pressures by £155,000 down to £885,000. These actions together with further ones to address the remaining financial pressures of £885,000 are shown in Appendix 2.
11. Capital Financing, One Council for Wiltshire and Major Projects are all projected to be within budget. An analysis is currently being undertaken into transition costs such as redundancy. A full analysis of the Transition Fund and related costs will be reported at a future meeting.

Main Considerations for the Council

12. To note the current budget monitoring report.

Environmental Impact of the Proposal

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

Equality and Diversity Impact of the Proposal

14. No equality and diversity issues have been identified as arising from this report.

Legal Implications

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

Risk Assessment

16. SAP provides the Council's new financial management system. Work is progressing in terms of confirming the integrity of SAPs financial reporting. Volatility in budget areas caused by the demand led nature of some services within Department of Community Services and the Department of Children and Education, together with the impact of the recession across the Council are being closely monitored on a monthly basis.

Financial Implications

17. The Council is currently projected to outturn on budget for 2009-10. In year Departmental action plans have been instigated to ensure this. The aggregated General Fund Reserve from the five former Councils is just over £16 million as at 31 March 2009. In year adjustments during 2009-10 will be needed to reflect issues such as the contribution of £4.075 million towards the revenue budget for 2009-10, and cessation of the Westbury-by-pass. The implications of such adjustments will be taken into account during the budget setting process for 2010-11.

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

Appendices :

Appendix 1 – individual projected budget variance for each service area.
Appendix 2 – departmental action plans.

APPENDIX 1

Wiltshire Council Revenue Budget Monitoring Statement

31-Aug-09

		Approved Budget 2009-10 £m	Projected Position for Year £m	Action Plan £m	Projected Variation for Year £m
SUMMARY					
Children and Education	Gross	409.087	410.179	-1.092	0.000
	Income	-355.192	-355.659	0.467	0.000
	Net	53.895	54.520	-0.625	0.000
Community Services	Gross	154.736	157.677	-2.941	0.000
	Income	-39.408	-41.879	2.471	0.000
	Net	115.328	115.798	-0.470	0.000
Transport, Environment & Leisure	Gross	119.245	117.642	1.603	0.000
	Income	-32.296	-30.313	-1.983	0.000
	Net	86.949	87.329	-0.380	0.000
Economic Development, Planning & Housing	Gross	26.950	25.299	1.651	0.000
	Income	-15.691	-13.012	-2.679	0.000
	Net	11.259	12.287	-1.028	0.000
Department of Resources	Gross	152.960	153.845	-0.885	0.000
	Income	-106.914	-106.914	0.000	0.000
	Net	46.046	46.931	-0.885	0.000
Other elements		18.746	18.746	0.000	0.000
GRAND TOTAL		332.223	335.611	-3.388	0.000

Note: Approved Budget is original budget plus authorised virements.

Note negative variances = Overspend

		<i>Approved Budget 2009-10</i>	<i>Projected Position for Year</i>	<i>Action Plan</i>	<i>Projected Variation for Year</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
DETAIL					
<u>Children and Education</u>					
Funding Schools RIYP	Gross Costs	276.323	276.323	0.000	0.000
	Income	-276.208	-276.208	0.000	0.000
	Net	0.115	0.115	0.000	0.000
Children & Families	Gross Costs	55.983	56.623	-0.640	0.000
	Income	-17.100	-17.100	0.000	0.000
	Net	38.883	39.523	-0.640	0.000
Strategic Services	Gross Costs	4.990	5.591	-0.601	0.000
	Income	-5.214	-5.814	0.600	0.000
	Net	-0.224	-0.223	-0.001	0.000
Early Years	Gross Costs	21.692	21.692	0.000	0.000
	Income	-21.692	-21.692	0.000	0.000
	Net	0.000	0.000	0.000	0.000
Schools Support	Gross Costs	39.538	39.538	0.000	0.000
	Income	-32.327	-32.327	0.000	0.000
	Net	7.211	7.211	0.000	0.000
Services for Young People	Gross Costs	9.483	9.334	0.149	0.000
	Income	-2.174	-2.041	-0.133	0.000
	Net	7.309	7.293	0.016	0.000
School Buildings & Places	Gross Costs	1.078	1.078	0.000	0.000
	Income	-0.477	-0.477	0.000	0.000
	Net	0.601	0.601	0.000	0.000
Sub Total	Gross Costs	409.087	410.179	-1.092	0.000
	Income	-355.192	-355.659	0.467	0.000
	Net	53.895	54.520	-0.625	0.000

Note: Approved Budget is original budget plus authorised virements.

Note negative variances = Overspend

All DSG related projections are highlighted *

		<i>Approved Budget 2009- 10 £m</i>	<i>Projected Position for Year £m</i>	<i>Action Plan £m</i>	<i>Projected Variation for Year £m</i>
<u>Community Services</u>					
Older People	Gross Costs	45.953	48.870	-2.917	0.000
	Income	-7.902	-9.785	1.883	0.000
	Net	38.051	39.085	-1.034	0.000
Physical Impairment	Gross Costs	7.636	9.139	-1.503	0.000
	Income	-1.062	-1.086	0.024	0.000
	Net	6.574	8.053	-1.479	0.000
Learning Disabilities	Gross Costs	43.707	42.625	1.082	0.000
	Income	-12.559	-12.295	-0.264	0.000
	Net	31.148	30.330	0.818	0.000
Mental Health	Gross Costs	24.301	23.904	0.397	0.000
	Income	-4.000	-4.828	0.828	0.000
	Net	20.301	19.076	1.225	0.000
Resources Strategy & Commissioning	Gross Costs	10.081	10.081	0.000	0.000
	Income	-2.722	-2.722	0.000	0.000
	Net	7.359	7.359	0.000	0.000
Supporting People	Gross Costs	8.285	8.285	0.000	0.000
	Income	-8.175	-8.175	0.000	0.000
	Net	0.110	0.110	0.000	0.000
Libraries Heritage & Arts	Gross Costs	8.622	8.622	0.000	0.000
	Income	-1.105	-1.105	0.000	0.000
	Net	7.517	7.517	0.000	0.000
Community Safety	Gross Costs	1.192	1.192	0.000	0.000
	Income	-0.432	-0.432	0.000	0.000
	Net	0.760	0.760	0.000	0.000
Community Leadership & Governance	Gross Costs	4.959	4.959	0.000	0.000
	Income	-1.451	-1.451	0.000	0.000
	Net	3.508	3.508	0.000	0.000
Sub Total	Gross Costs	154.736	157.677	-2.941	0.000
	Income	-39.408	-41.879	2.471	0.000
	Net	115.328	115.798	-0.470	0.000

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APPENDIX 1

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31-Aug-09

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		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Transport, Environment & Leisure					
Highways	Gross Costs	16.248	15.925	0.323	0.000
	Income	0.000	0.000	0.000	0.000
	Net	16.248	15.925	0.323	0.000
Sustainable Transport	Gross Costs	35.678	35.038	0.640	0.000
	Income	-15.578	-14.278	-1.300	0.000
	Net	20.100	20.760	-0.660	0.000
Waste Disposal	Gross Costs	21.827	20.761	1.066	0.000
	Income	-1.128	-1.128	0.000	0.000
	Net	20.699	19.633	1.066	0.000
Waste Collection & Amenities	Gross Costs	22.042	22.357	-0.315	0.000
	Income	-8.406	-8.051	-0.355	0.000
	Net	13.636	14.306	-0.670	0.000
Leisure	Gross Costs	10.237	10.327	-0.090	0.000
	Income	-5.001	-4.673	-0.328	0.000
	Net	5.236	5.654	-0.418	0.000
Property	Gross Costs	10.143	10.143	0.000	0.000
	Income	-2.163	-2.163	0.000	0.000
	Net	7.980	7.980	0.000	0.000
Management Support Servs & Emerg Pla	Gross Costs	3.070	3.091	-0.021	0.000
	Income	-0.020	-0.020	0.000	0.000
	Net	3.050	3.071	-0.021	0.000
Sub Total	Gross Costs	119.245	117.642	1.603	0.000
	Income	-32.296	-30.313	-1.983	0.000
	Net	86.949	87.329	-0.380	0.000

Note: Approved Budget is original budget plus authorised virements.

Note negative variances = Overspend

		<i>Approved Budget 2009-10</i>	<i>Projected Position for Year</i>	<i>Action Plan</i>	<i>Projected Variation for Year</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Economic Development, Planning & Housing					
Economic Development	Gross Costs	8.487	8.487	0.000	0.000
	Income	-5.728	-5.728	0.000	0.000
	Net	2.759	2.759	0.000	0.000
Housing Management	Gross Costs	5.092	4.697	0.395	0.000
	Income	-2.498	-1.915	-0.583	0.000
	Net	2.594	2.782	-0.188	0.000
Public Protection	Gross Costs	5.318	5.017	0.301	0.000
	Income	-1.310	-1.009	-0.301	0.000
	Net	4.008	4.128	0.000	0.000
Development Services	Gross Costs	8.053	7.098	0.955	0.000
	Income	-6.155	-4.360	-1.795	0.000
	Net	1.898	2.738	-0.840	0.000
Sub Total	Gross Costs	26.950	25.299	1.651	0.000
	Income	-15.691	-13.012	-2.679	0.000
	Net	11.259	12.287	-1.028	0.000

Note: Approved Budget is original budget plus authorised virements.

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		<i>Approved Budget 2009-10</i>	<i>Projected Position for Year</i>	<i>Action Plan</i>	<i>Projected Variation for Year</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Resources					
Chief Executive	Gross Costs	0.583	0.583	0.000	0.000
	Income	0.000	0.000	0.000	0.000
	Net	0.583	0.583	0.000	0.000
Policy & Communications	Gross Costs	3.682	3.682	0.000	0.000
	Income	-1.865	-1.865	0.000	0.000
	Net	1.817	1.817	0.000	0.000
Finance	Gross Costs	111.932	111.932	0.000	0.000
	Income	-99.910	-99.910	0.000	0.000
	Net	12.022	12.022	0.000	0.000
HR	Gross Costs	2.301	2.301	0.000	0.000
	Income	-0.380	-0.380	0.000	0.000
	Net	1.921	1.921	0.000	0.000
ICT & Procurement	Gross Costs	16.406	17.291	-0.885	0.000
	Income	-0.073	-0.073	0.000	0.000
	Net	16.333	17.218	-0.885	0.000
Legal & Democratic	Gross Costs	6.665	6.665	0.000	0.000
	Income	-1.672	-1.672	0.000	0.000
	Net	4.993	4.993	0.000	0.000
Performance & Risk	Gross Costs	0.433	0.433	0.000	0.000
	Income	0.000	0.000	0.000	0.000
	Net	0.433	0.433	0.000	0.000
Shared Services & Customer Care	Gross Costs	10.651	10.651	0.000	0.000
	Income	-3.014	-3.014	0.000	0.000
	Net	7.637	7.637	0.000	0.000
Business Transformation	Gross Costs	0.307	0.307	0.000	0.000
	Income	0.000	0.000	0.000	0.000
	Net	0.307	0.307	0.000	0.000
Sub Total	Gross Costs	152.960	153.845	-0.885	0.000
	Income	-106.914	-106.914	0.000	0.000
	Net	46.046	46.931	-0.885	0.000

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Department of Community Services – Budget Action Plan

The department has instigated actions to address the financial pressures of £470,000, which were previously reported.

The figures presented this month are dependent on the achievement of a number of savings, equalling some £4.8m, which have already been built into the budgets for 2009-10. These are the:

- a. Achievement of savings targets from commissioning and procurement savings;
- b. Achievement of savings targets from the delivery of the FOCUS project.

	£'000
Forecast Financial Pressures (as at 31st August 2009	470
Actions to Mitigate the Financial Pressures	
1. Managers in the Learning Disabilities service are reviewing package costs for clients in Support Living arrangements, to achieve efficiencies.	35
2. Staff vacancies are being reviewed across the whole department. Staffing structures are being reviewed and an effective recruitment freeze will be applied where this will not impact on front line service provision:	210
3. To be achieved from reviewing spend against all directly controllable expenditure areas.	225
Total savings	470

Department of Transport, Environment and Leisure

Actions already taken have reduced the projected financial pressures from last months projected £490,000 down to £380,000. Further actions to address this are shown below.

	£'000
Forecast financial pressures as at 31 August 2009	380
Actions to manage the financial pressures	
• Freeze Vacancies and Review of Structure	150
• Stop planned use of consultants for development of rail strategy, business travel review	150
• Freeze on a range of other expenditure/consultants	80
Total Savings	380

Department of Children and Education

	£'000
Financial Pressures Forecast as at 31 st July	836
Actions already taken	
Review of high cost placements	181
Other savings	30
Revised forecast of financial pressures as at 31 st August	625
Further actions to be taken	
Recruit only to key front line posts (with vacancies held over and above the vacancy factor)	250
Reduce the use of agency (non – care staff)	80
Limit staff travel out of County except for case work	10
Reduce temporary staff by 20% (impact on services will need to be risk assessed)	70
Further procurement savings on provider contracts	100
Reduce supplies and services spend	60
Review of specific SEN transport routes	55
Total Savings	625

Department of Economic Development, Planning, Housing and Public Protection Services – Budget Action Plan

	£'000
Financial Pressures Forecast as at 31 st July	1028
Improved income recovery for Development Services	386
Additional Projected Service Savings	60
Greater use of in – house Building Control	20
Use of Building Control trading account	228
Further savings from structure review and other measures	334
Total Savings	1028

Department of Resources

	£'000
Financial pressures forecast as at 31 st July	1040
Actions already taken	
Use of Transition Fund	75
Not filling Business Information posts	80
Revised financial pressures as at 31 st August	885
Further freeze on ICT vacant posts	450
Re-profiling ICT programme	435
Total Savings	885