

**CABINET**

**24 November 2009**

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**Revenue Budget Monitoring: April to September 2009**

**Executive Summary**

The successful delivery of Departmental Action Plans has reduced the previously reported financial pressures of £3.864 million down to £1.586 million. Further actions are being taken to fully reduce these remaining pressures. However, new pressures of £634,000 have been identified in the Department of Children and Education, taking the total outstanding financial pressures to £2.220 million. This is an improvement of £1.644 million on the original financial pressures of £3.864 million. New Departmental Action Plans are being developed to manage the newly identified pressures.

**Proposal**

The Cabinet is asked to note the report.

**Reasons For Proposals**

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

**MARTIN DONOVAN**  
Chief Finance Officer

**CABINET**

**24 November 2009**

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**Revenue Budget Monitoring: April to September 2009**

**Purpose of Report**

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

**Background**

2. Last month, action plans were presented in order to manage financial pressures caused predominantly by the loss of income due to the recession. Last months pressures had already been reduced by £0.476 from £3.864 million down to £3.388 million.
3. This month, actions already delivered have reduced the financial pressures down to £1.586 million. However, as described below further pressures of £0.634 million have been identified in the Department of Children and Education taking the total financial pressures to £2.220 million. The detailed revenue budget monitoring statement is attached as Appendix 1. Departmental Action Plans to manage the £2.220 million are shown in Appendix 2.

**Department of Transport, Environment and Leisure**

4. Last month, financial pressures of £380,000 were reported. These pressures have now been reduced to £230,000. This reflects successful delivery of the previously reported actions around re-procurement of services and an improvement in the projected car parking income. Actions to manage the remaining financial pressures are detailed at Appendix 2.

**Department of Economic Development, Planning & Housing**

5. Last month, financial pressures of £1.028 million were reported. Successful delivery of actions previously reported have reduced these pressures down to £386,000. These actions include non-filling of vacant posts, efficiency savings and improved income recovery for Developmental Services. Actions to manage the remaining financial pressures are detailed at Appendix 2.

#### Department of Community Services

6. The department is continuing to implement the Action Plan to manage financial pressures of £0.470m. The Action Plan is detailed in Appendix 2. Once the Action Plan has been delivered, the department is forecast to come within budget at the year end.

#### Department of Children and Education

7. Last month, financial pressures of £625,000 were reported, with a Departmental Action Plan to manage these within the financial year. However, subsequently there are now further pressures of £634,000. Actions are currently being developed to manage these. The departmental Action Plan is detailed in Appendix 2.
8. The additional pressures of £634,000 are mainly as a result of increased demand on the Looked After Children and Placement Budget (£366,000), increased SEN Transport Costs (£268,000) and increasing pressures on Looked After Childrens' budgets.

#### Department of Resources

9. Last month, financial pressures of £885,000 were reported. Subsequently these have been managed down to £500,000. This is as a result of actions such as not filling budgeted vacancies, recharging telephony and the return of unused computer kit. Actions to address the remaining £500,000 pressures are shown in Appendix 2.
10. 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**

11. To note the current budget monitoring report

#### **Environmental Impact of the Proposal**

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

#### **Equality and Diversity Impact of the Proposal**

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

## **Legal Implications**

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

## **Risk Assessment**

15. SAP provides the Council's new financial management system. Work is progressing in terms of confirming the integrity of SAP's 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**

16. Previously, financial pressures of £3.864 were reported, mainly as the net result of decreased income due to the recession. Actions already taken have reduced these pressures down to £1.586 million. Actions are in place to address these residual pressures. However, new financial pressures of £0.634 million have been identified in the Department of Children and Education, bringing the total financial pressures to £2.220 million. New Action Plans are being developed in the Department of Children and Education to manage these new pressures.

## **MARTIN DONOVAN**

Chief Finance Officer

Report Author: Martin Donovan

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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

## **Appendices :**

Appendix 1 – detailed revenue budget monitoring statement  
Appendix 2 – departmental action plans.

## Appendix 2

### 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
<b>Forecast Financial Pressures (as at 30<sup>th</sup> September 2009)</b>	<b>470</b>
<b>Actions to Mitigate the Financial Pressures</b>	
1. Managers in the Learning Disabilities service are reviewing package costs for clients in Support Living arrangements, to achieve efficiencies.	<b>35</b>
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:	<b>210</b>
3. To be achieved from reviewing spend against all directly controllable expenditure areas.	<b>225</b>
<b>Total savings</b>	<b>470</b>

## APPENDIX 2

### Department of Transport, Environment and Leisure

Actions already taken have reduced the projected financial pressures from last months projected £380,000 down to £230,000. Further actions to address this are shown below.

	<b>£'000</b>
Forecast financial pressures as at 30 September 2009	<b>230</b>
Actions to manage the financial pressures	
• Manage Vacancies and Review of Structure	<b>150</b>
• Defer on other expenditure/use of technical consultants	<b>80</b>
<b>Total Savings</b>	<b>230</b>

## APPENDIX 2

### Department of Children and Education

	£'000
Financial Pressures Forecast as at 31 <sup>st</sup> August	<b>625</b>
Actions already identified and in progress	
Recruit only to key front line posts (with vacancies held over and above the vacancy factor)	<b>250</b>
Reduce the use of agency (non – care staff)	<b>80</b>
Limit staff travel out of County except for case work	<b>10</b>
Reduce temporary staff by 20% (impact on services will need to be risk assessed)	<b>70</b>
Further procurement savings on provider contracts	<b>100</b>
Reduce supplies and services spend	<b>60</b>
Review of specific SEN transport routes	<b>55</b>
<b>Savings</b>	<b>625</b>
Further financial pressures as at 30 <sup>th</sup> September	<b>634</b>
Actions still to be identified	<b>634</b>

## APPENDIX 2

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

	£'000
Financial Pressures Forecast as at 31 <sup>st</sup> August	1028
Savings already achieved	
Staff vacancies	246
Improved income recovery for Development Services	314
Additional Projected Service Savings	62
Greater use of in – house Building Control	20
Financial pressures as at 30 <sup>th</sup> September	386
Further savings from structure review and other measures	
Use of Building Control trading account	228
Further savings from structure review and other measures	158
<b>Total Savings</b>	<b>386</b>



## APPENDIX 2

### Department of Resources

	£'000
Financial pressures forecast as at 31 <sup>st</sup> August	885
Actions already taken	
Further freeze on ICT vacant posts	200
Re-profiling ICT programme	135
<b>Savings</b>	<b>335</b>
Financial pressures forecast as at 30th September	500
Further actions to be taken	
Not filling budgeted vacancies	220
Continued computer kit return/ recharging telephony/ identification of applications to switch off	280
<b>Total savings</b>	<b>500</b>