

**IMPLEMENTATION EXECUTIVE
28 JANUARY 2009**

PROJECTED REVENUE SPENDING 2008-09

Executive Summary

The projected variation on the 2008-09 revenue budget for Wiltshire County Council and the four district councils combined is an underspend of £0.662 million.

Available general balances for Wiltshire County Council and the four district councils are estimated to be £19.778 million at 31 March 2009.

Proposal

Implementation Executive is asked to :

- a) Note that the projected variation on the 2008-09 revenue budget for Wiltshire County Council and the four district councils combined is an underspend of £0.662 million.
- b) Note the estimated level of general balances for Wiltshire County Council and the four district councils combined are estimated to be £19.778 million at 31 March 2009.

Reasons For Proposal

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

Sandra Farrington
Chief Financial Officer

PROJECTED REVENUE SPENDING 2008-09

Purpose of the Report

1. To inform the Implementation Executive of the projected revenue spending position for 2008-09.
2. To inform the Implementation Executive of the estimated available general balances on 1 April 2009.

Main Considerations for the Implementation Executive

The following table provides a summary of the current projected revenue spending position for Wiltshire County Council and the four district councils.

Council	Budget	Projected Position for Year	Projected Variation for Year
	£m	£m	£m
North Wilts District	19.21	18.51	0.70
Kennet District	9.54	9.54	0.00
Salisbury District	14.33	14.33	0.00
West Wiltshire District	15.36	15.16	0.20
Wiltshire County	271.35	271.59	-0.24
Total	329.79	329.12	0.66

Note: Information tabled above is updated as at September 2008 for: North Wiltshire and Kennet District Councils; November 2008 for: West Wiltshire District and Wiltshire County Councils; December 2008 for Salisbury District Council.

Revenue Budget – Wiltshire County Council

3. The projected variation on the 2008-09 revenue budget as at 30 November 2008 is an overspend of £241,000. The detail of the overspend is shown in Appendix A, page 1.

Department for Children and Education

4. The Department for Children and Education is currently projecting an overspend of £359,000 at the year end compared to the 2008-09 revenue approved budget. This is a deterioration of £109,000 compared to the October revenue budget monitoring position. There is also a projected overspend of £0.703 million against Dedicated Schools Grant (DSG) funded services.

Department for Children and Education Budget (non DSG)

5. The Children and Families Services budget (non DSG) includes an overspend of £528,000 for Special Educational Needs (SEN) transport which reflects the

latest forecast from the Passenger Transport Unit within the Environmental Services Department. Some of this increase is due to an agreed 7% inflation adjustment for fuel costs across all contracts. Legal expenses are also forecast to overspend by £170,000 compared to budget. The projected overspend within Children and Families Service budget has been offset in part by the freezing of other central expenditure.

6. The Placement Budget for Looked After Children is projected to overspend by £691,000 at the year end a deterioration of £56,000 compared to the October position. The 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 as vacant posts are being recruited within teams.
7. Within the Strategic Services chapter on-going premature retirement costs for staff in schools are projected to exceed the budget by £182,000. 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. Legal expenses are also predicted to overspend by £25,000 compared to the 2008-09 budget.

Dedicated Schools Grant Budget

8. 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 £194,000 and £165,000 respectively.
9. The Children and Families (DSG funded) projected spend exceeds the 2008-09 budget by £294,000. The overspend is due in the main to an overspend in the Independent Special Schools budget relating to one placement.
10. 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

11. The department is reporting a small overspend of £94,000, which is less than 0.1% of the total budget for the department. Managers have been tasked with managing this overspend down over the remainder of the financial year and progress has been made towards this during this month.
12. There are higher numbers of Mental Health Older Adult clients than budgeted for, but this should be viewed in conjunction with Older People, where client numbers are below budget. This reflects a shift between Older People and Mental Health Older People as a result of dementia related illnesses.
13. 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. For example, less CHC savings have been received against the Physically Impaired service block, contributing to the overspend reported.

14. It should be noted that CHC receipts can include an element relating to the current finance year, and also previous financial years. It should also be noted that total CHC projections for the year now reflect the possibility of clients, and therefore costs, returning to the County Council from the PCT, following assessment.
15. The projections include the use of one-off resources to support the transformation work of the department.

Environmental Services Department

16. The Environmental Services Department is projecting an underspend of £836,000 compared to the 2008-09 budget.
17. 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.
18. 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. Projected costs for the year are under close review but it is currently expected that costs will exceed budget provision by approximately £300,000.
19. The above overspends have been offset within the Environmental Services Department by a saving of £1.486 million within the Waste service chapter. Of this £650,000 has been reported previously and arises from the delay in the start of the Lakeside contract which will result in savings in 2008-9 only.
20. The remaining £836,000 saving is due to costs being deferred to 2009-10 resulting from a delay in funding the Warminster Household Recycling Centre decontamination scheme and the relocation of Warminster Household Recycling Centre in advance of the decontamination works. The planning application was made in September 2008 but there have been various issues with the County Planning Authority and Highways Development Control. It is proposed that the funding of this essential scheme, required by the Environment Agency, is rolled forward to 2009-10.

Resources Department

21. The Resources Department is projecting to overspend by £624,000 compared to the 2008-09 budget, a deterioration of £154,000 compared to the October 2008 projection.
22. There is a projected underspend of £120,000 on pension backfunding which is offset by an overspend of £590,000 on capital financing costs and an overspend of £154,000 within the Information Technology budget.

Revenue Budget – District Councils

23. The four district councils are forecasting a net underspend of £0.903 million, some details of which can be found below and in Appendix A, pages 6-8.

North Wilts District Council

24. The underspend total of £522,000 on Environmental Services, Finance and Resources and Governance respectively are offset in part by an overspend on Development Services of £197,000 as shown in Appendix A, page 6.
25. North Wiltshire District Council is also forecasting additional investment income of £220,000.

Kennet District Council

26. Kennet District Council is currently forecasting a balanced budget situation in 2008-09 plus £2 million of general revenue reserves as at 31 March 2009.

Salisbury District Council

27. Currently, Salisbury District Council is also forecasting a balanced budget in 2008-09. In order to deliver this break even position, officers will be taking appropriate action – where possible - if overspends are identified between now and 31 March 2009. The biggest challenge is the impact of the economic downturn which has already significantly affected the fees and charges raised in discretionary areas.
28. Appendix A, page 7 shows Salisbury District Council budget forecast report for the month of December 2008.

West Wilts District Council

29. Significant underspends in the areas of: Environmental Services, Finance, Housing and Leader - plus savings from a LEAN fundamentals review - respectively contribute to a forecast underspend at the year end of £205,000 as shown in Appendix A, page 8.

General Balances

30. The level of general balances for Wiltshire County Council and the four district councils combined are estimated to be £19.778 million at 31 March 2009 as shown in Appendix B.

Risk Assessment

31. These are explicit in the report.

Equalities Impact of the Proposal

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

Financial Implications

33. These are explicit within this report.

Legal Implications

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

Proposals

35. Implementation Executive is asked to :-

- a) Note that the projected variation on the 2008-09 revenue budget for Wiltshire County Council and the four district councils combined is an underspend of £0.662 million
- b) Note the estimated level of general balances for Wiltshire County Council and the four district councils combined are estimated to be £19.778 million at 31 March 2009.

Conclusion

36. Within Wiltshire County Council and the four district councils there is currently a year end projected underspend of £0.662 million and the general fund balance is estimated to be £19.778 million at 31 March 2009.

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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

006/2009/IE/DH/SMc

		<i>Approved Budget 2008/09 £m</i>	<i>Actual Position 30/11/2008 £m</i>	<i>Projected Position for Year £m</i>	<i>Projected Variation for Year £m</i>	<i>Variation as % of approved budget</i>
SUMMARY						
Children and Education	Gross	359.932	193.779	361.167	-1.235	-0.3%
	Income	-305.999	-53.672	-306.875	0.876	-0.3%
	Net	53.933	140.107	54.292	-0.359	-0.7%
Community Services	Gross	149.096	104.441	149.098	-0.002	0.0%
	Income	-40.112	-32.900	-40.021	-0.092	0.2%
	Net	108.984	71.541	109.077	-0.094	-0.1%
Environmental Services	Gross	71.791	43.383	70.605	1.186	1.7%
	Income	-9.148	-4.459	-8.798	-0.350	3.8%
	Net	62.643	38.924	61.807	0.836	0.0%
Department of Resources	Gross	48.861	19.200	49.485	-0.624	-1.3%
	Income	-5.702	-3.492	-5.702	0.000	0.0%
	Net	43.159	15.708	43.783	-0.624	-1.4%
Other elements	2.630	0.000	2.630	0.000	0.0%	
GRAND TOTAL		271.349	266.280	271.589	-0.241	-0.1%

Note negative variances = Overspend

Reconciliation to Revenue Approved 2008/09 budget	
	<i>£m</i>
Net revenue budget 2008/09 at 1 April 2008	250.332
Rollovers allowed from 2007/08	2.947
Children and Education Area Based Grant	8.544
Community Services Area Based Grant	6.650
Environmental Services Area Based Grant	2.872
Unallocated	0.004
Net revenue budget 2008/09 at 30 Nov 2008	271.349

		<i>Approved Budget 2008/09 £m</i>	<i>Actual Position 30/11/2008 £m</i>	<i>Projected Position for Year £m</i>	<i>Projected Variation for Year £m</i>	<i>Variation as % of approved budget</i>
DETAIL						
Children and Education						
Funding Schools	Gross Costs	239.313	121.777	239.313	0.000	0.0%
	Income	-239.313	-41.604	-239.313	0.000	0.0%
	Net	0.000	80.173	0.000	0.000	0.0%
Children and Families	Gross Costs	56.073	35.396	56.682	-0.609	-1.1%
	Income	-17.503	-1.324	-17.503	0.000	0.0%
	Net	38.570	34.072	39.179	-0.609	-1.6%
Strategic Services	Gross Costs	5.186	4.589	5.679	-0.493	-9.5%
	Income	-1.912	-0.872	-1.912	0.000	0.0%
	Net	3.274	3.717	3.767	-0.493	-15.1%
Early Years	Gross Costs	18.540	12.057	18.541	-0.001	0.0%
	Income	-18.540	-3.912	-18.540	0.000	0.0%
	Net	0.000	8.145	0.000	0.000	0.0%
School Support	Gross Costs	29.822	14.477	29.822	0.000	0.0%
	Income	-23.306	-3.562	-23.306	0.000	0.0%
	Net	6.516	10.915	6.516	0.000	0.0%
Services to Young People	Gross Costs	9.906	5.032	9.842	0.064	0.6%
	Income	-2.229	-2.077	-2.229	0.000	0.0%
	Net	7.677	2.955	7.613	0.064	0.8%
School Building & Places	Gross Costs	1.265	0.473	1.288	-0.023	-1.8%
	Income	-0.461	-0.061	-0.461	0.000	0.0%
	Net	0.804	0.412	0.827	-0.023	-2.9%
DSG support within central services	Gross Costs	-0.173	-0.022	0.000	-0.173	0.0%
	Income	-2.735	-0.260	-3.611	0.876	-32.0%
	Net	-2.908	-0.282	-3.611	0.703	-24.2%
Sub Total	Gross Costs	359.932	193.779	361.167	-1.235	-0.3%
	Income	-305.999	-53.672	-306.875	0.876	-0.3%
	Net	53.933	140.107	54.291	-0.359	-0.7%

All DSG related projections are highlighted *

Note negative variances = Overspend

		Approved Budget 2008/09 £m	Actual Position 30/11/2008 £m	Projected Position for Year £m	Projected Variation for Year £m	Variation as % of approved budget
<u>Community Services</u>						
Older People	Gross Costs	49.243	34.929	48.673	0.570	1.2%
	Income	-8.391	-10.369	-8.310	-0.081	1.0%
	Net	40.852	24.560	40.363	0.489	1.2%
Physically Impaired	Gross Costs	6.450	4.968	7.063	-0.613	-9.5%
	Income	-0.945	-0.913	-0.862	-0.083	8.8%
	Net	5.505	4.055	6.200	-0.696	-12.6%
Learning Disabilities	Gross Costs	42.419	29.016	42.184	0.235	0.6%
	Income	-12.824	-8.667	-12.431	-0.393	3.1%
	Net	29.595	20.349	29.753	-0.158	-0.5%
Mental Health	Gross Costs	23.168	16.795	23.987	-0.819	-3.5%
	Income	-4.219	-3.885	-4.619	0.400	-9.5%
	Net	18.949	12.910	19.368	-0.419	-2.2%
Resources, Strategy and Commissioning	Gross Costs	5.697	4.573	5.262	0.435	7.6%
	Income	-0.315	-0.662	-0.337	0.022	-7.0%
	Net	5.382	3.911	4.925	0.457	8.5%
Supporting People	Gross Costs	8.548	6.056	8.548	0.000	0.0%
	Income	-8.175	-5.450	-8.175	0.000	0.0%
	Net	0.373	0.606	0.373	0.000	0.0%
Libraries and Heritage	Gross Costs	7.946	4.760	7.870	0.076	1.0%
	Income	-1.103	-0.636	-1.126	0.023	-2.1%
	Net	6.843	4.124	6.744	0.099	1.4%
Community Safety	Gross Costs	4.616	2.674	4.588	0.028	0.6%
	Income	-3.981	-2.342	-4.053	0.072	-1.8%
	Net	0.635	0.332	0.535	0.100	15.7%
Community Leadership & Governance	Gross Costs	1.009	0.670	0.923	0.086	8.5%
	Income	-0.159	0.024	-0.108	-0.051	32.1%
	Net	0.850	0.694	0.815	0.035	4.1%
Sub Total	Gross Costs	149.096	104.441	149.098	-0.002	0.0%
	Income	-40.112	-32.900	-40.021	-0.092	0.2%
	Net	108.984	71.541	109.077	-0.094	-0.1%

Note negative variances = Overspend

		<i>Approved Budget 2008-09 £m</i>	<i>Actual Position 30/11/2008 £m</i>	<i>Projected Position for Year £m</i>	<i>Projected Variation for Year £m</i>	<i>Variation as % of approved budget</i>
Environmental Services						
Highways	Gross Costs	24.865	15.491	24.865	0.000	0.0%
	Income	-2.302	-1.544	-1.952	-0.350	15.2%
	Net	22.563	13.947	22.913	-0.350	-1.6%
Passenger Transport	Gross Costs	16.619	10.103	16.919	-0.300	-1.8%
	Income	-1.085	-1.026	-1.085	0.000	0.0%
	Net	15.534	9.077	15.834	-0.300	-1.9%
Waste Management	Gross Costs	20.215	11.086	18.729	1.486	7.4%
	Income	-2.195	-0.593	-2.195	0.000	0.0%
	Net	18.020	10.493	16.534	1.486	8.2%
Planning & Environment	Gross Costs	3.261	1.978	3.261	0.000	0.0%
	Income	-0.825	-0.446	-0.825	0.000	0.0%
	Net	2.436	1.532	2.436	0.000	0.0%
Trading Standards	Gross Costs	1.732	1.066	1.732	0.000	0.0%
	Income	-0.164	-0.096	-0.164	0.000	0.0%
	Net	1.568	0.970	1.568	0.000	0.0%
Other Services (Incl. Recovery Plans)	Gross Costs	5.099	3.659	5.099	0.000	0.0%
	Income	-2.577	-0.754	-2.577	0.000	0.0%
	Net	2.522	2.905	2.522	0.000	0.0%
Sub Total	Gross Costs	71.791	43.383	70.605	1.186	1.7%
	Income	-9.148	-4.459	-8.798	-0.350	3.8%
	Net	62.643	38.924	61.807	0.836	1.3%

Note negative variances = Overspend

		<i>Approved Budget 2008-09 £m</i>	<i>Actual Position 30/11/2008 £m</i>	<i>Projected Position for Year £m</i>	<i>Projected Variation for Year £m</i>	<i>Variation as % of approved budget</i>
Resources						
Chief Executive	Gross Costs	1.117	0.784	1.117	0.000	0.0%
	Income	-0.550	-0.360	-0.550	0.000	0.0%
	Net	0.567	0.424	0.567	0.000	0.0%
Corporate & Democratic Core	Gross Costs	2.153	1.211	2.153	0.000	0.0%
	Income	-0.003	-0.175	-0.003	0.000	0.0%
	Net	2.150	1.036	2.150	0.000	0.0%
Corporate Services	Gross Costs	8.401	5.232	8.401	0.000	0.0%
	Income	-3.472	-2.313	-3.472	0.000	0.0%
	Net	4.929	2.919	4.929	0.000	0.0%
Finance	Gross Costs	25.721	5.842	26.191	-0.470	-1.8%
	Income	-1.677	-0.644	-1.677	0.000	0.0%
	Net	24.044	5.198	24.514	-0.470	-2.0%
Performance & Risk	Gross Costs	0.291	0.145	0.291	0.000	0.0%
	Income	0.000	0.000	0.000	0.000	0.0%
	Net	0.291	0.145	0.291	0.000	0.0%
ICT	Gross Costs	11.178	5.986	11.332	-0.154	-1.4%
	Income	0.000	0.000	0.000	0.000	0.0%
	Net	11.178	5.986	11.332	-0.154	-1.4%
Sub Total	Gross Costs	48.861	19.200	49.485	-0.624	-1.3%
	Income	-5.702	-3.492	-5.702	0.000	0.0%
	Net	43.159	15.708	43.783	-0.624	-1.4%
Contribution to Balances		0.660	0.000	0.660	0.000	0.0%
Earmarked Reserves		-8.882	0.000	-8.882	0.000	0.0%
Major Projects - Revenue		0.095	0.000	0.095	0.000	0.0%
One Council for Wiltshire		10.750	0.000	10.750	0.000	0.0%
Unallocated Area Based Grant		0.007		0.007		
District Services		0.000	0.000	0.000	0.000	0.0%
Total		45.789	15.708	46.413	-0.624	-1.4%

Note negative variances = Overspend

North Wiltshire District Council Revenue Budget Monitoring Statement

30-Sep-08

Business Area	Approved Budget £m	Projected Position for Year £m	Projected Variation for Year £m
Chief Executive Officer	1.384	1.357	-0.027
Communications, PR & Media	0.247	0.247	0.000
Community Engagement	2.355	2.309	-0.046
Customer Relations	1.051	0.976	-0.074
Development Services	4.386	4.583	0.197
Environmental	5.168	4.863	-0.305
Finance & resources	0.850	0.739	-0.111
Governance	1.371	1.265	-0.106
Human Resources	0.692	0.736	0.045
ICT	1.357	1.298	-0.059
Policy & Performance	0.348	0.357	0.009
Total	19.210	18.731	-0.478
Additional Investment Income		-0.220	-0.220
Grand total	19.210	18.511	-0.698

Salisbury District Council

Revenue Budget Monitoring 2008-09

	Actual spend to date	31 December 2009	Year end projection	Variance
	Net	Budget	Net	Net
	£	£	£	£
Environment	3,340,347	5,259,820	5,179,820	(80,000)
Community Initiatives	3,601,311	3,831,700	3,891,700	60,000
Planning and Economic Development and Tourism	2,259,665	2,940,520	3,190,520	250,000
Transport	(31,231)	(8,250)	61,750	70,000
Housing	2,275,009	1,573,440	1,403,440	(170,000)
Finance and Resources	951,807	728,260	598,260	(130,000)
	12,396,908	14,325,490	14,325,490	0

Section 151 Comments

1. Variances are from approved Budget
2. Projected Variances are rounded to nearest £10k
3. There are no "rollover" commitments (not Council Policy)
4. Housing Excludes HRA

Projected Reserves

	31/03/2008	31/03/2009	
	£000s	£000s	
GENERAL BALANCES			
General Fund	(2,013)	(1,371)	Does not include any potential severance costs Planned Use
Transportation Reserve	(280)	0	
RING FENCED RESERVES			
Housing Revenue Account	(9,654)	(10,632)	Planned Increase
City Area Levy Balances	(747)	(841)	Planned Increase

West Wilts District Council - Financial Monitoring Statement as at 30 November 2008			
	£M		£M
Base Budget			15.364
Additional Costs:			
Previously reported	0.538		
Movements since last report:			
Land charges income	0.070		
Travel allowances	0.040		
Financing 'previously reported pressures'	0.020		0.668
Savings:			
Previously reported	0.678		
Movements since last report			
Car parking income	0.030		
Area based grant	0.022		
Audit commission fee	0.017		
Insurance renewal	0.010		
Training	0.010		
HPDG	0.010		
Net employee costs	0.050		
Lean fundamentals review	0.046		(0.873)
Projected Outturn			15.159
Projected year end surplus/(deficit)			<u>0.205</u>

Estimated Reserves Position - November 2008

Year & Reserve Type	District Council				WCC £m	Totals £m
	Kennet £m	Salisbury £m	West Wilts £m	North Wilts £m		
31 March 2008						
Revenue Earmarked	4,256	280	1,204	4,633	18,938	29,311
Revenue General	865	2,013	1,526	6,923	10,478	21,805
	5,121	2,293	2,730	11,556	29,416	51,116
Capital Usable	18,963	0	840	5,200	2,751	27,754
Capital Earmarked	0	0	0	12,000	0	12,000
	18,963	0	840	17,200	2,751	39,754
31 March 2009						
Revenue Earmarked	2,693	0	0	4,000	12,088	18,781
Revenue General	2,008	1,371	949	7,500	7,950	19,778
	4,701	1,371	949	11,500	20,038	38,559
Capital Usable	5,621	0	0	7,500	0	13,121
Capital Earmarked	5,602	0	0	0	0	5,602
	11,223	0	0	7,500	0	18,723

Note: forecast figures for North Wilts and Kennet are as at September 2008; Salisbury is as at December 2008