

REPORT TO THE CABINET

16 JULY 2013

Cabinet Member: COUNCILLOR PEREDUR JENKINS,
CABINET MEMBER - RESOURCES

Subject: REVENUE BUDGET 2013/14 –
FIRST QUARTER REVIEW (JUNE 2013)

Contact Officer: DAFYDD L EDWARDS, HEAD OF FINANCE

1. The decision sought

- 1.1 To note the latest forecasts of the 2013/14 budgets' position and to ask the Cabinet Members and relevant heads of department to take appropriate steps regarding the matters under their management.
- 1.2 To approve the return of a 'bid' (110k) from the Education budget to general balances (page 8 of Appendix 2).

2. Introduction

- 2.1 In accordance with the usual arrangement, the quarterly report of the latest review of the revenue budget for 2013/14 is presented.
- 2.2 Since it is so early in the year, not all of the expenditure trends are clear, and therefore the report for the first quarter tends to concentrate on matters that have become apparent since preparing the budget and any significant problems identified in the meantime.
- 2.3 It is early to come to a definite conclusion about the probable financial performance by the end of the financial year. Nevertheless, there is already a tendency towards overspending on some expenditure (and income) headings, which suggests a risk of quite substantial overspending in 4 Departments. Nevertheless, at present, I confirm that the relevant departments are taking steps to try to manage this year's budget within their resources.
- 2.4 There is a summary of each Department's position in **Appendix 1**, and further details relating to the main issues and areas where significant variances are forecasted (where over-/under-spending in 2013/14 is foreseen on the basis of experience during the first quarter) are included in **Appendix 2**.

- 2.5 In 2013/14, where Departments and Services are not mentioned in Appendices 1 and 2, substantial over or under spend position is not expected. That is, early indications suggest that the position of the net budget of the Human Resources, Finance, Customer Care, and Strategic and Improvement Departments will be broadly neutral this year. In the same manner, where some Services are not mentioned, such as all the Highways services apart from Waste, substantial differences are not expected between the budget and the actual expenditure.
- 2.6 Many matters in the Waste field are highlighted on pages 13-15 of Appendix 2. The Head of Highways and Municipal is reviewing arrangements with a view to reducing the overspend of £800k forecasted for 2013/14. We will be collaborating with him and the Cabinet Member before reporting to the Cabinet on relevant steps in our second quarter review.
- 2.7 There are some budget headings in the Social Services Department (Adults and Provider Services on pages 1-5 of Appendix 2) where there are early forecasts of overspending (net total of £253k). However, as this review is so early in the year, these figures should be treated as an "early warning" of possibilities in the context of a total departmental budget of over £50m.
- 2.8 We already know that the cause for concern in the Economy and Community Department is in the Maritime field, in particular income from Hafan, Pwllheli (page 11 of Appendix 2). I have discussed this again with the Head of Department who intends to report on the way ahead in the autumn.
- 2.9 The position of the Consultancy Department's budget received detailed attention over recent months, and the position of the 2013/14 budget projected here is a conservative one, whilst noting that steps are already afoot there.

3. Next steps and timetable

- 3.1 The Cabinet Members and relevant heads are expected to continue to keep an eye on the matters highlighted in Appendix 2.
- 3.2 It will be reported further in more detail and with more basis to our projections having learnt from the experience of the second quarter (whilst keeping in mind that this report was prepared **before** the end of the first quarter).

Local member's views

Not relevant

Opinion of the Statutory Officers**Chief Executive:**

The report notes that it is very early in the financial year to make an accurate assessment of tendencies - it is key for the financial health of the Council that any problems are identified early. I am sure that the relevant Heads of Department and Cabinet Members will give detailed attention to any causes for concern over the next weeks and months.

Monitoring Officer:

Nothing to add regarding propriety.

Head of Finance:

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

Appendices

Appendix 1

Appendix 2