

REPORT TO THE CABINET

19 February 2015

Cabinet Member: COUNCILLOR PEREDUR JENKINS, CABINET MEMBER - RESOURCES

Subject: THE REVENUE BUDGET 2014/15 –
THIRD QUARTER REVIEW

Contact Officer: DAFYDD L EDWARDS, HEAD OF FINANCE

1. The decision sought / purpose of the report

The Cabinet is asked to receive the report on the third quarter review of the Revenue Budget (2014/15 forecasts on the basis of the position as at 31 December 2014), and consider the latest financial position regarding the budgets of each department / service, asking the Cabinet Members and relevant heads of department to take appropriate steps regarding the matters under their leadership/management.

2. Introduction / Background

It is the Cabinet's responsibility to take action, as necessary, in order to secure appropriate control over the Council's budgets (e.g. approval of significant virements or supplementary budgets).

The first quarter review was submitted to the Cabinet on 15 July 2014, and the second quarter review on 25 November. This report updates the forecasts following the third quarter review.

A summary of the position by each Department is outlined in **Appendix 1**. The probable overspend position of the Adults, Health and Wellbeing Department has almost halved since the second quarter forecasts. It can be seen that the general picture shows firm management of departmental budgets, although action needs to be taken in order to prevent trends in the Education budget.

Appendix 2 shows further details relating to the main issues and the budget headings where significant variances are forecasted, along with specific recommendations if appropriate.

3. Adults, Health and Wellbeing Department – overspend of £599k

There was a significant reduction of the previous overspend level due to a combination of circumstances and good efforts by the Department to manage budgets. However, some fields continue to put significant financial pressure on the Council, in particular the expenditure on Older People Home Care. The Adults Department is taking steps to try and strengthen the related financial control, and in particular to ensure there will be sound management at the beginning of the 2015/16 financial year.

4. Education Department – overspend of £361k

There was quite a substantial increase in expenditure since September on Integration for Pupils with Additional Learning Needs. It appears that the demand had escalated and the position is the subject of a review by the new Head of Department. It will be reported further on the result and financial implications of this review in our out-turn report.

5. Next steps and timetable

An 'out-turn' report will be presented to the Cabinet in June in order to agree on the final position for 2014/15. The out-turn report will recommend final transfers between different budgets.

Local member's views

Not relevant

Opinion of the Statutory Officers

Chief Executive:

It is good to note that the majority of the report confirms sound financial management across the Council. On top of that, the improvement that can be seen in terms of the Department of Adults and Wellbeing is to be welcomed although some overspend is cause for concern in other directions. All this confirms once again the importance of careful management on commitment and spending patterns across the Council.

Monitoring Officer:

Nothing to add from a propriety perspective.

Head of Finance:

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

Appendices

Appendix 1 – Summary of Departments' net budget position.

Appendix 2 – Details of budgets and significant variances.