

REPORT TO THE CABINET

16 January 2018

Cabinet Member: Councillor Peredur Jenkins, Finance Cabinet Member

Subject: Revenue Budget 2017/18 –
Third Quarter Review (December 2017)

Contact Officer: Dafydd L Edwards, Head of Finance

1. The decision sought

The Cabinet is requested to:

- Accept the report on the end of the third quarter review (31 December 2017 position) of the Revenue Budget, and consider the latest financial position in respect of all departments / services, and request the Cabinet Members and the heads of the relative departments take appropriate steps in respect of the matters under their leadership/management.
- Harvest (£270k) of the underspend from Council Tax Reduction, (£12k) one-off underspend on bids, and (£803k) as a result of receipt of a grant, and favourable circumstances on other Council budgets, and transfer it to the Financial Strategy Reserve to assist with unavoidable one-off pressures on the Council's budgets, with an element to be earmarked to compensate for the effect of a possible overspend on school taxi transport at the end of the year.

2. Introduction / Background

It is the Cabinet's responsibility to take steps, as necessary, to ensure appropriate management over the Council's budgets (e.g. approving substantial transfers or additional budgets).

The second quarter review report was presented to the Cabinet on 21 November 2017. The report before you today is presented earlier than usual, in preparation for the challenge of tightening the timescale for completing the final accounts of Local Authorities.

This third quarter review report is presented based upon the Council revenue budget for 2017/18, and a summary of the position by Department is outlined in **Appendix 1**.

In **Appendix 2**, further details are given in respect of the main matters and budget headings where substantial variances are forecasted, together with specific recommendations where appropriate.

3 Update since the Second Quarter

Overall, the third quarter review is similar to the second quarter, with the financial position of most departments having improved, and their success in endeavoring to manage their budgets is appreciated. However, there has been an increase in the overspend in Children and Families.

3.1 Children and Families Department

The overspend trend seen earlier in the year continues, with an overspend on placement services and operations. The Head of Finance and the Head of Children and Families are already in discussions to try to find a solution for 2018/19.

3.2 Corporate

A reduction in the Council Tax Reduction claims, bids that will not be used this year, and an underspend as a result of receipt of a grant and recent favourable circumstances. It is recommended that it is transferred to the Financial Strategy Reserve to assist with unavoidable one-off pressures on the Council's budgets, with part of this being to compensate for the effect of the possible overspend on school taxi transport at the end of the year.

4. Current Matters

4.1 Adults, Health and Wellbeing Department

The proposal is that the Head of Department and the Cabinet Member for Adults, Health and Wellbeing present a report to Cabinet shortly, re-packaging savings schemes in order that they may be realised.

4.2 Education Department

In the second quarter review, the Cabinet Member for Education was requested to ensure that the Head of Education in conjunction with the Head of Environment review the increase in spend on school taxi transport to manage the position. Whilst policies and transport arrangements are being reviewed and a programme is being established with a view to improving the financial position, there will be a need to transfer bridging finance to the Department at the end of the year, when the overspend amount will be more certain.

5. General

Overall, the third quarter review of the budgets reflects acceptable financial management by a number of the Council's departments, but a combination of decisive implementation steps are recommended for the Education, Adults, Health and Wellbeing, Children and Families, and Highways and Municipal Departments, to ensure management of their budgets by 31 March 2018.

6. Next steps and timetable

Act upon the presented recommendations and submit a follow up report to the Cabinet at the end of the financial year.

Local member's views

Not relevant

Opinion of the Statutory Officers

Monitoring Officer:

No observations in relation to 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 - Summary of each department's position

Appendix 2 - Budget details and substantial variances