

## **REPORT TO THE CABINET**

24 November 2015

**Cabinet Member:** Councillor Peredur Jenkins, Cabinet Member - Resources

**Subject:** The Revenue Budget 2015/16 -  
2<sup>nd</sup> Quarter Review (September 2015)

**Contact Officer:** Dafydd L Edwards, Head of Finance

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### **1. The decision sought / Purpose of the report**

The Cabinet is asked to:

- Receive the report on the second quarter review of the Revenue Budget (position as at 30 September 2015), and consider the latest financial situation 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.
  - Note the various reviews noted in the report and the steps to be taken by departments to manage their budgets.
  - Give consideration to, and approve as appropriate, the recommendations relating to the Education, Economy and Community, and Regulatory Departments, and Corporate Budgets.
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### **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 budget review report was submitted to the Cabinet on 14 July 2015. This report submitted today is much more detailed, being the most thorough review of budgets during 2015/16.

This quarterly report presents the latest review of the Council's revenue budget for 2015/16, and a summary of the position by each Department is outlined in **Appendix 1**.

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

## **2.1 Adults, Health and Wellbeing Department – £527k overspend**

There were slippages with several of the Adults Department's savings schemes this year. Apart from those, the net financial picture would appear to be positive. However, the Head of Adults, Health and Wellbeing recognises that the relevant development work with a number of schemes in the programme is taking longer than originally anticipated and therefore unlikely to realise the full savings this year. In the circumstances, and in order to enable the schemes to have adequate time to deliver, it is very likely that the Adults Department will need bridging resources for this year, and it can be seen from the report that there is an intention to take advantage of every opportunity to put available resources to one side to enable the Cabinet to respond to the probable financial position by the end of the year.

## **2.2 Education Department**

There was additional pressure in several fields, including Redundancy and Early Retirement, Catering and Cleaning, and Additional Learning Needs, but also that the Department, through a combination of measures taken, the use of reserves and a specific recommendation included in this report, is taking action to try to keep the situation under control.

## **2.3 Regulatory Department**

The Regulatory Department's favourable income picture this year enables the Department to provide towards financing some of the Council's specific schemes. Those requirements would have produced an application for resources via a bid for 2016/17, had they not been financed here. Also, advantage has been taken of the Department's gross underspend position to earmark a budget to enable the Cabinet to utilise towards other financial requirements facing the Council this year.

## **2.4 Corporate**

Again, there is a recommendation to earmark the Council Tax base underspend and Benefits underspend, as a resource to one side to enable the Cabinet to deal with the probable financial position of the Adults Department at the end of the financial year.

## **2.5 General**

It is recommended that a combination of definite management steps, the use of specific resources in reserve, together with transferring between fields which are in a favourable financial position this year, in order to assist other services which are in a less favourable financial position. Thereafter, the net picture across the Council, for the time being, and in general, reflects acceptable financial control.

## **Next steps and timetable**

Act on the recommendations submitted and present the following report to the Cabinet on 16 February 2016 on the 3<sup>rd</sup> quarter review.

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## **Local member's views**

Not relevant

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## **Opinion of the Statutory Officers**

### **Chief Executive:**

The report highlights a number of matters requiring attention, some of which have specific steps recommended for them and others where the departments, and the individual Cabinet Members, are expected to keep a keen eye on them in order to avoid problems later in the year. This, of course, is key as the financial challenges that the Council is, and will be facing makes it even more important to keep our current expenditure under firm control.

### **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.

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## **Appendices**

Appendix 1 – Summary of Departments' net budget position.

Appendix 2 – Details of budgets and significant variances.