

## REPORT TO THE CABINET

12 JULY 2016

**Cabinet Member:** COUNCILLOR PEREDUR JENKINS,  
CABINET MEMBER - RESOURCES

**Subject:** REVENUE BUDGET 2016/17 – IDENTIFYING EARLY RISKS

**Contact Officer:** DAFYDD L EDWARDS, HEAD OF FINANCE

---

### 1. The decision sought

**1.1 To note the financial risks which have been identified early in 2016/17 and ask the Cabinet Members and relevant heads of department to take appropriate steps regarding the matters under their management.**

### 2. Early Conclusions regarding Departments' Budgets

2.1 The quarterly report of the latest review of the revenue budget for 2016/17 is presented here.

2.2 There is an outline of each department's position in **Appendix 1**, and brief comments relating to the main issues and areas where significant variances are forecast are in **Appendix 2** (budgets where overspending in 2016/17 is forecast on the basis of experience during the first quarter).

2.3 As 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.

2.4 Consequently, this report, which has been compiled on an exceptions basis, identifies financial risks, rather than predicting a total overspend by the Council in 2016/17. Doubtless, other budget heads will underspend and counterbalance some of the problems identified here.

2.5 It is too 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 headings, which suggests a risk of quite substantial overspending in several departments, including Adults, Children, Education, Highways, and Consultancy, but the assessment of the 2016/17 budget projected here is early, on an exceptions basis, and in accordance with the usual good practice here in Gwynedd, the relevant departments are taking appropriate steps to manage their budgets this year.

### **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 the content of this report was prepared **before** the end of the first quarter.

---

#### **Local member's views**

Not relevant

---

#### **Opinion of the Statutory Officers**

##### **Chief Executive:**

Although it is very early in the current financial year, this is the right time to attempt to identify any trends which could create financial difficulties for the Council later in the year, and get to grips with them. I approve the recommendations which are in the report, stressing the importance of firm financial management over expenditure at this difficult time.

##### **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 - Outline of each department's position

Appendix 2 - Brief comments regarding the main issues