

Budget Management 2019/20

Cabinet

Date: 10th July 2019

Authors: Cabinet Member for Finance, Education and Skills
Director of Finance

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report presents the 2019/20 revenue budget forecast out-turn.
- 1.2 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.
- 1.3 Responsible budget management helps ensure that the Council consistently makes the best use of all available resources as well as providing focus for the Council's transformation programmes.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the 2019/20 revenue budget forecast out-turn for each service area set out in Table 1 and Appendix 1;
- 2.2 Note that the Corporate Management Team will develop plans to mitigate the current forecast overspend;
- 2.3 Request that the Head of Education provides an update to Cabinet, by October 2019, on the steps being taken to manage the DSG High Needs Budget in consultation with the Schools Forum.
- 2.4 Approve the virements set out in Appendix 2; and
- 2.5 Approve the changes to the capital programme as set out in section 4.

3. Forecast Out-turn for 2019/20

General Fund

- 3.1 The General Fund is forecasting an overspend of £2.2m as at the end of May 2019.
- 3.2 The main reasons for this variance are:-

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email mbowden@swindon.gov.uk

Budget Management 2019/20

Cabinet

Date: 10th July 2019

- 3.2.1 Pressures that were emerging on crematorium income in the latter part of 2018-19 have continued into 2019-20 and, based on these trends, income is forecast to be down by £450k. This is due to a combination of death rates continuing to be lower than historic trends and an increase in cremation capacity within the Borough. Work is underway to identify options to mitigate this pressure.
- 3.2.2 Demand through the hospital in regard to Older People with Dementia has continued at the higher levels seen in the winter. The related pressure of this demand for services is currently forecast to be £540k. ASC officers continue to work closely with the hospital and Swindon CCG to manage this demand.
- 3.2.3 Pressures across Communities & Housing including car parking income of £390k and unexpected utility costs at a heritage site of £246k. These pressures are partly mitigated by one off efficiencies in Highways Operations of £245k.
- 3.3 In addition, there is a forecast net pressure of £763k against the savings of £21.6m that are included in the 2019-20 budget, these pressures are from services within Communities & Housing (£474k) and Adults (£289k).
- 3.4 Management teams are continuing work on the savings delivery and action to mitigate the forecast overspend and the impact of this work will be reflected in future reports to Cabinet.
- 3.5 The budget and projected out-turn by Department is set out in Table 1 below, with a more detailed analysis is set out in Appendix 1.

Table 1 – General Fund Out-turn By Department

Department	Budget 2019/20 £'000	Full-Year Projected Outturn £'000	Projected Variance £'000
Adult Services	62,262	63,074	812
Children Services	42,929	42,929	0
Communities and Housing	23,703	24,652	949
Economy	1,004	1,004	0
Resources	12,599	13,045	446
Total General Fund	142,497	144,704	2,207

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email mbowden@swindon.gov.uk

Budget Management 2019/20

Cabinet

Date: 10th July 2019

Housing Revenue Account (HRA)

- 3.6 HRA Budget Managers are currently forecasting a small net underspend of £4k, comprised of contract savings on Sheltered schemes of £12k, offset by some additional temporary staff costs relating to IT projects in the HRA.

Dedicated Schools Grant (DSG)

- 3.7 The Dedicated Schools Grant (DSG) is projecting an overspend of £1.6m.
- 3.8 The main pressures are due to:-
- 3.8.1 The High Needs top up budget pressure is expected to be £1.4m for increased demand for specialist places and pupils with increasing complexity of needs.
 - 3.8.2 The Post 16 budget pressure is expected to be £0.2m, the pressure has been forecast in line with an increase in students' preferences for Post 19 specialist provision and an increase in provider evidenced bespoke funding packages.

4. Capital Programme

- 4.1 Cabinet is asked to approve the following changes to the existing programme:-
- 4.1.1 Abbey Farm Transport projects - £32k funded from S106 contributions. The funding will be used to improve cycle & pedestrian network signage including revised maps and promotional events. Measures will also be taken to improve traffic signal optimisation on Thamesdown Drive.
 - 4.1.2 Blunsdon High Street - £68k funded from S106 contributions. This will be used to provide pedestrian improvements in the vicinity of the High Street and its junction with Ermin Street. The proposals have been developed in conjunction with the Parish Council.

5. Alternative Options

- 5.1 Cabinet could choose not to approve the virements as set out in Appendix 2.
- 5.2 Cabinet could choose not to approve the additions to the Capital Programme.

Budget Management 2019/20

Cabinet

Date: 10th July 2019

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 The current forecast overspend on the General Fund is £2.2m and management teams are working on actions to mitigate this pressure
- 6.2 The forecast overspend on the DSG is £1.6m. This pressure will be managed within the DSG and the details will be provided with an update on the approach to this in a future report.
- 6.3 The additions to the Capital Programme are all funded from s106 contributions and therefore have no impact on the revenue budget.

Legal and Human Rights Implications

- 6.4 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.5 There are no such direct implications.

Diversity Impact Assessment

- 6.6 A Diversity Impact Assessment (DIA) has not been done as this report is reporting performance in the financial year and does not make any recommendations to reprioritise the future funding of services.

Risk Management

- 6.7 None other than those highlighted in the body of the report. Individual schemes will have individual Risk Assessments and DIAs.

7. Consultees

- 7.1 The Director of Finance (Section 151 Officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

8. Background Papers

- 8.1 None

9. Appendices

- 9.1 Appendix 1 – Forecast Out-turn by Department 2019/20

Further information on the subject of this report can be obtained from Mick Bowden on Direct Dial No. 07392 109917 or Email mbowden@swindon.gov.uk

Budget Management 2019/20

Cabinet

Date: 10th July 2019

9.2 Appendix 2 – Proposed Budget Virements

10. Key Decision/Decision in Cabinet Work Programme

10.1 This is not a key decision and is included in the Cabinet Work Programme for July 2019.