

# Budget Management 2019/20

**Cabinet**

**Date: 22<sup>nd</sup> April 2020**

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

Wards: All

Parishes Affected: All

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## **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.

## **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.

## **3. Detail**

General Fund Forecast Out-turn for 2019/20

- 3.1 The position at the end of January is that the General Fund is forecast to be overspent by £348k which is an improvement of £1.1m since the last report.
- 3.2 The main changes are:-
  - 3.2.1 An increase in pressures relating to placements in Children Services, primarily due to an emergency placement (£142k), this has been mitigated through a reduction in forecast staff costs across the service arising from a combination of staff turnover and availability of agency staff;
  - 3.2.2 An underspend on vehicle financing costs due to timing of the fleet replacement programme being later than assumed in the budget (£140k);
  - 3.2.3 An improvement in the income forecasts for car parking and bus lane enforcement (£210k), this has mitigated a pressure from recharges to Highways projects (132k);
  - 3.2.4 Further release of developer contributions to match costs incurred (£350k);
  - 3.2.5 A further reduction in the budget risk contingency reflecting savings delivery and the overall forecast out-turn (£500k).

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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](mailto:mbowden@swindon.gov.uk)

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- 3.3 Based on the current rate of improvement it is expected that the final position will be within budget.
- 3.4 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<br>2019/20<br>£'000 | Full-Year<br>Projected<br>Outturn<br>£'000 | Projected<br>Variance<br>£'000 | Movement<br>since the<br>last report<br>£'000 |
|---------------------------|----------------------------|--|--------------------------------|---|
| Adult Services            | 61,105                     | 61,517                                     | 412                            | 35  |
| Children Services         | 42,760                     | 43,933                                     | 1,173                          | 88  |
| Communities and Housing   | 25,580                     | 26,479                                     | 899                            | (540)   |
| Economy                   | 1,240                      | 1,162                                      | (78)                           | (5)   |
| Resources                 | 11,812                     | 9,754                                      | (2,058)                        | (701)   |
| <b>Total General Fund</b> | <b>142,497</b>             | <b>142,845</b>                             | <b>348</b>                     | <b>(1,123)</b>                                |

## Housing Revenue Account (HRA)

- 3.1 The position at the end of January is continues to forecast an underspend of £268k, with no net change since the December position.
- 3.2 Whilst the net change in the overall forecast is zero, there is an underlying pressure associated with clearing the repairs backlog (£92k). This pressure has been mitigated by a net saving across the Supervision and Management function of as a result of reduced spend on contracts, savings from staff vacant posts and additional rent income.

## Dedicated Schools Grant (DSG)

- 3.3 The position at the end of January is that the DSG is forecast to be overspent by £1.78m. This is a favourable movement of £7k since the last report.
- 3.4 The main changes are:-
- 3.4.1 An improvement following an update to the forecast for a number of Post 16 learners as the cost of their new placement is now known (£35k);

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- 3.4.2 An improvement in the funding recouped following permanent exclusions of pupil's as a flat rate has been agreed for Secondary age pupils (£30k);
- 3.4.3 These underspends mitigate a new pressure due to increased demand for High Needs top ups for pupils (£50k) and a net increase in costs for pupils in placements outside of Swindon (£9k).

## 4. Alternative Options

- 4.1 This report does not include any proposals requiring a decision and therefore there are no alternative options to be considered.

## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 The current forecast overspend on the General Fund is £348k and management teams continue to work on actions to mitigate this pressure. Based on the current rate of improvement in the projected overspend position and the ongoing work across all service areas to identify further savings it is expected that the final outturn for 2019/20 will be delivered within budget.
- 5.2 The forecast overspend on the DSG is £1.78m. This pressure will be managed within the DSG.
- 5.3 The HRA is currently forecasting an underspend of £268k. The HRA is ring-fenced and therefore any variances at year end will be managed within the HRA.

### Legal and Human Rights Implications

- 5.4 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.

### Climate Change Impact

- 5.5 As the recommendation is only to note the current financial position, Officers believe that there is no expected effect on the Council's carbon footprint.

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

- 5.6 There are no such direct implications.

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## Diversity Impact Assessment

- 5.7 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

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

## **6. Consultees**

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

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

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

## **9. Key Decision/Decision in Cabinet Work Programme**

- 9.1 This is not a key decision and is included in the Cabinet Work Programme for March 2020.