

# Budget Management 2015-16

**Cabinet**

**Date: 20<sup>th</sup> April 2016**

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Authors:	Cabinet Member for Finance, People and Performance and Board Director, Resources
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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## **1. Purpose and Reasons**

- 1.1 This report presents the 2015-16 Revenue Budget forecast out-turn at the end of February 2016.
- 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 underpins the Council's Strategic Objective of consistently making the best use of all available resources as well as providing focus for the Change Programmes.

## **2. Recommendations**

### Cabinet is recommended to:

- 2.1 Note the projected Revenue Budget out-turn position for 2015-16 set out in Table 1 and Appendices 1 and 2;
- 2.2 Note that the Council is expected to deliver services within its overall Budget for the tenth year running;
- 2.3 Approve that any Council-wide General Fund underspend from early delivery of savings or efficiency savings is added to the Council's transformation reserve to fund the implementation of changes to balance future years' budgets in line with the policy already in place; and
- 2.4 Approve the addition to the Capital Programme detailed in paragraph 7.1.

## **3. Detail**

### 2015-16 Projected Out-turn

- 3.1 The projected budget out-turn as at the end of February 2016 is a minor underspend of £10k, an improvement since the last report of £192k. The Finance team is now in the process of closing the annual accounts, which includes processing a range of adjustments to match expenditure to the correct financial year. The team continued to work with Budget Managers during the last few weeks of the year and, within that context, it is anticipated that a balanced

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position will be reported as part of the year-end out-turn report to Cabinet in June 2016.

- 3.2 The Council has invested significant time and training to ensure that its finances are well managed and, despite significant financial challenges in-year within Children's Social Care driven by national factors, the organisation has responded by starting to deliver the next year's (2016-17) Budget savings early to offset pressures within this area. Significant financial pressures continue to exist across Council services and a huge amount of effort is being made to continue to drive savings and deliver services within an increasingly challenging financial climate. However, despite this, the Council is well placed compared with many other councils to meet the challenges ahead and continue to deliver services within its annual cash limited envelope.
- 3.3 The budget and projected out-turn by Department is set out in Table 1 below and a more detailed analysis is set out in Appendices 1 and 2.

Table 1 – Projected Out-turn By Department

Department	Budget 2015-16 £'000	Full-Year Projected Out-turn £'000	Projected Variance £'000	Movement since last report £'000
Chief Executive	3,246	2,921	(325)	(49)
Resources	19,669	19,425	(244)	(56)
Corporate	(14,047)	(15,403)	(1,356)	(23)
Commissioning	98,063	100,597	2,534	70
Service Delivery	29,809	29,190	(619)	(134)
<b>Total General Fund</b>	<b>136,740</b>	<b>136,730</b>	<b>(10)</b>	<b>(192)</b>

## 4. Department Summaries and Explanation of Key issues

### Chief Executive

- 4.1 The Chief Executive's Department continues to project an underspend with further savings since the last report on salary costs at the Museum and Art Gallery.

### Resources and Corporate

- 4.2 The Resources and Corporate budgets are currently projecting an underspend of £1.6m, a further improvement of £79k since the last report. The movement within the Resources Department relates mainly to staffing budgets and additional health and safety income from schools.

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- 4.3 The full year forecast efficiency savings and variations should amount to £1.4m, which includes the release of the £0.5m from the unspent Corporate Contingency, £0.25m of unbudgeted income from schools towards historic equal pay costs, £0.2m from a one-off grant for Land Searches costs due from 2014-15, £0.2m of Business Rates income for Solar Farms, £0.05m interest on VAT and the release of a £0.2m provision due to lower than predicted energy costs.
- 4.4 This revenue is being used to offset pressures in other parts of the Council's budget especially within Children Social Care linked to a national shortage of social workers and care placements. Should further improvements in the Budget result in the final out-turn, Members are asked to agree that this is added to the Council's transformation reserve to fund the implementation of changes to balance future years' budgets in line with the policy already in place.

## Commissioning

- 4.5 The Commissioning budgets are currently projecting an overspend of £2.534m, an adverse variance of £70k since the last report. The main reason for the change is slightly lower levels of planned savings in adult social care package costs for clients with Learning Disabilities with the balance and further savings now expected to materialise in 2016-17. In addition, deferred income levels are slightly lower than predicted in the January 2016 forecast.
- 4.6 The above cost pressures are partly mitigated by an improvement of £178k in the projections for Children's, Families and Health following an agreement being reached with Health to share some placement costs.

## Service Delivery

- 4.7 The Department is projecting a net underspend of £619k, an improvement of £134k since the last report. Despite lower than previously predicted planning income levels, a review of all Budgets with managers during February resulted in offsetting savings to be identified to allow the overall Departmental forecast to improve.

## **5. Housing Revenue Account (HRA)**

- 5.1 Budget managers are forecasting a net underspend of £1.176m as at the end of February 2016, an improvement of £193k since the last report. The main reasons for the improvements are savings on staffing and utility costs plus lower than previously forecast contractor repair costs and an increase in the likely scale of repairs that can be capitalised.
- 5.2 Any underspend on the HRA will be rolled forward into 2016-17 to increase the level of capital programme to bring it more in line with the level of investment made in previous years.

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## 6. Dedicated Schools Grant (DSG)

- 6.1 The DSG budget is predicting a net overspend of £840k, a worsening of £118k since the last report. The main changes are detailed below.
- 6.2 Forecast expenditure levels have reduced by £170k due to lower than anticipated early years numbers in the Spring census and savings in the Tuition Service partly offset by an increase in top-up payments for high-needs pupils in both early years, mainstream and specialist settings.
- 6.3 Predicted funding levels have reduced by £287k which is also due to lower than anticipated early years numbers in the Spring census for both two-year olds and three and four-year olds.

## 7. Capital Programme – Swindon WWI War Memorial

- 7.1 Members are requested to approve a budget of £30k for refurbishment to the World War One War Memorial currently housed in the Old Swindon Town Hall funded from section 106 contributions. The refurbishments need to be completed before 2018 and the funding is earmarked for public art within the town centre area. Officers are in the process of identifying an appropriate location for the refurbished memorial.

## 8. Alternative Options

- 8.1 Members could choose not to allocate funding to refurbish the war memorial at Old Town.

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

### Financial and Procurement Implications

- 9.1 Where there are specific financial implications these have been reflected in the body of the report.

### Legal and Human Rights Implications

- 9.2 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)

- 9.3 There are no such direct implications.

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## Diversity Impact Assessment

- 9.4 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations.

## Risk Management

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

## **10. Consultees**

- 10.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

## **11. Background Papers**

- 11.1 None

## **12. Appendices**

- 1.1. Appendix 1 – Forecast Out-turn by Directorate 2015-16  
1.2. Appendix 2 – Forecast Out-turn by Service 2015-16

## **13. Key Decision/Decision in Cabinet Work Programme and Forward Plan**

- 13.1 This is not a key decision and is included in the Cabinet Work Programme / Forward Plan for April 2016.