

Budget Management 2016/17

Cabinet

Date: 15th March 2017

Authors:	Cabinet Member for Finance and Corporate Services, and Interim Corporate Director Resources
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 This report presents the 2016/17 Revenue Budget forecast out-turn at the end of January 2017.
- 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 Council's transformation programme.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note the projected Revenue Budget out-turn position for 2016/17 set out in Table 1 and Appendix 1; and
- 2.2 Approve the virements set out in Appendix 2.

3. Detail

2016/17 Projected Out-turn

- 3.1 The projected budget out-turn as at the end of January 2017 is an overspend of £6.263m, an improvement of £245k from the previous month.
- 3.2 The significant changes since the last report to Cabinet are :
 - 3.2.1 An improvement in the forecast for corporate budgets of £137k reflecting a revenue payment from Thamesdown Transport and a repayment of service financing costs, partly offset by the write-off of Seqol debt that was reported to Cabinet in December 2016;
 - 3.2.2 Savings in Children's Services due to the application of additional funding of £99k to support children in external placements;
 - 3.2.3 An improved forecast on parking of £67k, reflecting lower operating costs and increased income;

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 2016/17

Cabinet

Date: 15th March 2017

3.2.4 A reduction in anticipated planning fee income of £120k

- 3.3 Previous reports to Cabinet have set out the approach to meeting the pressures in the current financial year, through the revision of the Council's approach to providing for the repayment of debt and the use of one-off earmarked reserves. Throughout the financial year the biggest financial risk facing the council has been the delivery of savings in adult social care and the current forecast assumes that £0.4m of adult social care savings will be delivered in the last two months of 2016/17.
- 3.4 The projected overspend within Streetsmart (£3m) is predominantly due to the increased gate fee for waste disposal, as reported to Cabinet on 13 July 2016. The Council had previously paid waste disposal costs below the market rate as a result of the profit made by PPS Ltd on solar schemes. This was affected by changes in solar tariffs by Central Government and therefore higher gate fees, closer to market levels, were agreed with effect from 1 April 2016.
- 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 – Projected Out-turn By Department

Department	Budget 2016/17 £'000	Full-Year Projected Outturn £'000	Projected Variance £'000	Movement since last report £'000
Adult Services	72,594	77,256	4,662	23
Children Services	26,391	28,200	1,809	(116)
Communities and Place	28,137	32,137	4,000	(83)
Economy	(871)	(638)	233	127
Chief Executive	4,226	4,143	(83)	(3)
Resources	20,037	18,918	(1,119)	(56)
Corporate	(15,288)	(18,527)	(3,239)	(137)
Total General Fund	135,226	141,489	6,263	(245)

Virements

- 3.6 Since the last report, there have been some minor virements to reflect changes to the allocation of costs between departments. Members are asked to agree these virements as set out in Appendix 2.

Budget Management 2016/17

Cabinet

Date: 15th March 2017

Housing Revenue Account (HRA)

- 3.7 Budget managers are forecasting a net underspend of £621k as at the end of January 2017, representing an improvement of £20k compared to the previous month. This is largely driven by savings in staffing and consultancy costs.

Dedicated Schools Grant (DSG)

- 3.8 The forecast for the DSG budget is a net underspend of £424k, an improvement of £93k since the last report. There has been a saving of £172k due to the receipt of external funding for post 16 placements, offset by additional placement costs and the cost of intervention and support for a special school.

4. Alternative Options

- 4.1 Cabinet could choose not to approve the virements as set out in Appendix 2.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

- 5.2 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)

- 5.3 There are no such direct implications.

Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would affect service delivery.

Risk Management

- 5.5 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 section 151 Officer and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

Budget Management 2016/17

Cabinet

Date: 15th March 2017

7. Background Papers

7.1 None

8. Appendices

8.1 Appendix 1 – Forecast Out-turn by Directorate 2016/17

8.2 Appendix 2 – Proposed Budget Virements 2016/17

9. Key Decision/Decision in Cabinet Work Programme and Forward Plan

9.1 This is not a key decision and is included in the Cabinet Work Programme and Forward Plan for March 2017.