

**REPORT TO THE CABINET  
26 NOVEMBER 2013**

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

**Subject:** THE REVENUE BUDGET 2013/14 – 2<sup>nd</sup> QUARTER REVIEW  
(SEPTEMBER 2013)

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

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### **The decision sought / purpose of the report**

The second quarter review (position as at 30 September 2013) of the Revenue Budget is reported here, and the Cabinet is asked to consider the latest financial situation regarding the budgets of each department / service and to consider the recommendations submitted, before resolving on appropriate action to manage and adjust the revenue budgets of the Council and its departments for the current year.

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### **Introduction / Background**

It is the Cabinet's responsibility to take action, as necessary, in order to secure appropriate control over the Council's budgets (e.g. approval of significant virements or supplementary budgets).

The first quarter budget review report was submitted to the Cabinet on 16 July 2013. This report submitted today is much more detailed, being the most thorough review of budgets during 2013/14.

This quarterly report presents the latest review of the Council's revenue budget for 2013/14, and a summary of the position by each Department is outlined in **Appendix 1**.

**Appendix 2** shows further details relating to the main issues and the budget headings where significant variances are forecasted, along with specific recommendations where appropriate.

Following overspend / income deficit in 2012/13, the positions of the Consultancy Department and Parking Income have stabilized this year. However, there is concern for some budgets (£ below 2013/14 net overspend):

- **Highways and Municipal – Waste £536k** (and the strain on the 2014/15 budget)
- **Provider and Leisure – Homes' Staff £290k and Leisure Sales £76k**
- **Education – Redundancy and Early Retirement in Schools £259k**

I note that there is also an overspend in Housing (Grants) and Maritime (Hafan), but steps are being taken to deal with those matters.

To counterbalance the above concerns, there is some flexibility on some corporate budgets, namely Council Tax (£520k), and Heritable Bank (£221k).

Note from the summary in Appendix 1 that several Departments are overspending this year. In previous years, the Council has used corporate resources in order to 'bail out' some Departments. By now, as the challenging 2014/15 settlement drives us to use balances to bridge the budget, our corporate flexibility is more restricted than ever. Therefore, it is extremely doubtful that we will fully bail out the overspending of any Departments, and where appropriate, we expect to see evidence of managerial measures to reduce the overspend during the remainder of 2013/14.

### **Next steps and timetable**

Act on the recommendations submitted and present the report to the formal Cabinet on 18 February 2014 on the 3<sup>rd</sup> quarter review.

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

Not relevant

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

#### **Chief Executive:**

As the belt tightens, firm financial management is getting more difficult but also more important. As the report notes, the nature of the probable settlement for 2014/15 means that we will not have the kind of flexibility that we had in the past to bail out in positions of overspend. It is clear therefore that there is significant pressure on Cabinet Members and Department Heads to balance the expenditure between now and the end of the year.

#### **Monitoring Officer:**

Nothing to add regarding propriety.

#### **Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

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### **Appendices**

Appendix 1 – Summary of Departments' net budget position.

Appendix 2 – Details of budgets and significant variances.