

REPORT TO THE CABINET

16 October 2018

Cabinet Member: Councillor Peredur Jenkins, Finance Cabinet Member

Subject: Revenue Budget 2018/19 – End of August 2018 Review

Contact Officer: Dafydd L Edwards, Head of Finance

1. The decision sought

The Cabinet is requested to:

- Accept the report on the end of August 2018 review of the Revenue Budget, and consider the latest financial position in respect of the budgets of all departments / service.
- Ask the Cabinet Members for Children, Education and Highways and Municipal services to ensure that the three departments have a clear implementation plan to reduce the financial deficit and to discuss those plans with me so that I can be confident that they are reasonable.
- Reimburse the Economy and Community Department £40k which is the income loss resulting from the closure of the Arfon swimming pool over the summer.
- Harvest (£1,904) of the net underspend on Corporate budgets with (£40k) to be used to reimburse the Economy and Community Department for the income loss while the Arfon swimming pool was closed. With the remaining (£1,864) to be transferred to the Supporting the Financial Strategy Reserve to support the inevitable one-off pressure on the Council's budget.

2. Introduction / Background

It is the Cabinet's responsibility to take steps, as necessary, to ensure appropriate management over the Council's budgets (e.g. approving substantial transfers or additional budgets).

This end of August report is presented based upon the latest review of the Council's revenue budget for 2018/19, and a summary of the position by Department is outlined in **Appendix 1**.

In **Appendix 2**, further details are given in respect of the main matters and budget headings where substantial variances are forecasted, together with specific recommendations where appropriate.

2.1 Adults, Health and Wellbeing Department

Overspend by the Provider services together with slippage in realising savings schemes from 2017/18 that are counterbalanced by the underspend on the Older Peoples, Physical Disability and Learning Services.

2.2 Children and Families Department

The trend of overspending seen in 2017/18 have deepened, with overspend on placement, operations and Specialist/Derwen services.

2.3 Education Department

The additional pressure on school taxis and bus transport, overspend in the Additional Learning Needs and Inclusion field and catering and cleaning.

2.4 Economy Department

Slippage on the savings scheme in the leisure field and income deficit following the closure of Arfon swimming pool over the summer. It is recommended that the department is compensated for the income deficit over the period.

2.5 Highways and Municipal Department

The Department's overspending problems have deepened during 2018/19, which is a combination of an increase in the operational costs, increasing sickness costs, handling and transport of recyclable materials and income deficit.

2.6 Corporate

Extra tax yield is forecasted on the Council Tax Premium scheme, but back-dated transfers from Council Tax to Non-domestic Tax has reduced the income. An underspend on claiming Council Tax Reduction benefits, savings realised early, bids that will not be used this year, and an underspend resulting from recent favourable circumstances. It is recommended that it is transferred to the Financial Strategy Reserve to assist with unavoidable one-off pressures on the Council's budgets.

3. General

The end of August review on the budgets shows a mixed picture with acceptable level of financial management by a number of the Council's departments, but a combination of specific implementation steps is recommended for the Education, Children and Families, and Highways and Municipal Department, to ensure management of their budgets by 31 March 2019.

4. Next steps and timetable

Implement the presented recommendations and present an updating report to Cabinet on 22 January 2019 on the end of November review.

Local member's views

Not relevant

Opinion of the Statutory Officers

Monitoring Officer:

No observations from a propriety perspective.

Head of Finance:

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

Appendices

Appendix 1 – Summary of each department's position

Appendix 2 – Budget details and substantial variances
