

REPORT TO THE CABINET

14 JULY 2015

Cabinet Member: COUNCILLOR PEREDUR JENKINS,
CABINET MEMBER - RESOURCES

Subject: REVENUE BUDGET 2015/16 – IDENTIFYING EARLY RISKS

Contact Officer: DAFYDD L EDWARDS, HEAD OF FINANCE

1. The decision sought

1.1 To note the financial risks which have been identified early in 2015/16 and ask the Cabinet Members and relevant heads of department to take appropriate steps regarding the matters under their management.

2. Early Conclusions regarding Departments' Budgets

2.1 The quarterly report of the latest review of the revenue budget for 2015/16 is presented here.

2.2 There is an outline of each department's position in **Appendix 1**, with brief comments relating to the main issues and areas where significant variances are forecast (budgets where overspending in 2015/16 is forecast on the basis of experience during the first quarter).

2.3 Since it is so early in the year, not all of the expenditure trends are clear, and therefore the report for the first quarter tends to concentrate on matters that have become apparent since preparing the budget and any significant problems identified in the meantime.

2.4 Consequently, this report, which has been compiled on an exceptions basis, identifies financial risks, rather than predicting a total overspend by the Council in 2015/16. Doubtless, other budget heads will underspend and counterbalance some of the problems identified here.

2.5 It is too early to come to a definite conclusion about the probable financial performance by the end of the financial year. Nevertheless, there is already a tendency towards overspending on some expenditure headings, which suggests a risk of quite substantial overspending in several departments, including Adults, Education, Economy and Community, Highways, and Consultancy, but the assessment of the 2015/16 budget projected here is early, on an exceptions basis. I confirm that the relevant departments are taking steps to try to manage this year's budget.

3. Next steps and timetable

- 3.1 The Cabinet Members and relevant heads are expected to continue to keep an eye on the matters highlighted in Appendix 1.
- 3.2 It will be reported further in more detail and with more basis to our projections having learnt from the experience of the second quarter, whilst keeping in mind that the content of this report was prepared **before** the end of the first quarter.

Local member's views

Not relevant

Opinion of the Statutory Officers

Chief Executive:

As the report states, it is very early in the year to identify any significant trends, but it is vital that heads and Cabinet Members keep a close eye on any early suggestions of overspending in order to bring the matter under control.

Monitoring Officer:

Nothing to add 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 - Outline of each department's position