



Public Agenda Item: **Yes**

Title: **Revenue Budget Monitoring 2011/12 – Quarter 3**

Wards Affected: **All Wards in Torbay**

To: **Overview and Scrutiny Board** **On: 15 February 2012**
Council **1 March 2012**

Contact Officer: **Paul Looby**
☎ Telephone: **01803 207283**
✉ E.mail: **paul.looby@torbay.gov.uk**

1. Key Points and Summary

- 1.1 The Council is projecting an overspend of £0.930m at the end of the financial year based upon the latest information available to finance officers. Despite the extremely challenging financial position faced by the Council this year it is encouraging that continued progress has been made in addressing the £3m projected overspend that was reported to Members as at the end of quarter 1, which fell to £1.5m at the end of quarter 2.
- 1.2 As outlined in the previous report to Members, the pressures identified within Adults and Children's still exist, however the Torbay Care Trust and Children Services Management Team have been working hard to contain expenditure in the context of ongoing demands.
- 1.3 The Strategy of all other services identifying in-year savings and the identification of uncommitted budgets has continued during the third quarter and has resulted in a continued fall in the projected overspend. A £0.930m overspend is a large deficit to recover in the last quarter of the year and the achievement of a balanced budget position will remain a challenge in the current climate with existing commitments.
- 1.4 Whilst there are still a number of significant projected overspends within Adults and, Children's services, Executive Lead Members and the Senior Leadership Team will continue to take appropriate action to curtail expenditure in the last quarter to reduce the projected overspend and will continue to explore all opportunities to ensure recovery plans are delivered and to identify where other efficiencies and savings can be made to ensure a balanced budget is achieved.

- 1.5 Executive Heads have reviewed all areas of expenditure to identify where further savings can be made and a series of actions have been ongoing including the continuation of the vacancy freeze, an embargo on expenditure not yet committed including IT purchases and bringing forward proposed budget savings currently being proposed for the next financial year.
- 1.6 It should be noted that the Council must achieve a balanced budget at year end. If insufficient savings can be made there is a risk that, as a last resort, uncommitted reserves or uncommitted budgets will be required to ensure a balanced budget can be achieved at the end of the year. It is essential that where possible expenditure is contained within the approved budget, and preferably below the approved budget, due to the difficult financial challenges faced by the Council in 2012/13 and beyond.
- 1.7 Included as appendices to this report are the Children's and Adults Services recovery plans to show Members the actions taken to address their overspends and the pressures faced by these services.
- 1.8 The key variations identified to date within services are:
- Children's Services projected overspend has increased to £2.2m. As previously reported the overspend is primarily within the Safeguarding and Wellbeing service due to increasing numbers and the costs for looking after Children and the costs for the continued use of agency social workers within the Children In Need service.
 - Adult Social Care is projected to overspend by £1.654m. This is due to pressures within Learning Disability, Older People and Mental Health.
 - Services within the Environment and Operational portfolios (excluded Adults) are currently projected to spend below or within their approved budget. Any specific budget pressures within Business Units have been reported.
- 1.9 A summary of how the projected overspend is shown in the table below:

	£m	£m
Council Overspend		4.137
<i>Managed by</i>		
In Year savings identified to date by services	(2.522)	
Balance remaining		1.615
Further options to balance budget:		
Uncommitted Income:		
- New Homes: Bonus	(305)	
- Local Services Support Grant	(380)	930
Further in year savings to be identified	to be confirmed	
Uncommitted reserves (if required)	to be confirmed	(930)
Balance		0

1.10 As a comparator, the position at this time last year was a projected underspend of £0.395m.

2. Report Overview

2.1 The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council and to set out how the Council will maintain expenditure within its approved budget of £125.8m.

2.2. The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.

2.3 Ongoing performance and financial monitoring will be provided to Members through the SPAR system and quarterly updates of performance management will be reported to Overview and Scrutiny Board.

Paul Looby
Executive Head of Finance and Chief Finance Officer
Appendices

- Appendix 1 Summary of Main Variations
- Appendix 2 Children's Services Recovery Plan
- Appendix 3 Pooled Budget with Torbay Care Trust
- Appendix 4 Torbay Care Trust Recovery Plan
- Appendix 5 Budget Monitoring of Council Subsidiaries and Associates

Documents available in Members' rooms

None.

Background Papers:

The following documents/files were used to compile this report:

Torbay Council's Financial Information and Management System (FIMS).

Budget Digest 2011/12.