

Scrutiny Report



Performance Scrutiny Committee – Place and Corporate

Part 1

Date: 2 October 2017

Subject Budget Revenue Monitoring (April to July 2017)

Author Overview and Scrutiny Officer

The following people have been invited to attend for this item:

Service Area	Head of Service	Cabinet Member
Regeneration, Housing and Investment	Keir Duffin Head of Regeneration, Housing and Investment	Councillor Jane Mudd Cabinet Member for Regeneration, Investment and Housing
Streetscene	Paul Jones Head of Streetscene and City Services	Councillor Roger Jeavons – Cabinet Member for Streetscene
Law and Regulation	Gareth Price – Head of Law and Regulation	CM – TBC
People and Business Change	Rhys Cornwall – Head of People and Business Change	CM – TBC
Finance	Meirion Rushworth - Head of Finance	CM - TBC

Section A – Committee Guidance and Recommendations

1 Recommendations to the Committee

1.1 The Committee is asked to consider the current budget position for the service areas within its portfolio:

- Regeneration, Housing and Investment
- Streetscene and City Services
- Law and Regulation
- People and Business Change
- Finance

1.2 Determine if it wishes to make any comment/ recommendations to the Cabinet on the Budget position.

2 Context

2.1 The attached budget update was presented to the Cabinet at its meeting on 13 September 2017. The Committee has been provided with a copy of the Cabinet report, along with attachments relevant to the Committee portfolio. For the full papers (including information relevant to Education and Social Services), refer to the [full Cabinet agenda](#).

2.2 Below is an extract from the Cabinet minutes from this meeting for the Committees information:

'the Leader presented the Revenue Budget Monitor report to the Cabinet, detailing the current forecast position on the Council's revenue budget as of the end of July. When the last monitor was considered in July, Cabinet noted the ongoing pressures and overspends within the budget, which were able to be managed through underspending in other areas.

This latest report now showed a forecasted overspend of £1.4m at the end of July. The Council was able to offset this through using the unused revenue budget contingency, bringing the budget to an almost balanced position.

The reasons for budget pressures were understood, and spending was being monitored and managed closely to bring the forecasts back to a more comfortable position. However, a significant part of the pressures were due to areas outside of our control. Increasing out of area placements, for both Education and Children's Services, were an unpredictable and significant element. The Council was doing what it could to manage these pressures within the Council, but this was also a national issue. The Leader reported that she would be raising this through the WLGA, to suggest that a national approach was taken, to highlight with the judiciary the financial impact of the decisions made in court on the provision of care packages.

The Leader highlighted that the budget was everybody's responsibility across the Council, and the administration would do everything it could to balance the budget by year end.

The Head of Finance highlighted the importance of managing the budget, and the knock on impact of overspending for next year's budget if it was not brought under control. The Chief Executive also noted that the overspend represented less than 1% of overall spending, and was in line with similar patterns of spending in previous years. He assured Cabinet that appropriate actions would be taken to deliver a balanced position by the year end.

Decisions:

- *To note the overall budget forecast position and the key assumptions and issues which underpin and impact on the Council's financial forecast position.*
- *To approve the use of all the Council's contingency budget to balance the current level of overspending, which will be assessed each month on an on-going basis.*
- *To agree to instruct all areas of the Council to maintain robust financial management and bring forward planned underspending wherever possible to mitigate against the current position.*
- *To note the level of undelivered savings within each directorate and the risks associated with this.*
- *To note the forecast movements in reserves.*
- *To note and ratify the Corporate Management Team's decision to implement a targeted spending freeze for all non-essential spend.'*

- To agree the use of and note the balance in respect of the investment reserve which has been assumed within current forecast.'

3 Information Submitted to the Committee

3.1 The Committee has been provided with a copy of the relevant papers from the Cabinet report:

Attachment A – Cabinet Covering Report (with the following attachments)	Attachment 1 – Revenue Summary Monitor
	Attachment 2 – Budget Monitoring Dashboards <ul style="list-style-type: none"> ▪ Regeneration Housing and Investment ▪ Streetscene ▪ Law and Regulation ▪ People and Business Change ▪ Finance
	Attachment 3 – Delivery of Medium Term Revenue Plan (MTRP) savings
	Attachment 4 – Planned Movement in Reserves

4 Suggested Areas of Focus

4.1 The Committee agreed to include Budget Monitoring within its work programme. As part of this role the Committee agreed to focus on:

- Scrutinising variances in budget;
- Assessing the extent to which performance is being achieved within budget;
- Reviewing the outcomes and the delivery of agreed savings plans;

4.2 The Committee may also wish to consider the extent to which:

- the service areas are performing within their agreed budget;
- appropriate mitigations are being put in place for any overspends and how these are being effectively managed;
- agreed savings for this year are being achieved;
- Whether any further actions are required to mitigate any risks with overspends.

Section B – Supporting Information

5 Additional Data and Analysis

5.1 The Centre for Public Scrutiny (CfPS) produced a guide in 2012 providing advice for Scrutiny Members on the use of financial and performance information in scrutiny ([Centre for Public Scrutiny \(CfPS\) Guide – Putting Budget and Performance Management information to good use](#))

5.2 Below is an extract from this guide, which provides the following as a basis to consider any financial information coming before Scrutiny:

'Examples of useful criteria for financial scrutiny are:

- *was there a significant over or underspend?*
- *Were there issues with demand or supply and what does it tell us about the future?*
- *Has spending on this specific project or policy achieved value for money and what social value has it added?*
- *Does the overall budget line up with the council's identified priorities?*
- *Finally, are changes to the budget linked to performance management reports?'*

6. Background Documents

[Cabinet minutes – 13 September 2017](#)

Cabinet Agenda – 13 September 2017

[Centre for Public Scrutiny \(CfPS\) Guide – Putting Budget and Performance Management information to good use](#)

Report Completed: 21 September