

BUDGET OUTTURN 2015/16

Reason for the Report

1. To provide Members with an opportunity to consider the final budget outturn position for 2015/16.

Scope of the Scrutiny

2. The Committee will have an opportunity to reflect on the Council's financial position at the year ending March 2016, and to offer its observations on the 2016/17 Outturn. Members may also like to use the information presented to inform Committee's work programming for 2016/17.

Background

3. The Policy Review and Performance Scrutiny Committee has responsibility for monitoring the overall Council budget, as well as for monitoring Directorate functions, including Corporate Services, Finance, ICT, Governance & Legal Services, and HR People Services.

Revenue budget issues

4. Attached at **Appendix A** is the Budget Outturn 2015/16 report considered by the Cabinet on 16 June 2016.

5. The Council's final revenue position shows a surplus of £1.696 million against the Council's overall net budget of £546 million.
6. The Council received an Outcome Agreement Grant from Welsh Government of £862,000 in relation to 2014/15.
7. A contribution of £1 million has been made to reserves which as set out in the budget report formed part of the funding for the 2016/17 budget..
8. Directorate budgets showed an overspend of £4.635 million with just two Directorates overspent: Social Services (£5.022 million) and Corporate Management (£372,000). The overspends were offset by a £4.0 million contingency budget, and underspends in the other Directorates.
9. There was an overall shortfall in savings targets for 2015/16 of £6.586 million against a target of £32.473 million. A further shortfall of £2.837 million had been carried over from 2014/15. The Cabinet report makes clear that the shortfalls together represent a significant challenge in light of further savings targets in the 2016/17 budget.
10. Within the remit of this Committee, Members may particularly like to note the variances below and consider factoring more detailed scrutiny of these areas as part of 2016/17 budget monitoring.
 - **Capital Financing** is on target, having been underspent by £1.212 million at month 9.
 - Within an overall saving of £166,000 in the Communities, Housing & Customer Services budget, **Customer Services** reported an overspend of £93,000, due largely to the savings target for the Alarm Receiving Centre being unachievable in 2015/16 due to implementation delays.
 - Within a **Corporate Management** overspend of £372,000, **Media & Communications** reported an overspend of £111,000, including an income

shortfall of £125,000 in relation to Capital Times; and a shortfall of £378,000 in relation to 2015/16 corporate budget savings.

- Within the **Economic Development Directorate** saving of £208,000, an improved position was reported in relation to Property budgets. Construction & Design and Property Services both reported balanced positions at the year end. There was a shortfall of £195,000 against savings targets for increased rental income on non-operational properties.

- Within an overall underspend of £4,000 in the **Governance & Legal Services** budget:
 - An underspend of £12,000 against the Scrutiny Services budget.
 - An overspend of £43,000 against the Monitoring Officer budget.
 - An underspend of £74,000 in Legal Services..
 - An overspend of £28,000 in Electoral Services incurred, supporting
 - An overspend of £11,000 in Bi-lingual Cardiff.

- The **Resources** Directorate has an underspend of £252,000, having delivered total savings of £2.815 million against a target of £3.052 million leaving a shortfall of £237,000 to be added to the shortfall of £224,000 carried forward from 2014/15. Within this budget notable underspends include:
 - An underspend of £87,000 in ICT
 - An underspend of £83,000 in Facilities Management
 - An underspend of £44,000 in fleet management
 - An underspend of £52,000 in Human Resources.

11. The Cabinet report attached at **Appendix A**, itself has many appendices, as follows:

Appendix 1 - Revenue 2015/16

Appendix 2 - Directorate Variances

Appendix 3 (a) - Budget Savings - 2015/16 Savings

Appendix 3 (b) - Budget Savings - 2014/15 Savings

Appendix 4 - Earmarked Reserves

Appendix 5 - Civil Parking Enforcement 2015/16

Appendix 6 - Housing Revenue Account 2015/16

Appendix 7 - Capital Scheme Updates

Appendix 8 - Capital Programme 2015/16.

Way Forward

12. Councillor Graham Hinchey (Cabinet Member Corporate Services and Performance), Christine Salter (Corporate Director Resources) and Ian Allwood, Head of Finance will be in attendance to present the report and answer Members' questions.

Legal Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

15. The Committee is recommended to:

- i. note the Budget outturn report;
- ii. consider whether it wishes to make any comments to the Cabinet; and
- iii. consider whether it wishes to use information contained in the report to inform future scrutiny items.

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Governance & Legal Services

29 June 2016