



Title: **Revenue Budget Monitoring 2011/12 Quarter 1**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

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## **1. Key points and Summary**

- 1.1 The Council is projecting an overspend of £3m at the end of the financial year based upon the latest information available to finance officers. This is a large projected overspend at such an early part of the financial year but not unusual. There is time to take corrective action to address the position. Where significant overspends have been identified services will be required to monitor progress against their recovery plans to ensure expenditure is contained within the approved budget. In addition, Commissioners and Executive Heads will be working with Executive Leads to consider all options for addressing the projected overspend including the continuation of the vacancy freeze and possible extension to posts currently protected and putting an embargo on expenditure not yet been committed and bringing forward proposed budget savings currently being proposed for the next financial year.
- 1.2 The key variations identified to date area:
- Children's Services are projected to overspend by £1.5m. 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. (see paragraph A2.3 to A2.7).
  - Adult Social Care is projected to overspend by £1.5m. This is due to pressures within Learning disability and Older People (see paragraph A2.10 – A2.12).
- 1.3 As part of the financial outturn for 2010/11 the Council approved the transfer of £0.576m to the Budget Pressures Reserve. This reserve can be used to support budget pressures that emerge during 2011/12 and support the council manage the

challenging financial position it is faced with over the next few years. The budget pressures reserve remains uncommitted. A summary of the council's uncommitted reserves are set out in this report in section A.4.

- 1.4 Commissioners and Business Unit Managers will be working hard to ensure they fulfil their responsibility to deliver services within their approved budgets. This includes developing robust plans to ensure in year savings are made to deliver a balanced budget and reporting at regular intervals to the Commissioners, Executive Leads and the Overview and Scrutiny Board.
- 1.5 Members will note that, as a comparator, the position at this time last year was a projected underspend of £0.095m.
- 1.6 At this stage of the financial year the council has an opportunity to ensure robust recovery plans are implemented to ensure expenditure is contained within budgets. In addition, the Commissioners, Executive Heads and Executive Leads will be exploring all opportunities to identify where other efficiencies can be made to ensure a balanced budget is achieved. In the current financial climate Officers and Members must ensure that any new initiatives that emerge throughout the year are fully costed and resources have been identified before any commitment to incur expenditure has been made. It is essential that where possible expenditure is contained within the approved budget, and preferable below the approved budget, due to the difficult financial challenges faced by the council in 2012/13 and beyond.

## **2. Introduction**

- 2.1 The Council, at its meeting on the 24 February 2011, approved spending levels for all Business Units for Torbay. The approved budget for 2011/12 is £125.8m. 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.
- 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 Write-Off's over £5,000 (Exempt Appendix)

## **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.