

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

4 JULY 2012

SUBJECT	FINANCIAL MONITORING STATEMENT
WARD/S AFFECTED	ALL
REPORT OF	ACTING CHIEF FINANCE OFFICER
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report provides a summary of the position of the revenue accounts and General Fund balances as at 31 May 2012.

2.0 BACKGROUND AND KEY ISSUES

MONITORING STATEMENT

2.1 The Statement is attached to this report and includes the following:

- Composition of the original 2012/13 budget by Department including agreed savings and the 'one year' policy options.
- Monitoring against the 2012/13 budget including the financial implications of any changes agreed through Cabinet decisions.
- Anticipated variances, changes not agreed by Cabinet, against the original budget.
- Comments providing an explanation of variances and areas identified as requiring further attention.

2.2 Council agreed the 2012/13 budget on 1 March 2012.

IMPACT OF CABINET DECISIONS HAVING BUDGETARY IMPLICATIONS

2.3 The changes agreed by Cabinet affecting the 2011/12 financial position are:-

- On 29 March 2012 it was agreed that as the Pacific Road Theatre complex had not been disposed of, to fund costs within the 2012/13 year of £0.6 million.
- On 12 April 2012 an uplift of £67,100 in respect of the Streetscene Contract to reflect property and waste variations was agreed.

The impact of these decisions is an overall decrease in balances of £0.7 million,

- 2.4 The Financial Out-turn report for the 2011/12 financial year will be presented to Cabinet on 21 June 2012. Any variation within the 2011/12 financial year compared to budget will result in an adjustment to General Fund Balances.

LATEST DEPARTMENTAL PROJECTIONS

- 2.5 The Statement presents an update of the revenue budget and General Fund balances as at 31 May. Chief Officers are reporting a number of pressures and their explanations are detailed below.

2.5.1 Adult Social Services

The Director is reporting estimated pressures of £9.1 million. These arise from an underlying overspend of £5.9m in 2011/12, demand pressures on older people and learning disability budgets for 2012/13 (£2.8m) and slippage against the employee savings target (£0.4m). The outcome of the fee rate consultation is to be reported to Cabinet in July and may add to future budgetary pressures.

2.5.2 Children & Young People

The Acting Director is reporting pressures of £4.9 million. The main pressure areas are as last year in Social Care and Transport. There are issues particularly with looked after children and residential care where numbers continue to exceed target levels.

2.5.3 Finance

No budgetary pressures have been identified at this early stage of the year. The department contains a number of volatile budgets including Housing and Council Tax Benefits and Treasury Management borrowing and interest budgets.

2.5.4 Law, Human Resources and Asset Management

The Director has reported pressures of £1.9m. These relate to savings not yet achieved. Approximately £0.8m of savings are to be allocated against other departmental budgets leaving £1.1m to be allocated against Law, Human resources and Asset Management

2.5.5 Regeneration, Housing and Planning

The achievement of income targets remains the key concern. An income review is currently underway within the department.

2.5.6 Technical Services

No pressures have as yet been identified at this stage of the year. However income from car parking and cultural services activities continue to be closely monitored as they remain challenging targets in the current economic climate.

Although a number of pressure areas have been highlighted within departmental budgets none have as yet been disclosed as overspends at this early stage of the year.

3.0 RELEVANT RISKS

3.1 Any variations from the agreed budget will impact, positively or negatively, upon Council balances and so affect the financial position of the Authority.

3.2 There is a risk that if there are budget pressures within individual departments then either services will not be delivered at the anticipated level or they will be delivered at additional cost. The responsibilities of Chief Officers in this respect are laid down in the Council's Constitution.

4.0 OTHER OPTIONS CONSIDERED

4.1 There are no options considered in this report.

5.0 CONSULTATION

5.1 No specific consultation has been undertaken with regard to this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no direct implications arising from this report.

7.0 RESOURCE IMPLICATIONS

7.1 As at 31 May 2012 the latest projections are for £8.1 million in balances at 31 March 2013.

Details	£m
Projected balance 31 March 2013 when setting the Budget 2012/13	8.8
Cabinet decisions since the 2012/13 Budget was agreed	(0.7)
Overview from departmental Directors	0.0
Projected balance 31 March 2013 per latest projections	8.1

7.2 There are no staffing, IT or asset implications arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 There are none arising directly from this report.

9.2 Equality Impact Assessment (EIA) is not required for this report.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

12.1 That the contents of the Financial Monitoring Statement be noted.

13.0 REASON FOR RECOMMENDATION

13.1 The Statement is sent out after the end of each month to all Members of the Council. At each meeting of this Committee a formal report is produced to accompany the latest available Statement.

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APPENDICES

Financial Monitoring Statement 2011/12 - Position as at 31 May 2012.

SUBJECT HISTORY

Council Meeting	Date
Cabinet – Council Budget 2012/13	21 February 2012

Department	ORIGINAL BUDGET			MONITORING			COMMENTS (INCLUDING Red/Amber/Green RATING)	
	Policy Option	Saving Target	Agreed Budget	Changes Agreed	Changes Not agreed	Forecast	Rate	Comments
Expenditure	£000	£000	£000	£000	£000	£000		
Adult Social Services	500	2,567	66,660	-	£9.1 million pressures	66,660	A	Main pressure areas are within care services including additional 2012/13 pressures and underlying 2011/12 overspend
Children & YP (plus Schools)	1,378	2,899	73,665	-	£4.9 million pressures	73,665	A	Child care costs, particularly residential, as a result of rising demand remain the volatile area whilst transport costs represent a challenge.
Finance	100	5,310	24,610	-	-	24,610	G	Housing benefit remains the largest budget.
Law, HR and Asset Mgt	(220)	1,759	13,901	250	£1.9 million pressures	14,151	A	The progression of the accommodation strategy (disposals and rationalisation) is a key area. Achievement of savings including those to reallocate to other departments a pressure area
Regen, Housing and Planning	3,000	2,456	25,764	-	-	25,764	G	The income budgets for planning / building control are the main issue. A review of income is currently underway
Technical Services	185	1,467	59,478	427	-	59,905	G	Income targets for car parking and cultural services activities remain the most significant challenge.
Merseytravel	-	-	29,060	-	-	29,060	G	Fixed amount - no change.
Local Pay Review	-	-	248	-	-	248	G	Available to meet the implementation of Job Evaluation / Low Pay.
EVR/VS Scheme	-	-	(290)	-	-	(290)	G	Balance for CYP employees.
Council Tax Reimbursement	-	-	3,990	-	-	3,990	G	Amount of grant confirmed by Government in April.
Contribution from Balances	-	-	(9,605)	(677)	-	(10,282)	G	Before any changes agreed by Cabinet.
Budget Requirement	4,943	16,458	287,481	-	-	287,481		
Income								
Government Grant	-	-	144,737	-	-	144,737	G	Fixed amount - no change
C/Tax Freeze Grant	-	-	6,573	-	-	6,573	G	Fixed amount - but note £3.3m of this is for 2012/13 only.
Local Services Grant	-	-	1,805	-	-	1,805	G	Amount of grant confirmed by Government in April.
Council Tax	-	-	132,911	-	-	132,911	G	Fixed amount - no change
Collection Fund	-	-	1,455	-	-	1,455	G	Fixed amount - no change.
Total Income	-	-	287,481	-	-	287,481		
Statement of Balances								
As at 1 April	-	-	18,405	-	-	18,405		Opening balance with forecast for 31 March 2013 of £8.8 million.
Contributions from Balances	-	-	(9,605)	-	-	(9,605)		Before any changes agreed by Cabinet.
Cabinet decisions								
Changes – Agreed Cabinet	-	-	-	(677)	-	677))		29 Mar Pacific Road £0.6m, 12 Apr Streetscene contract £0.1m
Changes – Not Agreed	-	-	-	-	-	-		Based upon departmental projections and not yet agreed.
BALANCES	-	-	8,800	(677)	-	8,123		Projected balance at start / end of year