

WIRRAL COUNCIL

CABINET - 7 JUNE 2007

REPORT OF THE DIRECTOR OF FINANCE

FINANCIAL MONITORING SUMMARY

1. EXECUTIVE SUMMARY

- 1.1 This is one of a series of reports submitted throughout the year presenting an overview of the financial performance of the Council. This report details the key variations for this financial year and provides a summary of the overall implications for the General Fund.

2. FINANCIAL MONITORING

- 2.1. The Executive Board on 6 April 2006 agreed that a financial monitoring report would be presented to each cycle of meetings and that the financial monitoring report would compare spend against the approved budget.
- 2.2. Cabinet on 24 May 2007 agreed that for 2007/08 I will provide a summary report to the Cabinet and the Finance & Best Value Overview & Scrutiny Committee. Each departmental Chief Officer is to submit an update on their departmental budget that includes references to growth items (including the progress on implementing policy options) and savings (including separate comments on service re-engineering) and any other variations from the approved budget.

3. FINANCIAL YEAR 2006/07

- 3.1 At the time of preparing this report work continues on completing the accounts for the 2006/07 financial year and further details will be included in a future report to the Cabinet.

4. FINANCIAL YEAR 2007/08

- 4.1. Subsequent to the agreement of the budget at Council on 1 March 2007 there were variations to reflect the final levies and the re-allocation of central and departmental recharges to reflect the agreed savings in departmental budgets.
- 4.2 The table shows the Budget reported to Council with the Current Budget reflecting the decisions of Council and the changes referred to in Section 4.1.

Expenditure	Council Budget	Current Budget
	£	£
Adult Social Services	77,623,300	77,616,400
Children & Young People	58,940,400	59,243,600
Corporate Services	5,896,200	6,131,000
Finance	14,868,600	14,388,400
Regeneration	32,766,800	32,777,900
Technical Services	33,344,000	33,802,700
Treasury Management	6,374,500	6,203,800
Merseytravel	24,242,000	24,242,000
Local Pay Award	5,927,500	5,927,500
LABGI grant	(920,000)	(920,000)
Contribution (from) balances	(5,412,700)	(5,762,700)
Net Expenditure	253,650,600	253,650,600

5. FINANCIAL MONITORING 2007/08

5.1 Progress on implementing Policy Options

5.1.1 The policy options are detailed in the appendix and either have been implemented, or are being implemented over the coming months. Within these the main new initiative was that offering Pensioner Council Tax Discounts for over 75's. To date around 7,000 have applied for the discount which is in excess of expectations.

5.2 Progress on delivering savings

5.2.1 The agreed savings are detailed in the appendix and have been incorporated into the departmental budgets for 2007/08. £3.2 million of the £7.5 million is within Adult Social Services and the Director has reported good progress in all areas apart from the £100,000 from integrated management with the Primary Care Trust where discussions are at an early stage.

5.3 Progress on delivering Service Re-engineering savings

5.3.1 The target savings of £5.35 million to be achieved by 31 March 2008 have been included in the estimates. A separate report on this is included on this agenda identifying the progress made to date.

5.4 Impact of Cabinet / Executive Board decisions

5.4.1 Executive Board on 26 April 2007 considered the proposals for the development of New Brighton which include plans for the Floral Pavilion that is presently closed. It was agreed that provision be made in the Regeneration Department budget for the loss of revenue in 2007/08 of £0.3 million and that the additional requirements for future years should be built into the budget projections. Cabinet requested that the finances be reviewed to see if any reductions could be made.

5.5 Variations

5.5.1 At this stage of the financial year there are no variations to report. The following sections highlight those areas of the budget that are identified as key risks in delivering the objectives of the department within the available resources. These are subject to closer monitoring because of the volatile nature of either demand or cost or because in recent years they have experienced pressures in keeping to the agreed budget.

5.5.2. Adult Social Services

The Director has regularly reported in previous years upon the pressures of increasing demand for care services and this remains the case in 2007/08. Community care services and client income are the key elements and the agreed savings are reliant upon changes in domiciliary care and closer working with the Primary Care Trust together with revisions to fees and charges. The financial position will continue to be closely monitored. At this stage the Director of Adult Social Services has not identified any further issues within the budget and continues to monitor demand.

5.5.3. Children and Young People

The areas that are the most volatile are identified as Special Education Needs (SEN), Home to School transport and care in respect of Looked After Children. In terms of SEN the risk of overspending has reduced with growth included for 2007/08 whilst the pressures from SEN add to the transport costs. Spend on independent residential care and foster care payments totals almost £12 million with the number of children supported being 77 and 492 respectively. The Director reports that both need to be reduced to remain within the available budget and steps are being taken to achieve this.

5.5.4 Corporate Services

The Deputy Chief Executive/Director of Corporate Services has reported the financial position for the Coroner Service. This budget is not controlled by the Council and efforts will be made to contain this overspend through compensatory savings from elsewhere within the department.

5.5.5. Finance

The spend, and associated Government grant, in respect of Council Tax Benefit and Housing Benefit payments includes the largest individual budgets in the Council being around £120 million per year. As such the service is subject to numerous performance and control measures to ensure that individuals receive the benefits to which they are properly entitled and the Council maximises the grant opportunities.

5.5.6. Regeneration

The 2007/08 budget includes the sum of £1.9 million to offset the increasing pressures faced within Cultural Services for reducing income and increasing energy costs. Income generation remains a central feature of the budget with income subject to changes in demand, legislation, competition and seasonal factors with many of the factors outside the control of the Council. Culture is the largest energy user within the non-schools budget and this is a cost that remains largely outside the control of the Department. Energy costs are not now increasing at the rates of previous years and investment is being made in energy efficiency measures but this remains a volatile area of the budget.

5.5.7. Technical Services

The departmental budget is heavily reliant upon income from recycling and car parking. The Director highlights the profit sharing arrangement in respect of Bidston with the Merseyside Waste Disposal Authority as an issue that will be the subject of a future report to Cabinet. In recent years the income from car parking has seen reductions resulting from compliance with parking regulations and a reduction in penalty notices as well as consumer resistance to price increases.

5.6 Issues affecting future financial years

5.6.1 From the preceding sections the key areas remain as those highlighted within Adult Social Services and Children & Young People given the demand for care services. The decision of Cabinet on 26 April 2007 regarding the New Brighton development will be reflected in the Projected Budget for 2008-2011.

6. FINANCIAL AND STAFFING IMPLICATIONS

6.1 At this time the 2006/07 accounts are being completed and a report on the final position will be brought to a future meeting of the Cabinet.

6.2 When setting the 2007/08 budget the projected balances at 31 March 2008 were £4.5 million and the latest position is as follows:-

Details	£million	£million
Projected General Fund balances at 31 March 2008 when setting the budget for 2007/08		4.5
Cabinet / Executive Board decisions		
26 April 2007 New Brighton and loss of income for Floral Pavilion (see section 5.4.1)	- 0.3	
General Fund balances at 31 March 2008 based upon the latest projections		4.2

6.3 There are no additional staffing implications arising from this report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1 There are none arising directly from this report.

8. HUMAN RIGHTS IMPLICATIONS

8.1 There are none arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

9.1 There are no specific implications arising from this report.

10. LOCAL MEMBERS SUPPORT IMPLICATIONS

10.1 There are no specific implications for any Member or Ward.

11. LOCAL AGENDA 21 IMPLICATIONS

11.1 There are none arising directly from this report.

12. PLANNING IMPLICATIONS

12.1 There are none arising from this report.

13. BACKGROUND PAPERS

13.1 None used in the preparation of this report.

14. RECOMMENDATION

14.1 That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/110/07

WIRRAL COUNCIL

REVENUE BUDGET 2007/08

AGREED POLICY OPTIONS

Children & Young People

LEA Initiative – music partnership	30,000
Children and foster care – personalise rooms	10,000
Youth Participation – democratic processes	10,000

Corporate Services

E Recruitment (funded from Reserves)	25,000
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Finance

Pensioner Discounts for over 75's	220,000
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Regeneration

Free swimming for younger people and pensioners	180,000
Youth sports night programme	50,000
Dog fouling enforcement	20,000
Smoke free campaign (funded from Grant)	180,000
Cultural Services development plan (funded from SRE reinvestment)	100,000
Improving security in parks and cemeteries (from Property Maintenance)	50,000

Technical

Micro generation and carbon (funded from Property Maintenance)	100,000
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TOTAL POLICY OPTIONS **975,000**

APPROVED SAVINGS

Adult Social Services

Domiciliary Care – Efficiency Delivery Programme	1,000,000
Joint commissioning with Health Services	300,000
Reduced funding commitments following legal judgements	400,000
Fairer Charging Policy – non residential care	300,000
Fieldwork bank staff	100,000
Charges for respite care	60,000
Enablement of Homecare services	400,000
Fairer charging policy in regard to transportation	200,000
Grogan judgement	300,000
PCT integrated management	100,000
Car allowances	42,700
	3,202,700

Children and Young People

PFI reduction in consultants and support costs	50,000
Instrumental Music Service - increased tuition fees	25,000
Oaklands. Reduce council subsidy	25,000
Foundation Consultants. Additional support from the centre	50,000
Reduce EW establishment by two and reorganise	60,000
Reduce Ed. Psych establishment by two	90,000
PFI reduce support management	25,000
Performance Management. Two posts	50,000
Staff support budget	30,000

Transport to Solar Campus	56,000
Remove subsidy for F buses	60,000
Youth Offending Service	70,000
Toy library and Sure Start	55,000
Independent emergency beds	100,000
Fostering, adoption and children's grants	40,000
Children's services repairs and maintenance (one year)	50,000
LEA initiatives (used to fund policy option)	30,000
Car allowances	74,300
	940,300
Corporate Services	
Reduction in Voluntary Sector budget	60,000
Reduction in Schedule of Rates	60,000
Closure of tourism information centre	58,000
LA 21 initiatives fund	40,000
Car allowances	4,500
	222,500
Finance	
Call centre developments / working practices	80,000
Car allowances	8,800
Procurement – Part of Service Re-Engineering	1,650,000
	1,748,800
Technical Services	
Efficiencies within the waste collection contract	285,000
Increased highway enforcement	85,000
Administrative Buildings	50,000
Street lighting	10,000
Use fee charging for energy conservation team	75,000
Energy efficiency programme - phase 2	69,000
Street Scene - phase 2	50,000
Integration of building and development control	50,000
Review charges on capital projects	50,000
Charge for technical assistance re pre planning applications	30,000
General review of charging policy	20,000
Car allowances	32,700
	806,700
Regeneration	
Capitalise HMRI grant	135,000
Resolution of contractor dispute (one off)	120,000
Deletion of vacant posts	80,000
Review contribution to Health Links	54,000
Amend staff duty rotas	50,000
Extended schools provision re community services	30,000
Renegotiate funding of Community Support Officers	25,000
Re-profile alley gate programme	25,000
Car allowances	25,200
	544,200
TOTAL SAVINGS	7,465,200