

# **METROPOLITAN BOROUGH OF WIRRAL**

## **FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE**

**6 DECEMBER 2006**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **FINANCIAL MONITORING STATEMENT**

##### **1. EXECUTIVE SUMMARY**

- 1.1 This report provides a summary in tabular format of the current position of the Authority revenue accounts and General Fund balances. Further details can be found in the financial monitoring summary and service re-engineering summary reports elsewhere on this agenda.

##### **2. MONITORING STATEMENT**

- 2.1 The monitoring statement is attached to this report and includes the following:
- Composition of the 2006/07 budget by department including agreed Service Re-Engineering (SRE) savings, other savings and policy options.
  - Monitoring against the 2006/07 budget.
  - Anticipated variance against the original budget.
  - Explanation of variances and areas identified as requiring further attention.
- 2.2 The monitoring statement is based upon the information provided within the departmental financial monitoring reports submitted to each Overview and Scrutiny Committee. The monitoring statement is to be updated and submitted to each meeting of this Committee.

##### **3. FINANCIAL AND STAFFING IMPLICATIONS**

- 3.1 The statement includes an update of the Authority revenue budget and General Fund balances position.
- 3.2 The decisions made by Cabinet during the year have reduced the available balances at 31 March 2007 from £4 million to £3.5 million. Anticipated variations have been identified by the Departments of Adult Social Services, Childrens Services and Cultural Services. None of these have been agreed by the Cabinet and would further reduce the balances by £2.9 million to £0.6 million at 31 March 2007. Any sums would be required to be replaced in setting the 2007/08 budget.

##### **4. EQUAL OPPORTUNITIES IMPLICATIONS**

- 4.1 There are none arising directly from this report.

5. **HUMAN RIGHTS IMPLICATIONS**

5.1 There are none arising directly from this report.

6. **LOCAL AGENDA 21 IMPLICATIONS**

6.1 There are none arising directly from this report.

7. **COMMUNITY SAFETY IMPLICATIONS**

8.1 There are none arising directly from this report.

9. **PLANNING IMPLICATIONS**

9.1 There are none arising directly from this report.

10. **LOCAL MEMBER SUPPORT IMPLICATIONS**

10.1 There are no particular implications for any Members or wards arising out of this report.

11. **BACKGROUND PAPERS**

11.1 The Departmental financial monitoring reports have been used for the preparation of this report.

12. **RECOMMENDATIONS**

12.1 That the contents of the financial monitoring statement be noted.

12.2 That a further update be submitted to the next meeting of this Committee.

IAN COLEMAN  
DIRECTOR OF FINANCE

Metropolitan Borough of Wirral  
Financial Monitoring Statement 2006/07 – Position as at 31 October 2006

Department Expenditure	Budget 2006/07				Monitoring 2006/07					Comment
	Non-SRE Savings	SRE Savings	Policy Options	Total Budget	Non-SRE Savings	SRE Savings	Policy Options	Cabinet Decisions	Anticipated variance	
	£K	£K	£K	£K				£K	£K	
Adult Social Care Services	-	- 461.0	-	77,414.4	✓	x	✓	-	269.0	Overspends on utility costs (+£163k) and slippage on SRE may not be recovered from vacancy control savings (+£106k). Care services remain volatile but forecast to be within budget.
Children and Young People	- 135.0	- 735.0	221.0	71,203.5	✓	x	✓		850.0	Residential Care / foster care payments volatile (+£500k), Homes (+£300k), CAHMS (+£200k), transport (+£150k) and employees (+£100k) are offset by nurture funds and Surestart (-£500k). SRE to be identified.
Corporate Services	- 50.0	- 241.0	78.0	6,865.7	✓	✓	✓			No variations identified.
Cultural Services		- 604.0	555.0	24,457.9	✓	x	✓		1,835.0	Main overspends due to reduced income (£560k), energy (+£300k), grounds maintenance / landscaping (+£190k) and theatre (+£110k) plus SRE savings not achievable (£600k).
Finance		- 767.0	-	15,272.3	✓	x	✓			£101k SRE to be identified. No other variations identified.
Regeneration	- 148.0	- 322.0	10.0	11,422.2	✓	✓	✓			No variations identified (see separate line for Cultural Services)
Technical Services	- 220.0	- 570.0	80.0	32,097.1	✓	x	✓	2,456.0	2,456.0	Cabinet agreed Waste Services contract variation 8 June. £100k SRE to be identified. No other variations identified.
Treasury Management			91.0	14,414.7	N/a	N/a	✓			No variations identified.
Merseytravel	n/a	N/a	n/a	23,332.0	N/a	N/a	N/a			Fixed amount – no variation.
Local Pay Award	n/a	N/a	n/a	1,500.0	N/a	N/a	N/a	- 1,500.0	1,500.0	Now 2007/08 per Cabinet 23 August 2006.
Procurement	n/a	N/a	n/a	1,960.0	N/a	N/a	N/a			Fixed amount – no variation.
Insurance Fund Saving					N/a	N/a	N/a	- 500.0	500.0	Insurance Fund Saving identified per Cabinet 23 August.
Bridging Finance				1,700.0		N/a				
Formula Grant Amendment				1,880.3						Fixed Amount
<b>Budget before Contr to/from balances</b>	<b>- 553.0</b>	<b>-3,700.0</b>	<b>1,035.0</b>	<b>243,610.1</b>				<b>456.0</b>	<b>3,410.0</b>	<b>Overcommitment against budget / likely to require use of balances. £456k has been agreed by Cabinet. Potential £300k for Adults, £0.8m Childrens and £1.8m Cultural Services</b>
Contribution to/from balances				3,943.9	N/a	N/a	N/a	- 456.0	3,410.0	
<b>Budget Requirement per Resolution</b>	<b>- 553.0</b>	<b>-3,700.0</b>	<b>1,035.0</b>	<b>247,554.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Balanced via use of balances</b>
<b>Income</b>										
Revenue Support Grant				21,181.0	N/a	N/a	N/a			Fixed amount - no change
National Non Domestic Rate				109,721.0	N/a	N/a	N/a			Fixed amount - no change
Council Tax Income				115,188.3	N/a	N/a	N/a			Fixed amount - no change
Collection Fund Surplus				1,463.7	N/a	N/a	N/a			Fixed amount - no change
<b>TOTAL INCOME</b>				<b>247,554.0</b>						Fixed amount - no change
<b>STATEMENT OF GENERAL FUND BALANCES</b>										
At 01/04/2006				1,422.9					4,000.0	Opening balance - position 1 April 2006
Contributions to Balances				4,277.1						Less forecast Contributions (-) or call upon (+):
Budgeted use For Bridging Finance				1,700.0						
Use or Funding per Cabinet/Executive								- 456.0	456.0	Waste Contract, Pay Award and Insurance Fund as agreed.
Other Financial Pressures									2,954.0	Pressures identified Adult, Childrens and Cultural Services
<b>BALANCES AT 31/03/06 and 31/03/07</b>				<b>4,000.0</b>				<b>- 456.0</b>	<b>590.0</b>	<b>Projected Balances start and end of 2006/07</b>
Key - No concern for item					✓					
Key - Area for concern/further work					x					