

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

6 FEBRUARY 2007

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 increased the planned level of spend by £3.4 million. Additionally there is a report to Cabinet on 24 January 2007 requesting that the projected overspend in Children & Young People of £0.7 million be met from balances in 2006/07.
- 3.3 Cabinet has also received, and agreed, reports on the use of the Housing Benefit reserve, the Insurance Fund and general reserves and balances as well as the likely receipt of additional Local Public Service Agreement grant which has transferred £7.8 million into General Fund balances.

3.4 The combined effect of the decisions already taken by Cabinet in Sections 3.2 and 3.3 is an increase in the projected balances at 31 March 2007 from £4 million to £8.5 million.

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 December 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	✓	✓	✓	-	-	Potential overspend on community care and income but plans to contain within the budget allocated.
Children and Young People	-	- 735.0	221.0	71,203.5	✓	x	✓	-	650	Residential Care / foster care payments (+£400k), Homes (+£300k), CAHMS (+£200k), transport (+£150k) and shortfall on SRE (+£150k) are offset by nurture funds and Surestart (£500k). Overspend report of £650k to Cabinet 24 January.
Corporate Services	-	- 241.0	78.0	6,865.7	✓	✓	✓	-	-	No variations identified.
Cultural Services	-	- 604.0	555.0	24,457.9	✓	x	✓	1,900	1,900	Cabinet agreed overspends from reduced income (£700k), energy (+£300k), grounds maintenance / landscaping (+£200k) and theatre (+£100k) plus SRE savings not achievable (£600k).
Finance	-	- 767.0	-	15,272.3	✓	✓	✓	500	500	Cabinet agreed otherwise no variations identified.
Regeneration	-	- 322.0	10.0	11,422.2	✓	✓	✓	-	-	No variations identified (see separate line for Cultural Services)
Technical Services	-	- 570.0	80.0	32,097.1	✓	✓	✓	2,400	2,400	Cabinet agreed Waste contract variation plus ERIC saving. Car parking income shortfall being met within department.
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	- 1,500	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 / Accommodation					N/a	N/a	N/a	100	100	Insurance Fund Saving / Increased Accommodation agreed.
Bridging Finance				1,700.0		N/a				
Formula Grant Amendment				1,880.3						Fixed Amount
Budget before Contr to/from balances	- 553.0	-3,700.0	1,035.0	243,610.1				3,400	4,050	Variations against budget require use of balances £3,400k has been agreed by Cabinet. Report for Children to be considered.
Contribution to/from balances				3,943.9	N/a	N/a	N/a	3,400	4,050	
Budget Requirement per Resolution	- 553.0	-3,700.0	1,035.0	247,554.0	-	-	-			Balanced via use of balances
Income										
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
TOTAL INCOME				247,554.0						Fixed amount - no change
STATEMENT OF GENERAL FUND BALANCES										
At 01/04/2006				1,422.9					4,000	Opening balance - position 1 April 2006
Contributions to Balances				4,277.1				+ 7,800	+ 7,800	Additional sums from Insurance Fund (£2m), HB reserve (£4.2m), general reserves (£0.9m) and LPSA grant (£0.7m).
Budgeted use For Bridging Finance				1,700.0						
Use or Funding per Cabinet/Executive								- 3,400	- 3,400	Decisions on the waste contract, Pay Award, Insurance Fund and Cultural Services overspend as agreed.
Other Financial Pressures									- 650	Pressures identified in Children & Young People.
BALANCES AT 31/03/06 and 31/03/07				4,000.0				+ 4,400	7,750	Projected Balances start and end of 2006/07
Key - No concern for item					✓					
Key - Area for concern/further work					x					