

## **WIRRAL COUNCIL**

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

**4 APRIL 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 original 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 in which it can be seen that:-
- (a) The decisions made by Cabinet during the year have increased the planned level of spend by £3.4 million.

(b) Cabinet has also received, and agreed, reports on the use of various reserves, the likely receipt of Local Public Service Agreement grant and more recently the allocation of Local Authority Business Growth Initiative (LABGI) grant. Together with the review of the 2006/07 budget as part of preparing the 2007/08 Estimate these actions have resulted in £9.6 million being added to General Fund balances.

(c) The combined effect of these decisions is an increase in the projected balances at 31 March 2007 from £4 million to £10.2 million.

3.2 The Finance and Best Value Overview and Scrutiny Committee is advised that the Director of Adult Social Services has identified financial pressures totalling £1.5 million and efforts are being made to contain any overspend. The Director of Children & Young People reported a potential overspend of £650,000 in January 2007 and has recently revised his forecast to £450,000. The position regarding amounts owed to the Council by the out-of-borough Primary Care Trusts, if not resolved by the time of completing the year-end accounts, will require the sum of £1.9 million to be set-aside for potential bad debts.

#### **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. **RECOMMENDATION**

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

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/85/07

Wirral Council  
Financial Monitoring Statement 2006/07 – Position as at 12 March 2007

Department Expenditure	Original 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		
	£000	£000	£000	£000				£000	£000		
Adult Social Services	-	461.0	-	77,414.4	✓	✓	✓	-	-	Potential overspend of £1.5m essentially on community care but Director plans to contain within the budget allocated.	
Children and Young People	- 135.0	- 735.0	221.0	71,203.5	✓	x	✓	-	-	Cabinet 24 January requested overspend of £650k be contained. Latest report reduces figure to £450k with main pressure on childrens services.	
Corporate Services	- 50.0	- 241.0	78.0	6,865.7	✓	✓	✓	-	-	No variations identified.	
Finance	-	- 767.0	-	15,272.3	✓	✓	✓	500	500	Cabinet agreed variation on Housing Benefit costs.	
Regeneration	- 148.0	- 926.0	575.0	35,880.1	✓	✓	✓	1,900	1,900	Cabinet agreed variation reduced income (£700k), energy (+£300k), grounds maintenance / landscaping (+£200k) and theatre (+£100k) plus SRE savings not achievable (£600k).	
Technical Services	- 220.0	- 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	N/a	N/a				
Formula Grant Amendment				1,880.3	N/a	N/a	N/a			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>3,400</b>	<b>3,400</b>	<b>In total variations requiring the use of balances totalling</b>	
Contribution to/from balances				3,943.9	N/a	N/a	N/a	3,400	3,400	<b>£3,400k have been agreed by Cabinet..</b>	
<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>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	Opening balance position.	
Contributions to Balances				4,277.1				+ 7,800	+ 9,600	Additional sums from Insurance Fund (£2m), HB reserve (£4.2m), general reserves (£1.3m),LPSA grant (£0.7m), LABGI grant (£1.2m) plus £0.2 m from the budget review.	
Budgeted use For Bridging Finance				1,700.0							
Variations per Cabinet/Executive								- 3,400	- 3,400	Decisions on the waste contract, Pay Award, Insurance Fund and Cultural Services overspend as agreed above.	
Other Financial Issues										Pressures in Adult Social Services (£1.5 m), Children Services (£450k) and Out-of-borough PCT debts.	
<b>BALANCES AT 31/03/06 and 31/03/07</b>				<b>4,000.0</b>				<b>+ 4,400</b>	<b>10,200</b>	Projected Balances start and end of 2006/07	
Key - No concern for item					✓						
Key - Area for concern/further work					x						