

WIRRAL COUNCIL

FINANCE & BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

17 SEPTEMBER 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 2007/08 budget by department including agreed Service Re-Engineering (SRE) savings, other savings and policy options.
 - Monitoring against the 2007/08 budget including the financial implications of any decisions by Cabinet.
 - 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 and is 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:-

Cabinet on 26 April 2007 agreed to progressing the New Brighton redevelopment that increased the planned level of spend by £0.3 million.

Cabinet on 20 June 2007 received a report on the financial year 2006/07 which highlighted an underspend of £0.9 million. This has been added to balances.

The effect of this is to increase the projected balances at 31 March 2008 from £4.5 million to £5.1 million.

- 3.2 The pressures within Adult Social Services and Children & Young People, essentially in relation to care services, continue to be closely monitored. During July projected overspends of £2.5 million and £1.9 million were being quoted by the respective Directors. Actions continue to be taken to reduce the likely spend in these, and other, areas of the departmental budgets.

The savings targets, both service re-engineering and non-service re-engineering, are in the process of being implemented.

At this stage it is anticipated that departmental spend will be within the allocated budgets and would not impact upon the balances which would otherwise reduce from £5.1 million to £0.7 million.

- 3.3 As part of the Local Pay Review the Council is looking to make equal pay settlements during the current financial year. These settlements have to be met from revenue resources unless permission to capitalise the costs is received from the Department for Communities and Local Government (DCLG). A bid to capitalise was submitted by the deadline of 31 May 2007 with the DCLG expected to make a decision by 28 September 2007.

Since producing the Statement at 31 July 2007 the latest projections regarding equal pay have become available. If approval was granted in line with 2006/07 levels, then the cost to revenue in 2007/08 would be in the region of £4 million. This would reduce the available balance.

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

FNCE/215/07

**WIRRAL COUNCIL
FINANCIAL MONITORING STATEMENT 2007/08
POSITION AS AT 31 JULY 2007**

Department Expenditure	ORIGINAL BUDGET 2007/08				MONITORING 2007/08					COMMENTS
	Savings Non SRE	Savings SRE	Policy Options	Total Budget	Savings Non SRE	Savings SRE	Policy Options	Cabinet Decision	Projected Variances	
	£000	£000	£000	£000				£000	£000	
Adult Social Services	3,202.7	1,295.0	0	77,616.4	✓	X £958 o/s	N/a	-	+2,500	Savings – working on dom care and joint commissioning but will slip. SRE to come from Care Service Plan and bringing forward items when Efficiency Plan agreed. At this stage projections indicate £2.5m overspend on care services (includes the slippage).
Children & Young People	940.3	1,386.0	50.0	59,243.6	✓	X £481 o/s	✓	-	+1,900	SRE not yet finalised and shortfalls in vacancy control savings. Pressures remain on looked after children with plans to reduce numbers. In total £1.9m possible overspend and issued instructions to contain non-essential spend.
Corporate Services	222.5	353.0	25.0	6,131.0	✓	X £353 o/s	✓	-	-	SRE plans not finalised. Coroners budget has been identified to overspend but will contain.
Finance	98.8	728.0	220.0	14,388.4	✓	✓	✓	-	-	Housing Benefits remain the most volatile area.
Regeneration	544.2	1,053.0	580.0	32,777.9	✓	X £680 o/s	✓	+300	-	SRE plans progressing but to be completed. Income and energy budgets under greatest pressure. Cabinet decision re: Floral Pavilion.
Technical Services	806.7	535.0	100.0	33,802.7	✓	X £252 o/s	✓	-	-	SRE plans not finalised but will achieve. Income from recycling, especially MWDA facility, and car parking being closely monitored.
Treasury Management	0	0	0	6,203.8	N/a	N/a	N/a	-	-	No comments.
Merseytravel	N/a	N/a	N/a	24,242.0	N/a	N/a	N/a	-	-	Fixed amount – no change.
Local Pay Award	N/a	N/a	N/a	5,927.5	N/a	N/a	N/a	-	-	Cabinet 24 May 2007 received progress report on Equal Pay.
LABGI Grant	N/a	N/a	N/a	-920.0	N/a	N/a	N/a	-	-	Govt to announce final figure February 2008.
Contribution from Balances	N/a	N/a	N/a	-5,762.7	N/a	N/a	N/a	-300	-	See Cabinet decisions.
Budget Requirement	5,815.2	5,350.0	975.0	253,650.6						
Income										
Revenue Support Grant				19,239.0	N/a	N/a	N/a	N/a	N/a	Fixed amount – no change.
National Non Domestic Rate				114,643.0	N/a	N/a	N/a	N/a	N/a	Fixed amount – no change.
Council Tax				119,338.1	N/a	N/a	N/a	N/a	N/a	Fixed amount – no change.
Collection Fund Surplus				430.5	N/a	N/a	N/a	N/a	N/a	Fixed amount – no change.
Total Income				253,650.6						Fixed amount – no change.
Statement of Balances										
As at 1 April				10,232.7					4,495	Opening balance – forecast 1 April 2007
Contribution from Balances				-5,782.7						
Contribution from reserves				25.0						
Additional sum from 2006/07 underspend				-					+900	Cabinet 20 June re: out-turn. Underspend was offset by lower contributions from reserves.
Cabinet decisions				-				-300	-300	Cabinet 26 April re: Floral Pavilion.
Issues – Projected Variances				-					-4,400	Both Adults and Childrens have highlighted potential variations, efforts being made to contain the levels of spend.
BALANCES AT 31/03/07 & 31/03/08				4,495.4				-300	695	Projected balances at start / end of year,
Key = No concern for item				✓						
Key = Concern for item				x						