

WIRRAL COUNCIL

FINANCE & BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

13 NOVEMBER 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 including the following:-

Cabinet on 26 April 2007 agreed to progress the New Brighton redevelopment which had the effect of reducing income.

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 Pressures within Adult Social Services and Children & Young People, essentially in relation to care services, continue to be closely monitored. At the end of September projected overspends of £2.2 million in Adults and £0.8 million in Children's Services (this figure having reduced from the £1.3 million projection in July as a result of using Standards Fund grant) 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.

In terms of service re-engineering five departments have still to finalise the 2007/08 savings. In addition to Adult and Children's Services difficulties are being reported by Regeneration with the department unlikely to achieve the desired savings. A shortfall of £0.6 million is highlighted although efforts continue to be made that will essentially comprise 'one-off' items in the current year.

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 £1.5 million.

- 3.3 As part of the Local Pay Review the Council is aiming to make equal pay settlements during the current financial year. These have to be met from revenue resources unless permission to capitalise the costs is received from the Department for Communities and Local Government (DCLG). On 28 September 2007 the DCLG advised the Council of the level that could be capitalised and this should cover the likely commitments to be incurred in 2007/08. The borrowing costs have been incorporated into the 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 Departmental financial monitoring reports have been used for 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

FNCE260/07

**WIRRAL COUNCIL
FINANCIAL MONITORING STATEMENT 2007/08
POSITION AS AT 30 SEPTEMBER 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	-	2,200	SRE and savings (dom care) project slippage. Impact of energy costs and pay award with a projected £1.8 million overspend on Care but working to reduce present total forecast of £2.2 million overspend.
Children & Young People	940.3	1,386.0	50.0	59,243.6	✓	X £431 o/s	✓	-	800	SRE not finalised, shortfalls in vacancy control savings and pressures remain on looked after children. Instructions to contain non-essential spend and use of Standards Fund grant and now projecting £0.8 million over.
Corporate Services	222.5	353.0	25.0	6,131.0	✓	X £109 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 £646 o/s	✓	+300	600	SRE progressing but unlikely to be achieved and looking at options. Cabinet decision re: Floral Pavilion.
Technical Services	806.7	535.0	100.0	33,802.7	✓	X £142 o/s	✓	-	-	SRE will be achieved. Recycling payment from MWDA requires resolution. Car parking and planning fees require compensating savings.
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 4 October 2007 received report on Equal Pay. Capitalisation decision from the Government should cover likely costs.
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.
Cabinet decisions				-				-300	-300	Cabinet 26 April re: Floral Pavilion.
Issues – Projected Variances				-					-3,600	Adults, Childrens and Regeneration have highlighted potential variations with efforts to further contain spend.
BALANCES AT 31/03/07 & 31/03/08				4,495.4				-300	1,495	Projected balances at start / end of year.
Key = No concern for item				✓						
Key = Concern for item				x						