

## **WIRRAL COUNCIL**

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

**13 NOVEMBER 2007**

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

##### **FINANCIAL MONITORING SUMMARY**

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

- 1.1 This is one of a series of reports submitted throughout the year presenting an overview of the financial performance of the Council. This report details the key variations for this financial year and provides a summary of the overall implications for the General Fund.

###### **2. FINANCIAL MONITORING**

- 2.1. Cabinet on 24 May 2007 agreed that a financial monitoring report would be presented to each cycle of meetings and that the financial monitoring report would compare spend against the approved budget.
- 2.2. I provide the summary report to the Cabinet and the Finance & Best Value Overview & Scrutiny Committee. Each departmental Chief Officer submits an update on their departmental budget that includes references to growth items (including the progress on implementing policy options) and savings (including separate comments on service re-engineering) and any other variations from the approved budget.

###### **3. FINANCIAL YEAR 2006/07**

- 3.1 A summary was presented to Cabinet on 20 June 2007 that reported an underspend of £0.9 million on departmental budgets and this sum has been added to General Fund balances.

###### **4. FINANCIAL YEAR 2007/08**

- 4.1. Subsequent to the agreement of the budget at Council on 1 March 2007 there were variations to reflect the final levies and the re-allocation of central and departmental recharges to reflect the agreed savings in departmental budgets.

- 4.2 The table below shows the Budget reported to Council with the Current Budget reflecting the decisions of Council and the changes referred to in Section 4.1.

<b>Expenditure</b>	<b>Council Budget</b>	<b>Current Budget</b>
	<b>£</b>	<b>£</b>
Adult Social Services	77,623,300	77,616,400
Children & Young People	58,940,400	59,243,600
Corporate Services	5,896,200	6,131,000
Finance	14,868,600	14,388,400
Regeneration	32,766,800	32,777,900
Technical Services	33,344,000	33,802,700
Treasury Management	6,374,500	6,203,800
Merseytravel	24,242,000	24,242,000
Local Pay Review	5,927,500	5,927,500
LABGI grant	(920,000)	(920,000)
Contribution (from) balances	(5,412,700)	(5,762,700)
<b>Net Expenditure</b>	<b>253,650,600</b>	<b>253,650,600</b>

## **5. FINANCIAL MONITORING 2007/08**

### **5.1 Progress on implementing Policy Options**

- 5.1.1 All the policy options have either been implemented, or are being implemented over the coming months. The main new initiative was that offering Pensioner Council Tax Discounts for over 75's which resulted in over 7,000 applications.

### **5.2 Progress on delivering savings**

- 5.2.1 The agreed savings have been incorporated into the departmental budgets for 2007/08. £3.2 million of the £7.5 million is within Adult Social Services.
- 5.2.2 The Director of Adult Social Services has reported good progress in most areas. The Department is working with providers on implementing an e-monitoring system as part of the domiciliary care efficiency programme savings of £1 million and some slippage is expected in 2007/08. Slippage is also projected in respect of the £0.3 million target for joint commissioning with Wirral Primary Care Trust. Both are reflected in the potential overspend.

### **5.3 Progress on delivering Service Re-engineering savings**

- 5.3.1 The target savings of £5.35 million to be achieved by 31 March 2008 have been included in the estimates. A separate report on this agenda identifies the progress made to date and highlights that £2.2 million has still to be identified with Children & Young People and Regeneration unlikely to find the full savings.

## 5.4 Impact of Cabinet / Executive Board decisions

5.4.1 Executive Board on 26 April 2007 considered the proposals for the development of New Brighton. It was agreed that provision be made in the Regeneration Department budget for the loss of revenue from the Floral Pavilion in 2007/08 of £0.3 million. The requirements for future years should be built into the budget projections although Cabinet requested that the finances be reviewed to see if any reductions could be made.

## 5.5 Variations

5.5.1 The following sections highlight the issues in those areas of the budget that are identified as key risks in delivering the objectives of the department within the available resources. All are subject to closer monitoring because of the volatile nature of either demand or cost or because in recent years they have experienced pressures in keeping to the agreed budget.

### 5.5.2. Adult Social Services

There have been regular reports on the pressures of increasing demand for care services and this remains the case. Community care services and client income are key elements and the agreed savings are reliant upon changes in domiciliary care and closer working with the Primary Care Trust together with revisions to fees and charges. The projections are for a £1.8 million overspend on Community Care and include the issues highlighted in Section 5.2.2. With utility costs in care homes and the impact of any pay award the potential overspend rises to £2.2 million. The financial position continues to be closely monitored and reports to Cabinet in September and October have developed savings opportunities which will also provide benefits in 2007/08.

### 5.5.3. Children and Young People

The areas that are the most volatile remain as Special Education Needs (SEN) and care in respect of Looked After Children. In terms of SEN the risk of overspending has reduced with growth included for 2007/08 and the use of Dedicated Schools Grant and the Schools contingency. Spend on independent residential care and foster care payments totals almost £12 million with the budget based upon achieving a reduction in numbers but the Director has highlighted that additional costs are being incurred. Difficulties in achieving the Service Re-engineering savings and other employee related costs contribute to a projected overspend of £1.3 million which has been offset by the use of Standards Fund grant to give the projected £0.8 million overspend forecast. Actions continue to be taken to remain within the available budget.

### 5.5.4 Corporate Services

The financial position for the Coroner Service continues to be of concern. Efforts are being made to contain the projected overspend through compensatory savings from elsewhere within the department.

#### 5.5.5. Finance

The spend, and associated Government grant, in respect of Council Tax Benefit and Housing Benefit payments represents the largest individual budget in the Council. As such the service is subject to numerous performance and control measures to ensure that individuals receive the benefits to which they are properly entitled and the Council maximises the grant opportunities.

#### 5.5.6. Regeneration

The 2007/08 budget includes £1.9 million to offset the increasing pressures faced within Cultural Services for reducing income and increasing energy costs. Income generation is a key element of the budget with factors outside the control of the Council. Culture is the largest energy user within the non-schools budget, a cost that remains largely outside the control of the Department. At this stage income and energy costs are projected to be in line with the budget but it is unlikely that the Service Re-engineering savings target will be achieved with a £0.6 million shortfall. Efforts are being made to identify one-off savings whilst the more permanent savings are reported to, and considered by, Cabinet.

#### 5.5.7. Technical Services

The budget is reliant upon income from recycling, car parking and planning. The Director highlights that the arrangement with the Merseyside Waste Disposal Authority over the recycle income remains the subject of discussions that could have a detrimental impact in 2007/08. The income from car parking and planning is forecast to be below budgeted levels but compensatory savings will be found from elsewhere within the departmental budget.

### 5.6 **Local Pay Review**

5.6.1 As part of the Local Pay Review the Council is looking to make equal pay settlements during the current financial year. Any 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). The DCLG issued an approval on 28 September 2007 that should cover the projected cost of the settlements and provision has been made in the budget for the relevant borrowing costs.

### 5.7 **Issues affecting future financial years**

5.7.1 From the preceding sections the key areas remain as those highlighted within Adult Social Services and Children & Young People given the demand for care services, and recycling income. The decision of Cabinet on 26 April 2007 regarding the New Brighton development is reflected in the Projected Budget for 2008/11.

## 6. FINANCIAL AND STAFFING IMPLICATIONS

- 6.1 When setting the 2007/08 budget the projected balances at 31 March 2008 were £4.5 million and the latest position is as follows:-

Details	£million	£million
<b>Projected General Fund balances at 31 March 2008 when setting the budget for 2007/08</b>		4.5
<b>Cabinet / Executive Board decisions</b>		
26 April 2007 New Brighton and loss of income for Floral Pavilion (see section 5.4.1)		-0.3
20 June 2007 Revenue out-turn report for 2006/07 and net underspend (see section 3.1)		+0.9
4 October 2007 Transfer of reserves and provisions		+0.5
<b>Projected variances / potential overspends</b>		
Adult Social Services (see section 5.5.2)	-2.2	
Children & Young People (see section 5.5.3)	-0.8	
Regeneration (see section 5.5.6)	-0.6	-3.6
<b>General Fund balances at 31 March 2008 based upon the latest projections</b>		2.0

- 6.2 The Directors of Adult Social Services and Children & Young People have both identified pressures in keeping spend within the allocated budget and the Director of Regeneration has highlighted difficulties delivering Service Re-engineering savings. Efforts continue to be made within these areas to contain the projected variances within the approved budget and the Projected Budget 2008/11 assumes this to be the case at present.

- 6.3 There are no additional staffing implications arising from this report.

## 7. EQUAL OPPORTUNITIES IMPLICATIONS

- 7.1 There are none arising directly from this report.

## 8. HUMAN RIGHTS IMPLICATIONS

- 8.1 There are none arising directly from this report.

## 9. COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no specific implications arising from this report.

## 10. LOCAL MEMBERS SUPPORT IMPLICATIONS

- 10.1 There are no specific implications for any Member or Ward.

## 11. LOCAL AGENDA 21 IMPLICATIONS

- 11.1 There are none arising directly from this report.

**12. PLANNING IMPLICATIONS**

12.1 There are none arising from this report.

**13. BACKGROUND PAPERS**

13.1 None used in the preparation of this report.

**14. RECOMMENDATION**

14.1 That Members note the report.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/265/07

**WIRRAL COUNCIL - ADULT SOCIAL SERVICES DEPARTMENT  
FINANCIAL MONITORING REPORT 2007/08  
POSITION AS AT 30 SEPTEMBER 2007**

**SAVINGS NON-SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Domiciliary care – Efficiency programme	1,000	Working with providers on implementing an e-monitoring system. Change Plan agreed and manual audit of activity continues. Slippage of £0.5m is likely and is included in the projected overspend
Continuing health care – funding following Grogan	700	Programme of reviews in place to re-assess funding of existing placements. Joint funding Panel applying national criteria. Likely to be achieved in full.
Homecare Services (Re-ablement project)	400	On Target
Fairer charging policy	360	Policy implemented 1 April 2007 – on target with potential to contribute further to the re-engineering target 2007/08.
Joint commissioning	300	Discussions being held with Wirral PCT - Currently reviewing major joint contracts. Likely to be achieved in full.
Transport strategy	200	On Target
Fieldwork bank staff	100	On target. No agency staff currently employed in Fieldwork.
Integrated management	100	Discussions with PCT at an early stage. Slippage likely but being offset by current vacancies.
Car allowances	43	Budget reduced and being closely monitored against delegated targets.

**SAVINGS SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Finance & Support Services Division	337	Restructure of the Division agreed by E&A Committee on 19 March - On target
To be identified	958	Considering options to bring forward savings targets from the Efficiency Plan 2008/11 when agreed.
Target for the year	1,295	

**POLICY OPTIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
None		

**CABINET DECISIONS**

<b>Date</b>	<b>Details</b>	<b>£</b>
None		

## VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
Community care	£1.8m potential overspend	Both expenditure and income remain volatile. FACS criteria is consistently applied to new activity and reviews of current packages are underway and accelerating through the centralisation of reviewing officers.
Utility costs in care homes	£0.2m projected overspend	Potential overspend due to contract prices
Pay Inflation	£0.3m	Overspend likely due to revised pay offer. Final impact not known yet. Cannot be accommodated due to regulated nature of Care Services.

## FORECASTED VARIATIONS

Demand from people with learning disability continues to rise faster than predicted and this will need to be considered in conjunction with the PCT as part of the Joint Strategic Needs Analysis and Joint Commissioning Strategy. Options to slow down spending or bring forward savings options from the 3 Year Efficiency Plan are being considered and will be reported to Members over the coming months. The overall overspend is currently projected to be £2.2million. This is based on containing the projected community care overspend and slippage in achieving Savings Plan targets, utility and pay inflation costs detailed above.

**KEVIN MILLER**  
**DIRECTOR OF ADULT SOCIAL SERVICES**



**WIRRAL COUNCIL - CHILDREN AND YOUNG PEOPLE'S DEPARTMENT  
FINANCIAL MONITORING REPORT 2007/08  
POSITION AS AT 30 SEPTEMBER 2007**

**SAVINGS NON-SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
PFI reduction in consultants and support costs	75,000	Budgets reduced
Instrumental Music Service and Oaklands - Increase tuition fees / reduce council subsidy	50,000	Charges reviewed
Early Years and Surestart - central support and Toy Library	105,000	Budgets adjusted
Reduce Education Welfare, Psychologists and Performance Management establishments	230,000	Savings implemented
Transport – remove subsidy on F Bus and transfer costs of Solar School transport	116,000	Reported to Cabinet
Youth Offending Service	70,000	Costs transferred
Children's grant	40,000	Budgets reduced
Independent emergency beds	100,000	Budgets reduced
Children's homes repairs and maintenance	50,000	Budgets reduced
LEA initiatives (used to fund policy option)	30,000	Budgets reduced
Car allowances	74,300	Budgets reduced

**SAVINGS SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Reduce Advisory Teacher budget	50	Match funding has been reduced.
Reduce BIP Budget	50	The programme has been reduced.
Grant funding – Children's Grant.	500	Additional Children's Grant and ex-funding for Nurture Groups will be used for other existing CYP activities
Early Years and Surestart	200	Opportunities to transfer eligible costs into grant funding will be identified.
Procurement savings	155	The restrictions on spend are producing short-term savings
Other savings still to be identified	431	
Target for the year	1,386	

**POLICY OPTIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
LEA Initiatives	30	Partnership with Liverpool Philharmonic
Children's homes and foster care	10	To personalise rooms and recognise achievements

**CABINET DECISIONS**

<b>Date</b>	<b>Details</b>	<b>£000</b>
10.07.2007	School F Bus transport tenders / charges to parents	25
07.06.2007	School Meals service – meal price increase	
26.07.2007	Early Retirement Costs	82
26.07.2007	SEN Transport Tenders	135cr
20.09.2007	Increase in Fostering Fees Update	24

## VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
LA and Independent Children's homes, Foster Care Budgets and lodging allowances	310	This forecast is reliant on making alternative provision for a number of children and young adults. Additional contributions are also being sought from the PCT and DASS, where care costs are jointly funded or should be transferred. This is proving difficult to achieve.
Employee Costs	250	Additional costs have been incurred eg. in Fieldwork Teams and Agency costs. Agency staff will reduce as Social Workers are recruited.
Service Re-engineering	650	Savings still have to be identified (£430,000). In addition there are shortfalls in Vacancy Control (£140,000) and savings are required to cover pension strain costs (£80,000).
Special Education Needs Budget	-	These Schools Block budgets are consistently under pressure. Costs can be offset by a reduction within the SEN Action Plan budget, DSG carried forward from 2006/07 and Schools Contingency.
Legal Fees	80	The number of LAC referrals through the courts
Home to school Transport	100	There are additional SEN taxi journeys indicating that costs will increase. In addition there are pressures on the F Bus budget.
School Meals Service	-	A meal price increase has been implemented
Standards Fund / Curriculum underspend	550cr	Some Standards Funds Grants from the previous year has been used to offset costs within the CYP budget. In addition a new requirement that some grants must be spent by 31 March has resulted in programme changes and a one-off saving.

## FORECASTED VARIATIONS

The forecast variations above indicate a budget overspend for the department in the current year of £840,000 (a reduction of £440,000 since the previous report). The main change is the use of Standards Fund Grant to offset costs in the CYP budget. This is a one-off opportunity arising from a new requirement to spend some grants by 31 March, rather than 31 August. This has resulted in changes to a number of spend programmes.

Although the position continues to improve, this is increasingly reliant on one year or short term savings. In the medium term there are significant gaps in the budget.

**HOWARD COOPER**  
**DIRECTOR OF CHILDREN AND YOUNG PEOPLE'S SERVICES**

**WIRRAL COUNCIL - CORPORATE SERVICES DEPARTMENT  
FINANCIAL MONITORING REPORT 2007/08  
POSITION AS AT 30 SEPTEMBER 2007**

**SAVINGS NON-SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Reduction in Voluntary Sector budget	60	Budget reduced in Corporate Services
Reduction in Schedule of Rates	60	Relevant budgets reduced within all departments
Closure of Tourist Information Centre	58	Tourist Information Centre closed and budget deleted
LA21 Initiative Fund	40	Budget reduced in Corporate Services
Car allowances	4	Budgets reduced in Corporate Services

**SAVINGS SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Service Re-engineering Savings	244	£140k has been identified from income, grant maximisation and reduced support budgets. £104k through vacancy control.
Procurement Savings	109	Savings yet to be identified
Target for the year	353	

**POLICY OPTIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Human Resources - e-recruitment	25	1 year policy option towards the costs of implementing a scheme to improve e-recruitment

**CABINET DECISIONS**

<b>Date</b>	<b>Details</b>	<b>£</b>
None		

**VOLATILE AREAS / POTENTIAL VARIATIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Asset Management		The disposal of land is traditionally a volatile area and remains closely monitored.
Coroners Service		Budget continues to be closely monitored having been identified as liable to overspend. Efforts to contain within overall budget in 2007/08. Report for next Overview & Scrutiny Committee.

**FORECASTED VARIATIONS**

There are no issues to be highlighted at this time.

**J WILKIE  
DEPUTY CHIEF EXECUTIVE  
DIRECTOR OF CORPORATE SERVICES**

**WIRRAL COUNCIL - FINANCE DEPARTMENT  
FINANCIAL MONITORING REPORT 2007/08  
POSITION AS AT 30 SEPTEMBER 2007**

**SAVINGS NON-SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Call centre developments and working practices	90	Changes implemented at start of the new financial year
Car allowances	9	Budgets reduced

**SAVINGS SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Benefits and Council Tax	300	Reflect continuing improvements in service delivery, including access, and reflected in increased subsidy
IT hardware contracts	200	On target and delivered 2007/08
Integrated Tax System	100	Benefits from implementation in 2006/07
Treasury Management	73	To come from using e-technology
Procurement and Creditors	55	Agreed by Executive Board 12 April
Target for the year	728	

**POLICY OPTIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Pensioner discounts for over 75's	220	7,000+ applied which was higher than expectations

**CABINET DECISIONS**

<b>Date</b>	<b>Details</b>	<b>£</b>
None		

**VOLATILE AREAS / POTENTIAL VARIATIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Housing and Council Tax Benefit	120million	Budget continues to be closely monitored being subject to a number of performance and control measures

**FORECASTED VARIATIONS**

There are no issues to be highlighted at this time.

**IAN COLEMAN  
DIRECTOR OF FINANCE**

**WIRRAL COUNCIL - REGENERATION DEPARTMENT  
FINANCIAL MONITORING REPORT 2007/08  
POSITION AS AT 30 SEPTEMBER 2007**

**SAVINGS NON-SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Capitalise HMRI grant	135	Additional staff costs to be charged up to HMRI grant
Resolution of contractor dispute	120	One off saving
Deletion of vacant posts	80	Budget to be adjusted
Review contribution to Health Links	54	Implemented
Amend staff duty rotas	50	Under implementation
Extended schools provision re community services	30	Transfer Noctorum Community Centre to school. Agreed by Cabinet budget reduction yet to be implemented
Renegotiate funding of Community Support Officers	25	Implemented
Re-profile alley gate programme	25	Implemented
Car allowances	25	Budgets to be reduced

**SAVINGS SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Additional income from fees and charges	90	From Gambling Act fees, Cemetery & Crematorium increases and pest control
Maximisation of external grant funding	79	Designation of this sum as a recurring saving is dependent on the Comprehensive Spending Review.
Deletion of administrative posts	55	Deletion of vacant posts in Regeneration and Regulation
Reduction in Book Fund	50	Base budget reduction
Additional Revenue	50	Income budget adjusted for Tennis Centre Gym and the Oval 5-a-side
Rate relief	40	Base budget reduction
Sports Development	40	Deletion of Community Sports Officer
Housing Benefit provision	26	Implemented
Temporary Staffing Budget	20	Budget reduced in libraries
Programme reductions theatre venues	20	Implemented
Reduced maintenance costs public conveniences	20	Implemented
Reduction in cemetery budget	10	Implemented
Cease Junior Wirral	7	Implemented
Balance	546	To be agreed and implemented
Target for the year	1,053	

## **POLICY OPTIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Free swimming for younger people and pensioners	180	Budget adjusted
Youth sports night programme	50	Budget adjusted
Dog fouling enforcement	20	Budget adjusted
Smoke free campaign	180	Funded from Grant
Cultural Services development plan	100	Consultants appointed to be funded from SRE reinvestment budget
Improving security in parks and cemeteries	50	Funded from PPM budget

## **CABINET DECISIONS**

<b>Date</b>	<b>Details</b>	<b>£000</b>
26 April 2007	Floral Pavilion	236

## **VOLATILE AREAS / POTENTIAL VARIATIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Repairs and Maintenance	1,107	Closely monitored but many buildings in need of repair to remain open e.g. Birkenhead Central Library.
Energy costs	1,457	To be closely monitored throughout the year – energy efficiency schemes should start to have impact during the year to help minimise costs.
Cultural Service Income Levels	8,317	Will continue to be closely monitored during the year to highlight problem areas.
Service re-engineering	546	Savings areas have been identified but there are pressures in delivering savings linked to the agreement needed to take forward the proposed efficiencies
Rehousing services	100	Increased spend on temporary accommodation should be matched by additional income from Housing Benefit.

## **FORECASTED VARIATIONS**

There are no further issues to be highlighted at this time.

**ALAN STENNARD**  
**DIRECTOR OF REGENERATION**

**WIRRAL COUNCIL - TECHNICAL SERVICES  
FINANCIAL MONITORING REPORT 2007/08  
POSITION AS AT 30 SEPTEMBER 2007**

**SAVINGS NON-SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Efficiencies within the waste collection contract	285	
Highway Enforcement	85	
Administrative Buildings	50	
Street Lighting	10	
Funding of energy conservation team	75	All the savings have been incorporated into the Departmental budgets, are being closely monitored and are on target to be achieved by the year end.
Energy efficiencies	69	
Streetscene phase two	50	
Integration of building and development control	50	
Architects' fees	50	
Pre planning applications	30	
Fee and charges review	20	
Car allowances	32.7	

**SAVINGS SERVICE RE-ENGINEERING**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Salaries and admin costs	393	Achieved through vacancy control and a review of administration budgets
To be identified	142	Will be achieved by the year end
Target	535	

**POLICY OPTIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Energy efficiency – microregeneration	100	Included as part of the Property Maintenance programme

**CABINET DECISIONS**

<b>Date</b>	<b>Details</b>	<b>£</b>
None		

**VOLATILE AREAS / POTENTIAL VARIATIONS**

<b>Details</b>	<b>£000</b>	<b>Comments / progress</b>
Share of sale of recyclates	572	Discussions with the Waste Disposal Authority are ongoing

**FORECASTED VARIATIONS**

The car parking service showed an unfavorable variance of £250,000 in 2006/07, largely due to income being less than anticipated. Current projections are that a similar deficit is likely in 2007/08 and a combination of reduced Planning fee income and the Planning Delivery Grant being less than anticipated is likely to lead to a deficit within the Building Control Unit of £200,000. Ways of accommodating these potential

shortfalls are currently being explored and subject to the satisfactory resolution of the share of recyclates issue detailed above, it is planned that the year end outturn will be closely in line with the agreed budget although there are likely to be variations within individual operational areas.

**DAVID GREEN**  
**DIRECTOR OF TECHNICAL SERVICES**