

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

17 JANUARY 2008

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.

Expenditure	Council Budget	Current Budget
	£	£
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)
Net Expenditure	253,650,600	253,650,600

5. FINANCIAL MONITORING 2007/08

5.1 Progress on implementing Policy Options

- 5.1.1 All the policy options have been implemented or will be developed by the end of the financial year. 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. However, the domiciliary care efficiency programme savings and the integrated management arrangements with the Primary Care Trust are subject to slippage with a projected shortfall of £0.6 million for 2007/08. This is reflected in the potential departmental 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 £1.6 million has still to be identified from Adult Social Services, Children & Young People and Regeneration.

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 and 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.
- 5.4.2 Cabinet has agreed to the release of resources from specific reserves in to general balances: on 4 October 2007 £0.5 million from previously specified reserves and on 14 November 2007 £1.4 million from the Insurance Fund.

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 there have been 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 £1.4 million overspend on Community Care. With the slippage identified in achieving savings, utility costs in care homes, and the impact of the pay award the potential overspend rises to £3.3 million.

The Director subsequently reported to Finance & Best Value Overview & Scrutiny Committee on 11 December 2007 that, following discussions with the Primary Care Trust, he now anticipates that the departmental overspend projections could be reduced by around £1.3 million. However, resolution of the invoices raised against the Out-of-Borough Primary Care Trusts remains outstanding with a liability of £1.2 million not yet paid.

5.5.3. Children and Young People

The areas that are the most volatile remain as Special Education Needs (SEN) and care 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 and 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 £1.2 million. This has been offset by the use of Standards Fund grant and slippage in the Development Fund and Sustainability budget such that the Director now reports that spend will be contained within the allocated 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. A report on the financial position of the Coroner Service is included elsewhere on this agenda.

5.5.5. Finance

The spend, and associated Government grant, in respect of Council Tax Benefit and Housing Benefit payments represents the largest 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.

Through a combination of the opportunities offered by the Integrated Tax and Benefits System, further improvements and efficiencies to the management and handling of claimants through the various Customer Access channels and the maximisation of grant support from the Government it is anticipated that savings of £1 million will be achieved in 2007/08.

With the Government having obtained resolution to the judicial reviews in respect of the Local Authority Business Growth Incentive (LABGI) grant a further payment has been made in respect of 2006/07 with the Council receiving £0.2 million.

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 but demand is largely 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 at variance with the budget and with the likely shortfall in the Service Re-engineering savings target the forecast is a £750,000 shortfall. Efforts are being made to identify one-off savings whilst permanent savings are reported to, and considered by, Cabinet and this should reduce the year-end projection to £0.6 million.

5.5.7. Technical Services

The budget is reliant upon income from recycling, car parking and planning. Whilst there are likely shortfalls in these areas the Director is confident that this can be accommodated from within the departmental budget.

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. Whilst hopeful of a successful conclusion the potential is for a £0.6 million shortfall in 2007/08.

5.5.8. Treasury Management

The management of capital and the need to borrow to fund investment has resulted in savings generated through slippage in the capital programme and through the Equal Pay back pay claims being less than initially forecast. In total this will result in reduced costs of £1 million in 2007/08.

In terms of interest rates the reduction in temporary borrowing through better cash flow management and the increased rates offered as a result of changes in the banking sector has resulted in the Council benefiting in terms of both interest payments and receipts with an additional £1.1 million forecast by the end of the financial year.

5.6 **Local Pay Review**

5.6.1 As part of the Local Pay Review the Council has made 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 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 within Regeneration for addressing of the future provision of Cultural Services. 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
Projected General Fund balances at 31 March 2008 when setting the budget for 2007/08		4.5
Cabinet / Executive Board decisions		
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 Release of various reserves to the general balances	+0.5	
14 November 2007 Transfer from the Insurance Fund reserve to general balances	+1.4	+2.5
Projected variances / potential overspends		
Overspends		
Adult Social Services (see section 5.5.2)	3.3	
Regeneration (see section 5.5.6)	0.6	
Technical Services (see section 5.5.7)	0.6	
Underspends		
Finance (see section 5.5.5)	1.2	
Treasury Management (see section 5.5.8)	2.1	-1.2
General Fund balances at 31 March 2008 based upon the latest projections		5.8

- 6.2 The Director of Adult Social Services has reported subsequently that the overspend of £3.3 million may be reduced to below £2 million following discussions with the Primary Care Trust. Efforts continue to be made to contain the projected variances within the approved budget and the Projected Budget 2008/11 assumes this to be the case.
- 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/335/07

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

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
Domiciliary care – Efficiency programme	1,000	Efficiencies of £0.5m have been identified with the balance likely to slip into 2008/09 There continues to be increased pressure on home care budget from new demand.
Continuing health care – funding following Grogan	700	Likely to be achieved in full by 31 March 2008
Homecare Services (Re-ablement project)	400	On Target
Fairer charging policy	360	On Target
Joint commissioning	300	Likely to be achieved in full by 31 March 2008.
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

Details	£000	Comments / progress
Finance & Support Services Division	337	On Target
Increased income from Charges	265	On Target
To be identified	693	Considering further options to bring forward future years' savings
Target for the year	1,295	

POLICY OPTIONS

Details	£000	Comments / progress
None		

CABINET DECISIONS

Date	Details	£
None		

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
Community care	£1.4m potential overspend	Projected overspend continues to reduce through targeted reviews and re-assessments.
Utility costs in care homes	£0.2m projected overspend	Unavoidable overspend due to energy contract prices
Pay Inflation	£0.4m	Overspend likely due to revised pay offer. Final impact not known yet. Cannot be accommodated due to regulated nature of Care Services.
Service Re-engineering	£0.7m	Slippage identified above.
Savings Plan Target	£0.6m	Slippage identified above.

FORECASTED VARIATIONS

Total financial pressures of £6m have been identified and reported to Scrutiny Committee. Through targeted reviews and reassessments, and a number of re-engineering measures identified in the above tables, this is being managed down to a currently projected overspend of £3.3m. A number of actions are being implemented to further reduce this overspend. The clear aim is to deliver a balanced budget by 31 March 2008. However this has to be achieved within the policy framework agreed by Council, and this is increasingly difficult as demand that is assessed as 'critical and substantial' continues to rise and the throughput of people who use services remains low.

JOHN WEBB
DIRECTOR OF ADULT SOCIAL SERVICES

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

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
PFI reduction in consultants and support costs	75,000	Budgets reduced
Instrumental Music Service and Oaklands	50,000	Charges reviewed
Early Years, Surestart - support and Toy Library	105,000	Budgets adjusted
Reduce ESW, Psychologists and Support	230,000	Savings implemented
Transport – F Bus and transfer costs of Solar School	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

Details	£000	Comments / progress
Reduce Advisory Teacher budget	50	Match funding has been reduced.
Reduce BIP Budget	50	The programme has been reduced.
Grant funding – Children's Grant.	525	Children's Grant and ex-funding for Nurture Groups will be used for other CYP activities
Early Years and Surestart	200	Transfer eligible costs into grant funding
Procurement savings	155	Savings from spend restrictions
LEA initiatives	25	Transfer to Schools Budget
IT Leasing	30	Reduce and fund from capital grant
Traded Services	20	Additional income from schools
Other savings still to be identified	331	
Target for the year	1,386	

POLICY OPTIONS

Details	£000	Comments / progress
LEA Initiatives	30	Partnership with Liverpool Philharmonic
Children's homes and foster care	10	Personalise rooms, recognise achievements

CABINET DECISIONS

Date	Details	£
10.07.2007	School F Bus tenders and charges to parents	25,000
07.06.2007	School Meals service – meal price increase	
26.07.2007	Early Retirement Costs	82,200
26.07.2007	SEN Transport Tenders	135,000 cr
20.09.2007	Increase in Fostering Fees Update	24,000
04.10.2007	Closure of Poolwood Children's Home	500,000 cr
29.11.2007	Budget savings 2008-2011	2,123,000cr

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
LA and Independent Children's homes, Foster Care Budgets and lodging allowances	270	This forecast is reliant on making alternative provision for a number of children and young adults. Additional contributions are being / have been agreed with the PCT and DASS, where care costs are jointly funded or should be transferred.
Employee Costs	200	Additional costs have been incurred eg. in Fieldwork Teams and Agency costs. However agency staff are reducing as Social Workers are recruited.
Service Re-engineering	550	Savings still have to be identified (£330,000). 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 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.
School Meals Service	-	A meal price increase has been implemented.
Standards Fund / Curriculum under-spend	950cr	Some EIC and BIP funding will not be spent by 31 March. The forecast under-spend allows grant to offset eligible costs within the CYP budget.
Surestart	250cr	There is slippage within the Development Fund and Sustainability budget. This enables savings to be used to meet other eligible costs.

SUMMARY

The department's budget position has continued to improve. The previous report indicated that the Surestart programme was being reviewed to determine if there was any scope for potential savings. This exercise has identified slippage in 2 programme areas, resulting in a saving of £250,000 in the current year. In addition a further £100,000 of re-engineering savings have been agreed.

The measures that are being taken will enable the department to keep within its budget allocation. There is now no forecast budget overspend. The forecast assumes that any severance costs arising from the closure of Poolwood will be met centrally. A report will be taken to Cabinet seeking approval for this.

The support given to the budget by Standards Fund and Surestart are relevant to the 2007/08 financial year only. In the medium term there is a significant funding gap in the departments budget.

HOWARD COOPER
DIRECTOR OF CHILDRENS SERVICES

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

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
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

Details	£000	Comments / progress
Service Re-engineering Savings	353	£249k from increased income, grants and reduced support budgets. £104k through vacancy control.
Target for the year	353	

POLICY OPTIONS

Details	£000	Comments / progress
Human Resources - e-recruitment	25	1 year policy option towards the costs of implementing a scheme to improve e-recruitment. System will be developed by the end of the financial year.

CABINET DECISIONS

Date	£000	Details
04 October 2007	165	Enhanced capacity of the Corporate HR Team to support organisational change.

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
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 and efforts will be made to contain within Corporate Services overall budget in 2007/08. Separate report presented to Overview & Scrutiny Committee 03 December 2007.

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 NOVEMBER 2007**

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
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

Details	£000	Comments / progress
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

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

CABINET DECISIONS

Date	Details	£
4 October 2007	Senior Pensions Liaison Officer	28

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
Housing and Council Tax Benefit	-1,000	Management of applications and maximisation of grant opportunities will see savings on this £120m budget.
LABGI	-200	Additional grant received for 2006/07.

FORECASTED VARIATIONS

The continuing work on Benefits and Council Tax continues to provide financial benefits to the Council. The opportunities realised in 2007/08 being in excess of those expected and will result in a spend £1 million below budget. The additional LABGI payment follows the resolution of the outstanding legal rulings and the Government has now distributed the remaining prior year resources.

**IAN COLEMAN
DIRECTOR OF FINANCE**

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

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
Capitalise HMRI grant	135	Additional staff costs to be charged up to HMRI grant
Resolve 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 Comm Support Officers	25	Implemented
Alley gate programme	25	Implemented
Car allowances	25	Budgets to be reduced

SAVINGS SERVICE RE-ENGINEERING

Details	£000	Comments / progress
Procurement savings	108	Implemented.
Additional income from fees and charges	85	From Gambling Act fees, Cemetery & Crematorium increases and pest control
Maximisation of external grant funding	79	Designation of this sum as a recurring saving 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
Property Maintenance	22	Implemented
Temporary Staffing Budget	20	Budget reduced in libraries
Programme reductions theatre venues	20	Implemented
Reduced maintenance costs public conveniences	20	Implemented
Health & Safety Officer	19	Implemented
Reduction in cemetery budget	10	Implemented
Cease Junior Wirral	7	Implemented
Balance	594	To be agreed and implemented
Target for the year	1,053	Plus £192k underachieved 2006/07

POLICY OPTIONS

Details	£000	Comments / progress
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

Date	Details	£000
26 April 2007	Floral Pavilion	236

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
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	594	Savings areas have been identified but there are pressures in delivering savings linked to the agreement needed to take forward the proposed efficiencies.

FORECASTED VARIATIONS

The current projections are for an overspend of around £750,000 as decisions on the Service Re-engineering savings have yet to be confirmed. Efforts are being made to reduce this figure that will largely be achieved through a series of 'one-off' savings such as from reviewing existing reserves and provisions. This is likely to reduce the figure to around £600,000.

ALAN STENNARD
DIRECTOR OF REGENERATION

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

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
Waste collection contract	285	
Highway Enforcement	85	
Administrative Buildings	50	
Street Lighting	10	
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

Details	£000	Comments / progress
Salaries and admin costs	535	Achieved through vacancy control, re-engineering back office/admin systems review of income and rationalisation of administration budgets.

POLICY OPTIONS

Details	£000	Comments / progress
Energy efficiency – Microregeneration	100	Included as part of the Property Maintenance programme

CABINET DECISIONS

Date	Details	£
None		

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
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 being explored and subject to the satisfactory resolution of the share of recyclates issue, it is planned that the year end outturn will be closely in line with the agreed budget although likely to be variations in individual operational areas.

**DAVID GREEN
DIRECTOR OF TECHNICAL SERVICES**

**WIRRAL COUNCIL – TREASURY MANAGEMENT
FINANCIAL MONITORING REPORT 2007/08
POSITION AS AT 30 NOVEMBER 2007**

SAVINGS NON-SERVICE RE-ENGINEERING

Details	£000	Comments / progress
None		

SAVINGS SERVICE RE-ENGINEERING

Details	£000	Comments / progress
None		

POLICY OPTIONS

Details	£000	Comments / progress
None		

CABINET DECISIONS

Date	Details	£
None		

VOLATILE AREAS / POTENTIAL VARIATIONS

Details	£000	Comments / progress
Long Term Borrowing Interest Payments	-1,000	No new long term borrowing yet undertaken in 2007/08. While some may occur in the new calendar year the need has been reduced due to past years slippage in the capital programme and the amounts for back pay were less than initially forecast.
Temporary Borrowing Interest	-400	Reduction in temporary borrowing. Better cash flow management should mean that it is only needed for unforeseen circumstances.
Investment Interest Income	-700	Rate increases combined with liquidity problems in the banking sector have led to higher than forecast rates. Investment income is expected to generate a surplus.

FORECASTED VARIATIONS

The Council has been able to take advantage of high rates of interest for investments due to the liquidity problems within the banking system. Past years' slippage in the capital programme and payments made for back dated pay being far less than anticipated has meant that carrying out increased long term borrowing has not been necessary so far this year. Both these factors have largely contributed to the forecast of a £2.1m underspend.

**IAN COLEMAN
DIRECTOR OF FINANCE**