

## WIRRAL COUNCIL

### COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

12 JULY 2011

<b>SUBJECT</b>	<b>FINANCIAL MONITORING STATEMENT</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR STEVE FOULKES</b>
<b>KEY DECISION</b>	<b>NO</b>

#### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report provides a summary of the position of the revenue accounts and General Fund balances as at 31 May 2011.

#### **2.0 RECOMMENDATION**

- 2.1 That the contents of the Financial Monitoring Statement be noted.

#### **3.0 REASON FOR RECOMMENDATION**

- 3.1 The Statement is sent out after the end of each month to all Members of the Council. At each meeting of this Committee a formal report is produced to accompany the latest available Statement.

#### **4.0 BACKGROUND AND KEY ISSUES**

##### **MONITORING STATEMENT**

- 4.1 The Statement is attached to this report and includes the following:
- Composition of the original 2011/12 budget by Department including agreed savings and the 'one year' policy options.
  - Monitoring against the 2011/12 budget including the financial implications of any changes agreed by Cabinet.
  - Anticipated variances, and changes not agreed by Cabinet, against the original budget.
  - Comments providing an explanation of variances and areas identified as requiring further attention.

##### **IMPACT OF CABINET DECISIONS HAVING BUDGETARY IMPLICATIONS**

- 4.2 On 17 March 2011 Cabinet allocated £480,000 to Adult Social Services to enable Fernleigh to remain open during 2011/12.

## **LATEST DEPARTMENTAL PROJECTIONS**

4.3 The Statement presents an update of the revenue budget and General Fund balances as at 31 May 2011. At this stage of the financial year some departments are reporting pressures and the potentially volatile areas within departments are:-

a) Adult Social Services

The Department is experiencing pressures of £3 million due to potential slippage in implementing the 2011/12 savings. These relate to Market Management (subject of the care fee negotiations) of potentially £1.8 million, Supported Living which will now accrue from July 2011 totalling £0.8 million and delayed EVR savings of £0.4 million. The Interim Director is looking at options to reduce any potential overspend.

b) Children & Young People

There are pressures totalling £6 million, primarily within Child Care through continuing increasing demand which amounts to £2.8 million, with foster care accounting for £1.5 million of this amount. The Integrated Transport Unit potentially has a £1.5 million overspend through increased commitments and the non-achievement of savings. There is £1.2 million related to delayed EVR savings and additional pension liabilities. The Interim Director is looking at options to reduce any potential overspend.

c) Other departments

In respect of other departments the implementation of the policy options and delivery of the savings are all progressing. The achievement of income targets remains the key concern with this being highlighted within Corporate Services for the transferred services of building and planning control, and Technical Services in respect of car parking and cultural services.

## **5.0 RELEVANT RISKS**

5.1 The risks are incorporated within section 4 of this report. Any variations from the agreed budget will impact, positively or negatively, upon Council balances and so affect the financial position.

## **6.0 OTHER OPTIONS CONSIDERED**

6.1 There are no options considered in this report.

## **7.0 CONSULTATION**

7.1 No specific consultation has been undertaken with regard to this report.

## 8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are no direct implications arising from this report.

## 9.0 RESOURCE IMPLICATIONS

9.1 As at 31 May 2011 the decision taken by Cabinet would result in balances at 31 March 2012 of £6.4 million. This is less than the £6.9 million that was projected when setting the 2011/12 budget. All Directors continue to look at actions to address any pressures within their departmental budgets.

Details	£million	£million
<b>Projected General Fund balance at 31 March 2012 when setting the budget for 2011/12</b>		6.9
<b>Cabinet decisions</b>		
17 March - Retention of Fernleigh for 2011/12		-0.5
<b>Projected variances / potential overspends</b>		
At this stage none have been identified although pressures within Adult Social Services of £3 million and Children & Young People of £6 million		
<b>General Fund balance at 31 March 2012 based upon the latest projections</b>		6.4

9.2 There are no staffing implications arising directly from this report.

## 10.0 LEGAL IMPLICATIONS

10.1 There are none arising directly from this report.

## 11.0 EQUALITIES IMPLICATIONS

11.1 There are none arising directly from this report.

11.2 Equality Impact Assessment (EIA) is not required for this report.

## 12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none arising directly from this report.

## 13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are none arising directly from this report.

FNCE/156/11

**REPORT AUTHOR:** Tom Sault  
Head of Financial Services  
telephone: (0151 666 3407)  
email: tomsault@wirral.gov.uk

## **APPENDICES**

Financial Monitoring Statement 2011/12 - Position as at 31 May 2011.

## **REFERENCE MATERIAL / SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Cabinet - Departmental Budgets 2011/12	23 June 2011
Cabinet – Budget 2011/12	21 February 2011

## WIRRAL COUNCIL

## FINANCIAL MONITORING STATEMENT 2011/12

## POSITION AS AT 31 MAY 2011

Department	ORIGINAL BUDGET			MONITORING			COMMENTS (INCLUDING Red/Amber/Green RATING)	
	Policy Option	Saving Target	Agreed Budget	Changes Agreed	Changes Not agreed	Forecast	Rate	Comments
Expenditure	£000	£000	£000	£000	£000	£000		
Adult Social Services	20	16,907	63,431	+480	Pressure of £3.0 million	63,911	A	Pressures relate to slippage in savings implementation. Market Management fees £1.8m, Supported Living £0.6m and delayed EVRs £0.4m. Cabinet decision to retain Fernleigh in 2011/12.
Children & Young People	392	7,954	74,753		Pressure of £6.0 million	74,753	A	Pressures relate primarily to children's care services through demand £3.1m, transport costs £1.5m and staffing (including EVR and vacancy targets) £1.2m and car allowances £0.3m.
Corporate Services	758	3,726	25,407	-	-	25,407	A	The income budgets for transferred services, mainly planning / building control are the main issue
Finance	250	7,811	26,638	-	-	26,638	G	Housing benefit is the most significant budget and caseload continues to increase. The development of Library/One Stop Shop service bringing service delivery pressures
Law, HR and Asset Mgt	314	2,658	16,225	-	-	16,225	G	Expansion of the asset management workload and the savings from disposals and rationalisation continue as pressure areas
Technical Services	1,032	2,813	59,973			59,973	A	Income targets remain the most significant challenge for car parking and cultural services activities.
Merseytravel	-	-	28,817	-	-	28,817	G	Fixed amount – no change.
Local Pay Review	-	-	956	-	-	956	G	Available to meet the implementation of the Review.
Funding of EVR/VS Scheme	-	-	5,795	-	-	5,795	A	Based upon those employees to leave by 30 June 2011.
Council Tax Freeze Grant	-	-	(3,285)	-	-	(3,285)	G	Amount of grant confirmed by Government in April.
Contribution from Balances	-	-	(7,166)	(480)	-	(7,646)	G	Amount before any changes agreed by Cabinet.
<b>Budget Requirement</b>	<b>2,766</b>	<b>41,869</b>	<b>291,544</b>	<b>(480)</b>	-	<b>291,544</b>		
<b>Income</b>								
Revenue Support Grant	-	-	37,498	-	-	37,498	G	Fixed amount - no change
National Non Domestic Rate	-	-	121,312	-	-	121,312	G	Fixed amount - no change
Council Tax	-	-	131,434	-	-	131,434	G	Fixed amount - no change
Collection Fund	-	-	1,300	-	-	1,300	G	From the change in treatment of empty properties.
<b>Total Income</b>	<b>-</b>	<b>-</b>	<b>291,544</b>	<b>-</b>	<b>-</b>	<b>291,544</b>		
<b>Statement of Balances</b>								
As at 1 April	-	-	14,071	-	-	14,071		Opening balance with forecast for 31 March 2012 of £6.9 million.
Contributions from Balances	-	-	(7,166)	-	-	(7,166)		Before changes agreed by Cabinet.
Cabinet decisions	-	-	-	(480)	-	(480)		Retain Fernleigh 2011/12 £480k (17 Mar).
Changes – Agreed Cabinet	-	-	-	-	-	-		
Changes – Not Agreed	-	-	-	-	-	-		Based upon departmental projections and not yet agreed.
<b>BALANCES</b>	<b>-</b>	<b>-</b>	<b>6,905</b>	<b>-480</b>	<b>-</b>	<b>6,425</b>		<b>Projected balance for 31 March 2012 at start / end of year</b>