

WIRRAL COUNCIL

TRANSFORMATION & RESOURCES POLICY & PERFORMANCE COMMITTEE

15 JULY 2014

SUBJECT	FINANCIAL MONITORING 2014/15 MONTH 2 (MAY 2014)
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES

1 EXECUTIVE SUMMARY

- 1.1 This report sets out the financial monitoring information for this Committee in a format consistent across the Policy and Performance Committees. The report aims to give Members sufficient detail to scrutinise budget performance for the Directorate. Financial information for Month 2 (May 2014) which is being reported to Cabinet on 7 July is included.

2 BACKGROUND AND KEY ISSUES

- 2.1 Members of the Policy and Performance Committees have previously requested that financial monitoring information is provided as a standard item at each Committee.
- 2.2 Since September 2012 monthly revenue and capital monitoring reports have been submitted to Cabinet as a means of providing regular, detailed updates on budget performance.
- 2.3 The Coordinating Committee has agreed that in order to fulfil its corporate and strategic scrutiny role, it will continue to review the full versions of the most up to date monitor reports at its future scheduled meetings.

3 REPORTING TO POLICY & PERFORMANCE COMMITTEES

- 3.1 The relevant sections from the most recent revenue and capital monitoring reports reported to Cabinet are summarised into a bespoke report for each Policy and Performance Committee. This will include the following:
- Performance against revenue budget
 - Performance against in year efficiency targets
 - Performance against capital budget
- 3.2 The following sections have been extracted from the Financial Monitoring reports presented to Cabinet on 7 July 2014.

PERFORMANCE AGAINST REVENUE BUDGETS MONTH 2 (MAY 2014)

3.3 CHANGES TO THE AGREED BUDGET

3.3.1 2014/15 Original & Revised Net Budget £000's

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 1-2	Revised Net Budget
Transformation & Resources	20,199	-	-	20,199
Net Cost of Services	20,199	0	0	20,199

3.3.2 Changes to the Budget agreed since the 2014/15 Budget was set

Items	£m

3.3.3 There have been no budget movements between directorates in the first two months of the year.

3.4 VARIATIONS

3.4.1 The report will use RAGBY ratings that will highlight under and overspends and place them into 'risk bands'. The 'risk band' classification is:

- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over -£301k)
- Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to -£140k); Blue (-£141k to -£300k)

3.4.2 2014/15 Projected Budget variations £000's

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Month 2	RAGBY Classification	Change from prev mnth
Transformation & Resources	20,199	20,178	-21	G	-
TOTAL	20,199	20,178	-21		0

3.4.3 RAGBY full details

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Transformation & Resources	7	0	1	5	1	0
Total	7	0	1	5	1	0

Below is a breakdown of the Budget Areas within Transformation and Resources with their RAGBY ratings.

	RAGBY
Business Processes	Amber
HR & OD	Green
Legal & Member Services	Green
MPF	Green
Resources	Blue
Transformation & Resources	Green
Corporate & Democratic Services	Green
Total	

3.4.4 An underspend of £21,000 is currently forecast for the directorate. The Library savings relating to changes agreed in 2013/14 for implementation in 2014/15 have not been implemented. These savings related to changes in opening hours and working arrangements and are being covered at the moment from vacant posts within the service.

3.5 IMPLEMENTATION OF 2014/15 SAVINGS

3.5.1 Budget Implementation Plan 2014/15 £000's

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at May	To be Delivered
B - delivered	1	90	90	0
G – on track	10	1,767	161	1,606
A - concerns	5	1,265	362	903
R - high risk/ not achieved	2	786	0	786
Total at M02 May	18	3,908	613	3,295

3.5.2 The Red rated options relates to the following:

- Libraries and One Stop Shops - Savings were initially predicated on revising opening hours, introducing lone working with support from volunteers and / or agile workers. These measures have yet to be introduced, but compensatory savings, primarily from vacant posts have been found.
- Discretionary Relief - Savings are expected to be delayed by 3 months resulting in a deficit of 25% (£80k). Compensatory savings will need to be identified.

3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 2 (MAY 2014)

3.6.1 Table 1: Capital Budget

	Capital strategy	Re-profiling	Other changes to be noted	Revised Capital Programme	Actual Expenditure May 2014
Transformation & Resources	4,000	0	0	4,000	81
Total expenditure	4,000	0	0	4,000	81

3.6.2 Transformation & Resources

The Council has embarked upon a substantial programme of investment into Information Technology which includes the Oracle System and is a key element in supporting the delivery of the Future Council project. The acquisition of equipment is in progress and should all be in place by the end of the financial year.

4 RELEVANT RISKS

4.1 There are none relating to this report.

5 OTHER OPTIONS CONSIDERED

5.1 Any option to improve the monitoring and budget accuracy will be considered.

6 CONSULTATION

6.1 No consultation has been carried out in relation to this report.

7 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications arising directly from this report.

8 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

8.1 In respect of the Revenue Budget the Transformation and Resources Directorate is projecting a £21k under spend as at the 31 May 2014.

9 LEGAL IMPLICATIONS

9.1 There are no implications arising directly from this report.

10 EQUALITIES IMPLICATIONS

10.1 The report is for information and there are no direct equalities implications at this stage.

11 CARBON REDUCTION IMPLICATIONS

11.1 There are no implications arising directly from this report.

12 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no implications arising directly from this report.

13 RECOMMENDATIONS

13.1 Members are requested to review the information presented to determine if they have any specific questions relating to the budget for the Transformation and Resources Directorate.

14 REASONS FOR THE RECOMMENDATIONS

14.1 To ensure Members have the appropriate information to review the budget performance of the directorate.

REPORT AUTHOR Peter Molyneux
Telephone (0151) 666 3389
E-mail petemolyneux@wirral.gov.uk

APPENDICES

Extracted from the Capital Monitoring report to Cabinet on 7 July 2014:-
Annex 1 Proposed Capital Programme and Funding Cabinet March 2014

SUBJECT HISTORY

Council Meeting	Date
Monthly financial monitoring reports for Revenue and Capital have been presented to Cabinet since September 2012.	

Annex 1 Revised Capital Programme 2014/15

	Revised Programme £000	Actual £000	Council Resources	Grants	Revenue/ Reserves	Total
Transformation & Resources						
I.T Development	4,000	81	4,000			4,000
West Kirby and Heswall OSSs	0					0
	4,000	81	4,000	0	0	4,000