

## **WIRRAL COUNCIL**

### **TRANSFORMATION & RESOURCES POLICY & PERFORMANCE COMMITTEE**

**16 SEPTEMBER 2014**

<b>SUBJECT</b>	<b>FINANCIAL MONITORING 2014/15 MONTHS 3/4 (JUNE/JULY 2014)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF RESOURCES</b>

#### **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 Months 3/4 (June/July 2014) which is being reported to Cabinet on 11 September 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 11 September 2014.

## PERFORMANCE AGAINST REVENUE BUDGETS MONTH 4 (JULY 2014)

### 3.3 CHANGES TO THE AGREED BUDGET

#### 3.3.1 2014/15 Original & Revised Net Budget

	Original Net Budget £000's	Approved Budget Changes Prior Mths £000's	Approved Budget Changes Month 4 £000's	Revised Net Budget £000's
Transformation & Resources	20,199	-	71	20,270
<b>Net Cost of Services</b>	<b>20,199</b>	<b>0</b>	<b>71</b>	<b>20,270</b>

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

Items	£000's
Adjustment to recharges between T&R and R&E	71

### 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

Directorates	Revised Budget £000's	Forecast Outturn £000's	(Under) Overspend Month 4 £000's	RAGBY Classification	Change from prev mnth £000's
Transformation & Resources	20,270	20,219	-51	G	-51
<b>TOTAL</b>	<b>20,270</b>	<b>20,219</b>	<b>-51</b>		<b>-51</b>

#### 3.4.3 RAGBY full details

Department	Number of Budget Areas	RAGBY Classification				
		Red	Amber	Green	Blue	Yellow
Transformation & Resources	7	1	0	5	0	1
<b>Total</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>1</b>

3.4.4 One business area is currently flagged as red rated. This relates to:

- Business Processes within Transformation & Resources – This overspend is due to increased costs as a result of delayed savings. Based on the 2013-14 outturn position there is a potential shortfall on Summons Costs income. A better indication of this will be after the half year stage in September when further summon costs in respect of 2014/15 bills will have been raised.

3.4.5 One business area is currently flagged as yellow rated. This relates to:

- Resources within Transformation & Resources - Underspend on Employees mainly due to Financial Services although there are other smaller employee underspends within other areas. An additional £60,000 within Treasury has been generated following a review to ensure full cost recovery of services provided to Merseyside Pension Fund.

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

	<b>RAGBY</b>
Business Processes	Red
HR & OD	Green
Legal & Member Services	Green
MPF	Green
Resources	Yellow
Transformation & Resources	Green
Corporate & Democratic Services	Green
<b>Total</b>	

3.4.7 An underspend of £51,000 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

BRAG	Number of Options	Approved Budget Reduction £000's	Amount Delivered at July £000's	To be Delivered £000's
B - delivered	4	351	351	0
G – on track	7	1,506	0	1,506
A - concerns	4	1,265	487	778
R - high risk/ not achieved	3	786	0	786
<b>Total at M04 July</b>	<b>18</b>	<b>3,908</b>	<b>838</b>	<b>3,070</b>

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% (£80,000). Compensatory savings will need to be identified.
- Credit Charge Charges - Implementation of this charge on credit card transactions has been delayed. Bank charges are currently projected to overspend by £14,000.

### 3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 4 (JULY 2014)

#### 3.6.1 Table 1: Capital Budget

	Capital strategy £000's	Re-profiling £000's	Other changes to be noted £000's	Revised Capital Programme £000's	Actual Expenditure July 2014 £000's
Transformation & Resources	4,000	0	0	4,000	1,002
<b>Total expenditure</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>1,002</b>

#### 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 £51,000 under spend as at the 31 July 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 11 September 2014:-  
Annex 1 Proposed Capital Programme and Funding Cabinet March 2014

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
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
<b>Transformation &amp; Resources</b>						
I.T Development	4,000	1002	4,000			4,000
West Kirby and Heswall OSSs	0					0
	<b>4,000</b>	<b>1,002</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>