

## WIRRAL COUNCIL

### TRANSFORMATION & RESOURCES POLICY & PERFORMANCE COMMITTEE

4 FEBRUARY 2015

<b>SUBJECT</b>	<b>FINANCIAL MONITORING 2014/15 MONTH 8 (NOVEMBER 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 Month 8 (November 2014) which was reported to Cabinet on 15 January 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 15 January 2015.

## PERFORMANCE AGAINST REVENUE BUDGETS MONTH 8 (NOVEMBER 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 8 £000's	Revised Net Budget £000's
Transformation & Resources	20,199	-467	-	19,732
<b>Net Cost of Services</b>	<b>20,199</b>	<b>-467</b>	<b>0</b>	<b>19,732</b>

There were no changes to the T&R budget during month 8.

### 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 8 £000's	RAGBY Classification £000's	Change from prev mnth £000's
Transformation & Resources	19,732	19,093	-639	Y	-307
<b>TOTAL</b>	<b>19,732</b>	<b>19,093</b>	<b>-639</b>		<b>-307</b>

The month 8 movement reflects the outcome of an in year review undertaken by all directorates to identify areas to assist, contain and reduce the overall projected authority 2014/15 overspend.

#### 3.4.3 RAGBY full details

Department	Number of Budget Areas	RAGBY Classification				
		Red	Amber	Green	Blue	Yellow
Transformation & Resources	7	0	0	6	0	1
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>1</b>

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

- Resources within Transformation & Resources - Increased Treasury Management savings have been generated from the re-profiling of expenditure following a capital programme review and the use of internal resources to temporarily fund spend. This results in a reduction in investment income which is outweighed by a greater

saving on borrowing costs, the net saving being approximately £410,000. There are also some underspends within salary budgets and running costs within business processes.

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

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

3.4.6 An underspend of £639,000 is currently forecast for the directorate. This is mainly due to a predicted reduction in revenue funding required following a review and re-profiling of the 2014/15 Capital Programme and savings on directorate staffing and running costs within business processes.

For libraries and One Stop Shops a saving of £466,000 was based upon revised opening hours. This is being achieved in the current year through the temporary management of vacancies with the original decision to reduce hours being implemented from early 2015.

### 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 Nov £000's	To be Delivered £000's
B - delivered	4	351	351	0
G – on track	6	1,366	933	433
A - concerns	5	1,393	770	623
R - high risk/ not achieved	3	798	0	478
P – replacements for Red	0	0	320	
<b>Total at M08 Nov</b>	<b>18</b>	<b>3,908</b>	<b>2,374</b>	<b>1,534</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 in the year. Cabinet and Council in December agreed further proposals for future service provision and the undelivered savings will be implemented alongside these.

- **Discretionary Relief** - Cabinet 6th November agreed to fund a Discretionary Relief scheme from the Business Rates Equalisation Reserve releasing budget. This is shown as red but mitigated (purple rated).
- **Credit Charge Charges** - Implementation of this charge on credit card transactions has been delayed.

### 3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 8 (JULY 2014)

#### 3.6.1 Table 1: Capital Budget

	Capital Strategy	Changes approved by Cabinet	Changes not yet approved/ noted	Revised Capital Programme	Actual Spend Nov 2014
Transformation & Resources	4,000	-1,500	0	2,500	2,447
<b>Total expenditure</b>	<b>4,000</b>	<b>-1,500</b>	<b>0</b>	<b>2,500</b>	<b>2,447</b>

#### 3.6.2 Transformation & Resources

The substantial programme of investment into Information Technology is underway. This includes investment in both hardware and software with the new equipment having been piloted and is being 'rolled-out' across the Council from September. Further developments include elements to support the delivery of the Future Council project and upgrading the ORACLE financial system which is likely to occur in 2015/16.

### 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 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

7.1 There is an ongoing requirement for directorates to identify during the financial year necessary actions to mitigate any forecast overspends.

## **8 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are no implications arising directly from this report.

## **9 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS**

9.1 In respect of the Revenue Budget the Transformation and Resources Directorate is projecting a £639,000 under spend as at the 30 November 2014.

## **10 LEGAL IMPLICATIONS**

10.1 There are no implications arising directly from this report.

## **11 EQUALITIES IMPLICATIONS**

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

## **12 CARBON REDUCTION IMPLICATIONS**

12.1 There are no implications arising directly from this report.

## **13 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are no implications arising directly from this report.

## **14 RECOMMENDATIONS**

14.1 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.

## **15 REASONS FOR THE RECOMMENDATIONS**

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

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## **APPENDICES**

Extracted from the Capital Monitoring report to Cabinet on 15 January 2015:-  
Annex 1 Revised Capital Programme and Funding 2014/15 and Programme 2015/16

## 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 £000	Grants £000	Revenue/ Reserves £000	Total £000	Programme 2015/16
<b>Transformation &amp; Resources</b>							
I.T Development	2,500	2,447	2,500			2,500	1,500 Delivery
	<b>2,500</b>	<b>2,400</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>1,500</b>