

WIRRAL COUNCIL

FAMILIES AND WELLBEING POLICY & PERFORMANCE COMMITTEE

8 SEPTEMBER 2015

| | |
|------------------------|---|
| SUBJECT | FINANCIAL MONITORING 2014/15 2014/15 OUTTURN |
| WARD/S AFFECTED | ALL |
| REPORT OF | ACTING SECTION 151 OFFICER |

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 the outturn 2014/15 which was reported to Cabinet on 13 July is included.

2 BACKGROUND AND KEY ISSUES

- 2.1 Throughout the financial year Cabinet have received updates in respect of Revenue and Capital Monitoring with these reports having been submitted monthly. After the significant changes the Council went through during 2012/13 and 2013/14, 2014/15 has seen an increasingly stable and positive position being reported. These reports have then been used to provide a basis for reports to Policy & Performance Committees.
- 2.2 The last monitoring report, for Month 10, considered by Cabinet on 12 March 2015, projected a General Fund overspend of £0.8 million. The overspending was principally due to slippage or non-delivery of in-year savings and demand pressures in particular services. It was mitigated by underspending in certain Directorates and the implementation of a number of management actions and mitigation to help compensate and limit the adverse variances.
- 2.3 The actual Out-turn was an underspend of £0.5 million. The improvement was essentially due to the underspends within Regeneration & Environment, in respect of staffing and increased income, and Transformation & Resources, with further savings identified from treasury management activities. These more than offset the slippage on the delivery of the Re-modelling savings which were initially to be met from the Re-modelling Reserve.

3 REPORTING TO POLICY & PERFORMANCE COMMITTEES

- 3.1 The relevant sections from the most recent revenue and capital outturn 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 capital budget

3.2 The following sections have been extracted from the Financial Monitoring outturn reports presented to Cabinet on 13 July 2015.

4 PERFORMANCE AGAINST REVENUE BUDGETS 2014/15 OUTTURN

CHANGES TO THE AGREED BUDGET

4.1 2014/15 Original & Revised Net Budget £000's

| | Original Net Budget | Budget Changes | Revised Net Budget |
|---|---------------------|----------------|--------------------|
| | £000 | £000 | £000 |
| FWB - Adult Social Services | 74,667 | -759 | 73,908 |
| FWB - Children & Young People, Schools & Safeguarding | 82,877 | 1,510 | 84,387 |
| FWB – Sports and Recreation | 8,502 | -1,019 | 7,483 |
| Net Cost of Services | 166,046 | -268 | 165,778 |

4.11 The Budget 2014/15 was agreed by Council on 25 February 2014 with any increase in the Budget agreed by full Council. Changes to the Budget since it was set are summarised in the table (4.1) and comprise: variations approved by Cabinet / Council including approved virements; budget realignments reflecting changes to the Directorate structure and responsibilities; the allocation of savings to Directorates; any technical accounting adjustments.

4.2 VARIATIONS

4.2.1 The report uses RAGBY ratings to 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)

4.2.2 2014/15 Budget variations £000's

| Directorates | Revised Budget | Outturn | (Under) Overspend | RAGBY Class | Change from prev |
|---|----------------|----------------|-------------------|-------------|------------------|
| FWB - Adult Social Services | 73,908 | 76,365 | 2,457 | R | -288 |
| FWB – Children & Young People, Schools & Safeguarding | 84,387 | 84,736 | 349 | R | 153 |
| FWB - Sports and Recreation | 7,483 | 7,483 | 0 | G | -259 |
| TOTAL | 165,778 | 168,584 | 2,806 | | -394 |

4.2.3 Within the Budget for 2014/15 was £36.2 million of efficiencies. The Revenue Monitoring reports throughout the year highlighted the potential overspending areas which included slippage in the delivery of some of the savings to be delivered. This reflected timing delays in implementation mainly within Families & Wellbeing – Adult Social Services.

4.2.4 Analysis of the Directorate Variations

The table below shows the main areas of budget to actual variations within the Families & Wellbeing Directorate. There are over/under spends that make up the total overspend of £2.8 million.

| Directorate | Description | Over £m | Under £m |
|---|-------------------------------------|------------|-------------|
| FWB - Adult Social Services | Additional Care including packages | 5.4 | |
| | Employees and other costs | | 1.3 |
| | Additional Income and funding | | 1.7 |
| FWB – Children & YP, Schools & Safeguarding | Additional Residential Care costs | 0.8 | |
| | Transport overspend | 0.4 | |
| | Connexions Service | | 0.3 |
| | Reduced staffing & retirement costs | | 0.5 |
| Total | | 6.6 | 3.8 |
| Grand Total | | 2.8 | |

5 PERFORMANCE AGAINST CAPITAL BUDGETS OUTTURN 2014/15

5.1 Capital Programme 2014/15 Outturn

5.1.1 The capital spend for the year on the accruals basis amounted to £11.1 million compared to the Revised Programme of £13.2 million which was reported in January (Month 10). This is summarised the table below.

| | Original Approval | Revised January | Actual Out-turn |
|------------------------|----------------------|--------------------|--------------------|
| | £000 | £000 | £000 |
| Families – Children | 10,998 | 8,405 | 8,400 |
| Families – Adults | 3,611 | 2,623 | 1,557 |
| Families – Sport & Rec | 1,000 | 2,157 | 1,122 |
| Total Programme | 15,609 | 13,185 | 11,079 |

5.2 Families and Wellbeing - Children

This includes investment in Schools which is essentially funded by Government Grant with announcements confirmed annually and just prior to the financial year. Works are undertaken in conjunction with the schools and mindful of the impact upon the service are largely arranged for completion outside of term-times. These factors impact upon the timing of the actual spend with frequent revisions to be accommodated.

The new Foxfield School was completed (£1,072,000) and the major phase of works undertaken at Somerville Primary School (£984,000) completed.

Woodslee Primary School scheme (£550,000) commenced replacing nursery and creating a library/resource area.

Fender Primary School scheme to create two additional classrooms and internal remodelling (£600,000) commenced.

Works to classrooms at both Hoylake Holy Trinity School (£340,000) and Woodchurch Road. Primary School (£680,000) were completed.

Stanley Special School scheme (£750,000) to further develop two further classrooms and external remodelling to enable the school to receive additional pupils places to be ready for September 2016 was also begun.

Following announcements in late 2013 to introduce a new entitlement to free school meals for all pupils in years 1 and 2, £870,000 was invested towards meeting these requirements.

5.3 Families and Wellbeing - Adults

The Integrated I.T. Scheme (Liquidlogic) went live during September 2014. The next phase of the project sees the procurement and implementation of the additional modules relating to the citizen and provider portals which will support the delivery of some Care Act duties from April 2015.

With the Transformation of Day Services, and creation of the new company, ongoing the capital works were deferred until 2015/16.

The Extra Care Housing scheme was reprofiled to 2015/16 and to 2016/17.

5.4 Families and Wellbeing – Sport and Recreation

The new 3G football pitches at Guinea Gap opened in February and are proving a popular facility and although severe winter weather delayed some of the building work, the new fitness suite facility opened in March and is immensely popular.

West Kirby Concourse phase 1 works were undertaken during the year.

6 RELEVANT RISKS

6.1 There are none relating to this report.

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

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

9 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

9.1 There is an ongoing requirement to identify during the financial year necessary actions to mitigate any forecast overspend.

10 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

10.1 There are no implications arising directly from this report.

11 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

11.1 In respect of the Revenue Budget the Families and Wellbeing Directorate outturn for 2014/14 was a £2.8m overspend.

12 LEGAL IMPLICATIONS

12.1 There are no implications arising directly from this report.

13 EQUALITIES IMPLICATIONS

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

14 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

14.1 There are no implications arising directly from this report.

15 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

15.1 There are no implications arising directly from this report.

15 RECOMMENDATIONS

15.1 Members are requested to review the information presented to determine if they have any specific questions relating to the budget for the Families and Wellbeing Directorate.

16 REASONS FOR THE RECOMMENDATIONS

16.1 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

SUBJECT HISTORY

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