



Environment Overview and Scrutiny Committee
Thursday, 29 November 2018

REPORT TITLE:	FINANCIAL MONITORING REPORT QUARTER 2 2018/19
REPORT OF:	DIRECTOR OF FINANCE & INVESTMENT (S151)

REPORT SUMMARY

This report sets out the financial monitoring information for the Environment Overview & Scrutiny Committee. The report provides Members with detail to scrutinise budget performance for this area of activity. The financial information is at close of quarter 2 2018/19.

Information has been drawn from the relevant sections of the most recent Cabinet revenue and capital monitoring reports and combined with additional relevant service information to produce a bespoke report for this Overview & Scrutiny Committee. The report includes the following:

- Performance against the revenue budget (including savings)
- Performance against the capital budget

RECOMMENDATION/S

That members note the report and appendices.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Overview and Scrutiny Committees receive regular financial updates throughout the year. These allow Committees to understand the financial position of the council and to scrutinise decisions and performance as required.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not applicable

3.0 BACKGROUND INFORMATION

- 3.1 The position financially at quarter 2 for the council as a whole was presented at cabinet on the 26th of November 2018. The quarter 2 revenue forecast is an overall overspend of £0.9 million for the year. Delivery Services and Economic & Housing Growth forecast overspends making up the majority of this.

The quarter 2 capital report recommends that Cabinet agree the 2018/19 Capital Programme of £60.9 million which takes into account re-profiling identified during 2018/19. Expenditure to date is £16.3 million.

3.1.0 CHANGES TO THE AGREED BUDGET ENVIRONMENT

- 3.1.1 The 2017/18 Budget was agreed by Council on 5 March 2018. Any increase to the overall Council Budget (but not use of the existing budget contingency) requires agreement by full Council.

Table 1: 2018/19 Original & Revised Net Budget

Theme	Portfolio	Q1 Budget	Budget Changes Q2	Revised Net Budget
		£000	£000	£000
Environment	Environment	28,868	-236	28,632
	Housing and Planning	19,396	291	19,687
	Leisure and Recreation Services	17,732	29	17,761
Net Cost of Services		65,996	84	66,080

Budget movements in quarter two cover a number of issues. These movements have no effect on the bottom line budget of the Council and are just adjustments to better reflect where budgets should be placed.

3.2.0 PROJECTIONS AND KEY ISSUES

- 3.2.1 The projected outturn position as at the end of September 2018 and Wirral

Plan: 2020 Vision Themes updates are detailed in the following sections.

Table 2: 2018/19 Projected Budget variations

Theme	Portfolio	Revised Budget	Forecast Outturn	(Under) Overspend Quarter 2
Environment	Environment	28,632	29,549	917
	Housing and Planning	19,687	19,301	-386
	Leisure and Recreation Services	17,761	17,701	-60
TOTAL		66,080	66,551	471

Environment

Environment - Waste & Environment faces budget pressures of £0.730m in 2018/19. Previously identified budget savings options that have not materialised account for £0.600m, this includes £0.4m budget saving relating to waste contract efficiencies that could not be found from the contracts and £0.2m of garden waste additional customers saving that has failed to acquire the numbers needed.

Further predicted overspends in this area relate to costs of the local plan not covered by reserves.

Housing and Planning - Within the planning department there is an underspend that is made up of predicted over achievement of income and vacancies that have not been filled.

Leisure and Recreation Services—This is predominantly due to previously identified savings of £0.4m within Sport and Recreation which will not be realised in 2018/19 due to issues in the implementation of projects including a flexible work programme at Woodchurch and new football pitches at Leasowe. Members took the decision to cancel the £0.2m approved budget savings option for more flexible ways of working at Woodchurch Leisure Centre. Works on new football pitches at Leasowe have been delayed mainly due to drainage issues at the site which have now been resolved. The project works are about to go out to tender and are expected to be completed in this financial year.

These pressures are being mitigated from one off sources including the results from the Sporting Activities VAT exemption being higher than initially expected by £0.6m. This relates to interest on VAT back payment and the fees to PWC being less than anticipated.

3.3.0 IMPLEMENTATION OF SAVINGS

3.3.1 A summary of the position of 2018/19 Environment savings at 30 September 2018 is below.

Table 3: Savings Implementation 2018/19 (£000's)

Portfolio	Number of Options	Approved Budget Reduction	Amount Delivered at Q2	Mitigation	To be Delivered
Environment	4	480	100	25	355
Housing and Planning	4	206	81	0	125
Total	8	686	181	25	480

3.5.0 PERFORMANCE AGAINST CAPITAL BUDGETS QUARTER 2 (September 2018)

3.5.1 Capital Programme 2018/19 at end of Quarter 2 (30 September)

	Revised Programme	Spend to Date September 2018	Funded by: Council Resources	Funded by: Grants
	£000	£000	£000	£000
Environment	9,217	1,885	6,075	3,142
Total expenditure	9,217	1,885	6,075	3,142

* Break down of these figures can be found in appendix 1

3.5.2 In respect of Aids, Adaptations and Disabled Facilities Grants (spend to date £0.7 million) the new home adaptation pilot commenced in August and the stair lift contract has been awarded which will facilitate their faster installation.

3.5.3 Discussions are currently underway regarding the most suitable way to procure the necessary works for the facility upgrade at the Tennis Centre and the reception areas at West Kirby and Guinea Gap.

3.5.4 Housing Infrastructure Fund - to support new housing building through match funding to provide for an accelerated construction programme. The actual programme and sites is currently being developed but is unlikely to commence this financial year.

3.5.5 The housing improvement project provides a continuation of both financial assistance and intervention to remedy poor housing conditions in the private sector, including serious disrepair/hazardous housing conditions, low market demand and bringing long term empty properties back into productive use. Estimated spend for the year is projected to be £0.5 million.

3.5.6 There a number of new funding requirements:

Hoylelake Golf Depot (£110,000) - to replace machine shed, hard surface the yard, construct bulk storage bays. This was approved in principle by Budget Council pending further investigations which have now been concluded;

Landican crematoria (£280,000) - a revised bid for improvements to the crematoria, chapel areas and the purchase of a new mapping data base has been approved by the Investment and Change Board (ICB);

Williamson Art Gallery creation of an online catalogue (£150,000) - a more in depth proposal compared with the original bid. Once this scheme is complete the public will have 24 hour access to the various collections;

Leasowe leisure centre outdoor 3G pitches (£323,000) - additional flood protection measures need to be included and the additional drainage design has a direct impact on the installation of the 3G pitch, the additional car parking facility and the requirements of the Kingsway Academy PFI Trust management group. The current budget for the scheme is £0.795 million.

4.0 FINANCIAL IMPLICATIONS

4.1 The financial implications of this report are discussed throughout the report. This is essentially a financial monitoring performance update report.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising directly from this report.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 There are no implications arising directly from this report.

7.0 RELEVANT RISKS

7.1 There are none directly relating to this report. The monitoring of financial performance is important to ensure robust financial control procedures are in place. The council faces financial challenges in this period as it seeks to increase income, reduce costs whilst transforming its approach to services. There is a risk in future years that the Council does not achieve a planned approach.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 This report is essentially a monitoring report which reports on financial performance.

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APPENDICES

Appendix 1 – Capital Programme and Funding 2018/19

BACKGROUND PAPERS

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Budget Council	5 March 2018
Cabinet – Revenue Monitoring 2018/19 Quarter 1	16 July 2018
Cabinet – Capital Monitoring 2018/19 Quarter 1	16 July 2018
Cabinet – Revenue Monitoring 2018/19 Quarter 2	26 November 2018
Cabinet – Capital Monitoring 2018/19 Quarter 2	26 November 2018