

**Environment Overview and Scrutiny Committee  
Wednesday, 13 March 2019**

<b>REPORT TITLE:</b>	<b>Financial Monitoring Report Quarter 3 2018/19</b>
<b>REPORT OF:</b>	<b>Director of Finance &amp; Investment (S151)</b>

**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 3 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**

- 1 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 3 for the council as a whole was presented at Cabinet on the 18<sup>th</sup> of February 2019. The quarter 3 revenue forecast is an overall overspend of £0.72 million for the year. Delivery Services forecast overspends make up all of this amount of which £0.2 million belongs under the Environment theme.

The quarter 3 capital report recommends that Cabinet agree the 2018/19 Capital Programme of £53.5 million which takes into account re-profiling identified during 2018/19. Expenditure to date is £33.3 million.

#### 3.1.0 CHANGES TO THE AGREED BUDGET ENVIRONMENT

3.1.1 The 2018/19 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. The Environment Theme includes activity from 5 Cabinet portfolios as shown in table 1 below.

**Table 1: 2018/19 Original & Revised Net Budget**

Theme	Portfolio	Q2 Budget	Budget Changes Q3	Revised Net Budget
		£000	£000	£000
Environment	Environment	28,632	16	28,648
	Housing and Planning	19,687	414	20,101
	Leisure and Recreation Services	17,761	1	17,762
<b>Net Cost of Services</b>		<b>66,080</b>	<b>431</b>	<b>66,511</b>

Budget movements in quarter three cover a number of issues. The largest of these is the movement of £0.4m into Housing and Planning. This is a reorganisation of staffing budgets within customer services. 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 December 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 3
Environment	Environment	28,648	29,174	526
	Housing and Planning	20,101	19,954	-147
	Leisure and Recreation Services	17,762	17,586	-176
<b>TOTAL</b>		<b>66,511</b>	<b>66,714</b>	<b>203</b>

#### Environment

The Environment portfolio continues to face pressures from the non-achievement of savings within Waste & Environment being £0.4m from expected contract efficiencies and £0.2m from reduced targeted garden waste income where attracting additional users has not matched budgeted expectations

#### Housing and Planning

The underspend in this area is due to in year savings from contract efficiencies found within supported housing.

#### Leisure and Recreation Services

Within Parks and Gardens there is a £0.2m underspend that includes extra income from Bereavement Services and delays in recruiting to vacant posts. This is netted down by overspends elsewhere in Leisure and Recreation Services.

### 3.3.0 IMPLEMENTATION OF SAVINGS

3.3.1 A summary of the position of 2018/19 Environment savings at 31 December 2018 is below.

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

Portfolio	Approved Budget Reduction	Amount Delivered at Q3	Mitigation	To be Delivered
Environment	686	306	30	350
<b>Total</b>	<b>686</b>	<b>306</b>	<b>30</b>	<b>178</b>

### 3.4.0 PERFORMANCE AGAINST CAPITAL BUDGETS QUARTER 3 (December 2018)

#### 3.4.1 Capital Programme 2018/19 at end of Quarter 3 (31 December)

	Capital Strategy	September	December	Actual Spend Dec 2018
	£000	£000	£000	£000
Environment	9,217	9,217	5,855	3,166
<b>Total expenditure</b>	<b>9,217</b>	<b>9,217</b>	<b>5,855</b>	<b>3,166</b>

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

3.4.2 Leasowe 3G pitches - A lot of guidance has been sought and is being given particularly to meet the FA Guidelines for 3G Football Turf Pitch Design, lighting design, drainage solutions for both the new 3G pitch and the proposed extended car park arrangements and requirements for the modular changing room block. The intention is to start the tendering process in early February. Planning approval is pending and expected at the beginning of February.

3.4.3 Pool covers - each site requires a bespoke pool cover. Currently researching companies who are able to provide a professional site survey and that will also offer solutions to the practical problems of installing the covers.

3.4.4 Beechwood Recreation Centre - the scheme has been on hold for a number of months pending the decision as to whether it would be a community asset transfer. It has now been decided that it will remain with the Council and works can now progress.

## 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
Cabinet – Revenue Monitoring 2018/19 Quarter 3	18 February 2019
Cabinet – Capital Monitoring 2018/19 Quarter 3	18 February 2019

**Capital Programme and Funding 2018/19****APPENDIX 1**

<b>Environment</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Aids, adaptations and DFGs	2,000	1,494	-	2,000	2,000
Restore empty homes	60	-	-	60	60
Clearance	50	11	-	50	50
Home improvement	500	370	500	-	500
New house building programme	89	34	89	-	89
CCTV cameras and other equipment	83	62	83	-	83
Eureka	268	165	268	-	268
Hand arm vibration equipment	75	8	75	-	75
Park depots rationalisation	3	114	3	-	3
Transport museum	66	79	66	-	66
West Kirby sailing centre accommodation	564	252	564	-	564
The Oval redevelopment	23	-	23	-	23
Beechwood recreation centre	150	38	150	-	150
Pool covers	5	-	5	-	5
Williamson Art Gallery refresh	250	-	250	-	250
Williamson Art Gallery catalogue	26	-	26	-	26
Arrowe park depot resurfacing, bays etc	150	-	150	-	150
Birkenhead park depot resurfacing	123	-	123	-	123
Play area improvements	180	126	180	-	180
Floral Pavilion audio desk	35	27	35	-	35
Landican Chapel improvements	330	13	330	-	330
Beach Cleaning - replacement of equipment	175	4	175	-	175

Cemetery Extensions and Improvements	375	260	375	-	375
Wirral sailing centre boats/equipment	15	4	15	-	15
Floral Pavilion chiller units	55	44	55	-	55
The Oval grandstand structural works	55	61	55	-	55
Demolish Seacombe Community Centre	100	-	100	-	100
Public toilets upgrade	50	-	50	-	50
Total	5,855	3,166	3,745	2,110	5,855