

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

1 JULY 2009

REPORT OF THE DIRECTOR OF FINANCE

FINANCIAL MONITORING STATEMENT

1. EXECUTIVE SUMMARY

1.1 This report provides a summary in tabular format of the current position of the revenue accounts and General Fund balances.

2. MONITORING STATEMENT

2.1 The monitoring statement is attached to this report and includes the following:

- Composition of the original 2009/10 budget by Department including agreed savings and policy options.
- Monitoring against the 2009/10 budget including the financial implications of any Cabinet decisions.
- Anticipated variances against the original budget.
- Explanation of variances and areas identified as requiring further attention.

2.2 The Statement is produced monthly and sent to all Members of Cabinet and this Committee as well as the Chairs of Scrutiny Committees. A formal report is submitted to each meeting of this Committee.

3. FINANCIAL AND STAFFING IMPLICATIONS

3.1 The Statement presents an update of the revenue budget and General Fund balances as at 31 May 2009.

3.2 At this stage of the financial year there are reports of financial pressures in:-

- a. Adult Social Services - projecting a £2.3 million overspend as a consequence of Community Care pressures and the impact of the changes agreed by Cabinet to non-residential care charges and residential and nursing home fees. The Director is developing action plans to address this overspend.
- b. Children & Young People - identified increasing demands, primarily within the areas of residential care and Special Education Needs (including transport). Together with the need for employee related savings the pressures are around £2.9 million. The Director has taken actions over Surestart / grant based activities that will reduce the likely overspend to £1.8 million.

- c. Law, HR & Asset Management - issues identified are primarily over capacity within the Department with the delivery of the Local Pay Review and the Strategic Asset Review and support for Care Services placing increasing burdens upon the available resources.
- d. Regeneration - historically the main area of concern is in meeting the income targets which continue to be closely monitored. The impact of the Public Inquiry into library provision has seen the planned programme for library changes placed on hold which is incurring additional costs of £68,000 per month plus the, yet to be confirmed, costs of the Inquiry.

3.4 The 2008/09 accounts are presently being completed and the final outturn reported to Cabinet on 25 June 2009 and the Statement of Accounts to Audit and Risk Management Committee on 29 June 2009.

3.5 The impact of the overspends in Adult Social Services and Children and Young People, if realised, would be to reduce the balance at 31 March 2010 by around £4.1 million (from £6 million to £1.9 million) although the Directors are looking at actions to address the projected overspends. As referred to above the final position for 2008/09 will also impact upon the balance.

Details	£million	£million
Projected General Fund balances at 31 March 2010 when setting the budget for 2009/10		6.0
Cabinet decisions		
None as at 31 May which affected the forecasted budget		-
Projected variances / potential overspends		
Overspend (see 3.2)		
Adult Social Services	+2.3	
Children & Young People	+1.8	-4.1
General Fund balances at 31 March 2010 based upon the projections at 31 May		1.9

3.6 There are no staffing implications arising directly from this report.

4. EQUAL OPPORTUNITIES IMPLICATIONS

4.1 There are none arising directly from this report.

5. HUMAN RIGHTS IMPLICATIONS

5.1 There are none arising directly from this report.

6. LOCAL AGENDA 21 IMPLICATIONS

6.1 There are none arising directly from this report.

7. **COMMUNITY SAFETY IMPLICATIONS**

8.1 There are none arising directly from this report.

9. **PLANNING IMPLICATIONS**

9.1 There are none arising directly from this report.

10. **LOCAL MEMBER SUPPORT IMPLICATIONS**

10.1 There are no particular implications for any Members or wards arising out of this report.

11. **BACKGROUND PAPERS**

11.1 None were used in the preparation of this report.

12. **RECOMMENDATION**

12.1 That the contents of the financial monitoring statement be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/191/09

Department	ORIGINAL BUDGET			MONITORING				COMMENTS	
	Saving Target	Policy Option	Agreed Budget	Saving Target	Policy Option	Variations			Forecast
Expenditure	£000	£000	£000			Agreed	Projected	£000	
Adult Social Services	3,777	-	86,098	*	-	-	+2,300	88,398	Pressures are community care + savings from non-residential care charges and residential nursing home fees.
Children & Young People (including Schools)	1,380	970	77,914	✓	✓	-	+1,800	79,714	Residential child care costs (demand increasing) and SEN (including transport) remain the volatile areas.
Corporate Services	-	310	5,649	-	✓	-	-	5,649	No issues identified.
Finance / Treasury Mgt	2,950	360	28,834	✓	✓	-	-	28,834	Housing Benefit largest budget whilst Treasury Management activities affected by financial markets but presently on target.
Law, HR and Asset Mgt	212	-	2,479	✓	-	-	-	2,479	Issues identified are over capacity given Local Pay Review, Strategic Asset Review and support for Care Services.
Regeneration	3,464	50	46,512	X	✓	-	n/k-	46,512	The Public Inquiry will impact upon delivery of the projected savings from the SAR. Income targets remain a key area.
Technical Services	966	180	41,921	✓	*	-	-	41,921	Income being closely monitored and currently no issues.
Merseytravel	-	-	26,305	N/a	N/a	-	-	26,305	Fixed amount - no change.
Local Pay Review	-	-	1,177	N/a	N/a	-	-	1,177	
Contribution from Balances	-	-	(3,193)	N/a	N/a	-	-	(3,193)	For SAR and Children's care services.
LABGI / LAA grants	-	-	(1,600)			-	-	(1,600)	No changes approved by Cabinet.
Budget Requirement	12,749	1,870	312,096			-	+4,100	316,196	
Income									
Revenue Support Grant	-	-	28,643	N/a	N/a	N/a	N/a	28,643	Fixed amount-- no change
Area Based Grant	-	-	31,038	N/a	N/a	N/a	N/a	31,038	Government to confirm final allocations
National Non Domestic Rate	-	-	124,094	N/a	N/a	N/a	N/a	124,094	Fixed amount - no change
Council Tax	-	-	129,008	N/a	N/a	N/a	N/a	129,008	Fixed amount - no change
Collection Fund Deficit	-	-	(687)	N/a	N/a	N/a	N/a	(687)	Fixed amount - no change
Total Income			312,096					312,096	Fixed amount - no change
Statement of Balances									
As at 1 April	-	-	8,507	-	-			6,001	Opening balance – forecast for 1 April 2010
Contributions from Balances	-	-	(3,193)	-	-			-	No changes approved by Cabinet.
Contributions from Reserves	-	-	687	-	-			-	No changes approved by Cabinet.
Cabinet decisions	-	-	-	-	-			-	No changes approved by Cabinet. Accounts for 2008/09 due to be completed in June.
Variations – Agreed Cabinet			-	-	-			-	No changes approved by Cabinet.
Variations – Projected	-	-	-	-	-		-4,100	-4,100	Based on projections for Adults and Children's.
BALANCES			6,001				-4,100	1,901	Projected balance at start / end of year
Key = No concern for item ✓ (Green)				Key = Some concern for item * (Amber)					Key = Concern for item X (Red)