

REPORT TO: Executive Board Sub Committee
DATE: 7th February 2008
REPORTING OFFICER: Operational Director – Financial Services
SUBJECT: Spending as at 31st December 2007
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue and capital spending position as at 31st December 2007.

2.0 RECOMMENDED: That

- (1) **the report be noted; and**
- (2) **reserves are established as set out in paragraphs 3.8 and 3.9.**

3.0 SUPPORTING INFORMATION

Revenue Spending

- 3.1 Appendix 1 presents a summary of spending against the revenue budget for each Department, up to 31st December 2007. In overall terms, revenue expenditure is below the budget profile. The budget profile is only a guide to eventual spending and spending is historically higher in the latter part of the financial year. In addition the financial implications of the recently announced Pay and Grading review will only come through towards year-end.
- 3.2 Expenditure on Foster Care, Childrens Agency Placements and Boarded Out Allowances is lower than anticipated, the latter two being through fewer out-of-Borough placements. However, these are heavily demand led budgets and the position may change very quickly.
- 3.3 There have been significant staffing vacancies during the year across a number of Departments. Staffing costs within Schools Meals are above budget profile largely due to higher than expected levels of sickness
- 3.4 Income is currently below budget profile in respect of the Stadium, School Meals, Market rents and Industrial Estate rents. However, additional income has been generated within the Children & Young People Directorate from the provision of extra services to schools.

- 3.5 Spending on Community Care is below budget profile, however, spending on the Adults with Learning Difficulties pooled budget is currently higher than expected. Steps have been taken to ensure that spending will be contained within the Directorate budget by year-end.
- 3.6 Investment returns are currently better than expected despite the volatility in the financial markets. As a result investment income is expected to exceed the budget target by year-end.
- 3.7 Following a review of the balance sheet the capital financing requirement has been amended, resulting in a reduction of the minimum revenue provision.
- 3.8 Overall spending is expected to be below budget by year-end. Mainly due to the factors set out in paragraphs 3.6 and 3.7. Therefore the 2008/09 budget proposals currently being considered by the Council include making provision within the 2007/08 final accounts for items of time limited expenditure relating to Building Schools for the Future and the Mersey Gateway.
- 3.9 Work is on-going to assess the financial implications of potential equal pay claims. Similarly other key reserves such as the Insurance Reserve will be reviewed at year-end to ensure their adequacy.
- 3.10 It is important that budget managers continue to closely monitor and control spending through to the end of the financial year.

Capital Spending

- 3.11 A summary of capital spending is shown in Appendix 2. Capital spending to 31st December 2007 totalled £16.9m, which is 83% of the planned spending of £20.3m at this stage. However, this only represents 46% the total capital programme of £36.6m.
- 3.12 Although historically capital expenditure is significantly higher in the latter part of the financial year, it is important that project managers maintain pressure to keep projects and spending on schedule and in particular to ensure that all external funding is maximised.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 5.1 There are no direct implications, however, the revenue budget and capital programme support the delivery and achievement of all the Council's priorities.

6.0 RISK ANALYSIS

6.1 The Council must have internal controls and processes in place to ensure that spending remains in line with budget.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

8.1 There are no background papers under the meaning of the Act.

APPENDIX 1

Revenue Expenditure to 31st December 2007

	Annual Budget	Budget To Date	Actual Spend	Variance To Date	Actual Including Committed
	£'000	£'000	£'000	£'000	£'000
Specialist Services	12,055	7,640	7,158	482	7,911
Business Planning & Resources	11,059	1,584	1,413	171	1,480
Universal & Learning Services	2,388	955	863	92	883
Community Services	1,162	280	-108	388	-94
Children and Young People Directorate	26,664	10,459	9,326	1,133	10,180
Environmental Health & Regulatory	10,491	8,669	8,568	101	8,959
Highways & Transportation	13,868	5,394	4,682	712	5,162
Major Projects	395	183	165	18	267
Regeneration	1,257	679	636	43	662
Stadium, Catering & Cleaning	1,707	1,111	1,639	(528)	1,639
Environment Directorate	27,718	16,036	15,690	346	16,689
Legal, HR & Organisation Development	1,220	3,073	3,067	6	3,266
Policy & Performance	3,840	1,623	1,564	59	1,653
Exchequer & Customer Services	5,393	6,463	6,449	14	6,473
Financial Services	0	1,066	991	75	1,007
ICT Services	48	2,111	1,839	272	2,462
Property Services	767	3,918	4,200	(282)	4,247
Financial Arrangements	-10,996	1,203	856	347	916
Corporate and Policy Directorate	272	19,457	18,966	491	20,024
Culture & Leisure Services	13,286	4,916	4,682	234	4,682
Adult Services	12,675	6,539	7,483	(944)	7,880
Health & Partnerships	2,484	1,871	1,427	444	1,624
Older People	12,292	5,902	5,339	563	5,460
Health and Community Directorate	40,737	19,228	18,931	297	19,646
	95,391	65,180	62,913	2,267	66,539

APPENDIX 2

Capital Expenditure to 31st December 2007

	Capital Allocation	Allocation Profile To Date	Actual Expenditure	Total Remaining Allocation
	£'000	£'000	£'000	£'000
Children & Young People Directorate				
Universal & Learning Services	4,629	2,197	1,655	2,974
Specialist Services	22	0	0	22
Environment Directorate				
Environmental & Regulatory	2,516	1,892	1,757	759
Highways & Transportation	9,024	5,971	5,620	3,404
Major Projects	10,442	4,377	3,335	7,107
Stadium	130	127	121	9
Health & Community Directorate				
Culture & Leisure	501	186	157	344
Health and Partnerships	3,820	2,536	1,726	2,094
Older People	255	145	142	113
Adult Services	249	131	134	115
Corporate & Policy Directorate				
Policy & Performance	120	80	56	64
ICT Services	1,552	732	523	1,029
Property Services	3,359	1,961	1,688	1,671
	36,619	20,335	16,914	19,705