

**REPORT TO:** Executive Board Sub-Committee  
**DATE:** 25<sup>th</sup> June 2008  
**REPORTING OFFICER:** Operational Director – Financial Services  
**SUBJECT:** 2007/08 Financial Outturn

## **1.0 PURPOSE OF REPORT**

1.1 To report the final revenue and capital spending position for 2007/08.

**2.0 RECOMMENDED: That the report be noted.**

## **3.0 SUPPORTING INFORMATION**

### **Revenue Spending**

3.1 The draft Abstract of Accounts for 2007/08 has been completed and is now subject to audit. The draft Abstract will be presented to the Business Efficiency Board on 26<sup>th</sup> June 2008 as part of the Council's governance arrangements.

3.2 The format of the Abstract is highly prescribed and as a result it is a very technical document which is not easy to understand. The accounts have now been disaggregated across Departments with revenue spending shown in Appendix 1 and capital spending shown in Appendix 2.

3.3 The revenue budget has been closely monitored and controlled throughout the year. As anticipated, investment returns were better than expected and the review of the balance sheet amended the capital financing requirement resulting in a reduction in minimum revenue provision. As agreed as part of the budget strategy, reserves have been made relating to the development costs of the Building Schools for the Future project and time-limited revenue spending on the Mersey Gateway project.

3.4 Within the overall revenue underspend of £224,000 there have been a number of variances and these are also shown in Appendix 1.

3.5 The underspend has resulted in a reduction in the planned contribution from balances (from £350,000 to £126,000) meaning that balances now stand at £6.984m.

### **School Spending**

3.6 Schools are fully funded by Dedicated Schools Grant (DSG) and other grants, which totalled £74.1m in the year. During the year spending by

schools totalled £73.7m which resulted in school balances increasing by £0.4m to £4.6m.

- 3.7 In addition, Standards Fund grant of £14.3m is available to schools. The money can be spent up to the end of the academic year and £4.5m remains to be spent.

### **Capital Spending**

- 3.8 Appendix 2 presents a summary of spending against the 2007/08 Capital Programme. Capital spending totalled £29.1m, which is £2.5m below the revised capital programme of £31.6m and represents over 92% delivery of the revised capital programme.

APPENDIX 1

2007-08 Revenue Expenditure

	Budget	Actual	Variance
	£'000	£'000	£'000
Specialist Services	12,168	12,066	102
Business Planning & Resources	11,611	11,546	65
Universal & Learning Services	2,482	2,451	31
Community Services	1,172	1,152	20
<b>Children and Young People Directorate</b>	<b>27,433</b>	<b>27,215</b>	<b>218</b>
Environment & Regulatory	10,485	10,564	(79)
Highways & Transportation	13,003	12,105	898
Major Projects	396	396	0
Regeneration	1,326	1,303	23
Stadium	1,275	1,496	(221)
Domestic Services	457	952	(495)
<b>Environment Directorate</b>	<b>26,942</b>	<b>26,816</b>	<b>126</b>
Legal, Organisation Development & HR	900	1,260	(360)
Policy & Performance	3,814	3,737	77
Exchequer & Customer Services	5,155	5,191	(36)
Financial Services	80	0	80
ICT Services	-67	-190	123
Property Services	1,670	2,548	(878)
Financial Arrangements	-12,456	-13,230	774
<b>Corporate and Policy Directorate</b>	<b>-904</b>	<b>-684</b>	<b>(220)</b>
Culture & Leisure Services	14,248	14,248	0
Adult Services	12,669	12,877	(208)
Health & Partnerships	2,578	2,342	236
Older People	12,425	12,353	72
<b>Health and Community Directorate</b>	<b>41,920</b>	<b>41,820</b>	<b>100</b>
	<b>95,391</b>	<b>95,167</b>	<b>224</b>

The following are the main reasons for variances within the outturn figures shown in the table above;

Specialist Services (£102,000 underspend):- there have been significant numbers of vacant social work related posts due to recruitment difficulties, although these have partly been offset by the use of agency staff.

Environment & Regulatory (£72,000 overspend):- largely due to a shortfall in planning fee income and building control fee income, as a result of the slowdown in the building industry and increased competition from the private sector respectively.

Highways & Transportation (£898,000 underspend):- there have been major difficulties recruiting staff during the year which has led to a significant underspend on the staffing budget. In addition, street lighting and fleet management costs were lower than anticipated.

Stadium (£221,000 overspend):- primarily due to shortfalls in various forms of income, along with higher than anticipated food costs.

Domestic Services (£495,000 overspend):- mainly relates to staffing costs in the School Meals Service due to higher than expected sickness levels, along with increased food costs and reductions in sales income.

Legal, Organisation Development & HR (£360,000 overspend):- there have been higher than anticipated staffing costs relating to the implementation of the Trent system, along with the additional cost of agency staff within Legal Services and a continuing shortfall in land charge income as a result of the slowdown in the property market.

ICT Services (£123,000 underspend):- relates to the staffing budget due to a number of vacant posts during the year following a major restructuring of the Department.

Property Services (£878,000 overspend):- as highlighted during the year this primarily relates to significant shortfalls in income, including market, industrial estate and other property rents and capital works. In addition, building maintenance and energy costs have been higher than anticipated along with increased business rates due to revaluations.

Financial Arrangements (£774,000 underspend):- primarily due to a reduction in the minimum revenue provision and higher than anticipated income from treasury management activities.

Adult Services (£208,000 overspend):- mainly due to increased costs from the provision of community care.

Health & Partnerships (£236,000 underspend):- mainly relates to the staffing budget due to a number of vacant posts during the year, along with income from receiverships and rents which has been higher than anticipated.

APPENDIX 2

2007-08 Capital Expenditure

	Revised Allocation	Actual Expenditure	Variance (overspend)
	£'000	£'000	£'000
<b>Children &amp; Young People Directorate</b>			
Specialist Services	22	22	0
Preventative Services	5,215	3,477	1,738
<b>Sub Total</b>	<b>5,237</b>	<b>3,499</b>	<b>1,738</b>
<b>Environment Directorate</b>			
Highways & Transportation	9,038	9,888	(850)
Environmental & Regulatory	2,516	2,049	467
Stadium	130	133	(3)
Major Projects	6,267	5,771	496
<b>Sub Total</b>	<b>17,951</b>	<b>17,841</b>	<b>110</b>
<b>Health &amp; Community Directorate</b>			
Culture & Leisure	276	335	(59)
Housing Strategy	2,500	2,436	64
Adult Services	209	176	33
Older People	255	269	(14)
Health & Partnerships	124	100	24
<b>Sub Total</b>	<b>3,364</b>	<b>3,316</b>	<b>48</b>
<b>Corporate &amp; Policy Directorate</b>			
Policy & Performance	120	120	0
ICT Services	1,552	870	682
Property Services	3,359	3,432	(73)
<b>Sub Total</b>	<b>5,031</b>	<b>4,422</b>	<b>609</b>
	<b>31,583</b>	<b>29,078</b>	<b>2,505</b>

The only areas of significant slippage are on projects relating to Cavendish and Brookfields special schools, The Bridge pupil referral unit, Runcorn All Saints children's centre, contaminated land, sports pitch improvements, Widnes Waterfront and ICT infrastructure.