

REPORT TO: Executive Board Sub Committee
DATE: 8th July 2010
REPORTING OFFICER: Operational Director – Finance
SUBJECT: 2009/10 Financial Outturn

1.0 PURPOSE OF REPORT

1.1 To report the final revenue and capital spending position for 2009/10.

2.0 RECOMMENDED: That the report be noted.

3.0 SUPPORTING INFORMATION

Revenue Spending

- 3.1 The final accounts for 2009/10 are now complete and the revenue spending position for each Department, subject to external audit, is shown in Appendix 1.
- 3.2 The Council has closely monitored and controlled its spending throughout the year such that total spending was £489,000 below budget for the year (compared to £281,000 in the previous year). However, in setting the budget a contribution of £350,000 was planned from General Balances to support the revenue budget and during the year additional Government grant income (Local Authority Business Growth Incentive) of £115,000 was received. As a result the Council's General Balances now stand at £7,175,000 an increase of £254,000 from the previous year.
- 3.3 Staffing expenditure was significantly below budget across the Council, as vacancies remained unfilled in anticipation of the Efficiency Review. However, the global "credit crunch" and economic downturn had an impact upon the Council's finances during the year. In particular, there were shortfalls totalling £1,727,000 in a number of areas of income detailed below. These have been taken into account when setting the 2010/11 budget. Within the overall net underspend the key budget variances were as follows;
- (i) Business Planning & Commissioning (£404,000 underspend):- this was mainly due to savings in the school transport budget from educating pupils with additional needs in mainstream schools within Halton and was taken account of in setting the 2010/11 budget.

- (ii) Universal & Learning Services (£304,000 underspend):- expenditure on staffing was significantly below budget due to a number of posts being vacant during the year, primarily within the Advisory Service and Psychology Service.
- (iii) Environment and Regulatory (£270,000 overspend):- as reported during the year this was primarily due to shortfalls in income in respect of planning fees (£452,000), building control fees (£200,000), trade waste (£238,000), and bulky and other waste (£189,000). These were taken account of in setting the 2010/11 budget. They were partly offset during the year by underspends on staffing budgets and reductions in waste disposal contract costs.
- (iv) Highways & Transportation (£355,000 underspend):- staffing expenditure was below budget due to recruitment difficulties and there have also been savings in respect of vehicle fleet management.
- (v) Legal, Organisation Development & HR (£370,000 overspend):- as reported during the year, this was due to the continuing shortfall in land charge income (£346,000) as a result of the slowdown in the property market. This has been taken into account in setting the 2010/11 budget.
- (vi) Policy and Performance (£189,000 underspend):- expenditure on staffing was significantly below budget due to a number of posts being held vacant during the year in anticipation of the Efficiency Review.
- (vii) ICT Services (£161,000 underspend):- this was primarily due to the generation of income from additional services provided to schools.
- (viii) Property Services (£68,000 overspend):- as reported during the year this was mainly due to shortfalls in income in respect of market rents (£176,000) and industrial estate rents (£126,000) which have been taken into account in setting the 2010/11 budget. These were partly offset by additional income from commercial rents and reduced energy contract costs.
- (ix) Exchequer & Customer Services (£226,000 underspend):- expenditure on staffing was significantly below budget due to a number of posts being held vacant during the year in anticipation of the Efficiency Review, particularly within Revenues and Benefits, Creditors and Halton Direct Link.

- (x) Financial Arrangements (£1,728,000 overspend):- expenditure on capital financing and borrowing costs was below budget and investment income was higher than anticipated. The latter was due to having secured advantageous fixed rates on a number of investments for up to three years. These have in the main now come to an end and therefore investment income is likely to be in line with budget for 2010/11. The Council has received 816 equal pay claims for which settlement offers have been made to a number of claimants. The future liability for the remaining claims is difficult to estimate and therefore a further contribution has been made to the equal pay reserve which was £2.5m and is now £4.0m in total.
- (xi) Adult Services (£210,000 underspend):- expenditure on staffing was below budget in the main due to difficulties recruiting to some posts.
- (xii) Older People (£1,130,000 underspend):- this has mainly resulted from lower than anticipated community care costs, particularly in respect of relatively high cost residential and nursing care, as service users continue to be supported at home using home care and telecare services. In addition, staffing expenditure has been below budget due to difficulties in recruiting to posts during the year.

School Balances

- 3.4 School balances have reduced by £0.7m to £7.6m in total. This is made up from balances on Individual School Budgets (£3.4m) and Standards Fund grant (£4.2m). There is also £1.9m of unspent schools related funding held centrally which will carry forward to 2010/11. In addition, there is £2.4m of unspent Standards Fund grant held centrally, which along with the unspent Schools Standards Fund grant (£4.2m) must all be spent by 31st August 2010.

Capital Spending

- 3.5 Appendix 2 presents a summary of spending against the 2009/10 Capital Programme. Capital spending totalled £33.2m, which is £8.5m below the revised capital programme of £41.7m.
- 3.6 This represents 80% delivery of the revised capital programme for which 20% slippage had been anticipated throughout the year. The main areas of significant slippage were in respect of Mersey Gateway advance land acquisitions, Widnes Waterfront and Bridge Maintenance.

4.0 POLICY AND OTHER IMPLICATIONS

4.1 There are none.

5.0 RISK ANALYSIS

5.1 There are no risks associated with this report.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 There are none.

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

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

APPENDIX 1

2009-10 Revenue Expenditure

	Budget	Actual Expenditure	Variance (overspend)
	£'000	£'000	£'000
Specialist Services	13,959	13,912	47
Business Planning & Commissioning	2,626	2,222	404
Universal & Learning Services	4,207	3,903	304
Preventative Services	6,439	6,344	95
Schools	80,762	80,762	0
Direct Schools Grant	-80,762	-80,762	0
Children and Young People Directorate	27,231	26,381	850
Environment & Regulatory	12,760	13,030	(270)
Highways & Transportation	14,431	14,076	355
Major Projects	668	722	(54)
Regeneration	1,556	1,576	(20)
Stadium	1,662	1,698	(36)
Domestic Services	760	805	(45)
Environment Directorate	31,837	31,907	(70)
Legal, Organisation Development & HR	3,047	3,417	(370)
Policy & Performance	2,635	2,446	189
Exchequer & Customer Services	4,788	4,562	226
Financial Services	53	26	27
ICT Services	98	-63	161
Property Services	-988	-920	(68)
Financial Arrangements	-7,874	-6,146	(1,728)
Corporate and Policy Directorate	1,759	3,322	(1,563)
Culture & Leisure Services	13,463	13,453	10
Adult Services	14,625	14,415	210
Health & Partnerships	2,837	2,915	(78)
Older People	13,716	12,586	1,130
Health and Community Directorate	44,641	43,369	1,272
	105,468	104,979	489

APPENDIX 2

2009-10 Capital Expenditure

	Revised Allocation	Actual Expenditure	Variance (overspend)
	£'000	£'000	£'000
Children & Young People Directorate			
Preventative Services	6,388	4,649	1,739
Sub Total	6,388	4,649	1,739
Environment Directorate			
Highways & Transportation	21,221	18,147	3,074
Environmental & Regulatory	1,374	838	536
Stadium	30	39	(9)
Major Projects	6,367	4,792	1,575
Sub Total	28,992	23,816	5,176
Health & Community Directorate			
Culture & Leisure	1,624	828	796
Housing Strategy	2,032	1,498	534
Adult Services	62	71	(9)
Older People	293	191	102
Health & Partnerships	78	25	53
Sub Total	4,089	2,613	1,476
Corporate & Policy Directorate			
ICT Services	1,549	1,399	150
Property Services	649	731	(82)
Sub Total	2,198	2,130	68
	41,667	33,208	8,459