

REPORT TO: Executive Board Sub Committee
DATE: 9th September 2010
REPORTING OFFICER: Operational Director – Finance
SUBJECT: Spending as at 30th June 2010
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the Council's overall revenue and capital spending position as at 30th June 2010.

2.0 RECOMMENDED: That the report be noted.

3.0 SUPPORTING INFORMATION

Revenue Spending

- 3.1 Appendix 1 presents a summary of spending against the revenue budget for each Department, up to 30th June 2010. In overall terms, revenue expenditure is below the budget profile, however, this is only a guide to eventual spending.
- 3.2 Spending on employees is below the budget profile. This is partly due to delays in filling vacancies following the organisational restructuring from 1st April 2010, particularly in Departments such as ICT and Support Services. In addition, the budget included 1.0% for the pay award, however, the employers have offered a zero increase.
- 3.3 Expenditure on Childrens Agency Placements is below budget profile, due to the continuing greater use of within-Borough foster care placements.
- 3.4 Community Care expenditure is significantly below budget. This is mainly due to costs of continuing health care being met by the Primary Care Trust (PCT). However, the criteria for continuing health care is currently being reviewed by the PCT which may result in future costs falling to the Community Care budget.
- 3.5 Income levels are largely in line with budget, as the impact of the economic downturn upon income levels was taken into account when setting the 2010/11 budget. Collection rates for both Council Tax and Business Rates are marginally higher than last year despite the economic downturn and continue to be above the average for North West councils.
- 3.6 Overall net spending across Departments is below the budget profile at this stage. Nevertheless, it is important that budget managers continue to closely monitor and control spending and income. It is worth noting that in

the current climate, budget underspends will help and therefore spending should be limited to the absolutely essential.

Capital Spending

- 3.7 A summary of capital spending is shown in Appendix 2. Capital spending to 30th June 2010 totalled £4.4m, which is 60% of the planned spending of £7.3m at this stage. However, this only represents 9% of the total capital programme of £50.5m (which assumes a 20% slippage between years).
- 3.8 The main areas of programme slippage to date are in respect of, Mersey Gateway advance land acquisitions, Silver Jubilee bridge maintenance, Castlefields regeneration and Housing.
- 3.9 The Capital Programme was developed in a different financial climate and should be reviewed to ensure schemes are absolutely essential.

Balance Sheet

- 3.10 The Council's Balance Sheet is monitored regularly in accordance with the Reserves and Balances Strategy which forms part of the Medium Term Financial Strategy. The key reserves and balances have been reviewed and are considered prudent and appropriate at this stage in the financial year.
- 3.11 A significant number of equal pay claims have been lodged with the Council as part of the national single status agreement. A small number of claims are in the process of being settled. The majority however, are being considered by our legal advisers and will result in a significant cost falling on the Council, although the timescales are as yet uncertain. A reserve has been established over recent years, although it is not certain whether this will be sufficient to meet the future cost of such claims.

Local Strategic Partnership (LSP)

- 3.12 Spending against LSP funded schemes to 30th June 2010 totalled £0.4m which is 21% of the planned spending of £2.1m at this stage and 5% of the total available funding of £8.3m.

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 There are a number of financial risks within the budget. However, the Council has internal controls and processes in place to ensure that spending remains in line with budget. In preparing the 2010/11 budget, a register of significant financial risks was prepared which will be updated and monitored throughout the year.

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 30th June 2010

Directorate / Department	Annual Budget	Budget To Date	Actual Spend	Variance To Date	Actual Including Committed Items
	£'000	£'000	£'000	£'000	£'000
Children and Families Services	9,570	852	590	262	2,741
Children's Organisation and Provision	7,955	-4,478	-4,728	250	-3,150
Learning and Achievement Services	11,875	1,744	1,727	17	1,223
Children and Young People	29,400	-1,882	-2,411	529	814
Environment & Regulatory Services	13,195	3,267	3,297	(30)	3,328
Highways, Transportation & Logistics	12,935	2,264	2,190	74	3,224
Employment, Economic Regeneration & Business Development	6,407	2,638	2,664	(26)	7,354
Environment and Economy	32,537	8,169	8,151	18	13,906
Human Resources	2,137	183	156	27	160
Policy & Performance	3,575	1,005	971	34	1,086
Legal and Democratic Services	2,573	684	678	6	708
Finance	7,069	10,321	10,253	68	10,327
ICT and Support Services	7,565	2,047	1,890	157	1,968
Financial Arrangements	-8,286	1,202	1,161	41	1,161
Resources	14,633	15,442	15,109	333	15,410
Community	12,605	2,838	2,803	35	4,524
Catering and Stadium	1,399	363	345	18	517
Prevention and Commissioning	21,221	4,103	3,881	222	4,197
Complex Needs	7,163	1,538	1,494	44	1,652
Enablement	4,098	1,080	1,084	(4)	1,331
Adults and Community	46,486	9,922	9,607	315	12,221
	123,056	31,651	30,456	1,195	42,351

APPENDIX 2

Capital Expenditure to 30th June 2010

Directorate	Actual Expenditure to Date £'000	2010/11 Cumulative Capital Allocation				Capital Allocation 2011/12 £'000	Capital Allocation 2012/13 £'000
		Quarter 1 £'000	Quarter 2 £'000	Quarter 3 £'000	Quarter 4 £000		
Children & Young People	1,627	2,340	4,679	7,019	9,359	602	0
Environment & Economy							
Environment & Regulatory Services	237	494	989	1,484	1,979	425	0
Highways, Transportation & Logistics	1,463	2,369	14,737	22,106	29,475	42,757	23,848
Employment, Economic Regeneration & Business Development	678	620	7,240	10,860	16,481	9,936	0
Total	2,378	3,483	22,966	34,450	47,935	53,118	23,848
Adults & Community							
Community	0	78	157	235	313	0	0
Catering & Stadium	1	8	15	23	30	30	30
Prevention & Commissioning	200	1,020	2,041	3,061	4,081	444	0
Enablement	0	41	82	122	163	0	0
Total	201	1,147	2,295	3,441	4,587	474	30
Resources							
Legal & Democratic Services	0	0	0	0	0	120	120
ICT & Support Services	132	299	598	897	1,196	1,100	1,100
Total	132	299	598	897	1,196	1,220	1,220
Sub-Total	4,338	7,269	30,538	45,807	63,077	55,414	25,098
Slippage (20%)					-12,615	-11,083	-5,020
Total	4,338	7,269	30,538	45,807	50,462	56,946	31,161