

REPORT TO: Executive Board
DATE: 22 September 2011
REPORTING OFFICER: Operational Director Finance
TITLE: Spending as at 30 June 2011
WARDS: Borough Wide

1.0 PURPOSE OF REPORT

1.1 The Council's overall revenue and capital spending position as at 30 June 2011 was reported to the Executive Board Sub Committee on 3 September 2011. It was resolved that the report should be made available to the Executive Board and include an action plan to ensure spending was within the overall budget.

2.0 RECOMMENDED: That:

- (1) the action plan be approved; and**
- (2) future monitoring reports be made quarterly to Executive Board.**

3.0 SUPPORTING INFORMATION

3.1 Budget monitoring reports are made quarterly to the Executive Board Sub Committee. The first quarter's report is attached for information.

3.2 The Sub Committee resolved:

- that the report be noted;
- that a further report be made to the Executive Board, with proposals to achieve a balanced budget at the end of the year; and
- in future, all financial monitoring reports be made to the Executive Board.

3.3 It will be seen from the report that there is a risk that, without action, the budget would be overspent at the end of the year. The major areas of concern are:

- staffing costs;
- saving not yet achieved;
- budget overspend on demand led budgets, eg Community Care;
- shortfall of income.

- 3.4 It is essential that spending is brought within budget. Not only would overspends be a drain on balances and reserves this year, but also add to the funding gap and consequently increase the level of savings for next year and beyond.
- 3.5 Action has already been taken to limit the impact on the budget. For instance, steps have been taken to limit casual pay to the basic evaluated grade. In addition, a small task and finish group has been set up by the Strategic Director Communities to limit the overspend on the Community Care Budget.
- 3.6 The aim is for each Directorate to restrict spending to that at year end it is within its bottom line operational budget. This will be achieved by:
- Each Strategic Director closely monitoring their Directorate budget.
 - Limiting all spending to the absolutely essential. This will be supported by workshops on financial management and procurement.
 - Identifying any potential overspends and taking appropriate action. This action will be reported to the relevant Portfolio Holder on the Executive Board.
 - Reporting a summary position at the end of each quarter to the Executive Board.
 - Only filling vacancies deemed to be essential to service provision and slowing down the filling of those vacancies.
 - Limiting the use of temporary, casual and agency staff to essential areas only.

4.0 POLICY IMPLICATIONS

4.1 None.

5.0 OTHER IMPLICATIONS

5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 **Children and Young People in Halton**

6.2 **Employment Learning and Skills in Halton**

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

6.5 **Halton's Urban Renewal**

There are no direct implications, however, the revenue budget supports the delivery and achievement of all the Council's priorities. It is essential that spending is appropriate to achieve value for money.

7.0 RISK ANALYSIS

- 7.1 There are a number of financial risks within the budget. The Council has internal controls and processes to ensure spending is within budget.
- 7.2 In preparing the 2011/12 budget a register of significant risks was prepared and this has been updated.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 None

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

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