

REPORT TO: Executive Board Sub Committee
DATE: 20th July 2006
REPORTING OFFICER: Operational Director – Financial Services
SUBJECT: 2005/06 Financial Outturn
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To report the final revenue and capital spending position for 2005/06.

2.0 RECOMMENDED: That the report be noted.

3.0 SUPPORTING INFORMATION

Revenue Spending

3.1 The final accounts for 2005/06 are now complete and the revenue spending position for each Department, subject to external audit, is shown in Appendix 1.

3.2 In overall terms, the underspending of £249,000 has confirmed previous projections highlighted in the quarterly performance management reports. The Council's general balances now stand at £6,561,000.

3.3 Within the overall underspend, there have been some significant variances as follows;

Childrens Services (£290,000 underspend):- this is primarily due to recruitment difficulties leading to a large number of staffing vacancies during the year. Agency placements has overspent (£213,000), however, this has been largely offset by an underspend on boarded out payments (£171,000).

Student Services & Lifelong Learning (£139,000 underspend):- additional has been received as a result of increased numbers of out-of-Borough special school pupils.

School Support & Advisory (£197,000 overspend):- there have been significantly more teacher maternity and redundancy cases than anticipated, resulting in increased costs.

Neighbourhood (£346,000 overspend):- this is due to reductions in sponsorship and pitch rent income at Halton Stadium (£108,000), increased staff sickness cover and food costs for School Meals

(£121,000), and a shortfall in income from bulky waste collections (£100,000).

Property Services (£296,000 overspend):- this relates to shortfalls in income from market and industrial estate rents (£202,000), coupled with the impact of higher energy costs across the Council's buildings (£120,000).

Financial Arrangements (£752,000 underspend):- additional interest has been earned from investment management activities, along with reduced borrowing costs following the Housing stock transfer.

Housing Landlord & Strategy (£101,000 underspend):- this is due to a number of staffing vacancies during the year.

Adults With Learning Difficulties Pooled Budget (£42,000 overspend):- as highlighted throughout the year there have been major difficulties with community care provision within the adults with learning difficulties pooled budget. This would have resulted in an overspend of £1,246,000, however, action has been taken to contain the overspend primarily from significant underspends in Health and Partnerships (£179,000) and Older People (£1,025,000) through non-filling of vacant posts and redirecting grant funding. The resulting budget virements have brought the ALD overspend down £42,000).

Housing Revenue Account (HRA)

- 3.4 The Housing Revenue Account has achieved a surplus of £588,000, which is higher than anticipated largely due to tight monitoring of spend in the run up to the Housing Stock Transfer on 5th December 2005. The surplus must remain within the HRA for a further twelve months in order to meet any residual issues following the stock transfer, but will then revert back to the General Fund.

School Balances

- 3.5 School balances have reduced to £7.7m. This is made up from balances on Individual School Budgets (£4.3m), Standards Fund (£2.8m) and Devolved Capital (£0.6m). It represents an overall reduction in School balances of £2.6m from the previous year. In addition, there is £1.4m of unspent Standards Fund grant held by Education centrally, which along with the unspent Schools Standards Fund grant must all be spend by 31st August 2006.

Capital Spending

- 3.6 Appendix 2 presents a summary of spending against the 2005/06 Capital Programme. Capital spending totalled £34.813m, which is £4.553 below the revised capital programme. This represents almost full delivery of the revised capital programme, with the only areas of significant slippage being on the Widnes Waterfront (£1,470,000), Castlefields (£900,000), and Ditton Strategic Rail Freight Park (£434,000) regeneration schemes, St Peter and Paul's Athletics Track (£515,000), and Housing Shared Appreciation Loans (£1,358,000).

4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS

- 4.1 None.

5.0 RISK ANALYSIS

- 5.1 There are no risks associated with the report.

6.0 EQUALITY AND DIVERSITY ISSUES

- 6.1 None.

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

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

APPENDIX 1

2005-06 Revenue Expenditure

	Budget	Actual	Variance
	£'000	£'000	£'000
Children's Services	12,528	12,238	290
Student Services & Lifelong Learning	9,404	9,265	139
School Support & Advisory	4,013	4,210	(197)
Schools	65,485	65,485	0
Children and Young People Directorate	91,430	91,198	232
Planning & Environmental Health	2,675	2,593	82
Highways & Transportation	15,040	15,040	0
Major Projects	326	329	(3)
Regeneration	1,165	1,229	(64)
Neighbourhood Services	8,907	9,253	(346)
Environment Directorate	28,113	28,444	(331)
Legal & Member Services	1,194	1,216	(22)
Policy & Performance	3,286	3,381	(95)
Exchequer & Customer Services	3,554	3,638	(84)
Financial Services	58	0	58
ICT Services	62	0	62
Personnel Services	208	271	(63)
Property Services	2,720	3,016	(296)
Financial Arrangements	(14,696)	(15,448)	752
Corporate and Policy Directorate	(3,614)	(3,926)	312
Culture & Leisure Services	14,218	14,243	(25)
Housing Landlord & Strategy	1,633	1,532	101
Adult Services	5,888	5,886	2
ALD Pooled Budget	6,757	6,799	(42)
Health & Partnerships	(165)	(165)	0
Older People	10,407	10,407	0
Health and Community Directorate	38,738	38,702	36
	154,667	154,418	249

APPENDIX 2

2005-06 Capital Expenditure

	Revised Allocation	Actual Expenditure	Variance (overspend)
	£'000	£'000	£'000
Children & Young People Directorate			
Childrens Services	19	20	(1)
Education	7,326	8,169	(843)
Environment Directorate			
Highways & Transportation	5,735	5,862	(127)
Environmental Health	100	75	25
Neighbourhood Services	1,976	1,877	99
Major Projects	10,960	8,408	2,498
Health & Community Directorate			
Culture & Leisure	758	48	710
Housing	6,223	4,462	1,761
Adults & Older People	346	47	299
Corporate & Policy Directorate			
Policy & Performance	140	152	(12)
ICT Services	750	728	22
Property Services	300	309	(9)
Exchequer & Customer Services	180	49	131
	34,813	30,206	4,553