

REPORT TO: Cabinet Member, Communities
Overview and Scrutiny Committee
(Performance and Corporate Services)

DATE: 2 December 2009
15 December 2009

SUBJECT: Revenue and Capital Expenditure Monitoring
to 30 September 2009

WARDS AFFECTED: None directly affected

REPORT OF: Chief Executive – Margaret Carney
Finance & IS Director – Paul Edwards

CONTACT OFFICER: Amanda Langan - 0151 934 2171
Kevin McBlain - 0151 934 4049

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To provide the Cabinet Member with the quarterly forecast position, based on information as at 30 September 2009, in relation to the Portfolio's 2009/10 revenue budget.

REASON WHY DECISION REQUIRED:

Cabinet Member accountability and in line with the corporate performance management process.

RECOMMENDATION(S):

That the Cabinet Member Communities:

- a) Notes the Communities Portfolio's revenue budgets that are subject to risk-based monitoring.
- b) Indicates whether any comments about the overall performance of this Portfolio's revenue budget should be referred to Cabinet and Overview and Scrutiny Committee (Performance and Corporate Services).

That Overview and Scrutiny Committee (Performance and Corporate Services)

- a) Notes the contents of this report and indicates whether any comments about the overall performance of this Portfolio's revenue budget should be referred to Cabinet.

KEY DECISION: No.

FORWARD PLAN: Not appropriate.

IMPLEMENTATION DATE: Not appropriate.

ALTERNATIVE OPTIONS:

None.

IMPLICATIONS:

Budget/Policy Framework: None.

Financial: There are no financial implications arising from this report

<u>CAPITAL EXPENDITURE</u>	2009/10	2010/11	2011/12	2012/13
	£	£	£	£
Gross Increase in Capital Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton funded Resources				
Does the External Funding have an expiry date Y/N				When?
How will the service be funded post expiry?				

Legal: Not appropriate.

Risk Assessment: The main risk concerns the failure to identify budget variances through the monitoring process which will make it difficult for the Council to manage its spending within available resources. The adopted risk-based approach to monitoring together with regular reporting should help manage this risk.

Asset Management: Not appropriate.

CONSULTATION UNDERTAKEN/VIEWS

FD 227 - The Finance and Information Services Director has been consulted and his comments have been incorporated into this report

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability		✓	
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

1. Background / Issues for consideration

- 1.1 In accordance with Cabinet's overall approved process for monitoring the Council's budgets, each Portfolio receives a quarterly report identifying risk-assessed controllable revenue and capital budget areas.
- 1.2 This report forms part of that overall monitoring process by advising the Cabinet Member of the progress against this Portfolio's revenue budget risk areas for the period ending 30 September 2009. Where budget pressures have been identified, Service Directors have reviewed their departmental budgets for compensating savings. Departments have also been asked to consider whether or not all other controllable budgets can be contained within the resources allocated by the Council for 2009/10.
- 1.3 At the Overview and Scrutiny Committee (Health and Social Care) meeting on 13 October 2009, a request was made to amend the format of the budget monitoring report. This proposal is being put forward to the Overview and Scrutiny Management Board for consideration and any amendments resulting from this will be reflected in future budget monitoring reports.

2. Revenue Budget

- 2.1 Details of this Portfolio's budgets that are monitored and reported on the risk-assessed basis are shown in Annex A. This Committee does not have any schemes within the Council's Capital Programme.
- 2.2 In approving the budget on 26 February 2009 the Council agreed some savings, which are council wide. The total saving for the Communities Portfolio is £35,100 which is in addition to the savings that the Safer, Stronger Communities Division has already made. It is felt that this further corporate saving will be difficult to achieve, and, if it has to be met from within the Safer Stronger Communities Division budget, resource within the division (staff and service) will be significantly strained, as will the ability to continue to fulfill statutory requirements and meet expectation. As a consequence, this budgeted saving will need to be closely monitored during the year.
- 2.3 In relation to Sefton Security Services it has been agreed that this service will generate additional income; there is however pressure on achieving additional income as a result of the current economic climate and constraints on recruitment. This will be closely monitored, and, if necessary, an additional risk budget item may be added as part of this monitoring exercise when specific proposals have been formulated.
- 2.4 All other areas of the budget that are controlled by the Chief Executive will be contained within the resources allocated by the Council for 2009/10.

3. Recommendations

That the Cabinet Member Communities is asked to :

- a) Note the Communities Portfolio's revenue budgets that are subject to risk-based monitoring.
- b) Indicate whether any comments about the overall performance of this Portfolio's revenue budget should be referred to Cabinet and Overview and Scrutiny Committee (Performance and Corporate Services).

That Overview and Scrutiny Committee (Performance and Corporate Services)

- a) Notes the contents of this report and indicates whether any comments about the overall performance of this Portfolio's revenue budget should be referred to Cabinet.

Communities Portfolio Revenue Budget Risk Areas to 30 September 2009

ANNEX A

Ref	Service	Budget	Full Year Budget £000	Budget to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Forecast Outturn Variance £000
	Community Safety/ASBU/Security Force	Employee Costs – Community Safety	583.9	292.0	359.1	67.1	583.9	0
		Employee Costs – ASBU	289.4	144.7	94.4	-50.3	289.4	0
							873.3	0

Proportion of budget reported upon	Expenditure £'000	Income £'000
Total Departmental Budget Reported Upon	873.3	0
Total Budget	4,585.1	-1,497.8
Percentage of Total Budget Reported	19.05%	0%

Comments on key areas of budget (including remedial action)

Employee budgets include an overprovision following the agreement of the 2009/10 JNC pay award.

Employee costs to date for the Community Safety section are currently showing an overspend; however, the department is due contributions from other departments for specific work carried out on their behalf which will bring this in line with the budget figure.

Employee costs for the Anti Social Behaviour Unit to date are currently underspent; a reduction in this budget is still pending however

due to the reallocation of the ABG funding in 2009/10 which will bring the actuals back in line with the budget.

In relation to Sefton Security Services, it has been agreed that the service will bring in additional income. This service is currently operating at full capacity, and, although it is considered viable to increase the income generated by this section, this can only be done with further investment in the service, both capital and revenue. Work is currently underway reviewing the business plan and identifying options which may require a request for approval for investment from the Performance Improvement and Development Fund. In addition to this, there is also pressure to achieve additional income as a result of the current economic climate. This situation will be closely monitored, and, if necessary, an additional risk budget item may be added as part of this monitoring exercise.

Comments on forecast of total budget (including remedial action)

Corporate savings of £35,100 contribute further pressure to the budget, and, as yet have not been identified within the detailed Departmental budget. These savings will need to be considered within the light of the overall budgetary pressures on the Department. Every effort will be made to mitigate the effect of the above pressures, but this may only be achieved with significant reductions in service provision. For this reason options to deal with budget pressures will be presented in future budget monitoring reports.

