

## REPORT TO CABINET

Title: **SERVICE MONITORING REPORT**

Date: 26 February 2009

Member Reporting: Councillor Hilton

Contact Officer(s): Andrew Brooker, Head of Finance, x6341

Wards affected: All

### 1. SUMMARY

- 1.1 This service monitoring report provides a monthly update on service delivery with emphasis on the impact on the council's financial position.
- 1.2 Services are currently projecting expenditure of £86,330k (down £55k since last month's £86,385k). The approved estimate is £86,097k (up £76k from last month's £86,021k). The expected overspend is therefore £233k (last month: £364k). See sections 3 for more details.
- 1.3 General balances at year end are projected to be £5.949m (last month £5.818m) – see section 4 for more details.
- 1.4 The approved capital programme reflects the Budget Report to February 2009 Cabinet. See section 5 for more details.

### 2. RECOMMENDATION: That:

- i) The provisional revenue and capital outturn figures be noted.**
- ii) The capital programme variances and slippage identified in Appendix C be approved.**
- iii) That Directors work with Lead Members to develop proposals to contain expenditure within current budget limits.**

What will be different for residents as a result of this decision?
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The Council is responsible for ensuring that it has put in place the proper arrangements to secure economy, efficiency and effectiveness in its use of resources. If the management of services and their budgets are not regularly reviewed, any and all services for residents could be adversely affected and Council Tax levels may be affected.
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### **3. SUPPORTING INFORMATION**

#### **3.1 Background**

3.2 As at 31 January 2009, total service expenditure for 2008/9 is expected to be £86,280k (down £105k from last month's 86,385k).

3.3 Summaries of the Council's provisional outturn Revenue and Capital financial reports are contained in Appendices A and B respectively. The revenue report includes income and expenditure statements together with a short Directorate report drawing members' attention to key activities affecting the current and future years.

3.4 Learning & Care reports that its 2008-9 costs are projected to be overspent by £98k (down £56k from last month's £154k) on its approved estimate of £48,508k (last month's approved estimate was £48,506k ).

Children's Services are expected to be overspent by £455k, an increase of £27k on last month, after contract changes on a number of Home to School Transport routes, and new foster care placements.

Adult Social Care is expecting to underspend by £352k (down £133k from an expected underspend last month of £219k). There is a projected underspend on Learning Disability team costs, Mental Health team non-salary costs and increased income from service users on the Elderly and Physical Disability residential budgets.

There has been an increase in demand for temporary accommodation from larger families, increasing pressure on the Housing budget by an estimated additional £50k in the current year.

3.5 Community Services reports a variance of £110k (up £35k from last month) from the approved estimate of £22,810k (same as last month).

Highway gritting costs, streetcare and urgent highway defect repair costs have increased due to adverse Winter weather conditions. See report for further details.

3.6 The Chief Executive reports that Corporate Services expenditure is expected to be £25k higher (last month: £135k higher) than the approved estimate of £14,779k (last month £14,705k). The increase of £74k is because of an LPSA grant award for democratic services (£50k) and a supplementary estimate to cover severance costs in Business Improvement (£24k). There have been staff vacancy savings in various areas and an underspend on consultation amongst other things.

### **4. OVERALL POSITION**

Appendix A summarises the projected outturn position and shows projected year-end reserves to have increased by £105k to £5.949m from the previous month. This is made up of an increase of £76k in supplementary estimates (after roundings, per section 3.6 above) and a net reduction in service variances of £181k.

## 5. CAPITAL

### 5.1 Capital Budget Movements Since Budget Report

The approved 2008-9 capital budget as at 31<sup>st</sup> December reported to Cabinet on 12<sup>th</sup> February was £11,417k net. Budget movements and variances identified for January are as follows:-

	<b>Exp</b> £'000	<b>Inc</b> £'000	<b>Net</b> £'000
Approved Budget December	26,240	-14,823	11,417
Budget movements January 2009	128	-128	0
Projected capital programme 2008/2009	<b>26,368</b>	<b>-14,951</b>	<b>11,417</b>
Variances	-601	200	-401

The budget movements are to do with a new three-year Safer Stronger Communities grant (£61k), adjustments to Oak Lodge Day Centre (-£16k) and an extended schools scheme for Larchfield (-£7k), schools s106 funds (£77k) and an additional grant for Mobile Technology (£13k).

### 5.2 Overall Programme Status

The project statistics show the following position as at the end of January 2009:

Number of Schemes in Programme	468
Yet to Start	6%
In Progress	47%
(Of which Ongoing Annual Programmes 6% e.g.. Disabled Facilities Grant)	
Completed	33%
Devolved Formula Capital Grant schemes (Data not available on budgets devolved to schools)	14%

## 6. OPTIONS AVAILABLE AND RISK ASSESSMENT

### 6.1 Options

	<b>Option</b>	<b>Comments</b>	<b>Financial Implications</b>
1.	Accept the report	Directors have a responsibility for managing their Services within the Budget approved by Council. Cabinet has limited power to vary those budgets within the overall budget and policy framework or to re-define the priorities agreed when the budget was approved. Cabinet does however have responsibility for considering	Revenue  Capital

	Option	Comments	Financial Implications
		the impact on future year's budgets of the decisions taken.	
2.	Reject the report	This is not an option as The Local Government Act 2003 requires the Royal Borough to monitor its financial position	Revenue Capital

## 6.2 Risk assessment

Risk assessments are carried out as a matter of course for the delivery of individual services. The main Financial risks are included on the Council's Risk Register . paragraphs 3.8 to 3.15 discuss the risks associated with the current economic downturn.

The Council's Financial Strategy outlines the measures available to it in the event of a series of events that lead to significant projected budget variances being reported.

## 7. CONSULTATIONS CARRIED OUT

No specific consultation is carried out as this is a regular monitoring report

## 8. COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL

Relevant components of this report will be considered by each of the four scrutiny panels as part of their next round of meetings.

## IMPLICATIONS

### 9. The following implications have been addressed where indicated below.

Financial	Legal	Human Rights Act	Planning	Sustainable Development	Diversity & Equality
✓	✓	N/A	N/A	N/A	N/A

Background Papers: Cabinet 24 July 2008 – Monitoring report.