

**Report to the Warwickshire Public Service Board**

**29 November 2007**

**Report of the Strategic Director, Resources Warwickshire County Council, as the Accountable Officer**

**Recommendation**

It is recommended that the PSB:

- Notes the 2007/08 the mid-year position and the projected outturn position as at 30 September 2007 and makes any comments as appropriate.
- Supports the submission, by the Accountable Officer, of the mid-year Financial Monitoring report to GOWM on the basis of the information contained in this report and accompanying appendices.

**1 Introduction**

- 1.1 The purpose of this report is to inform the PSB of the mid-year position and the 2007/08 projected outturn based on the information known at the end of September 2007.
- 1.2 Only LAA funding streams that have been pooled are monitored in detail, with any issues relating to aligned and mainstream funding raised via exception reporting. Funding streams totalling £9,321,382 were pooled and allocated to partners in 2007/08. As at 30 September 2007 £4,873,137, all of the money received to date from the Government, had been transferred to partners to use.
- 1.3 The report has been compiled on the basis of the returns from each of the Themed Blocks in receipt of pooled grants in consultation with partners.

**2 Spending Compared With Estimates**

- 2.1 At this stage all LAA pooled funding is predicted to be spent by 31 March 2008, with a marginal overspend forecast at £2,692. At 30 September 2007 there was an actual underspend of £633,746 in comparison to LAA pooled funding allocated to date.
- 2.2 Table 1 shows a summary of the mid-year position and the projected year-end outturn for each of the three Themed Blocks in receipt of pooled funding.

**Table 1: Summary of Projected Variations**

Appendix No.	Block	Position as at 30/09/07				Projected Outturn			
		Grant	Spend	Variation	Variation	Grant	Spend	Variation	Variation
		£'s	£'s	£'s	%	£'s	£'s	£'s	%
A	Children and Young People Block	3,897,871	3,805,158	(92,713)	-2.4%	7,445,871	7,445,871	-	0.0%
B	Climate Change and Sustainability Block	581,582	191,880	(389,702)	-67.0%	1,118,426	1,118,426	-	0.0%
C	Safer Communities Block	393,684	242,353	(151,331)	-38.4%	757,085	759,777	2,692	0.4%
	<b>Total</b>	<b>4,873,137</b>	<b>4,239,391</b>	<b>(633,746)</b>	<b>-13.00%</b>	<b>9,321,382</b>	<b>9,324,074</b>	<b>2,692</b>	<b>0.03%</b>

- 2.3 In terms of actual spending, under spends were reported across all three Blocks in receipt of pooled funding as at 30 September 2007. A total underspend of £633,746 or 13% has been reported in comparison to the LAA grant allocated at the end of quarter two.
- 2.4 The Children and Young People Block is under spending the grant allocated by £92,713 to date. This represents only 2.4% of the funding allocated to date and is due to the spending of funds not matching the profile of the grant allocated (see **Appendix A**).
- 2.5 The Climate Change Block underspend of £389,702 has been incurred primarily because some schemes are not due to commence until later in the financial year (see **Appendix B**).
- 2.6 An underspend of £151,331 has occurred in the Safer Communities Block mainly due to the uncertainty caused by the reduction in pooled funding announced on 14 June 2007 (see **Appendix C**).
- 2.7 The DCLG permits only 5% of the pooled grant to be automatically carried forward, so it is important spending is accurately monitored. If a significant change occurs between quarterly monitoring reports the PSB will be informed, through an exception report.
- 2.8 At quarter three, if the overall position has changed such that a significant underspend is forecast, the PSB will be asked to consider fall-back options for using any available pooled grant in excess of the 5% carry forward limit rather than risk having to repay any unused resources.
- 2.9 There are no consequences for the LAA outcomes stemming from quarter two financial reporting. Also, none of the three Themed Blocks that do not receive pooled funding have raised any financial issues in 2007/08 that they wish to bring to the PSBs attention through this report.

### **3 Movements in Projections**

- 3.1 This is the first monitoring report for 2007/08. The next report for quarter three in February 2008 will contain revised projections based on the information available at that time. Where there are any significant changes to projections between the third quarter and this report, they will be highlighted. Changes could be due, for example, to the effects of the management actions detailed in the appendices, new developments, or the availability of updated information.

### **4 Summary**

- 4.1 At the end of the second quarter there is an actual under spend of £633,746, however all funding is forecasted to be spent in 2007/08, with a marginal overspend projected in the Safer Communities Block.
- 4.2 The PSB are recommended to authorise the Accountable Officer to submit the mid-year Financial Monitoring report to GOWM on the basis of the information contained in this report and accompanying appendices.

DAVID CLARKE  
Strategic Director, Resources  
Warwickshire County Council  
And Accountable Officer of the Warwickshire LAA

29 November 2007

## APPENDIX A

### Children and Young People's Block 2007/08 Budget Monitoring - Quarter 2

Background / Proposed use of Funding
<a href="http://www.warwickshirechildren.com/CYPP/report_priority_actions?improvement=5">http://www.warwickshirechildren.com/CYPP/report_priority_actions?improvement=5</a>
<p>In setting up the Warwickshire LAA a realistic and pragmatic approach was taken to the inclusion of pooling and aligned funding streams in 2007/08. In 2007/08 only those funding streams which were included in the DCLG guidance were pooled. The only additional grant pooled was the Connexions Grant. The total amount of funding currently pooled for the Children and Young People's Block is £3.9m, of which £2.2m is the Connexions Grant. The current forecast shows that the total pooled grant will be spent in 2007/08. There are no reported overspends.</p>

Summary Position								
	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	Variation %
Revenue	3,897,871	3,805,158	(92,713)	-2.4%	7,445,871	7,445,871	0	0.0%
<b>Total</b>	<b>3,897,871</b>	<b>3,805,158</b>	<b>(92,713)</b>	<b>-2.4%</b>	<b>7,445,871</b>	<b>7,445,871</b>	<b>0</b>	<b>0.0%</b>

Funding Breakdown								
	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	Variation %
Children's Services Grant	695,297	536,150	(159,147)	-22.9%	1,337,109	1,337,109	0	0.0%
Key Stage 3 – Behaviour and Attendance	65,416	0	(65,416)	-100.0%	125,800	125,800	0	0.0%
Key Stage 3 – Central Coordination	134,810	74,681	(60,129)	-44.6%	259,250	259,250	0	0.0%

Positive Activities for Young People	82,800	82,800	(0)	0.0%	159,231	159,231	0	0.0%
Primary Strategy Central Coordination	135,336	92,055	(43,281)	-32.0%	260,262	260,262	0	0.0%
School Travel Advisers	36,920	0	(36,920)	-100.0%	71,000	71,000	0	0.0%
School Development Grant (LA element only)	552,760	824,940	272,180	49.2%	1,012,965	1,012,965	0	0.0%
Connexions	2,194,532	2,194,532	(0)	0.0%	4,220,254	4,220,254	0	0.0%
<b>Total</b>	<b>3,897,871</b>	<b>3,805,158</b>	<b>(92,713)</b>		<b>7,445,871</b>	<b>7,445,871</b>	<b>-</b>	

#### Reasons for Variations

The forecast outturn shows all grant will be spent by the end of the financial year. Variances in the grant spent to date are due to the fact spending of funds does not match the profile of the grant received.

#### Themed Block/Partner Action

All grants are currently forecast to be spent by the end of the financial year, so no further action is required.

#### Consequences for the Delivery of the LAA Outcomes

The financial position does not currently have any consequences for delivery of the LAA targets.

#### General Comments

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Analysis by Partner Organisation/Themed Block Outcome								
	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	%
Warwickshire County Council	1,620,539	1,527,826	(92,713)	-5.7%	3,066,386	3,066,386	0	0.0%
Connexions	2,277,332	2,277,332	(0)	0.0%	4,379,485	4,379,485	0	0.0%
<b>Total</b>	<b>3,897,871</b>	<b>3,805,158</b>	<b>(92,713)</b>	<b>-2.4%</b>	<b>7,445,871</b>	<b>7,445,871</b>	<b>0</b>	<b>0.0%</b>

## APPENDIX B

### Climate Change and Sustainability Block 2007/08 Budget Monitoring Quarter 2

#### Background / Proposed use of Funding to Deliver LAA Outcomes

North Warwickshire - To extend kerbside recycling, bring banks for cardboard & plastics, various recycling trials.  
 Nuneaton and Bedworth - Waste Management Officer, publicity, replacement of recycling bins.  
 Rugby - Expansion of the Borough's red box recycling scheme.  
 Stratford - Expansion of the recycling scheme.  
 Warwick - Expansion of the recycling scheme.  
 Warwickshire County Council - Expansion of the recycling scheme by purchasing equipment and vehicles.

#### Summary Position

	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	%
Revenue	290,791	191,880	(98,911)	-34.0%	559,213	559,213	0	0.0%
Capital	290,791	0	(290,791)	-100.0%	559,213	559,213	0	0.0%
<b>Total</b>	<b>581,582</b>	<b>191,880</b>	<b>(389,702)</b>	<b>-67.0%</b>	<b>1,118,426</b>	<b>1,118,426</b>	<b>0</b>	<b>0.0%</b>

#### Reasons for Variations

North Warwickshire - No spend to date, due to the Council waiting for outcome of other funding bids. Scheme has now been approved.  
Nuneaton and Bedworth - 19% underspend on revenue, predominately due to underpend in publicity. No capital spend to date, expected in quarter 4.  
Rugby - No spend to date, the scheme is awaiting approval which will not happen until November 2007.  
Stratford - No spend to date.  
Warwick - No spend to date.  
Warwickshire County Council - Revenue spending on budget, no capital spending to date, as proposed capital purchases still to be agreed.

#### **Themed Block/Partner Action**

#### **Consequences for the Delivery of the LAA Outcomes**

#### **General Comments**



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Analysis by Partner Organisation/Themed Block Outcome								
	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	Variation %
Nuneaton and Bedworth BC	54,820	22,336	(32,484)	-59.3%	105,422	105,422	0	0.0%
North Warwickshire BC	28,467	0	(28,467)	-100.0%	54,744	54,744	0	0.0%
Rugby BC	41,467	0	(41,467)	-100.0%	79,744	79,744	0	0.0%
Stratford-on-Avon DC	54,018	0	(54,018)	-100.0%	103,880	103,880	0	0.0%
Warwick DC	63,722	0	(63,722)	-100.0%	122,543	122,543	0	0.0%
Warwickshire CC	339,088	169,544	(169,544)	-50.0%	652,093	652,093	0	0.0%
<b>Total</b>	<b>498,295</b>	<b>169,544</b>	<b>(328,751)</b>	<b>-66.0%</b>	<b>958,260</b>	<b>958,260</b>	<b>0</b>	<b>0.0%</b>

## APPENDIX C

### Safer Communities Block 2007/08 Budget Monitoring - Quarter 2

Background / Proposed use of Funding								
The only pooled funding within the Safer Block for 2007/08 is the Safer and Stronger Communities Fund. The Safer and Stronger Communities Fund incorporates what was formerly know as the Anti-Social Behaviour Grant and the Drugs Strategy Partnership Support Grant. The 2007/08 SSCF award for Warwickshire is £583,664 revenue and £173,421 capital. A Warwickshire LAA Safer Block - SSCF Delivery Plan indicates how SSCF is being utilised in 2007/08.								

Summary Position								
	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	%
Revenue	303,505	225,285	(78,220)	-25.8%	583,664	586,356	2,692	0.5%
Capital	90,179	17,068	(73,111)	-81.1%	173,421	173,421	0	0.0%
<b>Total</b>	<b>393,684</b>	<b>242,353</b>	<b>(151,331)</b>		<b>757,085</b>	<b>759,777</b>	<b>2,692</b>	<b>0.4%</b>

Funding Stream Breakdown								
	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	%
Anti-Social Behaviour Grant	65,000	67,297	2,297	3.5%	125,000	125,000	0	0.0%
Safer & Stronger Communities Fund	281,760	142,525	(139,235)	-49.4%	541,846	544,538	2,692	0.5%
Drugs Strategy Partnership Support Grant	46,924	32,531	(14,393)	-30.7%	90,239	90,239	0	0.0%
<b>Total</b>	<b>393,684</b>	<b>242,353</b>	<b>(151,331)</b>		<b>757,085</b>	<b>759,777</b>	<b>2,692</b>	

### Reasons for Variations

(1) Although £393,684 has been allocated to the Safer Block in the first two quarters, only £242,353 has so far been spent. The spending on some interventions was delayed due to funding uncertainty following the announcement of a £95,454 funding reduction on the 14th June 2007. (2) The forecast over spend of £5,073 in relation to the Community Safety Analysts is being monitored. It is anticipated that this intervention will remain within its overall budget for the year. (3) The forecast underspend of £2,000 in respect of the SSCF Coordinators post is also being monitored and funding will be redirected if necessary. (4) The forecast under spend by Rugby CDRP of £381 is not a concern at this stage.

### Themed Block/Partner Action

The spend situation at the end of Quarter 2 is to be brought to the attention of the Warwickshire Safer Communities Partnership when they meet on the 14th November 2007. There is no proposed action required to bring spending back on track at this time.

### Consequences for the Delivery of the LAA Outcomes

Following a revenue funding reduction of £95,454, the original Warwickshire LAA Safer Block - SSCF Delivery Plan was amended. The present SSCF Delivery Plan is designed to impact on Safer Block outcomes and is on course to do so. There are no consequences on the LAA outcomes stemming from quarter 2 financial reporting.

### General Comments

We are reviewing areas of capital spend especially the mobile police stations in Stratford and Warwick CDRPs to ensure orders are placed and vehicles are built and delivered before 31/03/08. The uncertainty about funding for 2008/09 and the restriction on entering contractual commitments in advance of the budget being set is a risk that is being kept under review. For example, where grant is used to pay for posts if the post holder resigns it may prove difficult to recruit given the uncertainty around the future and the natural gap that inevitably results from staff turnover. In mitigation it is hoped that any gap between now and the end of the financial year would be small and grant could be diverted into other projects, this situation should be further alleviated once the 2008/09 budget is agreed.

### Analysis by Partner Organisation/Themed Block Outcome

	Position as at 30/09/07				Forecast Outturn			
	Grant £'000	Spend £'000	Variation £'000	Variation %	Grant £'000	Spend £'000	Variation £'000	%
DAAT/ Outcome 1 (+4 & 5)	46,924	32,531	(14,393)	-30.7%	90,239	90,239	0	0.0%

Analysts/Outcome 1 (+ 4,6,7 & 10)	26,000	17,015	(8,985)	-34.6%	50,000	55,073	5,073	10.1%
PPO Coordinator/Outcome 1 (+2)	17,660	15,156	(2,504)	-14.2%	34,500	34,500	0	0.0%
Beating Business Crime Unit/Outcome 1 (+6)	2,328	2,328	0	0.0%	2,328	2,328	0	0.0%
SSCF Coordinator/Outcome - (Support post)	13,726	11,623	(2,103)	-15.3%	28,000	26,000	(2,000)	-7.1%
Stratford CDRP/Outcome 1 (+4,5,6, & 10)	55,191	28,999	(26,192)	-47.5%	106,134	106,134	0	0.0%
Warwick CDRP/Outcome 1 (+4,5,6 & 10)	64,070	25,800	(38,270)	-59.7%	123,213	123,213	0	0.0%
Rugby CDRP/Outcome 1 (+2,4,5,6,8,9 & 10)	55,186	21,604	(33,582)	-60.9%	106,134	105,753	(381)	-0.4%
Nun & Bed CDRP/Outcome 1 (+2 to 10)	64,070	46,330	(17,740)	-27.7%	123,213	123,213	0	0.0%
North Warks CDRP/Outcome 1 (+2 to 10)	48,529	40,966	(7,563)	-15.6%	93,324	93,324	0	0.0%
<b>Total</b>	<b>393,684</b>	<b>242,353</b>	<b>(151,332)</b>	<b>-38.4%</b>	<b>757,085</b>	<b>759,777</b>	<b>2,692</b>	<b>0.4%</b>