

OUTTURN REPORT 2008/09
WDA/23/09

Recommendation

That:

1. Members note the final outturn position with regard to the Authority's Capital and Revenue Expenditure for 2008-2009; and
2. Members note the final outturn with regard to the Authority's Prudential Indicators as included in Appendix 3.

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OUTTURN REPORT 2008/09
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Report of the Treasurer

1. Purpose of the Report

- 1.1 To advise Members of the final outturn with regard to the Authority's Capital and Revenue Expenditure in 2008-2009. The final outturn to the Authority's Prudential Indicators are enclosed in the report.

2. Background

- 2.1 The Authority operates a quarterly monitoring cycle as incorporated in its Financial Instructions which support the Financial Procedure Rules. This report is compiled at the end of the year (the fourth quarter) and shows the final outturn position.

3. Key Areas for the Report

3.1 Capital Expenditure

- 3.1.1 The Capital Expenditure Outturn is enclosed at Appendix 1. It shows the Revised Programme as approved at the Authority's Budget Meeting on 6 February 2009 (WDA/04/09), the actual expenditure for the year and the variation from the Revised Programme.

- 3.1.2 The resulting expenditure shows a reduction of £1.4M or 10% from the Revised Programme. The main reasons for that underspend are:

	£M
Delays in site acquisition	-1.1
Delay in electrical supply at Gillmoss	<u>-0.3</u>
	<u>-1.4</u>

- 3.1.3 Detailed explanation, by scheme, is shown at Appendix 1.

3.2 Revenue Expenditure

3.2.1 The Revenue Outturn is attached at Appendix 2 and shows the Original Approved Budget for 2008-2009 in Column 1, the Revised Estimate (approved at the Authority Budget meeting on 6 February 2009- WDA/04/09) in Column 2 with the Actual Outturn expenditure and Variations shown in Columns 3 and 4 respectively.

3.2.2 The final underspending of Revenue Expenditure shows a reduction of £3.98M or 6.5% from the Revised Budget for 2008-2009 which can be analysed as follows:-

	£M
Reduction in Contract Payments	-2.63
Reduction in Landfill Tax	-0.48
Reduction in Recycling Credits payable to Districts	-0.56
Other Net Savings	<u>-0.31</u>
	<u>-3.98</u>

3.2.3 The Table at the bottom of Page 2 of the Summary in Appendix 2 shows the Authority's Earmarked and General Balances with movement in 2008-2009.

3.2.4 A summary of the Balances at 31 March 2009 with explanations for their existencies is shown as follows:-

	£M
Earmarked Reserve for Advisory Cost to the Procurement Project	2.1
Sinking Fund (created to offset future large increases in Levy and higher Council Taxes as a result of implementing new Waste Management Processes)	9.2
General Reserve (to cover risks to Authority in carrying out every day functions)	<u>8.3</u>
	<u>19.6</u>

3.3 Prudential Indicators

- 3.3.1 The Authority set its Prudential Indicators and included them in its Budget for 2008-2009. These indicators were recently revised at the Authority meeting on 6 February 2009 (WDA/04/09).
- 3.3.2 Appendix 3 shows the actual outturn against the revised Indicators with reasons for variations.

4. Risk Implications

- 4.1 The reasons for the Earmarked Reserves have been set out in the previous Section of the report, but there is a need to check on the level of the General Reserves and their adequacy to cover possible financial risks to the Authority in the coming years.

	£M
Total Balances held by the Authority at 31 March 2009	19.6
<u>Less: Earmarked Balances</u>	<u>-11.3</u>
General Reserve	<u>8.3</u>

- 4.2 The following risk assessment has been made:-

Identified Risk	Potential Impact	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Contractual obligations with Landfill Owners	That additional costs of statutory improvements in landfill conditions are passed on through contracts with MWHL	4	4	16	Provision in accounts

Need to utilise Landfill Allowances	The Authority will need to utilise the purchase of Landfill Allowances until its new waste management processes are in place	4	4	16	LATS Trading
Costs of Procurement of new contracts	Increased workload for professional advisors in completing the project	4	4	16	Contribution from Halton Council
Possible increases from pension fund implication	Affect of 'credit crunch'	5	3	15	Sufficient General Reserves available
Additional cost of waste management contracts	Increases in waste arisings or market forces pushing up waste management costs	2	2	4	Sufficient General Reserves available

4.3 The level of balances seem adequate at the moment but are subject to review should information become available.

5. HR Implications

5.1 None

6. Environmental Implications

6.1 None

7. Financial Implications

7.1 None (excepting those within the detail of the report itself).

8. Conclusion

8.1 The report identifies the financial performance of the Authority in the financial year 2008-2009 and also indicates the level of the Authority's Reserves with a view on its adequacy.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972:

Budget Report 2008-2009

Final Account Working Papers 2008-2009