

# Public Document Pack



## TRAFFORD COUNCIL

### AGENDA PAPERS FOR ACCOUNTS AND AUDIT COMMITTEE

Date: Tuesday, 24 March 2015

Time: 6.30 p.m.

Place: Committee Rooms 2 and 3, Trafford Town Hall,  
Talbot Road, Stretford, M32 0TH

<b>A G E N D A</b>	<b>PART I</b>	<b>Pages</b>
1.	<b>ATTENDANCES</b>  To note attendances, including Officers and any apologies for absence.	
2.	<b>MINUTES</b>  To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 10 February, 2015.	1 - 4
3.	<b>UPDATE ON 2014/15 SIGNIFICANT GOVERNANCE ISSUE FROM 2013/14 ANNUAL GOVERNANCE STATEMENT : INFORMATION GOVERNANCE</b>  To consider a report of the Information Governance Manager.	To Follow
4.	<b>ACCOUNTS AND AUDIT COMMITTEE PROGRESS REPORT AND EMERGING ISSUES AND DEVELOPMENTS FOR TRAFFORD COUNCIL (MARCH 2015)</b>  To receive a report of the Council's External Auditor.	5 - 22
5.	<b>TRAFFORD AUDIT PLAN</b>  To receive a report of the Council's External Auditor.	23 - 38
6.	<b>INTERNAL AUDIT PLAN 2015/16</b>  To consider a report of the Audit and Assurance Manager.	39 - 52

## **Accounts and Audit Committee - Tuesday, 24 March 2015**

### **7. REVENUE BUDGET MONITORING 2014/15 - PERIOD 10 (APRIL 2014 TO JANUARY 2015)**

To consider a joint report of the Executive Member for Finance and the Director of Finance, which is also being presented to the Executive meeting on 16 March 2015. 53 - 102

### **8. STRATEGIC RISK REGISTER UPDATE**

To consider a report of the Audit and Assurance Manager. 103 - 144

### **9. AUDIT AND ASSURANCE SERVICE: ANTI-FRAUD AND CORRUPTION UPDATE**

To consider a report of the Audit and Assurance Manager. 145 - 150

### **10. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME**

To consider a report of the Audit and Assurance Manager. 151 - 154

### **11. URGENT BUSINESS (IF ANY)**

Any other item or items which by reason of special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

#### **THERESA GRANT**

Chief Executive

#### Membership of the Committee

Councillors M. Whetton (Chairman), Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B. Brotherton, D. Butt and T. Ross.

#### Further Information

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This agenda was issued on **Thursday, 12 March 2015** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH

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## ACCOUNTS AND AUDIT COMMITTEE

10 FEBRUARY 2015

### PRESENT

Councillor M. Whetton (in the Chair).

Councillors Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B. Brotherton, D. Butt and T. Ross.

#### In attendance

Director of Finance	(I.Duncan)
Director of Legal & Democratic Services	(J. Le-Fevre)
Audit and Assurance Manager	(M. Foster)
Head of Partnerships & Communities	(K. Purnell)
Principal Audit and Assurance Officer Team Leader	(H. Carnson)
Senior Democratic & Scrutiny Officer	(I. Cockill)
Democratic & Scrutiny Officer	(C. Gaffey)

#### Also in attendance

H. Stevenson, Grant Thornton UK LLP

### 39. MINUTES

RESOLVED: That the Minutes of the meeting held on 19 November 2014 be approved as a correct record and signed by the Chairman.

### 40. ACCOUNTS AND AUDIT COMMITTEE PROGRESS REPORT AND EMERGING ISSUES AND DEVELOPMENTS FOR TRAFFORD COUNCIL (JANUARY 2015)

Members received a report from Grant Thornton UK LLP on the progress at January 2015 in delivering its responsibilities as the Authority's external auditor.

The report also provided a summary of emerging national issues and developments relevant to the Council and included a number of challenge questions in respect of the emerging issues. The External Auditor and the Director of Finance answered several questions from Members about the report.

The Chairman questioned the scale fee set for the Council for the certification of 2013/14 claims which came to £21,284 (Appendix 1). The External Auditor explained that the fee is independently set by the Audit Commission who follow a specific process, and not by Grant Thornton UK LLP. Details of next year's fee would be reported to the Committee.

RESOLVED: That the report be noted.

### 41. TREASURY MANAGEMENT STRATEGY 2015/16 - 2017/18

The Committee received a joint report from the Executive Member for Finance and the Director of Finance outlining the strategies to be followed for investments and borrowing, outlook for interest rates, management of associated risks, policy to be adopted on Minimum Revenue Provision and Prudential Indicators for 2015/16 – 2017/18.

**Accounts and Audit Committee  
10 February 2015**

The Director of Finance answered questions from Members regarding the effect of falling oil prices on interest rates as well as our investment strategies. It was noted that the only likely borrowing the Council may consider in the near future concerned investment in LED street lighting.

The Director of Finance also agreed to forward a definitive list of organisations the Council lends to. It was explained to Members that this list can change as the organisations must meet a certain criteria. Any changes within an organisation resulting in them not meeting the criteria would mean they are removed from the list.

RESLOVED –

- (1) That the policy on debt strategy for 2015/16 to 2017/18 as set out in section 3 of the report be approved.
- (2) That the investment strategy for 2015/16 to 2017/18 and amendments to the credit criteria as set out in section 5 of the report be approved.
- (3) That the Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3 of the report be approved.

**42. RESERVES AND PROVISIONS**

The Director of Finance submitted a report on the position of the Council's reserves and provisions at 1 April 2014. The report also advised of the forecasted reserve and provision balances at March 2017.

The Director of Finance responded to questions on specific components of the reserves including Trafford's business rates, the reserves for maintained schools and the learning difficulty pool deficit.

RESOLVED: That the report be noted.

**43. ANNUAL GOVERNANCE STATEMENT 2014/15 - APPROACH / TIMETABLE**

The Committee received a report from the Audit and Assurance Manager setting out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2014/15. It was explained that the Accounts and Audit Committee have a role in reviewing the robustness of the statement prior to sign off by the Chief Executive and Leader. As has been the practice in previous years, the report proposes delegation of responsibility for this task to a smaller working group of the Committee.

RESOLVED –

- (1) That the timetable / action plan be noted.

**Accounts and Audit Committee**  
**10 February 2015**

- (2) That the Committee agrees to delegate responsibility for reviewing the robustness of the Annual Governance Statement to a working group made up of the Chairman, Vice Chairman and opposition spokesperson.

**44. ANNUAL GOVERNANCE STATEMENT 2013/14 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: LOCALITY PARTNERSHIPS**

The Committee received a brief report from the Head of Partnerships and Communities. The report provided an extract from the 2013/14 Annual Governance Statement outlining one of the significant governance issues identified for further development through 2014/15 i.e. the development of Locality Partnerships. It also included a brief update on the progress of the Locality Partnerships and a shift towards Locality Planning.

Concern was raised about the viability of the Locality Partnerships in the current financial climate and the complexity of structures within the Trafford Partnership. The Head of Partnerships & Communities confirmed that a mapping exercise of strategies and structures is underway to assess what improvements could be made and the Vice-Chairman recommended more scrutiny, particularly around membership and voting rights relating to the Voluntary Sector Grants processes.

RESOLVED: That the report be noted.

**45. REVENUE BUDGET MONITORING 2014/15 - PERIOD 8 (APRIL TO NOVEMBER 2014)**

The Committee received, for information, a joint report of the Executive Member for Finance and Director of Finance detailing the outcomes of the monitoring of the Council's revenue budget for period 8 (April to November 2014) which had been previously presented to the Executive.

The Director of Legal & Democratic Services answered questions relating to the costs relating to legal child care cases, and that a breakdown of these fees could be produced.

The Chairman commented on the good, strong message from the report regarding underspends in the majority of areas and the Director of Finance advised that the period 9 monitor was expected to show further favourable movements in the Council's financial position.

RESOLVED: That the revenue budget monitoring information for the period April to November 2014, be noted.

**46. BUDGET MONITORING ACTION PLAN UPDATE (JANUARY 2015)**

The Committee received, for information, a joint report of the Audit and Assurance Manager, the Transformation Programme Manager and the Acting Director of Human Resources, providing an update on the position against each of the planned actions listed in the Budget Monitoring Action Plan up to January 2015, providing a summary of action undertaken to date and ongoing work / future plans.

**Accounts and Audit Committee**  
**10 February 2015**

The Audit and Assurance Manager responded to questions Members had about the report. The Chairman commended the progress made. Discussions included the possible approach to future follow up review work against the action plan. It was noted that action plan progress will be reflected in the draft 2014/15 Annual Governance Statement.

The Audit and Assurance Manager advised Members that examples of training material relating to budget monitoring could be provided. With regards to reflecting budget management within the interview process for future recruitment the Director of Finance advised this would need to be followed up with Human Resources.

RESOLVED: That the report be noted.

**47. AUDIT AND ASSURANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2014**

The Committee received, for information, a report from the Audit and Assurance Manager providing a summary of the work of Audit and Assurance during the period October to December 2014, as well as providing ongoing assurance to the Council on the adequacy of its control environment.

Concern was raised about the staffing levels within the Audit and Assurance team following the departure of three staff in 2014/15 and it was noted that plans were being made to address this.

RESOLVED: That the report be noted.

**48. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2014/15**

The Committee received, for information, a report by the Audit and Assurance Manager outlining areas to be considered by the Committee at each of its meetings, over the period of the year. The work programme helps to ensure that the Committee meets its responsibilities under its terms of reference and maintains focus on key issues and priorities as defined by the Committee.

The Audit and Assurance Manager mentioned that, if possible, Information Governance would be covered at the next meeting.

RESOLVED: That the report be noted.

The meeting commenced at 6.30 pm and finished at 8.17 pm

# Accounts and Audit Committee progress report and emerging issues & developments for Trafford Council

Year end 31 March 2015

March 2015

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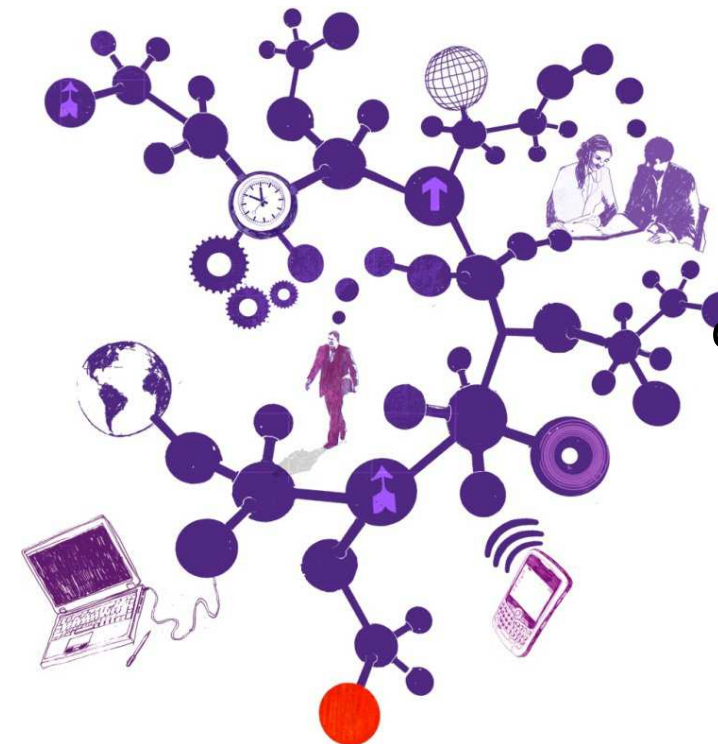
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Agenda Item 4

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



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# Introduction

This paper provides the Accounts and Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Accounts and Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- All aboard? our local government governance review 2015
- Stronger futures: development of the local government pension scheme
- Rising to the challenge: the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities
- 2020 Vision, exploring finance and policy future for English local government
- Where growth happens, on the nature of growth and dynamism across England

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

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# Progress at March 2015

Work	Planned date	Complete?	Comments
<p><b>2014-15 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2014-15 financial statements.</p>	March 2015	On Track	<p>We have issued our fee letter for 2014-15 which includes our outline proposals.</p> <p>Our more detailed plan is included on the agenda for the March Accounts and Audit Committee.</p>
<p><b>Interim accounts audit</b> Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• Initial Value for Money planning and risk assessment.</li> </ul>	From January 2015	On Track	<p>We have commenced our planning and interim work and this will be reported as part of our planning document.</p>
<p><b>2014-15 final accounts audit</b> Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2014-15 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	June to September 2015	On Track	<p>Our work will start with the receipt of the draft final accounts in June 2015. We will prepare an Audit Findings Report and present this to the Committee prior to issuing our audit report.</p> <p>We will complete our work on Whole of Government accounts (WGA) in line with the submission deadline in early October.</p>

# Progress at March 2015

Work	Planned date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b>            We will give our statutory VfM conclusion on the arrangements to secure economy, efficiency and effectiveness based on two criteria, specified by the Audit Commission, related to the Council's arrangements for:</p> <ul style="list-style-type: none"> <li>• securing financial resilience – focusing on whether the Council is managing its financial risks to secure a stable financial position for the foreseeable future</li> <li>• challenging how it secures economy, efficiency and effectiveness – focusing on whether the Council is prioritising its resources within tighter budgets and improving productivity and efficiency.</li> </ul>	September 2015	On Track	<p>We will complete a risk assessment and set out a planned programme of VfM work to inform our 2014-15 conclusion.</p> <p>We will report our overall conclusions on VfM in our Audit Findings report.</p>
<p><b>Annual Audit Letter</b>            Our Annual Audit Letter will summarise the findings from our 2014-15 audit.</p>	October 2015	Not yet due	We will issue our report summarising our work and circulate this to members as required.
<p><b>Grants Report 2013-14</b></p>	February 2015	Issued	.

# All Aboard? - Local Government Governance Review 2015

## Grant Thornton

Our fourth annual review of local government governance is available at <http://www.grant-thornton.co.uk/en/Publications/2015/Local-Government-Governance-review-2015-All-aboard1/>.

We note that the challenges faced by local authorities are intensifying as austerity and funding reductions combine with demographic pressures and technological changes to create a potential threat to the long-term sustainability to some organisations. Maintaining effective governance is becoming ever more complex and increasingly important.

Against this background we have focused this year's review on three key areas:

**Governance of the organisation** – the main area of concern highlighted in this year's governance survey  
Is the level of dissatisfaction with the scrutiny process.

**Governance in working with others** – there is an urgent need for scrutiny to exercise good governance over the complex array of partnerships in which local authorities are now involved. Boundary issues notwithstanding, by 'shining a light' on contracted-out activities and joint operations or ventures, scrutiny committees can bring a new level of transparency and accountability to these areas

**Governance of stakeholder relations** – despite the work that a number of local authorities are doing with the public on 'co-production', almost a third of respondents to our survey did not think their organisation actively involves service users in designing the future scope and delivery of its services.

We conclude that local authorities need to ensure that their core objectives and values are fulfilled through Many other agencies . This implies a greater role for scrutiny and a need to make sure local public sector Bodies' arrangements are a transparent as possible for stakeholders.

Hard copies of our report are available from your Engagement Lead or Audit Manager.



# Stronger futures: development of the LGPS

## Grant Thornton

Our second review on governance in LGPS funds in England and Wales is based on comprehensive research with pension fund senior officers, supported by insights from pension fund auditors and is available at <http://www.grant-thornton.co.uk/Publications/2015/Stronger-futures-development-of-the-LGPS/>

With the local government pensions scheme (LGPS) continuing to face significant change and challenge, there is a clear commitment to ensuring its survival and the provision of affordable pension benefits for the future. Following the implementation of a career average pension scheme in 2014, administering authorities are preparing for significant changes in governance arrangements effective from April 2015.

Some of the key messages from the report are:

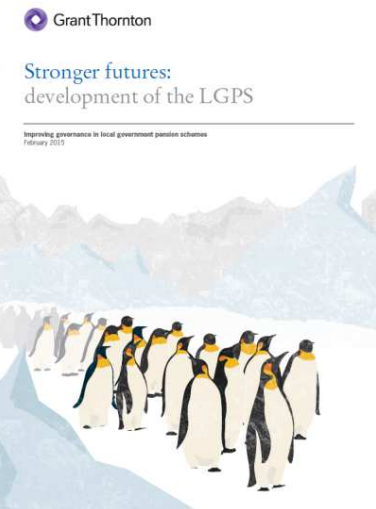
there are increasing strong examples of innovation and increased collaborative working across the LGPS to achieve reduced costs and improved use of specialist skills and knowledge;

implementation of the career average scheme from April 2014 went well and demonstrated good project management and effective communication with members and employers; and

there have been several other positive trends across the LGPS since our 2013 review particularly around the widening scope of reporting to Pension Committees including performance reporting, risk management and internal audit reviews.

However, we saw a wide variation in practice, including a concentration of risk reporting on investment risk, over half of funds have not implemented the CIPFA knowledge and skills framework as part of their member training, 45 per cent of Pension Committees do not receive internal audit reports and 15 per cent do not have specific internal audit coverage, and nearly half of funds have no information around the value of their liabilities in between the triennial valuations.

Hard copies of our report are available from your Engagement Lead or Audit Manager.



# Independent Commission into Local Government Finance

## Local government issues

The Independent Commission on Local Government Finance was established in 2014 to examine the system of funding local government in England and bring forward recommendations on how it can be reformed to improve funding for local services and promote sustainable economic growth. It published its final report, [Financing English Devolution](#), on 18 February 2015.

The report notes that the core of the Commission's proposition is the devolution of powers, funding and taxes to sub-national entities over a 10 year period. They estimate that this could lead to over £200 billion in public expenditure being controlled at a sub-national level. The expectation is that councils and their partners would work collaboratively to manage differences in capacity and resources. They see local areas becoming self sufficient.

The Commission advocates a 'variable speed' approach to reform with 'Pioneers' able to and wishing to reform at a faster pace. Reforms advocated for all authorities include:

- An independent review of the functions and sustainability of local government in advance of the next spending review
- Freedom to set council tax and council tax discounts and full retention of business rates and business rates growth
- Multi-year financial settlements
- The ability to raise additional revenue through the relaxation of the rules on fees and charges

'Pioneer' authorities would also implement:

- Single placed-based budgets for all public services
- Management of funding equalisation across a sub-national area
- Further council tax reforms including the ability to vary council tax bands and undertake revaluations
- Newly assigned and new taxes such as stamp duty, airport taxes and tourism taxes
- The establishment of Local Public Accounts Committees to oversee value for money across the placed-base budget.

## Challenge question

Have members been briefed by your Director of Finance on the key findings of the Independent Commission's final report?

# Inspection into the governance of Rotherham Council

## Local government issues

On 4 February 2015 the Secretary of State for Communities and Local Government, Eric Pickles announced the publication of [Louise Casey's report](#) . Her inspection of the exercise of functions on governance, children and young people and taxi and private hire licensing states:

"Rotherham Metropolitan Borough Council is not fit for purpose. It is failing in its legal obligation to secure continuous improvement in the way in which it exercises its functions. In particular, it is failing in its duties to protect vulnerable children and young people from harm."

It summarises the following serious failings:

- a council in denial about serious and on-going safeguarding failures
- an archaic culture of sexism, bullying and discomfort around race
- failure to address past weaknesses, in particular in Children's Social Care
- weak and ineffective arrangements for taxi licensing which leave the public at risk
- ineffective leadership and management, including political leadership
- no shared vision, a partial management team and ineffective liaisons with partners
- culture of covering up uncomfortable truths, silencing whistle-blowers and
- paying off staff rather than dealing with difficult issues

The report has had widespread press coverage and in a statement in the House of Commons the Secretary of State confirmed that he is considering exercising his powers of intervention in relation to Rotherham.

## Challenge question

Have members been briefed by your Director of Finance on:

- the headline messages from the inspection of aspects of Rotherham MBC's governance arrangements?
- whether there are any lessons to be learned by the authority and actions that need to be taken to strengthen its overall governance arrangements in response to the risk of child sexual abuse, including the robustness of member oversight, challenge and scrutiny?



# Cities launch 'Magna Carta' for devolution

## Local government issues

The Modern Charter for Local Freedom was launched at the Core Cities UK Devolution Summit on 9 February 2015. Ten of the UK's largest cities set out demands for devolution that they say will drive national prosperity and boost local economies. Calling for city areas to be given much greater freedom to reform and join up all public services locally, with job and skills scheme and housing support among the key areas for change they cite three key 'freedoms':

- Freedom to decide: independence, but not one size fits all
- Freedom to invest: prosperous places, not stagnant states
- Freedom to deliver: better services, improved lives

The Core Cities Group has also published its joint report with ResPublica ["Restoring Britain's City States: Devolution, Public Service Reform and Local Economic Growth"](#). This report argues for a rebalancing of the relationship between central government and cities, as the only real solution for addressing the interconnected challenges of local economic growth, public service reform and better governance.

### Challenge question

Have members been briefed by your Chief Executive on the headline messages from the City Growth Commission report, the current status of developments and the potential implications of the proposed devolution of powers to the City Council?

# Councils fear school place tipping point

## Local government issues

Just ahead of the 15 January 2015 deadline for parents to apply for primary school places for their child for September 2015 the LGA warned that the £12 billion cost of creating places for the 900,000 extra pupils expected at England's schools over the next decade could push schools to breaking point. Whilst the government has committed £7.35 billion to create extra school places the LGA claims that this still creates a backlog.

The LGA is calling on the Government to fully-fund the cost of all school places, now and in the future, and to give councils the powers to open new schools without bureaucratic burdens so they can be delivered according to local need. The LGA's 'Investing in our nation's future' campaign outlines measures which it claims would save the public purse £11 billion, tackle the country's housing crisis, ensure every child had a place at a good school, reduce long-term unemployment, address the pothole backlog and improve the nation's health.

### Challenge question

Have members:

- been briefed by your Director of Finance on the headline messages from the LGA's 'Investing in our nation's future' campaign?
- received adequate assurances that locally the authority has a robust and adequately funded schools programme in place to ensure that school places are created on time and in the right places?

# Help into work programmes

## Local government issues

In its press release of 12 January 2015 the LGA reported that more than one million unemployed people are falling through cracks in national work schemes that are failing to reach some of the most vulnerable jobseekers. It warned that whilst councils are being left to pick up the pieces to prevent more vulnerable people slipping further into long-term unemployment and disengagement they cannot afford to continue resolving the failings of these national schemes in their communities without the appropriate funding.

As a remedy the LGA calls on the next government to commit to devolving all nationally-run education, skills and employment schemes to local areas so councils can join-up services to support their most vulnerable residents. A report published by the National Institute of Economic and Social Research (NIESR), commissioned by the LGA, explores in detail how a sample of councils across the country have provided a safety net for their most vulnerable and hardest to reach residents. The NIESR report's lead author, Dr Heather Rolfe, said:

*"Local authorities have a unique position in their communities, are able to bring services together, forging partnerships and strengthening referral networks. It is through such work that they are able to help unemployed people who are beyond the reach of national programmes."*

## Challenge question

Have members been briefed by your Director of Finance on the headline messages from the NIESR report and its implications for the authority's strategies around community engagement, employment, regeneration and economic development?

# Care services for people with learning disabilities and challenging behaviour

## Local government issues

The National Audit Office (NAO) published its report, [Care services for people with learning disabilities and challenging behaviour](#) on 4 February 2015. It concludes that the Government has not met its central goal of moving people with learning disabilities and challenging behaviour out of hospital by 1 June 2014, because it underestimated the complexity and level of challenge in meeting the commitments in its action plan.

Following the exposure in May 2011 of abuse of patients at the Winterbourne View Hospital, the Department of Health set out its action plan in the 'Winterbourne View Concordat' for moving people with learning disabilities and challenging behaviour out of hospital and into community care. At September 2014 however there were still 2,600 inpatients with learning disabilities in mental health hospitals, although NHS England's stated ambition is to discharge 50% of these into "more appropriate care settings" by 31 March 2015.

As the NAO also report that there is no financial incentive for local commissioners to bring such patients home. They have to bear the additional costs of expanding local community services to meet the patients' needs, following discharge from hospital, when NHS England had centrally funded patients' care in mental health hospitals

## Challenge question

Have members been briefed by your Director of Finance on the arrangements that the authority is putting in place with its health care commissioner and provider partners to locally implement the 'Winterbourne View Concordat'?

# Provision for Business Rates Appeals

## Accounting and audit issues

### Unlodged appeals

The Chancellor's Autumn Statement included a change to the rules relating to business rates appeals. As a result we do not expect to see any provisions for unlodged appeals in local authorities' 2014/15 accounts, although we will expect this to be re-considered for 2015/16 accounts.

The change restricts the backdating of Valuation Office Agency (VOA) alterations to rateable values. Only VOA alterations made before 1 April 2016 and ratepayers' appeals made before 1 April 2015 can now be backdated to the period between 1 April 2010 and 1 April 2015. The aim is to put authorities in the position as if the revaluation had been done in 2015 as initially intended, before the deadline was extended to 2017.

There may be some fluctuations in provisions at 31 March 2015 as unlodged appeals provisions are released. However, there may also be increased numbers of appeals lodged prior to 31 March 2015. These appeals may be more speculative in nature and therefore authorities may need to consider whether prior year assumptions remain valid in estimating their provisions.

### Utilisation of provision

As part of the provisions disclosures in the accounts, local authorities need to disclose additional provisions made in the year, the amounts used (i.e. incurred and charged against the provision) during the year and unused amounts reversed during the year.

We understand that the software used for business rates may not provide values for the amounts charged against the provision during the year and that there is no simple software solution for this for 2014/15. Local authorities will need to consider available information and make an estimate of the amount for appeals settled in the year.

### Challenge questions

- Has your Director of Finance reassessed the methodology for making the business rates provision?
- Has your Director of Finance got arrangements in place for the estimation of appeals to be charged against the provision?

# Early payment of pension contributions

## Accounting and audit issues

During 2014/15 some local authorities paid pension fund deficit contributions covering three years (2014/15 to 2016/17). By doing this the local authority benefits from a discount on the total amount payable resulting in a lower overall charge.

Due to the amounts involved, some authorities are seeking to spread the impact of the payment over the three-year period. In doing so, they must be satisfied that the amounts charged to the general fund in a financial year are the amounts payable for that year as defined by regulation 30 of [The Local Authorities \(Capital Finance and Accounting\) \(England\) Regulations 2003](#).

We expect authorities that are spreading the impact of pension deficit contributions to obtain legal advice (either internally or externally) to determine the amounts that are chargeable to the general fund. The accounting judgements and treatment should reflect the advice received and should be documented accordingly.

Where an authority has received legal advice that the up-front payment can be recognised in the general fund over three years, based on our understanding of the arrangement we would expect the total amount to be reflected in the pension fund liability. This means that the pension reserve will not equal the pension liability. We expect the background to the transactions and the reason for the difference to be disclosed in a note to the accounts.

### Challenge question

- Has your authority paid pension fund contributions covering more than one year and if so has your Directors of Finance obtained legal advice and documented their judgement on accounting for the early payment of pension contributions?

# Inclusion of overtime in the calculation of holiday pay

## Accounting and audit issues

The Employment Appeal Tribunal (EAT) has delivered its judgement on the extent to which overtime pay should be included in the calculation of holiday pay. This case stems from an apparent conflict between UK law and European Law.

The EAT found that non-guaranteed overtime (i.e. overtime, which is not guaranteed by the employer, but which the worker is obliged to work, if it is offered), should be included in the calculation of holiday pay. Back-dated claims can only be made if it is less than three months since the last incorrect payment of holiday pay.

It is likely that there will be an Appeal to this decision. However that does not mean that authorities should hold off assessing the impact. Local authorities should be considering their own circumstances and if necessary taking their own legal advice as to the extent they might be affected by the ruling. If an authority is going to be affected they need to assess whether the liability can be reliably measured.

For an authority likely to be affected in a material way, where it is possible to reliably measure that liability, then appropriate provision should be made in the 2014/15 accounts. The fact that the issue might go to Appeal at some uncertain time in the future is not of itself grounds for not including a provision. The chances of any success would need to be taken account of in the legal analysis but, in any case, there are some indications that the key issue on Appeal would be whether to remove the three month cap (if this were done then the provision would increase), rather than dismissing the entire decision to include overtime in the calculation of holiday pay.

## Challenge question

- Has your authority taken legal advice and assessed if a provision is required in the 2014/15 accounts?



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# The Audit Plan for Trafford Council

Year ended 31 March 2015

24 March 2015

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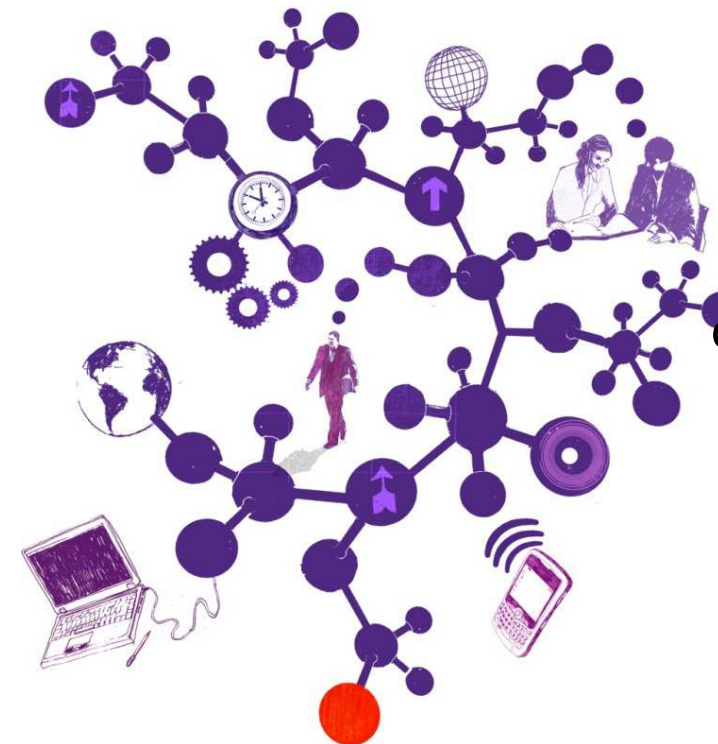
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Agenda Item 5

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# Contents

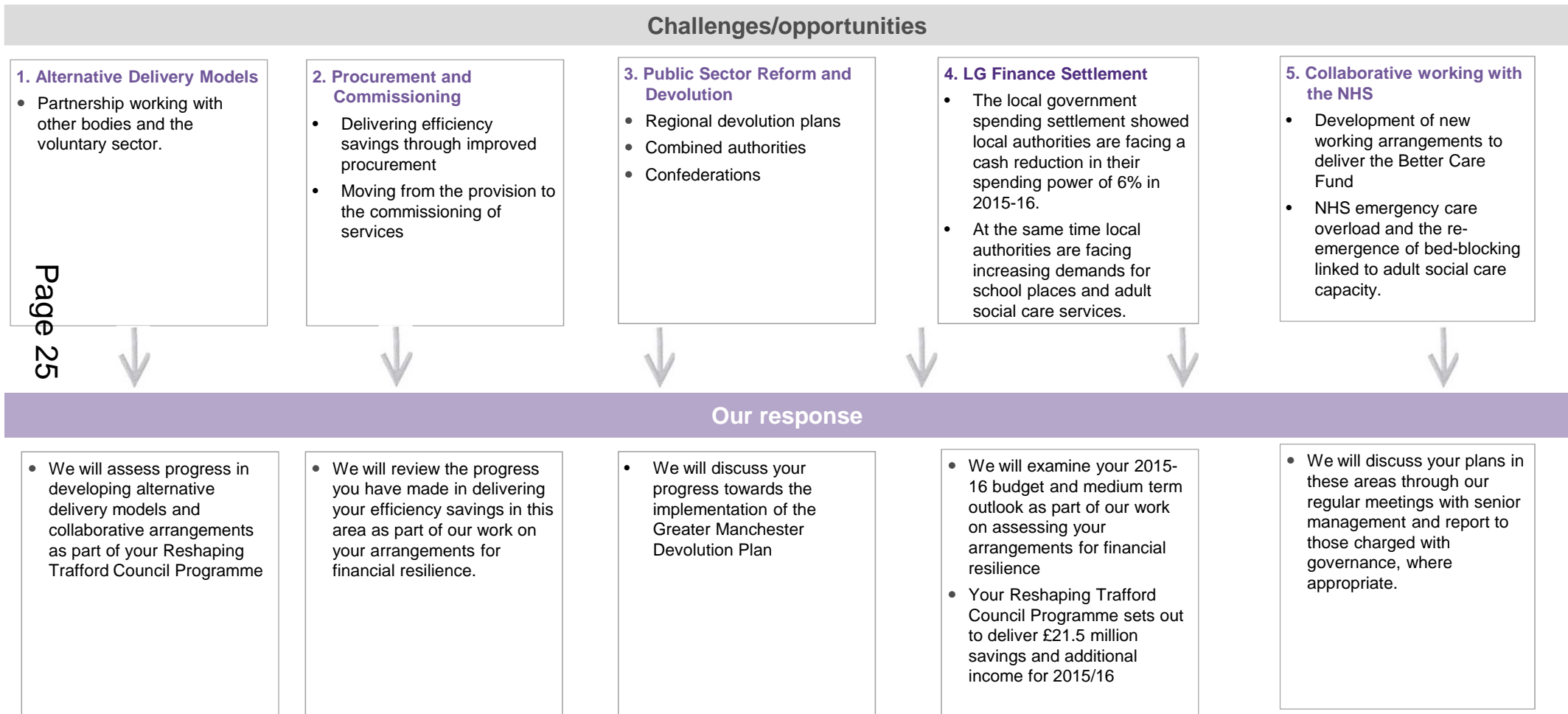
## Section

1. Understanding your business
2. Developments relevant to your business and the audit
3. Our audit approach
4. Significant risks identified
5. Other risks
6. Value for Money
7. Results of interim work
8. Key dates
9. Fees and independence
10. Communication of audit matters with those charged with governance

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

# Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.



# Developments relevant to your business and the audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice ('the code') and associated guidance.

## Developments and other requirements

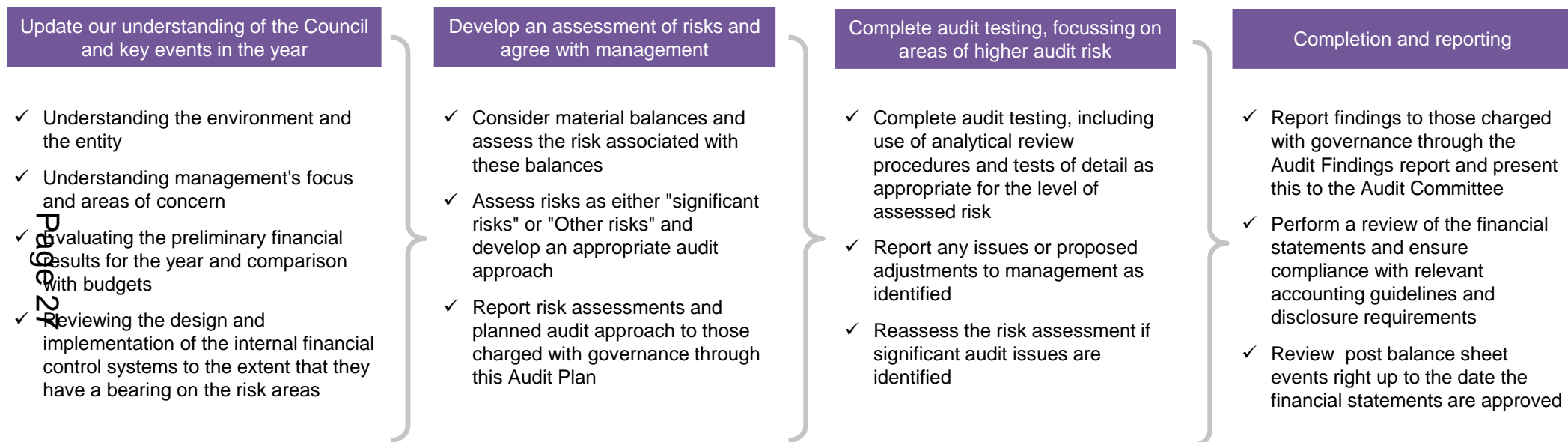
<p><b>1. Financial reporting</b></p> <ul style="list-style-type: none"> <li>• Changes to the CIPFA Code of Practice (the Code)</li> <li>• Changes to the recognition of school land and buildings on local authority balance sheets</li> <li>• Adoption of new group accounting standards (IFRS 11 and 12)</li> </ul>	<p><b>2. Legislation</b></p> <ul style="list-style-type: none"> <li>• Local Government Finance settlement</li> </ul>	<p><b>3. Corporate governance</b></p> <ul style="list-style-type: none"> <li>• Annual Governance Statement (AGS)</li> <li>• Explanatory foreword</li> </ul>	<p><b>4. Better Care Fund</b></p> <ul style="list-style-type: none"> <li>• Better Care Fund (BCF) plans and the associated pooled budgets will be operational from 1 April 2015</li> </ul>	<p><b>5. Financial Pressures</b></p> <ul style="list-style-type: none"> <li>• Managing service provision with less resource</li> <li>• Progress against savings plans</li> </ul>	<p><b>6. Other requirements</b></p> <ul style="list-style-type: none"> <li>• The Council is required to submit a Whole of Government accounts pack on which we provide an audit opinion</li> <li>• The Council completes grant claims and returns on which audit certification is required</li> </ul>
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## Our response

<p>We will ensure that</p> <ul style="list-style-type: none"> <li>• the Council complies with the requirements of the CIPFA Code of Practice through discussions with management and our substantive testing</li> <li>• schools are accounted for appropriately and in line with current accounting guidance</li> <li>• the group boundary is recognised in accordance with the Code and joint arrangements are accounted for correctly</li> </ul>	<ul style="list-style-type: none"> <li>• We will discuss the impact of the legislative changes with the Council through our regular meetings with senior management and those charged with governance.</li> </ul>	<ul style="list-style-type: none"> <li>• We will review the arrangements the Council has in place for the production of the AGS</li> <li>• We will review the AGS and the explanatory foreword to consider whether they are consistent with our knowledge</li> </ul>	<ul style="list-style-type: none"> <li>• We will follow up our previous year's review of the progress being made on Trafford's BCF</li> </ul>	<ul style="list-style-type: none"> <li>• We will review the Council's performance against the 2014/15 budget, including consideration of performance against the savings plan</li> <li>• We will undertake a review of financial resilience as part of our VfM conclusion</li> </ul>	<ul style="list-style-type: none"> <li>• We will carry out work on the WGA pack in accordance with requirements</li> <li>• We will certify the housing benefit subsidy claim in accordance with the requirements specified by Public Sector Audit Appointments Ltd. This company will take over the Audit Commission's responsibilities for housing benefit grant certification from 1 April 2015.</li> </ul>
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# Our audit approach

Our audit approach is based on an assessment of the audit risk relevant to the individual elements of the financial statements. We focus much of our audit effort on areas that we deem to be of highest risk of material misstatement. The diagram below summarises our overall audit approach and the following pages cover significant and other risk areas identified and our planned audit approach to each of these areas.



## Materiality

An item would be considered to be material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

Materiality is set at the outset of planning to ensure that an appropriate level of audit work is planned. It is then used throughout the audit process in order to assess the impact of any item on the financial statements. Any identified errors or differences greater than 5% of materiality will be recorded on a schedule of potential misstatements.

## Internal audit

We review the work performed by Internal Audit during the year to assess whether the outcome of this work highlights any additional risk areas for our audit.

# Significant risks identified

'Significant risks often relate to significant non-routine transactions and judgemental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgemental matters may include the development of accounting estimates for which there is significant measurement uncertainty' (ISA 315).

In this section we outline the significant risks of material misstatement which we have identified.

Significant risk	Description	Substantive audit procedures
<p>The revenue cycle includes fraudulent transactions</p>	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Trafford Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• the culture and ethical frameworks of local authorities, including Trafford Council, mean that all forms of fraud are seen as unacceptable.</li> </ul>
<p>Management over-ride of controls</p>	<p>Under ISA 240 the presumption that the risk of management over-ride of controls is present in all entities.</p>	<p><b>Work planned:</b></p> <ul style="list-style-type: none"> <li>• Review of accounting estimates, judgments and decisions made by management</li> <li>• Testing of journal entries</li> <li>• Review of unusual significant transactions.</li> </ul>

# Other risks identified

The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgement, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures (ISA 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit Approach
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Documentation and identification of the process and key controls in the operating expenses cycle</li> <li>• Walkthrough of a sample item to confirm our understanding</li> </ul> <p><b>Further work planned</b></p> <ul style="list-style-type: none"> <li>• Substantive year-end testing of balances and new-year payments</li> <li>• Testing of creditor reconciliations</li> </ul>
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Documentation and identification of the process and key controls in the payroll cycle</li> <li>• Walkthrough of a sample item to confirm our understanding</li> </ul> <p><b>Further work planned:</b></p> <p>Testing payroll reconciliations to confirm that payroll totals are accurately and completely recorded in the general ledger.</p>
Welfare Expenditure	Welfare benefit expenditure is misstated	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Documentation and identification of the process and key controls in the welfare expenditure cycle</li> <li>• Walkthrough of a sample item to confirm our understanding</li> </ul> <p><b>Further work planned:</b></p> <p>Substantive testing of welfare benefits paid in year and reconciliation between the financial ledger and the housing benefits system</p>

# Other risks identified cont'd

Other risks	Description	Audit Approach
Accounting for Schools	<p>The Council is reviewing its accounting for school buildings in response to CIPFA's LAAP bulletin 101.</p> <p>Property Plant and Equipment may be understated or overstated.</p>	<p><b>Work completed to date:</b> Discussions with Finance staff on this issue.</p> <p><b>Further work planned:</b> Review of accounting estimates, judgements and decisions made by management in arriving at the accounting for these schools.</p>

## Other material balances and transactions

Under the International Standards for Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance, and disclosure". All other material balances will therefore be audited, however, the procedures will not be as extensive as the procedures adopted for "Significant" and "Other risks". These would include:

- Property Plant and Equipment
- Investment Property
- Investments
- Long Term and Short term Debtors
- Cash and Cash Equivalents
- Borrowing and other liabilities
- Council Tax
- Business Rates
- Grants Revenue
- Other Income
- Related Party Transactions
- Provisions

## Other Audit responsibilities

- We will undertake work to satisfy ourselves that disclosures made in the Annual Governance statement are appropriate.
- We will carry out work on the Whole of Government Accounts pack in accordance with requirements
- We will certify the housing benefit subsidy claim in accordance with the requirements specified by Public Sector Audit Appointments Ltd.



# Value for money

## Value for money

The Code requires us to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

Our VfM conclusion is based on the following criteria specified by the Audit Commission:

VfM criteria	Focus of the criteria
The organisation has proper arrangements in place for securing financial resilience	The organisation has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future
The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness	The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity

We will undertake a risk assessment to identify areas of risk to our VfM conclusion. The results of our VfM audit work and the key messages arising will be reported in our Audit Findings report and in the Annual Audit Letter.

We will consider whether the Council has proper arrangements in place for:

- securing financial resilience
- challenging how it secures economy, efficiency and effectiveness in its use of resources

Risk-based work focusing on arrangements relating to financial governance, strategic financial planning and financial control.

Specifically we will:

- Review progress and delivery of planned savings in 2014/15
- Update our understanding of your 2015-16 budget and medium term financial outlook
- Review your financial planning and budgeting arrangements
- Assess progress with developing plans to fill the identified budget gaps over the medium term
- Update our review of the Council's work with its partners, including the developments on integration under the implementation of the Better Care Fund.

# Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

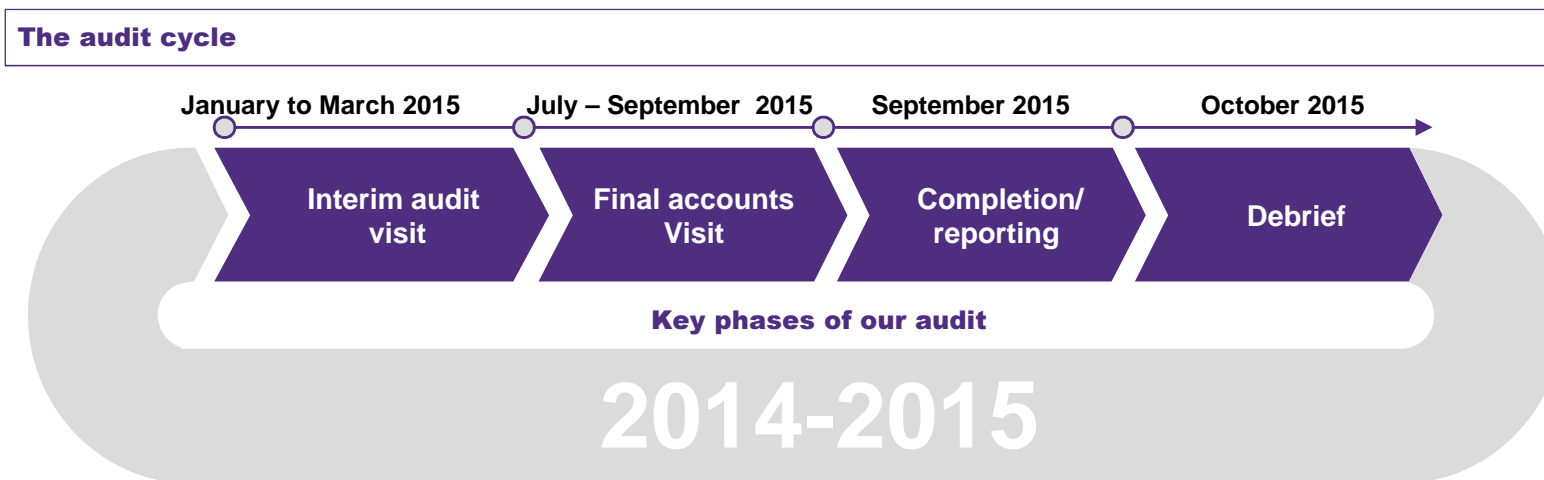
	<b>Work planned/performed</b>	<b>Conclusion</b>
<b>Entity level controls</b>  <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 32</div>	We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including: <ul style="list-style-type: none"> <li>• Communication and enforcement of integrity and ethical values</li> <li>• Commitment to competence</li> <li>• Participation by those charged with governance</li> <li>• Management's philosophy and operating style</li> <li>• Organisational structure</li> <li>• Assignment of authority and responsibility</li> <li>• Human resource policies and practices</li> </ul>	Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements
<b>Review of information technology controls</b>	Our information systems specialist is currently performing a high level review of the general IT control environment, as part of the overall review of the internal controls system.	Our work to date has identified no material weaknesses which are likely to adversely impact on the Council's financial statements.
<b>Identification and evaluation of financial systems controls</b>	We have completed walkthrough tests of controls operating in areas where we consider that there is a risk of material misstatement to the financial statements. These are: <ul style="list-style-type: none"> <li>• Employee remuneration (Payroll)</li> <li>• Operating Expenses ( Payables/ Creditor Payments)</li> <li>• Welfare Benefits (Housing Benefits)</li> </ul>	Our work to date has identified no material weaknesses which are likely to adversely impact on the Council's financial statements.

# Results of interim audit work cont'd

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	<b>Work planned/performed</b>	<b>Emerging issues and work to complete</b>
<b>Internal audit</b>	High level review of Internal Audit's overall arrangements to be undertaken, including taking account of any key findings from Internal Audit's work programme.	Review to be completed.
<b>Journal entry controls</b>	We will review the Council's journal entry policies and procedures as part of determining our journal testing .	Review to be completed.
<b>Early Substantive testing</b>	As part of our interim audit we will undertake early substantive testing of operating expenses and employee remuneration. We will perform further testing in these areas, relating to the final months of the financial year, as part of our post statements.	Testing to be completed.

# Key dates



Date	Activity
November – December 2014	Planning
January – March 2015	Interim site visit
March 2015	Presentation of audit plan to Accounts and Audit Committee
July – September 2015	Year end fieldwork
September 2015	Audit findings meetings with finance officers
September 2015	Report audit findings to those charged with governance (Accounts and Audit Committee)
By 30 September 2015	Sign financial statements opinion

# Fees and independence

## Fees

	£
Council audit	156,119
Grant certification	15,330
<b>Total fees (excluding VAT)</b>	<b>171,449</b>

### Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Council and its activities, have not changed significantly
- The Council will make available management and accounting staff to help us locate information and to provide explanations

### Grant certification

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited.
- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services.'

## Fees for other services

Service	Fees £
Teachers Pension - Reasonable Assurance Report	4,200

### Fees for other services

Fees for other services reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

### Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings report at the conclusion of the audit.

We confirm that we have implemented policies and procedures to meet the requirement of the Auditing Practices Board's Ethical Standards.

# Communication of audit matters with those charged with governance

International Standards on Auditing (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

## Respective responsibilities

The plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit plan	Audit findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issue arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.	✓	✓
Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged.		
Details of safeguards applied to threats to independence		
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

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## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 24 March 2015  
**Report for:** Approval  
**Report of:** Audit and Assurance Manager

### Report Title

**Audit and Assurance Service – Internal Audit Operational Plan 2015/16**

### Summary

**The purpose of the report is to provide, at a high level, the proposed Internal Audit Operational Plan for 2015/16.**

### Recommendation

**The Accounts and Audit Committee is asked to approve the 2015/16 Internal Audit Plan.**

### Contact person for access to background papers and further information:

**Name:** Mark Foster – Audit and Assurance Manager  
**Extension:** 1323

### **Background Papers:**

None

# **Internal Audit Operational Plan 2015/16 – Audit and Assurance Service**

## **1. Introduction**

- 1.1 The 2015/16 Internal Audit Operational Plan identifies the work to be undertaken by the Audit and Assurance Service during the year. This report describes its method of compilation and presents, at a high level, the 2015/16 Plan for approval.

## **2. Background**

- 2.1 Each year the Audit and Assurance Service produces a report setting out its annual plan for approval by CMT and the Accounts and Audit Committee. Subsequent updates are then provided to CMT and the Accounts and Audit Committee through the year highlighting work undertaken and progress against key areas of the Plan.
- 2.2 In accordance with the Accounts and Audit (England) Regulations 2011, it is a requirement that the Council “must undertake an adequate and effective internal audit of its accounting records and its system of internal control in accordance with the proper practices in relation to internal control.” (Note: Accounts and Audit Regulations 2015 to come into effect from April 2015). In order to support this, the Audit and Assurance Service must undertake its work in accordance with the Public Sector Internal Audit Standards which have been in place since April 2013.
- 2.3 The Service’s approach to undertaking internal audit work is set out in the Internal Audit Charter and Strategy documents which were approved by CMT and the Accounts and Audit Committee in March 2014.

## **3. Compilation of the Plan**

- 3.1 The Operational Plan is produced to take into account coverage of risks and associated controls in place. An important consideration is that the Operational Plan should include good coverage across Council services and systems. The ongoing financial challenges facing the Council highlight the need to ensure there are effective governance and internal control arrangements in place to ensure risks are managed and value for money is achieved.
- 3.2 A number of factors are taken into account in compiling the Operational Plan based on both statutory obligations, the objectives of the Council and an assessment of risks. Factors such as materiality, business risks, inherent risks and time since the area was last reviewed are taken into account.
- 3.3 New developments such as changes in legislation and council responsibilities are considered in planning work. Current developments

- across the Council are taken into account in planning and scheduling work. In 2015/16 for instance, time is set aside for the audit of new systems within Adult Social Care. Time is also allocated in relation to the proposed Joint Venture.
- 3.4 Corporate Directorates provide input to the plan through liaison with the Audit and Assurance Service throughout the year and through information provided such as through risk registers, action plans, self assessments and control / governance issues raised.
  - 3.5 The Service has a number of obligations to take into account in producing the Plan. This includes the need to set aside time to meet the requirements of the Accounts and Audit Regulations by facilitating the production of the Authority's Annual Governance Statement. The Service also co-ordinates the update of the Council's strategic risk register.
  - 3.6. Plans take into account other audit, assurance or development work being undertaken in particular areas. This includes for instance work by the External Auditor and other developments across the Council. Time is also allocated to follow up on control issues previously raised in 2014/15, including previous audit review work, to assess progress in implementing action plans, particularly where significant areas for improvement in controls have been identified. In 2015/16, Audit review work will include following up on progress in relation to areas set out in the Corporate Budget Monitoring Action Plan.
  - 3.7 A specific category of audit time is also included to reflect the requirement for internal audit checks of information supporting particular grant claims.
  - 3.8 The amount of time available to undertake the annual plan is identified, and individual areas of work selected on the basis of risk until available time has been utilised. A contingency is also held to allow for unforeseen circumstances.
  - 3.9 For reporting and monitoring purposes the plan is divided into a number of categories. Whilst the plan is divided into these categories it should be noted that there are significant areas of overlap between them and assurance gathered from one source could apply to another. For instance, whilst there is a block of time allocated to procurement and value for money, such issues will also be covered to some degree within other areas of the plan such as reviews of fundamental systems; anti-fraud and corruption work and reviews of schools and other establishments.
  - 3.10 It should be noted that there is a reduction in planned operational days in the Audit Plan compared to the previous year. At the time of producing the Plan (March 2015), there were three less audit staff in position compared to March 2014. One post has been deleted, one vacancy is currently being advertised and the other one is subject to approval to replace the post. The Plan has been produced on the assumption that two

new audit staff will be in place later in 2015. A total of 960 planned days are assumed compared to 1325 days in 2014/15). Available days will be further reviewed at the end of June 2015 taking into account resources actually available.

- 3.11 There is a variety of activities undertaken to fulfil the Audit Plan and in addition to conducting internal audit reviews, work also includes providing input to project / working groups, providing guidance and advice, and developing or providing input to council policies and procedures.
- 3.12 The report does not include reference to all work to be undertaken during the year. As issues are raised or areas of risks are identified on an ongoing basis, other areas are included through the year and existing plans reviewed. For some areas, elements of planning may take place during the year and therefore detailed plans are not available at the commencement of the year. Quarterly updates to CMT and the Accounts and Audit Committee will include reference to new work included in the work plan through the year. The Operational Plan is flexible and during the year adjustments may be made to accommodate any changes in the control environment and to consider emergent risks. Supporting the plan set out in this report are programmes of work for the individual categories listed in section 4, plus further plans detailing work allocated to individual staff.
- 3.13 It should be noted that there are a number of other activities undertaken that are not reflected in the analysis of planned days as they are not attributable to one particular category of work but support the audit process. These include support to the Accounts and Audit Committee, liaison with the External Auditor (Grant Thornton), development of audit systems, procedures and guidance, networking with other North West Internal Audit groups to share good practice, information gathering in support of the production of the audit plan etc. Separate additional time allocations are given to individual staff to undertake these activities.
- 3.14 Where key areas identified in the Plan are not undertaken as scheduled, this will be reported in subsequent updates and / or the Annual Internal Audit Report as necessary.

#### **4. Operational Plan Coverage 2015/16**

- 4.1 The Operational Plan is compiled to ensure coverage across a wide and diverse range of services, systems and thematic areas of coverage. Each of the main categories of work is described in the paragraphs below. In the appendix is a summary of the planned work and an estimated time is allocated to each category. This includes an estimate of time profiled by quarter.

## 4.2 Fundamental Systems

These are the core financial systems that provide key inputs for the production of the material balances in the Council's accounts. Previous assurance obtained in earlier audits will be taken into account in planning the level of audit coverage within individual reviews.

Coverage will include review of the following systems and issue of audit opinion reports during the year:

HR/Payroll system, Treasury Management, Accounts Payable, Accounts Receivable and Debt Recovery, Council Tax, Business Rates, Housing Benefit and Council Tax Reduction, Insurance and Income Control.

Coverage will also include budgetary control arrangements with time allocated to follow up and assess progress made in relation to the improvements highlighted through the Corporate Budget Monitoring Action Plan.

There will also be review work relating to cash handling, including petty cash accounts and also cash collection which will be covered alongside the Income Control review.

An audit review will also be undertaken of the new Adult Social Care system, Liquid Logic and supporting Controcc system. (Note a further review in relation to ICT controls will also be undertaken, see 4.7). In addition in respect of Adult Social Care, an audit review will also cover procedures in respect of personal budgets.

A block of time will also be allocated for any work in this category carried forward from 2014/15 which will be highlighted in the 2014/15 Annual Internal Audit Report.

## 4.3 Governance

Audit and Assurance will lead on reviewing and collating supporting evidence and assurances for the completion of the Council's 2014/15 Annual Governance Statement. As part of this process, a Corporate Governance review will be completed using CIPFA/SOLACE guidance as a framework. This identifies particular aspects of governance arrangements to review across the Council such as clarity of responsibilities and reporting arrangements, procedural issues, standards of conduct, management of risks, community engagement, workforce planning, partnership governance etc.

Work in support of producing the 2015/16 Annual Governance Statement will commence in the final quarter of the year.

In respect of partnerships, audit review work previously planned in relation to partnership governance has been reviewed and rescheduled in agreement with the Corporate Director, CFW. A review in relation to governance arrangements in respect of the Section 75 Strategic Partnership Agreement for the integrated delivery of health and social care between Trafford Council and Pennine Care Foundation Trust will be completed later in 2015. Further to that, reviews will also commence in relation to partnership arrangements in relation to Mental Health and Learning Disabilities.

#### **4.4 Risk Management**

Time is allocated to review existing risk management arrangements across the Council and ensuring processes are evidenced. This will include continuing to facilitate the ongoing update of the strategic risk register. This provides assurance in respect of the highest strategic risks faced by the Authority in terms of the management and ongoing monitoring of those risks. As part of this, there will also be ongoing liaison with individual Corporate Directorates to share good practice and gather assurance regarding risks at a Directorate level. The Service maintains corporate risk management guidance, available on the Council's intranet, which where applicable will continue to be updated.

#### **4.5 Anti Fraud & Corruption**

Cases of suspected internal fraud or theft referred to the Audit and Assurance Service will be subject to investigation during the year. The Service will continue to support the National Fraud Initiative and will report progress on this and other anti-fraud and corruption activity to the Accounts and Audit Committee.

The Council's existing benefit fraud investigation team will be transferring to the DWP as part of the Single Fraud Investigation Service in March 2016. A Counter-fraud team within Exchequer Services is being established with an aim that the Council maintains an adequate fraud investigation capacity following the transfer. In 2015/16, Audit will liaise with the new team, and where appropriate other functions such as Legal Services and Human Resources, to consider existing anti-fraud policies and protocols, taking into account the recently published CIPFA Code of Practice on Managing the Risks of Fraud and Corruption.

#### **4.6 Procurement / Value for Money**

Audit and Assurance undertakes reviews of procurement arrangements and processes to ensure the Council strives to achieve value for money and undertakes procurement in accordance with relevant legislation and the Contract Procedure Rules.

As part of internal audit planning, the Service has liaised with the STaR Shared Procurement Service and Internal Audit sections of the partner

authorities (Stockport and Rochdale Councils). It has been agreed that audit plans will be co-ordinated and relevant findings shared to ensure an efficient audit process. In 2015/16, it has been agreed that the three authorities will co-ordinate review work to firstly include a review of the contracts register and later in 2015/16 to cover adherence to the harmonised Contract Procedure Rules, due to be introduced from May 2015.

It has been agreed that audit time will be allocated in relation to the Council's proposed Joint Venture contract which will be agreed with the EGEI Directorate during the course of the year.

A number of reviews will be undertaken that relate in part to contract monitoring issues, which Audit has agreed with relevant Directorates. The Service will review contract monitoring arrangements in relation to Aids and Adaptations within CFW as part of a general audit review of this service area. In addition, a review of contract monitoring arrangements in relation to Home to School Transport Contracts is planned. There will also be a review of arrangements relating to contracts in respect of Advertising signs.

At the request of the relevant service area, a planned review of contract monitoring arrangements for the corporate Car Parking enforcement contract has been rescheduled from the final quarter of 2014/15 to be included in the 2015/16 Plan.

There will also be a follow up audit of the review undertaken in 2014/15 of match day parking contracts at schools.

#### **4.7 Information, Communications and Technology (ICT)**

The audit of ICT covers the review of procedures, processes and controls across a range of computer systems and technical solutions. Salford Audit Services undertake some of this work and also contribute to audit planning in respect of this area.

An ICT application review will be undertaken of the Adult Social Care system, Liquid Logic and supporting Controcc system.

A review of the Council's Information Governance arrangements will be undertaken later in 2015/16, following the establishment of the new Information Governance team.

There will also be a review covering cyber security issues, particularly in relation to national requirements in line with accreditation to the Public Service Network.

Where applicable, time will be allocated to follow up reviews conducted in 2014/15. This will include follow up of the schools ICT Governance and

Security review and also the ICT controls review in relation to the Council's general ledger.

This block of work may also cover investigating cases of misuse of the Council's ICT facilities, ensuring members and staff are aware of responsibilities, such as in adhering to the council's Acceptable Use Policy.

There may be further review work planned during the course of the year in liaison with ICT and other relevant services. Any additional planned work will be reported in the regular Audit and Assurance update reports through the year.

#### **4.8 Schools**

The Schools Financial Value Standard was introduced in 2011/12 and since then, schools are required to submit a declaration to show adherence to the Standard by 31 March each year. Information submitted is utilised by Audit and Assurance to assist in planning and undertaking school audits.

Based on a risk assessment, taking into account the information above and from previous work undertaken at each school and liaison with the CFW Directorate and Finance Services, a number of school audits will be undertaken.

This will include follow up reviews of six schools where a less than adequate audit opinion was previously issued.

It is planned that visits will be undertaken to at least a further nine schools, and audit opinion reports will be issued following each of these audits.

#### **4.9 Assurance – Other Key Business Risks**

Time is allocated to reviewing risk areas derived from a number of sources not covered within other categories of the Plan, including Directors / senior managers' recommendations, risk registers and areas identified by Internal Audit. Reviews may cover individual services, establishments, functions and authority wide issues and risks to ensure a broad coverage of audit work across the Council. For service/establishment related reviews, risks reviewed may encompass a number of areas of control such as procedures and responsibilities, adherence to legislation, budgetary control, Payroll/HR related processes, risk management, security (of cash, assets and data), purchasing; income collection and recording and other areas specific to the service under review.

Follow up work in respect of audit reviews previously undertaken will be undertaken. This will include follow up reviews of:



- Business Continuity (T&R / Authority- wide)
- Taxi licensing (EGEI )
- Section 17 Payments (Children’s Act 1989) (CFW – Children)
- Schools catering (EGEI)
- TTH Catering (EGEI)
- Client Finances (CFW – Adult Services)
- Altrincham Crematorium (EGEI)

Follow up work will also be undertaken of the previous review of Section 106 Planning Agreements. Alongside this, a review will also be undertaken of the Council’s processes in relation to the Community Infrastructure levy.

A report will be issued in relation to the audit review of Planning Control (EGEI) which was due to commence at the end of 2014/15.

As referred to in 4.6, an audit review of Aids and Adaptations (CFW) will be undertaken.

Due to resource capacity, in agreement with respective Directorates, some reviews have been rescheduled from 2014/15 to be included in the 2015/16 Plan. These are as follows:

- Building Control (EGEI )
- Trafford Youth Service barge project (CFW - Children)
- Registrar’s Income (Transformation and Resources)

For the above reviews, Audit and Assurance will contact individual services to discuss and agree the detailed scope of the reviews prior to any work being undertaken.

There will also be time allocated for the completion of any other review work in progress as at the end of March 2015 / carried forward from 2014/15 (which will be highlighted in the 2014/15 Annual Internal Audit Report).

There will also be time set aside to review other potential risk areas as raised through 2015/16.

#### **4.10 Data Quality/Grant Claims**

In recent years, Internal Audit has been required to review an increasing number of grant claims and a separate block of time is now allocated in the Plan to accommodate this. Since 2014/15, the Service provides a role in providing verification checks on claims made as part of the Council’s Stronger Families programme and that will continue in 2015/16.

#### 4.11 **Service Advice / Projects**

The Audit and Assurance Service provides advice across the Council on governance and control issues. In addition to areas listed elsewhere in this report, time is set aside for the provision of ongoing service advice. This may take the form of responses to ad hoc queries, issuing guidance, and liaison with other services.

The Audit and Assurance intranet site includes information on the role of Audit and associated guidance for services in respect of risk management, governance and anti-fraud and corruption.

Audit also contributes to a number of project/working groups involved in the development of new systems or review of processes, providing advice and assurance where appropriate. (In 2014/15, this included input to working groups/boards/relating to the Adult Social Care system, Information Security Governance Board and the Stronger Families programme).

Audit will continue, subject to available resources, to set some planned time aside to contribute to projects to provide input in terms of consideration of internal control issues.

#### 4.12 **Financial Appraisals**

The Service will continue to liaise with the STaR Strategic Procurement Unit to support the process of evaluating the financial position of contractors and potential providers.

2015/16 Operational Audit Plan – Allocation in Days

Appendix

<b>Category</b>	<b>Details</b>	<b><u>Impact of Audit and Assurance's work</u></b>	<b><u>Planned Days</u></b> (Profiled by each quarter of year – Q1/Q2/Q3/Q4)
<b>Fundamental Systems</b>	Completion of fundamental financial systems reviews.	Assurance on the operation of material business critical systems. Improvements in control environment supporting the achievement of corporate priorities, effective financial management, good governance and supporting the Council's position in respect of its external audit review.	<b>160</b> (40/45/25/50)
<b>Governance</b>	<p>Corporate Governance Review / Collation of supporting evidence and production of the 2014/15 Annual Governance Statement.</p> <p>Reviews of governance arrangements for the Council's significant partnerships.</p>	<p>Provision of assurance on the effectiveness of governance arrangements in place within the Council to support the achievement of Council and Community objectives and priorities.</p> <p>The Annual Governance Statement provides assurance to the public on the effectiveness of governance arrangements and enables the establishment of corporate improvement priorities.</p> <p>Provision of assurance on the effectiveness of partnership governance arrangements. Supporting the achievement of Council and Trafford Partnership priority outcomes.</p>	<b>60</b> (20/15/10/15)
<b>Corporate Risk Management</b>	<p>Facilitating the updating of the Council's strategic risk register.</p> <p>Progression of actions to support the Council's Risk Management Strategy including review of risk management</p>	Assisting the Council to effectively manage risks leading to improvements in service delivery, achievement of objectives and improvements in the allocation of resources. The work also supports the Council in evidencing good practice undertaken when subject to external audit review.	<b>25</b> (5/7/5/8)

	processes, awareness raising and provision of guidance to services and partnerships.		
<b>Anti Fraud &amp; Corruption</b>	<p>Investigation of referred cases, including if applicable those highlighted through the National Fraud Initiative (NFI).</p> <p>Work in co-ordinating the reporting of the Council's NFI data matching exercise.</p> <p>Work supporting the Anti- Fraud and Corruption Strategy, including raising awareness of supporting guidance to promote measures to prevent, deter or detect instances of fraud and corruption.</p>	<p>Contributes to the maintenance of high standards of conduct and governance. Provides assurance on the management of the risks of fraud and corruption.</p> <p>Advice to services on the improvement of controls in place to reduce potential risks, e.g. financial loss and reputational damage.</p>	<p><b>140</b> (35/35/35/35)</p>
<b>Procurement / Value for money</b>	<p>Review of procurement / contract management arrangements across the Council including systems in place and associated arrangements to secure value for money. (This will include liaison with the STaR Procurement Service and partner authority auditors).</p>	<p>Assurance and challenge on the adequacy of procurement arrangements. Contributes to improvements in service delivery and the achievement of value for money for the Council.</p>	<p><b>50</b> (5/5/20/20)</p>
<b>ICT Audit</b>	<p>Audit reviews to be completed in line with the ICT audit plan.</p> <p>Investigation of misuse of ICT.</p>	<p>Specialised technical advice and assurance on the adequacy of controls surrounding ICT systems.</p> <p>Assurance to managers who place significant reliance on ICT systems for the delivery of services.</p>	<p><b>60</b> (12/15/18/15)</p>
<b>Schools</b>	<p>Audit reviews of individual schools and</p>	<p>Supports improvements in standards of governance</p>	<p><b>120</b></p>

	<p>service wide review work.</p> <p>Supporting schools in ensuring awareness of requirements within the DfE Schools' Financial Value Standard.</p>	<p>and control in schools and supports process to enable achievement of standards set by DfE.</p>	<p>(20/23/40/37)</p>
<p>Assurance – Other Key Business Risks</p>	<p>Selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews will include authority wide issues and areas relating to individual services, establishments and functions</p>	<p>This work enables Internal Audit to provide a breadth of assurance across the Council that there are adequate governance and control arrangements in place, that policies and procedures are being implemented, that risks are being managed, and outcomes delivered.</p>	<p><b>155</b> (30/40/40/45)</p>
<p>Grant claims checks / Data Quality</p>	<p>Internal audit checks of grant claims / statutory returns as required. This includes verification checks of data submitted by the Council as part of its Stronger Families programme.</p>	<p>Ensuring the Council adheres to requirements in submitting relevant grant claims where Internal Audit input is required, providing assurance regarding the accuracy of data and supporting information reviewed.</p>	<p><b>30</b> (5/7/10/8)</p>
<p>Service Advice / Projects</p>	<p>General advice across all services.</p> <p>Support and advice to the organisation in carrying out key projects ensuring new systems, functions and procedures provide for adequate controls and good governance arrangements.</p>	<p>Support to services around the relevance and application of corporate policies, procedure rules and good governance arrangements.</p> <p>Contributing to the delivery of effective project outcomes including input to the consideration of key risks and appropriate controls considered in the development of new systems, functions and procedures.</p>	<p><b>80</b> (20/20/20/20)</p>

<b>Financial Appraisals</b>	<b>Financial Assessments of contractors and potential providers</b>	<b>Assurance to services on the financial viability of contractors and potential providers</b>  <b>Reducing risk in procurement and delivery of services across the Council</b>	<b>30</b> <i>(8/8/7/7)</i>
		<b>Total Allocated Days</b>	<b>910</b> <i>(200/220/230/260)</i>
		<b>Contingency (To cover additional / unexpected work and any unexpected reductions in available staff days).</b>	<b>50</b>
		<b>Total Planned Days</b>	<b>960</b>
		<b>Available Days</b>	<b>960</b>
		<b>Surplus/Deficit for Year</b>	<b>0</b>

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 16 March 2015**

**Report for: Information**

**Report of: The Executive Member for Finance and the Director of Finance**

**Report Title:**

Revenue Budget Monitoring 2014/15 – Period 10 (April 2014 to January 2015).

**Summary:**

The revised revenue budget approved at the Council meeting on 17 September 2014 is £156.134m. The forecast for the end of the year, as projected following ten months of activity, is £152.879m being a net underspend of £(3.255)m, (2.1)% of the budget. This is a favourable movement of £(0.482)m since the last report.

The main areas of budget variance are summarised as:

<b>Activity</b>	<b>Forecast £m</b>	<b>Movement £m</b>
Increased demand and unit costs for Children in Care placements	0.6	-
Adult Services client costs	(0.3)	(0.1)
Adult Services provision for doubtful debts	0.5	-
LD Pool: release of budget provision for transitional cases	(1.3)	-
Additional external income, including SLA's	(0.8)	(0.2)
Rephased base budget savings	0.4	-
In year savings not met (incl. Terms & Conditions)	0.6	-
Vacancy management	(1.4)	(0.1)
Deprivation of Liberty assessment costs	0.3	-
Manchester Airport Group Dividend	(1.0)	-
Other variances	(0.1)	(0.1)
Additional Income from Business Rates available in 2014/15	(0.8)	-
<b>Forecast outturn</b>	<b>(3.3)</b>	<b>(0.5)</b>

**Reserves**

The opening balance of the General Reserve was £(11.0)m, and after taking into account approved and proposed use, the forecasted closing balance at 31 March 2016 is £(6.4)m, which is £(0.4)m above the Council established minimum level of £(6.0)m.

The brought forward deficit on the Learning Disability Pooled Fund at 1 April 2014 was £3.0m. As part of the 2015/16 budget proposals it was agreed at the Council meeting on 18 February 2015 to write down this deficit in full against the General Reserve.

The in-year underspend on the Learning Disability budget of £(0.912)m is included in the forecast outturn for CFW and will be used to reduce the original commitment on the General Reserve agreed in September 2014 (see Table 5).

The net service carry forward reserves at the beginning of the year was £(4.004)m, and after taking into account planned use and commitments, and the service Directorates' outturn the forecasted closing balance is £(0.722)m surplus.

**Council Tax**

The surplus brought forward of £(0.5)m, will increase by an in-year forecasted surplus of £(1.1)m. After taking account of the planned use of £0.4m to support the base budget and another £0.2m for backdated valuation and discount appeals, the total surplus forecasted to be carried forward is £(1.0)m. The Council's share of this surplus is £(0.8)m, and is planned to support future budgets in the MTFP.

**Business Rates**

As originally reported at Period 6 an estimated surplus of £(3.489)m is projected for 2014/15, Trafford's share being £(0.855)m. Details will be updated when the VOA provide their next update on outstanding and settled appeals. Under the rules which govern the scheme, this estimated figure cannot be included in the General Fund until 2015/16.

Section 31 grants which compensate the Council for the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes which is wholly retained by the Council, remain unchanged as reported in Period 6 at £(0.844)m. This grant is included in the forecast outturn of £152.879m.

**Recommendation(s)**

**It is recommended that:**

- a) the latest forecast be noted;

**Contact person for access to background papers and further information:**

David Muggeridge, Finance Manager, Financial Accounting                      Extension: 4534

**Background Papers:** None

**Implications:**

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	As set out above
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

**Director of Finance:.....ID.....**

**Director of Legal & Democratic Services:.....**

**DIRECTOR'S SIGNATURE .....**



## Budget Monitoring - Financial Results

- The revised budget approved at the 17 September 2014 Council meeting is £156.134m. Based on the budget monitoring for the first 10 months of the year, the overall forecast for the year is £152.879m, being an underspend of £(3.255)m, (2.1)%, a favourable movement of £(0.482)m since the last report.
- The details of service variances can be found in Annexes 1 to 3, and for Council-Wide, Annex 4:

<b>Table 1: Budget Monitoring results by Directorate</b>	<b>Year end Forecast (£000's)</b>	<b>Percentage %</b>	<b>Period Movement (£000's)</b>	<b>Annex</b>
CFW – Children's Services	607	2.0%	(68)	1
CFW – Adult Social Services	(934)*	(1.7)%	(194)	1
CFW – Public Health	-	-	-	1
Economic Growth, Environment & Infrastructure	(450)	(1.3)%	(28)	2
Transformation & Resources	(424)	(2.4)%	(19)	3
<b>Total Service Variances</b>	<b>(1,201)</b>	<b>(0.9)%</b>	<b>(309)</b>	
Council-wide budgets	(2,054)	(10.1)%	(173)	4
<b>Estimated outturn variance (period 10)</b>	<b>(3,255)</b>	<b>(2.1)%</b>	<b>(482)</b>	

*CFW – Children, Families & Wellbeing*

<b>Table 2: Budget Monitoring results by Executive Portfolio Holder</b>	<b>Year end Forecast (£000's)</b>	<b>Percentage %</b>	<b>Period Movement (£000's)</b>
Children's Services	607	2.0%	(68)
Adult Social Services	(934)*	(1.7)%	(194)
Community Health & Wellbeing	-	-	-
Environment & Operations	(166)	(0.6)%	(22)
Economic Growth & Planning	(284)	(5.8)%	(6)
Communities & Partnerships	99	3.1%	(9)
Transformation & Resources	(270)	(2.5)%	(30)
Finance	(2,307)	(9.7)%	(153)
<b>Estimated outturn variance (period 10)</b>	<b>(3,255)</b>	<b>(2.1)%</b>	<b>(482)</b>

\* £(0.912)m will be used to reduce the commitment on the General Reserve (see Table 5).

### Key month on month variations

- The key variances contributing to the period movement of a favourable £(0.482)m are:
  - £(0.156)m reduced client need within Older People's Services relating mainly to a further release of winter resilience funding;
  - £(0.133)m favourable movement in Physical Disability Services relating to the capitalisation of an element of Telecare expenditure;
  - £0.116m adverse movement in client need within Learning Disability Services;

- £(0.061)m relating to further vacancy management savings across all Directorates;
- £(0.219)m favourable movement in income levels across all Directorates offset by £0.072m in associated running costs;
- £(0.125)m favourable movement relating to Housing and Council Tax Benefits overpayment recovery;
- Other net minor variances, £0.024m.

### MTFP Savings and increased income

4. The 2014/15 base budget, or permanent budget, is based on the achievement of permanent base budget savings and increased income of £(13.776)m.
5. The following table summarises the overall forecasted achievement of the total base budget savings target for 2014/15 of £(13.776)m; noting the potential shortfall, proposed action to mitigate this shortfall in 2014/15 and action taken in the draft budget proposals for 2015/16

<b>Table 3: Base budget savings</b>	<b>Total (£000's)</b>
Total Savings delivered or in progress	(12,826)
Budget savings required	(13,776)
<b>Shortfall</b>	<b>950</b>
<b>To be met by:</b>	
Re-phased savings from T&R reserve in 14/15	
• HR Restructure	(83)
• Partnerships & Communities Restructure	(84)
• Legal Service Restructure	(36)
• Design and Print (T&R)	(113)
Re-phased savings from EGEI reserve in 14/15	
• Parks Maintenance	(47)
• Town Centre Advertising	(16)
• Property Referral Fees Advertising	(3)
• Moving Travel Offences	(30)
Re-phased savings from CFW reserve in 14/15	
• Terms and Conditions (CFW)	(423)
• Children in Care Placements	(257)
• Shortfall in Adoption Fee Income	(100)
Alternative savings in CFW in 14/15	
• Home to School Transport (overachievement against savings target)	242
<b>Shortfall met from Service Carry forward reserves and alternative savings</b>	<b>(950)</b>

6. Approximately 93% of base budget savings have been or are forecasted to be delivered:
- Of the £0.950m shortfall, £0.538m relates to CFW, £0.316m T&R and £0.096m EGEI. The total shortfall in 2014/15 will be met from either service carry forward reserves or alternative savings.
  - There are some savings that are delayed in 2014/15 £(0.396)m but the full effect is still expected to be delivered in the 2015/16 budget;
  - There are savings that will not be delivered, of which £0.423m relates to terms and conditions within CFW, £0.016m reduced Town Centre Advertising Income, £0.100m shortfall in adoption fee income and at the time of preparing the draft budget, £0.218m relating to Children in Care Placements. The total of £(0.757)m have been removed as savings from the budget for 2015/16. The pressure in Children in Care Placements has since increased to £0.257m.
7. A further in-year savings target of between £(2.5)m and £(3.3)m was agreed at Council on 17th September as part of the budget realignment process to address pressures within the CFW Directorate. The decommissioning of Voluntary and Community Sector grants saving proposal is currently projecting a deficit of £0.021m. There is also a further minor deficit on LD Void Management of £0.003m. Along with overachievements of £(0.593)m against the vacancy freeze saving and £(0.007)m against Early Help Funding this has resulted in an overall estimated overachievement of £(0.576m) against the savings target of £(2.5)m.

### Council Tax

8. The brought forward surplus on the Council Tax element of the Collection Fund has shared ownership between GM Fire & Rescue Authority and Police & Crime Commissioner, as well as the Council.
9. After ten months of activity, the total Council Tax in-year surplus is forecasted at £(1.138)m, with the Council's share of this being £(0.957)m. After taking account of the planned application to support the 2014/15 budget, £0.356m, and reductions as a consequence of back-dated valuations and awards of discounts or exemptions of £0.244m, the end of year total balance is forecasted to be £(0.996)m, of which the Council's share is £(0.837)m. The Medium Term Financial Plan assumes use of the Collection Fund surplus at similar levels to 2014/15 into the future.

Table 4: Council Tax surplus	Overall		Trafford	
	£(000's)	£(000's)	£(000's)	£(000's)
<b>Surplus brought forward</b>		<b>(458)</b>		<b>(385)</b>
Changes in Band D equivalents	48		40	
Empty Homes Premium	(108)		(91)	
Council Tax Support awards	(1,078)		(906)	
Banding valuations & discounts	244	(894)	205	(752)
In-year application of surplus		356		300
<b>Forecasted surplus carry forward</b>		<b>(996)</b>		<b>(837)</b>

10. The majority of the in-year surplus has been generated from pro-active interventions in unreported changes of circumstances, which has reduced the need for Council Tax Support. This means that the correct award of Support is made earlier and reduces the amount of overpayments that have to be collected subsequently. Some of the in-year increase also relates to an increase in empty homes premium, however, this initiative cannot be guaranteed into the future as the purpose of the policy is to discourage empty properties and to encourage bringing them into the housing market. There has been a movement in the forecast surplus of £(0.011)m since last month.

### **Business Rates**

11. 2014/15 will be the second year of operation of the new business rates retention scheme. The Government has established a target yield figure, or baseline, and 24.5% of yield above target is retained by the Council. However, 49% of any shortfall against the target is charged to the Council up to a safety net maximum cost to the Council of £2.433m.
12. The projected surplus of £(3.489)m and Trafford's share thereof of £(0.855)m as originally reported at Period 6 has not changed. The projections will be revised once updated VOA data is provided on the current level of appeals and a more accurate assessment is made on the level of appeals receivable for the remainder of the financial year. Under the rules which govern the scheme, this estimated figure cannot be included in the General Fund until 2015/16.
13. In addition, as originally reported in Period 6, the additional Section 31 grants received in 2014/15 to compensate the Council for the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes, remains at £(0.844)m. These grants are available in year and will form part of the estimated outturn. The level of grant can change during the year due to the actual award of Small Business Rate Relief and projections may vary accordingly.

### **Reserves**

14. The General Reserve balance brought forward is £(11.0)m, against which there are planned commitments up to the end of 2014/15 of £2.9m. In addition, the Council-wide underspend is £(2.1)m and the support to help deliver future CFW savings is £0.5m. It has also been agreed as part of the 2015/16 budget to release Earmarked Reserves of £(0.752)m, write down the LD Pool deficit of £3.002m and utilise the 2014/15 one-off dividend from MAG of £(1.0)m to support the 2015/16 budget. This would provide for a projected balance as at 31 March 2016 of £(6.4)m which is £(0.4)m above the approved minimum level of £(6.0)m:

<b>Table 5 : General Reserve Movements</b>	<b>(£000's)</b>
<b>Balance 31 March 2014</b>	<b>(10,980)</b>
<b>Commitments in 2014/15:</b>	
- Planned use for 2014/15 Budget (agreed 19 Feb 2014)	2,007
- Additional support for Adult Services (agreed at Council 17 September 2014)	1,582
- Learning Disability budget in-year underspend	(912)*
- Support to help deliver future CFW savings (agreed by Executive 1 December 2014)	500
- Planned use for one-off projects 2014/15	207
- Council-wide budgets underspend	(2,054)
- Transfer from Earmarked Reserves (agreed at Council 18 February 2015)	(752)
- Write down of LD Pool (agreed at Council 18 February 2015)	3,022
<b>Estimated Balance 31 March 2015</b>	<b>(7,380)</b>
- Planned use for 2015/16 Budget (agreed at Council 18 February 2015)	1,000
<b>Estimated Balance 31 March 2016</b>	<b>(6,380)</b>

\* The additional support for Adult Services agreed at Council on 17 September 2014 as part of the 2014/15 revenue budget re-alignment report included a temporary budget increase of £2.367m for Learning Disabilities. Any in-year savings within this budget will therefore be used to reduce the commitment on the General Reserve of £1.582m agreed above.

15. Service balances brought forward from 2013/14 were a net £(0.982)m. After planned use to support one-off projects and the write down of the LD Pool deficit, agreed at the Council meeting on 18 February 2015, and adjusting for the estimated outturn, there is a projected net surplus of £(0.722)m to be carried forward to 2015/16 (Table 6).

<b>Table 6: Service balances</b>	<b>b/f April 2014 (£000's)</b>	<b>Forecast Movement in-year (£000's)</b>	<b>Forecast Balance (£000's)</b>
Communities, Families & Wellbeing	(871)	1,096	225
Economic Growth, Environment & Infrastructure	(1,155)	681	(474)
Transformation & Resources	(1,978)	1,505	(473)
<b>Total All Services (Surplus)/Deficit</b>	<b>(4,004)</b>	<b>3,282</b>	<b>(722)</b>
<b>Learning Disability Pool (a)</b>	<b>3,022</b>	<b>(3,022)</b>	<b>-</b>
<b>Total (Surplus)/Deficit</b>	<b>(982)</b>	<b>260</b>	<b>(722)</b>

Note:

(a) it was agreed by the Council on 18 February 2015, as part of the 2015/16 budget proposals, to write down the brought forward deficit of £3.022m on the LD Pool in full.

The use of reserve balances during the year are detailed in the Directorate reports attached as Annexes.

## **Recommendations**

16. It is recommended that:
  - a) the latest forecast be noted.

## TRAFFORD COUNCIL

Report to: CFW Senior Leadership Team  
 Date: 26<sup>th</sup> February 2015  
 Report for: Discussion  
 Report author: CFW Finance Managers

**Report Title:**

**Revenue Budget Monitoring 2014/15 – Period 10 (April 2014 to January 2015).**

**1 Outturn Forecast**

- 1.1 This is the eighth CFW Directorate Monitoring Report for 2014/15 and reflects variances against the realigned budget as approved by the Executive.
- 1.2 The revised revenue budget for the year for CFW is £84.826m. The projected outturn for CFW is now £84.499m, which represents an underspend of £(327)k on the re-aligned budget (0.39%).
- 1.3 This is a favourable movement in Adult Social Services from period 9 of £(194)k due to:
- Reduced client need within Older Peoples Services of £(155)k favourable, due to further release of winter resilience funding.
  - Favourable movement on Physical Disabilities due to transfer of telecare revenue expenditure to capital £(133)k favourable.
  - Increased client need within LD Services of £105k adverse.
  - Favourable movement on Adaptations of £(38)k due to revised income forecast.
  - Adverse variation of £49k on Integrated Community Equipment Services (ICES) due to increased use of equipment.
  - Adverse movement on Mental Health client need of £19k
  - Favourable movement on Other Adult Services £(32)k.
  - £(9)k favourable variance across other Adults budget.
- 1.4 The outturn is a favourable movement in Children's Services of £(68)k of which £(30)k relates to an increased underspend in Children's Centres. The remaining £(38)k is spread across all areas of the budget.

**2 Explanation of Variances**

- 2.1 The main forecast outturn variances are summarised below, with more detail at Appendix 1.

The overall adverse variance for Children's Services is £607k and is analysed below.

**Children's Social Services (Including Children with Complex Needs) - £1,240k adverse variation from budget**

1. £702k adverse variance on client care packages of which £445k relates to increased numbers and £257k increase in unit costs:

Service	Budget Service Users	Budget Average weekly cost	Gross Budget	Actual Service Users	Average weekly cost	Actual Gross Forecast	Variance Service Users	Variance Gross Forecast
	No.	£	(£000's)	No.	£	(£000's)	No.	(£000's)
Welfare secure	0.3	5,068	90	0.3	3,846	66	0.0	-24
External Children's Homes	4.6	3,342	796	7.5	3,338	1,307	2.9	511
Agency foster care	29.8	842	1,307	35.5	853	1,572	5.7	265
In-house foster care	97.4	270	1,373	91.5	301	1,434	-5.9	61
Family and friend foster care	109.6	180	1,031	111.0	192	1,107	1.4	76
Asylum seekers	1.7	272	24	1.2	-112	-7	-0.5	-31
Special Guardianship	33.0	159	274	28.0	149	217	-5.0	-57
Assisted Residence Allowances	26.0	96	130	22.0	111	127	-4.0	-3
Aftercare	n/a		347	n/a		426	n/a	79
Supported Lodges	n/a		255	n/a		232	n/a	-23
Youth Homeless	n/a		185	n/a		191	n/a	6
Stay in Care Placements	n/a		70	n/a		0	n/a	-70
Adoption	20.0		976	13.0		785	-7.0	-191
CAN respite	2.6	1,674	227	2.6	1,674	237	0.0	10
CAN long term care	3.4	2,448	434	4.2	2,283	548	0.8	114
CAN Home from Home	n/a		239	n/a		187	n/a	-52
CAN Direct payments/personalisation	n/a		376	n/a		407	n/a	31
<b>Total</b>			<b>8,134</b>			<b>8,836</b>		<b>702</b>

2. £336k shortfall in income, most of which relates to adoption income of £302k;
3. £69k adverse variance on running costs;
4. Staff vacancies of £(94)k and an adverse variance of £127k relating to the non-achievement of savings in relation to changes in terms and conditions. This is due to the number of exemptions in connection with critical front line services.
5. An adverse variance of £100k due to non-achievement of the adoption income saving.

**Children's Staff Management of vacancies – favourable variance £(383)k**

There is a favourable variance of £(383)k in relation to the management of staff vacancies across all of Children's Services (£(94)k included in Children's Social Services above).



**Children's Terms and Conditions Savings Unachieved – adverse variance £220k**

An overspend of £220k relating to the non-achievement of savings in relation to changes in terms and conditions. This is due to the number of exemptions in connection with critical front line services; £127k is included in Children's Social Services above.

**Children's Education Early Years Additional Income - favourable variance £(130)k**

Mainly from additional income relating to the Education Psychology SLA to Schools.

**Home To School Transport – Favourable Variance £(243)k**

The new contractual arrangements for the 2014/15 academic year are projected to save an additional £(243)k in this financial year over and above the existing target of £(100)k and managing estimated demographic pressures of £90k.

**Children's Services Running Costs Favourable Variance £(64)k.**

There are favourable variances totalling £(64)k in relation to running costs across all children's services.

**Adults and LD Pool – £(934)k favourable variation from budget:**

1. Base budget and additional in year savings not achieved (See Appendix 2) - £220k adverse.
2. A recent Supreme Court judgment, which effectively lowered the threshold for what constitutes deprivation of liberty in care (DOLS), has resulted in additional assessment costs for all local authorities, which for Trafford is £263k adverse.
3. In year savings of £(419)k due to vacant posts, particularly within Older People's Services (£146)k, Mental Health £(63)k, Benefits Advice £(37)k, Physical Disabilities £(22)k, LD Day Care and Reablement £(113)k.
4. A one-off efficiency saving of £(200)k as a result of the termination of a carers contract.
5. A £(300)k favourable variance due to a reduction in the assumed use of the winter resilience budget provision for care packages.
6. The release of £(1,300)k of the provision for additional costs arising as children transition into Adult Learning Disability Services between the ages of 18-25. This is a one-off saving released following the start of the new school year as final decisions are made regarding which students remain in education.
7. £500k increase in the provision for outstanding debts following a high level review of current and historical debt.
8. Net variation in client need within Older Peoples Services of £78k adverse.
9. Increased client need within LD Services of £343k adverse.
10. Adverse variation of £10k on Adaptations due to reduced fee income in line with current capital programme forecasts.
11. Adverse variation of £79k on Integrated Community Equipment Services (ICES) due to increased use of equipment.
12. Other variances amounting to a net underspend of £(208)k.

## **Public Health – nil variance from budget:**

The Public Health budget is funded through a ring-fenced grant. Any underspend against this grant in the current year will therefore be carried forward to 2015/16. The projected variations relating to Public Health are set out and explained in detail in Appendix 1 and summarised below:

- Management of vacancies - £(57)k favourable, and
- Other income - £(97)k favourable as a result of non-recurrent income from Community Safety for Test on Arrest, £(22)k and a £(75)k contribution from the CCG in respect of Dementia Advice contracts.

This will leave a current unallocated grant balance of £154k for which proposals will be brought forward to support Public Health priorities.

### **3. Forecasting and Risk**

#### **3.1 2014/15 Base Budget Savings**

The council's overall budget for 2014/15 includes £(13,776)k of savings of which £(7,390)k relates to CFW. The table in Appendix 2 shows the current assumptions made regarding the delivery of in-year savings targets within the forecasts set out in this report.

Of the 34 savings proposals a total of 30 are expected to be achieved in full and one is expecting to overachieve. The 4 schemes projecting a net shortfall of £0.537m are as follows:

1. Children in Care placements - £257k shortfall. This saving proposal was linked to a plan to reduce unit costs for CIC placements (see CFW2 for further details).
2. Home to School Transport £(243)k. The reorganisation of home to school contracts has resulted in a larger saving but is in reality the 2015/16 saving being achieved early.
3. Terms and Conditions (CYPS & Adults) - £423k shortfall due to the number of exemptions in relation to the delivery of front line services.
4. Adoption Placement fees - £100k savings relating to income from other local authorities will not be achieved, as the number of adopters now exceeds the number of children awaiting adoption.

#### **3.2 Additional In Year Savings**

There are also £(3.3)m of additional in year savings which were approved as part of the CFW budget re-alignment report, of which it was assumed that £(2.5)m would be achieved in year. A list of these savings and the current projection against the re-based budget of £(2.5)m are also included in Appendix 2.

Of the 18 savings proposals a total of 14 are expected to be achieved in full with the remaining 4 schemes projecting a net surplus of £(0.576)m as follows:

1. Voluntary & Community Sector – £21k underachievement
2. At this stage it is assumed that the full amount of BCF in 2014/15 will be available to the Council.
3. Vacancy Management - the in year target for vacancy management savings is £(580)k, of which it was assumed that £(209)k would be achieved in year as part of the budget realignment. However, this savings target has been overachieved by £(593)k mainly due to posts held vacant pending 2015/16 savings implementation.

### **3.3 Provision for Outstanding Debts**

The Council collects approximately £9.5m each year from clients towards the cost of their residential or domiciliary care package. This is a means tested assessment of a client's ability to pay and some of the debt is deferred i.e. not collected, until a client's assets are sold which can mean debt is not collected for some years. Also the health and wellbeing of a client is taken into account when considering the recovery of debt.

A high level review of current and historical debt outstanding has been carried out and it is considered prudent that £500k is earmarked in the Council's current year's financial plans for the possibility that some debt may not be collected; this would be in addition to the sum of £400k which is already earmarked from previous years. Putting this in context, total bills of £85m have been raised since 2005 and therefore the earmarked provision is equivalent to 1.06% of the total debt raised. The Council will continue to maximise income collection but if any debt is ultimately written off this will be done in accordance with the Council's agreed procedures.

### **3.4 Care Packages**

This is the eighth monitoring report of the financial year based on nine months of actual activity and the information available to produce the forecast outturn will be refined and subject to change as the year progresses.

Adult CFW supports the most vulnerable people in the borough and as such the budgets are demand led. Variations in the number and unit cost of care packages has led to significant variations in demand levels, which have not previously been fully reflected in the budget.

2014/15 budgets have now been re-aligned based on the actual cost of all service users up to 31<sup>st</sup> August with a projection to 31<sup>st</sup> March 2015 for all "live" cases at 31<sup>st</sup> January 2015. The following table sets out the number and average weekly unit cost of "live" cases which form the basis of current forecast expenditure:

	Re-aligned 2014/15 Budget			Forecast Outturn (Period 10)			Forecast Variance		
Service	Service Users	Average weekly cost	Gross Budget	Current Service Users	Average weekly cost	Gross Forecast	Service Users	Weekly cost	Gross Forecast
	No.	£	(£000's)	No.	£	(£000's)	No.	£	(£000's)
<b>Older People</b>									
Domiciliary Care	855	156.33	7,096	845	153.04	6,896	(10)	(3.29)	(200)
Direct Payments	155	178.42	1,669	153	173.34	1,682	(2)	(5.08)	13
Residential/Nursing	571	471.06	14,222	546	474.97	14,219	(25)	3.91	(3)
<b>Physical Disability</b>									
Domiciliary Care	143	178.98	1,212	121	182.52	1,139	(22)	3.54	(73)
Direct Payments	189	220.12	2,270	176	223.84	2,301	(13)	3.72	31
Residential/Nursing	30	656.50	947	30	659.07	968	0	2.57	21
<b>Learning Disability</b>									
Day Care	30	265.06	407	33	257.76	413	3	(7.30)	6
Domiciliary Care	49	293.85	799	46	279.89	703	(3)	(13.96)	(96)
Direct Payments	254	297.47	4,220	253	306.83	4,398	(1)	9.36	178
Residential/Nursing	74	1,330.10	4,166	65	1323.13	3,921	(9)	(6.97)	(245)
Supported Living	88	992.47	4,287	86	971.08	4,453	(2)	(21.39)	166
<b>Mental Health</b>									
Domiciliary Care	46	121.01	244	47	105.94	234	1	(15.07)	(10)
Direct Payments	30	122.65	209	28	125.87	215	(2)	3.22	6
Residential/Nursing	39	561.39	1,135	37	561.41	1,111	(2)	0.02	(24)
Supported Living	19	1,298.06	1,092	24	1203.05	1,155	5	(95.01)	63
<b>Total</b>			<b>43,975</b>			<b>43,808</b>			<b>(167)</b>

**Note: the gross forecast is based on the actual cost of services to date plus a forecast for the remainder of the year based on current users. It is not possible to multiply across the above table as the service users & unit cost only reflect current cases.**

3.5 The above table reflects the current gross cost of services based on individual care packages. However, for financial monitoring purposes, a number of further assumptions have been made which are not reflected in the table:

- Estimated clawback on Direct Payments of £(850)k based on total receipts to date in 2014/15 of £(682)k. The current forecast is consistent with the actual clawback figure in 2013/14 of £(837)k adjusted to reflect growth in the number of service users receiving direct payments.
- An annual reduction of £(200)k against Home Care packages to reflect previous experience that approximately 10% of home care package hours are not used. This has been applied pro rata to the number of months remaining in the year, the assumed reduction from 1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2015 is £(50)k.
- A winter resilience budget provision of £500k was set aside in October 2014 to offset any net growth in care package numbers/costs during the remainder of the financial year. To date £300k of the provision has been released and £200k remains to cover potential additional pressures in February and March.

#### **4. Learning Disabilities (LD) Pooled Fund**

4.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £3.022m.

4.2 As part of the 2015/16 budget proposals it was agreed at the Council meeting on 18 February 2015 to write down this deficit in full against the General Reserve.

4.3 Joint work is on-going with Trafford CCG regarding a review of the cost of the Learning Disability service which will help to inform the extent of any contribution by the CCG to the historical deficit.

#### **5. Service carry-forward reserves**

5.1 At the beginning of April 2014 the Children, Families and Wellbeing Directorate had accumulated balances of £(871)k carried forward from previous financial years.

- 5.2 The remaining carry-forward balances at the end of the year after taking into account the outturn position are:

	<b>DSG</b>	<b>CFW – Non LD Pool</b>	<b>CFW LD Pool</b>
	<b>(£000's)</b>	<b>(£000's)</b>	<b>(£000's)</b>
Balance b/f 1 April 2014	(2,777)	(871)	3,022
Troubled Families Grant		(436)	-
Troubled Families Commitments 15-16		436	
Specific commitments in 2014/15	750	511	
LD Pool Deficit Reserve Write Down (agreed Council 18 February 2015)			(3,022)
P10 Forecast Outturn	720	585*	
	<b>(1,307)</b>	<b>225</b>	<b>0</b>

The DCLG have provided a grant for troubled families which is not ring-fenced and will not be spent by 31<sup>st</sup> March 2015. There are commitments made to partners for 2015/16.

\* The CFW net underspend of £(327)k is split £585k non LD and £(912)k LD. The £(0.912)m underspend on Learning Disability budgets will be used to reduce the commitment on the General Reserve of £1.582m previously agreed at Council on 17 September 2014 (see Table 5 in the covering report).

## 6. Management Action

- 6.1 The re-aligned CFW budget is dependent on the delivery of additional in-year savings of £(2.5)m. Detailed implementation plans are now underway for these savings.

### 6.2 Resource Allocation Process

In June 2014, a revised Resource Allocation model was implemented, which now includes a weekly Resource Panel with wider representation including Directors. The aim of the revised model is to ensure that the amount of funding allocated is based on “Just Enough” support principles, to minimise cases agreed outside the Resource Panel and to ensure that the process for agreeing funding for individual packages of care is strengthened, ensuring that both senior operational managers and commissioners scrutinise each case and make best use of available resources, voids, contracts etc.

In addition a further panel has been established to exercise the same level of scrutiny on cases coming out of the internal and external reablement services.

### 6.3 Business Delivery Programme Board

The Business Delivery Programme Board has recently refreshed the way it works, splitting into three key elements:

- Core Business,
- Financial Business, and
- Learning Disability Business.

This new approach ensures Directors, lead commissioners, Finance Managers and Heads of Operational Services maintain oversight of activity linked to the budget and address key issues relating to financial monitoring reports, monitoring of savings targets, and other budget recovery action taken. A revised approach to escalating issues arising to the CFW Senior Leadership Team has also been agreed.

#### **6.4 Financial Tracking and Monitoring**

An overarching Activity Plan has been developed which details all areas of activity linked to the Learning Disability Pooled Budget, including previous Recovery Plans and Business Cases in respect of 2014/15 and 2015/16 savings proposals.

In addition a financial spread sheet has been created to allow reductions to be quantified based on “real time” information. The spread sheet highlights the starting position, reductions projected based on Business Case plans and actual reductions achieved once actions have been implemented and savings realised. The introduction of the facility to track financial changes will support the programme of work and highlight where savings have been achieved and also where there may be areas at risk.

#### **6.5 Children in Care Placements Tracking and Monitoring**

The robust tracking and monitoring of placements has been described in detail in previous monitoring reports. The next detailed quarterly placement meeting is being brought forward by one month to ensure the planning of 2015/16 resources is as robust as possible.

Staffing resources are also being considered as a part of this exercise in order that workloads can be managed as effectively and efficiently as possible.

### Period 10 Projected Outturn revenue expenditure and income variances

The following tables detail the main variances from the re-alignment revenue budget to the forecasted outturn, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Revised Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P10 – P9 Movement (£000's)	Ref
<b>Children's Services Portfolio – DSG Element</b>						
Dedicated Schools Grant	0	720	720	480	240	CFW1
Transfer to Dedicated Schools Grant Reserve	0	(720)	(720)	(480)	(240)	CFW1
<b>Sub-total – DSG</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Children's Services Portfolio – Non DSG Element</b>						
Education Early Years' Service	6,047	5,640	(407)	(384)	(23)	CFW3
Children's Social Services	15,383	16,597	1,214	1,218	(4)	CFW2
Children with Complex & Additional Needs	1,943	1,969	26	31	(5)	CFW2
Commissioning	1,716	1,607	(109)	(98)	(11)	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,491	1,448	(43)	(47)	4	CFW3
Youth Offending Service	363	363	0	6	(6)	CFW3
Children's Centres	1,933	1,832	(101)	(71)	(30)	CFW3
Youth Service	1,336	1,363	27	20	7	CFW3
<b>Sub-total – Children's Services</b>	<b>30,212</b>	<b>30,819</b>	<b>607</b>	<b>675</b>	<b>(68)</b>	
<b>CFW Children's Total</b>	<b>30,212</b>	<b>30,819</b>	<b>607</b>	<b>675</b>	<b>(68)</b>	



<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Revised Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P10 – P9 Movement (£000's)</b>	<b>Ref</b>
<b>Adult Social Services Portfolio</b>						
Older People	20,439	20,361	(78)	78	(156)	CFW4
Physical Disabilities	4,963	4,814	(149)	(16)	(133)	
Equipment & Adaptations	1,004	1,083	79	30	49	CFW5
Mental Health	3,612	3,568	(44)	(63)	19	CFW6
Other Adult Services	854	1,035	181	213	(32)	CFW7
Strategic & Support Services	967	947	(20)	(11)	(9)	
Adaptations	(64)	(54)	10	48	(38)	CFW8
Housing Services (Supporting People)	630	629	(1)	(1)	0	
Community Services (Drugs and Alcohol, Dom Abuse)	230	226	(4)	(3)	(1)	
Equalities & Diversity	145	149	4	2	2	
<b>Sub-total</b>	<b>32,780</b>	<b>32,758</b>	<b>(22)</b>	<b>277</b>	<b>(299)</b>	
Learning Disabilities Pooled Fund	22,702	21,790	(912)	(1,017)	105	CFW9
<b>CFW Adults Total</b>	<b>55,482</b>	<b>54,548</b>	<b>(934)</b>	<b>(740)</b>	<b>(194)</b>	
<b>Community Health &amp; Wellbeing Portfolio</b>						
Public Health	(868)	(868)	0	0		CFW10
<b>CFW Public Health Total</b>	<b>(868)</b>	<b>(868)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>CFW Total</b>	<b>84,826</b>	<b>84,499</b>	<b>(327)</b>	<b>(65)</b>	<b>(262)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>P10 – P9 Movement (£000's)</b>	<b>Ref</b>
<b>Children's</b>				
Management of staff vacancies	(383)	(411)	28	CFW3
Transport Costs	(243)	(214)	(29)	CFW3
Client Need	445	413	32	CFW2
2014/15 Savings not achieved	577	577	-	CFW3
Other running costs	5	48	(43)	CFW3
Income	206	262	(56)	CFW2,3
<b>Total Children's</b>	<b>607</b>	<b>675</b>	<b>(68)</b>	
<b>Adults</b>				
Management of staff vacancies	(419)	(404)	(15)	CFW4,6,9,10
Transport Costs	76	124	(48)	
Client Need	(1,405)	(1,440)	35	CFW4,6,9
Reduction in Grant Income	0	0	0	
2014/15 Savings not achieved	232	232	0	CFW4,7,10
Other running costs	223	352	(129)	CFW4,6,7,9,10
Other Income	359	396	(37)	CFW4,7,9,10
<b>Total Adults</b>	<b>(934)</b>	<b>(740)</b>	<b>(194)</b>	
Public Health	0	0	0	
<b>Total CFW</b>	<b>(327)</b>	<b>(65)</b>	<b>(262)</b>	

## **NOTES ON VARIANCES AND PERIOD MOVEMENTS**

### **CHILDREN AND FAMILIES**

#### **CFW1 – DSG Reserve b/fwd.**

- The brought forward DSG reserve balance is £(2,777)k. £750k of this has been allocated to schools on a one off basis there is an expected overspend on SEN of £382k, a shortfall in income of £256k, an overspend on Early Years of £127k and an underspend on Maternity of £(36)k plus other variances totalling £(9)k. This would leave a year end reserve of £(1,307)k.

#### **CFW2 – Children’s Social Services (Including CAN) £1,240k adverse variance**

- There is an overspend of £702k, on client care packages of which £445k relates to increased numbers and £257k increase in unit costs. This is an increase of £32k on the previous month. Plans are being reviewed in line with what was described in paragraph 6.5.
- There is a projected shortfall in adoption income of £402k. £100k relates to the savings target regarding income from other LA’s not being achieved, as the number of adopters now exceeds the number of children awaiting adoption. In addition to the saving not being achieved, there is an additional shortfall in adoption income causing a total pressure of £402k against the base budget. It has now become apparent that in the North West the number of recruited adopters is exceeding the number of children awaiting adoption. The result of this is that associated staffing establishments will have to be reviewed.
- The remaining variances are a reduction in the Staying Put Grant £87k, support costs relating to foster carers £62k, staff management £(94)k and £127k for not achieving the Terms and Conditions saving, other minor variances £(46)k.

#### **CFW3 - Various**

##### **Children’s various Vacancy Management – £(383)k favourable**

- There are vacancy management savings amounting to £(383)k across all Children’s Services, this includes Children’s Social Care of £(94)k included in CFW2 above.

##### **Children’s various 2014/15 savings not achieved - £220k adverse**

- Non-achievement of elements of the terms and conditions saving due to the volume of exemptions required in critical front line services. (£127k already included in Children’s Social Services CFW2 above).

##### **Children’s Home To School Transport- £(243)k favourable.**

- A favourable variance due to the reorganisation of transport contracts which is a 2015/16 saving that is being achieved early.

## **Additional Income Across Children's Services £(130)k favourable**

- Additional income, mainly relating to the Educational Psychology Service SLA to Schools.

## **Running Costs Across Children's Services £(64)k favourable**

- There are various favourable variances for running costs across Children's services which total £(64)k.

## **ADULT SOCIAL SERVICES**

### **CFW4 – Older People £(78)k favourable**

#### **Vacancy management - £(146)k favourable:**

- Commissioning management £(66)k favourable and Reablement £(131)k favourable and care management £51k adverse - Vacancies and savings against posts budgeted at top of grade offset by additional agency costs.

#### **Client Need- £(445)k favourable:**

- One-off efficiency saving due to the re-engineering of the Carers Personalisation Contract £(200)k.
- A reduction in the assumed use of the contingency of £(168)k from period 7.
- Contracts now part of Level 1 costs £(75)k.

#### **Savings not achieved- £3k adverse:**

- Voluntary and Community Sector – in year shortfall as contracts reduced/ceased part way through the year.

#### **Other Income - £500k adverse:**

- £500k increase in the provision for bad debts following a high level review of current and historical debt outstanding.

#### **Other running costs- £9k adverse:**

- Minor variances within other Older People budgets.

### **CFW5 – Equipment & Adaptations £79k adverse**

#### **Client Need - £84k adverse**

- ICES – Increased equipment usage

#### **Other running costs - £(5)k favourable**

- ICES - Minor variations in other running costs.

## **CFW6 – Mental Health £(44)k favourable**

### **Vacancy management - £(63)k favourable**

- MH Social Workers £(51)k favourable and reduced agency costs £(12)k favourable.

### **Client Need- £18k adverse:**

- Contract ceased (Floating Support) £(25)k offset by additional client costs £43k.

### **Other running costs- £1k adverse:**

- Minor variances within other Mental Health budgets.

## **CFW7 - Other Adult Services £181k adverse**

### **Vacancy management - £(37)k favourable**

- Benefits Advice (37)k favourable - Vacancies and savings against posts budgeted at top of grade offset by additional agency costs.

### **Transport Costs - £9k adverse:**

- Variation in number and cost of routes.

### **Other running costs- £232k adverse:**

- Generic Services - additional Deprivation of Liberty (DOLS) assessment costs £263k.
- Community Voices reduction £(33)k
- Other variations in running costs - £2k adverse.

### **Savings not achieved- £33k adverse:**

- Information and Advice Review - £33k adverse - this is the CFW share of a Council Wide savings target now split equally across EGEI, CFW and T&R.

### **Other income – £(57)k favourable**

- Increased Healthwatch income £(57)k.

## **CFW8 – Adaptations – £10k adverse**

### **Other income – £12k adverse**

- Assumed reductions in fee income in line with projected capital programme spend.

### **Other running costs- £(2)k favourable:**

- Other variations in running costs.

## **CFW9 – LD Pooled Fund – £(912)k favourable**

### **Vacancy management - £(91)k favourable:**

- Net vacancies within Social Work, In-House Day Care, Supported Living and LD Reablement.

**Client Need- £(1,040)k favourable:**

- Release of £(1,300)k of the provision for additional costs arising as children transition into Adult Services between the ages of 18-25. This is a one-off saving released following the start of the new school year as final decisions are made regarding which students remain in Education.
- Other net variations in client need £260k adverse.

**Savings not achieved- £194k adverse:**

- Terms and conditions savings not achieved due to the number of exemptions relating to the delivery of critical front line services - £203k adverse offset by Voluntary and Community Sector – in year surplus as a result of more funds returned from contractor than estimated £(9)k.

**Transport - £38k adverse**

- Additional recharge from CYPS in respect of adults in Education.

**Other running costs- £(13)k favourable:**

- Other variances within Learning Disability budgets.

**CFW10 - Public Health – nil variance**

**Vacancy management - £(57)k favourable:**

- Public Health Leaders - £(49)k favourable – vacancies and savings against posts budgeted at top of grade.
- Health Improvement - £(20)k favourable – vacancy management.
- Other Public Health staffing variations - £12k adverse.

**Other running costs- £154k adverse:**

- Unallocated grant balance of £154k arising from overall forecast public health underspends for which proposals will be brought forward to support Public Health priorities.

**Other income - £(97)k favourable:**

- Drug & Alcohol Misuse - £(22)k favourable non recurrent income from Community Safety for Test on Arrest,
- Health & Wellbeing - £(75)k favourable non recurrent income from CCG towards Dementia Advice contracts.

Appendix 2

<b>CFW Base Budget Savings 2014/15</b>		<b>Note</b>	<b>2014/15 Budget (£000's)</b>	<b>Forecast Saving (£000's)</b>	<b>Variance (£000's)</b>
Children in Care Placements	CYPS	1	(480)	(223)	257
Supported Living	CYPS		(50)	(50)	-
MARAS Staffing	CYPS		(50)	(50)	-
Market Management	CYPS		(350)	(350)	-
Increased Use Personal Budgets	CYPS		(25)	(25)	-
Commissioning Integration	CYPS		(20)	(20)	-
Complex Additional Needs	CYPS		(50)	(50)	-
Education Support Services Review	CYPS		(100)	(100)	-
Home To School Transport	CYPS	2	(100)	(343)	(243)
Complex & Additional Needs Personalisation	CYPS		(125)	(125)	-
Terms and Conditions	CYPS	3	(656)	(436)	220
Adoption Placement Fees	CYPS	4	(100)	-	100
Connexions Service	CYPS		(260)	(260)	-
Youth Offending Service	CYPS		(150)	(150)	-
Early Years Childcare	CYPS		(25)	(25)	-
Education Welfare Officers	CYPS		(100)	(100)	-
School Improvement	CYPS		(105)	(105)	-
Grant Assisted Projects (YOS & KEEP)	CYPS		(74)	(74)	-
Reduced Inflation applied to running costs	Adults		(422)	(422)	-
Market Management	Adults		(533)	(533)	-
New models of service in LD reducing placement costs	Adults		(200)	(200)	-
Mental Health - implement Personal Budgets	Adults		(50)	(50)	-
LD Transport - implement Personal Budgets	Adults		(200)	(200)	-
Ascot House - joint service with TPS resulting in efficiencies in running costs	Adults		(100)	(100)	-
Reduce Public Health	Adults		(850)	(850)	-
Telecare	Adults		(400)	(400)	-
Reablement	Adults		(500)	(500)	-
Commissioning Integration (Children's/Adults)	Adults		(20)	(20)	-
Advice & Information - Council wide review	Adults		(83)	(83)	-
Pre-payment cards	Adults		(40)	(40)	-
Carers Services	Adults		(50)	(50)	-
Extension of Personalisation Agenda	Adults		(25)	(25)	-
Supporting People	Adults		(399)	(399)	-
Terms and Conditions	Adults	3	(695)	(492)	203
Inflationary increase for rents charged for supported living houses	Adults		(3)	(3)	-
			<b>(7,390)</b>	<b>(6,853)</b>	<b>537</b>

<b>CFW In Year Budget Savings 2014/15</b>		<b>Note</b>	<b>2014/15 Target (£000's)</b>	<b>Assumed in rebased Budget (£000's)</b>	<b>Forecast Saving (£000's)</b>	<b>Variance (£000's)</b>
Music Service	CYPS		(5)	(5)	(5)	-
Early Help Framework	CYPS		(66)	(66)	(66)	-
Complaints and Governance	CYPS		(5)	(4)	(4)	-
Stronger Families	CYPS		(250)	(250)	(250)	-
Area Family Support Team	CYPS		(36)	(18)	(18)	-
Children In care Personal needs	CYPS		(100)	(100)	(100)	-
Education Psychology	CYPS		(50)	(50)	(50)	-
Application of Grants	CYPS		(500)	(500)	(500)	-
Voluntary & Community Sector	Adults	1	(80)	(80)	(59)	21
LD – Contract Negotiations	Adults		(150)	(75)	(75)	-
LD – Acceleration of Tenders	Adults		(490)	(245)	(245)	-
LD – Ordinary Residence	Adults		(150)	(75)	(75)	-
LD – Ordinary Residence – Brokering Supported Living	Adults		(7)	(4)	(4)	-
LD – Care Packages	Adults		(9)	(9)	(16)	(7)
LD – Development Fund	Adults		(13)	(13)	(13)	-
LD – Void Management	Adults		(17)	(9)	(6)	3
Better Care Fund	Adults	2	(788)	(788)	(788)	-
Vacancy Management	All	3	(580)	(209)	(802)	(593)
			<b>(3,296)</b>	<b>(2,500)</b>	<b>(3,076)</b>	<b>(576)</b>



## TRAFFORD MBC

**Report to:** Economic Growth, Environment and Infrastructure  
Directorate Management Team

**Date:** 26 February 2015

**Report for:** Discussion

**Report author:** Finance Manager

Report Title

## Revenue Budget Monitoring 2014/15 – Period 10 (April 2014 to January 2015)

**1. Forecast Outturn for the Year**

- 1.1 The approved revenue budget for the year is £33.492m. The forecast outturn is £33.042m, which is £(0.450)m under the approved budget. This is a net favourable movement of £(0.028)m from the last report.
- 1.2 The key movements relate to additional income from planning control £(0.041)m and parking £(0.035)m, increase in street lighting energy costs £0.030m, reduction in forecast building control income £0.020m, other net movements in staffing/running costs £(0.002)m.
- 1.3 The Directorate has brought forward balances of £(1.155)m from previous years (paragraph 3). These are earmarked for specific project based activity which has been re-phased from previous years, one-off projects to support in-year service efficiencies, and also to mitigate specific one-off budget pressures this year, such as from the Enforcement and Groundforce reviews, if required. The remaining balance based on the projected outturn above is £(0.474)m. This will be held to mitigate any future pressures during the year, such as weather related incidents.

**2. Summary of Variances**

- 2.1 The overall favourable variance of £(0.450)m reflects a number of individual under and overspends across the diverse areas of the Directorate, as detailed in Appendix 1 and summarised below.
- 2.2 There is one-off shortfall in approved savings relating to the Enforcement review (from 2013/14) £0.058m, and Groundforce review £0.047m. This is due to additional time taken for staff and stakeholder consultations. There is also an expected income saving shortfall of £0.030m from moving traffic offences, which is linked to the progress of the AGMA initiative supporting this. Income generation from town centre advertising will not be achieved £0.016m following recent legal advice, and property referral web-site advertising has been re-phased leading to a one-off shortfall of £0.003m this year. Savings will be delivered in full from 2015/16, and for town centre advertising alternative proposals will be progressed through the Medium Term Financial Plan.
- 2.3 The levy paid to Greater Manchester Waste Disposal Authority is expected to be £0.200m higher than budgeted, which is due to weather related increases in the volume of green waste being recycled over the summer. This can be partially mitigated by a negotiated one-off procurement saving in the waste collection contract £(0.150)m.

- 2.4 Favourable one-off income variances are projected from Oakfield Road car park £(0.128)m, rechargeable grounds maintenance costs £(0.039)m, Stretford Arndale rent £(0.067)m, Urmston Town centre rent £(0.048)m and other let estate property rents £(0.055)m. Income from charges is higher than budgeted from other car parks £(0.073)m, GM Road Access Permit Scheme £(0.096)m and planning fees £(0.174)m. There are income shortfalls forecast relating to licencing £0.009m, pest control £0.017m, building control £0.125m and Green Deal £0.040m. This is a net overall favourable movement in projected income of £(0.062)m from last reported. In addition, fee income from capital schemes is £(0.005)m higher than budgeted, an adverse movement of £0.022m.
- 2.5 There are a number of favourable variances relating to staffing budgets as a result of turnover or vacancy management £(0.298)m, including £(0.131)m from senior management restructuring, £(0.050)m from school crossing patrols, £(0.049)m Economic Growth team, and £(0.025)m Highways. The net overall underspend on staffing has increased by £(0.025)m since last reported.
- 2.6 Other running cost variances include underspends on Administrative Buildings £(0.018)m and Groundforce £(0.039)m, with overspends projected in Highways/Street Lighting maintenance £0.027m and for a one-off pressure re Altrincham Market £0.029m. This is a net overall adverse movement of £0.007m in general running costs since last reported. In addition, Street lighting energy costs are predicted to be £0.090m above budget, an adverse movement of £0.030k since last reported.
- 2.7 Management action will continue throughout the year to ensure that essential services are delivered within budget and to seek out opportunities for future financial benefits. This includes:
- Only necessary spending on supplies and services to be approved;
  - Systematic monitoring and evaluation of existing and potential new income streams;
  - Analysis of rechargeable work for both revenue and capital schemes;
  - Additional improvements to efficiency through service redesign and better procurement;
  - Potential to accelerate future savings proposals.

### **3. Reserves**

- 3.1 At the end of 2013/14 the Directorate had a surplus on accumulated balances of £(1.155)m, which was carried forward to 2014/15. This was a result of the successful management of budget pressures in the last two financial years but also includes a number of commitments relating to projects being re-phased across the year end.
- 3.2 The planned use of these balances is shown below. The current balance of £(0.474)m is being held to cover potential budget pressures from external factors, such as from adverse weather or reductions in income. Any balance remaining at year end will be carried forward to support services in 2015/16 accordingly.

<b>Utilisation of Carry forward Reserve 2014/15</b>	<b>(£000's)</b>
ETO Surplus balance brought forward at 1 April 2014	(494)
EGP Surplus balance brought forward at 1 April 2014	(661)
Re-phasing of projects from 2013/14	381
Committed on 2014/15 projects	750
Period 10 forecast outturn (favourable)	(450)
<b>Balance after known commitments</b>	<b>(474)</b>

#### 4. Savings

- 4.1 The approved Directorate budget includes 2014/15 savings of £(3.153)m as follows:

	<b>Budget (£000's)</b>	<b>Outturn (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(320)	(271)	49
Efficiencies and others	(786)	(786)	0
Policy Choice	(1,920)	(1,873)	47
Mitigating action across EGEI	0	(96)	(96)
Terms and Conditions	(127)	(127)	0
<b>Total EGEI</b>	<b>(3,153)</b>	<b>(3,153)</b>	<b>0</b>

- 4.2 The income shortfall of £0.049m relates to the delay in implementing the saving relating to moving traffic offences £0.030m (note EGEI1 below) and £0.019m from town centre advertising and property referral fee web-site advertising (EGEI10). In policy choice £0.047m relates to re-phasing of savings in Groundforce (note EGEI4). All these items are to be mitigated in full from management action and other favourable variances across the Directorate, or by the use of accumulated balances if required. The savings will be achieved in full from 2015/16, with alternative measures for town centre advertising progressed through the Medium Term Financial Plan.
- 4.3 In addition, there is a £0.058m shortfall in the saving associated with the review of Enforcement approved in the 2013/14 budget. This is also due to additional staff and stakeholder consultations and the saving is now being delivered in full (from August 2014) (see note EGEI6).

#### 5. Forecasting and Risk

- 5.1 This is the eighth monitoring report of the financial year based on ten months of actual activity and the information available to produce the forecast outturn will be refined and subject to change as the financial year end approaches.
- 5.2 The key assumptions and/or areas of risk in this forecast are:
- GM Waste Disposal Authority levy – each month the WDA notifies GM Councils of variances in the actual tonnages of waste delivered compared to that assumed when setting the levy at the start of the year. This results in an additional cost or rebate per Council. Actual tonnages can be affected by weather and also customer behaviour, for example levels of recycling. There is a £0.200m increase in the levy forecast this year due to the weather (see note EGEI5 below);
  - Fee income from capital works will vary depending on the progress of delivering the approved capital programme during the year – total budgeted

fee income for the year is £2.2m. Note: currently £(0.005)m higher than budgeted (paragraph 2.4);

- Demand led fees and charges income, such as from Parking, Licencing, Planning and Building Control, will vary based on economic conditions and customer behaviour. Bereavement Services income is also affected by external factors. All fees and charges are monitored weekly or monthly, with trends and previous profiles used to inform forecasts;
- Investment property income – this varies depending on economic factors, and includes income from shopping centres (e.g. Stretford Mall) where lettings and rents are the responsibility of the owners of the properties;
- Weather related incidents impact on costs and income, particularly during the winter months. This includes increased winter maintenance costs (gritting etc.), pot hole damage to highways, tree and other infrastructure damage. The Directorate has £0.120m in a Winter Maintenance reserve to smooth these pressures across financial years, if required – this reserve has not been utilised to date this financial year;

## **6. Recommendations**

- 6.1 It is recommended that the forecast outturn be noted.

**Period 10 Forecast Outturn revenue expenditure and income variances.**

The following tables detail the main variances from the revenue budget to the forecast outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Economic Growth, Environment &amp; Infrastructure Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Forecast Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
Highway and Network Management, including Traffic & Transportation	5,151	5,281	130	122	8	EGEI1
School Crossing Patrols	509	459	(50)	(50)	0	EGEI2
Parking Services	(337)	(563)	(226)	(193)	(33)	EGEI3
Groundforce	4,144	4,118	(26)	(34)	8	EGEI4
Bereavement Services	(1,090)	(1,076)	14	12	2	
Sustainability & Greenspace	359	329	(30)	(34)	4	
Waste Management (incl. WDA levy)	18,979	19,038	59	52	7	EGEI5
Public Protection	602	629	27	25	2	
Environmental Enforcement	89	156	67	67	0	EGEI6
Directorate Strategy & Business Support	259	128	(131)	(111)	(20)	EGEI7
<b>Sub-total Environment &amp; Operations Portfolio</b>	<b>28,665</b>	<b>28,499</b>	<b>(166)</b>	<b>(144)</b>	<b>(22)</b>	
Property and Development	2,671	2,391	(280)	(308)	28	EGEI8
Planning & Building Control	(119)	(101)	18	49	(31)	EGEI9
Strategic Planning & Development	533	513	(20)	(18)	(2)	
Economic Growth	759	724	(35)	(35)	0	EGEI10
Housing Strategy	596	629	33	34	(1)	EGEI11
Directorate Strategy & Business Support	459	459	0	0	0	
<b>Sub-total Economic Growth &amp; Planning Portfolio</b>	<b>4,899</b>	<b>4,615</b>	<b>(284)</b>	<b>(278)</b>	<b>(6)</b>	
<b>Operational Services for Education</b>	<b>(72)</b>	<b>(72)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Forecast Outturn Period 10</b>	<b>33,492</b>	<b>33,042</b>	<b>(450)</b>	<b>(422)</b>	<b>(28)</b>	

<b>Economic Growth, Environment &amp; Infrastructure Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Highways and Network Management</b>				
Income shortfall, including moving traffic offences	53	47	6	
GMRAPs income above budget	(96)	(82)	(14)	
Capital fee income shortfall	81	57	24	
Staff vacancies	(25)	(25)	0	
Running costs including depot	27	65	(38)	
Energy – Street Lighting	90	60	30	
<b>Sub-total</b>	<b>130</b>	<b>122</b>	<b>8</b>	EGEI1
<b>School Crossing Patrols - vacancies</b>	<b>(50)</b>	<b>(50)</b>	<b>0</b>	EGEI2
<b>Parking Services</b>				
Additional income – Oakfield Road	(128)	(128)	0	
Income – other locations	(73)	(38)	(35)	
Staffing and running costs	(25)	(27)	2	
<b>Sub-total</b>	<b>(226)</b>	<b>(193)</b>	<b>(33)</b>	EGEI3
<b>Groundforce</b>				
Re-profiling of staff/equipment savings	47	47	0	
Other running costs	(39)	(47)	8	
External income	(34)	(34)	0	
<b>Sub-total</b>	<b>(26)</b>	<b>(34)</b>	<b>8</b>	EGEI4
<b>Bereavement Services</b>				
Staffing and maintenance costs	5	3	2	
Income shortfall	9	9	0	
<b>Sub-total</b>	<b>14</b>	<b>12</b>	<b>2</b>	
<b>Sustainability &amp; Greenspace</b>				
Vacancy, supplies & services	(30)	(34)	4	
<b>Waste Management</b>				
Staffing and general running costs	9	2	7	
GM Waste levy – additional green waste recycling	200	200	0	
Waste contract – one-off procurement saving	(150)	(150)	0	
<b>Sub-total</b>	<b>59</b>	<b>52</b>	<b>7</b>	EGEI5

<b>Economic Growth, Environment &amp; Infrastructure Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Public Protection</b>				
Staffing and running costs	1	1	0	
Income shortfalls	26	24	2	
<b>Sub-total</b>	<b>27</b>	<b>25</b>	<b>2</b>	
<b>Environmental Enforcement</b>				
Re-profiling of staff/equipment saving	58	58	0	
Running costs - vehicles	9	9	0	
<b>Sub-total</b>	<b>67</b>	<b>67</b>	<b>0</b>	EGEI6
<b>Director &amp; Business Support</b>				
Staffing and Running costs	(131)	(111)	(20)	EGEI7
<b>Sub-total Environment &amp; Operations Portfolio</b>	<b>(166)</b>	<b>(144)</b>	<b>(22)</b>	
<b>Property and Development</b>				
Investment Property Rental Income:				
- Stretford Arndale back rent for 2013/14	(67)	(67)	0	
- Urmston Town Centre – one-off surplus	(48)	(48)	0	
- Airport – surplus	(16)	(16)	0	
- Other properties - surplus	(55)	(55)	0	
Community buildings – income/running costs	7	(6)	13	
Admin Buildings running costs	(18)	(31)	13	
Facilities Management staffing vacancies	(28)	(20)	(8)	
Markets – one-off adjustment to cost recovery	29	29	0	
Other minor running cost variances	2	(10)	12	
Major projects capital fee income	(86)	(84)	(2)	
<b>Sub-total</b>	<b>(280)</b>	<b>(308)</b>	<b>28</b>	EGEI8
<b>Planning &amp; Building Control</b>				
Planning applications income	(174)	(133)	(41)	
Building Control income shortfall	125	105	20	
Staffing including interim support	53	62	(9)	
Running costs	14	15	(1)	
<b>Sub-total</b>	<b>18</b>	<b>49</b>	<b>(31)</b>	EGEI9
<b>Strategic Planning &amp; Development</b>				
Staffing/running costs savings	(20)	(18)	(2)	

<b>Economic Growth, Environment &amp; Infrastructure Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Economic Growth</b>				
Staffing vacancies	(49)	(49)	0	
Other running costs	(5)	(5)	0	
Town centre advertising income	16	16	0	
Property referral fee website advertising income	3	3	0	
<b>Sub-total</b>	<b>(35)</b>	<b>(35)</b>	<b>0</b>	EGE10
<b>Housing Strategy</b>				
Green Deal income re-phased implementation	40	40	0	
Staffing and running cost savings	(7)	(6)	(1)	
<b>Sub-total</b>	<b>33</b>	<b>34</b>	<b>(1)</b>	EGE11
<b>Sub-total Economic Growth &amp; Planning Portfolio</b>	<b>(284)</b>	<b>(278)</b>	<b>(6)</b>	
<b>Total Forecast Outturn EGEI Period 10</b>	<b>(450)</b>	<b>(422)</b>	<b>(28)</b>	

### Summary Variance Analysis Period 10

<b>All Services</b>	<b>Savings £000</b>	<b>Staff £000</b>	<b>Running Costs £000</b>	<b>Income £000</b>	<b>Total Variance £000</b>
<b>Period 9</b>	154	(273)	130	(433)	(422)
<b>Period 10</b>	154	(298)	167	(473)	(450)
<b>Period Movement</b>	<b>0</b>	<b>(25)</b>	<b>37</b>	<b>(40)</b>	<b>(28)</b>

### ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

#### **EGE11 – Highways & Network Management - £0.130m (adverse)**

Income generation of £(0.030)m is included as a saving in the approved budget from moving traffic offences. This is part of an AGMA initiative to improve safety and traffic flows on major routes and the project has needed to be re-phased into 2015/16.

Running costs are expected to be £0.027m above budget over a number of service areas, which is £(0.038)m less than last reported. This mainly reflects latest forecasts of maintenance costs in highways and street lighting. Use of capital and other measures are being reviewed to mitigate the overall pressure.

Staffing is expected to be £(0.025)m underspent for the year due to vacancies.



There is additional income above budget of £(0.096)m from the Greater Manchester Road Access Permit Scheme, which was implemented during 2013/14. This is £(0.014)m higher than last reported based on latest figures from TfGM.

Fee income from technical and consultancy work charged to capital schemes is projected to be £0.081m below budget due to the predicted timing of capital works. This is £0.024m higher than last reported based on the latest position on capital spending.

Street Lighting energy costs are projected to be £0.090m higher than budgeted based on latest projected usage volumes and new contract prices from October 2014. This is an adverse movement of £0.030m since last reported. The new energy supplier bills from October were received last month and show a 16.5% overall increase compared to the previous contract prices agreed in October 2013. Of the increase only 1.4% relates to the Council's procurement of energy, with the remainder relating to increases in network, transmission and other charges from the National Grid and Climate Control Levy costs. This pressure will continue into 2015/16 and increases have been provided in the Medium Term Financial Plan which will need to be carefully monitored against the monthly bills on an on-going basis.

#### **EGEI2 – School Crossing Patrols – £(0.050)m (favourable)**

There is a forecast underspend on staffing due to vacancies.

#### **EGEI3 – Parking Services – £(0.226)m (favourable)**

The approved budget for 2013/14 included assumptions regarding the partial, then full closure of Oakfield Road car park during the year as part of the regeneration of Altrincham Town Centre. The re-phasing of the town centre project has resulted in forecast income being £(0.128)m above budget, which has continued from last year.

Other car parking income is projected to be £(0.073)m above target, which is a favourable movement of £(0.035)m since last reported. Resurfacing work at a supermarket car park in Sale is expected to lead to a one-off income shortfall of around £0.035m this year.

#### **EGEI4 – Groundforce - £(0.026)m (favourable)**

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled, and there is a forecast one-off overspend of £0.047m this year. This relates to additional consultations with staff and other stakeholders in order to implement the approved budget proposals.

Running costs are expected to be £(0.039)m less than budgeted mainly reflecting a reduction in projected plant and vehicles costs (including fuel). This is an adverse movement of £0.008m from last reported. One-off backdated income of £(0.039)m relates to rechargeable grounds maintenance works.

#### **EGEI5 – Waste Management and Disposal - £0.059m (adverse)**

Following notifications from the Greater Manchester Waste Disposal Authority, there is an estimated additional levy cost of £0.200m this year. This is due to weather related increases in the overall tonnages of green waste being disposed, and is adversely affecting all Councils across Greater Manchester. The level of waste is recorded at the time of disposal and the levy impact reported monthly to GM Councils by the

WDA. The percentage of waste recycled as a proportion of all waste remains high (over 60%), and the budgeted savings from the introduction of food waste recycling are on course to be achieved.

The service has negotiated changes to the waste collection contract which will result in an estimated one-off saving of £(0.150)m. This can be used to part mitigate the disposal levy pressure above, with the balance covered by use of reserves brought forward from 2014/15, if necessary.

#### **EGEI6 – Environmental Enforcement £0.067m (adverse)**

The 2013/14 saving associated with the review of Enforcement has been re-profiled following additional staff and stakeholder consultations. This has resulted in a forecast overspend of £0.058m for the year. All changes were implemented at the end of August and the saving achieved in full from this point.

Additional costs relating to vehicles of £0.009m are included in the forecast spend.

#### **EGEI7 – Director & Business Support £(0.131)m (favourable)**

The restructure of the previous ETO and EGP Directorates has led to a rationalisation of management costs which is expected to deliver an on-going saving of £(0.086)m on current budgeted staff costs. There is an additional one-off underspend of £(0.045)m due to revised timeframes around new starters and the filling of outstanding vacancies in the new structure. This is £(0.020)m higher than reported last month.

#### **EGEI8 – Property and Development - £(0.280)m (favourable)**

The approved budget for 2014/15 included assumptions regarding Urmston Town Centre asset disposal. This has taken longer than had been assumed and rental income has continued beyond expectations giving an additional £(0.048)m one-off benefit this year. The disposal has now been completed.

For Stretford Arndale, the Agents for the owners have continued to maintain a number of short term lettings to ensure the number of vacant units is minimised and this has held up gross rental income. The year-end rental payment for 2013/14 of £(0.067)m was received in October.

Rent from Manchester Airport rent is £(0.016)m above budget following notification from Manchester City Council of new rent levels.

Other let estate rental income is expected to be above budget across the property portfolio totalling £(0.055)m, which is £(0.046)m higher than last reported based on latest projections.

Improved efficiency in the Major Projects team has continued from the last financial year and forecast for fee income from capital and external projects is £(0.086)m higher than budgeted. This is a favourable movement of £(0.002)m since last reported based on latest projections of capital programme spending.

Administrative building running costs are less than expected across the portfolio by £(0.018)m, an adverse movement of £0.013m since last reported. This includes £(0.039)m relating to the catering concession at Altrincham Town Hall.

There is a one-off adjustment to cost recovery for Altrincham Market £0.029m.

### **EGEI9 – Planning and Building Control – £0.018m (adverse)**

Projected income from planning fees is £(0.041)m higher than last reported, now giving an overall surplus of £(0.174)m. There is a projected shortfall in income from building control fees of £0.125m, an adverse movement of £0.020m, and action is underway to address this. Both fees are monitored regularly.

There is a projected overspend on staffing of £0.053m for the year and reflects the appointment of interim staff to cover vacancies and address the resulting capacity issues. These posts contribute to the achievement of the additional planning income above. The permanent filling of vacant posts will be addressed by the on-going restructure of the combined Directorate. Running costs are £0.014m above budget and includes investment in ICT to improve efficiency.

### **EGEI10 – Economic Growth Team – £(0.035)m (favourable)**

There is an underspend in staffing and running costs of the Altrincham Town Team as service review and potential re-design is implemented in this area.

The income generation proposal relating to town centre advertising will not be achieved due to recent legal advice leading to an overspend of £0.016m. This will be addressed through alternative proposals and progressed in the Medium Term Financial Plan. Income from property referral fees web-site advertising have been re-phased to later in the year giving a predicted shortfall of £0.003m.

### **EGEI11 – Housing Strategy – £0.033m (adverse)**

There is a predicted shortfall in income of £0.040m from the implementation of Green Deal. This is an on-going pressure and will be addressed in the Medium Term Financial Plan. Other staffing and running costs are forecast to be £(0.007)m underspent.

## TRAFFORD COUNCIL

Report to: Transformation & Resources Directorate Management Team  
 Date: 27 February 2015  
 Report for: Discussion  
 Report author: Senior Accountant – Transformation & Resources

<b>Revenue Budget Monitoring 2014/15 – Period 10</b> <b>(April 2014 – January 2014 inclusive)</b>
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## 1. Outturn

- 1.1 The current approved revenue budget for the year is £17.527m, and after period ten the forecasted outturn is £17.103m, which is a £(0.424)m, or (2.4)%, underspend position. This is a favourable net movement since the last report of £(0.019)m.

## 2. Summary of forecast and movements

- 2.1 Detail on the forecasted outturn analysed by service, portfolio and activity is provided at Appendix 1. The following summarises the significant movements from the previous period, referenced to the detail in Appendix 1:
- **Vacancy Management, £(544)k favourable forecast, £(39)k favourable movement;** this covers savings across most service areas and includes a net variance for Finance Services due to an overspend position in Financial Management £26k, more than offset by savings of £(205)k in Exchequer Services. The favourable movement in the month is spread across a number of service areas (T&R4).
  - **Delays in delivering budget savings, £375k cumulative adverse forecast, £(17)k favourable movement:** the adverse variance is based on an assessment of both timing and savings level. The monthly movement is due to further savings achieved on the HR restructure £(9)k which will be fully achieved in April 2015 and part year savings on the Partnership and Communities restructure £(8)k - see paragraph 3.2 (T&R1).
  - **Delay in telephony, voice and data upgrade, £67k adverse forecast, no movement;** this reflects the delay in implementing transfer of calls from ISDN lines to SIP lines which is currently estimated will have £67k adverse impact in 2014/15. The overall position is now improving as the implementation is moving at a fast pace and is expected to be completed by the end of the financial year (T&R2).
  - **Barrister and Court Fees, £53k adverse forecast, £14k adverse movement;** the number of cases being determined in-year and the costs of the individual cases has been on the increase for a number of years. The 2015/16 budget includes additional funding to address the budget shortfall. The movement in the month follows an updated assessment of cases (T&R3).

- **Income variances, £(460)k favourable forecast, £(72)k favourable movement;** (T&R5) the movement is mainly as a result of:
  - £(31)k additional Partnership and Communities income, including £(16)k LAA funding for Sports Development Manager and £(15)k Cabinet Office funding: release of data grant;
  - £(41)k Counter Fraud income in Exchequer Services to promote a risk based approach to counter fraud and enforcement.
- **Running costs variances, £85k adverse forecast, adverse monthly movement £95k,** (T&R6).The adverse monthly movement is due to expenditure offset by additional funding as outlined above.

### 3. MTFP Savings 2014-15

- 3.1 The Council's overall budget for 2014/15 includes £(13.776)m of savings of which £(3.006)m relates to T&R. All actions to achieve the T&R full year savings are expected to be completed by 31 March 2015 although the timing of some of these will mean the cash saving in 2014/15 is forecast to be £(2.632)m, which is 88% of the target.
- 3.2 The delay in in-year cash savings of £0.374m into the following year is in respect of the following initiatives.

<b>Table 1: Saving Description</b>	<b>Phased Savings (£000's)</b>
Human Resources Restructure (a)	83
Partnerships and Communities Restructure (b)	84
Legal Services Restructure (a)	36
Design and Print (c)	113
ICT - Social care - licence fee (d)	59
<b>Total</b>	<b>375</b>

- 3.3 Notes to the above phased savings table:
- (a) As noted at Scrutiny review this is a phased implementation. Proposals are now in place to deliver this saving;
  - (b) £234k achieved. It has been reviewed further and there is no movement and the balance is due to lengthened timescale to appoint to structure;
  - (c) £107k achieved. Balance to be realised across the Council – a contract tendering exercise for printing and photocopying services will be undertaken following which this position will be reviewed.
  - (d) Linked to rephased Liquid Logic ICT project.
- 3.4 The in-year shortfall against budget has been mitigated by in year net underspends.

#### 4. Reserves

- 4.1 The Directorate has accumulated balances of £(1,978)k brought forward from previous years. This will be used to support the delivery of the Reshaping Trafford Programme and the development of future efficiencies. Funding will be provided for an investment in ICT hardware, software and communications such as server upgrades, network connections and access to services.
- 4.2 The table summarises the projected movement during 2014/15:

<b>Table 2: Utilisation of Carry Forward Reserve 2014/15</b>	<b>£000's</b>
Balance b/f 1 April 2014	(1,978)
Delivering Reshaping Trafford and future efficiencies	735
ICT hardware and software upgrades	361
Contingencies	504
Land Charges Claim	185
Improving communications and democratic access	144
2014/15 Outturn	(424)
<b>Remaining Balance at 31 March 2015</b>	<b>(473)</b>

#### 5. Main Assumptions

- 5.1 This forecast has been based on ten months of actual activity in 2014/15, compared to the budgeted plan, and where appropriate to previous years. Where adjustments have been made, they have been done in consultation with the relevant manager for any known variance in plans or activity. The key assumptions and/or areas of risk in this forecast are:
- Court costs and Barrister fees; are volatile, with the quantity of cases being determined in-year and the costs of the individual cases being highly variable. The estimated forecast was based on current actuals extrapolated by the previous five years' experience, but is now based on current actuals plus known commitments until the end of the financial year. This will continue to be reviewed monthly.
  - Included in the T&R 2014/15 is £592k vacancy factor, which reflects staff turnover and the delays in time to recruit to establishment posts at 3.5%. The current vacancy management forecast of £(579)k favourable variance (T&R 4) assumes that this £(592)k will be fully achieved as per previous year's activity levels. After ten months £13k or 2% of this vacancy factor has not been achieved but the current vacancy levels forecasted assume this will be achieved by the end of the financial year.
  - The £67k adverse variance on the transfer of telephony lines to the new contractor is prudently shown at the maximum for the whole year. Any further contribution towards the additional in-year costs from the contractor has not been assumed at this stage.

- Waterside Arts Centre ticket sales income budget of £(304)k is based on previous year's activity. Income is variable dependent upon the popularity of the entertainment programme and the level of customer demand for tickets. Note: the income received up to the end of January 2015 is £(277)k compared to £(225)k received in the same period last year.

## Period 10 Forecasted Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P10 to P9 Movement (£000's)</b>	<b>Note ref</b>
<b>Transformation and Resources Portfolio</b>						
Legal & Democratic	2,491	2,421	(70)	(65)	(5)	T&R1,3
Communications & Customer Services	5,838	5,732	(106)	(107)	1	T&R1,2
Strategic Human Resources	2,068	2,002	(66)	(37)	(29)	T&R1
Corporate Leadership and Support	368	340	(28)	(31)	3	
<b>sub-total</b>	<b>10,765</b>	<b>10,495</b>	<b>(270)</b>	<b>(240)</b>	<b>(30)</b>	
<b>Finance Portfolio</b>						
Finance Services	3,614	3,361	(253)	(273)	20	
<b>sub-total</b>	<b>3,614</b>	<b>3,361</b>	<b>(253)</b>	<b>(273)</b>	<b>20</b>	
<b>Communities and Partnerships</b>						
Partnerships & Communities	1,529	1,603	74	83	(9)	T&R1
Culture & Sport	1,619	1,644	25	25	0	
<b>sub-total</b>	<b>3,148</b>	<b>3,247</b>	<b>99</b>	<b>108</b>	<b>(9)</b>	
<b>Total</b>	<b>17,527</b>	<b>17,103</b>	<b>(424)</b>	<b>(405)</b>	<b>(19)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P10 to P9 Movement (£000's)</b>	<b>Note ref</b>
Delay in savings implementation	375	392	(17)	T&R1
ISDN line upgrade delay	67	67	0	T&R2
Court Costs and Legal fees	53	39	14	T&R3
Management of Vacancies	(544)	(505)	(39)	T&R4
Income	(460)	(388)	(72)	T&R5
Running Costs	85	(10)	95	T&R6
<b>Total</b>	<b>(424)</b>	<b>(405)</b>	<b>(19)</b>	



## NOTES ON PROJECTED OUTTURN VARIANCES

### **T&R1 - £375k adverse, phasing of base budget savings** (discussed in Section 3)

Action will be taken in year on the various initiatives to achieve £(3.006)m in savings within the Directorate. However, five of these will be delayed causing a part year adverse effect in 2014/15. Underspend in other areas, and in-year cash savings will be used to mitigate this loss.

### **T&R2 - £67k adverse, delay in telephony, voice and data upgrade**

The migration of voice and data telephony lines between contractors has been delayed.

### **T&R3 - £53k adverse, Barrister and Court fees**

This is primarily due to current activity levels relating mainly to childcare caseload and the cost of such legal action.

### **T&R4 - £(544)k favourable, vacancy management**

Communications, Human Resources, Exchequer, Internal Audit and ICT services have been recently subject to reviews, staff turnover and posts being held back for 2015/16 savings. The favourable variance is across the services within T&R and mainly due to ICT, Communications, Exchequer Services as a result of vacancies not being filled as planned.

### **T&R5 - £(460)k favourable, income**

There are favourable variances across the T&R Directorate including:

- Legal & Democratic **£(164)k** relates mainly to Barristers fees recharged to the capital programme and work carried out in relation to STaR & Troubled Families Programme.
- Access Trafford **£(28)k** relates to income from Tourist Information Centre.
- Communications **£(12)k** in respect of billboard advertising around The Quays.
- Finance **£(72)k** ( SLA income from schools £(15)k, VAT refund, £(17)k rebates in procurement £(17)k and income from other sources of £(23)k,
- HR **£(119)k** relates to income from Stop Gap placements, grant funding, Service Level Agreements with Schools/Academies and training.
- Partnership & Communities **£(109)k** includes £(32)k of Home Office funding for support towards the Intelligence and Innovation Lab, £(35)k Community Covenant Grant for an initiative called "Serving Stories" at the Imperial War Museum and £(7)k other income plus £(31)k additional Partnership and Communities income (including £(16)k LAA funding for Sports Development Manager and £(15)k Cabinet Office funding: release of data grant) and miscellaneous income of £(4)k.

- Culture & Sports **£13k** shortfall in income due to lower than anticipated income from room hire.
- Exchequer Services **£(41)k** Counter Fraud income.
- **£72k** shortfall in income relating to Proceeds of Crime and CCTV Control Room. (T&R 6).

**T&R6 - £85k adverse, running costs**

Mainly due to expenditure incurred on initiatives supported by additional income referred to above.

## TRAFFORD COUNCIL

Report to: Director of Finance  
 Date: 26 February 2015  
 Report for: Information  
 Report author: Finance Manager Financial Accounting

Report Title

**Revenue Budget Monitoring 2014/15 – Period 10 Outturn - Council-Wide Budgets (April 2014 to January 2015 inclusive)**

**1 Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £20.291m. The outturn forecast is £18.237m, which is £(2.054)m under the budget, a favourable movement of £(0.173)m since the last report.
- 1.2 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;
- Manchester Airport Group interim dividend payment £(1.000)m not budgeted for;
  - Proceeds from the planned sale of the Council's interest in Urmston Town Centre, in excess of the figure reported to the Council meeting on 17 September 2014, £(0.054)m;
  - Empty Homes/Single Person Discount Review, one-off fees of £0.045m. As a consequence of the Empty Homes review, the Council will receive additional income from New Homes Bonus grant for each of the 155 properties identified, worth approximately £1,455 per property;
  - Members expenses - savings as a result of changes to the Members Allowances Scheme, pay award and reduced running costs £(0.050)m;
  - £(0.844)m additional Section 31 grant relating to the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes;
  - £0.056m reduction in the level of Education Services grant;
  - Housing and Council Tax Benefits overpayment recovery net variance of £(0.184)m;
  - External Audit fees, one-off rebates £(0.037)m and savings on grant audit fees of £(0.002)m, offset by additional costs of £0.010m relating to the forensic review of the Council's investigation report into budget monitoring arrangements;
  - VAT refunds relating to a claims for backdated commercial waste income, £(0.029)m and parking meter income, £(0.013)m;
  - Estimated costs of a Judicial Review regarding adult social care budget consultation, £0.038m;
  - Other minor variances, £0.010m.

## **2 Service carry-forward reserve**

- 2.1 Other than for the Coroner's Service, Council-Wide budgets do not have their own carry forward reserve, and any underspend will be transferred to the General Reserve, as detailed in the summary report.

## **3 Forecasting and Risk**

- 3.1 This forecast has been based on seven months of actual activity. The activity covered by Council-Wide budgets is varied, and the key assumptions in the October forecast are:

- Average investment rates will be 0.7% with a cash flow of £75.4m.
- The majority of the Council's loans are at fixed rate interest. The only variable loan of £20m is with the Royal Bank of Scotland at 6.01%. However, there is a smoothing reserve to mitigate large variations from this assumption.
- Council error in the award of housing benefit will be within threshold limits, and recovery of benefit overpayments will continue at previous activity levels.
- All contingency budgets for end of year adjustments will be utilised, including the provision for bad and doubtful debts.

**Period 10 Draft Outturn revenue expenditure and income variances,**

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
<b>Finance Portfolio</b>						
Precepts, Levies & Subscriptions	17,855	17,854	(1)	(1)		
Provisions (bad debts & pensions)	(535)	(506)	29	16	13	C-W1
Treasury Management	7,981	6,965	(1,016)	(1,016)		C-W2
Insurance	775	775				
Members Expenses	926	876	(50)	(25)	(25)	C-W3
Grants	(6,804)	(7,597)	(793)	(793)		C-W4
Other Centrally held budgets	93	(130)	(223)	(62)	(161)	C-W5
<b>Total</b>	<b>20,291</b>	<b>18,237</b>	<b>(2,054)</b>	<b>(1,881)</b>	<b>(173)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>Period Movement (£000's)</b>	<b>Ref</b>
Urmston Town Centre additional sale proceeds	(54)	(54)		C-W1
Empty Homes/Single Person Discount Review	45	45		C-W1
Judicial Review	38	25	13	C-W1
Treasury Management:				
- MIA interim dividend	(1,000)	(1,000)		C-W2
- Investment Income	(10)	(10)		C-W2
- Debt payments	(6)	(6)		C-W2
Precepts, Levies & Subscriptions	(1)	(1)		
Members Expenses	(50)	(25)	(25)	C-W3
Grants	(793)	(793)		C-W4
External audit fees	(29)	(6)	(23)	C-W5
Housing & Council Tax benefits	(184)	(59)	(125)	C-W5
VAT Refunds	(42)	(29)	(13)	C-W5
Other minor variances	32	32		C-W5
<b>Total</b>	<b>(2,054)</b>	<b>(1,881)</b>	<b>(173)</b>	

## **NOTES ON PROJECTED VARIANCES**

### **C-W1 – Provisions - £0.029m (adverse), £0.013m adverse movement**

The sale proceeds from the planned sale of the Council's interest in Urmston Town Centre, following its redevelopment, are £(0.054)m in excess of the figure agreed at the Council meeting on 17 September 2014.

An exercise has been carried out to confirm whether long term (more than 6 months) empty properties were in fact occupied. The fee for this work is £0.045m made up from an Empty Homes review, £0.033m and a Single Person Discount review, £0.012m. Also, as a consequence of the review of empty homes additional New Homes Bonus grant will be secured for each of the 155 properties identified, worth approximately £1,455 per property.

The Council was recently successful in defending legal proceedings, brought in relation to the legality of the budget consultation process regarding the proposed cuts to its adult social care budget. Whilst the Council succeeded in the High Court and permission to appeal was refused, nevertheless, there remains the possibility that the Claimant may apply to appeal directly to the Court of Appeal. If permission is sought and granted then the costs will increase considerably. The costs to the Council of the Judicial Review are currently estimated at around £38k, an increase of £13k since last month.

## **C-W2 – Treasury Management - £(1.016)m (favourable)**

Manchester Airport Group (MAG) announced their interim results for 2014/15 and have paid a total dividend of £31m across the members of the Group, which for Trafford equates to £(1.0)m.

Other minor savings from investment interest and lower debt repayments, £(0.016)m.

## **C-W3 – Members Expenses - £(0.050)m (favourable), £(0.025)m favourable movement**

Changes to the Members Allowances Scheme were approved at the Council meeting on 17 September 2014 following a report from the Independent Remuneration Panel (IRP). The changes will generate annual savings of approximately £(0.036)m. However, a number of the changes are only effective part way through the year and the estimated saving in 2014/15 is £(0.025)m. Savings have also been made from the part year effect of the recent pay award and reduced running costs totaling £(0.025)m.

## **C-W4 Grants - £(0.793)m (favourable)**

In 2014/15 the Council will receive additional Section 31 grant to compensate for the loss of income from the Government's decision to extend the Small Business Rate Relief/Retail Relief Discount Schemes. The grant also includes a sum for a renewable energy scheme at Saica paper mill, which is wholly retained by the Council. The grant is worth £(0.844)m in total and the Council has discretion over its use.

The 2014/15 Education Services grant, at £(3.397)m, will be £0.056m below the budget of £(3.453)m. This specific grant is based on pupil numbers in Council maintained schools and may reduce further depending on the final number of schools converting to Academy status during the year.

## **C-W5 – Other Centrally held budgets - £(0.223)m (favourable), £(0.161)m favourable movement**

- **Housing & Council Tax Benefits - £(0.184)m (favourable)**

The Council Tax Benefit Scheme ceased in 2013 and was replaced by the Council Tax Support Scheme. Any recovery of overpaid Council Tax Benefit from previous years is retained by the Council and the latest projected outturn for 2014/15 is £(0.149)m. The credit from the recovery of overpaid Council Tax Benefit is difficult to predict and will eventually taper off.

There is a net variance of £(0.035)m within the Housing Benefit budget.

- **External Audit fees - £(0.029)m**

The Audit Commission paid rebates to audited bodies, returning some £6.8m to local government, fire and rescue and police bodies. The rebates reflect the efficiency savings achieved by the Commission ahead of its closure in March 2015, Trafford's share being £(0.021)m.

The Commission also made further rebates in respect of audit fees to audited bodies, returning another £6 million to principal bodies. This second tranche of rebates resulted from the efficient management of the Commission's closure, Trafford's share being £(0.016)m. The Commission's Board will also consider in March 2015 the amount of any final rebate on audit fees.

There have also been additional one-off costs of £0.010m relating to the forensic review of the Council's investigation report into budget monitoring arrangements.

- **VAT Refunds - £(0.042)m**

HMRC changed the VAT legislation regarding the collection of commercial waste in February 2011 from taxable to non-business (nil rate VAT).

The Council submitted a claim to HMRC initially for 4 years covering June 2007 to March 2011 for £157,474.41.

After negotiations via the CIPFA VAT committee it has been agreed by HMRC that they will pay Local Authorities 20% of the value of this claim, which for Trafford is £(0.029)m. 20% reflects the number of commercial customers who are not registered for VAT, so cannot reclaim the value charged, or are charities. This was a National agreement across all Local Authorities who submitted claims.

HMRC have also recently changed the VAT legislation regarding the treatment of change which Council's do not refund to customers for their off street car parking meter fees, from taxable to non-business (nil rate VAT). This allowed the Council to make two claims, one for £(0.016)m relating to the period from January 2010 to March 2013, which has now been paid. The second for £(0.043)m for the period from April 1991 to March 2008 relates to and has been added to another current Council claim outstanding for off street car parking which is still going through the European Court process. A decision on this claim is awaited from HMRC.

- Other minor variances £0.032m.



## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 24 March 2015  
**Report for:** Information  
**Report of:** Audit and Assurance Manager

### Report Title

**Strategic Risk Register 2014/15 (March 2015 update)**

### Summary

The Accounts and Audit Committee is asked to consider this report which contains an update on the strategic risk environment. This includes arrangements in place to manage each of the strategic risks.

### Recommendation

The Accounts and Audit Committee reviews this report.

### Contact person for access to background papers and further information:

**Name:** Mark Foster – Audit & Assurance Manager.                      **Extension:** 1323  
Susan Price – Senior Audit & Assurance Officer                      **Extension:** 1325

### **Background Papers:**

None

## 1. INTRODUCTION

- 1.1 The Council's Strategic Risk Register (SRR) contains the strategic risks the Council is likely to face in achieving its high level corporate objectives.
- 1.2 In accordance with the Council's Risk Management Policy, the Corporate Management Team (CMT) provides regular periodic updates on the strategic risk environment and in particular performance in managing the specific risks incorporated within the SRR.
- 1.3 This report is based on information provided by risk owners through January to early March 2015.

## 2. THE STRATEGIC RISK ENVIRONMENT – RISK EXPOSURE AND PERFORMANCE MANAGEMENT

- 2.1 The Council continues to review and monitor its strategic risks. Given the challenges faced by the Council going forward, it is acknowledged that it will need to continue to review its approach to risk and risk management as risks change and potentially higher risks arise.
- 2.2 Section 3 of this report contains a summary listing of the highest strategic risks identified. The Audit & Assurance Service requested current strategic risk owners to provide a summary update on the strategic risks that are under their remit including progress in managing these risks.
- 2.3 Since the last strategic risk monitoring update was reported to the Accounts and Audit Committee in November 2014, it is proposed that five strategic risks be removed from the Register and two strategic risks be added to the Register.
- 2.4 The strategic risks to be removed from the Register are (reference numbers as included on the November 2014 update report) :

- **SR5 - Availability of capital resources from sales of surplus assets and Government Grant to support the Capital Programme.**

Historically, capital expenditure has been contained within capital resources available and this is estimated to be the case for 2015-18, hence the risk has been removed.

- **SR7 - Ability of partnership working to release resources with sufficient speed and execution to deliver joint objectives around children.**

Given the Section 75 Strategic Partnership Commissioning Agreement has now been in place for some time, the risk in future will be monitored at the service level through monitoring of the partnership agreement.

- **SR11 - Council does not agree, adopt and deliver carbon reduction targets.** It is recommended that this risk be removed from the Strategic Risk

Register. A number of details supporting the removal of the risk were provided by the EGEI Directorate which include the following information:

- Trafford Council has fallen out of the Carbon Reduction Commitment (CRC) Scheme at the beginning of Phase 2 in 2014/15. This element of risk is no longer applicable.
- The proposed new commercial Joint Venture will be tasked with saving energy from Council buildings.

- **SR18 – The Council website is not easily accessible, services are unable to update information or provide service responses fast enough through digital challenges to meet customer expectations. Other channels of communication – face to face, telephone and Member’s surgeries – gain increased numbers of requests due to reliability issues around digital channels.**

Given the changes made to the Council website over the last 12 months it is considered that this risk should be removed.

- **SR24 - Ability to implement the Early Help (Wellbeing Hub) in Trafford by April 2015. Risks around capacity, timescales, resources, interdependencies and sufficient coproduction. New interdependency with health and social care integration programme requires a review of plans and programme governance, risking possible delay.**

This risk is removed from the register because the “hub” programme has ceased, with key aspects being incorporated into other projects within the CFW work programme.

2.5 The proposed strategic risks to be added are:

- **SR5 (new risk) - Loss / absence and retention of senior managers to the organisation.**
- **SR11 (new risk) - New Joint Venture partner fails to deliver services to the required standard or fails to deliver required efficiency savings.**

2.6 The risk exposure score has been revised for one existing risk:

- **SR17 - (Inability to meet Trafford residents’ requests to have burials within the local area due to insufficient land) reduced from a medium risk of 12 to a low risk of 8.**

2.7 The risk chart on page four shows an analysis of the current strategic risks. The chart analyses the levels of risk exposure in terms of impact and likelihood. The number of strategic risks for each risk level is shown. There are 21 strategic risks (seven of which are considered high level).

2.8 The highest risks reflect risks relating to the Council’s medium term financial position (SR4) and risks in relation to managing demand and budgets in Adult Social Care (SR8 and SR16). Risk 16 regarding the Adult Social Care Budget 2015/16 has been reviewed to take account of progress with governance arrangements that have been put in place including the establishment of a CFW

Transformation team. This team has reviewed all business cases and is providing support to achieve delivery of savings. CFW has continued to progress implementation of actions identified in the Budget Monitoring Action Plan to ensure improved monitoring processes are in place.

### Comparison of Risk Levels November 2014 and March 2015

**IMPACT** **Risk Levels – November 2014**

Very High(5)	3	7	2	3	
High (4)	1	4	1		
Medium (3)		1	1	1	
Low (2)					
Very Low (1)					
	Very Low (1)	Low (2)	Med. (3)	High (4)	Very High (5)

**LIKELIHOOD**

**IMPACT** **Risk Levels – March 2015**



Very High(5)	4	5	3	3	
High (4)	2	2	1		
Medium (3)				1	
Low (2)					
Very Low (1)					
	Very Low (1)	Low (2)	Med. (3)	High (4)	Very High (5)

**LIKELIHOOD**

<b>High Risk</b>
<b>Medium Risk</b>
<b>Low Risk</b>

### 3. Summary Table –Strategic Risks (March 2015)

<b>Red</b>	<b>Amber</b>	<b>Green</b>
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<i>Risk</i>	<i>Strategic Risk Title / (Directorate) / (Portfolio)</i>	<i>Risk Level</i>	<i>Management of Risk - Direction of Travel *</i>	<i>Comments</i>
1	<p>Major regeneration projects, including Altair, Altrincham Strategic Framework delivery, Old Trafford Master Plan (OTMP) and Carrington development do not proceed due to economic and financial constraints.</p> <p>(EGE1)/(Economic Growth and Planning)</p>	<b>8 Low</b>		<p>All project risks contained and detailed within individual project plans. Overall, all projects are within tolerance.</p> <ul style="list-style-type: none"> <li>• Altair outline planning consent granted. Revision to the development agreement to be completed by the end February 2015. Detailed planning application for phase 1 due summer 2015 with start on site Spring 2016.</li> <li>• Funding has been approved for the OTMP, and Land Pooling Agreement approved by the Executive March 2014 (subject to final agreement and signing, anticipated for Spring 2015).</li> <li>• Altrincham public realm strategy agreed and phase 1 complete. Procurement of design consultants for phase 2 completed.</li> <li>• Proposals for new Altrincham Library approved at Executive. Agreement for lease in place.</li> <li>• New operator for Altrincham market appointed and Operating Agreement and Agreement for lease completed (November 2013).</li> <li>• Stretford Masterplan approved (January 2014). Advisers for Lacy Street in place and report produced. Procurement of public realm design consultants complete.</li> <li>• Altrincham Strategy approved.</li> <li>• Sale of Carrington by Shell to Langtree completed, with further sale to Himor also completed. Project governance structure being reviewed.</li> </ul>
2	<p>Whilst safeguarding services in Trafford have been inspected and rated by OfSTED as good with good prospects for improvement, this is an area of Council responsibility that requires constant high levels of vigilance to guard against the risk of harm or abuse to children that could have been prevented through</p>	<b>20 High</b>		<ul style="list-style-type: none"> <li>• A Safeguarding Peer Review (February 2013) has been helpful in identifying the areas for development and improvement which were in line with our own evaluations. The overall messages about safeguarding were very positive, with recognition of good practice, strong partnership working and a learning organisation.</li> <li>• Responsibility for this risk is multi-agency and dependant on all parties to achieve successful outcomes and sustained improvement.</li> <li>• The Family Justice Review recommendations</li> </ul>



	<p>intervention and support of services. In particular, the risk of the Safeguarding Board not being effective in undertaking its duties and responsibilities and/ or insufficient numbers of staff, particularly social workers with relevant experience, to provide effective safeguarding services to children and young people.</p> <p>(CFW)/(Children's Services)</p>			<p>are being progressed and the new court timescales will be implemented. This requires all Authorities to achieve outcomes for children in shorter timescales and for more expert work to be undertaken by Social Workers rather than additional professionals.</p> <ul style="list-style-type: none"> <li>• Ofsted completed a full inspection of Trafford Council services to safeguard children and of the Trafford Safeguarding Children's Board (TSCB) in February 2015, the outcome of which will be published in April 2015. It will be appropriate to review this risk once the full Ofsted report has been published.</li> </ul>
3	<p>Demand for school places under-estimated and/ or additional school places are not delivered to satisfy increased demand.</p> <p>(CFW)/(Children's Services)</p>	<p><b>15</b> <b>Medium</b></p>	<p>← →</p>	<ul style="list-style-type: none"> <li>• All children have been allocated places for the 2015/16 academic year.</li> <li>• The demand for primary and secondary school places continues to be monitored and capital resources allocated to ensure sufficient places are provided to meet our statutory duty.</li> <li>• A two year resource allocation has now been received from Department for Education (DfE) and a Capital Programme is planned in line with projections.</li> <li>• A secondary sufficiency review to plan for 2017 and beyond has been completed with schools and academies to manage the projected increases working through from the primary sector. An implementation plan is being developed following approval of the outcomes by the Council Executive and Secondary Schools.</li> <li>• Capital implications of the SEN review are also being implemented to meet additional demand for places.</li> </ul>
4	<p>Continuing uncertainty regarding the Council's medium term financial position given the reliance that exists on support from Central Government, cost pressures within the existing budget and major changes in the administration of Business Rates resulting in a greater risk being transferred to local government.</p> <p>(T&amp;R)/(Finance)</p>	<p><b>25</b> <b>High</b></p>	<p>← →</p>	<p>The last Comprehensive Spending Review (CSR) was in June 2013 for the years 2014/15 and 2015/16. The next Spending Round is expected in summer 2015 and is expected to signal further reductions in local government spending over the next few years. At this stage best estimates have been made for later years for forecasting purposes.</p> <p>The budget for 2015/16 has been agreed by Council on 18 February 2015. The budget for 2015/16 of £148.914m included for:-</p> <ul style="list-style-type: none"> <li>• Budget pressures in the form of reduced government funding of £10.1m and additional cost pressures of £14.6m.</li> <li>• Additional one-off income of £3.2m from an</li> </ul>



				<p>increase in the council taxbase, additional dividend from the Manchester Airport Group and an increase in retained business rates. It is not certain that these last two sources will continue in the future.</p> <ul style="list-style-type: none"> <li>• Savings of £21.5m - the highest single year for savings yet and the expectation is that the requirement to make savings will continue over the next few years. This will be demanding on the capacity of both managers and staff. To part mitigate this, a dedicated transformation team has been set up to look at the delivery of the CFW savings which make up the major part of the overall budget savings.</li> </ul> <p>Some decisions on the budget are not yet known for example the Joint Venture and extended consultation on the libraries with decisions on these areas in March 2015.</p> <p>To mitigate against the risks a minimum reserve level of £6m has been maintained.</p>
5	<p>Loss / absence and retention of senior managers to the organisation.</p> <p>(T&amp;R)/(Finance)</p>	<p><b>20</b> <b>High</b></p>	<p><b>New Risk</b></p>	<p><b>New risk added 16.12.14</b></p> <ul style="list-style-type: none"> <li>• An assessment process was undertaken in January 2015 for the post of Corporate Director – Children, Families and Wellbeing and an appointment made on an acting-up basis.</li> <li>• Proposals on revised and strengthened Corporate Management Team arrangements were approved at Council on 18<sup>th</sup> February 2015; the realignment of the post of Corporate Director – Resources to incorporate increased and robust responsibility directly for the Council's financial management arrangements and the formal appointment of a deputy for the Chief Executive, together with the Directors of Legal and HR attending CMT meetings.</li> <li>• The Corporate Director – Resources post is out to advert at present and the assessment day is scheduled for 21<sup>st</sup> April 2015. Interim arrangements are in place pending an appointment.</li> </ul>
6	<p>Ability of partnership working in relation to vulnerable adults and older people.</p> <p>(CFW)/(Adult Social Services and Community Wellbeing)</p>	<p><b>12</b> <b>Medium</b></p>	<p>← →</p>	<ul style="list-style-type: none"> <li>• The Health and Wellbeing Board is established.</li> <li>• The Health and Wellbeing Strategy and underpinning Action Plan is progressing with leads using a report template in partnership with the Clinical Commissioning Group (CCG), and wider stakeholders.</li> <li>• A Health and Wellbeing Programme Delivery Board continues to populate the action plan on a wider partnership footprint. Risks: Lack of clarity and support regarding monitoring and</li> </ul>


				<p>reporting data on a more regular basis than annually.</p> <ul style="list-style-type: none"> <li>• The integration of Adult Social Care Operational Services and Trafford Provider Services has continued to progress based on strong project management arrangements. A formal partnership agreement was signed and agreed in October 2013 and agreed by the Full Council Executive. Implementation is in place and being delivered on schedule.</li> <li>• The transfer of community health from Trafford Provider Services to Pennine Care has been successfully completed.</li> <li>• Heightened awareness nationally around safeguarding – elderly and vulnerable adults. Risks around ensuring all elderly and vulnerable adults in Trafford are safe and potential reputation risk is mitigated.</li> </ul>
7	<p>The Reshaping Trafford Council Programme doesn't progress to plan and/or deliver its expected outcomes.</p> <p>(T&amp;R)/(Transformation and Resources)</p> <p>(Note this risk was formerly listed as Strategic Risk No. 23 per the November 2014 strategic risk register)</p>	<p><b>15</b> <b>Medium</b></p>	<p>← →</p>	<ul style="list-style-type: none"> <li>• The governance arrangements in place are mature and effective with appropriate senior level representation and authority to provide the support, challenge, advice and decision making required.</li> <li>• The programme is still on track to deliver its objectives and is routinely monitored by TPR, CMT and Members. It is envisaged that from April 2015, the Transformation Programme becomes the 'Reshaping Trafford Council Programme' and all projects actively planned links on to it. On this basis, the budget consultation process and proposals for 2015/16 will be built around the Reshaping Trafford Council Blueprint.</li> <li>• The programme was subject to an independent review by Local Partnerships in July 2014. This was completed at the Council's request to provide an objective and strategic level assessment of the programme's outcomes and objectives and confirm the fit with the Council's overall strategy. The review rated the programme as 'amber/red' but acknowledged the programme is still forming and that the budget process for 2015/16 will further shape it. An Action Plan has been produced which addresses the eight recommendations made by the review and this has been approved. The actions are being implemented, providing a solid governance foundation for the programme going forward.</li> <li>• In recognition of the significant level of savings to be made by CFW, the potential risk to these being delivered and the consequential impact on</li> </ul>





				the CFW service user population and the Council, a discrete transformation programme has now been established within CFW. This will provide the level of rigour and governance required to deliver the savings, the all age integrated delivery model for CFW and manage all risks/issues associated with this work.
8	<p>Demand for eligible services outstrips resources in adult social care.</p> <p>(CFW)/(Adult Social Services and Community Wellbeing)</p>	25 High	↔	<ul style="list-style-type: none"> <li>• Revised (2014) comprehensive budget monitoring programme including monitoring of budgets at Business Delivery Programme Board and Senior Leadership Team level.</li> <li>• Monthly Budget period monitoring reports now contain clear, up to date information about service demand levels and links to budget impacts and transparent details of assumptions made in forecasting in year</li> <li>• Following a major review and rebalancing of AC budgets in 2014/15 Period 9 Budget Monitoring report shows budget controls are delivering services within budget.</li> <li>• Actions and activity arising from the Budget Monitoring Investigation Action Plan are being implemented and will regularly be updated to the Accounts and Audit Committee.</li> </ul>
9	<p>Failure of the Adult Safeguarding Service.</p> <p>(CFW)/(Adult Social Services and Community Wellbeing)</p>	12 Medium	↔	<ul style="list-style-type: none"> <li>• Refresh of the Safeguarding Policy and procedures are due to commence in March 2015.</li> <li>• Adult Safeguarding Board has been refreshed and a revised governance process in place, introducing a strategic operational board which is jointly chaired.</li> <li>• An Independent Chair is to be appointed.</li> <li>• Joint Children's and Adult safeguarding committee now in place.</li> <li>• Senior Learning and Development post vacant. Impact on sustaining competency in relation to implementation of practice both internal and external agencies.</li> <li>• The Clinical Safeguarding Nurse is currently not in work, this is being covered two days a week by the CCG.</li> <li>• Serious Case Review Panel reviewed and in place.</li> <li>• Recent court judgements lowering the threshold for Deprivation of Liberty Orders. Increased resources agreed.</li> <li>• Additional Capacity agreed.</li> <li>• Annual Safeguarding Plan completed. Serious Case Review Plan is in place. Annual Report completed.</li> </ul>

10	<p>Breach of health and safety legislation leading to prosecution under the Corporate Manslaughter Act.</p> <p>(T&amp;R)/(Transformation and Resources)</p>	<p><b>10</b> <b>Medium</b></p>		<ul style="list-style-type: none"> <li>• Revised policy and guidance and an accompanying toolkit on managing violence and aggression has been produced. This assists managers and staff in reducing the risk of violence and aggression towards staff and signposts to support available and actions to be taken in response to incidents of violence and aggression.</li> <li>• To meet HSE requirements in respect to ensuring that supervisors are adequately trained to properly plan, supervise and ensure that work at height is carried out in a safe manner, a programme has been initiated where supervisors carry out checks that employees are following a safe system of work (regarding work at height) whilst out on site. Training has been provided to all managers and supervisors whose staff work at height, to help them review their safe systems of work and risk assessments in relation to working at height. Training for staff who work at height is now underway.</li> <li>• The First Aid procedures/arrangements have been reviewed and training for staff is on-going, together with manual handling training.</li> </ul>
11	<p>New Joint Venture partner fails to deliver services to the required standard or fails to deliver required efficiency savings.</p> <p>(EGEI)/(Environment and Operations)</p>	<p><b>10</b> <b>Medium</b></p>	<p><b>New Risk</b></p>	<p><b>New Risk</b></p> <ul style="list-style-type: none"> <li>• The effectiveness of controls and performance will only be fully tested when new contract in operation and governance arrangements established.</li> <li>• Any actions for improvement would be determined when contract in place (subject to Executive approval).</li> </ul>
12	<p>Performance targets relating to Adult Social Care services are not met.</p> <p>(CFW)/(Adult Social Services and Community Wellbeing)</p>	<p><b>10</b> <b>Medium</b></p>		<ul style="list-style-type: none"> <li>• Monitoring is in place and a range of weekly, monthly and quarterly reports are overseen by Business Delivery Programme Board. A weekly activity to finance update has been added to the reporting schedule to give an early indication of potential spending pressures.</li> <li>• Performance is measured against national and local performance indicators as per Directorate Performance Framework.</li> <li>• The Liquid Logic IT system has now been implemented (December 2014) and should eventually ensure better reporting and closer alignment of activity and finance data to facilitate more accurate planning.</li> <li>• Ensure that the roll out of the new operating model/ integration of health and social care continues to address key personalisation/ integration performance indicators.</li> </ul>


13	<p>Major event leading to inability to deliver critical services to vulnerable people.</p> <p>(CFW)/(Adult Social Services and Community Wellbeing)</p>	<p><b>16</b> <b>High</b></p>		<ul style="list-style-type: none"> <li>• Consideration has been given to events which could stretch the capacity of the Service. This has included plans for monitoring and responding to winter pressures. All CFW Services have business continuity plans in place within the Directorate with supporting action plans actively monitored. These are due to be reviewed further.</li> <li>• Contractual requirements on external providers to have business continuity plans in place.</li> </ul>
14	<p>Failure to complete the Business Continuity (BC) Programme Project, resulting in an increased risk that the Council may fail to deliver Council services in the event of significant disruption.</p> <p>(T&amp;R)/(Transformation and Resources)</p>	<p><b>10</b> <b>Medium</b></p>		<ul style="list-style-type: none"> <li>• In the Summer of 2013 the Business Impact Analysis (BIA) and the Business Continuity Plan (BCP) templates were completely revised and have since been issued with other guidance as a BC Toolkit hosted on the Council's Intranet site.</li> <li>• At the same time the Council's web pages were updated with further information and continue to comply with the Civil Contingencies Act in regard to providing advice to the public and businesses.</li> <li>• Amendments to the Intranet and website pages are completed as necessary by the Emergency Planning Manager and are currently up to date.</li> <li>• The Emergency Planning Manager has through HR and AGMA, gained agreement to use an on-line learning package developed by Risk and Resilience at Manchester City Council. Currently HR are looking at placing this on their work programme.</li> <li>• The BC policy has been updated with some minor amendments and also to reflect service structural changes across the council. This now needs to be agreed by CMT.</li> <li>• The T&amp;R Directorate have undertaken a table top exercise to test their BC arrangements during an ICT disruption.</li> <li>• An action plan was developed following the disruptive weather in February 2014 in order to better prepare Council services for dealing with similar incidents.</li> <li>• Under the Reshaping Trafford banner the Council will need to ensure that outsourced Council Services have robust BCP.</li> <li>• The Emergency Planning Manager, together with Manchester City Council and AGMA have been looking at the provision of an online e-learning package for internal use at Trafford Council. There has been agreement in principle, but the logistics of implementation will have to be worked through.</li> <li>• Over the past few months all BIAs and where</li> </ul>


		<b>15</b>		<p>necessary BC plans are under review.</p> <ul style="list-style-type: none"> <li>• A spread sheet outlining the structure of the Council highlights the current status of business continuity planning across the Authority, using the Red, amber and Green (RAG) system.</li> </ul> <p>For ease of reference a summary of the RAG spread sheet is outlined below:</p> <ul style="list-style-type: none"> <li>• <u>Children, Families and Wellbeing (Adults and Children)</u>. All Adult and Children's Services now need an annual review. BIAs and necessary BCPs were completed but are now due for review.</li> <li>• <u>Economic Growth and Prosperity</u>. All BIAs and BCPs were completed in 2013 but will now need updating in the current review to reflect Directorate changes to EGEI.</li> <li>• <u>Environment, Transport and Operations</u>. Still awaiting Environment Strategy, some of Environmental Operations, School Transport and Public Protection. These will all need to be reviewed and also need to reflect the changes to EGEI.</li> <li>• <u>Transformation and Resources</u>. Still awaiting responses from Legal and Democratic, Revenues and Benefits and Culture and Sport. Human Resources completed in 2014. ICT are in the process of building a second server, but still require updating their Disaster Recovery/BCP.</li> <li>• <u>Corporate Plan</u>. The completion of the Corporate BCP is dependent on service areas completing their analyses of their business. A draft version is currently being prepared.</li> </ul> <p>There has been a tremendous amount of work across all the services updating their plans which in turn will lower the risk of a failure to deliver during a business interruption. Work continues on chasing those services that have analyses outstanding.</p>
15	<p>Implementation of the Special Educational Needs and Disabilities (SEND) reforms set out in the Children and Families Act 2014.</p> <p>(CFW)/(Children's Services)</p>	<b>15</b> <b>Medium</b>		<ul style="list-style-type: none"> <li>• SEND requirements of the Children and Families Act came into force on the 1 September 2014.</li> <li>• All new cases are now subject to an Education, Health and Care Plan rather than a Statement of Special Educational Needs.</li> <li>• Transition plan is in place to convert Statements to Education, Health and Care (EHC) Plans.</li> <li>• Local Offer published in September 2014 and consultation on revised policies in line with new Code of Practice to start in October 2014.</li> </ul>

				<ul style="list-style-type: none"> <li>• Work underway to establish an integrated referral and assessment service to enable personal budgets linked to EHC Plans.</li> </ul>
16	<p>Adult Social Care Budget 2015/16: Ability to implement approved savings proposals in the current economic conditions.</p> <p>(CFW)/ (Adult Social Services and Community Wellbeing).</p>	<b>25 High</b>		<ul style="list-style-type: none"> <li>• The ASC budget has now been completely realigned to remove historic structural budget issues. This has meant that an additional £6.5M has been built into the 2015/16 CFW budget (before savings). This rebasing will ensure that savings proposals are now developed and implemented based on robust financial information.</li> <li>• Regular monitoring of budget at SLT and service level.</li> <li>• CFW Transformation Programme Board to monitor delivery of savings proposals on a monthly basis.</li> <li>• CFW Transformation Team in place including Benefits Realisation Manager.</li> <li>• Detailed action plans developed to deliver all budget savings proposals.</li> <li>• Updated benefits realisation monitoring process being implemented based on monitoring of key actions linked to activity and unit costs.</li> <li>• Business Delivery Programme Board to monitor and manage savings delivery.</li> <li>• Performance data in place to identify trends in take up of service.</li> <li>• Market management and intelligence role of CWF Commissioning Officers.</li> <li>• A Budget Monitoring Investigation Action Plan has been developed setting out the findings, conclusions and recommendations following the review and was presented to the Accounts and Audit Committee in 2014/15. Continued monitoring of progress against this plan will take place to ensure agreed actions are implemented and details of progress will continue to be reported.</li> <li>• A new operating process is being developed to be fully implemented by 1 April 2016: Phase1 will focus on reviewing and realigning existing budgets to establish a clear baseline in terms of cost and activity and then developing a CFW Benefits Realisation process for 2015/16. Phase2 will focus on the development of an outcome focussed CFW operating process for the future.</li> </ul>
17	Inability to meet Trafford residents' requests to have burials within the local area due to insufficient land.	<b>8 Low</b>		<ul style="list-style-type: none"> <li>• Agreement in principle reached to purchase additional land.</li> <li>• The Council is in dialogue with the landowner, the National Trust to conclude the land</li> </ul>

	(EGEI)/(Environment and Operations)			<p>acquisition.</p> <ul style="list-style-type: none"> <li>The anticipated final purchase date is subject to associated tenant agreements on the land. Risk now classed as low. <b>However, if the land cannot be purchased by May 2015 we will need to raise the risk to Medium.</b></li> </ul> <p>Planning application to be submitted following acquisition.</p>
18	<p><u>Impact and implementation of the Care Act.</u> Royal Assent was granted to the Care Bill in May 2014 and it is now the Care Act. The Act represents the most significant reform of care and support in over 60 years, putting people and their carers in control of their care and support and introducing a cap on how much people will have to pay for the costs of care in their lifetime. Other key elements include new rights for carers to assessment and support, introduction of a national eligibility threshold for care and support, Local Authority responsibility for preventative services and the provision of universal information.</p> <p><i>(CFW)/ (Adult Social Services and Community Wellbeing).</i></p> <p>(Note this risk was formerly listed as Strategic Risk No. 19 per the November 2014 strategic risk register)</p>	15 Medium	← →	<ul style="list-style-type: none"> <li>Programme Manager appointed.</li> <li>Care Act Programme Board and ASC Business Delivery Board provide overview and scrutiny role in relation to preparations and readiness of the Care Act programme.</li> <li>Linked into the Care Act national and regional Networks</li> <li>Nine work streams created to deliver the changes and reforms outlined in the Care Act.</li> <li>The deliverables and timescales mapped across the programme to ensure Trafford meet the Care Act requirements in a timely manner.</li> <li>Reporting mechanisms in place to map progress and highlight risks.</li> <li>The financial reform work stream is undertaking comprehensive financial modelling and will highlight any significant financial impacts.</li> </ul>
19	Trafford Council must ensure that information held about citizens, employees, partners, contractors, members and organisations in Trafford is safe in their hands. To be able to assure its partners and the public that this is the case they need to demonstrate that they are handling personal/ sensitive and commercial	15 Medium	← →	<ul style="list-style-type: none"> <li>Citizens and businesses have a right to expect data held about them to be treated in a secure manner and only shared on a need to know basis.</li> <li>Employees, Partners, Contractors and members have the right to expect data held about them to be treated in a secure manner.</li> <li>Trafford Council have a responsibility to protect their data and information including building and equipment security.</li> <li>The Information Security Governance Work</li> </ul>



	<p>data securely both in technology and physical terms. They also need to ensure that 3<sup>rd</sup> parties acting on their behalf are handling their data sets in accordance with Trafford Council's policies and procedures. This is a corporate risk and the risk to the Council is reputational, financial, adverse publicity and could ultimately be a breach of the Data Protection Act.</p> <p>(T&amp;R)/ (Transformation and Resources).</p> <p>(Note this risk was formerly listed as Strategic Risk No. 20 per the November 2014 strategic risk register)</p>			<p>Stream have developed all relevant policies, procedures, communication and education including mandatory courses for all employees, partners and members. These policies and procedures have been communicated to the Council and the first tranche of training has been rolled out.</p> <ul style="list-style-type: none"> <li>• The annual work plan is successfully being delivered with a completion of the 31 December 2015. Information Asset Owner are progressing the embedding of information in the Council's day to day activities.</li> <li>• Information Asset Owners are progressing the embedding of information in the Council's day to day activities.</li> <li>• Corporate Information Governance Groups are assisting in embedding information governance in the culture of the Council by using team meetings and 1:1 supervision as their forum</li> <li>• An Information Governance Team has been set up to include an IG Manager, 2 x IG Officers and an IG Apprentice. The team is in the process of being established with an expected full complement of staff at the end of March 2015.</li> </ul>
20	<p>Failure or delay to implement new Adult Social Care System (Liquid Logic).</p> <p>(CFW)/(Adult Social Services and Community Wellbeing)</p> <p>(Note this risk was formerly listed as Strategic Risk No. 21 per the November 2014 strategic risk register)</p>	<b>20 High</b>		<ul style="list-style-type: none"> <li>• Business continuity plan is updated to include an interim non Adult Social Care Review System for new and existing business.</li> <li>• LAS implementation phase one went live 9<sup>th</sup> December as planned. Phase 2 implementation for the Control OCC System to go live on 1<sup>st</sup> April 15. (Its <u>modules include</u>: Contracts, Payments and Charging which can work together to provide a personalised framework for managing individual budgets).</li> <li>• Liquid Logic (LL) and Oxford Computer. Consultants (OCC) Risks, Assumptions, Issues and Dependencies (OCC RAID) Log updated weekly during project to identify problems and provide solutions. Escalation process established to communicate issues and risks.</li> <li>• Softbox will be used until phase 2 is completed and a period of embedding has occurred.</li> <li>• Manuals written to support key parts of the system and regular meetings held with users to address specific process issues. Member of HR providing support with training until end March 2015.</li> <li>• Review the work packages against the proposed "Go Live" and extend if possible.</li> <li>• Version 6 is being tested to accommodate changes required for the implementation of the</li> </ul>

				<p>Care Act in April 2015.</p> <ul style="list-style-type: none"> <li>• Programme Board meets weekly to monitor progress post-implementation</li> <li>• Ensure the correct level of resource is available in order to meet the project deadlines. Additional staff in place to clear backlog generated during the four weeks when there was no access immediately prior to Go Live.</li> </ul>
21	<p>The Transformation Programme savings will not be delivered in full.</p> <p>(T&amp;R)/ (Transformation and Resources)</p> <p>(Note this risk was formerly listed as Strategic Risk No. 22 per the November 2014 strategic risk register)</p>	<p><b>15</b> <b>Medium</b></p>		<ul style="list-style-type: none"> <li>• The governance arrangements in place are mature and effective with appropriate senior level representation and authority to provide the support, challenge, advice and decision making required.</li> <li>• The Transformation Portfolio savings target are reviewed and monitored monthly.</li> <li>• In May 2014, the savings targets were reviewed by TPR. As a result, the saving target is revised from the original value of £5,559k of the £13,659m MTFP savings for 2014/15 to £5,484k of £13,776k.</li> <li>• At November 2014, of the revised savings target £5,079 (93%) had been delivered.</li> <li>• Based on the level of savings achieved to date and the governance improvements in place, the risk is being managed proactively.</li> </ul>

\* Note: This indicates the direction of travel in respect of performance in managing the risk and not direction of travel of the risk level.



#### **4. STRATEGIC RISK REGISTER (March 2015)**

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>		<b>1</b>	
Corporate Priorities		Value for money Fighting crime Economic Growth and Development	Link(s) to Community Strategy Key Objectives		Positive environmental impact Better homes Health and improved quality of life for all Strong economy	
<b>RISK</b>		<b>Major regeneration projects, including Altair, Altrincham Strategic Framework delivery, Old Trafford Master Plan (OTMP) and Carrington development do not proceed due to economic and financial constraints.</b>				
Consequences		<ul style="list-style-type: none"> <li>• Failure to deliver on promise to community.</li> <li>• Negative impact on reputation.</li> <li>• Adverse impact on urban regeneration.</li> <li>• Failure to deliver the Core Strategy housing and employment growth targets.</li> <li>• Negative impact on economic and housing growth in the borough.</li> </ul>				
Controls		<ul style="list-style-type: none"> <li>• Lead officers identified.</li> <li>• Consultants in advisory role where appropriate.</li> <li>• Officer/ member steering groups in place.</li> <li>• Regular performance meetings with developer/ key stakeholders.</li> <li>• Detailed project plans in place.</li> <li>• Altrincham Forward.</li> </ul>				
Risk Assessment	Likelihood	Altair = 2 Altrincham = 2 OTMP = 2 Carrington = 2	Impact	Altair = 4 Altrincham = 4 OTMP = 4 Carrington = 4	Exposure	Altair = 8 Altrincham = 8 OTMP = 8 Carrington = 8 Average = 8
<b>RISK LEVEL</b>			<b>Low Risk (Average)</b>			
Risk Performance Indicators		<p><b>Altair</b></p> <ul style="list-style-type: none"> <li>• CPO confirmed, developer proposals being finalised.</li> <li>• Funding strategy dependent upon pre-letting key parts of development.</li> <li>• Outline planning consent granted and development agreement to be completed February 2015.</li> </ul> <p><b>Altrincham</b></p> <ul style="list-style-type: none"> <li>• Altrincham Forward Board reviews – quarterly.</li> <li>• Delivery of pipeline developments, including Graftons (on site), new hospital, interchange and Altair (see above).</li> <li>• Support of local traders/ organisations/residents.</li> <li>• Altrincham Town Team in place (July 2013).</li> <li>• Altrincham Strategy approved</li> </ul> <p><b>OTMP</b></p> <ul style="list-style-type: none"> <li>• Essex Way development complete.</li> <li>• Tamworth refurbishment and demolition works complete</li> <li>• Hullard refurbishments complete.</li> <li>• HCA funding for Shrewsbury Street scheme approved. Project governance structure agreed and in place.</li> <li>• Land Pool Agreement approved by Council Executive.</li> </ul> <p><b>Carrington</b></p>				

	<ul style="list-style-type: none"> <li>• Sale of site by Shell to developer complete (2013), with further sale to Himor complete.</li> <li>• Outline of spatial concepts being developed.</li> <li>• Engagement with key stakeholders' on-going.</li> <li>• Flixton Road junction improvements complete.</li> <li>• New project governance structure in place and being reviewed</li> </ul>				
Effectiveness of controls and performance indicators	Altair = 3 Altrincham = 4 OTMP = 3 Carrington = 3				
Improvement Actions (ref to action plans)	Regular performance meetings with developers/ key stakeholders to ensure project times and delivery of key mile stones.				
Person or Group Responsible for management of risk	Economic Growth, Environment and Infrastructure (EGEI)				
Previous risk reviews completed:	<ul style="list-style-type: none"> <li>• G Pickering, Corporate Director PPD. April 2009</li> <li>• J Valentine, Head of Asset Management. October 2009</li> <li>• P Harvey, Director of Environment. February 2010 and July 2010</li> <li>• D Smith/ J Valentine, Head of Strategic Planning &amp; Houses/ Head of Asset Management. May 2010 and January 2011</li> <li>• D Challis, Asset manager. June 2011</li> <li>• N Gerrard, Corporate Director EGP &amp; Steph Everett, Growth Delivery Manager. September 2011; and February 2012</li> <li>• R Haslam, Acting Strategic Planning Manager and J Steward, Interim Economic Growth Lead. August 2012.</li> <li>• S James, Economic Growth Manager. February 2013.</li> <li>• H Jones, Corporate Director EGP. August 2013.</li> </ul>				
Risk Review Date	January 2014	Completed By	Richard Roe	Designation	Head of Growth.
Risk Review Date	September 2014	Completed By	Richard Roe	Designation	Director of Growth and Regulatory Services.
Risk Review Date	February 2015	Completed By	Richard Roe	Designation	Director of Growth and Regulatory Services

<b>STRATEGIC RISK REGISTER 2014/15</b>		<b>Risk Number</b>	<b>2</b>
Corporate Priorities	Services focused on the most vulnerable people.	Link(s) to Community Strategy Key Objectives	Bright Futures
<b>RISK</b>	<b>Whilst safeguarding services in Trafford have been inspected and rated by Ofsted as good with good prospects for improvement, this is an area of Council responsibility that requires constant high levels of vigilance to guard against the risk of harm or abuse to children that could have been prevented through intervention and support of services. In particular, the risk of the Safeguarding Board not being effective in undertaking its duties and responsibilities and/or insufficient numbers of staff, particularly social workers with relevant experience, to provide effective safeguarding services to children and young people.</b>		
Consequences	<ul style="list-style-type: none"> <li>• Harm or abuse of children.</li> <li>• Sanctions/penalties against Service.</li> <li>• Legal liability claims.</li> <li>• Negative impact on reputation.</li> </ul>		
Controls	<ul style="list-style-type: none"> <li>• Monthly meetings of the Director of Children's Services Safeguarding Group.</li> <li>• Independent Chair appointed and Safeguarding Board governance and planning</li> </ul>		

		approved.				
Risk Assessment	Likelihood	4	Impact	5	Exposure	20
<b>RISK LEVEL</b>			<b>High Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>Responsibility for the risks are multi-agency and depend on all parties to achieve successful outcomes and sustained improvement.</li> <li>There were staffing implications arising from the CQC/OFSTED Inspection report in April 2010 around the need to strengthen the role of LADO and the Independent Reviewing Team and the role of Statutory Children’s Compliant Service. The issues have been addressed and additional resources identified as appropriate.</li> <li>Ofsted completed a full inspection of Trafford council services to safeguard children and of the TSCB in February 2015, the outcome of which will be published in April 2015. It will be appropriate to review this risk once the full Ofsted report has been published.</li> </ul>					
Effectiveness of controls and performance indicators	<ul style="list-style-type: none"> <li>The direction of travel is improving. The Service was inspected by OFSTED and CQC in April 2010 and the report concluded that the overall effectiveness of safeguarding and the capacity for improvement were good, with only a few exceptions, performance is better than statistical neighbours and nationally. In addition in December 2010 Children’s Services in Trafford were rated as performing excellently by OFSTED and this rating was confirmed for a second year in December 2011.</li> <li>The Trafford Safeguarding Children’s Board (TSCB) remains independently chaired and made good progress against its 2012/13 business plan. A revised business planning process has now been developed linked to the children and young people’s strategy and a three year plan is complete. The work of the TSCB sub-groups is robust and they are monitoring and quality assuring safeguarding outcomes for children.</li> <li>Multi-agency preventative work with children in need is well developed and effective and the number of new children coming into care has recently increased and the current number of child protection plans and children in care is high and reasons for this are analysed regularly with actions taken if appropriate.</li> <li>Action plans have been developed following recent inspections but all recommendations are very minor.</li> <li>Partnership working and communication in safeguarding services are good, both within the CYPS and between the CYPS, health partners and other agencies. Guidance and direction for staff are good and staff report experiencing professional challenge and support, with accessible managers and clear decision making.</li> <li>The CYPS has recruited to a number of posts in recent months. The number of high quality applicants was high indicating Trafford’s good reputation as an employer. They are settling into Trafford well and are very positive about their early experiences here.</li> <li>Caseloads are high but manageable and the workload management system is helping to promote balanced workloads in line with the capability of staff and their level of experience.</li> <li>Training and support for staff are of consistently high quality, especially the multi-agency training arranged by the TSCB for which take-up is good.</li> <li>The Munro review of child protection services and the government response indicates Trafford’s direction of travel is in line with current thinking and work is in progress to address the Munro recommendations although full clarity is not yet available from government in terms of detailed expectations.</li> <li>Trafford participated in a Safeguarding Peer Review in February 2013 and the overall messages about safeguarding were very positive with recognition of good practice, strong partnership working and as a learning organisation. The feedback has been helpful in confirming areas for continuous development and improvement. The findings were in line with our own evaluation of strengthens and areas for development.</li> </ul>					

Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>Action plans from recent inspections to be progressed and monitored within CFW.</li> <li>Actions arising from the 2013 Peer Review of safeguarding have all been actioned.</li> <li>The Family Justice Review recommendations are being progressed and the new court timescales will be implemented. Authorities are required to achieve outcomes for children in shorter timescales and we will continue to manage potential risks.</li> </ul>				
Person or Group Responsible for management of risk	CFW Senior Leadership Team				
<b>Previous risk reviews completed:</b>					
<ul style="list-style-type: none"> <li>C Pratt, Corporate Director CYPS. April 2009 and October 2009</li> <li>M Woodhouse, Interim Corporate Director CYPS. March 2010 and July 2010</li> <li>D Brownlee, Corporate Director CYPS. January, April, July, September 2011, January 2012, August 2012, February 2013 and August 2013.</li> <li>CFW SLT (D Brownlee, L Harper, J Pearce, C Ramsden &amp; C Baker-Longshaw). February 2014.</li> </ul>					
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>		<b>3</b>	
Corporate Priorities		Excellence in Education		Link(s) to Community Strategy Key Objectives		Bright Futures
<b>RISK</b>		<b>Demand for school places underestimated and/ or additional school places are not delivered to satisfy increased demand.</b>				
Consequences		<ul style="list-style-type: none"> <li>Statutory duty not discharged.</li> <li>Negative impact on reputation.</li> <li>Ad hoc expensive provision required.</li> <li>Disruption to pupils' education.</li> </ul>				
Controls		<ul style="list-style-type: none"> <li>Thorough review based on most recent birth rates undertaken each year taking into account recent and planned housing developments.</li> <li>The comprehensive plan, giving the analysis of and projecting the increased demand for school places considered by the Executive in June 2014 is now being implemented.</li> <li>Secondary School Sufficiency Review completed and reported to the Council Executive to plan for 2017 and beyond.</li> </ul>				
Risk Assessment	Likelihood	3	Impact	5	Exposure	15
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators		All children are offered a place at school.				
Effectiveness of controls and performance indicators		The direction of travel remains stable. Planning for school places continues to be an area of risk. All pupils have been placed in schools for the 2014/15 academic year, though not necessarily in the preferred choice of parents. A Capital Programme is in place to address priority areas for expansion in the primary sector up to 2016. Secondary Sufficiency Review has identified options for managing the future projected demand from 2017.				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> <li>Continue to update the review undertaken on most recent birth rates and taking into account recent and planned housing developments.</li> <li>Monitor the pupil's flows to the independent sectors and non-Trafford schools.</li> <li>Continue to monitor the demand for primary and secondary school places; produce a plan for meeting these; secure the necessary capital resources and deliver the plan. Current</li> </ul>				

<p>projections suggest that from 2017 the number of secondary school places will be a major issue.</p> <ul style="list-style-type: none"> <li>• Fragmentation of governance arrangements makes it increasingly difficult to plan places in the secondary sector. Trafford is the Admissions Authority for only one of its 18 secondary schools and, therefore, has limited direct powers in relation to place planning and admissions policies.</li> <li>• Update the Executive when Spending Review allocations are published.</li> <li>• Subject to approval, implement the Comprehensive Plan.</li> </ul>
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Person or Group Responsible for management of risk | CFW Senior Leadership Team

**Previous risk reviews completed:**

- C Pratt, Corporate Director CYPS. April 2009 and October 2009
- M Woodhouse, Interim Corporate Director CYPS. March 2010 and July 2010
- D Brownlee, Corporate Director CYPS. January, April, July, September 2011, January 2012, August 2012, February 2013 and August 2013.
- CFW SLT ( D Brownlee, L Harper, J Pearce, C Ramsden & C Barker-Longshaw). February 2014.

Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW

**STRATEGIC RISK REGISTER 2014/15** | **Risk Number** | **4**

Corporate Priorities | All Corporate Priorities | Link(s) to Community Strategy Key Objectives

<b>RISK</b>	<p><b>There continues to be uncertainty regarding the Council’s medium term financial position given the reliance that exists on support from Central Government and that public expenditure reductions are now expected to continue until 2017/18.</b></p> <p><b><u>Support from Central Government Cost Pressures</u></b>  <b>The financial settlement for 2015/16 broadly reflected the expected reduction in resources that was assumed in the Council’s projections for 2015/16. The position for the following two years will be known with more certainty following the outcome of the next Spending Review expected in the summer of 2015.</b></p> <p><b>In addition to reducing funding there continues to be cost pressures and demands on the budget including:</b></p> <ul style="list-style-type: none"> <li>➤ <b>Increased demand on services including social care.</b></li> <li>➤ <b>Changes in legislation and new regulations.</b></li> <li>➤ <b>Pressure from Transport and Waste Disposal levies.</b></li> <li>➤ <b>Employee costs – potential risks in this area include for national pay award, national insurance and pension changes, and the continuing effects of job evaluation.</b></li> <li>➤ <b>Organisational change costs.</b></li> </ul> <p><b>Equally, opportunities for savings through efficiency and economy after five years of austerity budgets are becoming more difficult to find. The scale of budgeted savings in 2015/16 is £21.5m the highest single year saving yet and the expectation is that the requirement to make savings will continue over the next few years. This will be demanding on the capacity of both managers and staff. To part mitigate this, a dedicated transformation team has been set up to look at the delivery of the CFW savings which make up the major part of the overall budget savings. Some decisions on the budget are not yet known for example the Joint Venture and extended</b></p>
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		<p><b>consultation on the libraries with decisions on these areas in March 2015.</b></p> <p><b>The Council has agreed the 2015/16 budget at £148.914m, a reduction of £5.638m or 3.6% on 2014/15. Overall services pressures continue to grow and are estimated at £24.7m made up of reduced government funding of £10.1m and increased cost pressures of £14.6m for 2015/16.</b></p> <p><b>To offset these pressures £3.2m has been identified from a combination of increase in the council taxbase, dividend from the Manchester Airport Group and increase in retained business rates. At this stage it is not known if these latter two will be recurring income streams.</b></p> <p><b>In respect of business rates there remains a number of forecasting and other issues such as:</b></p> <ul style="list-style-type: none"> <li>➤ <b>The variability of the local economy.</b></li> <li>➤ <b>Annual review of the appeals provision.</b></li> <li>➤ <b>The unknown impact of the 2017 valuation, including associated appeals.</b></li> </ul>				
Consequences		<ul style="list-style-type: none"> <li>• Reducing level of services across the Authority.</li> <li>• Adverse perception of the Authority.</li> <li>• Negative impact on reputation.</li> <li>• Potential political impact.</li> </ul>				
Controls		<ul style="list-style-type: none"> <li>• Likely gross deficit based on best data available for 2015/16 budget year and 2015/18 MTFP period has been updated.</li> <li>• Budget and financial management information systems in place.</li> <li>• Regular budget monitoring reports including a Council Tax and Business Rate projections.</li> <li>• Government safety net will limit any losses on business rates in a particular year (current annual maximum liability is £2.4m).</li> <li>• Reshaping projects widening the scope of realising potential efficiencies through income generation, sharing overheads, introducing technology and investment through partner or contract arrangements.</li> <li>• Provisions maintained for anticipated costs of organisational change (employment rationalisation).</li> <li>• Smoothing reserves established where necessary for such items as, Treasury Management to avoid changes in the external markets impacting on the budget, and to equalise the costs of the Waste Disposal PFI over the medium term.</li> <li>• Minimum level of reserves established to provide short term cover for losses.</li> </ul>				
Risk Assessment	Likelihood	5	Impact	5	Exposure	25
<b>RISK LEVEL</b>			<b>High Risk</b>			
Risk Performance Indicators		<ul style="list-style-type: none"> <li>• Director of Finance monitoring Council's current year budget.</li> <li>• Regular budget/ financial monitoring (Directorates).</li> <li>• Business Delivery Group established to review and challenge CFW budget monitoring</li> <li>• TPR monitoring transformation and all other savings.</li> </ul>				
Effectiveness of controls and performance indicators		3				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> <li>• Improvements to robustness and monitoring processes being actioned.</li> <li>• Financial management training of budget holders rolled out in February and March 2015</li> </ul>				



- Savings areas for 2015/16 have been subject to public, staff and business consultation, equality impact assessment and a rigorous business case development and robustness review. Variations in both resource levels and savings will be reviewed regularly for CMT and Executive to take remedial action.

Person or Group Responsible for management of risk	Director of Finance				
Previous risk reviews completed:					
<ul style="list-style-type: none"> <li>• I Duncan, Director of Finance. April 2009; October 2009; February 2010; July 2010, January 2011, September 2012, February 2013 and March 2014.</li> <li>• I Kershaw, Head of Financial Management. August 2011 and January 2012.</li> <li>• D Muggeridge, Finance Manager. August 2013.</li> <li>• G Bentley February 2015</li> </ul>					
Risk Review Date	October 2014	Completed By	Ian Duncan	Designation	Director of Finance
Risk Review Date	February 2015	Completed By	Graeme Bentley	Designation	Interim Head of Financial Management

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>	<b>5</b>	
Corporate Priorities	Reshaping Trafford Council	Link(s) to Community Strategy Key Objectives	Strong Economy		
<b>RISK</b>	<b>Loss / absence and retention of senior managers to the organisation.</b>				
Consequences	<ul style="list-style-type: none"> <li>• Adverse impact on the delivery of the Reshaping Trafford Council programme.</li> <li>• Lack of direction / leadership.</li> <li>• Negative impact on reputation.</li> <li>• Increased demand on those managers remaining in the organisation.</li> <li>• De-motivated workforce / low morale.</li> </ul>				
Controls	<ul style="list-style-type: none"> <li>• Executive Search Framework in place, enabling the prompt sourcing of experienced interims.</li> <li>• Opportunity for permanent recruitment for critical posts, with relocation available to ensure the widest candidate base.</li> <li>• Investment in skills development, through the 'Supporting Change to Happen' programme / change strategy.</li> <li>• Recognition of high performers through the Employee Recognition Awards and SOLACE development programme for rising stars to aid succession planning and talent management.</li> <li>• Organisational Development (OD) recovery plan in place, providing additional skills development.</li> </ul>				
Likelihood	4	Impact	5	Exposure	20
<b>RISK LEVEL</b>			<b>High Risk</b>		
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• Turnover</li> <li>• Absence</li> <li>• Employee survey results</li> </ul>				
Effectiveness of controls and performance indicators	3				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• Robust monitoring of the OD recovery plan through monthly CMT meetings.</li> <li>• Change Strategy Steering Group in place and the Year 2 strategy in development, with a focus on succession planning and talent management.</li> </ul>				

<ul style="list-style-type: none"> <li>• Phase 2 (coaching, negotiating and commercial skills training) of the 'Supporting Change to Happen' development programme commenced in January 2015.</li> <li>• Executive Search Framework due to be re-tendered, providing the opportunity to select providers that meet the changing demands of the organisation.</li> <li>• Appointment made (on an acting basis) to the Corporate Director, Children, Families and Wellbeing post.</li> <li>• Proposals on revised and strengthened Corporate Management Team arrangements approved at 18<sup>th</sup> February 2015 Council</li> </ul>					
Person or Group Responsible for management of risk			Lisa Hooley, Acting Director of HR		
Risk Review Date	March 2015	Completed By	Lisa Hooley	Designation	Acting Director of HR

<b>STRATEGIC RISK REGISTER 2014/15</b>				<b>Risk Number</b>		<b>6</b>
Corporate Priorities		<ul style="list-style-type: none"> <li>• Services focused on the most vulnerable people</li> <li>• Low Council Tax and Value for Money</li> </ul>		Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for All.
<b>RISK</b>		<b>Ability of partnership working with health to deliver joint objectives for vulnerable adults and older people and to improve health inequalities.</b>				
Consequences		<ul style="list-style-type: none"> <li>• Not meeting service objectives around key groups of people.</li> <li>• Spend is not best utilised/ limited value for money.</li> <li>• Could lead to reduced service/support to vulnerable persons.</li> </ul>				
Controls		<ul style="list-style-type: none"> <li>• Partnership Boards in place.</li> <li>• Mechanisms in place to support decision-making and deliver governance.</li> <li>• Regular leadership and oversight meetings with Council and NHS Chief Executives.</li> <li>• Leadership and engagement by relevant Chief Officers in respective fields.</li> </ul>				
Risk Assessment	Likelihood	3	Impact	4	Exposure	12
<b>RISK LEVEL</b>				<b>Medium Risk</b>		
Risk Performance Indicators		<ul style="list-style-type: none"> <li>• Signing-off procedures on key agreements and arrangements.</li> <li>• Delivery of health and wellbeing indicators.</li> </ul>				
Effectiveness of controls and performance indicators		<p>3 – There are forums in place which enable Adult Social Services and CCG Commissioners to meet on a regular basis, to ensure the delivery of joint partnership objectives. The Health and Wellbeing Board is established and will be reviewed in March 2015. Public Health responsibilities have been successfully transferred. There are Boards in place to oversee the delivery of joint services e.g. the Mental Health Commissioning Partnership Group and the Integrated Community and Equipment Services Board. A Section 75 Agreement is in place with Pennine Care to enable the delivery of integrated health and social care services for adults. Other S75 agreements are kept under constant review, for example the GMW s75 agreement has been reviewed and extended and the CWP S75 Agreement has been temporarily suspended pending a re-tendering exercise by the CCG. From April 2015 a new S75 agreement will be in place with the CCG to cover the Better Care Fund, our plans for which have now received national approval. The CFW Transformation Programme will result in a review and refresh of all relevant partnership arrangements.</p>				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> <li>• Work with Health and Wellbeing Board to implement Health and Wellbeing Strategy.</li> <li>• Ensuring existing partnerships have governance arrangements in place that are fit for</li> </ul>				



	the future.				
	<ul style="list-style-type: none"> <li>CFW Transformation Programme</li> </ul>				
Person or Group Responsible for management of risk			CFW Senior Leadership Team		
Previous risk reviews completed by:					
<ul style="list-style-type: none"> <li>D McNulty, Chief Executive. April 2009.</li> <li>D Hanley, Deputy Director CWB. February 2010; July 2010 and January 2011.</li> <li>J Walker, Performance &amp; Partnerships Manager, August 2011</li> <li>D Wagstaff, Senior Business Relationship Partner. January 2012</li> <li>CWB SMT: (A Higgins, J Wilmott, J Kay &amp; M Grimes). August 2012, CWB SMT: (D Brownlee, L Harper, J Wilmott &amp; J Kay). February 2013 and CFW SMT: (D Brownlee, L Harper, J Wilmott &amp; J Kay). August 2013.</li> <li>CFW Senior Leadership Team (D Brownlee, L Harper, J Pearce, C Ramsden &amp; C Baker-Longshaw). February 2014.</li> </ul>					
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW

STRATEGIC RISK REGISTER 2014/15			Risk Number	7 (No.23 previously)		
Corporate Priorities		<ul style="list-style-type: none"> <li>Low Council Tax.</li> <li>Value for Money.</li> <li>Reshaping Trafford Council.</li> </ul>	Link(s) to Community Strategy Key Objectives			
<b>RISK</b>	<b>The Reshaping Trafford Council Programme doesn't progress to plan and/or deliver its expected outcomes.</b>					
Consequences	<ul style="list-style-type: none"> <li>The new organisational model is not delivered.</li> <li>Adverse impact on reputation.</li> <li>Increased pressure on budgets as a result of securing additional, sustainable savings immediately or in the subsequent year via new initiatives.</li> <li>Unplanned budget and service impact adversely affecting service provision levels, quality and performance.</li> <li>Adverse impact on other programme activity, due to the significant interdependencies across the programme.</li> <li>The new organisational model is not underpinned by a shaping demand strategy.</li> </ul>					
Controls	<ul style="list-style-type: none"> <li>Transformation Board/CMT.</li> <li>Transformation, Resources and Performance Group.</li> <li>Transformation Programme monthly monitoring, exception reporting and benefits realisation monitoring.</li> <li>Supporting Change to Happen Steering Group/Change Management Group.</li> <li>Resource planning.</li> <li>Provision of sufficient budget to resource the programme.</li> <li>CFW Programme Board.</li> </ul>					
Risk assessment	Likelihood	3	Impact	5	Exposure	15
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>Budget monitoring.</li> <li>Project monitoring.</li> <li>Executive key decision 1 September 2014.</li> <li>Executive key decision 18 February 2015.</li> </ul>					
Effectiveness of	<ul style="list-style-type: none"> <li>The governance arrangements in place are mature and effective with appropriate senior</li> </ul>					

controls and performance indicators	<p>level representation and authority to provide the support, challenge, advice and decision making required.</p> <ul style="list-style-type: none"> <li>• The programme is still on track to deliver its objectives and is routinely monitored by TPR, CMT and Members. It is envisaged that from April 2015, the Transformation Programme becomes the 'Reshaping Trafford Council Programme' and all projects actively planned links on to it. On this basis, the budget consultation process and proposals for 2015/16 will be built around the Reshaping Trafford Council Blueprint.</li> <li>• The programme was subject to an independent review by Local Partnerships in July 2014. This was completed at the Council's request to provide an objective and strategic level assessment of the programme's outcomes and objectives and confirm the fit with the Council's overall strategy. The review rated the programme as 'amber/red' but acknowledged the programme is still forming and that the budget process for 2015/16 will further shape it. An Action Plan has been produced which addresses the eight recommendations made by the review and this has been approved. The actions are being implemented, providing a solid governance foundation for the programme going forward.</li> <li>• In recognition of the significant level of savings to be made by CFW, the potential risk to these being delivered and the consequential impact on the CFW service user population and the Council, a discrete transformation programme has now been established within CFW. This will provide the level of rigour and governance required to deliver the savings, the all age integrated delivery model for CFW and manage all risks/issues associated with this work.</li> </ul>				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• CMT to continue to support understanding of and engagement in the programme, to secure support for it to continue to the original plan with minimal disruption.</li> <li>• Work closely with Senior Responsible Officers to identify risk to projects at the earliest opportunity and identify appropriate and considered mitigations plans.</li> <li>• Escalation of exceptions to plan to CMT/Transformation Board at the earliest opportunity.</li> </ul>				
Person or Group Responsible for management of risk	Joanne Hyde – Acting Corporate Director of Transformation and Resources.				
Risk Review Date	2 October 2014	Completed By	Sarah Maynard	Designation	Transformation Programme Manager
Risk Review Date	17 February 2015	Completed By	Dianne Geary	Designation	Acting Transformation Programme Manager

STRATEGIC RISK REGISTER 2014/15			Risk Number	8
Corporate Priorities	Services focused on the most vulnerable people	Link(s) to Community Strategy Key Objectives	Health & Improved Quality of Life for All	
<b>RISK</b>	<b>Demand for eligible services outstrips resources in adult social care.</b>			
Consequences	<ul style="list-style-type: none"> <li>• Overspend on budgets.</li> <li>• People do not receive services they are eligible for.</li> </ul>			
Controls	<ul style="list-style-type: none"> <li>• Delivery of MTFP and in year savings.</li> <li>• Revised (2014) comprehensive budget monitoring programme in place including monitoring of budgets at service, Business Delivery Programme Board and SLT level.</li> <li>• Monthly Budget period monitoring reports now continue clear, up to date information about service demand levels and links to budget impacts and transparent details of assumptions made in forecasting in year-end impacts</li> <li>• Business case portfolio in place.</li> <li>• Resource allocation system introduced and embedded.</li> </ul>			

	<ul style="list-style-type: none"> <li>• Improvements made to reablement services/ embedding of telecare offer.</li> <li>• Improved performance data in place, to identify trends in take up of services.</li> </ul>					
Risk Assessment	Likelihood	5	Impact	5	Exposure	25
<b>RISK LEVEL</b>			<b>High Risk</b>			
Risk Performance Indicators	Budget monitoring. Project monitoring. CFW Transformation Programme reporting					
Effectiveness of controls and performance indicators	3 – Following major review and rebalancing of ASC budgets in 2014/15 Period 9 Budget monitoring report shows budget controls are delivering services within budget					
Improvement Actions (ref to action plans)	<p>A Budget Monitoring Investigation Action Plan has been developed setting out the findings, conclusions and recommendations following the review and was presented to the Accounts and Audit Committee (26 September 2014). Monitoring of progress against the Action Plan will take place to ensure agreed actions are implemented and details of progress will be reported to future Committee meetings. Key actions include:</p> <ul style="list-style-type: none"> <li>• Work on delivering in year and future savings.</li> <li>• Implement austerity measures.</li> <li>• Improved performance data to identify trends in take-up of services.</li> <li>• Improved intelligence around take-up by potential service users.</li> <li>• Implement learning disability and mental health programmes.</li> <li>• New Learning Disabilities sub-group established.</li> <li>• Service re-designs to seek efficiency options to increase capacity.</li> <li>• New framework contracts let for home care with greater capacity.</li> <li>• New burdens funding is being prepared by the Department of Health (re: Care Act).</li> <li>• Negotiations complete re: the BCF.</li> <li>• On-going risk flagged to CFW Senior Leadership Team and included in the budget setting process.</li> <li>• CFW Transformation Programme Board in place and monitoring all major transformation plans</li> <li>• Care Act programme board managing risks associated with new national eligibility criteria and well-being duty</li> </ul>					
Person or Group Responsible for management of risk	CFW Senior Leadership Team					
<b>Previous risk reviews completed:</b>						
<ul style="list-style-type: none"> <li>• D Hanley, Director of Operations. April 2009; July 2010 and January 2011</li> <li>• J Walker, Performance &amp; Partnerships Manager. October 2009, February 2010 and August 2011</li> <li>• D Wagstaff, Senior Business Relationship Partner. January 2012</li> <li>• CWB SMT (A Higgins, J Wilmott, J Kay &amp; M Grimes). August 2012 and CWB SMT (D Brownlee, L Harper, J Wilmott &amp; J Kay). February 2013 and August 2013.</li> <li>• CFW SLT (D Brownlee, L Harper, J Pearce, C Ramsden &amp; C Baker-Longshaw). February 2014.</li> </ul>						
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	CFW Senior Leadership Team	
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>	<b>9</b>
Corporate Priorities	Services focussed on the	Link(s) to Community	• Strong Communities	

	most vulnerable people.	Strategy Key Objectives	• Health & Improved Quality of Life for All			
<b>RISK</b>	<b>Failure of the Adult Safeguarding Service.</b>					
Consequences	<ul style="list-style-type: none"> <li>• Potential harm to vulnerable individuals.</li> <li>• Legal action against the Council.</li> <li>• Adverse impact on reputation.</li> </ul>					
Controls	<ul style="list-style-type: none"> <li>• Updated Safeguarding strategy in place.</li> <li>• Discrete Safeguarding team.</li> <li>• Training provided to all key staff.</li> <li>• Working with a wide range of partners.</li> <li>• Robust management information and quarterly monitoring in place</li> <li>• Regular multi-agency safeguarding management meeting in place.</li> <li>• Additional capacity agreed.</li> </ul>					
Risk Assessment	Likelihood	3	Impact	4	Exposure	12
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• SMT reporting.</li> <li>• Reports to Safeguarding Board.</li> </ul>					
Effectiveness of controls and performance indicators	3					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• Multi-agency review re: extending safeguarding role and responsibilities completed.</li> <li>• Reports on safeguarding incidents, by individual provider, to be introduced.</li> <li>• Implement quality assurance arrangements.</li> <li>• Re-launch communications with public and partners.</li> <li>• Annual Safeguarding plan completed</li> <li>• Annual report completed</li> <li>• Serious case review plan in place</li> <li>• Operational safeguarding group in place</li> <li>• Increased resources agreed for deprivation of Liberty activity</li> </ul>					
Person or Group Responsible for management of risk			CFW Senior Leadership Team			
<b>Previous risk reviews completed:</b>						
<ul style="list-style-type: none"> <li>• D Hanley, Deputy Director CWB. April 2009; October 2009; July 2010 and January 2011</li> <li>• J Walker, Performance &amp; Partnerships Manager. February 2010 and August 2011</li> <li>• D Wagstaff, Senior Business Relationship Partner. January 2012</li> <li>• CWB SMT (A Higgins, J Wilmott, J Kay &amp; M Grimes). August 2012 and CWB SMT (D Brownlee, L Harper, J Wilmott &amp; J Kay). February 2013 &amp; August 2013.</li> <li>• CFW SLT (D Brownlee, L Harper, J Pearce, C Ramsden &amp; C Baker-Longshaw). February 2014.</li> </ul>						
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>	<b>10</b>
Corporate Priorities	Value for Money	Link(s) to Community Strategy Key Objectives		

<b>RISK</b>	<b>Breach of health and safety legislation leading to prosecution under the Corporate Manslaughter Act.</b>					
Consequences	<ul style="list-style-type: none"> <li>• Possible personal conviction of Officers and/ or Members.</li> <li>• Adverse impact on reputation.</li> <li>• Financial consequences of fines/ legal claims.</li> </ul>					
Controls	<ul style="list-style-type: none"> <li>• Health and Safety Policy.</li> <li>• Procedures in place to ensure legal compliance.</li> <li>• Risk assessments and safe systems of work.</li> <li>• Health and Safety Advisors aligned to each Directorate to provide expertise and support.</li> <li>• Member awareness.</li> <li>• Management training.</li> <li>• Support to schools provided via SLA.</li> <li>• Audit and Assurance review of the Council's corporate health and safety arrangements.</li> </ul>					
Risk Assessment	Likelihood	2	Impact	5	Exposure	10
<b>RISK LEVEL</b>				<b>Medium Risk</b>		
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• Health and Safety team track all accidents/ near misses.</li> <li>• Six month report to CMT/ Executive and Annual Report to Council.</li> <li>• Targets set for accident reduction.</li> <li>• Corporate Health and Safety Improvement Plan reviewed annually.</li> </ul>					
Effectiveness of controls and performance indicators	2					
Improvement Actions (ref to action plans)	<p>Delivery of work plan to implement recommendations in the corporate improvement plan.</p> <p>The first aid procedure has been reviewed and training is ongoing for staff involved in manual handling, working at height and first aid.</p>					
Person or Group Responsible for management of risk	All					
Risk reviews completed:						
<ul style="list-style-type: none"> <li>• G Pickering, Corporate Director PPD. April 2009</li> <li>• P Valentine, IBU Manager. October 2009</li> <li>• C Hay, Workforce &amp; Core Strategy Officer. August 2012</li> <li>• J Arnold, Health &amp; Safety Manager. February 2010; July 2010, January 2011, August 2011, February 2013, September 2013 and February 2014.</li> <li>• L Hooley, Acting Director of HR. February 2015</li> </ul>						
Risk Review Date	October 2014	Completed By	J Arnold	Designation	Health & Safety Manager	
Risk Review Date	February 2015	Completed By	L Hooley	Designation	Acting Director of HR	

<b>STRATEGIC RISK REGISTER 2015/16</b>				<b>Risk Number</b>	<b>11</b>
Corporate Priorities	Economic Growth and Development Reshaping Trafford Council	Link(s) to Community Strategy Key Objectives	Positive Environment Impact Better homes Strong economy		
<b>RISK</b>	<b>New Joint Venture partner fails to deliver services to the required standard or fails to deliver required efficiency savings</b>				
Consequences	<ul style="list-style-type: none"> <li>• Failure to deliver key front line services, including domestic waste collection, street cleaning, grounds maintenance, highway maintenance and street lighting maintenance</li> </ul>				

	<ul style="list-style-type: none"> <li>Negative impact on reputation</li> <li>Failure to meet budget savings targets</li> <li>Negative impact on economic growth and environmental and public health</li> </ul>				
Controls	<ul style="list-style-type: none"> <li>Award of contract(s) subject to Executive approval on the 16<sup>th</sup> March 2015</li> <li>Robust procurement exercise followed</li> <li>External legal advisers appointed</li> <li>New Contracts Director appointed and contract management team to be put in place</li> <li>New governance structure to be adopted to oversee service delivery at a strategic and operational level</li> <li>Local authority has retained control of strategy and policy approval</li> <li>New performance and payment mechanisms to be put in place</li> </ul>				
Likelihood	2	Impact	5	Exposure	10
<b>RISK LEVEL</b>			<b>Medium Risk</b>		
Risk Performance Indicators	<ul style="list-style-type: none"> <li>New Key Performance Indicator suite adopted to cover all services delivered through the contract</li> <li>Price Performance Mechanism</li> </ul>				
Effectiveness of controls and performance indicators	3 (will only be fully tested when new contract in operation and governance arrangements established)				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>To be determined when contract in place (subject to Executive approval)</li> </ul>				
Person or Group Responsible for management of risk			Economic Growth, Environment and Infrastructure (EGEI)		
Risk Review Date	February 2015	Completed By	Richard Roe	Designation	Director of Growth and Regulatory Services
Risk Review Date		Completed By		Designation	

<b>STRATEGIC RISK REGISTER 2014/15</b>		<b>Risk Number</b>	<b>12</b>
Corporate Priorities	<ul style="list-style-type: none"> <li>Lower Council Tax and Value for Money.</li> <li>Services focussed on the most vulnerable people.</li> </ul>	Link(s) to Community Strategy Key Objectives	Health & Improved Quality of Life for All
<b>RISK</b>	<b>Performance targets relating to Adult Social Care services are not met.</b>		
Consequences	<ul style="list-style-type: none"> <li>Services fail.</li> <li>Adverse impact on Council's reputation.</li> <li>Failure to meet personalisation agenda.</li> </ul>		
Controls	<ul style="list-style-type: none"> <li>Performance management framework in place (now also captures CCG information).</li> <li>Established data flows on statutory/ national indicators and performance indicators.</li> <li>Monitoring in place within service – a range of weekly, monthly and quarterly reports overseen by Business Delivery Board and reported through to SLT.</li> <li>Action plans implemented, where appropriate, against underperforming targets.</li> <li>Replacement IT system (now live) should ensure better reporting and closer alignment of</li> </ul>		

	activity and financial data. A period of embedding required to test the system for accuracy.					
	<ul style="list-style-type: none"> <li>Mental Health Trust engaged through Partnership meetings.</li> </ul>					
Risk Assessment	Likelihood	2	Impact	5	Exposure	10
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>Performance monitored against national and local performance indicators as per Directorate Performance framework.</li> <li>Action plans implemented, where appropriate, against underperforming targets.</li> </ul>					
Effectiveness of controls and performance indicators	<p>2</p> <p>Regular summary reports are provided to Business Delivery Board which outlines clearly the potential risk areas.</p>					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>Ensure the roll out of the new operating model / integration of health and social care continues to address key personalisation / integration performance indicators.</li> <li>Performance is measured against national and local performance indicators as per Directorate Performance Framework. Continue to ensure that the framework is reviewed and updated to focus on the key national and directorate priority areas as they change over time.</li> <li>Monitoring is in place via a range of weekly, monthly and quarterly reports that are overseen by the Business Delivery Programme Boards and reported through to SLT. A weekly activity to finance update has been added to the reporting schedule to give an early indication of potential spending pressures</li> <li>The Liquid Logic IT system has now been implemented (from December 2014) and should eventually ensure better reporting and closer alignment of activity and finance to facilitate more accurate planning.</li> </ul>					
Person or Group Responsible for management of risk	CFW Senior Leadership Team					
<b>Risk reviews completed:</b>						
<ul style="list-style-type: none"> <li>J Walker, Performance &amp; Partnerships Manager. April 2009; October 2009; February 2010; July 2010, January 2011 and August 2011</li> <li>D Wagstaff, Senior Business Relationship Partner. August 2011 and January 2012</li> <li>CWB SMT (A Higgins, J Wilmott, J Kay &amp; M Grimes). August 2012 and CWB SMT (D Brownlee, L Harper, J Wilmott &amp; J Kay). February 2013 and August 2013.</li> <li>CFW SLT (D Brownlee, L Harper, J Pearce, C Ramsden &amp; C Baker-Longshaw). February 2014.</li> </ul>						
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>	<b>13</b>
Corporate Priorities	Services focused on the most vulnerable people	Link(s) to Community Strategy Key Objectives	Health & Improved Quality of Life for All	
<b>RISK</b>	<b>Major event leading to inability to deliver critical services to vulnerable people.</b>			
Consequences	<ul style="list-style-type: none"> <li>Interruption to service provision to vulnerable people.</li> <li>Financial loss to the organisation.</li> </ul>			



Controls		<ul style="list-style-type: none"> <li>• Consideration has been given to events which could stretch the capacity of the Service. This has included plans for monitoring and responding to winter pressures. Business continuity plans are in place within the Directorate with supporting action plans actively monitored.</li> <li>• Contractual requirements on external providers to have business continuity plans in place</li> <li>• Plan development with providers.</li> </ul>				
Risk Assessment	Likelihood	4	Impact	4	Exposure	16
<b>RISK LEVEL</b>			<b>High Risk</b>			
Risk Performance Indicators		Action plan to test and monitor business continuity plans.				
Effectiveness of controls and performance indicators		2 – Full suite of business continuity plans in place. Plans to be reviewed				
Improvement Actions (ref to action plans)		Review of existing plans and establish programme for testing business continuity plans.				
Person or Group Responsible for management of risk			CFW Senior Leadership Team			
<b>Previous risk reviews completed:</b>						
<ul style="list-style-type: none"> <li>• D Hanley, Deputy Director CWB. April 2009; July 2010 and January 2011</li> <li>• J Walker, Performance &amp; Partnerships Manager. October 2009, February 2010 and August 2011</li> <li>• D Wagstaff, Senior Business Relationship Partner. January 2012</li> <li>• CWB SMT (A Higgins, J Wilmott, J Kay &amp; M Grimes). August 2012 and CWB SMT (D Brownlee, L Harper, J Wilmott &amp; J Kay). February 2013 and August 2013.</li> <li>• CFW SLT (D Brownlee, L Harper, J Pearce, C Ramsden &amp; C Baker-Longshaw). February 2014.</li> </ul>						
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	

<b>STRATEGIC RISK REGISTER 2014/15</b>		<b>Risk Number</b>	<b>14</b>
Corporate Priorities	All corporate priorities	Link(s) to Community Strategy Key Objectives	<ul style="list-style-type: none"> <li>• Health &amp; Improved Quality of Life for All</li> <li>• Better Homes</li> <li>• Positive Environmental Impact</li> <li>• Strong Economy</li> </ul>
<b>RISK</b>	<b>Failure to complete the Business Continuity (BC) Programme Project, resulting in an increased risk that the Council fails to deliver Council services in the event of significant disruption.</b>		
Consequences	<ul style="list-style-type: none"> <li>• Failure to meet requirements of the Civil Contingencies Act, good practice and Use of Resources Assessment criteria.</li> <li>• Failure to have sufficient plans in place at a service and corporate level to respond effectively to local and widespread disruption, including that caused by emergencies.</li> <li>• Failure to continue the delivery of critical Council services including those vital to human welfare during disruption.</li> <li>• Failure to ensure that services commissioned under Reshaping Trafford, have robust BC</li> </ul>		



	plans. • Impact on council reputation.					
Controls	<ul style="list-style-type: none"> <li>• A set of templates are available on the council's Intranet pages, together with Business Continuity guidance and tips, under the 'Business Continuity Toolkit'. <a href="http://trafford.gov.uk/dfsroot/IBU/Corporate/Partnerships%20and%20Communities%20Service/Emergency%20Planning/Civil%20Contingencies/ROTA-NUMBERS-INFO">\\trafford.gov.uk/dfsroot/IBU/Corporate/Partnerships and Communities Service/Emergency Planning/Civil Contingencies/ROTA-NUMBERS-INFO</a></li> <li>• There is a Council wide Resilience Forum in place, which includes partner agencies, and shares information and best practice in relation to planning for emergencies and service disruption in order to monitor the effectiveness of the plans.</li> <li>• This forum fulfils civil protection duties under the Civil Contingencies Act in relation to Business Continuity, the sharing of information and co-operation with other local responders.</li> <li>• The Emergency Planning Manager offers support to individual services to review plans if required.</li> </ul>					
Risk Assessment	Likelihood	2	Impact	5	Exposure	10
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• All services to undertake a BIA and where the risk level is a one or two, they must complete a BC plan.</li> <li>• Annual Reviews of BIAs and BC plans.</li> <li>• Corporate BC Plan is in draft form.</li> <li>• Service level and Corporate BC Plans to be tested.</li> </ul>					
Effectiveness of controls and performance indicators	<ul style="list-style-type: none"> <li>• In late 2013 BIAs were conducted across service areas and BC plans written where necessary.</li> <li>• These are now due for review and an updated 'RAG' spreadsheet has been updated to reflect the current position.</li> <li>• BIAs and BC plans are the responsibility of individual service areas.</li> <li>• The Emergency Planning Manager updates the BC Intranet Site as necessary and maintains a spread sheet of the status of service planning.</li> </ul>					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• A planned test in the form of a table top exercise took place within the T&amp;R Directorate.</li> <li>• The key area of concern was the ability to get ICT services up and running as soon as possible in the event of a disruption. (Exercise Flatline II report)</li> <li>• An Action Plan was developed following the disruptive weather in February 2014 in order to better prepare Council services for dealing with similar incidents.</li> <li>• Most actions were completed, with one still outstanding. (See action plan).</li> <li>• The BC policy has been updated with some minor amendments and also to reflect service structural changes across the council. This now needs to be agreed by CMT.</li> <li>• The Emergency Planning Manager has through HR and AGMA, gained agreement to use an on-line learning package developed by Risk and Resilience at Manchester City Council. Currently HR are looking at placing this on their work programme.</li> </ul>					
Person or Group Responsible for management of risk	Head of Partnerships and Communities					
Previous risk reviews completed:	<ul style="list-style-type: none"> <li>• A Harrison, Temporary Business Continuity Lead. February 2010; May 2010; July 2010 and January 2011.</li> <li>• J Stephenson, Head of Partnerships &amp; Performance. August 2011, August 2012, February 2013, August 2013 and February 2014.</li> </ul>					
Risk Review	October	Completed	David Hooley	Designation	Emergency Planning Manager	

Date	2014	By			
Risk Review Date	February 2015	Completed By	David Hooley	Designation	Emergency Planning Manager

STRATEGIC RISK REGISTER 2014/15				Risk Number	15
Corporate Priorities			Link(s) to Community Strategy Key Objectives		
<b>RISK</b>	<b>Implementation of the Special Educational Needs and Disabilities (SEND) reforms set out in the Children and Families Act 2014.</b>				
Consequences	<ul style="list-style-type: none"> <li>Lack of integrated planning leading to a failure to meet the needs of children and young people.</li> <li>Unable to meet statutory duties set out in the Special Educational Needs (SEN) Code of Practice.</li> <li>Financial impact on the Dedicated Schools Grant (DSG) High Needs Block.</li> <li>Potential legal/tribunal challenge to Education, Health and Care (EHC) Plans.</li> <li>Political and reputational damage to the Council.</li> </ul>				
Controls	<ul style="list-style-type: none"> <li>Trafford has been a Special Educational Needs and Disabilities Pathfinder since 2011.</li> <li>Well established governance arrangements.</li> <li>Local offer and Policies designed and implemented.</li> <li>EHC conversion.</li> </ul>				
Risk Assessment	Likelihood	3	Impact	5	Exposure 15
<b>RISK LEVEL</b>			<b>Medium Risk</b>		
Risk Performance Indicators	<ul style="list-style-type: none"> <li>Measures monitored through governance arrangements with headlines to Business Development Group and SLT.</li> <li>Number of EHC Plans.</li> <li>Number of conversions.</li> <li>Number of mediations.</li> <li>Number of tribunals.</li> </ul>				
Effectiveness of controls and performance indicators	<ul style="list-style-type: none"> <li>Implementation plan on target.</li> <li>Local Offer available from September 2014.</li> <li>Consultation on new policies to start in October 2014.</li> <li>Good engagement from parents and other stakeholders in governance arrangements.</li> </ul>				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>Independent mediation service to be commissioned from April 2015.</li> <li>0-25 EHC assessment to be established from April 2015.</li> <li>Progress against all key actions identified in the implementation plan.</li> </ul>				
Person or Group Responsible for management of risk		CFW SLT			
<b>Previous risk reviews completed:</b>					
Risk Review Date	October 2014	Completed By	D Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW

STRATEGIC RISK REGISTER 2014/15				Risk Number	16
Corporate Priorities		Services focussed on the most vulnerable people	Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for all
<b>RISK</b>	<b>Adult Social Care Budget 2015/16: Ability to implement approved savings proposals</b>				

		<b>in the current economic conditions.</b>				
Consequences		<ul style="list-style-type: none"> <li>• Difficulty of implementing wide range of budget savings proposals destabilises provision with potential that people may not receive the services they are eligible for.</li> <li>• Not delivering budget savings within agreed timescales leading to an overspend.</li> <li>• Potential risk to destabilising the social care market in Trafford arising from implementing wide range of budget savings proposals.</li> </ul>				
Controls		<ul style="list-style-type: none"> <li>• Regular monitoring of budget at SLT and service level.</li> <li>• CFW Transformation Programme Board to monitor delivery of savings proposals on a monthly basis.</li> <li>• CFW Transformation Team in place including Benefits Realisation Manager.</li> <li>• Detailed action plans developed to deliver all budget savings proposals.</li> <li>• Updated benefits realisation monitoring process being implemented based on monitoring of key actions linked to activity and unit costs.</li> <li>• Business Delivery Programme Board to monitor and manage savings delivery.</li> <li>• Performance data in place to identify trends in take up of service.</li> <li>• Market management and intelligence role of CWF Commissioning Officers.</li> </ul>				
Risk Assessment	Likelihood	5	Impact	5	Exposure	25
<b>RISK LEVEL</b>			<b>High Risk</b>			
Risk Performance Indicators		<ul style="list-style-type: none"> <li>• Budget monitoring.</li> <li>• SLT reporting.</li> <li>• Business Delivery Programme Board's role in monitoring and managing savings proposals delivery.</li> </ul>				
Effectiveness of controls and performance indicators		<p>3</p> <ul style="list-style-type: none"> <li>• Each proposal has agreed business case and risk rating.</li> <li>• Consultation exercise was completed.</li> <li>• Delivery plan developed for each savings proposal.</li> <li>• Benefits realisation/ savings proposals being closely monitored.</li> <li>• Performance data being collected on an on-going basis.</li> </ul>				
Improvement Actions (ref to action plans)		<p>The delivery of CFW 2015/16 savings and the identification of proposals for 2016/17 have been identified as a key risk to the Council. To address this a CFW Transformation Team has been established. This Team has reviewed all business cases and has added resources to support delivery. The governance arrangements in respect of this Team are through a new CFW Programme Board, the Transformation Board and the Reshaping Trafford Portfolio Holders Board. These boards meet monthly and will manage the delivery and benefits realisation of all savings proposals.</p> <p>The CFW Adults Budget has now been completely realigned to remove historic structural budget issues. This has meant that an additional £6.5m has been built into the 2015/16 CFW Budget (before savings). This rebasing will ensure that savings proposals are now developed and implemented based on robust financial information.</p> <p>A Budget Monitoring Investigation Action Plan has been developed setting out the findings, conclusions and recommendations following the review and was presented to the Accounts and Audit Committee (25 September 2014). Continued monitoring of progress against this Plan will take place to ensure agreed actions are implemented and details of progress will be reported to future committee meetings.</p>				

	<p>A new operating process is being developed for CFW to be fully implemented by 1<sup>st</sup> April 2016:</p> <ul style="list-style-type: none"> <li>• <b>Phase 1</b> (1<sup>st</sup> February to 30<sup>th</sup> April) will focus on reviewing and realigning existing budgets and data to establish a clear baseline in terms of cost and activity and then developing a CFW benefits realisation process for 2015/16.</li> <li>• <b>Phase 2</b> (1<sup>st</sup> May to 31<sup>st</sup> July) will focus on the development of an outcome focused CFW operating process for the future. Key activity will include developing: <ul style="list-style-type: none"> <li>- Medium term forecasts of costs and activity</li> <li>- Restructured budgets based on commissioning: provider split, and</li> <li>- Robust monitoring processes linking activity, cost and performance developed.</li> </ul> </li> </ul>
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Person or Group Responsible for management of risk | CFW Senior Leadership Team

**Previous risk reviews completed:**

- J Kay, Finance Manager and D Wagstaff, Senior Business Relationship Partner. March 2012
- CWB SMT (A Higgins, J Wilmott, J Kay & M Grimes). August 2012 and CWB SMT (D Brownlee, L Harper, J Wilmott & J Kay). February 2013 and August 2013.
- CFW SLT (D Brownlee, L Harper, J Pearce, C Ramsden & C Baker-Longshaw). February 2014.

Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW

STRATEGIC RISK REGISTER 2014/15			Risk Number	17		
Corporate Priorities	<ul style="list-style-type: none"> <li>• Low Council Tax and Value for Money</li> <li>• Economic Growth and Development</li> </ul>	Link(s) to Community Strategy Key Objectives	Positive Environmental Impact			
<b>RISK</b>	<b>Inability to meet Trafford residents' requests to have burials within the local area due to insufficient land.</b>					
Consequences	<ul style="list-style-type: none"> <li>• Impact on MTFP.</li> <li>• Reputational damage to the Council.</li> <li>• Council does not acquire the required additional burial land.</li> </ul>					
Controls	<ul style="list-style-type: none"> <li>• On-going negotiations to acquire new land.</li> <li>• Effective project management of land acquisition and development.</li> <li>• Capital monies available for purchase.</li> </ul>					
Risk Assessment	Likelihood	2	Impact	4	Exposure	8
<b>RISK LEVEL</b>			<b>Low Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• Project deadlines for land re-aligned.</li> <li>• Compliance with development plan deadlines (to be established).</li> <li>• Monitor available burial space in all Council cemeteries.</li> </ul>					
Effectiveness of controls and performance indicators	2					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• Agreement in principle reached to purchase additional land.</li> <li>• Decision of acquisition expected April 15.</li> <li>• Anticipated final purchase April 15.</li> </ul>					

	<ul style="list-style-type: none"> <li>• Additional possibilities also being looked at adjacent Urmston Cemetery.</li> <li>• Risk reduced to Low</li> <li>• Layout and design worked up.</li> <li>• Planning application to be submitted following acquisition.</li> </ul>				
Person or Group Responsible for management of risk			T&R (Traded services)		
<b>Previous risk reviews completed:</b>					
Phil Valentine, Environment Strategic Business Manager. August 2013 and February 2014.					
Risk Review Date	September 2014	Completed By	Dave Jennings	Designation	Bereavement Services Manager
Risk Review Date	27 Jan 15	Completed By	Phil Valentine	Designation	Senior transformation manager

STRATEGIC RISK REGISTER 2014/15			Risk Number	18 (No.19 previously)		
Corporate Priorities			Link(s) to Community Strategy Key Objectives			
<b>RISK</b>	<p><b><u>Impact and implementation of the Care Act.</u> Royal Assent was granted to the Care Bill in May 2014 and it is now the Care Act. The Act represents the most significant reform of care and support in over 60 years, putting people and their carers in control of their care and support and introducing a cap on how much people will have to pay for the costs of care in their lifetime.</b></p> <p><b>Other key elements include new rights for carers to assessment and support, introduction of a national eligibility threshold for care and support, Local Authority responsibility for preventative services and the provision of universal information.</b></p>					
Consequences	<ul style="list-style-type: none"> <li>• Increased financial pressure due to introduction of cost cap and increased responsibilities and duties.</li> <li>• Increased demand on already stretched capacity due to increased responsibility for assessment and developing of care accounts for all residents requiring care.</li> <li>• A lack of adequate resources and capacity across managers and teams in commissioning, operations and enabling groups to deliver unprecedented changes, leading to a delay in developments being implemented</li> <li>• Potential reputational damage through failure to meet changed responsibilities and duties.</li> </ul>					
Controls	<ul style="list-style-type: none"> <li>• Trafford Council are linked in to the Care Act National and Regional Networks.</li> <li>• Care Act Programme Board and Adult Social Care Business Delivery Board providing overview and scrutiny role in relation to preparations and readiness.</li> <li>• Programme Manager in place to oversee the programme of change.</li> <li>• Governance arrangements in place to oversee the implementation of the Care Act Programme, including a Board and Team.</li> <li>• Nine work streams which link in with existing structures are in place to deliver the changes and reforms outlined in the Care Act.</li> <li>• The deliverables and timescales mapped across the programme to ensure Trafford meet the Care Act requirements in a timely manner.</li> <li>• The financial reform work stream is undertaking comprehensive financial modelling and will highlight any significant financial impacts.</li> </ul>					
Risk Assessment	Likelihood	5	Impact	3	Exposure	15
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• Business Delivery Programme Board reporting.</li> <li>• SLT reporting.</li> <li>• Care Act Programme Board role in co-ordinating, shaping and driving the changes.</li> </ul>					

	<ul style="list-style-type: none"> <li>• Programme management approach in place.</li> <li>• Timescales and deliverables mapped.</li> </ul>				
Effectiveness of controls and performance indicators	2 – Governance programme management in place but full impact on process, demand, capacity and budgets is still being modelled.				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• Complete financial modelling.</li> <li>• Finalise proposals for change.</li> <li>• Continue involvement in regional and national networks to learn from other areas.</li> </ul>				
Person or Group Responsible for management of risk	Adult Social Care Delivery Board.				
<b>Previous risk reviews completed:</b>					
<ul style="list-style-type: none"> <li>• Deborah Brownlee, Corporate Director CFW, August 2013</li> <li>• D Brownlee, L Harper, J Pearce, C Ramsden and C Baker-Longshaw, CFW SLT, February 2014</li> </ul>					
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW

<b>STRATEGIC RISK REGISTER 2014/15</b>		<b>Risk Number</b>	<b>19 (No.20 previously)</b>
Corporate Priorities	<ul style="list-style-type: none"> <li>• Services focused on the most vulnerable people</li> <li>• Reshaping Trafford Council</li> </ul>	Link(s) to Community Strategy Key Objectives	
<b>RISK</b>	<p><b>Trafford Council must ensure that information held about citizens, employees, partners, contractors, members and organisations in Trafford are safe in their hands. To be able to assure its partners and the public that this is the case they need to demonstrate that they are handling personal/ sensitive and commercial data securely both in technology and physical terms. They also need to ensure that 3<sup>rd</sup> parties acting on their behalf are handling their data sets in accordance with Trafford Council's policies and procedures. This is a corporate risk and the risk to the Council is reputational, financial, adverse publicity and could ultimately be a breach of the Data Protection Act. (T&amp;R)/(T&amp;R).</b></p>		
Consequences	<ul style="list-style-type: none"> <li>• Statutory duty not discharged.</li> <li>• Negative impact on reputation.</li> <li>• Unforeseen financial implications</li> <li>• Emotional damage to service users</li> <li>• The risk is a mixture of reputational, financial, adverse publicity and could ultimately be a breach of the Data Protection Act resulting in a fine or multiple fines up to £500k.</li> </ul>		
Controls	<ul style="list-style-type: none"> <li>• Reviews of data breaches are continually carried out to identify problem areas, these areas have been given priority to implementing controls to mitigate against reoccurrence.</li> <li>• Mandatory training is being rolled out to all staff</li> <li>• Specific role related training is being rolled out to specialist staff</li> <li>• N3 accreditation through the IG Toolkit. (Access to NHS records)has been completed, this is a yearly accreditation activity and forms part of the IG Annual workplan.</li> <li>• An annual work plan has been developed to improve on current processes and to monitor and enforce best practice, this work plan is making good progress with a completion date for all activities set to the 31 December 2014.</li> </ul>		



	<ul style="list-style-type: none"> <li>An IG team has been set up to deal with IG activities both across the council and with external partners and contractors.</li> </ul>					
Risk Assessment	Likelihood	3	Impact	5	Exposure	15
<b>RISK LEVEL</b>			<b>Medium Risk</b>			
Risk Performance Indicators						
Effectiveness of controls and performance indicators						
<ul style="list-style-type: none"> <li>An Information Governance Project Board has been set up to oversee the Information Governance work.</li> <li>The project to develop policies and procedures has been completed.</li> <li>Training Needs Assessments have been carried out to identify the training requirements of staff, partners, consultants and members.</li> <li>A communications plan has been developed and a communications campaign took place focusing on protecting information, employees' responsibilities, mandatory training and guidelines and toolkits to enable 'best practice' information governance.</li> <li>An IG team has been established with an expected full complement of staff by the end of March 2015.</li> </ul>						
Improvement Actions (ref to action plans)						
<ul style="list-style-type: none"> <li>Continue to update the Information Governance Board on progress.</li> <li>Communication will take the form of informing, education and enforcing over the coming 12 months.</li> <li>Monitoring of the effectiveness of the campaign will be carried out through system audits, data protection audits, reviews of data flows and reviews/updates of all contracts with 3rd parties and data sharing partners.</li> <li>The Senior Information Risk Owner (SIRO) will regularly update CMT on the progress of the work plans.</li> </ul>						
Person or Group Responsible for management of risk				Wendy Marston – Corporate Director of Transformation & Resources		
Risk Review Date	25 February 2014	Completed By	Paula Titterington	Designation	Records & Information Systems Manager	
Risk Review Date	24 September 2014	Completed By	Paula Titterington	Designation	Records & Information Systems Manager	
Risk Review Date	18 February 2015	Completed By	Paula Titterington	Designation	Records & Information Systems Manager	

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>	<b>20 ((No.21 previously))</b>
Corporate Priorities	Services focused on the most vulnerable people.	Link(s) to Community Strategy Key Objectives	Health and Improved Quality of Life	
<b>RISK</b>	<b>Failure or delay to implement new Adult Social Care System (Liquid Logic (LL))</b>			
Consequences	<ul style="list-style-type: none"> <li>Impact on service provision, payment to providers, billing, care assessments and reviews.</li> <li>Major capacity issues and increase the risk to service users as the processes would be manual and paper based rather than electronic.</li> <li>Negative impact on the delivery of the Council's Corporate Priorities and the Community Strategy.</li> </ul>			
Controls	<ul style="list-style-type: none"> <li>Business Continuity Plan (BCP) is updated to include an interim non Adult Social Care Review System for new and existing business.</li> <li>Next data migration round (DM6) will be a full data push and will confirm the length of the data freeze.</li> <li>LL and Oxford Computer Consultants Risks, Assumptions, Issues and Dependencies Log</li> </ul>			

	<p>updated weekly during project to identify problems and provide solutions. Escalation process established to communicate issues and risks.</p> <ul style="list-style-type: none"> <li>• Softbox will be used until Phase 2 has been completed and a period of embedding has occurred.</li> <li>• Liquid Logic IT System went live in December 2014. On-site support from the Performance Team will continue to be available until the end of March 2015.</li> <li>• Communicate regularly with supplier to minimise risks and identify issues early.</li> <li>• Manuals written to support key parts of the system and regular meetings held with users to address specific process issues. Member of HR providing support with training until end March 2015.</li> <li>• Review the work packages against the proposed “Go Live” and extend if possible. Go Live of ContrOCC delayed until April 2015.</li> <li>• Version 6 is being tested to accommodate changes required for the implementation of the Care Act in April 2015.</li> <li>• Programme Board meets weekly to monitor progress post-implementation.</li> <li>• Ensure the correct level of resource is available in order to meet the project deadlines. Additional staff in place to clear backlog generated during the four weeks when there was no access immediately prior to Go Live.</li> <li>• Project Plan in place to deliver Phase 2 of the implementation.</li> </ul>					
Risk assessment	Likelihood	4	Impact	5	Exposure	20
<b>RISK LEVEL</b>			<b>High Risk</b>			
Risk Performance Indicators	Detailed project plan and periodical milestones.					
Effectiveness of controls and performance indicators	This is a new risk which will be closely monitored. An action plan will be developed to ensure business readiness.					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• Develop plan and milestones.</li> <li>• Share and shape plans with stakeholders.</li> <li>• Coproduce delivery.</li> <li>• Monitor capacity of Project Team.</li> <li>• Monitor milestones and risk.</li> </ul>					
Person or Group Responsible for management of risk	Identified members of Operational Services and Project Team					
Risk Review Date	October 2014	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2015	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	

<b>STRATEGIC RISK REGISTER 2014/15</b>			<b>Risk Number</b>	<b>21 (No.22 previously)</b>
Corporate Priorities	<ul style="list-style-type: none"> <li>• Low Council Tax</li> <li>• Value for Money</li> <li>• Reshaping Trafford Council</li> </ul>	Link(s) to Community Strategy Key Objectives		
<b>RISK</b>	<b>The Transformation Programme savings will not be delivered in full</b>			
Consequences	<ul style="list-style-type: none"> <li>• Increased pressure on budgets as a result of securing additional, sustainable savings immediately or in the subsequent year.</li> <li>• Unplanned budget and service impact adversely affecting service provision levels, quality</li> </ul>			



	and performance. <ul style="list-style-type: none"> <li>• Adverse impact on reputation.</li> <li>• In year revision of other project activity which may have adverse consequences.</li> </ul>					
Controls	<ul style="list-style-type: none"> <li>• Transformation Board/CMT.</li> <li>• Transformation, Resources and Performance Group.</li> <li>• Transformation Programme monthly monitoring, exception reporting and benefits realisation monitoring.</li> </ul>					
Risk assessment	Likelihood	3	Impact	5	Exposure	15
<b>RISK LEVEL</b>				<b>Medium Risk</b>		
Risk Performance Indicators	<ul style="list-style-type: none"> <li>• Budget monitoring.</li> <li>• Project monitoring.</li> </ul>					
Effectiveness of controls and performance indicators	<p>The governance arrangements in place are mature and effective with appropriate senior level representation and authority to provide the support, challenge, advice and decision making required.</p> <ul style="list-style-type: none"> <li>• The Transformation Portfolio savings target are reviewed and monitored monthly.</li> <li>• In May, the savings targets were reviewed by TPR. As a result, the saving target is revised from the original value of £5,559k of the £13,659m MTFP savings for 2014/15 to £5,484k of £13,776k.</li> <li>• At November 2014, of the revised savings target £5,079 (93%) had been delivered.</li> <li>• Based on the level of savings achieved to date and the governance improvements in place, the risk is being managed proactively.</li> </ul>					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> <li>• Work closely with Senior Responsible Officers to identify risk to savings at the earliest opportunity and identify appropriate and considered mitigation plans.</li> <li>• Escalate exceptions to the Transformation Board accordingly.</li> </ul>					
Person or Group Responsible for management of risk			Joanne Hyde – Programme Director			
Risk Review Date	21 May 2014	Completed By	Sarah Maynard	Designation	Transformation Programme Manager	
Risk Review Date	2 October 2014	Completed By	Sarah Maynard	Designation	Transformation Programme Manager	
Risk Review Date	17 February 2015	Completed By	Dianne Geary	Designation	Acting Transformation Programme Manager	

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## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 24 March 2015  
**Report for:** Information  
**Report of:** Audit and Assurance Manager

### Report Title

**Audit and Assurance Service - Anti-Fraud and Corruption Update**

### Summary

**To update members of the Committee with actions underway and planned which support the Council's Anti-Fraud and Corruption Strategy.**

### Recommendation

**The Accounts and Audit Committee is asked to note the report.**

### Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager  
Extension: 1323

Name: John Miller – Principal Audit and Assurance Team Leader  
1326

### **Background Papers:**

Trafford Council Anti-Fraud and Corruption Strategy

## **Audit and Assurance Service – Anti-Fraud and Corruption work update (March 2015)**

### **1. Introduction**

- 1.1 As part of the internal audit plan, the Audit and Assurance Service conducts work relating to anti-fraud and corruption. As well as undertaking investigative activities, work also involves reviewing measures in place to reduce the risk of fraud and raising awareness across the Council.
- 1.2 This report summarises work undertaken by Audit and Assurance in 2014/15 and planned actions to support the Council's Anti-Fraud and Corruption Strategy. It also provides a brief update in Section 2 below on wider counter fraud developments in the Council.

### **2. Counter Fraud Developments**

- 2.1 In respect of benefit fraud investigation, the formation of a Single Fraud Investigation Service (SFIS), covering all welfare benefit fraud, was previously announced by the Government in December 2013. As previously reported to the Accounts and Audit Committee, the SFIS will bring together welfare benefit fraud investigations currently undertaken by DWP, local authorities and HMRC. Staff in Trafford Council's Benefit Fraud Investigation Team are due to transfer to the SFIS in March 2016.
- 2.2 Ahead of the transfer, the Council is taking steps with the aim that a dedicated fraud investigation function continues. A new counter-fraud team is in the process of being introduced within Exchequer Services, initially using monies obtained from a successful grant application submitted to the DCLG for the purposes of counter fraud activity. The grant provides funding up to the end of 2015/16.
- 2.3 The aim of the new team will initially focus primarily on potential revenues related fraud which the Council would continue to be responsible for investigating after the SFIS transfer, particularly in relation to fraud related to Council Tax and Business Rates. The scope of the work of the team will be further reviewed / developed as part of a risk based approach. Outcomes from the work of the team will be monitored over the next 12 months to consider the future investigation capacity for 2016/17 onwards by which time staff from the existing Benefit Fraud Investigation function will have transferred to the DWP. The Accounts and Audit Committee will be provided with an update on progress of the establishment of the team, together with a report setting out outcomes from benefit fraud investigation work that has taken place in the year ending 31 March 2015, as part of the 2015/16 Committee work programme.

### **3. Audit and Assurance Service**

#### Investigations

- 3.1 During 2014/15, Audit and Assurance staff have contributed to work in relation to eight new investigations.
- 3.2 Three of these investigations involved Audit providing support reviewing allegations of misconduct, two including the misuse of ICT.
- For one of these investigations, no evidence was found of ICT misuse within the period under review.
  - In the other instance in respect of ICT, findings were shared with management to support a wider investigation. In this instance, the outcome of the subsequent disciplinary process was the dismissal of one officer.
  - For the third case, this involved supporting management in reviewing an instance of non-adherence to required record keeping and monitoring procedures which resulted in a final written warning.
  - Although no significant Audit input was required, Audit was advised of a further investigation relating to an employee failing to adhere to the Council's procedures in respect of time recording and has subsequently been dismissed.
- 3.3 Two investigations involved providing support in reviewing discrepancies in relation to cash handling. For the first, this included discussions with staff, reviewing security procedures and supporting records in relation to income collected and cash banked. Audit reported to management to confirm areas of control weakness in relation to cash security with a number of recommendations made. Procedures and responsibilities within the relevant service area have been reviewed with revised arrangements in place.
- 3.4 The second instance relates to concerns raised in relation to discrepancies between till records to actual cash collected and amounts banked. In order to support an on-going investigation, Audit reviewed relevant records and subsequently reported a list of recommended improvements in relation to cash handling. Audit also provided support to investigating officers in confirming reported discrepancies as part of the associated disciplinary investigation process. The outcome from the disciplinary process will be reflected in the 2014/15 Annual Internal Audit Report.
- 3.5 Audit provided support during 2014 to the Budget Monitoring investigation and has contributed to the monitoring of the subsequent Budget Monitoring Action Plan in 2014/15, details of which have been reported to the Accounts and Audit Committee.
- 3.6 In Audit and Assurance, other investigation related work is on-going in respect of two further areas which will be reflected where applicable in

future updates. A further update on investigation work undertaken will be included as part of the 2014/15 Annual Internal Audit Report.

#### Other Work Undertaken

- 3.7 As part of on-going internal audit reviews, coverage of assessment of internal controls to reduce the risks of fraud or error is included in individual reviews. Details of Internal audit reports issued during the year have been reported on a quarterly basis and the Annual Internal Audit Report is due to be issued in June 2015.
  - 3.8 The Audit and Assurance Service has co-ordinated the submission of annual data to the Audit Commission to inform the Commission's annual "Protecting the Public Purse" reports which set out details of reported fraud across local government. (Following the closure of the Audit Commission, CIPFA is expected to undertake the co-ordination of this national exercise in the future).
  - 3.9 Details of identified fraud were reported to the Commission for 2013/14, with that data used to inform the national report published in October 2014. Nationally, fraud amounting to £188m was reported by local authorities in 2013/14 with around 80% of this relating to Housing Benefits, Council tax benefits and discounts. Total fraud losses reported by Trafford Council, which related to Housing Benefit, Council Tax benefit and other internal fraud amounted to £564,333 compared to an average for Metropolitan Councils of £869.753.
  - 3.10 The "Protecting the Public Purse" report highlighted the need for Councils to consider fraud investigation capability following the introduction of SFIS which, as stated earlier, Trafford Council is in the process of addressing. Audit and Assurance will liaise with the new Counter Fraud team in 2015/16 to consider existing anti-fraud policies, particularly with reference to the new Code of Practice recently issued by CIPFA "Managing the Risks of Fraud and Corruption".
  - 3.11 In terms of work in relation to existing Council policies, in December 2014, the Audit and Assurance Service published a reminder on the intranet of guidance on the Council's policies on registering offers of gifts and hospitality.
  - 3.12 The Service has drafted updates to the Council's Whistleblowing Policy and is liaising with Legal Services to agree any proposed amendments. An updated version will be issued in due course.
- 4. National Fraud Initiative (NFI)**
- 4.1 The Audit and Assurance Service continues to co-ordinate the Council's participation in the National Fraud Initiative.

- 4.2 As Members will be aware through previous reports to the Committee, the NFI is a nationwide data matching exercise. It is designed to help participating bodies identify possible cases of error or fraud and detect and correct any consequential under or overpayments from the public purse. It is carried out once every two years at minimal cost to the organisations involved and is firmly established as the United Kingdom's premier public sector fraud detection exercise.
- 4.3 In respect of the previous 2012/13 NFI exercise, the Audit and Assurance Service co-ordinated the submission of Council data to the Audit Commission in October 2012 and the subsequent matches were received in January 2013. To the end of February 2015 a total of 1,863 matches have been reviewed which has resulted in the identification and correction of 103 errors and the detection of 15 frauds (all relating to benefit fraud which include 5 prosecutions to date - as indicated in 2.3 detailed reporting of the outcomes from benefit fraud investigation will be reported to the Committee later in 2015).
- 4.4 Total overpayments being recovered as a result of the 2012/2013 NFI exercise amounted to £208,204. There is also an on-going weekly reduction in payments of £1,219, approximately £63,388 per annum.
- 4.5 Data for the 2014/15 NFI exercise was submitted to the Audit Commission during October and November 2014. The Commission released all the dataset matches by the end of January 2015. (From April 2015, following the closure of the Audit Commission, the Cabinet Office assumes responsibility for managing the NFI process). Audit and Assurance is liaising with relevant services to ensure high priority matches are followed up through the year. Details of progress will be reported in future updates to the Accounts and Audit Committee.

## **5. Future Work**

- 5.1 A dedicated block of time will be set aside in the 2015/16 Internal Audit plan to include:
- Continued support in investigations across the Council as and when required/appropriate.
  - Review of latest NFI data matches in liaison with other services.
  - Inclusion of a number of audit reviews in the Audit Plan following up on control issues / risks previously identified in relation to investigations undertaken.
  - On-going liaison with the Counter Fraud team and other services in reviewing existing anti-fraud policies and procedures.

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## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 24 March 2015  
**Report for:** Information  
**Report of:** Audit and Assurance Manager

### Report Title

**Accounts and Audit Committee – Work Programme – 2014/15**

### Summary

**This report sets out the updated work plan for the Committee for the 2014/15 municipal year i.e. items covered during the year in addition to the agenda for the March 2015 meeting.**

**It outlines areas considered by the Committee at each of its meetings, over the period of the year. The work programme has assisted in ensuring that the Committee has met its responsibilities under its terms of reference and maintained focus on key issues and priorities as defined by the Committee.**

**The work programme has been flexible and as well as covering all the items planned at the start of the year, other items have been added through the year.**

### Recommendation

**The Accounts and Audit Committee is asked to note the 2014/15 work programme.**

### Contact person for access to background papers and further information:

**Name:** Mark Foster – Audit and Assurance Manager  
**Extension:** 1323

**Background Papers:** None

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts
26 June 2014	Agree Committee's Work Programme for 2014/15 (including consideration of training and development) Training & Development – Draft accounts (provided outside committee)					
	- 2013/14 Annual Internal Audit Report	- Audit Progress Report		- Review 2013/14 draft Annual Governance Statement - Accounts and Audit Committee 2013/14 Annual Report to Council		- Pre-audited 2013/14 accounts update - Treasury Management Annual Performance 2013/14 - Insurance Performance Report 2013/14.
August 2014	Special Meeting (included an item listed under Exclusion Resolution - Investigation in to Budget Monitoring Arrangements at Trafford Council).					
						- Review 2013/14 pre-audited accounts - Revenue Budget Monitoring Report Period 12 Outturn
25 September 2014						
	- Q1 Internal Audit Monitoring Report	- Audit Findings Report		- 2013/14 Annual Governance Statement (final version) - Budget Monitoring Investigation Action Plan	- Benefit Fraud Investigation 2013/14 Annual Report / Single Fraud Investigation Service update	- Approval of Annual Statement of Accounts 2013/14 - Budget Monitoring Report.

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Governance (Including Annual Governance Statement)	Anti- Fraud & Corruption Arrangements	Accounts
19 November 2014	Presentation on the STaR Procurement arrangements					
	- Q2 Internal Audit monitoring report	- Annual Audit Letter - Audit Update	- Strategic Risk Register Monitoring Report	Consider improvement actions taken in 2014/15 in respect of 2013/14 governance issues : - Presentation on the Transformation programme / Reshaping Trafford - Budget Monitoring Action Plan update		- Treasury Management : mid-year review - Budget Monitoring Report.
16 February 2015						
	- Q3 Internal Audit monitoring report	- Audit Update (including Grant Claims summary)		- Report on arrangements for 2014/15 Annual Governance Statement - Budget Monitoring Action Plan update - Consider improvement actions taken in 2014/15 in respect of a 2013/14 governance issue (Locality Partnerships)		- Treasury Management Strategy - Reserves update - Budget Monitoring Report
24 March 2015						
	- 2015/16 Internal Audit Plan	- Audit Update - Audit Plan	- Strategic Risk Register Monitoring Report	Consider improvement actions taken in 2014/15 in respect of 2013/14 governance issues. -Information Governance	- Anti Fraud & Corruption / National Fraud Initiative update	- Budget Monitoring Report.

