

TRAFFORD COUNCIL

Report to: Executive

Date: 24 March 2014

Report for: Information

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

Report Title:

Revenue Budget Monitoring 2013/14 – Period 10 (April 2013 to January 2014).

Summary:

The approved revenue budget for the year is £159.003m. The forecast for the end of the year, as projected following ten months of activity, is £156.695m being a net underspend of £(2.308)m, (1.5)% of the budget. This is a favourable movement of £(0.067)m on the previous month.

In addition, the Learning Disability Recovery plan is forecasted to achieve £(0.6)m of in-year cash savings. The main areas of budget variance are summarised as:

Activity	Forecast £m	Movement £m
Vacancy management & control	(1.3)	(0.1)
Social Services demand led budgets	1.3	-
Projects/savings rescheduling	0.3	-
Running costs	0.1	-
New Grant	(0.2)	-
Income	(0.6)	-
Service Outturn	(0.4)	(0.1)
Additional Airport dividend	(1.3)	-
Other Council-wide budgets	(0.6)	-
Forecasted outturn	(2.3)	(0.1)
Learning Disability Pool	(0.6)	-

Reserves

The forecast level of General Reserve at year end is £(11.1)m or £(8.7)m if the NDR Safety Net requirement is triggered (see paragraph 9). Deducting future planned commitments the long term balance is £(6.7)m, or £(0.7)m above the minimum level of £(6.0)m.

The net service carry forward reserves at the beginning of the year were £(3.6)m. With a planned use to support savings and change projects of £1.9m, plus a net underspend of £(0.4)m, the projected carry forward is £(2.1)m. The Learning Disability Pool reserve had an adverse brought forward balance of £1.5m, which will be reduced by the recovery plan in-year to £0.9m, with a view to full recovery by the end of next year.

Council Tax

There is an in-year forecasted Council Tax surplus, of £(0.894)m, a favourable movement of £(0.007)m since the last report.

Recommendation(s)

It is recommended that:

- a) the latest forecast and planned actions be noted and agreed.

Contact person for access to background papers and further information:

Head of Financial Management Extension: 4302

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be contained within available resources in 2013/14.
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
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health and Safety Implications	Not applicable



Corporate Director

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

Budget Monitoring - Financial Results

- The approved budget is £159.003m. Based on the budget monitoring for the first 10 months of the year, the overall forecast for the year is £156.695m, being an underspend of £(2.308)m, (1.5)%. Included within this total is a net service underspend of £(0.353)m or (0.3)% of the relevant budget, and underspends in Council-Wide budgets of £(1.955)m or (8.3)% of the relevant budget.
- The Learning Disability (LD) Pool recovery plan is forecasted to achieve £(0.607)m or (3.0)% of cash savings to offset the brought forward adverse balance on the fund of £1.472m. The details of service variances can be found in Annexes 1 to 4, and for Council-Wide, Annex 5:

Table 1: Budget Monitoring results by Directorate	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)	Annex
Children, Families & Wellbeing	187	0.4%	25	1
Environment, Transport & Operations	66	0.2%	12	2
Economic Growth & Prosperity	-	0.0%	-	3
Transformation & Resources	(606)	(3.0)%	(74)	4
Total Service Variances	(353)	(0.3)%	(37)	
Council-wide budgets	(1,955)	(8.3)%	(30)	5
Estimated outturn variance (period 10)	(2,308)	(1.5)%	(67)	
Learning Disability Pool	(607)	(3.0)%	(25)	1
Total Forecasted outturn	(2,915)	(1.8)%	(92)	

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)
Supporting Children & Families	(40)	(0.2)%	(123)
Education	157	2.3%	(20)
Adult Social Services	70	0.2%	168
Community Health & Wellbeing	-	0.0%	-
Highways & Environment	66	0.2%	12
Safe and Strong Communities	18	0.8%	(5)
Economic Growth & Prosperity	-	0.0%	-
Transformation & Resources	(387)	(2.7)%	(54)
Finance	(2,192)	(8.0)%	(45)
Estimated outturn variance (period 10)	(2,308)	(1.5)%	(67)
Adult Social Services (LD Pool)	(607)	(3.0)%	(25)
Total Forecasted outturn	(2,915)	(1.8)%	(92)

Key Month on Month Variations

- The key variances contributing to the period movement of a favourable £(0.092)m are:
 - £(0.075)m additional savings identified from staff vacancies, particularly within the Children, Families and Wellbeing Service;
 - Other minor net movements across all services, £(0.017)m.

In addition there has been a favourable movement of £(0.025)m in the 2013/14 underspend in the Learning Disability Pooled fund to £(0.607)m.

MTFP Savings and increased income

4. The Budget included for £(18.5)m of savings and increased income. The table below summarises the current forecasts against this savings target:

Table 3: Savings 2013/14	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Transformation savings	(8,005)	(7,981)	24
Other savings	(10,515)	(10,515)	
Total	(18,520)	(18,496)	24

5. There has been slippage on savings in Telecare £0.055m due to delays in the implementation of medical dispensers, Enforcement £0.232m due to additional staff consultation and Establishing the Strategic Procurement Unit with Partners £125k where savings will not be achieved until February. However, sustainable savings will be achieved on these projects and alternative in-year savings/ use of reserves have been identified for 2013/14 to mitigate any savings shortfall.
6. The Home to School Transport saving is projected to have a shortfall of £175k in 2013/14 and alternative sustainable savings for 2014/15 have not yet been identified. In-year savings across CFW will mitigate the shortfall in 2013/14 but are excluded from the figures above. Revenues & Benefits savings are forecast to exceed budget by £(150)k.

Council Tax

7. There have been a number of regulatory changes impacting on Council Tax collection, in particular the introduction of the Council Tax Support Scheme and the ability to move from a 10-month to a 12-month payment plan. After taking such matters into account, this year's collection performance of 95.75% to the end of January is reasonably comparable to last year's figure of 96.57% and is the highest of all GM Authorities.
8. Overall, the current end of year total revenue forecast is for an additional £(894)k of Council Tax above budgeted levels, which is a favourable monthly movement of £(7)k. The variances are detailed in the table below.

Table 4: Council Tax forecast and surplus estimate for 2013/14	Overall (with all precepts)		Trafford element only	
	£(000's)	£(000's)	£(000's)	£(000's)
Surplus brought forward		(6)		(5)
Changes in Band D equivalents	(371)		(313)	
Empty Homes Premium	(158)		(133)	
Council Tax Support awards	(825)		(695)	
Backdated valuations & discounts	293	(1,061)	247	(894)
Surplus carry forward		(1,067)		(899)

Business Rates

9. The Valuation Office Agency has provided a quarterly update on the level of appeals as at 31st December 2013, this shows that the amount of appeals has reduced from £150m to £137m, largely as a result of appeals outstanding being settled. The cost of settled appeals including any backdated costs, plus the requirement to establish a provision for the remaining outstanding appeals, is likely to result in the Council falling significantly below its baseline in 2013/14. This shortfall will subsequently trigger the Government safety net and require the Council to make a contribution of £2.4m, which has been set aside within the General Reserve as shown in Table 5 below.

Reserves

10. The General Reserve balance brought forward was £(10.6)m, against which there are planned commitments up to the end of 2014/15 of £4.0m.
11. The addition of the Council-Wide underspend of £(2.0)m, a one-off Waste Levy refund of £(0.5)m and the potential trigger of the NDR safety net detailed in paragraph 9 above of £2.4m provides for a projected 31 March 2015 balance of £(6.7)m, being £(0.7)m above the agreed minimum level of £(6.0)m.

Table 5: General Reserve Movements	(£000's)
Balance 31 March 2013	(10,643)
Commitments in 2013/14:	
- Planned use for 2013/14 Budget	906
- One-off projects from 2012/13 brought forward	98
- Planned use for one-off projects 2013/14	1,019
- Waste Levy refund (one-off)	(538)
- Council-wide budgets underspend	(1,955)
- Potential trigger of Safety Net (paragraph 9)	2,386
Balance 31 March 2014	(8,727)
- Planned use for 2014/15 Budget	2,007
Projected balance after known commitments	(6,720)

12. Service balances brought forward from 2012/13 were a net £(3.6)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net surplus of £(2.130)m to be carried forward to 2014/15 (Table 6). There is also an outstanding balance on the Learning Disability Pool of £0.865m, however, there is a recovery plan to bring the pool back into balance by the end of 2014/15 (see Annex 1).
13. The use of Service reserve balances during the year is detailed in Annexes 1 to 4 of the report. However the main highlights include :
- invest to save projects in CFW of £0.626m;
 - £0.126m committed on re-phased projects per the 2012/13 outturn report in EGP with the remaining balance £0.186m earmarked to supplement 2013/14 project work, plus provide one-off mitigation if income levels continue to be adversely affected by the economic climate;
 - Transformation Support within T&R of £0.177m and £0.185m set aside for Land Charges Claims.

	B/f April 2013 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Table 6: Service balances			
Children, Families & Wellbeing	(1,427)	859	(568)
Environment, Transport & Operations	(439)	303	(136)
Economic Growth & Prosperity	(312)	312	0
Transformation & Resources	(1,389)	(37)	(1,426)
Total All Services (Surplus)/Deficit	(3,567)	1,437	(2,130)
Learning Disability Pool	1,472	(607)	865
Total (Surplus)/Deficit	(2,095)	830	(1,265)

Recommendations

14. It is recommended that the latest forecast and planned actions be noted and agreed.

TRAFFORD MBC

Report to: CFW Directorate Management Team
Date: 20 February 2014
Report for: Discussion
Report author: CFW Finance Managers

Report Title

**Revenue Budget Monitoring 2013/14 – Period 10
(April 2013 to January 2014 inclusive)**

1 Outturn Forecast

- 1.1 The approved revenue budget for the year is £82.601m. The projected outturn is £82.181m which is £(0.420)m under the approved budget (0.51%). There is no net movement from the December forecast.
- 1.2 The £nil movement in the month is a result of
- £135k adverse movement in the Adaptations Service's fee income
 - £(145)k favourable movement in staff costs across the Directorate
 - £(85)k favourable movement in care package and commissioned services costs, consisting of a £(68)k favourable movement in Adult Social Care and £(17)k in Children's Care
 - £95k adverse movement in other running costs.

2 Explanation of Variances

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

Supporting Children & Families and Education Portfolios - £(143)k favourable movement.

- Despite a number of actions to reduce demand and the cost of placements, there has been an increase in client numbers generating a net overspend of £599k in external placement costs and £20k of internal costs (staffing £31k, adoption fees £(111)k and other running costs of £100k). This has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(19)k.
- There is an anticipated surplus of adoption income of £(45)k. This is being generated through the approval of 35 adopters and their use by other Local Authorities for which we can charge £(27)k per placement. However, the activity supporting the identification of suitable families is supported by grant that cannot be guaranteed in the long term.

- Commissioning service projected underspend of £(117)k from staff savings and other variances.
- Education and Early Years' service predicted overspend of £157k: Home to School transport pressure of £507k, vacant staff posts totalling £(117)k, additional income of £(244)k and other variances £11k, and
- Children's Centres projected underspend of £(169)k, relating to staffing.

Adult Social Care Portfolio - £168k adverse movement

- An adverse movement of £135k in the Adaptations Service's fee income target. The Team recover a fee against each project completed, the change in the external provider has delayed the completion of projects negatively impacting on the fee income level. Although remedial action is underway it is likely that not all projects will be at a stage by year end to charge the fee.
- An adverse movement of £35k in the Community Equipment Service's external minor adaptations.
- A favourable movement of £(36)k in the care packages budgets chiefly in the Mental Health and Physical Disabilities Services.
- Other minor adverse variances of £34k in Support and Other Services.

Learning Disabilities (LD) Pooled Budget - £(25)k favourable movement

- A decrease in placement costs of £(25)k.

2.2 The budget depends on the successful implementation and delivery of two key savings plans to reduce demand; Telecare £(400)k and Reablement £(500)k. Whilst the plans have been implemented the effectiveness of the plans on the reduction in demand is currently being analysed and assessed.

3 Learning Disabilities Pooled Fund

3.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £1,472k, and a recovery plan to deliver cash savings against budget over two financial years to address this. The 2013/14 target is for an outturn balance of £900k. The projected outturn is £865k.

3.2 The Deputy Corporate Director has re-phased the recovery plan, and included additional initiatives. As a result of the movement in period 10 additional work is being undertaken to recover the position:

- A review of all existing and projected placements
- Expansion of telecare and reablement into Learning Disabilities services
- Additional services identified for retendering
- High cost and out of borough placements review
- Accommodation development to reduce cost of provision

3.3 The updated plan is shared with the Trafford Clinical Commissioning Group (CCG), which replaced the previous Primary Care Trust delivery partner. The Council and the CCG will target the outstanding balance to bring the LD Pool into balance by 31 March 2015.

4 Service carry-forward reserves

4.1 At the beginning of April 2013 the Children, Families and Wellbeing Directorate had accumulated balances of £(1,427)k carried forward from previous financial years.

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

Table 1: Utilisation of Service Carry forward Reserve 2013/14	(£000's)
Balance brought forward 1 April 2013	(1,427)
Specific expenditure assigned against the reserve re: invest to save	626
Specific expenditure committed from 2012/13	46
P10 Forecast Outturn	187
Balance carried forward at 31 March 2014	(568)
Specific Expenditure committed 2014/15 re Adoption Reform Grant and other commitments	245

Table 2: Utilisation of Carry forward Reserve 2013/14 – Dedicated Schools Grant	(£000's)
Balance brought forward 1 April 2013	(2,453)
Specific expenditure committed in 2013/14	185
P10 Forecast outturn cash movement	(355)
Balance carried forward at 31 March 2014	(2,623)
One-off allocations to Schools (2014/15) to be funded from Reserve	750

Table 3: Utilisation of Carry forward Reserve 2013/14 – Learning Disabilities Pooled Fund	(£000's)
Balance brought forward 1 April 2013	1,472
P10 Forecast outturn cash movement	(607)
Balance carried forward at 31 March 2014	865

4.3 The CFW Directorate has a number of substantial, demand led budgets that can be challenging to accurately forecast. Highly effective budget management arrangements continue to ensure that the directorate remains within overall budget limits despite significant fluctuations in demand. Reserve balances continue to be earmarked for use against these demand led budgets to ensure that challenging budget saving measures can be delivered whilst still responding to any increases in need from our most vulnerable residents.

5 Management Action

5.1 Key to the delivery of the budget is management of demand, placement costs and delivery of the Learning Disabilities Pooled Fund Recovery Plan. The Directorate will focus on

- Monitoring the impact of the changes in activity and discharges from services seen in period 10. Putting in place action to mitigate the budget pressure.
- Delivery of the Learning Disability Pooled Fund Recovery Plan in partnership with Trafford Clinical Commissioning Group.

- Monitoring of the impact on demand of the Telecare and Reablement budget savings
- Continuous review of all placements to ensure the most effective provision is made

Period 10 Projected 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.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9 – P10 movement (£000's)	Ref
Education Portfolio						
Dedicated Schools Grant	0	0	0	0	0	CFW1
Transfer to Dedicated Schools Grant Reserve	0	0	0	0	0	CFW1
Education Early Years' Service	6,973	7,130	157	177	(20)	CFW5
Sub-total	6,973	7,130	157	177	(20)	
Supporting Children & Families Portfolio						
Children's Social Services	15,214	15,704	490	476	14	CFW2
Children with Complex & Additional Needs	2,041	1,908	(133)	(105)	(28)	CFW2
Commissioning	1,712	1,595	(117)	(117)	0	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,489	1,535	46	38	8	CFW6
Youth Offending Service	527	445	(82)	(63)	(19)	CFW7
Children's Centres	2,174	2,005	(169)	(146)	(23)	CFW4
Youth Service	1,404	1,329	(75)	0	(75)	CFW8
Sub-total	24,561	24,521	(40)	83	(123)	
Adult Social Services Portfolio						
Older People	20,250	20,015	(235)	(241)	6	CFW9
Physical Disabilities	4,194	4,043	(151)	(128)	(23)	CFW10
Equipment & Adaptations	801	807	6	(29)	35	CFW11
Mental Health	3,416	3,697	281	300	(19)	CFW12
Other Adult Services	746	742	(4)	(7)	3	CFW13
Strategic & Support Services	869	914	45	14	31	CFW14

Adaptations	(52)	83	135	0	135	CFW15
Housing Services	1,247	1,271	24	24	0	CFW16
Community Services	251	255	4	4	0	CFW17
Equalities & Diversity	184	149	(35)	(35)	0	CFW18
Sub-total	31,906	31,976	70	(98)	168	
Community Health & Wellbeing Portfolio						
Public Health	(862)	(862)	0	0	0	
Sub-total	(862)	(862)	0	0	0	
Total	62,578	62,765	187	162	25	
Learning Disabilities Pooled Fund	20,023	19,416	(607)	(582)	(25)	CFW19
Total	82,601	82,181	(420)	(420)	0	

Business Reason / Area (Subjective analysis)	P10 Outturn (£000's)	P9 Outturn (£000's)	P9-P10 movement (£000's)	Ref
DSG Reserve				
B/Fwd.	(2,453)	(2,453)	0	
Spend on DSG Reserve	185	1,103	(918)	CFW1
Forecast outturn cash movement	(355)	(23)	(332)	
DSG projected underspend at 31 March 2014	(2,623)	(1,373)	(1,250)	
One-off allocations to Schools (2014/15) to be funded from Reserve	750	0	750	
Children, Families & Wellbeing				
Management of staff vacancies	(745)	(600)	(145)	CFW3,4,5,6,7,8, 10,11,15,16,19
External care packages and commissioned services	258	38	220	CFW2,8,9,10,14, 16,19
Delay in closure of establishments	103	102	1	CFW7
Transport costs	507	515	(8)	CFW5
Other running costs	(67)	12	(79)	CFW3,5,12,13,17 ,18
Grant income	(198)	(198)	0	CFW2
Adoption income	(45)	(45)	0	CFW2
Other income	(233)	(244)	11	CFW3
Sub-total	(420)	(420)	0	
Total	(420)	(420)	0	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

Supporting Families & Children Portfolio, Education Portfolio

CFW1 – DSG Reserve b/fwd.

- The brought forward DSG reserve balance is £(2.453)m. Committed spend within 2013/14 against this reserve is £185k. There is likely to be an underspend of £(355)k in 2013/14 which leaves an overall reserve to carry forward into 2014/15 of £(2.623)m.
- The Funding Forum was made aware of this reserve at the July 2013 meeting and proposals will be made at future meetings on how to utilise this. In 2014/15 £750k has already been set aside to support one-off allocations to schools on a straight per-pupil basis (£23 per pupil across all schools including academies).

Non DSG Variances £117k adverse.

CFW2 – Children’s Social Care £357k adverse (Includes Children with Complex & Additional Needs)

- Despite a number of actions to reduce demand and the cost of placements, there has been an unexpected increase in client numbers generating a net overspend of £599k in external placement costs, in addition to an overspend of £31k in staffing, a saving on adoption agency placement fees of £(111)k and other costs totalling £100k. This is despite a significantly reduced unit cost per week over the last three years due to the placement strategy implemented. The increased demographics are in line with national trends and increased child population overall in Trafford. The increase has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(19)k.
- This overspend is also off-set for 2013-14 by an anticipated surplus in adoption income of £(45)k. This is being generated through the approval of 35 adopters and their use by other Local Authorities for which we can charge £(27)k per placement.

CFW3 – Commissioning £(117)k favourable

- The favourable variance is due to staff posts being held vacant £(47)k, an underspend on contracts within commissioned Early Intervention and Complex & Additional Needs services totalling £(100)k, and other variances totalling £30k.

CFW4 – Children’s Centres £(169)k favourable

- The favourable variance within this service is due to a slippage in staffing costs totalling £(169)k.

CFW5 – Education & Early Years £157k adverse

- The projected overspend of £157k within the Education and Early Years’ service is due to the impact of demographic pressures on contract and escort costs for SEN Transport of £507k, overall staff savings across the service of £(117)k, additional income received from schools and academies of £(244)k and other variances totalling £11k.

CFW6 – MARAS £46k adverse

- The estimated overspend within MARAS relates to additional staffing costs incurred in the year totalling £46k.

CFW7 – Youth Offending Service £(82)k favourable

- The saving within the Youth Offending Service comes from an anticipated underspend in remand placement costs.

CFW8 – Youth Service £(75)k favourable

- The saving of £(75)k in the Youth Service comes from staff savings of £(25)k and an anticipated underspend in running costs of £(50)k.

Adult Social Care Portfolio £70k adverse**CFW9 – Older People £(235)k favourable**

- **Care Management/Assessment £(363)k favourable**
Due to managed vacancies within the Social Work, Assessment, Reablement and Screening teams.
- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £25k adverse**
In previous periods demand had been within expected levels, period 10 has seen a net increase of 1 service user in homecare.
- **Katherine Lowe House and The Princess Centre - £103k adverse**
Delays in the closure of Katherine Lowe House (£85k) and the Princess Centre (£18k) resulting in additional costs being incurred.

CFW10 – Physical Disabilities £(151)k favourable

- **Care Management/Assessment £(92)k favourable**
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Direct Payments - £(59)k favourable**
Two additional residential placement costing £71k more than budgeted, 1 additional homecare placement; £12k and 1 existing placement were package costs have increased; £17k. Recovery of Direct Payment allocations is greater than budgeted £(41)k.

CFW11 – Equipment & Adaptations - £6k adverse

- **External Minor Adaptations - £6k adverse**
The volume of repair call out is projected to be slightly higher than estimated in the budget.

CFW12 – Mental Health - £281k adverse

- **Care Management and Assessment £(50)k favourable**
Due to managed vacancies within the Community Mental Health Team.
- **Residential and Nursing Care/Home Care/Direct Payments/Supported Living £331k adverse**
There are 9 residential service users with significantly higher than budgeted costs and one homecare user higher than budgeted.

CFW13 - Other Adult Services £(4)k favourable

- **Emergency Duty Team £96k adverse**
Due to projected staff costs due to current workload.
- **Transport Services - £(100)k favourable**
Rationalisation of trips following merger of Princess Centre and Pathways.

CFW14 - Strategic & Support Services - £45k adverse

- **Finance Team £45k adverse**
Due to higher than expected client services costs.

CFW15 - Adaptations - £135k adverse

- **Adaptations £135k adverse**
Projected shortfall in fee income due to the change in contract provider resulting in a delay in completion of schemes. Additional resources have been brought into the Team to speed up the completion process..

CFW16 - Housing Services - £24k adverse

- **Supporting People £24k adverse**
Underachievement in income contribution.

CFW17 - Community Services - £4k adverse

- **Community Services £4k adverse**
Underachievement in income contribution.

CFW18 – Equalities & Diversity - £(35)k favourable

- **Equalities & Diversity £(35)k favourable**
Due to managed vacancies in the Team £(24)k and a projected underspend in the events budget £(11)k.

Learning Disabilities Pooled Fund

CFW19 – Learning Disabilities - £(607)k favourable – Pooled Fund Arrangement

- **Residential and Nursing Care/Home Care/Direct Payments £(566)k favourable**
The impact of the recovery plan on projected demand.
- **Daycare £(55)k favourable**
The new method of service provision at the Meadowside Centre has delivered a saving higher than estimated.
- **Care Management/Assessment £14k adverse**
Agency cover for long term sick and additional resource to deliver recovery plan.

TRAFFORD MBC

Report to: ETO Directorate Management Team
 Date: 19 February 2014
 Report for: Discussion
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 10 (April 2013 to January 2014)

1. Forecast Outturn for the Year

- 1.1 The approved revenue budget for the year is £29.193m. The forecast outturn before management action is £29.259m, which is £0.066m over the approved budget (0.2%). There is a minor adverse movement of £0.012m since last month across a number of service areas.
- 1.2 Action to manage budget pressures will continue throughout the remainder of the year (see paragraph 2.2) and a nil variance is expected as a result. The financial forecasts will be revised once the results of this action are considered realisable.
- 1.3 The Directorate has also brought forward balances of £(0.439)m from previous years (paragraph 3). This includes £(0.202)m earmarked specifically to mitigate one-off budget pressures this year, such as from the Enforcement review. The aim is to deliver a balanced budget without use of these reserves but, based on the forecast overspend above, £0.066m has been earmarked as a commitment at this point.
- 1.4 The service is reporting additional costs in relation to the adverse effects of the high winds experienced this winter, and in particular the storm on 12th February. This particularly affects unsafe/fallen trees, damaged street lighting/furniture and various clean-up operations. These costs are currently being assessed and will be reported once known, although previous experience suggests this may be in the region of £0.100m. A Winter Maintenance reserve has been established for such occurrences.

2. Summary of Variances

- 2.1 The overall net variance reflects a number of individual under and overspends across the diverse areas of the Directorate, summarised as follows:
- Re-profiling of savings from the review of Enforcement due to additional staff consultations £0.314m;
 - Re-profiling of Groundforce staff savings pending the ongoing review of working conditions (e.g. overtime) £0.100m;
 - Public Protection licencing income shortfall – continuing adverse effect of economic climate £0.068m;
 - Traffic Management costs for major events – additional costs £0.054m;

- Street Lighting – prices in the new energy contract are higher than anticipated at the start of the year £0.035m;
 - Additional costs from the extension of the Parking enforcement contract prior to full re-tendering exercise during the year £0.035m;
 - Head of Operations post part year vacancy (revenue element) £(0.030)m;
 - The full closure of Oakfield Road car park has taken longer than predicted when setting the budget and income is £(0.153)m higher than expected for the full year;
 - Other Parking income higher than expected £(0.049)m;
 - Income in Bereavement Services has continued to be higher than expectations £(0.112)m;
 - School crossing patrols underspend from ongoing net vacancies £(0.055)m;
 - Rebate expected from transport leasing contractor £(0.050)m;
 - Waste Management – total underspend of £(0.060)m from the waste collection contract, refurbishing of existing dustbin stock, and other running costs;
 - Other net underspend £(0.031)m, an adverse movement of £0.012m this month.
- 2.2 The management action plan being implemented includes numerous steps to ensure that essential services are delivered within budget throughout the year. These will be monitored throughout the year and reflected in the forecast outturn for the service areas accordingly:
- Only necessary spending on supplies and services to be approved;
 - Reduced use and greater control of overtime and travel expenses;
 - 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 2012/13 the Directorate had a surplus on accumulated balances of £(0.439)m, which was carried forward to 2013/14. This was a result of the successful management of budget pressures in 2012/13, plus generated surpluses to assist in mitigating future pressures (if required) while sustainable solutions are implemented.
- 3.2 The planned use of these balances is shown below. The current balance of £(0.136)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 2014/15 accordingly.

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(439)
Traded service investment projects c/f	132
Car Parking – contract cost/income	105
Period 10 forecast outturn (adverse)	66
Balance after known commitments	(136)

4. Savings

- 4.1 The approved Directorate budget includes savings of £(3.011)m, (9.3)% as follows:

	Budget (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(307)	(307)	0
Efficiencies and others	(605)	(575)	30
Policy Choice	(2,099)	(1,715)	384
Mitigating action across ETO	0	(414)	(414)
Total ETO	(3,011)	(3,011)	0

- 4.2 The shortfall of £0.414m relates to re-profiling of savings in Enforcement and Groundforce above. These 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.

5. Recommendations

- 5.1 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.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn Variance (£000's)	P9 Outturn Variance (£000's)	P9 – P10 Movement (£000's)	Ref
Highways & Environment Portfolio						
Highway and Network Management, incl. Traffic & Transportation	5,130	5,174	44	49	(5)	ETO1
School Crossing Patrols	512	457	(55)	(55)	0	ETO2
Parking Services	(150)	(320)	(170)	(170)	0	ETO3
Groundforce	4,593	4,704	111	96	15	ETO4
Bereavement Services	(998)	(1,089)	(91)	(91)	0	ETO5
Sustainability & Greenspace	410	351	(59)	(61)	2	ETO6
Waste Management (incl. WDA levy)	18,661	18,601	(60)	(60)	0	ETO7
Public Protection	806	858	52	52	0	ETO8
Environmental Enforcement	30	344	314	314	0	ETO9
Directorate Strategy & Business Support	471	451	(20)	(20)	0	
Sub-total	29,465	29,531	66	54	12	
Operational Services for Education	(272)	(272)	0	0	0	
Total Forecast Outturn Period 10	29,193	29,259	66	54	12	

ETO	P10 Outturn Variance (£000's)	P9 Outturn Variance (£000's)	P9 – P10 Movement (£000's)	Ref
Business Reason / Area (Subjective analysis)				
Highways and Network Management				
Traffic Management costs - events	54	54	0	
Fee income shortfall	5	5	0	
Transport rebates	(25)	(25)	0	
Staffing vacancies	(30)	(30)	0	
Energy – Street Lighting	35	35	0	
Other running costs	5	10	(5)	
Sub-total	44	49	(5)	ETO1
School Crossing Patrols - vacancies	(55)	(55)	0	ETO2
Parking Services				
Additional income – Oakfield Road	(153)	(153)	0	
Additional income - others	(49)	(49)	0	
Contract extension one-off costs	35	35	0	
Staffing and running costs	(3)	(3)	0	
Sub-total	(170)	(170)	0	ETO3
Groundforce				
Re-profiling of staff/equipment savings	100	100	0	
Overtime/other additional running costs	36	21	15	
Transport rebates	(25)	(25)	0	
Sub-total	111	96	15	ETO4
Bereavement Services				
Essential maintenance costs	21	21	0	
Income above budget	(112)	(112)	0	
Sub-total	(91)	(91)	0	ETO5
Sustainability & Greenspace				
Vacancy, supplies & services	(59)	(61)	2	ETO6
Waste Management				
Refurbishment and reduced demand for bin replacement	(20)	(20)	0	
Contract costs	(30)	(30)	0	
Running costs	(10)	(10)	0	
Sub-total	(60)	(60)	0	ETO7

ETO	P10	P9	P9 – P10	
Business Reason / Area	Outturn	Outturn	Movement	
(Subjective analysis)	Variance	Variance	(£000's)	Ref
	(£000's)	(£000's)		
Public Protection				
Income shortfall including licencing	68	68	0	
Mitigating action – hold on filling vacancies	(16)	(16)	0	
Sub-total	52	52	0	ETO8
Environmental Enforcement				
Re-profiling of staff/equipment saving	314	314	0	ETO9
Director & ETO Business Support				
Staffing and Running costs	(20)	(20)	0	
Total Forecast Outturn Period 10	66	54	12	

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

ETO 1 – Highways & Network Management - £0.044m (adverse)

Traffic management costs associated with major events are estimated at £0.054m above budget for the year. These costs have arisen due to clarification on the statutory responsibilities, and are being addressed in the Medium Term Financial Plan. A number of options are also being evaluated up to reduce this pressure.

The overall adverse variance also includes expected receipt of rebates from the vehicle leasing contractor £(0.025)m.

There is an underspend on staffing arising from a vacant managerial post £(0.030)m.

Street Lighting energy costs are projected to be £0.035m higher than budgeted as a result of recent increases in the annual energy supplier contract.

Forecast running costs are £0.005m above budget, largely due to the re-phasing of work regarding changes to security arrangements at Carrington depot.

ETO 2 – School Crossing Patrols – £(0.055)m (favourable)

There is a forecast underspend on staffing of £(0.055)m due to the ongoing difficulties in the filling of vacancies, which has continued from 2012/13. Leavers and new starters have broadly matched each other in recent months, which has meant the net staffing level has not increased as intended.

ETO 3 – Parking Services – £(0.170)m (favourable)

The approved budget 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 £(0.153)m above budget.

Other car parking income continues to be above expectations by £(0.049)m, following on from 2012/13.

The contract for Parking enforcement has been extended for a further 12 months while a full tender exercise is undertaken. The extension has increased costs by £0.035m from the previous contract period which has now expired. The new contract will be awarded from April 2014.

ETO 4 – Groundforce - £0.111m (adverse)

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled, and there is forecast overspend of £0.100m this year. A review is ongoing regarding revised terms and conditions, overtime and procurement accordingly. The review is informing the action plan to bring future spend in line with budget, plus balances have been carried forward from 2012/13 to be utilised as one-off mitigation, if required.

Other supplies, services and overtime costs are forecast to be £0.036m above budget, an increase of £0.015m since last month. An element of this relates to one-off reactive service requests, which are often out of normal working hours. The review of the service above will also look to address these issues.

Receipt of rebates from the vehicle leasing contractor is expected to be £(0.025)m for the year.

The service is currently experiencing and assessing additional costs associated with high winds over the winter, and in particular the storm of 12th February. These will be reported once clearer but will require a call on the Winter Maintenance reserve. Current estimated suggest costs could be in the region of £0.100m.

ETO 5 – Bereavement Services £(0.091)m (favourable)

Net income levels for the year are expected to exceed the budget by £(0.112)m, and follows the levels from the last financial year. Forecast running costs are above budget by £0.021m and relates to essential works.

ETO 6 – Sustainability and Greenspace £(0.059)m (favourable)

Management action to control running costs, plus staff vacancies, gives rise to a predicted underspend of £(0.059)m.

ETO 7 – Waste Management £(0.060)m (favourable)

An underspend of £(0.020)m is expected relating to a reduction in the forecast purchase cost of replacement bins. This correlates to an increase in the refurbishing of existing bin stock and also a reduction in demand generally.

There is an underspend of £(0.010)m based on estimates of the waste collection contract costs for the year. In addition, there is a further £(0.020)m saving in the contract cost due to successful negotiations with the supplier regarding the annual inflationary increase which applies from October each year.

Other running costs are £(0.010)m less than budget.

ETO 8 – Public Protection £0.052m (adverse)

There is a predicted shortfall in income of £0.068m across the service. This relates in particular to licencing, which is due to lower levels of applications received. This is to a large extent related to the economic climate and has continued from the last financial year. This will also be assessed as part of the Medium Term Financial Plan.

The shortfall is expected to be partly mitigated through a variety of management actions to control costs throughout the year, including delays in filling vacant posts £(0.016)m. The management action plan includes for possible further restrictions on staffing vacancies.

ETO 9 – Environmental Enforcement £0.314m (adverse)

The savings associated with the review of Enforcement have been re-profiled following additional staff consultations. This has resulted in a forecast adverse variance of £0.314m for the year. This takes account of the additional time being taken to review and consult on the proposals, and incorporate feedback.

The management action plan for ETO is looking to address the adverse variance in-year from within the Directorate budget. The variance was identified very early in this financial year and the Directorate was also able to identify and earmark balances from the 2012/13 accounts to mitigate this variance, if required (paragraph 3).

TRAFFORD MBC

Report to: EGP Directorate Management Team
 Date: 20 February 2014
 Report for: Discussion
 Report author: EGP/ETO Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 10 (April to January 2014)

1. Forecast Outturn

- 1.1 The approved revenue budget for the year is £3.281m. The forecast outturn is for a nil variance against budget. There are offsetting movements in the income projections for Planning and Building Control since reported last month.
- 1.2 The Directorate has balances of £(0.312)m brought forward from previous years which are largely related to re-phased project costs, but are also available to mitigate any future adverse variances, should they arise.

2. Explanation of Variances

- 2.1 The forecast outturn variances are summarised below, with more detail at Appendix 1:
- Shortfall in property rent income of £0.141m due to the on-going adverse effect of the economy, primarily on town centre rents (e.g. Stamford Centre);
 - Backdated rental income of £(0.073)m was confirmed in November 2013 relating to Shrewsbury Street;
 - Rental income from airport land is £(0.019)m higher than budgeted, and is based on the notification received from Manchester City Council in March 2013;
 - Confirmation of the final 2012/13 rental income from Stretford Arndale by the agents of the owners was received in September, and was £(0.111)m higher than had been anticipated;
 - Facilities management staffing is £0.070m above budget due to the later than planned disposal of a number of properties. This also includes the cost of interim support to help deliver the Council's overall land sales programme;
 - There is a forecast staffing underspend across EGP relating to the ongoing restructure and appointments to vacancies £(0.062)m;
 - Planning Application fees income is now expected to be £(0.028)m above budget, a favourable movement of £(0.010)m this month. Building control income is forecast to be less than planned by £0.021m, which is an adverse

movement of £0.010m. This is based on the weekly monitoring and projections of income;

- Fee income from housing improvement capital schemes is a net £0.046m less than budget due to a reduced volume of property sales;
- Shortfall in income of £0.031m due to re-phasing of the implementation of Green Deal;
- Net underspend on other running costs £(0.016)m.

3. Reserves

- 3.1 At the end of the last financial year the Directorate had £(0.312)m of balances brought forward from previous years, of which £0.126m is committed on re-phased projects per the 2012/13 outturn report.
- 3.2 The remaining balance is earmarked to supplement 2013/14 project work, plus provide one-off mitigation should income levels continue to be adversely affected by the economic climate, or for other budget pressures during the year.

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(312)
Re-phasing of projects from 2012/13	126
Forecast outturn P10	0
Committed on 2013/14 projects plus mitigation for potential future budget pressures	186
Balance after forecast outturn/commitments	0

4. Savings

- 4.1 The approved Directorate budget includes savings of £(0.696)m, (17.4)% as follows:

	Budget (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(122)	(122)	0
Efficiencies and others	(351)	(351)	0
Policy Choice	(223)	(168)	55
Total EGP	(696)	(641)	55

- 4.2 The shortfall of £0.055m relates to savings in Facilities Management staffing which have needed to be re-profiled due to the disposal of certain buildings taking longer than had been planned. This will be mitigated by management action taken across the Directorate, or by the use of accumulated balances if required.

5. Recommendations

- 5.1 It is recommended that:
- The forecast outturn for 2013/14 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.

Budget Book Format	Full Year Budget	P10 Forecast Outturn	P10 Outturn Variance	P9 Outturn Variance	P10 – P9 Variance	
(Objective analysis)	(£000’s)	(£000’s)	(£000’s)	(£000’s)	(£000’s)	Ref
Economic Growth & Prosperity Portfolio						
Asset Management	1,089	1,096	7	7	0	EGP1
Planning & Building Control	174	129	(45)	(45)	0	EGP2
Strategic Planning & Development	525	519	(6)	(6)	0	
Economic Growth	723	702	(21)	(21)	0	
Housing Strategy	522	587	65	65	0	EGP3
Directorate Strategy & Business Support	248	248	0	0	0	
Total Forecast Outturn Period 10	3,281	3,281	0	0	0	

EGP Business Reason / Area (Subjective analysis)	P10 Outturn Variance (£000's)	P9 Outturn Variance (£000's)	P9 – P10 Movement (£000's)	Ref
Asset Management				
Investment Property Rental Income:				
- Stamford Centre - shortfall	34	34	0	
- Other properties - shortfall	69	69	0	
- Airport - surplus	(19)	(19)	0	
- Stretford Arndale 12/13 final rent	(111)	(111)	0	
- Shrewsbury St. backdated rent	(73)	(73)	0	
Community buildings – income/running costs	35	35	0	
Facilities Management - staffing	70	70	0	
Asset Management – staffing vacancies	(12)	(12)	0	
Other minor running cost variances	14	14	0	
Sub-total	7	7	0	EGP1
Planning & Building Control				
Planning applications income shortfall	(28)	(18)	(10)	
Building Control income surplus	21	11	10	
Staffing vacancies	(38)	(38)	0	
Sub-total	(45)	(45)	0	EGP2
Strategic Planning & Development				
Staffing/running costs savings	(6)	(6)	0	
Sub-total	(6)	(6)	0	
Economic Growth				
Staffing/running costs savings	(21)	(21)	0	
Sub-total	(21)	(21)	0	
Housing Strategy				
Housing improvements capital fee income shortfall	46	46	0	
Green Deal income re-phased implementation	31	31	0	
Running cost savings	(12)	(12)	0	
Sub-total	65	65	0	EGP3
Total Forecast Outturn Period 10	0	0	0	

NOTES ON OUTTURN VARIANCES

EGP1 – Asset Management - £0.007m (adverse)

The effect of the economy is continuing to adversely affect rents across the property portfolio, including Stamford Centre £0.034m, and Community Buildings £0.035m. Other investment property is expected to have a shortfall of £0.069m. Airport rent is expected to be £(0.019)m above budget following notification in March from Manchester City Council of new rent levels for the next five years.

For Stretford Arndale, the Agents for the owners have managed to continue to make a number of short term lettings to ensure the number of vacant units is minimised and this has held up gross rental income. This is despite rent reductions on the bigger units of around 40% upon lease renewals. The year-end rental payment notified during September is hence £(0.111)m higher than expected.

Backdated rental income was confirmed in November 2013 relating to Shrewsbury Street £(0.073)m.

Facilities Management staffing is expected to be £0.070m above budget. The associated saving has needed to be re-profiled as the planned disposal of buildings is taking longer than expected. Interim staffing costs of £0.015m are also included to provide support to the Council's overall land sales programme, for which future capital expenditure plans have a level of reliance on.

EGP2 – Planning and Building Control – £(0.045)m (favourable)

Income from planning fees is forecast to be £(0.028)m above budget, which is a favourable movement of £(0.010)m from last month.

Building control income is forecast to be below budget by £0.021m, which is an adverse movement of £0.010m.

Planning and building control fees are continuing to be monitored on a weekly basis and the income projections are based on the most up to date figures at the time of writing this report.

An underspend from staffing vacancies is predicted to be £(0.038)m. The filling of vacant posts will be addressed by the ongoing restructure of EGP.

EGP3 – Housing Strategy – £0.065m (adverse)

This includes an adverse variance of £0.046m relating to Housing Improvement fee income. The cost of housing improvement work is recouped when properties are sold in the future, and the sale proceeds are reinvested in new works to top up the existing capital programme. Where new improvement works are carried out, this generates fee income for the service to recover the Council's management and administration costs. There has been a reduction in the number of property sales due to the adverse economic climate and this has reduced the availability of capital funds for new works. Fee income has, hence, reduced compared to that expected in the revenue budget. This will be taken forward in the Medium Term Financial Plan.

There is a projected shortfall in income of £0.031m due to re-phasing of the implementation of Green Deal. Savings from staff vacancies are £(0.012)m, with vacancies being addressed through the restructure of EGP.

TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team
Date: 20 February 2014
Report for: Discussion
Report author: T&R Finance Manager

**Revenue Budget Monitoring 2013/14 – Period 10
(April 2013 – January 2014 inclusive)**

1 Outturn

1.1 The current approved revenue budget for the year is £20.327m. The forecast outturn of £19.721m is £(0.606)m (3.0%) below the approved budget. This is a £(0.074)m favourable movement since last month.

1.2 The £(74)k favourable movement in the month is a result of:

£11k adverse variance on staffing costs due to adjustment to estimates for vacancy management.

£(15)k favourable variance on internet training contract due to transfer to in-house.

£(35)k favourable variance on other running costs.

£(22)K favourable variance on HR SLA income due to increased take up of services by schools.

£(13)k favourable variance on other income streams.

2 Reserves

2.1 The Directorate has accumulated balances of £(1.389)m brought forward from 2012/13. Over the year the surplus balance will be used to ensure that the Directorate can meet and sustain the challenges of the future, including support for the Reshaping Trafford Programme. The table overleaf summarises the projected movement during 2013/14:

Table 1: Utilisation of Carry Forward Reserve 2013/14	£000's
Balance b/f 1 April 2013	(1,389)
Planned use in 2013/14	
Land Charges Claims	185
Transformation Support	177
Library improvements	57
CCTV/ Control room marketing and set up costs	55
LGG Support	51
SWiTch Support	51
EDRMS	40
STaR – slippage in commencement date	40
Altrincham Forward	20
Risk-based verification software for Revenues & Benefits	15
Investment in New Operating Model/ Reshaping Trafford	13
ICT costs re terminated contract	11
Finance and Access Trafford IT improvements	8
Legal Case Management System	7
Disaster Recovery – Stretford Library	6
Underspend/ grants rolled over into 2014/15	(167)
2013/14 Outturn	(606)
Remaining Balance at 31 March 2014	(1,426)

- 2.2 In 2014/15 and future years the surplus balance will be used to ensure that the directorate can meet and sustain the challenges of the future, particularly ensuring support for Reshaping Trafford and the New Operating Model. Planned usage of reserves in 2014/15 currently totals £851k including costs associated with the £167k underspend/ grants roll-over.

3 Welfare Reform

- 3.1 In the ten months of operation, Trafford Assist has made awards to 1,977 different individuals with a total value of £133,059. The total value of awards are shown in the table below:

Item	Awards	Value
Furniture	463	£99,160
Paypoint (cash)	1,073	£18,688
Food	1,451	£15,211
Total	2,987	£133,059

- 3.2 The Trafford Assist scheme is within budget after the first ten months in operation. There are no plans to adjust the qualifying criteria at this stage, as demand on the scheme may increase when further Welfare Benefit changes are introduced. The scheme continues to receive favourable comments from customers, DWP and other Partners particularly about positive intervention and signposting.

3.3 In addition to the above, 992 awards, out of 1,363 requests, for Discretionary Housing Payment have been made amounting to £297,846. This is in line with budgeted expectations.

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.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9 to P10 Movement (£000's)	Note ref
Transformation and Resources Portfolio						
Legal & Democratic	1,935	2,099	164	160	4	T&R2,4,6
Communications & Customer Services	6,865	6,656	(209)	(197)	(12)	T&R1,4,6
Partnerships & Performance	2,712	2,443	(269)	(268)	(1)	T&R3
Strategic Human Resources	2,332	2,269	(63)	(19)	(44)	T&R4
Corporate Leadership and Support	367	357	(10)	(9)	(1)	
sub-total	14,211	13,824	(387)	(333)	(54)	
Finance Portfolio						
Finance Services	3,944	3,707	(237)	(222)	(15)	T&R1,5
sub-total	3,944	3,707	(237)	(222)	(15)	
Safe and Strong Communities						
Culture & Sport	2,172	2,190	18	23	(5)	T&R4,6
sub-total	2,172	2,190	18	23	(5)	
Total	20,327	19,721	(606)	(532)	(74)	

Business Reason / Area (Subjective analysis)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9 to P10 movement (£000's)	Note ref
Management of Vacancies	(493)	(504)	11	T&R1
Court Costs and Legal fees	189	181	8	T&R2
Running costs relating to Public Health	(209)	(209)	0	T&R3
Running Costs	126	184	(58)	T&R4
Proceeds of Crime Income	20	11	9	T&R5
Income	(239)	(195)	(44)	T&R6
Total	(606)	(532)	(74)	

NOTES ON CUMULATIVE PROJECTED VARIANCES

T&R1

There are a number of posts which were held vacant whilst staffing structures were being reviewed, particularly in ICT (£249k), Revenues & Benefits (£219k) and Partnerships & Performance (£72k).

T&R2

Legal expenses are forecast to be £189k adverse to budget due to a continuing increase in childcare cases and a number of new development projects.

T&R3

Savings from support services that the Council can provide within its existing resources for Public Health functions are £(209)k. This budget is included within Partnerships & Performance but related to back office services across T&R. This sustainable saving has been included within the T&R MTFP for 2014/15.

T&R4

Running costs are being tightly controlled to remain within budget. However, the initiative to reduce sickness levels has impacted on utilisation of Occupational Health services causing an increased forecast adverse variance of £45k within HR. Other significant unbudgeted spend includes by election costs (£20k), additional SWiTch costs (£37k) and grant funded expenditure in the Waterside Arts Centre.

T&R5

The number of new Proceeds of Crime cases and timing of receipts of existing cases will result in a forecast shortfall in income of £20k.

T&R6

There is forecast to be a favourable variance on income of £(239)k, particularly on Legal income, including Registrars, Waterside Arts Centre grants and HR SLA income.

TRAFFORD MBC

Report to: Director of Finance
 Date: 20 February 2014
 Report for: Information
 Report author: Head of Financial Management

Report Title

Revenue Budget Monitoring 2013/14 – Period 10 Outturn - Council-Wide Budgets (April 2013 to January 2014 inclusive)

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £23.602m. The outturn forecast is £21.647m, which is £(1.955)m under budget, and a favourable movement of £(0.030)m since last month.

1.2 Appendix 1 details the variances from the approved budget and the period movement from the previous forecast by both function and activity, which in summary are:

Treasury Management - £(1.321)m relating to Manchester Airport Group dividend received above budget;

Members expenses - £(0.045)m, relating to the voluntary 1.9% reduction in allowances and savings in telephony and other running costs, a favourable movement of £(0.005)m since last month;

One-off NNDR refunds from backdated Exemptions and Rateable Value reductions on Council buildings £(0.070)m;

Housing and Council Tax Benefits overpayment recovery net variance of £(0.263)m, a favourable movement of £(0.022)m since last month;

Savings on Grant Thornton fees for audit of grant claims, £(0.020)m;

Some of the savings from the proposed changes to staff terms and conditions will not be achieved in full this year, £0.141m, a favourable movement of £(0.003)m since last month;

Non ring-fenced grants - £(0.389)m relating to several grants that were not included in the 2013/14 budget;

There were a number of other minor variances across Council Wide budgets in the sum of £0.012m for the year.

2 Service carry-forward reserve and Recommendations

2.1 The underspend within Council-wide budgets is transferred to the General Reserve, as detailed in the summary report.

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.

Budget Book Format (Objective analysis)	Full Year Budget (£000’s)	P10 Forecast Outturn (£000’s)	P10 Outturn variance (£000’s)	P9 Outturn variance (£000’s)	P9 to P10 movement (£000’s)	Ref
Finance Portfolio						
Precepts, Levies & Subscriptions	17,852	17,856	4	4		
Provisions (bad debts & pensions)	1,742	1,883	141	144	(3)	C-W1
Treasury Management	8,366	7,050	(1,316)	(1,316)		C-W2
Insurance	659	659				
Members Expenses	944	899	(45)	(40)	(5)	C-W3
Grants	(6,283)	(6,680)	(397)	(397)		C-W4
Other Centrally held budgets	322	(20)	(342)	(320)	(22)	C-W5
Total	23,602	21,647	(1,955)	(1,925)	(30)	

Business Reason / Area (Subjective analysis)	P10 Outturn variance (£000’s)	P9 Outturn variance (£000’s)	P9 to P10 movement (£000’s)	Ref
Staff terms and conditions	141	144	(3)	C-W1
Treasury Management:				
- Investment Income	(1,305)	(1,305)		C-W2
- Debt Management cost savings	(11)	(11)		C-W2
Members expenses	(45)	(40)	(5)	C-W3
Grants	(397)	(397)		C-W4
Other Centrally held budgets	(342)	(320)	(22)	C-W5
Precepts, Levies & Subscriptions	4	4		
Total	(1,955)	(1,925)	(30)	

NOTES ON PROJECTED VARIANCES

C-W1 – Provisions - £0.141m (adverse)

A budget saving of £(0.180)m was set aside for the part-year effect of proposed changes to staff terms and conditions. Some of these savings will not now be achieved in full this year.

C-W2 – Treasury Management - £(1.316)m (favourable)

Increase in Airport Dividend received as a consequence of the Stansted Airport acquisition by Manchester Airport Group (MAG) and the subsequent change in the Council's share allocation, £(1.321)m. The base budget for 2014/15 has been amended to reflect the dividend expected from Trafford's new share allocation in the expanded group.

Other minor variances of £0.005m.

C-W3 – Members Allowances - £(0.045)m (favourable), £(0.005)m favourable movement

All 63 Trafford Members agreed to take a voluntary 1.9% reduction in the value of their allowances, generating a saving of £(0.016)m. Other savings from pay, telephony and running costs are also expected of £(0.029)m, a minor favourable movement of £(0.005)m on running costs since last month.

C-W4 – Grants - £(0.397)m (favourable)

Final notifications have now been received for the following non ring-fenced grants which are held within Council-wide. Cash has already been received or is being received in stages during the year from the appropriate Government department:

- Education Services Support - £(0.191)m. However, this amount will reduce depending on the final number of Schools becoming Academy in the year.
- Council Tax New Burdens - £(0.114)m, workload to be contained within existing resources.
- New Burdens Zero Based Review Adult Social Care - £(0.059)m. An assessment is currently being made of how much will be required to reconfigure the Social Care ICT system in order to meet the new statutory management information requirements. This figure may therefore reduce.
- Local Flood - £(0.025)m, budget now amended for 2014/15.
- Council Tax freeze - £(0.008)m, late notification.

C-W5 – Other Centrally held budgets - £(0.342)m (favourable), £(0.022)m favourable movement

- **NNDR Refunds - £(0.070)m (favourable)**
A number of backdated Exemptions and Rateable Value reductions to Council buildings has generated one-off income of £(0.070)m.
- **Housing & Council Tax Benefits - £(0.263)m (favourable), £(0.022)m (favourable) movement**
There is a net forecast variance of £(0.017)m within the Housing Benefit budget, a small favourable movement of £(0.011)m since last month. 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 is currently £(0.246)m, a movement of £(0.011)m, since last month.

The credit from the recovery of overpaid Council Tax Benefit is difficult to predict and will eventually taper off.

- **External Audit Fees - £(0.020)m (favourable)**

The final charge has been received from Grant Thornton for 2012/13 grant certification work, generating a budget saving of £(0.020)m.

- **Other minor variances of £0.011m.**