TRAFFORD COUNCIL

Report to: **Executive**
Date: **16 November 2015**
Report for: **Information**
Report of: **The Executive Member for Finance and the Director of Finance**

Report Title:

Revenue Budget Monitoring 2015/16 – Period 6 (April to September 2015).

Summary:

The approved revenue budget for the year is £148.914m. The forecast for the end of the year, as projected following six months of activity, is £147.760m being a net underspend of £(1.154)m, (0.8)% of the budget, a favourable movement of £(0.567)m since the last report.

The main areas of budget variance are summarised as follows:

Activity	Forecast £m	Movement £m
Children's client care packages	1.2	-
Adults client care packages	(0.0)	(0.2)
Rephased base budget savings	0.3	(0.1)
Vacancy management	(1.3)	(0.2)
Running costs	(0.6)	-
Treasury Management	(0.8)	(0.1)
Housing & Council Tax Benefits	(0.0)	0.1
Business Rates (Council-wide budget)	(0.1)	(0.1)
Income	0.3	0.1
Grants	(0.2)	(0.1)
Forecasted outturn	**(1.2)**	**(0.6)**

Reserves

The opening balance of the General Reserve was £(7.9)m, and after taking into account approved use and commitments, and the Council-Wide budget projected outturn, the forecasted closing balance is £(7.5)m, which is £(1.5)m above the Council established minimum level of £(6.0)m.

In addition, the net service carry forward reserves at the beginning of the year was £(3.6)m, and after taking into account planned use and commitments together with the service Directorates' projected outturn, the forecasted closing balance is £(1.5)m in surplus.

Council Tax

The surplus brought forward of £(0.8)m, will be increased by an in-year forecast surplus of £(1.4)m. After taking account of the planned use of £0.4m to support the base budget and another £0.1m for backdated valuation and discount appeals, the total surplus forecasted to be carried forward is £(1.7)m. The Council's share of this surplus is £(1.4)m, and is planned to support future budgets in the MTFP.

Business Rates
The latest projection as at 30 September 2015 shows an overall increase in retained business rates for 2015/16 of £(0.149)m, representing an adverse movement since period 5 of £0.157m. This includes an in-year business rate growth surplus of £(0.028)m, which cannot be brought into the accounts until 2016/17, as well as an increase in income in-year within the Council-wide budget of £(0.121)m (see paragraphs 13 to 14 below).

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:

David Muggeridge, Finance Manager, Financial Accounting Extension: 4534

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be been contained within available resources in 2015/16.
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

Director of Finance:…………ID…………

Director of Legal & Democratic Services ………JLF……………

DIRECTOR'S SIGNATURE *Appended in hard copy*

Budget Monitoring - Financial Results

1. The approved budget agreed at the 18 February 2015 Council meeting is £148.914m. Based on the budget monitoring for the first 6 months of the year, the overall forecast for the year is £147.760m, being an underspend of £(1.154), (0.8)%, a favourable movement of £(0.567)m since the last report.

2. The details of service variances can be found in Annexes 1 to 3, and for Council-Wide, Annex 4:

Table 1: Budget Monitoring results by Directorate	**Year end Forecast (£000's)**	**Percent-age %**	**Period Movement (£000's)**	**Annex**
CFW – Children's Services	1,192	4.2%	100	1
CFW – Adult Social Services	(929)	(1.9)%	(456)	1
CFW – Public Health	0	0.0%	0	1
Economic Growth, Environment & Infrastructure	(292)	(0.9)%	(2)	2
Transformation & Resources	(249)	(1.5)%	(138)	3
Total Service Variances	**(278)**	**(0.2)%**	**(496)**	
Council-wide budgets	(876)	(3.7)%	(71)	4
Estimated outturn variance (period 6)	**(1,154)**	**(0.8)%**	**(567)**	

CFW – Children, Families & Wellbeing

Table 2: Budget Monitoring results by Executive Portfolio Holder	**Year end Forecast (£000's)**	**Percent-age %**	**Period Movement (£000's)**
Children's Services	1,192	4.2%	100
Adult Social Services	(929)	(1.9)%	(456)
Community Health & Wellbeing	0	0.0%	0
Environment & Operations	(169)	(0.6)%	(4)
Economic Growth & Planning	(123)	(2.6)%	2
Communities & Partnerships	80	3.0%	(15)
Transformation & Resources	(154)	(1.6)%	(70)
Finance	(1,051)	(3.7)%	(124)
Estimated outturn variance (period 6)	**(1,154)**	**(0.8)%**	**(567)**

Key month on month variations

3. The key variances contributing to the period movement of a favourable £(0.567)m are:

- Children's Services – an increase in the shortfall in adoption income of £0.216m, partly offset by lower client costs of £(0.033)m, further staff savings of £(0.086)m and a minor increase in running costs of £0.003m across the Directorate;
- Adult Services – a reduction in Long Term Support client costs of £(0.490)m as a result of client cost and activity changes and improved savings forecast;

- Adult Services – an increase in Short Term Support client costs of £0.265m as a result of the additional resources committed to external reablement;
- Adult Services – additional staff savings within the Social Care Activities – Care Management teams of £(0.102)m and Commissioning and Service Delivery of £(0.200)m. There have also been minor adverse movements in savings and running costs of £0.071m across the Adult Services Directorate;
- Transformation & Resources Directorate - favourable movement in grants and income of £(0.159)m, partly offset by a net movement in staff costs, savings and running costs of £0.021m;
- A favourable movement of £(0.103)m relating to the element of Business Rates income retained within the Council-wide budget (see paragraphs 13 and 14 below);
- Treasury Management – an increase in projected income of £(0.083)m as a result of a recent investment in the Local Authority Property Investment Fund;
- Housing and Council Tax Benefits overpayment recovery net movement of £0.115m;
- Other net movements of £(0.002)m.

MTFP Savings and increased income

4. The 2015/16 budget was based on the achievement of permanent base budget savings and increased income of £(21.584)m.

5. This saving target includes £(15.612)m within the CFW Directorate which is being programme managed by a dedicated CFW Transformation Team. From the Month 4 report the savings targets for individual initiatives within CFW were updated to reflect the revised targets which were agreed at the CFW Programme Board. This has meant some slight amendments to individual targets, though the overall total savings target for the CFW directorate remains the same. The revised savings targets are included in Appendix 2 of Annex 1 of this report. Performance is assessed against the revised targets:

6. The following table summarises the actuals to date, forecast for the remainder of the year and how the shortfall will be managed in-year.

Table 3: Savings & increased income 2015/16	Total (£000's)	Total (£000's)
Actual to date		
CFW	(13,792)	
EGEI	(2,774)	
T&R	(2,441)	
C-W	(375)	
Sub-Total		**(19,382)**
Forecasted		
CFW * Note 2	(2,218)	
EGEI	(40)	
T&R	(54)	
CW	(15)	
Sub-Total		**(2,327)**

Total Savings delivered or in progress		**(21,709)**
Budget Savings Required		**(21,584)**
Total Net Shortfall/ (Over recovery)		**(125)**
Shortfall Detailed by Directorate		
Shortfall against savings target within T&R		
• Libraries (as measured against revised target see Note 1)	154	
• ICT Procurement/ Other	149	
Total shortfall/ (Over recovery) within T&R		**303**
Shortfall/(Over recovery) against savings target within CFW		
• Children with Complex Needs – Use of Personalisation	(8)	
• Children with Complex Needs – expand in-house homes	50	
• Education Early Years – Early Help	137	
• Older People Reablement	(205)	
• LD – Void Management	(19)	
• LD – Ordinary Residence	35	
• LD – Care Package Review/ Reshaping Trafford	(388)	
Total shortfall/ (Over recovery) within CFW		**(398)**
Shortfall/(Over recovery) against savings target within CW		
• Old Car Lease Scheme	(30)	
Total shortfall/ (Over recovery) within CW		**(30)**
Total Net Shortfall/(Over recovery)		**(125)**

Gross shortfalls to be met by :-		
T&R reserve or mitigated by in year savings in 15/16		(303)
Total		**(303)**

Note 1 - The savings target for T&R originally included £(0.550)m in respect of the libraries rationalisation but this figure was revised down by £0.050m when the outcome of the second phase of consultation was approved by the Executive in March 2015. The saving has been transferred to Council Wide, where it has been met in year from the Treasury Management budget.

Whilst the delay in implementing some library changes has impacted on savings overall there are significant benefits to the Council in terms of the final proposals agreed. With redevelopment of a number of sites to include residential dwellings which will attract new homes bonus, council tax and a capital receipt.

Note 2 - Savings to a value of £(1.098)m which have still to be realised are reflected in the forecast and comprise savings against the LD Care Package Review / Reshaping Trafford £(1.068)m and savings from other schemes of £(0.030)m. Three ordinary residence cases are still awaiting judgement. At this stage the cost of these clients of £0.223m is included in client cost. If the outcome of these cases is favourable this will further increase the savings to be realised.

7. The original budget for 2015/16 included a one off allowance of £0.700m as a general contingency to cushion against possible slippage in the delivery of the significant savings programme in 2015/16. As at a previous period (Period 4) £0.085m had been released to cover a projected savings slippage related to Market Management. As a result of the realignment of the CFW savings targets, the budget variance on Market Management has now been removed.

8. Approximately 100.6% of base budget savings have been or are forecasted to be delivered:

   - Of the £(0.125)m net over achievement, there is a gross shortfall of £0.303m relating to T&R, a net over achievement of £(0.398)m in CFW and £(0.030)m in Council Wide.
   - The gross shortfall of £0.303m within T&R will be met from either service carry forward reserves or alternative in year savings.

Council Tax

9. The brought forward surplus on the Council Tax element of the Collection Fund of £(0.773)m has shared ownership between GM Fire & Rescue Authority and Police & Crime Commissioner, as well as the Council.

10. After six months of activity, the total Council Tax in-year surplus is forecasted at £(1.383)m, with the Council's share of this being £(1.162)m. After taking account of the planned application to support the 2015/16 budget, £0.357m, and reductions as a consequence of back-dated valuations and awards of discounts or exemptions of £0.100m, the end of year total balance is forecasted at £(1.699)m, of which the Council's share is £(1.427)m

Table 4: Council Tax surplus	**Overall**		**Trafford**	
	£(000's)	**£(000's)**	**£(000's)**	**£(000's)**
Surplus brought forward		**(773)**		**(649)**
Changes in Band D equivalents	(606)		(509)	
Empty Homes Premium	(126)		(106)	
Council Tax Support Scheme	(651)		(547)	
In Year Surplus		**(1,383)**		**(1,162)**
Banding valuations & discounts	100		84	
Increase in Bad Debt Provision	0	**100**	0	**84**
In-year application of surplus		**357**		**300**
Forecasted surplus carry forward		**(1,699)**		**(1,427)**

11. The numbers of those in receipt of Council Tax Support continues to fall. In addition, in an effort to attract incentive funding from DWP, several targeted pro-active interventions on unreported changes of circumstances are continuing, reducing Council Tax Support.

12. There has also been a growth in the Taxbase. Back dated valuations and discounts continue to be an issue but levels have reduced considerably relative to the same period in 2014/15.

Business Rates

13. The Business Rate Retention Scheme established in April 2013, whereby local authorities can retain a share of growth (and losses), is a technically complex subject. The table below gives an indication of the complexity as well as an updated assessment compared to assumptions made in the budget:

Table 5: Calculation of Business Rates Income 2015/16	Original Estimate £000's	Projection September 2015 £000's	Variance £000's	Movement since previous period £000's
Net Yield	**(161,238)**	**(161,297)**	**(59)**	**529**
Local Share (49%)	(79,007)	(79,035)	(28)	260
Less Tariff (Set by Government)	44,142	44,142	-	-
Retained Rates	**(34,865)**	**(34,893)**	**(28)**	**260**
Government Baseline	(33,054)	(33,054)	-	-
In Year Growth	**(1,811)**	**(1,839)**	**(28)**	**260**
Add: Section 31 Grants	(1,663)	(1,859)	(196)	(23)
Estimated surplus 2014/15	(1,710)	(1,710)	-	-
Total Income subject to Levy	**(5,184)**	**(5,408)**	**(224)**	**237**
Deduct Levy @ 50%	2,592	2,704	112	(119)
Net Income	**(2,592)**	**(2,704)**	**(112)**	**118**
Add: Levy Rebate from GM Pool	(579)	(616)	(37)	39
Increased grant for 2% cap	(136)	(136)	-	-
Renewable Energy (retained in full)	(77)	(77)	-	-
Net Retained Income	**(3,384)**	**(3,533)**	**(149)**	**157**

14. The latest projections as at 30 September 2015 are shown in the table above and show an overall increase in retained business rates for 2015/16 of £(0.149)m compared to budget and this is summarised as:

a) The retained element of in-year business rate growth is forecasted to be up by £(0.028)m at £(1.839)m. However, this is an adverse movement of £0.260m since last month due to an increase in the provision of Relief required for Empty Properties. Empty property exemptions can be volatile as premises can be vacated overnight and we are also dealing with some tax avoidance / evasion issues. The accounting arrangements for any variation in the forecast of business rates must be carried forward to later years' budgets i.e. no impact in 2015/16; however the levy must be accounted for in the year that it relates to;

b) Increase in Section 31 grant income of £(0.196)m to £(1.859)m, a movement of £(0.023)m since last month due to additional grant being receivable against the costs of the small business rate and retail reliefs. This has a benefit to the 2015/16 budget because S31 grants are accrued during the financial year to which they relate;

c) Overall increase in the cost of the levy due to the updated growth forecast, £0.112m. This is a movement of £(0.119)m from last month as a result of a fall in forecast business rate income;

d) AGMA pool rebate £(0.037)m above budget;

e) Impact on 2015/16 is the sum of items (b) – (d), £(0.121)m, and is included in the Council-wide budget monitoring projection in Annex 4.

Public Health

15. The Government announced on 4 June 2015 that it was seeking in-year public expenditure reductions of £3.1 billion. This included an amount of £200 million in respect of Public Health. In July the Department of Health issued a consultation paper on how to achieve these savings The illustration provided in that paper was for a reduction of 6.2% shared equally across local authorities, which if implemented would result in an in-year reduction of £0.773m for Trafford. We are still awaiting the outcome of the consultation process.

16. If the in-year reduction of £0.773m is confirmed, scope has been identified within the Public Health budget to manage £0.660m of this on a one off basis for the 2015/16 financial year. This leaves a residual amount of £0.113m still to be found. If the in-year reduction becomes recurrent, a plan to reduce expenditure by £0.773m will need to be incorporated into the 2016/17 budget planning cycle.

17. This is based on the current Public Health grant plus additional 0-5 funding of £1.642m which was transferred to the Council on 1st October 2015 for the national transfer of responsibilities relating to Health Visiting and Family Nurse Partnership services. This will increase the gross funding for Public Health to £12.471m in 2015/16.

Leisure Services

18. On 30 July 2015 The Executive Member for Communities and Partnerships approved that a Community Interest Company (CIC) be established to run the leisure services, currently provided by Trafford Community Leisure Trust.

19. Trafford Leisure CIC took over the running of the leisure facilities on 1st October 2015. To date, approximately £0.028m has been commited to get the company formed and operational. The division of these costs between the Council and the company will be discussed and agreed. Further financial implications will be included in future budget monitoring reports.

Reserves

20. The audited General Reserve balance brought forward is £(7.9)m, against which there are planned commitments up to the end of 2015/16 of £1.2m. The addition of the Council-Wide underspend of £(0.6)m provides for a projected 31 March 2016 balance of £(7.5)m, being £(1.5)m above the approved minimum level of £(6.0)m:

Table 6 : General Reserve Movements	**(£000's)**
Balance 31 March 2015	**(7,871)**
Commitments in 2015/16: - Planned use for 2015/16 Budget - Planned use for one-off projects 2015/16 - Council-wide budgets underspend	 1,000 200 (876)
Balance 31 March 2016	**(7,547)**

21. Service balances brought forward from 2014/15 were a net £(3.642)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net surplus of £(1.535)m to be carried forward to 2016/17 (Table 7).

Table 7: Service balances	**b/f April 2015 (£000's)**	**Forecast Movement in-year (£000's)**	**Forecast Balance (£000's)**
Communities, Families & Wellbeing	(403)	460	57
Economic Growth, Environment & Infrastructure	(1,738)	1,419	(319)
Transformation & Resources	(1,501)	228	(1,273)
Total (Surplus)/Deficit	**(3,642)**	**2,107**	**(1,535)**

Recommendations

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

ANNEX 1

TRAFFORD COUNCIL

Report to: **CFW Senior Leadership Team**
Date: **15th October 2015**
Report for: **Discussion**
Report author: **CFW Finance Managers**

Report Title:

Revenue Budget Monitoring 2015/16 – Period 6 (April 2015 to September 2015).

1. Forecast Outturn for the Year

1.1 The approved revenue budget for the year is £75.889m (See Para 2.5 for budget adjustments since the last report) and the projected outturn is currently forecast to be £76.152m, which exceeds the budget by £0.263m (0.3%). The current projected overspend includes £1.192m on Children Services and an underspend of £(0.929)m on Adults.

1.2 The forecast variance for Period 5 was £0.619m and this represents a favourable movement of £(0.356)m since last reported.

1.3 The savings target for CFW in 2015/16 is £(15.612)m. The forecast savings on the basis of the latest projection are overall savings of £(16.010)m. At this stage of the year it is a major achievement to be on track to overachieve against the target of £(15.612)m and provides a high level of assurance about the robustness of financial planning and effective delivery of transformation projects within the Directorate.

2. Summary of Variances

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

2.2 **CHILDRENS SERVICE**

The overall variance for Children's Services is an adverse £1.192m and is analysed below.

(a) Children's Social Services (including Children with Complex Needs) - £1.336m adverse variation from budget

- There is a forecast overspend of £1.192m on client care packages as analysed in the table below. The main variances are in respect of welfare secure places, external children's homes, agency foster care and adoption places. The increases in cost are due to a combination of demographic growth and the complexity of need of children in care with more children requiring high cost specialist placements. £1.035m of the projected variance relates to external children's homes even though this is as a result of only 6.1 additional placements over the year, indicating the volatility of this particular budget. This has been exacerbated by a reduction in availability of places in our internal residential homes due to regulatory activity.

- There is an adverse variance of £0.147m for welfare secure places which relates to 0.5 additional places. There is also an adverse variance of £0.147m on agency foster placements which equates to 4.2 placements; this reflects a national trend following high profile reports into major failings such as at Rotherham.

- There is a favourable variance of £(0.205)m in relation to the low numbers of Trafford children in need of adoptive placements. However, this is counterbalanced by a projected shortfall in adoption income of £0.398m. It has now become apparent that in the North West the number of recruited adopters is exceeding the number of children awaiting adoption. This resulted from a legal judgement that placed a greater emphasis on a child returning home or to family members prior to consideration of adoption. Advice from the DfE indicates that this trend will not continue and we expect to see an increase in the number of children in need of adoptive placements in the next financial year.

- Robust management action is in place to scrutinise each individual placement to ensure it is appropriate to meet needs. We are also exploring collaborative ways of managing the external market as costs have increased substantially due to the increased demand for places. We have implemented an 'Edge of Care Strategy' that supports children and young people to remain at home and developing that into a broader project as part of the CFW transformation programme.

- Actions in place to manage Children in Care placements are outlined in more detail in Appendix 3.

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	5,081	90	0.8	5,558	237	0.5	147
External Children's Homes	5.9	3,048	929	11.9	3,169	1,964	6.1	1,035
Agency foster care	32.9	884	1,513	37.1	860	1,660	4.2	147
In-house foster care	94.7	319	1,570	89.8	322	1,504	-4.9	-66
Family and friend foster care	112.0	218	1,271	107.2	238	1,329	-4.8	58
Asylum seekers	0.0	0	0	0.0	0	0	0.0	0
Special Guardianship	29.0	152	229	30.8	156	249	1.8	20
Assisted Residence Allowances	24.0	107	133	20.9	110	120	-3.1	-13
Aftercare	n/a		381	n/a		408	n/a	27
Supported Lodges	n/a		325	n/a		321	n/a	-4
Youth Homeless	n/a		193	n/a		267	n/a	74
Adoption	13.0		923	10.0		718	-3.0	-205
CAN respite	2.5	1,931	251	2.2	2,028	232	-0.3	-19
CAN long term care	4.4	2,436	553	4.4	2,409	550	0.0	-3
CAN Home from Home	n/a		161	n/a		161	n/a	0
CAN Direct payments/personalisation	n/a		367	n/a		361	n/a	-6

Total			**8,889**			**10,081**		**1,192**

- Staffing Costs within children's social care are underspending by £(0.085)m.

- Additional grant income. There is a new grant - inter agency fees grant (adoption) which is forecast to result in a favourable variance of £(0.054)m.

- Income **-** The has been additional income within CAN from Health for Continuing Health Care of £(0.076)m.

- Running costs **-** General running cost expenses variance of £(0.039)m.

(b) Education Early Years favourable variance £(0.199)m
Favourable variance due mainly to staffing underspends and additional income.

(c) Commissioning running costs favourable variance £(0.052)m
Forecast underspend due to personalisation and supporting people contracts.

(d) MARAS favourable variance £(0.030)m
Favourable variance due to staffing £(0.030)m.

(e) Youth Offending Service adverse variance £Nil
The expected mid-year reduction in the Youth Justice Board Grant of £0.051m, has been offset by a forecast underspend in remand placements.

(f) Slippage on Savings re Early Help Delivery Model – Adverse Variance £0.137m.
Staffing and premises cost adverse variances of £0.137m leading to shortfall in delivery of savings.

Movement from previous period

The main reasons for the adverse movement in the forecast for CFW Children of £0.100m are as follows:

- Education Early Years – increase in projected underspend of £(0.067)m.
- Children Social Services – reduction in projected overspend on client care packages (excluding complex needs) of £(0.034)m, reduction in adoption income £0.216m, other favourable variances £(0.041)m.
- Children with complex and additional needs – increase in forecast spend of £0.029m.
- Staffing costs within MARAS £(0.003)m.

2.3 ADULTS SERVICE

In the Period 4 monitoring report the Executive were advised that there was a new basis of reporting with forecasts for client costs generated from Liquid Logic/ContrOCC system. Further work has been undertaken to ensure that the estimated cost of care packages accurately reflected savings still to be achieved and this is a complex process for client costs.

A process is also being developed to validate the financial projections of care costs derived from the new system by using the SAP ledger system as a further safeguard.

The overall variance for Adults' Services is £(0.929)m favourable and is analysed below:

- Long Term client costs - £0.092m adverse. This projection is based on the current portfolio of long term clients recorded on the Liquid Logic system plus clients, who have received services in the earlier part of the year, though are no longer receiving services. The projection allows for expected Transition costs in year of £1.435m and that costs will be offset by further savings of £(1.098)m to be made against client costs over the remainder of the year based on Transformation projections. Further detail on the variance is included in Appendix 5.

- Short term client costs - £(0.104)m favourable. This is mainly due to savings from the in-house reablement service.

- Social Support (Carers and Adult Placement) – favourable projection of £(0.040)m following renegotiation of a contract.

- Assistive Technology and Equipment – adverse variation of £0.051m, due to increased costs in minor equipment and adaptations. The possibility of capitalising further assistive technology related costs is currently under consideration.

- Social Care Activities – Care Management - £(0.376)m favourable. The favourable variance is due to vacant posts across Care Management and other teams across the service.

- Information and Early Intervention - £(0.267)m favourable. Forecast underspend in Extra Care due to a delay in implementation of Old Trafford scheme to 2017.

- Commissioning and Service Delivery – net £(0.288)m favourable variance arising from vacancies in the service following the Commissioning restructure.

- Non-Adult Care – minor adverse variance £0.003m.

Further details on the above variances are included in Appendix 1.

Movement from previous period

The period 6 variance compared to that last reported is £(0.456)m favourable. The main reasons for the change are:-

- Long- term client costs – reduction in forecast for long term client costs of £(0.490)m favourable as a result of client cost and activity changes and improved savings forecast.

- Short term client costs – adverse movement of £0.265m, as a result of the additional resources committed to external reablement. This is an investment in the Stabilise and Make Safe (SAMS) service following the successful pilot. Whilst the cost of the new service currently shows as a budget pressure we expect it to be self-funding by reduction demand on overall client costs. This will be monitored and taken into account in forecasts in future months.

- Social support – minor adverse movement of £0.003m.

- Assistive Technology – adverse movement of £0.042m due to increase in forecast spend on minor equipment and adaptations following assessment of information received from Pennine Care.

- Social Care Activities (Care Management teams) – favourable movement of £(0.102)m following a review of vacancies across all teams and updated returns from managers.

- Information & Early Intervention – adverse movement of £0.023m arising from additional Independent Mental Capacity Act costs and client record system changes.

- Commissioning and Service Delivery – favourable movement of £(0.200)m arising from reassessment of staffing vacancies by Director and expected recruitment profile.

- Non-Adult Social Care - £0.003k adverse.

- DH Funding and un-allocated savings – no change.

2.4 Public Health

The Public Health budget is financed by a ring-fenced grant. Under the terms and conditions of the grant this must be used for defined Public Health purposes and the current projection is spend will be in line with budget. Any underspend on the grant, should it arise, would be carried forward to 2016/17 for use on Public Health related services.

An announcement of a proposed in-year budget reduction for Public Health was made by the Government in June 2015. The reduction of £200m nationally is being proposed and currently subject to consultation. A range of options are being proposed, though an across the board reduction of 6.2% would result in a potential reduction for Public Health in year of £0.773m.

If the in-year reduction of £0.773m is confirmed, scope has been identified within the Public Health budget to manage £0.660m of this on a one-off basis for the 2015/16 financial year. This leaves a residual amount of £0.113m still to be found. If the in-year reduction becomes recurrent, a plan to reduce expenditure by £0.773m will need to be incorporated into the 2016/17 budget planning cycle.

Funding of £1.642m has been transferred to the Council on 1st October 2015 relating to the national transfer of responsibilities relating to 0-5 year old Health Visiting and Family Nurse Partnership services. This will increase the gross funding for Public Health to £12.471m in 2015/16.

2.5 Budget Virements in 2015/16

The CFW Budget has changed from £75.805m in Period 5 to £75.889m at Period 6. This represents an increase of £0.084m which relates to the following virement.

Adults:

- Transfer of staff from Exchequer Services to CFW Direct Payments team £0.084m.

3. Forecasting, Assumptions and Risk

3.1 2015/16 Base Budget Savings

The Council's overall budget for 2015/16 includes £(21.584)m of savings of which £(15.612)m 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.

The savings targets for 2015/16 were re-aligned in Period 4 to reflect the specific targets which project managers are working to. The overall target is in line with the total agreed in the Medium Term Financial Plan and 2015/16 budget.

The current projection is that against the target of £(15.612)m, savings of £(16.010)m will be made, which is an increase of £(0.363)m on the previous forecast at Month 5. The reason for the improvement in the forecast position is due to increased forecasts in the Reshaping Trafford, LD Care Package Review and Reablement savings. The full breakdown of the projections for individual initiatives is included in Appendix 2.

Savings to a value of £(1.098)m which have still to be realised are reflected in the forecast and comprise savings against the LD Care Package Review / Reshaping Trafford £(1.068)m and savings from other schemes of £(0.030)m. Three ordinary residence cases are still awaiting judgement. At this stage the cost of these clients of £0.223m is included in client cost. If the outcome of these cases is favourable this will further increase the savings to be realised.

At this stage of the year it is a major achievement to be on track to overachieve against the target of £(15.612)m and provides a high level of assurance about the robustness of financial planning and effective delivery of transformation projects within the Directorate.

3.2 **Good Practice Examples**

In relation to the savings programme, there are a number of examples of management interventions that are having a substantial impact on the financial position of the Directorate. These include;

3.2.1 **Reshaping Social Care;** The Directorate is driving down commitments against care packages in line with the reshaping social care policy change agreed by the Council. The implementation of reshaping principles is being applied as each new case is presented and as all cases go through their reassessment during the year. This has led to an increase in complaints and appeals, but each case is being considered according to individual needs and options available to meet that need. The reshaping programme is supporting the directorate to review the commissioning requirements going forward, as we drive the promotion of independence and self-care. The work is underpinning the development of 2016/17 savings options and we are already seeing a significant impact since the new policy was implemented in April 2015.

3.2.2 **Panel Reviews:** Cases are being reviewed through the Panel process and annual reviews in the context of the objectives of Reshaping Trafford. This is generating savings which are contributing to the savings initiatives relating to client costs. This area looks likely to over achieve in year. This also forms part of savings in 2016/17 and over achievements in 2015/16 will support the larger saving requirements against care budget lines next year.

3.2.3 **Ordinary Residence:** Savings of £(1.047)m are expected from this initiative which were reported in detail at Month 3. There are three cases which are still outstanding which equate to a value of £0.223m. Learning from the project will be embedded in the Panel Review and Reshaping work undertaken by the service.

3.2.4 **Home to School Transport;** A complete reorganisation of the co-ordination of transport provision for children with special educational needs was undertaken from September 2014. A single team was created that were able to clearly map and tender new routes to ensure efficiency of provision and a substantial reduction in contract values. In addition to the substantial financial saving achieved through this process the development of a new procurement approach and service standards has led to improvements in the quality and safeguarding elements of the service. There was a substantial overachievement of savings in the last financial year £(0.225)m and against the revised target of a further £(0.400)m for 2015/16 we are currently projecting savings in line with this target.

3.2.5 **Debt Recovery:** The approval of the new Debt Management and Recovery policy at the end of March 2015 has enabled the Council to take a robust approach to debt recovery whilst ensuring the Council manages its risks effectively through the addition of a debt panel chaired by the Joint Director for Adults before cases proceed to Legal litigation. This new approach has already resulted in improved collection of historical debt to the authority and has had a positive impact on engagement of debtors, with a number of payment plans being arranged for in-year collection as well as payment in full in large debt cases. The new robust timely debt recovery process also ensures new debt is identified at the earliest stage and fed back to the Joint Director for Adults for an overall review of the case. Debt is also now a key factor in funding panel decisions.

3.2.6 **Direct Payments**: Some clients receive payments directly to purchase their own care packages to meet their needs. Experience shows that at the year end the annual audit identifies a number of instances where the totality of the funds provided has not been disbursed and can be reclaimed by the Council.

3.3 **Care Packages**

This is the fourth monitoring report of the financial year and follows two important changes in relation to the reporting of client care package activity. The first change is the full adoption of the national changes in reporting of client costs under the Zero Base Review. This means familiar heading such as Older People, Learning Disability etc. will not appear in this high-level monitoring report. Details of the changes were reported at Period 3 and are summarised in Appendix 4. The original client cost budgets for 2015/16 have been translated into the new Zero Base Review budgets, albeit the overall quantum of client cost budget is as originally set.

The second change is that a new basis of financial reporting has been introduced following the implementation of the Liquid Logic client record system and the associated financial modules under Controcc. This was one of the recommendations made in the budget monitoring investigation report. A considerable amount of effort has been made to bring the system into being and it is a major change for budget holders and other staff involved in the budget monitoring process. There are already benefits arising from the system although in these early days the main focus is on ensuring the information and reporting is robust following the data migration process.

The total budget for Long Term and Short Term client costs is £39.7m which represents 83% of the total CFW Adults budget of £47.6m. The average number of service users over the first six months is 3,253, though this will fluctuate on a monthly basis going forward. Details of these are shown in Appendix 5.

The Liquid Logic/ContrOCC system will give speedier and more flexible reporting and its potential will be developed over the coming months.

3.4 **Transition Costs**

Transition is the movement of clients from Children’s services into Adults and the main costs are in respect of the Learning Disability service. The budgetary provision for transition for 2015/16 is £2.416m. A review of expected transition was undertaken in Period 5 and the assessment is that Transition costs for 2015/16 will be £(0.950)m underspent in year and resources have been released to reflect this. The position on remaining transition remains uncertain and will continue to be monitored monthly and any revision to this assumption will be reported.

3.5 **Continuing Health Care (CHC)**

Where a client becomes eligible for Continuing Health Care a robust process is in place to ensure the relevant actions are completed. The Clinical Commissioning Group (CCG) have notified the Council that they have over 60 historical claims for CHC logged by families. Each claim will need to be assessed on a case by case basis, therefore it is not possible to estimate the potential impact, though this will be reported as the outcome of assessments are confirmed.

A number of retrospective claims have been made in respect of CHC and the impact of these have been reflected in the monitoring position, which gives a one-off financial benefit for the backdated period.

3.6 **Homecare packages**

The cost of homecare packages, like other care line items, is calculated by reference to the number of clients in receipt of that service at the time of producing the monitoring report. However, experience shows that in a number of cases, the planned package will not be required for the full year and as a result a reduction in costs of 2% is allowed for.

3.7 **Care Act**

The first phase of changes under the Care Act was introduced in April 2015. A Care Act implementation grant was made available to all upper tier authorities and the Council's grant was £(1.227)m. A schedule of proposed use of this funding was agreed by SLT and subsequently CMT and the planned usage of funding is attached at Appendix 6. The use of funding is being monitored and the current assumption for Period 6 is that spend will be in line with the Care Act implementation grant allocation.

Following on from the announcement of the delay in phase 2 implementation until 2020, there was a possibility that the Government may seek to recover some of the grant which has been allocated in 2015/16. Recent announcements have indicated that this is now unlikely to occur.

3.8 **Winter Pressures Funding**

Two amounts of Winter pressures funding were carried over from 2014/15 equating to £(0.393)m and £(0.187)m for DH and CCG funding respectively. Detailed plans are in place for the use of this funding and the assumption is that the funding will be fully utilised in 2015/16.

3.9 **Better Care Fund**

Under the terms of the Better Care Fund agreement with the CCG, the Council secured £(2.0)m for the protection of social care services. A national condition of the funding allocated for the Better Care Fund is that collectively the CCG and Council should achieve targeted reductions of at least 3.5% in non-elective admissions. Should these reductions not be achieved, then funding allocated in respect of performance would not be released by NHS England and the CCG would be obliged to transfer this to the Acute sector. The amount of BCF funding in the BCF agreement relating to performance is £(1.319)m and the Council carries the risk of 30% of funding based on the agreed risk share of 70/30 between the CCG and the Council; this equates to circa £0.400m in 2015/16.

Information on non-elective admissions for quarters 1 and 2 have confirmed that planned reductions have not been met, which if this continues for the remainder of the year, means that there is a risk to BCF funding of £0.400m. This potential shortfall has been set aside as an earmarked reserve, therefore the full £2.0m transfer of funding to the Council is reflected in the forecast.

4. Learning Disabilities (LD) Pooled Fund

4.1 The LD Pooled fund deficit was cleared at the end of 2014/15. The fund is therefore in balance at the start of the year and spend is expected to be in line with respective contributions from the Council and the CCG.

5. Reserves

5.1 At the beginning of April 2015 the Children, Families and Wellbeing Directorate has accumulated balances of £(1.729)m carried forward from previous financial years.

5.2 The carry-forward balances and expected end of the year position is as follows:

	DSG	CFW
	(£000's)	**(£000's)**
Balance b/f 1 April 2015	(1,326)	(403)
Reserves used to balance budget	163	
Troubled Families Grant		(468)
Troubled Families Commitments 15/16		468
Specific commitments in 15/16		197
P6 Forecast Outturn 15/16	743	263
	(420)	**57**

The DCLG provided a grant for Troubled Families in 2014/15, which was not ring-fenced or spent. However, there are commitments made to partners for 2015/16.

There are also specific commitments originally made in 2014/15 that will now be spent in this financial year. These were reported in the 2014/15 period 12 monitoring report.

6. Management Action

6.1 Business Delivery Programme Board

Following the investigation into budget monitoring arrangements, the Business Delivery Programme Board refreshed the way it works. These arrangements will continue in 2015/16, subject to the merging of the Business Delivery Core group into a single All Age Board for Children and Adults.

Due to the scope and complexity of the budgets the separate reporting of Adults and Children's budget position will continue through respective Finance sub-groups of the Business Delivery Programme Boards.

6.2 Financial Awareness Training

In order to strengthen financial management, a comprehensive programme of training has been delivered to service managers. All budgets have undergone a RAG assessment approach to determine the level of risk, complexity and volatility. The results determined the level of support each budget and budget holder would receive from the Finance Team.

New budget monitoring templates were issued to create a more streamlined and consistent approach across each service area. The input from the budget holders means that the information and projections for each service are up-to-date and there will be greater control of the budget throughout the year.

Period 6 is the fourth time that monitoring of some budgets is reliant on forecasts made entirely by budget holders. The ability of budget holders to carry out these forecasts has been mixed, as would be expected when introducing such a fundamental change. Drop in sessions have been held by Finance teams for Period 6 monitoring to offer assistance to budget holders where required, though these will now cease. Support with the completion of templates will be provided by exception, should this be requested. Where budget holders have had difficulty in forecasting, the Finance team has made assumptions for this monitoring report.

Appendix 1

Period 6 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 Revised Budget (£000’s)**	**P6 Forecast Outturn (£000’s)**	**P6 Outturn variance (£000’s)**	**P5 Outturn variance (£000’s)**	**Period Movement (£000’s)**	**Ref**
Children’s Services Portfolio – DSG Element						
Dedicated Schools Grant	0	743	743	700	43	CFW1
Transfer to Dedicated Schools Grant Reserve	0	(743)	(743)	(700)	(43)	CFW1
Sub-total – DSG	**0**	**0**	**0**	**0**	**0**	
Children’s Services Portfolio – Non DSG Element						
Education Early Years’ Service	4,915	4,716	(199)	(132)	(67)	CFW3
Children’s Social Services	17,230	18,709	1,479	1,338	141	CFW2
Children with Complex & Additional Needs	1,329	1,186	(143)	(172)	29	CFW2
Commissioning	1,784	1,732	(52)	(52)	0	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,600	1,570	(30)	(27)	(3)	CFW3
Youth Offending Service	271	271	0	0	0	CFW3
Early Help Delivery Model	1,132	1,269	137	137	0	CFW3
						CFW3
Sub-total – Non DSG	**28,261**	**29,453**	**1,192**	**1,092**	**100**	
CFW Children’s Total	**28,261**	**29,453**	**1,192**	**1,092**	**100**	

Budget Book Format (Objective analysis)	Full Year Revised Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	Period Movement (£000's)	Ref
Adult Social Services Portfolio						
Long Term Support – client costs	39,112	39,204	92	582	(490)	CFW4
Short Term Support – client costs	557	453	(104)	(369)	265	CFW5
Social Support – Adult Placement / Carers Commissioned services	930	890	(40)	(43)	3	CFW6
Assistive Equipment & Technology	1,473	1,524	51	9	42	CFW7
Social Care Activities – Care Management	11,805	11,429	(376)	(274)	(102)	CFW8
Information and Early Intervention – Preventative Services	934	667	(267)	(290)	23	CFW9
Commissioning and Service Delivery	767	479	(288)	(88)	(200)	CFW10
Non-Adult Social Care – Supporting People	0	3	3	0	3	
DH Funding and un-allocated savings (Note 1)	(7,083)	(7,083)	0	0	0	CFW11
CFW Adults Total	**48,495**	**47,566**	**(929)**	**(473)**	**(456)**	
Community Health & Wellbeing Portfolio						
Public Health	(867)	(867)	0	0	0	CFW12
CFW Public Health Total	**(867)**	**(867)**	**0**	**0**	**0**	
CFW Total	**75,889**	**76,152**	**263**	**619**	**(356)**	

Note 1 – Budget previously included in Social Care Activities.

Business Reason / Area (Subjective analysis)	**P6 Outturn Variance (£000's)**	**P5 Outturn Variance (£000's)**	**Period Movement (£000's)**	**Ref**
Children's				
Management of staff vacancies	(160)	(74)	(86)	CFW2, CFW3
Transport Costs	28	0	28	CFW3
Client Need	1,192	1,225	(33)	CFW2
YOS Remand Placements	(70)	(70)	0	CFW2
Income	319	93	226	CFW2
Other running costs	(117)	(82)	(35)	CFW2, CFW3
Total Children's	**1,192**	**1,092**	**100**	
Adults				
Management of staff vacancies	(664)	(362)	(302)	CFW8
Client Need	(12)	213	(225)	CFW4, CFW5
2015/16 Savings not achieved	25	26	(1)	CFW6
Other running costs	(278)	(350)	72	CFW7,9,10, CFW11
Total Adults	**(929)**	**(473)**	**(456)**	
Public Health	**0**	**0**	**0**	
Total CFW	**263**	**619**	**(356)**	

Appendix 1

NOTES ON VARIANCES AND PERIOD MOVEMENTS

CHILDREN'S SERVICES

CFW1 – DSG Reserve b/fwd.

- The brought forward DSG reserve balance is £(1.326)m. There are significant pressures within DSG which mean that there is an anticipated overspend of £0.743m and £0.163m was required from reserves to balance the budget, leaving a forecast reserve at the year-end of only £(0.420)m. The greatest pressure on the DSG is increasing numbers in SEN and the High Needs Block of the DSG being frozen. In previous years there has been an underspend on primary de-delegated budgets. However, Primary School budgets are under significant pressure and a central budget for Schools in financial difficulty (£0.400m) has been spent in 15/16.

CFW2 – Children's Social Services (Including CAN) £1.336m adverse variance

- There is a projected overspend of £1.192m, on client care packages as analysed in the table under paragraph 2.2. The main variances are in respect of welfare secure places, external children's homes, agency foster care and adoption places. The increases in cost are due to a combination of demographic growth and the complexity of need of children in care with more children requiring high cost specialist placements. £1.035m of the projected variance relates to external children's homes even though this is as a result of only 6.1 additional placements over the year, indicating the volatility of this particular budget. There is an adverse variance of £0.147m for welfare secure places which relates to 0.5 additional places. There is also an adverse variance of £0.147m on agency foster placements which equates to 4.2 placements; this reflects a national trend following high profile reports into major failings such as at Rotherham. There is a favourable variance of £(0.205)m in relation to the low numbers of Trafford children in need of adoptive placements. This significant reduction has had an impact on numbers of children placed for adoption
- There is a projected shortfall in adoption income of £0.398m, although this partially offset by the reduction in adoption costs referenced above. It has become apparent that in the North West the number of recruited adopters is exceeding the number of children awaiting adoption. This resulted from a legal judgement that placed a greater emphasis on a child returning home or to family members prior to consideration of adoption. We are currently developing an expression of interest with neighbouring LA's to for a Regional Adoption Agency in line with national policy.
- Staffing costs underspend on Children social care £(0.085)m.
- There is additional income for CAN placements of £(0.076)m as a result of Continuing Health Care assessments that have identified eligible expenditure for children with complex health needs,
- General running costs favourable variance £(0.039)m.
- Other variances - adoption grant £(0.054)m.

<u>CFW3 – Various</u>

Education Early Years

- Favourable variance due mainly to staffing underspends £(0.199)m.

Commissioning running costs

- Forecast underspend on personalisation and supporting people contracts £(0.052)m.

MARAS

- Favourable variance due to staffing £(0.030)m

Early Help Delivery Model

- Forecast shortfall in delivery of savings due to residual premises and staffing costs £0.137m.

ADULT SOCIAL SERVICES

<u>CFW4 – Long term client costs - £0.092m adverse</u>

- There is a projected gross pressure of client costs of £0.092m compared to budget. An adjustment has been made of £1.098m for savings which are expected to be made against client costs for the remainder of the year based on Transformation projections. The forecast is based on those clients who have received packages of care in the year to date which may have closed and those currently open within the Liquid Logic system projected for the remainder of the year. Further details on client costs are included in Appendix 5.

<u>CFW5 – Short term client costs - £(0.104)m favourable</u>

- Variance mainly arising from the additional saving on in-house Reablement costs , though part offset by additional external reablement costs.

<u>CFW6 – Social Support – Adult Placement / Carers £(0.040)m favourable</u>

- Renegotiation of contracts £(0.067)m.
- Adult Placement saving not achieved £0.027m. Saving reflected in CFW8.

<u>CFW7 – Assistive Equipment & Technology £0.051m adverse</u>

- Telecare and minor adaptations £(0.036).
- Minor equipment and One Stop Resource Centre £0.086m.

CFW8 – Social Care Activities – Care Management teams £(0.376)m favourable

Vacant posts and other staffing related savings across the following teams:

- Pathways and Network £(0.155)m;
- Ascot House £(0.113)m;
- Community MH Organic team £(0.058)m;
- Community Mental Health team £(0.013)m;
- Community Social Work team South £(0.039)m;
- Principal Social Worker and Head of Independence posts –funded through vacancies; £0.072m
- CLDT team £(0.081)m
- Other variances £0.009m

CFW9 – Information and Early Intervention £(0.267)m favourable

- Extra Care Housing – underspend as Old Trafford scheme will not be operational until 2017 £(0.279)m;
- Other variances £0.012m.

CFW10 – Commissioning & Service Delivery £(0.288)m

- Commissioning Restructure – saving arising from restructure and vacancies in the service £(0.286)m;
- Other variances £(0.002)m.

CFW11 – Non-Adult Social Care £0.003m

- Minor adverse variance.

CFW12 – Public Health £Nil

- Overall spend is projected to be in line with Public Health grant.

DH Funding and un-allocated savings £Nil

- Winter pressures funding in balance.

Appendix 2

CFW Rebased Savings 2015/16		2015/16 Revised Reduction	Forecast Saving	Variance
		(£000's)	(£000's)	(£000's)
Children with Complex Needs – use of personalisation	CS	(200)	(208)	(8)
Children in Care – expansion of in-house Children's home	CS	(50)	0	50
Home to School Transport	CS	(400)	(400)	-
Market Management	CS	(200)	(200)	-
Music Service	CS	(30)	(30)	-
Educational Psychology	CS	(100)	(100)	-
Governor Services	CS	(5)	(5)	-
Commissioning – reduction in multi-agency contracts	CS	(126)	(126)	-
Education Early Years – Early Help	CS	(3,079)	(2,942)	137
Education Early Years – Re-organisation	CS	(377)	(377)	-
Youth Offending Service	CS	(130)	(130)	-
Sub-total Children Services		**(4,697)**	**(4,518)**	**179**
Older People – Reablement	AS	(700)	(905)	(205)
LD - Re-negotiation of Contracts	AS	(13)	(13)	-
LD – Supported Living	AS	(203)	(203)	-
LD – Acceleration of Re-tendering	AS	(942)	(942)	-
PD – Telecare	AS	(116)	(116)	-
LD – Void Management	AS	(32)	(51)	(19)
Continuing Health Care	AS	(389)	(389)	-
Better Care Fund	AS	(2,000)	(2,000)	-
Voluntary and Community Sector	AS	(59)	(59)	-
LD – Ordinary Residence	AS	(1,082)	(1,047)	35
LD – Care Package Review	AS	(411)	(1,637)	(388)
Reshaping Trafford	AS	(838)		
LD – Development Fund	AS	(45)	(45)	-
LD – Review of Building Based Support	AS	(72)	(72)	-
Mental Health – review of packages	AS	-	-	-
Floating Support Service	AS	(230)	(230)	-
Market Management	AS	(915)	(915)	-
Integrated Health & Social Care	AS	(500)	(500)	-
Commissioning – all age structure	AS	(830)	(830)	-
Commissioning – review of non-mandatory services	AS	(1,538)	(1,538)	-
Sub-total Adult Social Care		**(10,915)**	**(11,492)**	**(577)**
Total		**(15,612)**	**(16,010)**	**(398)**

Appendix 3

Children in Care – Management Actions

1.0 Context: There were 327 children who were in the care of Trafford on the 16th Oct 2015 of which only 16 children were placed in external residential children's homes and 36 children were placed with foster carers from independent fostering agencies. The weekly unit cost of a placement in an external residential children's home is £3,160 and the weekly unit cost of a placement with a carer from an independent fostering agency is £858.

1.1 Demographic Pressures: The number of children in care has continued to steadily increase from 295 in April 2013 to 327 on the 16th Oct 2015. The increase in the numbers of children in care in part reflects an increase in the Trafford children population but is also associated with young people being encouraged to remain in the care of their foster carers until they are older and have reached an age when they are better equipped to manage the transition to independent living. In addition the complexity of need of young people in the care system has increased reflected in the growing number of high cost external placements.

1.2 Children Who Enter Care: For some time there has been a robust gateway to agree admissions into care which has been overseen by senior social care managers. All children who enter care do so as an outcome of a needs led assessment which is completed by a social worker from area family support team. Wherever possible, children are placed with extended family members who are assessed and approved to become family and friends carers. Trafford have proactively encouraged the development of a strong, integrated and supported network of family and friends carers and currently 32% of the Trafford children in care population are placed with family and friends carers. This approach was much praised by OFSTED.

The high percentage of children in family and friends placements also had a positive impact on reducing Trafford's dependency on placements with high cost independent fostering agency placements.

The major pressure within the budget is created by increased demand on high cost external placements. This is an exceptionally challenging market as the increasing numbers of young people requiring places nationally has significantly outstripped available capacity. We are now developing a new approach to external placements for children in care by involving Commissioning in the process of identifying placements that meet the needs of the children at the most competitive price. This action is designed to ensure we are able to maximise value for money using a clear commissioning approach developed to liaise directly with providers. Collaborative work with other LA's is also in place to try to expand our influence over providers. We are also looking at models of charging for children in care being tested in other authorities to see if this model could be implemented here.

1.3 Edge of Care Strategy/Keeping Families Together: Trafford has a robust range of services to support children who are identified as being at risk of being admitted into care. These services are integral components of Trafford's Edge of Care strategy. The narrative below describes the services that are in place to support children who are at risk of entering the care system:

1.3.1 Multi-systemic Therapy (MST) - this is an intensive family and community based treatment programme for young adolescents between the ages of 11 and 17 whose antisocial behaviours are placing them at risk of family breakdown. MST is a time-limited (three to five months), intensive and therapeutic programme that provides services in the family's home or at other locations such as the young person's school. It is an evidence-based specialist intervention for children who are at high risk of entering care.

1.3.2 Outreach Service provides dedicated and targeted support to children on the, "edge of care" who are aged 4yrs to 17yrs. The team provide bespoke and tailored packages of support to children who are at risk of entry into care. The service delivers flexible and intensive programmes of support to children inclusive of weekend and out of hours support and the service is open 365 days of the year.

1.3.3 Stronger Families which is grant funded by the Department for Communities and Local Government (DCLG). The programme applies a nationally defined, whole family model of service delivery, to families who present with prescribed categories of presenting problems. The Trafford model provides a different approach to working with those families where results have not previously been achieved through business as usual models of support.

1.3.4 The Me2 is an evidence based programme for young people aged 11yrs to 17yrs providing a raft of support from a range of professionals. Young people who enter the programme progress through a points and levels process until they achieve graduation. It is a time limited programme which lasts approximately nine months and young people who graduate from the programme either return home or move onto long term placements. It is particularly positive in preventing escalation for complex young people into external placements.

1.3.5 We are currently developing a Transformation Project currently called Keeping Families Together that will pull together and re-frame the above named services into a single Service that will be reconfigured to explicitly reduce the number of young people coming into care and supporting young people to leave care and return home at the earliest opportunity. The project will concentrate on supporting families in their own homes to keep their child at home. The new model will have explicit targets to reduce the number of new in-takes into the care system and reduce our overall cohort of young people ibn care, and especially young people who are placed in OOB External Children's Homes at a significantly high cost.

1.4 Market Management

1.4.1 The costs and quality of external placements is controlled by the use of two frameworks of providers:

- The Greater Manchester Residential Framework of Providers has been developed by commissions across the region to deliver residential placements which are underpinned by a framework of costs and quality standards. The average unit cost of an external residential placement is currently £3,160 (this is lower than the average unit that was seen in 2014/15 which was £3,403).

- The Northwest Fostering Contract is a framework of independent fostering providers who deliver foster placements which like the residential framework are underpinned by a framework of costs and quality standards. In 2015/16, there has been an increase in the number of children with very complex needs and this has contributed to an increase in the weekly unit costs of external placement which have risen from £848 in 2014/15 to the current figure of £858.

1.4.2 In response to the increase in the numbers of children in care and Trafford's increased dependency on external high cost providers Trafford have implemented the following strategic initiative:

- Trafford will continue to rollout an on-going and successful fostering marketing and recruitment strategy. This Strategy will be targeted at the recruitment of carers for older children who are at higher risk of being placed with external providers. The strategy has to date been a successful one and in 2014-15, Trafford recruited 8 foster placements for teenage children and in 2015-16 we are on target to recruit 14 foster placements for teenage children. We are also part of a regional approach to recruiting foster carers.

1.5 Trafford Placement Panel: All requests to place children in either external residential or fostering placements are initially considered by Trafford's Placements Panel which meets each Monday morning. This panel is chaired by a Head of Service and includes a range of key officers. The panel considers all requests for external placements and:

- Assesses the suitability of the request;
- Considers whether any in-house placements can be identified which might meet the needs of the child.

The panel works proactively and innovatively to try to identify any in-house placement which might offer an alternative placement to a high cost external placement. Where the panel identify that there are no in-house placements available, the panel make a recommendation for the approval of an external agency to the Director for approval.
The placement panel is also used to:

- Track previously agreed timescales for the return of children who are placed in external provision to internal provision;
- Track budget projections so as to ensure that financial monitoring reports are accurate;
- Develop innovative alternative packages of care which offer a direct alternative to the use of external placement;
- Ensure that when an external placement is required that it is both time limited, cost effective, high quality and suitably matches the needs of the child;
- Ensures that any joint funding arrangements are explored inclusive of those placements which meet the threshold for funding contributions from health partners.

Appendix 4

Zero Base Review – Budget Changes

Summary of main changes

In 2014 the Government introduced changes to the basis of reporting Adult Social Care to more appropriately reflect the move to more personalised and preventative services in social care.

Under the changes a new hierarchy of reporting was introduced based on the following structure:

FR001 – Long Term Support

- Age 18-64 years
- Age 65-74 years
- Age 75-84 years
- Age 85+

FR002 – Short Term Support

- Age 18-64 years
- Age 65-74 years
- Age 75-84 years
- Age 85+

FR003 – Social Support
FR004 – Assistive Equipment and Technology
FR005 – Social Care Activities
FR006 – Information and Early Intervention
FR007 – Commissioning & Service Delivery

With each range services are further split according to Primary Support Reasons (PSR) which are: Physical, Sensory, Memory & Cognition, Learning Disability, and Mental Health.

These replace the former client categories of Older People, Learning Disability, Physical Disability and Mental Health.

Reporting on the new basis is mandatory for financial and performance reporting from April 2015 and 2015/16 budgets have been reviewed to re-allocate them according to the new ZBR reporting requirements.

This basis of reporting will be used for all future national financial and performance statutory reporting. Further details of budget virements are available if required.

Appendix 5

Long Term Client Costs Forecast : Month 6

			Forecast Cost of Care (P6)			
Service	**Budgeted Annual Cost**	**Service users P6**	**Average Service Users**	**Average Weekly Cost**	**Forecast Annual Cost**	**Variance**
	(£000'S)	**No.**	**No.**	**£**	**(£000'S)**	**(£000'S)**
Learning Disability						
Community Services	9,809,135	207	216	860	9,662,177	(146,958)
Direct Payments	3,921,666	258	252	324	4,242,887	321,221
Residential/Nursing	5,818,861	57	57	1,455	4,312,952	(1,505,909)
Sub-total	**19,549,662**	**522**	**525**	**667**	**18,218,016**	**(1,331,646)**
Mental Health Support						
Community Services	1,208,734	643	679	36	1,254,613	45,879
Direct Payments	572,227	57	55	205	584,998	12,771
Residential/Nursing	3,593,646	177	185	375	3,610,864	17,218
Sub-total	**5,374,607**	**877**	**919**	**114**	**5,450,475**	**75,868**
Physical Support						
Community Services	3,518,640	910	910	89	4,209,852	534,212
Direct Payments	2,853,506	271	269	209	2,920,471	66,965
Residential/Nursing	6,482,446	393	398	327	6,774,979	449,533
Sub-total	**12,854,592**	**1,574**	**1,577**	**170**	**13,905,302**	**1,050,710**
Sensory Support						
Community Services	187,943	75	71	70	257,902	69,959
Direct Payments	167,853	25	25	166	216,081	48,228
Residential/Nursing	469,710	27	30	325	507,110	37,400
Sub-total	**825,506**	**127**	**126**	**150**	**981,093**	**155,587**
Social Support						
Community Services	153,596	38	67	31	107,079	(46,517)
Direct Payments	114,445	21	16	221	183,780	69,335
Residential/Nursing	175,521	7	7	376	136,949	(38,572)
Sub-total	**443,562**	**66**	**90**	**91**	**427,808**	**(15,754)**
Support with Memory and Cognition						
Community Services		6	7	84	30,742	37,671
Direct Payments	64,254	0	0	0	0	0
Residential/Nursing		8	9	408	191,092	119,909
Sub-total	**64,254**	**14**	**16**	**267**	**221,834**	**157,580**
Total	**39,112,183**	**3,180**	**3,253**	**232**	**39,204,528**	**92,345**

Care Act Implementation grant **Appendix 6**

Proposed use of funding 2015/16

Area of Spend	**Forecast Cost 2015/16**	**Type of cost**
Self-funders additional assessments and reviews in 2015/16 – 4 x social worker and 4 x social work assessors	£290,710	Staffing
Financial Assessments – Exchequer Services support officer	£21,375	Staffing
Carer costs – includes assumed £200k contribution to Carers Centre	£361,183	Commissioned service, carer payments.
Information and advice	£48,448	TBC
Prevention		
Independent financial advice		
Access to advocacy	£50,500	Commissioned services and service user support
Safeguarding Boards	£30,000	
Market oversight regime – quality management – Market Relationship Officer	£44,348	Staffing
National eligibility – continuity of care between areas	£70,000	Package costs contingency
National eligibility – transition		
Eligibility Threshold – Recurring costs		
Legal Reform – Transition costs	£50,000	Contingency
Implementation of legal reform		
Training and development – Training Officer	£31,293	Staffing
Communications	£10,000	Publicity materials
ICT – ICT Project Manager (P/T)	£29,760	Staffing
ICT – system support costs	£57,240	
Project Management	£125,000	Staffing
Contingency	£7,143	Contingency
Total	**£1,227,000**	

ANNEX 2

TRAFFORD MBC

Report to:	**Economic Growth, Environment and Infrastructure Directorate Management Team**
Date:	**22 October 2015**
Report for:	**Discussion**
Report author:	**Finance Manager**

<u>Report Title</u>

Revenue Budget Monitoring 2015/16 – Period 6 (April 2015 to September 2015)

1. Forecast Outturn for the Year

1.1 The approved revenue budget for the year is £32.257m. The forecast outturn is £31.965m, which is £(0.292)m under the approved budget. This is a minor favourable movement of £(0.002m) since last reported.

1.2 The key movements within this variance relate to updated forecasts of staff vacancies across the Directorate £(0.033)m, additional income projected for parking £(0.052)m and investment properties £(0.010)m, offset by increased running costs £0.045m, reduced income forecasts for planning £0.029m and Bereavement Services £0.024m. Other movements are a net £(0.005)m.

1.3 The approved budget for 2015/16 includes savings of £(2.814)m and all are projected to be delivered in full (paragraph 4). Savings include £(2.250)m from the One Trafford partnership with Amey LG for Environmental, Highways, Street Lighting, Technical and Property Services.

1.4 The One Trafford partnership contract commenced on 4th July 2015 for 15 years, and will be monitored through the payment and performance mechanism agreed with Amey as part of the procurement process. The budget monitoring reported for services in-scope will reflect actual and forecast economic activity both before and after the contract start date.

1.5 For traded services (catering and cleaning) there is a forecast net traded surplus of £(0.177)m at the end of March 2016. This is £(0.045)m higher than last reported based on latest trading figures. The service manages its costs and income over school terms and academic years rather than financial years and any surplus at the end of March is expected to be required to continue investment in the service and in particular improve readiness for the new academic year in September 2016.

1.6 The Directorate has brought forward balances of £(1.738)m from previous years (paragraph 3). This will be utilised for one-off budget pressures in 2015/16 and also to support initiatives to protect services and deliver future efficiencies and income generation. The balance after known commitments and the forecast outturn is £(0.319)m.

1.7 This is the fourth monitoring report of the financial year and, hence, the information available to produce the forecast outturn will be refined and subject to change as the year progresses. The main assumptions included in the financial forecasts are listed in paragraph 5.

2. Summary of Variances

2.1 The overall favourable variance of £(0.292)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 A favourable one-off income variance is projected from Oakfield Road car park £(0.120)m. Income from other fees and charges is higher than budgeted for the GM Road Access Permit Scheme £(0.010)m, airport rent £(0.021)m and planning fees £(0.156)m. There are income shortfalls forecast relating to building control £0.065m, parking enforcement (one-off) and other fees £0.024m, bulky and commercial waste £0.010m, public protection (licencing & pest control) £0.024m. In addition, fee income from capital schemes is £0.132m lower than budgeted for the period before the One Trafford contract strat date. Total income is forecast to be £(0.026)m above budget. This is a favourable movement of £(0.014)m and includes additional income for parking £(0.052)m and investment properties £(0.010)m, and reduced income from planning £0.029m and Bereavement Services £0.024m. Other minor income movements are net favourable £(0.005)m.

2.3 There are a number of favourable variances relating to staffing budgets as a result of turnover or vacancy management £(0.133)m. This is a favourable movement of £(0.033)m from last report across a number of service areas.

2.4 Other running cost are projected to be £(0.133)m underspent, which is an adverse movement of £0.045m from last reported across a number of services.

2.5 Management action will continue over the financial year end period and into 2016/17 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 2014/15 the Directorate had a surplus on accumulated balances of £(1.738)m, which was carried forward to 2015/16. This was a result of the successful management of budget pressures and additional income generation in the last three years.

3.2 The remaining balance on the EGEI Directorate Reserve after the forecast outturn for 2015/16, future known commitments and re-phasing of projects is £(0.319)m (table below). The EGEI Reserve will be utilised on initiatives to generate future savings and income generation to support service provision within the on-going revenue budget constraints. In addition, the opportunity has been taken to accelerate the resolution of some one-off issues (e.g. stock write offs) prior to the commencement of One Trafford partnership. The reserve may also be required for other one-off budget pressures arising during the year.

Utilisation of Carry forward Reserve 2015/16	(£000's)
EGEI Surplus balance brought forward at 1 April 2015	(1,738)
Commitments	1,711
Period 6 forecast outturn (favourable)	(292)
Balance after known commitments	**(319)**

4. Savings

4.1 The approved Directorate budget includes 2015/16 savings of £(2.814)m, and all are projected to be achieved in full over the financial year, as follows :

	Budget (£000's)	Forecast (£000's)	Variance (£000's)
Efficiencies and others	(2,336)	(2,336)	0
Increased and new income	(324)	(324)	0
Policy Choice	(154)	(154)	0
Total EGEI	**(2,814)**	**(2,814)**	**0**

5. Forecasting and Risk

5.1 There are key assumptions and/or areas of risk in producing the forecast outturn. These are listed below but will generally reduce as the financial year progresses as data becomes confirmed.

- One Trafford partnership – the budget monitoring for services in-scope reflects economic activity both before and after the contract start date of 4th July 2015. A number of activities and works cross cut the contract start date (e.g. works in progress), plus a number of temporary arrangements are in place to ensure business continuity during the cut over period (e.g. continued collection of income on behalf of Amey). All related financial transactions will be allocated and recharged between the Council and Amey over the relevant periods. It is also likely there will be residual pre-contract related transactions throughout the financial year.
- The One Trafford contract is monitored using the payment and performance mechanism agreed as part of the procurement process. This is designed to incentivise performance to the standards agreed and the Council has the ability to deduct fees in cases of non-performance. This forms part of the monthly billing and review process.
- The wholesale price of energy which the Council procures influences only around 50% of the Council's energy bill. The remainder is influenced by transmission and distribution costs – for example Distribution Use of System Charges are passed on to the Council by the Distribution Network Operator, and are unavoidable. There is hence a risk of future energy cost increases which are not bound by the Council's contracted prices.
- Fee income from capital works varies depending on the progress of delivering the approved capital programme during the year. The full year budget assumption from fees is £(2.000)m and this risk has effectively been transferred to Amey from July 2015 for services in-scope of the One Trafford

partnership (e.g. Highways and Property). The contract is structured in a way which incentivises Amey to progress in delivering the programme on time. However, the charging of capital fee income will still need to be monitored against the profile for both the pre and post contract budgets as capital works progress.

- Demand led fees and charges income, such as from Parking, Licencing, Planning and Building Control, will vary based on economic conditions and customer behaviour. All fees and charges are monitored weekly or monthly, with trends and previous profiles used to inform forecasts. For services in-scope of the One Trafford partnership, fee income is guaranteed in the contract price. The Council will also share in any additional income generated by Amey under the contract. Adjustments and recharges will need to be actioned in the Council's accounts for any income collected on behalf of Amey during the transition period.
- 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. This can include backdated rent income notified by managing agents later in the year. Property is managed by Amey under the One Trafford partnership although the Council is still billing and recovering these rents under the continuing contract transition arrangements.
- 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. These services are largely in-scope of the One Trafford partnership and this risk has been transferred to Amey under the contract as the service fee payable is fixed for the year in advance. The Directorate has £0.120m in a Winter Maintenance reserve to smooth any pressures across financial years, if required.
- 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. The latest notification from the WDA indicates disposal costs are estimated at £0.010m above budget which is reported in the Directorate forecast outturn.

6. Recommendations

6.1 It is recommended that the forecast outturn be noted.

Appendix 1

Period 6 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.

Economic Growth, Environment & Infrastructure Budget Book Format (Objective analysis)	**Full Year Budget (£000's)**	**P6 Forecast Outturn (£000's)**	**P6 Forecast Variance (£000's)**	**P5 Forecast Variance (£000's)**	**Period Movement (£000's)**	**Ref**
Highway and Network Management, including Traffic & Transportation	3,391	3,351	(40)	(55)	15	EGEI1
Groundforce	4,201	4,267	66	66	0	EGEI2
Sustainability & Greenspace	336	283	(53)	(52)	(1)	
Bereavement Services	(1,128)	(1,111)	17	4	13	
Waste Management (incl. WDA levy)	19,561	19,568	7	(3)	10	EGEI3
Public Protection & Enforcement	760	820	60	44	16	
Parking Services	(538)	(710)	(172)	(115)	(57)	EGEI4
School Crossing Patrols	403	399	(4)	(4)	0	
Strategic Support Services	509	459	(50)	(50)	0	EGEI5
Sub-total Environment & Operations Portfolio	**27,495**	**27,326**	**(169)**	**(165)**	**(4)**	
Property and Development	2,665	2,668	3	23	(20)	EGEI6
Economic Growth	730	660	(70)	(70)	0	EGEI7
Housing Strategy	571	518	(53)	(54)	1	EGEI8
Strategic Planning & Development	538	517	(21)	(21)	0	
Planning & Building Control	(157)	(139)	18	(3)	21	EGEI9
Directorate Strategic Management	416	416	0	0	0	
Sub-total Economic Growth & Planning Portfolio	**4,763**	**4,640**	**(123)**	**(125)**	**2**	
Operational Services for Education (Catering & Cleaning Traded Service)	**(1)**	**(1)**	**0**	**0**	0	
Total Forecast Outturn Period 6	**32,257**	**31,965**	**(292)**	**(290)**	**(2)**	

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Highways and Network Management incl. Traffic & Transportation				
Income shortfall, including moving traffic offences	6	6	0	
GMRAPs income above budget	(10)	(10)	0	
Capital fee income shortfall	75	75	0	
Staff vacancies	(12)	(12)	0	
Running costs	(25)	(40)	15	
Energy – Street Lighting	(60)	(60)	0	
Depot & Business Support				
Supplies & Services	(14)	(14)	0	
Sub-total	**(40)**	**(55)**	**15**	EGEI1
Groundforce				
Staffing and Transport costs	55	55	0	
Other running costs – contractors, plant hire, fuel	11	11	0	
Sub-total	**66**	**66**	**0**	EGEI2
Sustainability & Greenspace				
Vacancy, supplies & services	(42)	(41)	(1)	
Income above budget	(11)	(11)	0	
Sub-total	**(53)**	**(52)**	**(1)**	
Bereavement Services				
Staffing and running costs	(14)	(3)	(11)	
Income shortfall	31	7	24	
Sub-total	**17**	**4**	**13**	
Waste Management and Disposal				
Staffing and running costs	(13)	(13)	0	
Income shortfall – bulky and commercial waste	10	10	0	
GM Waste disposal levy	10	0	10	
Sub-total	**7**	**(3)**	**10**	EGEI3

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Public Protection & Enforcement				
Staffing costs	34	26	8	
Running costs	2	(14)	16	
Income shortfalls including licensing	24	32	(8)	
Sub-total	**60**	**44**	**16**	
Parking Services				
Staffing & running costs	(76)	(71)	(5)	
Oakfield Road car park remaining open	(120)	(120)	0	
Income shortfall – other locations and fines	24	76	(52)	
Sub-total	**(172)**	**(115)**	**(57)**	EGEI4
School Crossing Patrols - vacancies	**(4)**	**(4)**	**0**	
Director & Business Support				
Staffing and Running costs	**(50)**	**(50)**	**0**	EGEI5
Sub-total Environment & Operations Portfolio	**(169)**	**(165)**	**(4)**	
Property and Development				
Investment Property Rental Income:				
- Urmston Town Centre – one-off surplus	(11)	(11)	0	
- Airport – surplus	(21)	(21)	0	
- Other properties - surplus	5	15	(10)	
Community buildings – income/running costs	29	29	0	
Admin Buildings running costs	(60)	(60)	0	
Facilities Management/other staffing vacancies	(45)	(35)	(10)	
Other running cost variances	43	43	0	
Major projects capital fee income shortfall	63	63	0	
Sub-total	**3**	**23**	**(20)**	EGEI6
Economic Growth				
Staffing vacancies	(75)	(75)	0	
Other running costs	5	5	0	
Sub-total	**(70)**	**(70)**	**0**	EGEI7

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Housing Strategy				
Staffing	(37)	(37)	0	
Running costs	(16)	(17)	1	
Sub-total	**(53)**	**(54)**	**1**	EGEI8
Strategic Planning & Development				
Staffing/running costs savings	**(21)**	**(21)**	**0**	
Planning & Building Control				
Planning applications income	(156)	(185)	29	
Building Control income shortfall	65	62	3	
Staffing including interim support	78	97	(19)	
Other running costs	31	23	8	
Sub-total	**18**	**(3)**	**21**	EGEI9
Sub-total Economic Growth & Planning Portfolio	**(123)**	**(125)**	**2**	
Total Forecast Outturn EGEI Period 6	**(292)**	**(290)**	**(2)**	

Summary Variance Analysis Period 6

All Services	Savings £000	Staff £000	Running Costs £000	Income £000	Total Variance £000
Period 5	0	(100)	(178)	(12)	(290)
Period 6	0	(133)	(133)	(26)	(292)
Period Movement	**0**	**(33)**	**45**	**(14)**	**(2)**

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

EGEI1 – Highways & Network Management - £(0.040)m (favourable)
Income generation of £(0.030)m is included in the budget from moving traffic offences. This is part of an AGMA initiative to improve safety and traffic flows on major routes and the project timeline has been re-phased to later in 2015/16.

Running costs are expected to be £(0.025)m under budget over a number of service areas, which is £0.015m less than last reported. This mainly reflects forecasts of maintenance costs in highways and street lighting up to the 4th July 2015 commencement date of the One Trafford contract with Amey.

Staffing is £(0.012)m underspent for the period before the commencement of the One Trafford contract.

There is additional income above budget of £(0.010)m from the Greater Manchester Road Access Permit Scheme, which was implemented during 2013/14.

Fee income from technical and consultancy work charged to capital schemes is projected to be £0.075m below budget due to the timing of capital works up to the commencement of the One Trafford contract.

Street Lighting energy costs are projected to be £(0.060)m less than budgeted based on latest projected usage volumes and the contract prices from April 2015.

EGEI2 – Groundforce - £0.066m (adverse)
Staffing, plant, contractor and transport costs are £0.066m overspent relating to the period up to the commencement of the One Trafford contract.

EGEI3 – Waste Management and Disposal - £0.007m (adverse)
There is an underspend in staffing and contract costs of £(0.013)m for the period prior to the commencement of the One Trafford contract. Bulky waste and commercial waste income is £0.010m less than expected for this period.

The latest information from GM Waste Disposal Authority is that the levy cost will be £0.010m higher than budgeted. This is based on variations in the tonnages of different waste streams being disposed throughout the year.

EGEI4 – Parking Services – £(0.172)m (favourable)
The approved budget from 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 £(0.120)m above budget, which has continued from last year.

Other car parking income is projected to be £0.024m under budget, which includes for the period of relaxed enforcement shortly after the recent change in prices. There is a favourable movement in fee income of £(0.052)m from last reported based on latest forecasts for the year.

The parking enforcement contract and other running costs are expected to be £(0.071)m underspent.

EGEI5 – Director and Business Support – £(0.050)m (favourable)
There is a forecast underspend on senior management staffing due to vacancies and on-going restructuring.

EGEI6 – Property and Development - £0.003m (adverse)

Manchester Airport rent is £(0.021)m above budget following notification from Manchester City Council of new rent levels.

Fee income from capital and external projects is £0.063m less than budgeted for the period up to the commencement of the One Trafford contract which reflects the phasing of capital works.

Administrative building running costs are less than expected across the portfolio by £(0.060)m. This includes a £(0.053)m underspend relating to the catering concession at Altrincham Town Hall.

There is a favourable movement of £(0.020)m relating to higher investment property income £(0.010)m and reduced staff costs due to ongoing vacancies £(0.010)m.

EGEI7 – Economic Growth Team – £(0.070)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.

EGEI8 – Housing Strategy – £(0.053)m (favourable)

Staffing costs are forecast to be £(0.037)m underspent due to secondments, with running costs including the housing options contract £(0.016)m underspent.

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

Projected income from planning fees is £(0.156)m higher than budgeted which is a trend continuing from last financial year. This is an adverse movement of £0.029m based on latest income forecasts. There is a projected shortfall in income from building control fees of £0.065m, which is also a continuation of difficult trading conditions and external competition. The service is reviewing its business plan to improve its financial position. Both fees are monitored regularly.

There is a projected overspend on staffing of £0.078m which 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 and is £(0.019)m less than last reported. The permanent filling of vacant posts will be addressed by the on-going restructure of the combined Directorate. Running costs are £0.031m higher than budget, an adverse movement of £0.008m.

EGEI10 – Traded Services (Catering and Cleaning)

There is a net traded surplus forecast for the end of March 2016 of £(0.177)m. This is £(0.045)m higher than last reported based on latest trading figures. However, the service manages its costs and income over school terms and academic years rather than financial years and any surplus at the end of March is earmarked to continue the investment in the service. This is particularly to improve readiness for the new academic year in September 2016.

ANNEX 3

TRAFFORD MBC

Report to:	**Transformation and Resources Directorate Management Team**
Date:	**21 October 2015**
Report for:	**Discussion**
Report author:	**Finance Manager**

Report Title

Revenue Budget Monitoring 2015/16 – Period 6 (April 2015 to September 2015)

1. Forecast Outturn for the Year

1.1 The approved revenue budget for the year is £17.026m with a forecast outturn of £16.777m. This results in a projected underspend of £(0.249)m, which is £(0.138)m higher than last reported. The key variances and movements are shown in section 2 below and Appendix 1.

1.2 The forecast outturn for the Directorate reflects underspends of £(0.380)m on staffing, due to higher than expected vacancy levels, and £(0.075)m from cost control on levels of running expenses. Income is also forecast to be £(0.097)m higher than budgeted. These underspends are partially offset by a reduction in the planned level of savings of £0.303m.

1.3 The Directorate has brought forward balances of £(1.501)m from previous years (section 3). This will be utilised to support initiatives to reshape Trafford and deliver future efficiencies and income generation. The balance after known commitments and the forecast outturn is £(1.273)m.

2. Summary of Variances

2.1 The overall underspend of £(0.249)m reflects a number of individual under and overspends across the Directorate, with comments on the main variances from budget and movements from the last report shown below.

Staffing

2.2 Forecast staffing costs based on actual and projected vacancies are £(0.380)m less than budget across the Directorate. Vacancy levels are projected to be approximately 1.9% higher than assumed in the setting of the 2015/16 budget, and is a consequence of a delay in appointing to a number of vacancies on some service restructures. Vacancies are forecast on a post by post basis each month and the projected underspend has increased by £(0.026)m from the last report.

Running Costs

2.3 Overall running costs are forecast to be on target with the budget. This is a result of cost control across all services. The previously reported underspend has reduced from £(0.027)m to nil due to minor variations across the Directorate. In addition, a one-off saving is expected to be realised of £(0.075)m as a result of a settlement of a claim in relation to supplier performance in ICT where liability has been acknowledged.

Savings

2.4 The projected £0.303m shortfall in savings relates to Library Service and ICT proposals for 2015/16 of £0.154m and £0.149m respectively. The ICT saving shortfall is £0.020m higher than last reported due to revised phasing of procurement projects. Further details are listed below in paragraph 4.

Income

2.5 The £(0.097)m from additional external income is a net figure. This includes a £0.077m shortfall from CCTV services, which is £0.005m higher than projected last month. Work is on-going to redesign the CCTV service delivery model which will address the budget pressure, which has been continued from 2014/15, and will deliver sustainable benefits going forward.

2.6 Income relating to legal costs charged to capital schemes is also £0.022m les than budgeted. This is affected by external factors and levels of staff vacancies, and the aim is to mitigate the shortfall in line with budget for the remainder of the year.

2.7 There is a £0.050m shortfall in budgeted Council tax liability order income. This income reduces as council tax collection rates improve but is offset in the Council's separate Collection Fund account. It is proposed to realign this budget from 2016/17 through the Medium Term Financial Plan.

2.8 The income shortfalls are offset in the main by £(0.135)m of additional income from grants in the Revenues and Benefits Service. The Revenue and Benefits Service has had a number of grants awarded in-year and rolled forward from 2014/15 to support spending, leading to increased levels than budgeted at the start of the year. This is £(0.082)m higher than last reported based on latest forecasts of commitments against these grants for the current year.

2.9 Additional income is also included relating to events and advertising £(0.023)m and Human Resources traded activities £(0.038)m, which is £(0.036)m higher than last reported. Income across a number of other service areas is £(0.050)m above budget, including a one-off £(0.020)m in ICT rolled forward from 2014/15.

3. Reserves

3.1 At the end of 2014/15 the Directorate had a surplus of £(1.501)m in its reserve, which has been carried forward to 2015/16. This was a result of the successful management of the budget in previous years.

3.2 The remaining balance on the T&R Directorate Reserve after the forecast outturn for 2015/16, future known commitments and re-phasing of projects is £(1.273)m (table below). The T&R Reserve will be utilised on initiatives and project based activity in support of Reshaping Trafford and also to generate future savings and income generation. Commitments will be underpinned by business cases and will be reviewed each month as the financial year progresses.

Utilisation of Carry forward Reserve 2015/16	**(£000's)**
T&R Surplus balance brought forward at 1 April 2015	(1,501)
Commitments 2015/16	477
Period 6 forecast outturn (favourable)	(249)
Balance after known commitments	**(1,273)**

4. Savings

4.1 The T&R budget for 2015/16 includes savings of £(2.848)m. This originally included £0.550m in respect of the libraries rationalisation but this figure was revised down by £0.050m when the outcome of the second phase of consultation was reported to Executive in March 2015. This reduction has been met from savings in the Treasury Management budget as a consequence of rephasing of the capital programme in 2014/15. The updated T&R savings target for 2015/16 is therefore £(2.798)m and actual savings of £(2.556)m are forecast to be achieved with £0.242m of savings re-phased and £0.061m requiring alternative solutions.

Saving Description	**Savings Shortfall (£000's)**
Libraries re-phased saving (a)	154
ICT re-phased procurement savings (b)	88
ICT savings not able to be realised (b)	61
Total	**303**

4.2 The shortfall in savings delivery is reflected in the forecast outturn and are summarised below:

(a) Libraries – an overall £(0.500)m saving is included in the approved revenue budget. This includes both staffing and property cost reductions. Due to additional consultations and re-phasing of delivery plans, £(0.346)m is expected to be achieved in 2015/16. This gives a shortfall of £0.154m in-year, with the full year saving to be delivered in full during 2016/17.

The £0.154m shortfall relates to a delay in the closure of libraries (Bowfell, Davyhulme and Lostock, the redevelopment of Hale and Timperley Libraries) and changes to in-year delivery at Coppice as part of the consultation process. The shortfall is £(0.010)m lower than last reported due to revised forecasts of staffing costs.

Whilst the delay in implementing some library changes has impacted on savings overall there are significant benefits to the Council in terms of the final proposals agreed. With redevelopment of a number of sites to include residential dwellings which will attract new homes bonus, council tax and a capital receipt.

(b) ICT savings of £(0.750)m are included in the approved budget. This includes staffing and contract procurement reductions. Savings of £(0.601)m are forecast to be achieved in 2015/16; a shortfall of £0.149m as follows:

- £0.088m relates to procurement processes which have taken longer than planned. This is £0.020m higher than last reported due to re-phasing of this work.
- Savings of £0.061m will not be achieved following a further technical assessment of individual proposals. This relates mainly to the installation of new back up arrangements where realisation of the saving is now unlikely and alternative measures are being sought.

The primary mitigation to address these shortfalls is via a review of all ICT Third Party spend (c. £1.8m). Work has commenced with Procurement to review all contracts with the aim of aggregating the spend with fewer or single suppliers. At this stage Procurement are market testing to determine the market appetite to undertake what is essentially infrastructure and software support &

maintenance as a single supplier. SAP and AGMA contracts may be out of scope due to the nature of existing commercial arrangements and the current WAN (network) service is being retendered in October 2015.

4.3 The shortfall in savings against budget is forecast to be fully mitigated by in year net underspends from the management and monitoring of the whole Directorate budget (e.g. through vacancies, running costs, income generation).

5. Forecasting and Risk

5.1 The key assumptions and areas of risk in the forecast outturn 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 approved budget and forecasts include assumptions around staff turnover and vacancies – this is approximately 3.5% of the staffing costs on average. The actual level and timing of vacancies is difficult to predict on a service by service basis but trends from recent years indicate overall underspend projections will increase as the year progresses.
- External income can relate to external factors which are difficult to predict, such as customer behaviour, and can also be affected by unexpected changes in levels of staff vacancies.

6. Recommendations

6.1 It is recommended that the forecast outturn be noted.

Appendix 1

Period 6 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.

Transformation and Resources Budget Book Format (Objective analysis)	**Full Year Budget (£000's)**	**P6 Forecast Outturn (£000's)**	**P6 Forecast Variance (£000's)**	**P5 Forecast Variance (£000's)**	**Period Movement (£000's)**
Legal and Democratic Services	2,555	2,466	(89)	(51)	(38)
Access Trafford	2,534	2,642	108	95	13
ICT Services	2,040	2,077	37	31	6
Communications	232	158	(74)	(74)	0
Finance Services	4,433	4,258	(175)	(122)	(53)
Partnerships and Communities	1,536	1,611	75	91	(16)
Culture and Sport	1,162	1,167	5	4	1
Human Resources	1,980	1,844	(136)	(85)	(51)
Executive	361	361	0	0	0
Transformation	193	193	0	0	0
Total Forecast Outturn Period 6	**17,026**	**16,777**	**(249)**	**(111)**	**(138)**

Transformation and Resources Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)
Legal and Democratic Services			
Staff vacancies net of agency costs	(100)	(86)	(14)
Other running costs	14	14	0
Fee income from capital schemes - shortfall	22	22	0
Income shortfall – land charges	0	9	(9)
Additional income – StaR Procurement	(4)	(4)	0
Other income	(21)	(6)	(15)
Sub-total	**(89)**	**(51)**	**(38)**
Access Trafford			
Re-phased Library savings	154	154	0
Staff vacancies – contact centre	(46)	(59)	13
Sub-total	**108**	**95**	**13**
ICT Services			
Re-phased savings – contact procurement	88	68	20
Other savings shortfall	61	61	0
Staff vacancies	(25)	(19)	(6)
One-off contract refund	(75)	(75)	0
Other running costs	8	(4)	12
Income (one-off)	(20)	0	(20)
Sub-total	**37**	**31**	**6**
Communications			
Staffing and running costs	(51)	(51)	0
Events and advertising income	(23)	(23)	0
Sub-total	**(74)**	**(74)**	**0**
Finance Services			
Staff vacancies	(118)	(133)	15
Other running costs	28	14	14
Government Grants – Revenue and Benefits	(135)	(53)	(82)
Council tax liability order income - shortfall	50	50	0
Sub-total	**(175)**	**(122)**	**(53)**
Partnerships and Communities			
CCTV income shortfall	77	72	5
Staff costs	7	26	(19)
Running costs	1	0	1
Other income	(10)	(7)	(3)
Sub-total	**75**	**91**	**(16)**

Transformation and Resources Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)
Culture and Support			
Minor income shortfall	5	4	1
Sub-total	**5**	**4**	**1**
Human Resources			
Staff vacancies	(98)	(83)	(15)
External agency income above target	(38)	(2)	(36)
Sub-total	**(136)**	**(85)**	**(51)**
Total Forecast Outturn T&R Period 6	**(249)**	**(111)**	**(138)**

Summary Variance Analysis Period 6

All Services	Savings £000	Staff £000	Running Costs £000	Income £000	Total Variance £000
Period 5	283	(354)	(102)	62	(111)
Period 6	303	(380)	(75)	(97)	(249)
Period Movement	**20**	**(26)**	**27**	**(159)**	**(138)**

ANNEX 4

TRAFFORD COUNCIL

Report to:	**Director of Finance**
Date:	**21 October 2015**
Report for:	**Information**
Report author:	**Interim Head of Financial Management**

Report Title

Revenue Budget Monitoring 2015/16 – Period 6 Outturn - Council-wide Budgets (April 2015 to September 2015 inclusive)

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £23.742m. The outturn forecast is £22.866m, which is £(0.876)m under the budget, a favourable movement of £(0.071)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;

- Treasury Management: £(0.648)m relating to Manchester Airport Group (MAG) dividend received above budget, £(0.117)m increased investment interest from favourable cash flows, an improvement of £(0.083)m since last month, and a reduction in loan interest payable of £(0.011)m.
- Business Rates - favourable impact on the Council-wide budget, £(0.121)m, a favourable movement of £(0.103)m since the last report (see paragraphs 13 to 14 of the covering report);
- Housing and Council Tax Benefits overpayment recovery net variance of £(0.007)m, an adverse movement of £0.115m since last month;
- Members expenses – full year effect of the savings as a result of changes to the Members Allowances Scheme in September 2014, £(0.036)m and the new Government pension regulations which came into effect on 1 April 2014, £(0.014)m;
- Coroners and Mortuary fees are higher than previously anticipated due mainly to higher numbers of inquests, £0.079m, partly offset by the full use of the earmarked reserve of £(0.037)m;
- Costs of the 2016/17 Budget Consultation exercise are estimated at £0.050m;
- The 2015/16 saving for the Old Car Lease scheme will be overachieved, £(0.030)m
- Other minor variances of £0.016m.

2 Service carry-forward reserve

2.1 Council-wide budgets do not have their own carry forward reserve, and the above underspend will be transferred to the General Reserve, as detailed in the summary report.

3 Savings

3.1 The Council-wide budget for 2015/16 originally included savings of £(0.310)m. This figure was increased by £(0.050)m to counter balance the shortfall in library savings (as approved by the Executive in March 2016). The updated Council-wide savings target for 2015/16 is therefore £(0.360)m and actual savings of £(0.390)m are shown below;

	2015/16 Revised Savings Target £000's	Forecast Saving £000's	Variance £000's
Council-wide Base Budget Savings 2015/16			
Old Car Lease Scheme	(68)	(98)	(30)
Discretionary Rate Relief to Collection Fund	(152)	(152)	-
Member's Allowances budget	(35)	(35)	-
External Audit Savings	(55)	(55)	-
Treasury Management savings *	(50)	(50)	-
Total	**(360)**	**(390)**	**(30)**

* This additional target has already been met from savings in the Treasury Management budget as a consequence of rephasing of the capital programme in 2014/15.

4 Forecasting and Risk

4.1 This forecast has been based on six months of actual activity. The activity covered by Council-wide budgets is varied, and the key assumptions in the September forecast are:

- Average investment rates will be 0.7% with a cash flow of £89m.
- £5m of funds were invested on 29 September 2015 for a minimum period of 5yrs in the Church Commissioners Local Authority Property fund which is forecasted to generate annual returns of between 4% to 5%.
- There will be no further Airport dividend.
- The £20m Royal Bank of Scotland variable loan will be 7.0%. There is a smoothing reserve to mitigate large variations from this assumption.
- Contingency budgets for doubtful debts and the costs of re-organisation following the implementation of budget and other savings will be sufficient.

There is a contingency reserve for re-organisation costs should budgets prove insufficient.

- Council error in the award of housing benefit will be within threshold limits, and recovery of benefit overpayments will continue at previous activity levels.

- The in-year increase for the provision for bad and doubtful debts will be in line with budget.

4.2 The original budget for 2015/16 included a one off allowance of £0.700m as a general contingency to cushion against possible slippage in the delivery of the significant savings programme in 2015/16. The budget will be released during the year, with the approval of the Director of Finance, to alleviate any unforeseen slippage. The original budget was held within Council-wide and for the purposes of budget monitoring has been assumed to be fully committed. However to date, £0.085m has been released to cover budget pressures regarding Market Management and £0.055m for Gorse Hill Studios, leaving an unallocated balance of £0.560m.

Appendix 1

Period 6 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)**	**P6 Forecast Outturn (£000's)**	**P6 Outturn variance (£000's)**	**P5 Outturn variance (£000's)**	**Period Movement (£000's)**	**Ref**
Finance Portfolio						
Precepts, Levies & Subscriptions	17,720	17,761	41	41		C-W5
Provisions (bad debts & pensions)	2,480	2,500	20	20		C-W6
Treasury Management	7,869	7,093	(776)	(693)	(83)	C-W1
Insurance	875	875	0	0		
Members Expenses	904	854	(50)	(50)		C-W2
Grants	(6,645)	(6,640)	5	5		
Business Rates	350	229	(121)	(18)	(103)	C-W3
Other Centrally held budgets	189	194	5	(110)	115	C-W4
Total	**23,742**	**22,866**	**(876)**	**(805)**	**(71)**	

Business Reason / Area (Subjective analysis)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	Period Movement (£000's)	Ref
Treasury Management:				
- MAG Dividend	(648)	(648)		C-W1
- Investment Income	(117)	(34)	(83)	C-W1
- Debt Management	(11)	(11)		C-W1
Members Allowances	(50)	(50)		C-W2
Business Rates	(121)	(18)	(103)	C-W3
Housing & Council Tax benefits	(7)	(122)	115	C-W4
Council Tax compensation grant	5	5		
Payment Card Industry (PCI) compliance	2	2		C-W4
VAT claims - legal fees	10	10		C-W4
Flood Defence levy	(8)	(8)		C-W5
Subscriptions	7	7		C-W5
Coroners & Mortuary fees	42	42		C-W5
Budget Consultation	50	50		C-W6
Old Car Leasing Scheme saving	(30)	(30)		C-W6
Total	**(876)**	**(805)**	**(71)**	

NOTES ON PROJECTED VARIANCES

C-W1 – Treasury Management - £(0.776)m (favourable), £(0.083)m favourable movement

Investments – £(0.765)m
This additional income has been created as a result of:

- the dividend received from Manchester Airport Group (MAG) of £(2.0)m, which is £(0.648)m above budget;
- a favourable increase in cash flow, generating £(0.034)m of additional investment income, primarily due to capital programme rephasing and grant monies received ahead of schedule;
- £5m of funds were invested on 29 September 2015 for a minimum period of 5yrs in the Church Commissioners Local Authority Property fund which is forecasted to generate annual returns of between 4% and 5%, equivalent to additional investment income above budget of £(0.083)m.

Debt – £(0.011)m
Lower than anticipated loan interest payable £(0.011)m.

C-W2 – Members Expenses - £(0.050)m (favourable), £nil 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 have generated annual savings of approximately £(0.036)m.

Government legislation, effective from 1 April 2014, has removed the access to a Local Government Pension Scheme for Councillors. This is on a phased basis and will be applied to those Councillors re-elected in the May local elections over 3 years. The budget saving in 2015/16 will be £(0.014)m.

C-W3 – Business Rates - £(0.121)m (favourable), £(0.103)m favourable movement

See notes and table in paragraphs 13 to 14 in the covering report.

C-W4 – Other Centrally held budgets - £0.005m (adverse), £0.115m adverse movement

- **Housing & Council Tax Benefits - £(0.007)m**
  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 outturn for 2015/16 is £(0.022)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 £0.015m within the Housing Benefit budget, as a consequence of a reduction in the net amount of Housing Benefit being paid out. This is an adverse movement of £0.122m since the last period. The Council has increased its activities relating to identifying fraudulent Housing

Benefit applications and as a consequence has identified a larger number of cases where claimants have understated their earnings. Too much housing benefit has been paid and this has subsequently resulted in a loss of subsidy to the Council. Steps are currently being taken to recover these overpayments, however projections of amounts being recouped are not updated until there is evidence to support actual cash being received.

- **Other minor variances £0.012m.**

C-W5 – Precepts, Levies & Subscriptions - £0.041m (adverse), £nil movement

- **Coroners & Mortuary fees - £0.042m**
  The cost of the Coroners service, which is shared between Stockport, Trafford and Tameside Councils, has increased significantly due to the following factors:

  - Increasing volume of inquests, resulting in the need for an additional court and hence an increase in associated costs;
  - Deprivation of Liberty status (DOLS) is placing a further demand on the number of inquests. All DOLS cases deaths require an inquest;
  - Pressures from increasing costs of toxicology and transport;
  - Extra demands placed on the service from disclosure of information requests.

  The additional costs for Trafford in 2015/16 are £0.079m and have been partly offset by the use of the earmarked reserve of £(0.037)m, which was specifically set up for such an eventuality. Also, the impact of these additional costs in the future have been included in the Medium Term Financial Plan.

- **Other minor variances £(0.001)m.**

C-W6 – Provisions - £0.020m (adverse), £nil movement

- 2016/17 Budget Consultation – the estimated costs of employing an independent company to oversee the budget consultation process, £0.050m;
- The 2015/16 saving from the Old Car Lease scheme will be overachieved due to employees leaving the scheme earlier than anticipated, £(0.030)m.