

TRAFFORD COUNCIL

Report to: Executive

Date: 20 February 2013

Report for: Information

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

Report Title:

Revenue Budget Monitoring 2012/13 – Period 9 (April 2012 to December 2012 inclusive).

Summary:

At month nine, the projected revenue outturn is £154.563m compared to the budget of £155.395m (summary tables by Directorate & Portfolio at paragraph 1). The favourable variance of £(0.832)m, or (0.5)%, is a favourable movement of £(0.232)m on the previously reported position.

This period's forecast includes a favourable movement relating to additional expenditure underspends identified across the CYPs Directorate of £(0.107)m and deferred expenditure within Libraries and Communications of £(0.111)m.

Activity	Forecast £m	Movement £m
Social Services clients & need	1.1	-
Suppressed income	0.3	0.1
Street lighting electricity costs	0.2	-
Vacancy & running cost management	(1.7)	(0.3)
Treasury Management	(0.4)	-
New grant & rephased projects	(0.3)	-
Forecasted outturn	(0.8)	(0.2)

In addition to the above:

There is an overspend position in the Learning Disabilities Pool of £0.865m, a minor improvement of £(0.013)m since the previous report (see Annex 2, Section 4).

The combined effect of the underspending position and in-year commitments, will reduce Directorates' service reserves from £(2.6)m to £(2.0)m. Some Directorates will have a combined debit balance on their service reserve of £0.2m, which will be expected to be addressed by in-year or future years' savings.

The forecast level of General Reserve, after the known commitments in 2012/13, shows a positive position, being £(1.8)m above the agreed minimum level of £(6.0)m.

The forecasted Council Tax surplus as at 31 March 2013 is estimated to be £(0.216)m, and all of the planned Transformation savings of £12.2m are on target to be delivered.

Recommendation(s)

It is recommended that:

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

Contact person for access to background papers and further information:

Head of Financial Management Extension: 4302

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be contained within available resources in 2012/13.
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

Finance Officer ClearanceID
Legal Officer ClearanceMJ

Director of Finance Signature [Signature attached in hard copy.]

Budget Monitoring - Financial Results

- Based on the budget monitoring for the first 9 months of the year, the overall forecast for the year is for an underspend of £(0.748)m, (0.5)%. Included within this total is a net service underspend of £(0.241)m, and underspends in Council-Wide budgets of £(0.507)m or (2.0)% of the relevant budget. The details of service variances can be found in Annexes 1 to 5, and for Council-Wide, Annex 6.

Table 1: Budget Monitoring results by Directorate	Year end Forecast (£000's)	Percent -age %	Period Movement £(000's)	Annex
Children & Young People	(51)	(0.2)%	(107)	1
Communities & Wellbeing	307	0.6%	(26)	2
Environment, Transport & Operations	55	0.2%	-	3
Economic Growth & Prosperity	-	0.0%	(30)	4
Transformation & Resources	(636)	(2.8)%	(81)	5
Total Service Variances	(325)	(0.3)%	(244)	
Council-wide budgets	(507)	(2.0)%	12	6
Estimated outturn variance (period 9)	(832)	(0.5)%	(232)	

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percent-age %	Period Movement £(000's)
Supporting Children & Families	(11)	(0.0)%	(107)
Education	(40)	(1.3)%	-
Adult Care, Health & Wellbeing	307	0.6%	(26)
Highways & Environmental	(17)	(0.1)%	3
Safe, Strong Communities	72	2.9%	(3)
Economic Growth & Prosperity	-	0.0%	(30)
Transformation & Resources	(547)	(3.4)%	(88)
Finance	(596)	(2.0)%	19
Estimated outturn variance (period 9)	(832)	(0.5)%	(232)

Key Month on Month Variations

- The key variances contributing to the period movement of a favourable £(0.232)m are:
 - £(0.107)m – various expenditure underspends across the Children and Young People's Directorate, particularly within Complex Needs (£(0.022)m) and Commissioning (£(0.046)m) Services;
 - Deferred expenditure relating to i) the installation of video links in a number of Libraries, £(0.065)m and ii) marketing and events within the Communications service, £(0.046)m;
 - Other minor net movements across all other services of £(0.014)m.

MTFP Savings and increased income

3. The Budget included for £(12.2)m of savings and increased income and it is currently forecast that all of these will be achieved. Further details of the achievements against the savings target for each Directorate are shown in Annexes 1 to 6 below.

Council Tax

4. The surplus on the Collection Fund relating to the Council at 31 March 2012 was £(0.294)m of which £0.200m is planned to support the 2012/13 budget. Pro-active management of the Council Tax base and the award of discounts and exemptions is estimated to generate an in-year surplus of £(0.364)m. However, after adjusting for backdated valuation office changes of £0.242m the estimated closing balance at 31 March 2013 will be reduced to £(0.216)m. The cost of these revaluations has increased over the last few years as shown in Table 3 below and is now having a significant impact on the level of surplus going forward. The impact of this is being considered as part of the 2013/14 and future budget plans.

Table 3: Backdated Council Tax Valuations	(£000's)
2008/09	265
2009/10	201
2010/11	175
2011/12	178
2012/13	242

Reserves

5. The table below shows the forecast balance on the General Reserve at 31 March 2013. This shows a positive position in that the reserve is £(1.8)m above the agreed minimum level of £(6.0)m:

Table 4: General Reserve Movements	(£000's)	(£000's)
Balance brought forward 1 April 2012		(9,802)
General base budget support 2012-13:		
- Approved by Council February 2012		994
Planned in-year transactions 2012-13:		
- Reversal of PCT support in 2011/12 for LD Pool	(400)	
- Planned use for one-off projects in 2012/13	1,547	
- Apprenticeship programme (second year)	50	
- Maximising Community Infrastructure Levy	140	
- Payment Card Industry Data Security Standards (PCIDSS)	40	
- Pathology & Mortuary contract transition	22	
- Biomass Appeal expenditure (Executive 30 July 2012)	120	1,519
Council-wide budgets underspend (forecast)		(507)
Forecast balance 31 March 2013		(7,796)

6. There are also a number of potential claims or commitments against the General Reserve balance not included in the above table, such as the overspend position of some Directorates, the overspend on the LD Pooled Fund (see Annex 2 Section 4) and the potential need to invest in order to achieve future savings to help towards future budgets.
7. Service balances brought forward from 2011/12 were a net £(2.633)m. After planned movements, and the estimated outturn for the year, there is a projected net surplus of £(1.954)m to be carried forward to 2013/14 (Table 5).

	B/f April 2012 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Table 5: Service balances			
Children & Young People	(1,210)	308	(902)
Communities & Wellbeing	(135)	307	172
Environment, Transport & Operations	(200)	200	-
Economic Growth & Prosperity	(79)	79	-
Transformation & Resources	(1,009)	(215)	(1,224)
Total All Services (Surplus)/Deficit	(2,633)	679	(1,954)

Recommendations

8. It is recommended that:
 - (a) the latest forecast and planned actions be noted and agreed.

TRAFFORD MBC

Report to: CYP – Directorate Management Team
 Date: 15th January 2013
 Report for: Information
 Report author: Finance Manager for CYPS

Report Title

**Revenue Budget Monitoring 2012/13 – Period 9
 (April 2012 to December 2012 inclusive)**

1. Outturn Forecast

- 1.1 The current approved revenue budget for the year is £25.576m, net of the Dedicated Schools Grant (DSG) which totals £128m. The outturn forecast is £25.525m which is £(0.051)m under the approved budget. This is a favourable movement of £(0.107)m compared to last month.
- 1.2 Appendix 1 details by both department and variance area the projected outturn as compared to the approved revenue budget. The main outturn variances are:
- A predicted overspend within the Children’s Social Care service of £376k comprising of staffing budgets £118k, placement budgets £482k, additional Intensive Fostering grant income £(187)k and other minor variations totalling £(37)k. These variances include budgets for Children with Complex and Additional Needs;
 - Education Early Years services £(421)k underspend, as a result of delays in staff appointments in Children’s Centre’s and savings on specific projects;
 - Youth Offending Service; a projected saving of £(52)k which relates directly to remand placements.

2. Service carry-forward reserve

- 2.1 At the beginning of April 2012 the Directorate had accumulated balances of £(1.210)m carried forward from the previous financial year’s underspend. The Directorate plans to use these balances to support the general revenue budget. The table below shows the movements in the reserve this year:

Table 1: Utilisation of Carry forward Reserve 2012/13	(£000's)
Balance brought forward 1 April 2012	(1,210)
Specific expenditure assigned against the reserve re: invest to save	200
Specific expenditure delayed in 2011/12 and committed from 2012/13	159
P7 Forecast Outturn	(51)
Projected Balance at 31 March 2013	(902)

- 2.2 Any use of the reserve will be managed to ensure that it has a positive impact on the following year's budget e.g. invest to save initiatives.

3 MTFP Savings and increased income

- 3.1 The Budget included £(12.2)m of savings and increased income, of which £(2.550)m relates to the CYPs Directorate. The table below summarises the current forecast of this savings target:

	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Increased and new income	0	0	0
Transformation savings	(1,660)	(1,660)	0
Other savings	(890)	(890)	0
Total	(2,550)	(2,550)	0

- 3.2 The Transformation savings of £(1.660)m are monitored closely by the Transformation Board and are reported on separately.
- 3.3 It is currently forecast that the remaining £(0.890)m savings target will be delivered. At present, there are no risks which could affect the forecast.

4 Management Action to control expenditure and achieve a balanced budget

- 4.1 The budget will be monitored and managed to ensure that pressures will be managed effectively. This involves a continuous review of all placements to ensure the most effective provision is provided.

5 Performance Progress

- 5.1 The Ofsted 2011 Assessment of Children's Services within Trafford rated us as 'Performs Excellently' the highest grading available. This maintains the position that was achieved in 2010. The rating takes into account the totality of services for children in Trafford bringing together external scrutiny and performance measures for social care, health and educational services.
- 5.2 April 2010 Ofsted/CQC Inspection of safeguarding and Looked after Children's Services. Of 33 grades awarded 29 were good, 1 outstanding and 3 adequate. The inspection highlighted the effectiveness of the multi-agency service, the quality of support provided for children, young people and families, ambitious,

effective, committed leadership and management and good involvement and engagement with young people and partners. Overall our services were judged as good with good capacity to improve. An unannounced inspection of referral and assessment services in April 2011 provided positive assurance with 12 strengths, only 3 areas for development and no areas for priority action.

5.3 An important objective in CYPS is to continue to improve educational outcomes as, in our increasingly knowledge based society, this provides young people with the best chance of taking up the wide range of further and higher education, and employment opportunities available. Based on the results in summer 2011,

- At age 11 the performance of Trafford pupils is ranked 2nd nationally and 1st in the North West for achievement of Level 4 or above in English and Mathematics;
- At 16, 69.7% of pupils in Trafford achieved 5 x A* - C grades at GCSE including English and Mathematics. Trafford is ranked 5th nationally and 1st in the North West;
- At A level, Trafford is ranked 3rd nationally and 1st in the North West from average point score with 37.5% of grades achieved at A* - A, 62.9% A* - B and 99.1% A* - E.
- Initial local analysis of invalidated data for summer 2012 results indicates that Trafford has once again maintained the high standards set in previous years. Performing higher than the national average for A* grades, and achieving over 9 percentage points higher for the percentage of A* and A grades should see Trafford taking its usual place amongst the strongest performing authorities in the country.
- The invalidated 2012 GCSE results are once again Trafford's best ever with pupils improving on last year's performance of 5 or more A* - C grades, 5 or more A* - C grades including English and Maths, 5 or more A* - G grades and 1 or more A* - G grades suggesting that Trafford will continue to be amongst the top performing Local Authorities in the country. This is against a backdrop of plateauing of pass rates nationally.

Based on data shared by all 10 of the Greater Manchester LA's, Trafford once again is top.

5.4 Trafford's DSG rate per pupil is relatively low compared to authorities nationally but Trafford does delegate 91.4% of the gross DSG to schools. This is the highest percentage amongst Trafford's statistical neighbours.

Period 9 Forecasted Outturn revenue expenditure and income variances and movements from Period 8 monitoring report

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)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
Supporting Children & Families Portfolio						
Children’s Social Services	14,705	15,079	374	367	7	CYPS 3
Children with Complex & Additional Needs	2,206	2,208	2	25	(23)	CYPS 3
Support Services to CYP	6,953	7,065	112	141	(29)	CYPS 8
Commissioning & Multi Agency Referral & Assessment Service (MARAS)	3,128	3,062	(66)	(20)	(46)	CYPS 5
Youth Offending Service	744	692	(52)	(45)	(7)	CYPS 6
Children’s Centres	3,948	3,567	(381)	(372)	(9)	CYPS 7
Early Intervention Grant	(9,288)	(9,288)	0	0	0	
Sub-total	22,396	22,385	(11)	96	(107)	
Education Portfolio						
Dedicated Schools Grant	0	(296)	(296)	(264)	(32)	CYPS1,2
Transfer to Dedicated Schools Grant Reserve	0	296	296	264	32	
Education Early Years’ Service	2,236	2,196	(40)	(40)	0	CYPS 4
Connexions Service	944	944	0	0	0	
Sub-total	3,180	3,140	(40)	(40)	0	
Total	25,576	25,525	(51)	56	(107)	

Business Reason / Area (Subjective analysis)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
DSG Reserve B/Fwd.	(171)	(171)	0	
Increase in DSG Income	(30)	(30)	0	CYPS1
School In Year Adjustments	(220)	(200)	(20)	CYPS2
Redundancies & Maternity	(90)	(84)	(6)	CYPS2
SEN	70	50	20	CYPS2
Other minor variances	(26)	0	(26)	CYPS2
DSG projected Underspend	(467)	(435)	(32)	
Transfer to DSG Reserve	467	435	32	

Business Reason / Area (Subjective analysis)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
Non DSG				
Social Care staffing pressures due to cover arrangements	118	118	0	CYPS 3
Additional Grant Funding	(187)	(187)	0	CYPS 3
Placements Budget	482	477	5	CYPS 3,6
Sale West Development Centre	60	60	0	CYPS 8
Delays in appointments of staff	(265)	(255)	(10)	CYPS 7
Savings in Children's Centre Projects	(102)	(102)	0	CYPS 7
Serious Case Review	20	20	0	CYPS 5
Other staffing variances	(36)	(5)	(31)	CYPS 4,5
Other minor variances	(141)	(70)	(71)	CYPS 3,4,5,7,8
Total Net Underspend Non DSG	(51)	56	(107)	

NOTES ON PROJECTED VARIANCES

Variations within the DSG.

CYPS1 – Increase in DSG £(30)k (favourable)

The Council was made aware of the final DSG allocation for 2012/13 on 26th June 2012. The pupil numbers being funded are 7 higher than originally anticipated.

CYPS2 – Other Variations £(266)k (favourable)

The position on DSG budgets has become more accurate following the October census. Demand on central DSG budgets is less than the budgetary position and would suggest an underspend of £(266)k.

– DSG Reserve b/fwd.

The overall projected variations of £(296)k will increase the DSG reserve brought forward balance of £(171)k, making a net projected underspend of £(467)k at 31st March 2013. This underspend will be carried forward to 2013/14.

Non-DSG Variations.

CYPS3 – Children’s Social Care £376k (adverse) (Includes Children with Complex & Additional Needs)

The projected overspend of £376k comprises of placement costs £482k, staffing budgets £118k, minor variations £(37)k and additional grant income of £(187)k relating to Intensive Fostering. The main movement since last month relates to a decrease in expenditure within Complex Needs of £(22)k.

CYPS4 – Early Years £(40)k (favourable)

This saving is mainly as a result of staff posts being held vacant through the year £(36)k, and additional training income received £(4)k.

CYPS5 – Commissioning & MARAS £(66)k (favourable)

The movement of £(46)k from last month largely relates to an underspend on the Early Intervention Commissioning fund.

CYPS6 – Youth Offending Service £(52)k (favourable)

This underspend relates to a projected saving on remand placements.

CYPS7 – Children’s Centres £(381)k (favourable)

A full review of the Children’s Centre service has been carried out and the savings found are as a result of delays in appointing staff to vacant posts totalling £(265)k, a planned saving of £(102)k on specific commissioned projects and other minor variations across the service totalling £(14)k.

CYPS8 – Support Services to CYP £112k (adverse)

The overspend in Support Services is mainly due to a projected shortfall in income at Sale West Development Centre of £60k. This is as a result of new projections based on expected schools usage of the centre in this academic year and reflects schools

having fewer resources to spend on training, etc. A business plan is currently being drawn up which will bring forward options to resolve this shortfall and on-going viability. Other movements within this area are also as a result of a reduction in schools income to other support services such as Advisory & Inspection, Governor and Business Support, £52k.

TRAFFORD MBC

Report to: C&WB Directorate Management Team
Date: 17 January 2013
Report for: Discussion
Report author: C&WB Finance Manager

Report Title

Revenue Budget Monitoring 2012/13 – Period 9
(April 2012 to December 2012 inclusive)

1. Outturn Forecast

- 1.1 The approved revenue budget for the year is £49.127m. The projected outturn is £49.434m which is £0.307m over the approved budget, a net £(0.026)m favourable movement since November's forecast which is due to minor variances across the Directorate. Appendix 1 details, by department and variance area, the projected outturn as compared to the approved revenue budget.
- 1.2 Demand for services above budgeted levels especially in residential and home care was a major concern in 2011/12; indications are that this trend has continued in 2012/13. Robust management action is in place and focused on containing demand and cost which is vital as the December to January period is historically the time of peak demand.
- 1.3 Section 4 below discusses the situation in the Learning Disabilities Pooled Fund and lists management action to address this which has reduced the forecasted end of year position to £0.865m. Action is planned into following years such that the LD Pool will be brought back into balance within two years.

2 MTFP Savings and increased income

- 2.1 The Budget included for £(12.2)m of savings and increased income, of which £(4.978)m related to this directorate. All budget options put forward for delivery in 2012/13 are expected to achieve their targets by the year end. The Learning Disabilities Supported Living: New Models of Service option is expected to achieve an additional £(0.014)m. The table below summarises the current forecast of this savings target:

	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Transformation savings	(3,706)	(3,720)	(14)
Other business changes	(1,272)	(1,272)	0
Total	(4,978)	(4,992)	(14)

3 Service carry-forward reserve

- 3.1 At the beginning of April 2012 the Communities and Wellbeing Directorate had accumulated balances of £(0.135)m carried forward from previous financial years underspends.
- 3.2 The remaining carry-forward balance at the end of the year after taking into account the outturn position is:

Table 1: Utilisation of Carry forward Reserve 2012/13	(£000's)
Balance brought forward 1 April 2012	(135)
P9 Forecast outturn	307
Balance carried forward at 31 March 2013	172

- 3.3 In addition to the above there will be a carry forward balance on the Learning Disabilities Pooled Fund, currently forecasted at £0.865m, matched by a specific management action plan to reduce this to £nil over a two year period or sooner.

4 Learning Disabilities Pooled Fund

- 4.1 Trafford has operated a pooled fund for Learning Disability Services in conjunction with Trafford Primary Care Trust (PCT) since 1 April 2003. Over the last few years the LD Pooled fund has moved from an underspending position to an overspending position. A plan to reduce the pressure in the fund has been produced and agreed by the Directorate's management team. The focus will be on delivering efficiencies, in the sum of £(1.779)m in-year:
- Block contracts – a programme to retender (£0.404m);
 - Continuing Health Care funding (£0.404m);
 - Residential services – development of existing service (£0.356m);
 - Additional PCT contribution, subject to agreement, (£0.287m);
 - Housing and void management agreements (£0.256m);
 - Maximising use of new Respite services (£0.072m).

- 4.2 The above reflects the current position, however, it is hoped that there will be further additions to the plan which will provide further savings and/or earlier delivery to reduce the adverse balance sooner. The current plan is forecasted to bring the LD Pool into balance within two years.

5 Management Action

- 5.1 The Adult Social Care budget is a volatile demand led service and any increase in demand above that estimated for will cause budget pressures. The Directorate has built on and strengthened the current robust budget management process and introduced the following actions:

- A strategy to manage and reduce the pressure in the Learning Disability Pooled budget has been agreed,
- A prioritised rolling programme of case reviews across all service user disciplines to ensure consistency and fairness of treatment in the allocation of resources, these reviews are operating within existing national and council assessment polices.;
- All service provider requests for increases in existing home care packages are received and responded to by the Commissioning Section;
- All increases in home care packages are “signed off” by the Resource Panel and overseen by the Review Team;
- Service users have the opportunity to be assessed with the ‘Just Checking’ Telecare prior to their final care package being agreed;
- Robust resource panel process for approving residential placements, including an updated legal advice framework
- A prioritised programme of reviews of Continuing Health Care (CHC) funded Older Peoples service residential placements to ensure consistency and fairness of treatment in the allocation of resources between the Council and the NHS;
- A programme of introducing the use of pre-paid cards for direct payments delivering efficiencies in the allocation of resources and recycling of unspent funds.

6. Performance progress

- 6.1 In July 2012, the Government published the white paper ‘Caring for our future: reforming care and support’. The two core principals of this report are:

- that we should do everything we can – as individuals, as communities and as a Government – to prevent, postpone and minimise people’s need for formal care and support. The system should be built around the simple notion of promoting people’s independence and wellbeing;
- that people should be in control of their own care and support. Things like personal budgets and direct payments, backed by clear, comparable information and advice, will empower individuals and their carers to make the choices that are right for them.

In 2012/13 the Directorate's vision is for services that are innovative, flexible and focused on the needs of the individual, their carers and families enabling people to have more choice and control over the support they receive and provide quality services that encourage people to lead healthy lives. The three key approaches to the future are:

- **Personalisation:** we have already developed the use of personal budgets. This means people can have more choice and control over the support they receive. We intend to extend this further, in order to have as many people as possible with their own personal budgets;
- **Promoting independence:** we are committed to working with people to support them to be as independent as possible. We have developed reablement services, short term support to help people maintain or increase their independence. We continue to promote the use of telecare to help people remain in their own home. We are also continuing to develop the range of support we offer people with very complex needs. Promoting independence continues to be a key part of the support people receive;
- **Integration:** We are committed to creating integrated health and social care across Trafford. By continuing to work with local health services we can provide a more effective, efficient way of meeting needs, creating innovative services to support people to live independently in their community.

As a result, the Directorate has developed a range of targeted Performance Indicators linked to Directorate's local business model to ensure value for money. Some of those measures include:

- % of eligible service users / carers to receive Personal Budgets in year (ASCOF 1Ci - Local);
- % of people receiving no on-going service following reablement intervention;
- Percentage of clients who have received a review;
- Proportion of adults with learning disabilities in employment (ASCOF 1E);
- Social Care related Quality of Life (composite user experience measure ASCOF 1A) – Survey.

Period 9 Projected Outturn revenue expenditure and income variances, and movements from Period 8 monitoring report

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)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 – P9 movement (£000's)	Ref
Adult Care, Health & Wellbeing Portfolio						
Older People	22,750	22,799	49	96	(47)	C&W1
Physical Disabilities	3,249	3,418	169	167	2	C&W2
Equipment & Adaptations	1,084	1,091	7	7	0	C&W3
Mental Health	3,426	3,465	39	28	11	C&W4
Other Adult Services	959	971	12	13	(1)	C&W5
Support Services	940	973	33	24	9	C&W6
Adaptations	(69)	(69)	0	0	0	
Housing Services	2,661	2,661	0	0	0	
Drugs and Alcohol Service	326	326	0	0	0	
Equalities & Diversity	134	132	(2)	(2)	0	C&W7
Total	35,460	35,767	307	333	(26)	

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8– P9 movement (£000's)	Ref
Learning Disabilities Pool	13,667	14,532	865	878	(13)	C&W8
Total	13,667	14,532	865	878	(13)	

Adult Care, Health & Wellbeing Portfolio	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 – P9 movement (£000's)	Ref
Older People				
Care management/assessment	(331)	(294)	(37)	C&W1
Residential and nursing care	348	441	(93)	C&W1
Home Care	236	121	115	C&W1
Day Care	(360)	(333)	(27)	C&W1
Direct Payments	156	161	(5)	C&W1
Physical Disabilities				
Care management/assessment	16	14	2	C&W2
Residential and nursing care	57	57	0	C&W2
Home Care	36	49	(13)	C&W2
Day Care	(5)	(5)	0	C&W2
Direct Payments	65	52	13	C&W2
Equipment & Adaptations				
Lift repairs & maintenance	7	7	0	C&W3
Mental Health				
Care management/assessment	(29)	(31)	2	C&W4
Residential and nursing care	45	13	32	C&W4
Home Care	(3)	20	(23)	C&W4
Direct Payments	26	26	0	C&W4
Other Adult Services				
Other Services	12	13	(1)	C&W5
Support Services				
Social Worker clerical support	13	4	9	C&W6
Financial Services	20	20	0	C&W6
Equalities & Diversity				
Equalities Team	(2)	(2)	0	C&W7
Total	307	333	(26)	

Learning Disabilities Pool	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8– P9 movement (£000's)	Ref
Care management/assessment	(5)	(7)	2	C&W8
Residential and nursing care	(15)	(59)	44	C&W8
Home Care	716	798	(82)	C&W8
Day Care	41	41	0	C&W8
Direct Payments	128	105	23	C&W8
Total	865	878	(13)	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

Adult Care, Health & Wellbeing Portfolio £307k adverse

C&W1 – Older People - £49k adverse

- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £380k adverse**

Two of the four key service provision budgets are showing increased demand. Residential care is 12 service users higher than budgeted and homecare is 9 service users higher than budgeted.

- **Care Management and Assessment - £(331)k favourable**

Managed vacancies in the Screening, Assessment and Community Mental Health Teams.

C&W2 – Physical Disabilities - £169k adverse

- **Residential and Nursing Care/Home Care/Direct Payments - £153k adverse**

Two of the three key service provision budgets are showing increased demand. The demand for residential care is one service user higher than budgeted, one service user for home care and one for direct payments.

C&W3 – Equipment & Adaptations - £7k adverse

- **Lift Repairs & Maintenance - £(19)k favourable**

The new contract for repair call out is projected to deliver efficiencies that will offset the increased number of call outs.

- **Equipment - £26k adverse**

Equipment issued at the One Stop Resource Centre is higher than budgeted for.

C&W4 – Mental Health - £39k adverse

- **Care Management and Assessment £(29)k favourable**

Underspend due to vacancy management in the Community Mental Health Team.

- **Residential and Nursing Care/Home Care/Direct Payments £68k adverse**

There are two residential service users higher than budgeted.

C&W5 – Other Adult Services - £12k adverse

- Due to additional costs incurred as part of the set-up of the Healthwatch service.

C&W6 - Support Services - £33k adverse

- **Clerical Support £13k adverse**

Adverse movement in other running costs and extension of software license for existing IT financial assessments system, which will be replaced by a new adult social care IT package.

- **Financial Services £20k adverse**
Adverse movement due to additional costs in dealing with clients finances.

C&W7 - Equalities & Diversity - £(2)k favourable

- **Equalities Team £(2)k favourable**
Managed efficiencies in the Equalities Team's translation fees budget.

C&W8 – Learning Disabilities Pooled - £865k adverse

Cost of care packages - £870k adverse

Long term care packages, are running at higher than budgeted levels due to additional service users and higher cost of care than planned for:

- Residential, additional 7 service users, total additional costs £369k;
- Homecare, additional 8 service users, total additional costs £615k;
- Day Care, additional 5 service users, total additional costs £87k;
- and Direct Payments, additional 8 service users, total additional costs £275k, to be off-set by year end recovery of unused contingency estimated at £(479)k.

Care Management/Assessment £(5)k favourable

Managed efficiencies in the Assessment Team.

TRAFFORD MBC

Report to: ETO Directorate Management Team
 Date: 16 January 2012
 Report for: Discussion
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2012/13 – Period 9 (April to December 2012)

1. Outturn Forecast

- 1.1 The current approved revenue budget for the year is £32.266m. The forecast outturn is £32.321m, which is £0.055m above the approved budget, and is unchanged from the last report. This overspend is fully mitigated from available balances carried forward from previous financial years.
- 1.2 The forecast outturn includes management action of £(0.074)m to contain projected overspends within the overall Directorate budget for the year. Management action has already achieved savings of £(0.482)m since first initiated in period 4, including an increase of £(0.128)m this month. This has been offset by additional adverse variances identified of £0.152m, including £0.020m this month. The management action implemented and planned for the remainder of the year is described in section 3, with details of all variances included in Appendix 1.
- 1.3 In addition to the above, there is also £0.020m relating to the Biomass Public Inquiry, which the Executive have previously approved from the General Reserve.

2. Explanation of Variance and Movements

- 2.1 The forecast outturn for the year is an overspend of £0.055m, which is fully covered by balances from prior years, and is unchanged.
- 2.2 This includes adverse variances of £0.496m where medium to long term action plans are underway, a favourable movement of £(0.023)m since last reported:
- Street lighting energy costs £0.221m – forecast overspend reduced by £(0.020)m this month due to improvements in inventory data and billing;
 - Car park income shortfall £0.041m;
 - Open Space reserve funding shortfall £0.058m;
 - Commercial Waste income shortfall £0.030m;
 - Planning fee regulation changes income shortfall £0.050m;

- Crime and Disorder income shortfall – fixed penalty notices £0.086m which is unchanged, partly mitigated by staff vacancies £(0.015)m - a minor favourable variance of £(0.003)m from last month;
- Sale Watersports Centre/Deckers contract saving £0.025m.

2.3 Management action already implemented and other variances give a forecast underspend of £(0.367)m to part mitigate the above pressures this year, a favourable net movement of £(0.085)m this month:

- Highways and Transportation – additional fee income of £(0.180)m, which is £(0.020)m higher than last month as charges get confirmed as the year progresses. Management action to reduce running costs is predicted to save £(0.042)m, an increase of £(0.010)m this month;
- School Crossing Patrols – underspend of £(0.040)m relating to slippage in the filling of supervisory and operational staff vacancies;
- Car parking rates bills are £(0.010)m less than budgeted due to the effect of last year's rate revaluations. There is a favourable movement this month from management action to reduce running costs £(0.015)m and minor staffing underspend (£0.004)m;
- Groundforce – supplies, services and overtime costs £0.030m above budget, which is £0.020m higher than last month;
- Bereavement Services income is expected to be £(0.010)m above budget;
- Sustainability & Greenspace – underspend of £(0.053)m from a vacant post plus management action to control running costs, a favourable movement of £(0.020)m this month;
- Waste management – underspend of £(0.050)m on contract costs as previously, plus a favourable movement this month of £(0.021)m due to management action on depot/other running costs, plus additional income forecast of £(0.015)m from bulky waste removal.
- Public Protection:
 - £0.056m shortfall in licences fee income;
 - Management action of £(0.034)m from delays in filling vacancies;
 - Shortfall in pest control income £0.025m;
 - One-off ICT costs of £0.020m as part of the project to amalgamate business systems and, hence, deliver ongoing efficiency savings.
- Culture & Sport:
 - Sport and leisure projected running cost underspend £(0.014)m;
 - Sale Waterside Arts Centre income is expected to exceed budget target by £(0.010)m for the year.

2.4 The Directorate has a future action plan of £(0.074)m to mitigate the remaining adverse variance (see paragraph 3 below), plus will utilise the remaining £(0.055)m of accumulated balances from previous years to bring the outturn in line with the approved budget. The amount of future management action will be reviewed and updated as the savings are achieved and/or new issues arise.

3. Management Action Plan 2012/13

3.1 Many of the adverse variances above have continued from 2011/12 and management action is hence already underway to mitigate the impact on the future budget and potential further cost pressures. Proactive management action has and will be taken throughout the year to contain all budget pressures within the approved budget as follows:

- Only necessary spending on supplies and services to be approved;
- Reduced use and greater control of overtime;
- Monitoring and evaluation of existing and potential new income streams;
- Analysis of rechargeable work for both revenue and capital schemes;
- Ongoing business reconstruction work in ETO to identify other savings and efficiency options that may be brought forward to assist in the delivery of services within current and future budgets.

3.2 Performance against these actions is monitored alongside the existing Directorate budget, including feeding back opportunities to mitigate pressures and/or deliver savings through the Medium Term Financial Plan.

4. Reserves

4.1 At the end of 2011/12 the Directorate had a surplus on accumulated balances of £(0.200)m, which has been carried forward to 2012/13.

Utilisation of Carry forward Reserve 2012/13	(£000's)
Surplus balance brought forward at 1 April 2012	(200)
Committed in 2012/13	145
Period 9 adverse variances with medium/long term action plans	496
Period 9 underlying projected underspend	(367)
Forecast effect of management action plan	(74)
Deficit Balance after outturn/commitments	Nil

4.2 The 2011/12 outturn report included commitments relating to car parking £0.105m and traded services £0.040m which are funded from the £(0.200)m surplus balance carried forward. The remaining reserve balance of £(0.055)m plus the implemented and planned management actions leaves a forecast balance of nil at the end of the financial year.

4.3 There are also additional costs of £0.020m relating to air quality monitoring as part of the Biomass Public Inquiry which the Executive have previously approved from the General Reserve.

5. Savings

- 5.1 The Council Budget included for £(12.2)m of savings and increased income, of which £(1.734)m related to ETO Directorate. The table below summarises the current forecast of this savings target, which is unchanged from last month:

	Budget target (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(132)	(82)	50
Transformation savings	(1,084)	(1,084)	0
Other savings	(518)	(493)	25
Mitigating action across ETO	0	(75)	(75)
Total	(1,734)	(1,734)	0

- 5.2 There are £0.075m planned savings which have not delivered some or all of their entire target. These are listed below and one-off mitigation has been identified in 2012/13 while medium to long term management action plans are developed:
- ETO 21 – “Changes in the law will allow the Council to charge for the reasonable cost of processing planning applications” **£0.050m**. This income will not be achieved as the expected changes in national regulations for the setting of planning fees have been delayed based on recent ministerial announcements.
 - CWB 19 – “Review of sport and leisure contracts (Deckers; Sale Watersports Centre and Trafford Community Leisure Trust)” **£0.075m**. The saving includes **£0.025m** from the Sale Watersports Centre/Deckers contract which will not be achieved.

6. Recommendations

- 6.1 It is recommended that:

- The net forecast overspend for 2012/13 of £0.055m be noted;
- Management action and use of balances to fully mitigate forecast overspends in 2012/13 be noted.

Period 9 Forecast revenue expenditure and income variances, and movements from Period 8 monitoring report.

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)	P9 Forecast Outturn (£000's)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Highways & Environment Portfolio						
Highway and Network Management, incl. Traffic & Transportation	5,231	5,230	(1)	49	(50)	ETO 1
School Crossing Patrols	503	463	(40)	(40)	0	ETO 2
Parking Services	(543)	(531)	12	31	(19)	ETO 3
Groundforce	4,799	4,887	88	68	20	ETO 4
Bereavement Services	(911)	(921)	(10)	(10)	0	ETO 5
Sustainability & Greenspace	487	434	(53)	(33)	(20)	ETO 6
Waste Management (incl. WDA levy)	18,763	18,707	(56)	(20)	(36)	ETO 7
Public Protection	1,206	1,323	117	117	0	ETO 8
Directorate Strategy & Business Support	582	582	0	0	0	
Sub-total	30,117	30,174	57	162	(105)	
Safe & Strong Communities Portfolio						
Crime and Disorder	289	360	71	74	(3)	ETO 9
Culture and Sport	2,189	2,190	1	1	0	ETO10
Sub-total	2,478	2,550	72	75	(3)	
Operational Services for Education	(329)	(329)	0	0	0	
Future Management Action Plan	0	(74)	(74)	(182)	108	ETO11
Total Forecast Period 9	32,266	32,321	55	55	0	

ETO Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Highway and Network Management, incl. Traffic & Transportation				
Fee income	(180)	(160)	(20)	
Street lighting energy costs	221	241	(20)	
Supplies and services costs	(42)	(32)	(10)	
Sub-total	(1)	49	(50)	ETO 1
School Crossing Patrols - vacancies	(40)	(40)	0	ETO 2
Parking Services				
Car Parking income shortfall	146	146	0	
Car Parking business rates refund (c/f from 2011/12)	(105)	(105)	0	
Current year business rates	(10)	(10)	0	
Staffing and running costs	(19)	0	(19)	
Sub-total	12	31	(19)	ETO 3
Groundforce				
Supplies, services, overtime costs – slippage in reorganisation	30	10	20	
Open space reserve commitments – funding shortfall	58	58	0	
Sub-total	88	68	20	ETO 4
Bereavement Services				
Projected Income above budgeted	(10)	(10)	0	ETO 5
Sustainability and Greenspace – vacancy, supplies & services	(53)	(33)	(20)	ETO 6
Waste Management				
Commercial Waste income shortfall	30	30	0	
Contract costs	(50)	(50)	0	
Running costs – depot and others	(21)	0	(21)	
Bulky waste income	(15)	0	(15)	
Sub-total	(56)	(20)	(36)	ETO 7

ETO Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Public Protection				
Planning fee income – savings shortfall	50	50	0	
Licensing income shortfall	56	56	0	
Pest Control income shortfall	25	25	0	
ICT one-off costs	20	20	0	
Mitigating Action – delay filling vacancies	(34)	(34)	0	
Sub-total	117	117	0	ETO 8
Crime and Disorder				
Income shortfall – penalty notices	86	86	0	
Staff vacancies	(15)	(12)	(3)	
Sub-total	71	74	(3)	ETO 9
Culture and Sport				
Contract saving shortfall	25	25	0	
Sport and Leisure running costs	(14)	(14)	0	
Sale Waterside Arts Centre income	(10)	(10)	0	
Sub-total	1	1	0	ETO10
Directorate Strategy & Business Support				
Supplies and services	0	0	0	
Future Management Action across ETO				
Additional income	(50)	(90)	40	
Accelerated Savings	0	(24)	24	
Controls over running costs	(24)	(68)	44	
Sub-total	(74)	(182)	108	ETO11
Total Forecast Period 9	55	55	0	

NOTES ON FORECAST OUTTURN VARIANCES (PERIOD 9)

ETO 1 – Highways & Network Management - £(0.001)m (favourable)

Fee income in Highways and Transportation is £(0.180)m more than expected compared to the budget, a favourable movement of £(0.020)m from previously forecast. This includes fees which can be capitalised due to the continual review of revenue and capital projects throughout the year. Income from outdoor media site advertising also continues to exceed expectations, following on from 2011/12.

Street lighting energy costs exceed budget by £0.221m as a result of external market conditions. This includes £0.050m relating to industry changes in calculating energy usage, plus the ongoing cumulative effect of inflationary increases in prices from 2011/12, and forecast for 2012/13 based on the latest contract and usage volumes. The forecast overspend has reduced by £(0.020)m due to improved information on both inventory and billing.

A review of street lighting is well-developed with a number of options being considered to reduce energy and maintenance costs over the medium to long term. This will likely require capital investment and the timing and nature of this investment will be critical in terms of taking the most efficient advantage of new technologies. This will be taken forward in the Medium Term Financial Plan.

Management action in controlling running costs is projected to produce an underspend of £(0.042)m by year end, a favourable movement of £(0.010)m this month.

ETO 2 – School Crossing Patrols – £(0.040)m (favourable)

There is a forecast underspend on staffing of £(0.040)m due to difficulties in the filling of vacancies, which has continued from 2011/12. Successful recruitment days have been held in recent months and adverts placed to fill vacant positions.

ETO 3 – Parking Services – £0.012m (adverse)

There is an overall shortfall in parking income of £0.146m due to economic conditions affecting the number and length of visits. This has been partly mitigated through the use of £(0.105)m of business rate refunds carried forward in the ETO reserve from 2011/12, giving a net shortfall of £0.041m as reported previously.

Car parking is also under review, alongside a Council-wide review of all enforcement activity, with a view to providing a sustainable solution from 2013/14. This will be taken forward in the Medium Term Financial Plan.

Business rates are £(0.010)m less than expected as rate revaluations agreed in 2011/12 are reflected in the current year bills.

Action to control general running costs has resulted in a projected underspend of £(0.015)m included in this month's report, with staffing also now expected to be £(0.004)m underspent.

ETO 4 – Groundforce - £0.088m (adverse)

Supplies, services and overtime costs are forecast to be £0.030m above budget due to slippage in staff re-organisations, plus fuel and material cost increases. This is an adverse variance of £0.020m from previously projected based on up to date information, such as timesheets and purchase order confirmations.

There is a budget commitment of £0.106m funded from the Open Space reserve. This reserve only had £(0.048)m remaining at the start of year and an exit strategy is being formulated over the medium term to bring activity in line with available funding.

ETO 5 – Bereavement Services £(0.010)m (favourable)

Projected income levels for the year are expected to exceed the budget by £(0.010)m.

ETO 6 – Sustainability and Greenspace £(0.053)m (favourable)

Management action to control running costs, plus a vacant post, has resulted in a projected underspend of £(0.053)m. This is a favourable movement of £(0.020)m from last month based on latest information.

ETO 7 – Waste Management – £(0.056)m (favourable)

Commercial waste income is £0.030m less than budgeted. The cost of disposing of commercial waste through the GM Waste Disposal Authority has made this service increasingly uncompetitive with private sector providers, and is leading to an ongoing loss of business. A review of this service is underway, with options also being evaluated when the waste collection contract is re-tendered in 2014. This will be taken forward in the Medium Term Financial Plan.

Management action to control contract and general running costs has resulted in a projected underspend of £(0.071)m. This includes £(0.050)m relating to the waste collection contract as reported previously, plus an additional £(0.021)m this month from general running costs, including depots.

Income from bulky waste removal is also now expected to be £(0.015)m above previous expectations.

ETO 8 – Public Protection - £0.117m (adverse)

Planning fee regulation changes - income shortfall £0.050m: this budget saving will not be achieved as the expected national changes in planning regulations have now been delayed indefinitely based on recent ministerial announcements. This will be taken forward in the Medium Term Financial Plan.

There is a projected shortfall in licence fee income of £0.056m resulting from a reduction in applications and also due to delays in implementing staff re-organisations.

Pest control income from domestic and commercial properties is expected to be £0.025m less than budgeted. This is due to the weather conditions over the summer and autumn.

One-off ICT costs of £0.020m related to the project to amalgamate business systems and, hence, deliver a sustainable efficiency saving from 2013/14.

These shortfalls are partly mitigated through management action to delay filling vacancies and controlling running costs of £(0.034)m.

ETO 9 – Crime and Disorder £0.071m (adverse)

There is a £0.086m shortfall in income from fixed penalty notices, partly mitigated in-year by £(0.015)m of staffing underspend, which is a favourable movement of £(0.003)m. The income targets and operational model of this service is included in the Council-wide enforcement review alongside Parking Services, as mentioned in ETO 3 above.

ETO 10 – Sport and Leisure £0.001m (adverse)

The budget includes a £0.025m saving from the contract with Sale Watersports Centre/Deckers, based on discussions with the provider during 2011 and early 2012. This saving will not be realised this financial year.

Management action to control running costs in Sport and Leisure are expected to produce an underspend on £(0.014)k.

Projections of income at Sale Waterside Arts Centre show that the budget target is expected to be exceeded by £(0.010)m.

ETO 11 – Future Management Action Plan across ETO £(0.074)m (favourable)

The Directorate has agreed a range of remaining measures to bring the forecast overspend in period 3 in line with the approved budget (see section 3). These measures have delivered £(0.482)m since first initiated in period 4, including £(0.128)m this month. This has been offset by additional adverse variances identified of £0.152m, with £0.020m this month.

Savings from management action will be reflected in the individual service projections as they are delivered and the future savings plan updated each month. The requirement for future planned action has reduced by £0.108m this month, leaving £0.074m for the remainder of the year.

TRAFFORD MBC

Report to: EGP Directorate Management Team
 Date: 17 January 2013
 Report for: Discussion
 Report author: EGP/ETO Finance Manager

Report Title

<p>Revenue Budget Monitoring 2012/13 – Period 9 (April to December 2012)</p>

1. Outturn Forecast

- 1.1 The current approved revenue budget for the year is £3.307m. The forecast outturn is £3.307m, which is in line with the approved budget. There is a favourable movement of £(0.030)m this month due to minor staffing and running cost savings, plus a small change in the projection of investment property income.
- 1.2 There are still underlying pressures on the Directorate budget due to adverse external influences on budgeted levels of income relating to investment properties and planning application fees (see paragraph 2 below). These are also being taken forward in the Medium Term Financial Plan.
- 1.3 In addition to the above, there is also £0.100m relating to the Biomass appeal, which the Executive have approved to be funded from the General Reserve.

2. Explanation of Variance

- 2.1 The projected variances at period 9 and movements from period 8 are summarised as follows, with more detail at Appendix 1:
 - Shortfall in investment property income £0.197m due to the on-going adverse effect of the economy primarily on town centre rents, unchanged from the last report;
 - The determination of the rent review of the Sale Tesco store was confirmed by the arbitrators in August, and income of £(0.134)m was receivable as a one-off, backdated to October 2009. Fees payable to the arbitrators of £(0.009)m are incorporated in this total – these had been assumed as an additional cost in previous reports.
 - Confirmation of the final 2011/12 rental income from Stretford Arndale by the agents of the owners was received in August, at £(0.077)m higher than had been anticipated.
 - Minor variances in Asset Management running costs are £(0.031)m, which is a favourable movement of £(0.011)m this month.

- Planning Application fees income shortfall of £0.052m, which is unchanged, and includes for the 15% increase in planning fees effective from 22 November 2012 reported previously.
- Fee income from housing improvement capital schemes is expected to be £0.018m less than budget due to a reduced volume of property sales, and is unchanged.
- Other favourable variances of £(0.035)m from staffing vacancies and running costs, in particular relating to the management review undertaken this financial year. This is an increase of £(0.010)m from last month.

2.2 The adverse variances relating to property income have continued from 2011/12, and the Directorate was able to fully mitigate this pressure last year from a variety of cost reduction and income generating measures. This mitigating action will continue into 2012/13, with new opportunities also explored and implemented to bring the overall forecast overspend for the Directorate in line with the approved budget. Planning income will also continue to be monitored on a weekly basis.

3. Reserves

3.1 At the end of 2011/12 the Directorate had (£0.079)m from previous years which is already fully committed on rephased projects, per the 2011/12 outturn report. There is a forecast deficit balance of £0.030m at the end of this financial year.

Utilisation of Carry forward Reserve 2012/13	(£000's)
Surplus balance brought forward at 1 April 2012	(79)
Rephased projects committed from 2011/12	79
Period 9 variance	0
Deficit Balance after outturn/commitments	0

3.2 There are also estimated additional costs of £0.100m relating to the Biomass Public Inquiry which the Executive has approved to be funded from the General Reserve.

4. Savings

4.1 The Council Budget included for £(12.2)m of savings and increased income, of which £(0.591)m related to EGP Directorate. The table below summarises the current forecast of this savings target:

	Budget target (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(111)	(59)	52
Transformation savings	(120)	(120)	0
Other savings	(360)	(360)	0
Mitigating one-off savings	0	(52)	(52)
Total	(591)	(591)	0

4.2 There is £0.052m of planned savings which have not delivered some of their target. This is listed below. The shortfall has been fully mitigated by one-off savings achieved across the EGP budget.

- EGP 12 & 13 – “*Additional income from locally determined application fees*” **£0.111m**. This income will not be achieved in full due to indefinite delays in changes in regulations for the setting of planning fees. The adverse variance is part mitigated by £(0.020)m to reflect the implementation of a national 15% increase in fees from 22 November 2012. The full year effect of the 15% increase will mitigate the saving in full from 2013/14. The current year shortfall is further mitigated by an additional £(0.010)m forecast from pre-application fees introduced in July this year. In-year performance to date is also above expectations by £(0.029)m, as previously reported. The overall savings shortfall is unchanged from the previous report.

5. Recommendations

5.1 It is recommended that:

- The forecast nil variance from the 2012/13 budget be noted.

Period 9 Forecast revenue expenditure and income variances, and movements from Period 8 monitoring report.

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)	P9 Forecast Outturn (£000's)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Economic Growth & Prosperity Portfolio						
Asset Management	1,074	1,039	(35)	(15)	(20)	EGP1
Planning & Building Control	173	200	27	27	0	EGP2
Strategic Planning & Development	659	684	25	25	0	EGP2
Economic Development and Regeneration	603	587	(16)	(10)	(6)	
Housing Strategy	613	623	10	10	0	EGP3
Directorate Strategy & Business Support	185	174	(11)	(7)	(4)	
Total Forecast Period 9	3,307	3,307	0	30	(30)	

EGP	P9	P8	P8 – P9	
Business Reason / Area (Subjective analysis)	Outturn Variance (£000's)	Outturn Variance (£000's)	Movement (£000's)	Ref
Asset Management				
Investment Property Rental Income:				
- Stretford Arndale - shortfall	77	65	12	
- Stretford Arndale – backdated re 2011/12	(77)	(77)	0	
- Sale Tesco – backdated rent review	(134)	(125)	(9)	
- Stamford Centre - shortfall	35	35	0	
- Airport - shortfall	25	25	0	
- Market Street - shortfall	29	29	0	
- Other properties - shortfall	31	43	(12)	
Surplus property costs	10	10	0	
Minor running cost savings – Facilities Mgt.	(31)	(20)	(11)	
Sub-total	(35)	(15)	(20)	EGP1
Planning & Building Control				
Delay in implementing new planning regulations	27	27	0	EGP2
Strategic Planning & Development				
Delay in implementing new planning regulations	25	25	0	EGP2
Economic Development and Regeneration				
Staffing vacancies	(16)	(10)	(6)	
Housing Strategy				
Housing improvements capital fee income	18	18	0	EGP3
Minor running cost savings	(8)	(8)	0	
Directorate Strategy & Business Support				
Staffing vacancies	(11)	(7)	(4)	
Total Forecast Period 9	0	30	(30)	

NOTES ON FORECAST OUTTURN VARIANCES (PERIOD 9)

EGP 1 – Asset Management – Investment properties - £(0.035)m (favourable)

This includes backdated income above expectations of £(0.077)m relating to Stretford Arndale and £(0.134)m from Sale Tesco, as reported in period 5.

For Stretford Arndale, the Agents for the owners have managed to make a number of short term lettings to ensure the number of vacant units is minimised and this has held up gross rental income despite rent reductions on the bigger units of around 40% upon lease renewals. The year-end rental payment notified during August is hence £(0.077)m higher than the £(0.055)m expected.

However, there has still been a decline in gross rent of 12% over the whole Mall in the last 2 years and there is an underlying pressure of £0.077m going forward, £0.012m higher than last months' projection. The overall shortfall is due to assumptions regarding leases expiring in the Mall and a continuing difficult retail economy, and includes for the effects of the continuing volatile nature of the retail sector. The situation will continue to be monitored as information is received from the managing agents and updates provided.

The determination of the rent review of the Sale Tesco store was also confirmed by the arbitrators in August, and income of £(0.134)m is receivable above expectations. This is a one-off amount backdated to October 2009. Fees of £(0.009)m to the arbitrators are included within this figure – they were previously expected to be an additional cost.

The effect of the economy is adversely affecting other rents across the property portfolio, including Stamford Centre £0.035m, Market Street £0.029m, Airport £0.025m and others £0.031m, with the latter amount being £(0.012)m less than previously reported. This will be taken forward in the Medium Term Financial Plan.

There are a number of minor running cost underspends of £(0.031)m across Facilities Management, a favourable movement of £(0.011)m this month.

EGP 2 – Planning application fees – income shortfall £0.052m (adverse)

The approved 2012/13 budget included additional income of £(0.111)m across the Directorate based on proposed national changes to planning regulations. These changes have been delayed indefinitely which puts the whole amount of saving at risk. Recent ministerial announcements have taken this into account, with the implementation of a national increase of 15% to bring fees in line with current prices, effective from 22 November 2012. This is earlier than previously anticipated and will help mitigate the current-year shortfall by £(0.020)m, and will fully mitigate the shortfall in 2013/14.

Monitoring of planning fee income has shown that performance for the year to date has been higher than expected by £(0.029)m, as reported previously. Pre application fees were introduced in July this year for which £(0.010)m is also reported.

Planning and building control fees will continue to be monitored on a weekly basis throughout the year.

EGP3 – Housing Strategy – Housing Improvement fee income £0.018m (adverse)

The cost of housing improvement work is recouped when properties are sold in the future, and the sale proceeds are reinvested in new works to top up the existing capital programme. Where new improvement works are carried out, this generates fee income for the service to recover the Council's management and administration costs. There has been a reduction in the number of property sales due to the adverse economic climate and this has reduced the availability of capital funds for new works. Fee income has, hence, reduced compared to that expected in the revenue budget.

TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team
 Date: 17 January 2013
 Report for: Discussion
 Report author: Finance Manager

Revenue Budget Monitoring 2012/13 – Period 9 (April 2012 – December 2012 inclusive)
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1. Outturn Forecast

- 1.1 The current approved revenue budget for the year is £19.735m. The outturn forecast is £19.099m which is £(0.636)m below approved budget. This is a (0.081)m favourable variance since last month.
- 1.2 The net favourable movement in the month is a result of:

£(65)k favourable; due to the postponement of the installation of a video link in Old Trafford and Hale libraries following the retention of additional staff to that proposed in the Public Consultation. These additional staff have been able to deal with the needs of the public without the need for a video link. It is proposed to install video links in smaller libraries in 2013-14;
£(46)k favourable; planned marketing and events expenditure within the Communications service has been deferred due to the consultation required regarding the new staff structure. This will be ear-marked within the T&R reserve for Summer events across the borough in 2013;
£18k adverse; reduction in Proceeds of Crime income;
£12k adverse; net minor movements in running costs and income.

2. MTFP Savings and increased income

- 2.1 The council's overall budget includes £(12.161)m of savings and increased income, of which £(2.027)m relates to T&R. The table below summarises the current forecast of this savings target:

	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Increased and new income	(146)	(146)	0
Transformation savings*	(560)	(520)	50
Financial Management review	(368)	(368)	0
ICT review	(120)	(120)	0
Reduction in ICT contracts	(214)	(214)	0
Reduction in specialist training	(100)	(100)	0
Reduce Community Action Pots	(150)	(150)	0
Reduction in various goods & services	(172)	(172)	0
Other savings	(197)	(237)	(50)
Total	(2,027)	(2,027)	0

* Transformation savings have an additional governance arrangement and are monitored in greater detail monthly by the Transformation Board.

- 2.2 The CCTV budgeted increased income of £60k in 2012/13 will only be partly achieved in-year leaving a £50k shortfall. The shortfall will be obviated by other savings across T&R which have already been identified.

3. Service carry-forward reserve

- 3.1 The Directorate has accumulated balances of £(1.009)m brought forward from 2011/12. Over 2012/13 and future years the surplus balance will be used to ensure that the Directorate can meet and sustain the challenges of the future, particularly ensuring support for the Transformation Programme:

Table 1: Utilisation of Carry Forward Reserve 2012/13	£000's
Balance b/f 1 April 2012	(1,009)
Planned use in 2012/13:	
EDRM and Storage Support	115
Library Management System	102
Local Support scheme for Council Tax	90
Transformation support	79
E-Readers, Postal Identifiers, CCTV Marketing	20
Disaster Recovery Contact Centre	15
P9 Forecasted Outturn	(636)
Remaining Balance at 31 March 2013	(1,224)

Annual Delivery Plan 2012/13 (this section of the dashboard details the measures for which the portfolio holder / Corporate Director is responsible which specifically support the delivery of corporate objectives)

Corporate Priority

Low Council Tax & Value for Money

To ensure that the Council can demonstrate it provides efficient effective and economical, value for money services to the people of Trafford, by undertaking the following actions:

- Deliver the Council's Transformation Programme;
- Continue to provide effective use of resources;
- Continue to manage the reputation of the Council and the borough as a whole.

Key Performance Measure	Outturn 2011/12	Performance Status & Direction of Travel							
		September (Q2)		October		November		December (Q3)	
		Current	Target	Current	Target	Current	Target	Current	Target
Deliver the Council's Transformation Programme									
Minimum reserve level (LCT 15)	£9.21m G	£7.679m ↑	£6m G	£7.715m ↑	£6m G	£7.715m ↔	£6m G	£7.796 ↑	£6m G
Delivery of efficiency and other savings (NI179)	£21.3m G	£12.18m ↑	£12.16m G					£12.18m ↑	£12.16m G
Continue to provide effective use of resources									
Reduce the level of sickness absence (council-wide excluding schools) (Days) (BV12i)	9.93 R	10 ↓	9 R	9.99 ↑	9 R	10.01 ↓	9 R	9.72 ↑	9 R

Across the Council, the projected average number of days lost to sickness absence for 2012/13 is currently 9.72 days. This is against a corporate target of 9 days per annum, per person, which indicates a projected overall negative variance in target of 0.72 days per person. For the same period last year, the number of days lost was running at 9.67 days per person, which therefore shows a slight dip in performance of 0.05 days per person. The Council-wide trend indicates an improvement in performance although further work will be required across hotspot areas if the Council is to achieve its target of 9 days by the end of the financial year.

HR and management continue to work together to robustly manage the top 50 long-term absence cases across the Council, to ensure that these are being managed in an effective and consistent manner. In addition, work is now underway to analyse more short term, persistent absences with a view to developing local action plans across hotspot service areas to improve levels of attendance.

Targeted support interventions, such as training and one-to-one coaching sessions with managers continue across the organisation and at a strategic level, absence cases continue to be challenged via the Member Challenge process.

Key Performance Measure	Outturn 2011/12	Performance Status & Direction of Travel							
		September (Q2)		October		November		December (Q3)	
		Current	Target	Current	Target	Current	Target	Current	Target
Achieving a higher investment rate than the national average (7 day cash LIBID) (LCT 20)	0.55% G	0.54% ↔	0.1% G	0.53% ↓	0.1% G	0.52% ↓	0.1% G	0.51% ↓	0.1% G
Land Sales Programme (FM 10)	£5.5m R	£1.85m ↑	£1.5m G					£2.05m ↓	£2m G
Continue to manage the reputation of the Council and the borough as a whole									
% collected for year - council tax (BV 9)	97.82% G	59.33% ↑	59.1% G	68.89% ↓	68.48% G	78.04% ↑	77.85% G	87.58% ↑	87.06% G
% collected for year - business rates (BV 10)	97.4% A	59.13% ↑	59.56% A	68.8% ↑	68.9% A	78.19% ↑	77.82% G	87.2% ↓	87.38% A
See attached Exception Report									
Average days to recover external debts (LCT 02)	85 R	55 ↑	56 G	62 ↓	56 A	47 ↑	56 G	53 ↓	56 G
Increase the % of all calls that will be answered within 20 seconds (LCT09)	81% G	86% ↓	80% G	92% ↑	80% G	92% ↔	80% G	89% ↓	80% G
Reduce the % of lost calls to the Access Trafford contact centre (LCT 10)	6% G	2% ↔	5% G	2% ↔	5% G	1% ↑	5% G	4% ↓	5% G
Percentage of Housing Benefit Overpayments collected (LCT 16)	63.1% A	68.98% ↑	70% A	71.09% ↑	70% G	69.76% ↓	70% A	68.74% ↓	70% A
See attached Exception Report									
To actively investigate allegations of benefit fraud and ensure where suitable that sanctions and/or prosecutions are enforced (LCT 17)	79 G	35 ↑	37.5 A					54 ↓	56 A
See attached Exception Report									
Conduct and conclude investigations into alleged benefit fraud that identify more serious abuses (i.e. high yield) of the benefits system (total overpayments £) (LCT 18)	£619,052 G	£269,798 ↓	£300k R					£463,470 ↑	£450k G
Average time to process Housing /Council Tax Benefit new claims and change events (Days) (NI 181)	7.16 G	6.87 ↑	7.5 G	6.9 ↓	7.5 G	6.99 ↓	7.5 G	7.12 ↓	7.5 G

Appendix 1

Period 9 Forecast Outturn revenue expenditure and income variances, and movements from Period 8 monitoring report

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)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Note ref
Transformation and Resources Portfolio						
Legal & Democratic	1,943	2,054	111	56	55	T&R1, 2, 5
Communications & Customer Services	7,598	7,206	(392)	(241)	(151)	T&R1, 2, 5
Partnerships & Performance	2,960	2,984	24	19	5	T&R1, 3
Strategic Human Resources	3,023	2,900	(123)	(125)	2	T&R1, 2, 5
Corporate Leadership and Support	401	234	(167)	(168)	1	T&R1
sub-total	15,925	15,378	(547)	(459)	(88)	
Finance Portfolio						
Finance Services	3,810	3,721	(89)	(96)	7	T&R1, 2, 4, 5
sub-total	3,810	3,721	(89)	(96)	7	
Total	19,735	19,099	(636)	(555)	(81)	

Business Reason / Area (Subjective analysis)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Note ref
Management of vacancies	(611)	(615)	4	T&R1
Running costs	(77)	53	(130)	T&R2
CCTV – Projected shortfall in income	92	92	0	T&R3
Proceeds of Crime income	191	173	18	T&R4
Other Income	(231)	(258)	27	T&R5
Total	(636)	(555)	(81)	

NOTES ON PROJECTED VARIANCES

T&R1

There are a number of posts being held vacant whilst staffing structures are being reviewed. Adverse movement in the month reflects appointments to posts in Legal services.

T&R2

Running costs variances for deferred expenditure are shown below (see 1.2)

Communications £(46)k

Access Trafford £(65)k

There are also minor variances in running costs across other Directorate services including ICT contracts, legal fees, postages, HR software and contracts costs.

T&R3

Operational issues have delayed the development and marketing of the new CCTV Control Room products. It is forecast that £50k of the new anticipated income stream of £60k will not be achieved until 2013/2014.

T&R4

The expected receipt date for a Proceeds of Crime case has been reviewed and a further £18K of income will now not be received in 2012/13.

T&R5

Management action has generated increased income from:

- Activity with education sector e.g. schools, £(79)k;
- A legal services arrangement with the Probation Service, £(18)k;
- Collaborative arrangements £(42)k;
- Libraries fees and charges income £(33)k;
- Land Charges income £(23)k;
- Other minor income variations across the Directorate £(36)k.

TRAFFORD MBC

Report to: Director of Finance
 Date: 17 January 2013
 Report for: Information
 Report author: Head of Financial Management

Report Title

**Revenue Budget Monitoring 2012/13 – Period 9 - Council-Wide Budgets
 (April 2012 to December 2012 inclusive)**

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £25.384m. The outturn forecast is £24.877m, which is £(0.507)m under the budget, a minor adverse movement of £0.012m since last month.

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 – savings in debt interest repayments £(0.335)m and increased investment interest £(0.095)m;

External audit fees £(0.106)m, relating mainly to a reduction in the standard audit fee ;

Three Right-To-Buy sales of ex-Council Houses, £(0.030)m;

AGMA projects re-prioritised, resulting in additional costs to the Council, £0.047m;

Other minor variances of £0.012m.

2 MTFP Savings and increased income

2.1 The Council-wide budget includes a saving target of £(0.231)m from the overall Council budget of £(12.2)m for savings and increased income. The table below summarises the current forecast of this savings target:

	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Increased and new income	0	0	0
Transformation savings	0	0	0
Other savings	(231)	(231)	0
Total	(231)	(231)	0

All budget options put forward for delivery in 2012/13 are expected to achieve their targets by the year end.

3 Service carry-forward reserve and Recommendations

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

Period 9 Forecast Outturn revenue expenditure and income variances, and movements from Period 8 monitoring report

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)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
Finance Portfolio						
Precepts, Levies & Subscriptions	16,536	16,583	47	47		C-W3
Provisions (bad debts, pensions, property rates)	1,745	1,745				
Treasury Management	9,051	8,621	(430)	(430)		C-W1
Insurance	647	647				
Members Expenses	942	942				
Grants	(3,627)	(3,627)				
Other Centrally held budgets	90	(34)	(124)	(136)	12	C-W2
Total	25,384	24,877	(507)	(519)	12	

Business Reason / Area (Subjective analysis)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
Treasury Management:				
- Investment Income	(93)	(93)		C-W1
- Debt Management cost savings	(337)	(337)		C-W1
Other Centrally held budgets				
- External audit fees	(106)	(106)		C-W2
- Right-To-Buy sales	(30)	(30)		C-W2
- Other minor payments	12	0	12	C-W2
Precepts, Levies & Subscriptions				
- AGMA Budgets	47	47		C-W3
Total	(507)	(519)	12	

NOTES ON PROJECTED VARIANCES

C-W1 – Treasury Management - £(0.430)m (favourable), a movement of £(0.095)m since the last report.

A rephasing of schemes within the Council's Capital Investment Programme, funded by prudential borrowing, was incurred in the final quarter of 2011/12. This will result in a one-off reduction in the amount the Council has to set aside in order to repay debt in 2012/13, £(0.021)m.

In response to the continuing uncertainty of the worldwide economic climate, counterparty security and borrowing rates being considerably higher than investment rates, the new long term borrowing planned to be taken later in the year, will not be taken thereby generating a saving of £(0.314)m in interest payable. This course of action has been undertaken in accordance with advice obtained from the Council's external treasury management consultants.

£(0.095)m relating to a better rate of interest on investments in the first 6 months of the year compared to budget, £(0.020)m as well as additional investment interest earned due to new capital monies (Primary School grant and Section 106 agreement) being received ahead of the capital expenditure being incurred, £(0.075)m.

C-W2 – Other Centrally held budgets - £(0.124)m favourable

The Audit Commission fees for 2012/13 have substantially reduced, in particular relating to the standard audit fee, £(0.106)m, due in part to the Council's good quality financial management. There has also been three Right-To-Buy sales of ex-Council Houses by Trafford Housing Trust, which are not budgeted for, generating income of £(0.030)m to the Council. The movement in the month of £0.012m relates to a payment to HM Revenues and Customs for unpaid tax and national insurance following a national investigation into payments to School Improvement Partners.

C-W3 – Precepts, Levies & Subscriptions - £0.047m adverse

A number of projects have been re-prioritised by AGMA in 2012/13 and budgets have been re-aligned accordingly. This includes new and revised projects being funded from savings elsewhere within AGMA budgets. However, the total amount now due to Lead authorities is higher than expected, £0.047m.