



**TRAFFORD
COUNCIL**

**AGENDA PAPERS FOR
ACCOUNTS AND AUDIT COMMITTEE**

Date: Tuesday, 25 March 2014

Time: 6.00 p.m.

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

A G E N D A	PART I	Pages
1.	ATTENDANCES To note attendances, including Officers and any apologies for absence.	
2.	MINUTES To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 11 February 2014.	1 - 6
3.	ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: PUBLIC SERVICE REFORM IN TRAFFORD To note a report of the Joint Director Children, Young People and Families (Social Care).	7 - 18
4.	ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: TERMS AND CONDITIONS To note a report of the Director of Human Resources.	19 - 22
5.	RESERVES AND PROVISIONS To consider a report of the Director of Finance.	23 - 40
6.	AUDIT AND ASSURANCE SERVICE - INTERNAL AUDIT CHARTER AND STRATEGY To consider a report of the Audit and Assurance Manager.	41 - 58

7. **AUDIT AND ASSURANCE SERVICE - INTERNAL AUDIT OPERATIONAL PLAN 2014/15**
To consider a report of the Audit and Assurance Manager. 59 - 72
8. **THE AUDIT PLAN FOR TRAFFORD COUNCIL**
To receive a report from the Council's External Auditor. 73 - 88
9. **ANTI-FRAUD AND CORRUPTION UPDATE**
To note a report of the Audit and Assurance Manager. 89 - 94
10. **STRATEGIC RISK REGISTER - 2013/14 QUARTER 4**
To consider a report of the Audit and Assurance Manager. 95 - 134
11. **REVENUE BUDGET MONITORING 2013/14 - PERIOD 9 (APRIL TO DECEMBER 2013)**
To consider a report of the Executive Member for Finance and Director of Finance which was presented to the Executive meeting on 24 February 2014. 135 - 172
12. **ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2013/14**
To note a report of the Audit and Assurance Manager. 173 - 176
13. **URGENT BUSINESS (IF ANY)**
Any other item or items which by reason of special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

THERESA GRANT
Chief Executive

Membership of the Committee

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

Further Information

For help, advice and information about this meeting please contact:

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ACCOUNTS AND AUDIT COMMITTEE

11 FEBRUARY 2014

PRESENT

Councillor M. Whetton (in the Chair).

Councillors C. Boyes, B Brotherton, P. Myers and T. Ross.

In attendance

Director of Finance (Mr. I. Duncan),

Director of Public Health (Mr. A. Rassaq),

Head of Revenues and Benefits (Ms. L. Shaw),

Audit and Assurance Manager (Mr. M. Foster),

Technical Finance Manager (Mr. G. Bentley),

Democratic Services Officer (Mr. I. Cockill).

Also in attendance: Mr. M. Waite, Grant Thornton UK LLP.

APOLOGIES

Apologies for absence were received from Councillors Mrs. L. Evans and J. Baugh.

33. MINUTES

RESOLVED: That the Minutes of the meeting held on 20 November 2013 be approved as a correct record and signed by the Chairman.

34. ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: PUBLIC HEALTH

The Director of Public Health submitted a report providing an update on Public Health following the transfer of responsibility to the Council, which was one of the significant governance issues identified in the 2012/13 Annual Governance Statement for further development through 2013/14. The report included a brief update on the Public Health governance arrangements, the Public Health grant allocation for 2013/14, the review of commissioned services, key updates and the Public Health outcomes framework.

The Director of Public Health responded to Members' questions concerning the mandated Public Health services that the Council had been responsible for since 1 April 2013 and advised how service targets were set and measured. The Committee also noted Trafford's good performance on a wide range of Public Health outcome measures and was advised of its involvement in a Greater Manchester programme of sector led improvement reviews that focused on various key priorities.

The Audit and Assurance Manager assured the Committee that the Audit and Assurance Service had contributed to work at an early stage as part of the Public Health transfer and will be incorporating this area into future audit plans.

RESOLVED: That the report and updates be noted.

35. INSURANCE PERFORMANCE UPDATE REPORT 2013/14

Further to Minute No. 6 of the meeting held on 27 June 2013, the Director of Finance submitted a report providing an update on insurance performance during 2013/14. The report detailed performance in respect of highway claims and other major claims, the new Ministry of Justice Reforms and the implications on the Council and the current budget position.

Members enquired about the current insurance contract that expired in 2014 and received information on the process for tendering the Council's insurance portfolio. A hardening of the insurance market in the last 3 years was likely to see an increase in premium which had been reflected in the 2014/15 budget.

Members also noted the position regarding high value claims which reflected a mix of both highway and other public liability cases that were provided for within the current insurance provision.

RESOLVED: That the report be noted.

36. TREASURY MANAGEMENT STRATEGY 2014/15 - 2016/17

The Executive Member for Finance and the Director of Finance submitted a joint report presenting the expected treasury operations and the prudential indicators for the period 2014/15 – 2016/17. The report also detailed the risks facing local authorities in Treasury Management operations and the measures to minimize these risks.

The Director of Finance advised the Committee of the recommended changes to Categories 2 and 3 of the Investment Criteria. The Director of Finance also reported a proposed £1 million reduction in borrowing in the Capital Programme and as a consequence outlined a number of amendments which would be made to the Treasury Management report before it was presented to the Council meeting.

RESOLVED: That, subject to the changes notified by the Director of Finance at this meeting, the Council be recommended to approve:

- (a) the policy on debt strategy for 2014/15 to 2016/17 as set out in section 3 of the report, with amendments;
- (b) the investment strategy for 2014/15 to 2016/17 as set out in section 5 of the report, with amendments; and
- (c) the Prudential Indicators and limits, including the Authorised Limit and Operational Boundary as required by Section 3(1) of the Local Government Act 2003, Minimum Revenue Provision Statement and Investment Criteria as detailed in Appendix 1 to the report, with amendments.

37. ANNUAL GOVERNANCE STATEMENT 2013/14 - APPROACH / TIMETABLE

The Audit and Assurance Manager submitted a report setting out a proposed action plan and timetable to ensure compliance with the statutory requirement to produce an Annual Governance Statement for 2013/14.

RESOLVED –

- (1) That the action plan and timetable to enable the production of the Annual Governance Statement for 2013/14 be noted.
- (2) That the responsibility for reviewing the robustness of the 2013/14 Annual Governance Statement be delegated to the Chairman, Vice-Chairman and Opposition Spokesperson.

38. CERTIFICATION REPORT 2012/13 FOR TRAFFORD COUNCIL

The Council's External Auditor, Grant Thornton, submitted a report summarising its overall assessment of the Council's management arrangements in respect of the certification process and highlighting a number of matters in relation to individual claims. The report also summarised the key messages from the review.

Members discussed the qualification letters issued for the Teachers' Pension Return and the Housing and Council Tax Benefit Scheme and noted management's action plan in response to the audit findings.

RESOLVED: That the report and the agreed recommendations to address the key messages of the review be noted.

39. AUDIT COMMITTEE UPDATE

The Council's External Auditor, Grant Thornton, submitted a report detailing its planned audit work for the year and its audit fee for 2012/13. The report also drew Member's attention to a number of emerging national issues and developments and also suggested some key considerations for the Committee.

Referring to financial resilience and the national report on the financial health of local government, the Committee recognised that Councils were reaching the 'tipping point' and that the next 2-3 years were going to prove critical.

RESOLVED: That the report be noted.

40. REVENUE BUDGET MONITORING 2013/14 - PERIOD 8 (APRIL TO NOVEMBER 2013)

The Committee received, for information, a joint report of the Executive Member for Finance and Director of Finance detailing the outcomes of the monitoring of the Council's revenue budget for the first nine months of the financial year which was presented to the Executive on 27 January 2014.

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Further to Minute No. 28 of the previous meeting held on 20 November 2013, Members noted that there was still no positive news regarding business rate appeals, the responsibility for which, including historic cases, had been transferred to local authorities (Section 8 of the report referred). As a result provision for the cost of settlement had been increased in the accounts.

RESOLVED: That the revenue budget monitoring information for the period April to November 2013, be noted.

41. AUDIT AND ASSURANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2013

The Audit and Assurance Manager submitted a report summarising the work of Audit and Assurance during the period October to December 2013 and providing ongoing assurance to the Council on the adequacy of its control environment.

The Committee acknowledged the irregular feedback from one of the client satisfaction surveys and welcomed improvements in relation to monitoring of income from Section 106 agreements.

RESOLVED: That the report be noted.

42. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2013/14

The Audit and Assurance Manager submitted a report setting out the updated work plan for the Committee for the 2013/14 Municipal Year and outlining the areas to be considered at the remaining meeting.

RESOLVED: That the 2013/14 work programme be noted.

43. EXCLUSION RESOLUTION (REMAINING ITEMS)

RESOLVED: That the public be excluded from this meeting during consideration of the remaining item of business because of the likelihood of disclosure of "exempt information" which falls within Paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972, as amended.

44. RISK BASED VERIFICATION POLICY: REVENUES AND BENEFITS

The Executive Member for Finance and the Director of Finance submitted a joint report outlining the proposed changes to the verification of Housing Benefit and Council Tax Support claims by introducing a risk based verification scheme.

RESOLVED –

- (1) That a policy of requiring different levels of evidence in support of claims for Housing Benefit and Council Tax Support according to their risk be adopted, as set out in the report.

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- (2) That a new process for new online Housing Benefit and Council Tax Support applications be adopted so that a customer is required to tick an online declaration form rather than a signed paper version.

The meeting commenced at 6.30 p.m. and finished at 8.39 p.m.

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Agenda Item 3

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 March 2014
Report for: Information
Report of: Joint Director Children, Young People and Families (Social Care)

Report Title

Annual Governance Statement 2012/13 – update on significant governance issue : Public Service Reform in Trafford

Summary

This brief report provides an extract from the 2012/13 Annual Governance Statement outlining one of the significant governance issues identified for further development through 2013/14 i.e. Public Service Reform in Trafford.

It also includes a brief update on the progress to date around the Public Service Reform agenda both organisationally for the Council, locally working with Partners and regionally within the wider context of AGMA

Recommendation

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

Contact person for access to background papers and further information:

Name: Jenny Hunt
Extension: 07760167000

Background Papers:

Annual Governance 2012/13 Statement – Significant Governance Issue : Public Service Reform

1. Introduction

Detailed below is an extract from the 2012/13 Annual Governance Statement followed by a brief update on actual progress made to date in respect of one of the significant governance issues referred to in the Statement i.e. the ongoing implementation of the Public Service Reform (PSR) programme in Trafford.

2. Annual Governance Statement 2012/13 Extract

The following detail was included in sections 5.3 and 5.4 of Trafford Council's 2012/13 Annual Governance Statement:

The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to transform service delivery arrangements, to ensure the Council effectively delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.

Detailed below are significant governance issues and a summary of the actions planned to address these in 2013/14.

2012/13 Issues and Action Planned 2013/14

5. Public Service Reform in Trafford

Partners in Trafford are committed at the highest level to a collective programme of Public Service Reform (PSR). The objectives of this programme are:

- to ensure that residents in the Borough can benefit from future economic growth, by designing services that can better support them to make positive choices and be independent; and*
- to meet the challenge of public sector austerity by reforming services collectively, such that outcomes for residents in the Borough are better than they would have been had reforms been undertaken solely by agencies acting alone.*

There is a detailed implementation plan for the first phase of this Public Service Reform (PSR) programme in Trafford which will be progressed through 2013/14. It sets out which agencies, partnerships and individuals are currently undertaking tasks as part of the programme, and what success will look like in the future. Local agencies are currently aligning their own organisational transformation and savings programmes. There is a clear Trafford governance and accountability structure in place which is linked to the Greater Manchester Governance and delivery model.

The detailed thematic plans consider the following:

- **new integrated services** that reduce demand on public agencies in the Borough*
- **new investment models** that are able to sustain funding of these services by capturing and reallocating the resources released by this reduced demand; and*
- **new approaches to evaluating our integrated services** to show where they are more effective than existing practice, and where possible to create an evidence base that can attract future investment.*

Central to the success of this programme so far has been in ensuring a clear focus on the reform of public services as a whole in Trafford. There are significant synergies between the different work streams. The benefits of many of these synergies are being captured

2012/13 Issues and Action Planned 2013/14

by ensuring that there is a whole-family focus which sits at the heart of our new integrated delivery models.

3. Updated position (March 2014)

Public Service Reform has now been in progress in Trafford since January 2013 and is established as one of the leading change programmes in Trafford, fully linked into the Greater Manchester Public Service Reform programme. The work commenced around five key themes:

- The national Troubled Families programme (Stronger Families in Trafford)
- Transforming Justice
- Health and Social Care integration
- Development of work and skills
- Early years assessment and support pathway

The principles of Public Service Reform centre around finding new, collaborative and evaluated methods of service delivery that are effective and productive on a cost benefit analysis basis, in order to create sustainability by the development of investable propositions for future service delivery. Work on this basis has been undertaken in relation to each of the identified work streams and these are summarised later in this report. There is a strong focus on:

1. Interventions chosen on the strength of an evidence base
2. Integrated and bespoke packages of support, with cost benefit analysis work to explain the impact
3. A family based approach where appropriate
4. Options for new investment models and involvement of partners investing across boundaries from mainstream budgets

Key advancements have been made around developing and embedding new service delivery models with a strong evidence base into multi agency delivery arrangements within these five work streams and they are now at different stages but all are keeping pace with the timescales agreed in AGMA.

Focus has been around testing and piloting delivery models which reflect the agreed Greater Manchester principles but also take recognition of the local requirements of Trafford both as a Borough and at a locality level. In particular, Trafford has been keen to link PSR work and outcomes with the work undertaken in local communities that can contribute to the achievement of outcomes and also to sustaining progress made.

The overall aim over the last 12 months has been to test what works and identify the right approaches for Trafford. Focus remains on reducing dependency and increasing responsibility while tackling high cost and persistent inter-generational issues which have previously weighed heavily on the public purse.

Over the last 12 months Trafford has also strengthened its representation within the AGMA PSR Governance arrangements both on the strategic work stream groups, but also on the cross cutting enabler groups which ensure that efficiencies are made across the multi-lateral work streams. This membership will enable Trafford to influence decisions as the AGMA level and consider for each work stream what will work for Trafford.

For Trafford, initial cost benefit analysis has been completed with AGMA and the next key steps will be around monitoring and evaluating the new delivery models and their impacts as they turn from pilots to business as usual; and replacing Page 9

This will in turn strengthen Trafford's position to produce Investment Propositions which will hopefully encourage investment in sustaining the PSR model post 2015.

PSR work in Greater Manchester has been scaled up since it began and plans are now being developed for the next stage post 2015 to extend the work and widen the cohorts it focuses on, as it has been recognised by Whitehall that the progress to date in GM around large scale reform has been so significant that the current approach could be used to help an even wider group of those in need.

Below is a more detailed appraisal of progress over the last 12 months for each of the work streams. Any additional detail can be provided upon request.

Early Years Update

Background	40% of children in Greater Manchester (GM) are assessed in reception class each year as not being ready for school. This represents 16,000 children each year who are on a poor life trajectory from the outset, unable to engage with the national curriculum effectively and at risk of never catching up. These children are less likely to reach their full potential at school and, ultimately, less likely to be economically active and productive. Conversely, many of them are likely to place a high demand on public services throughout their lives
What does success look like	Success of the Early Years theme will be measured by the increased number of children achieving a good level of development as measured by the Early Years Foundation Stage Profile assessment by 18%, benefitting 22,000 additional children and exceeding the national average by 10%
Delivery and Implementation update	<p>Trafford has fully engaged in the AGMA project, and the project lead assumed responsibility for the project in February 2013 and implemented an internal project group comprised of representatives from all relevant children's services and corporate services. The new delivery model requires strong partnership and integrated working between a variety of CYPS services, some provided internally and some commissioned from Pennine NHS Trust. The aim has been to implement an eight stage model of assessment and intervention for pre-school age children in order to increase engagement with support and improve school readiness. Trafford already achieve outcomes significantly higher outcomes than the Greater Manchester figures and so the capacity for improvement with the new model is not as high.</p> <p>Over the duration of the project the team have:</p> <ul style="list-style-type: none"> • Fully supported the AGMA groups taking the lead on; the new delivery model and early help, the children's centre specification, parenting specification, cross-border 2 year funding protocol and a GM communication strategy for targeted 2 year old funding • Responded to demands to clinically appraise evidence based tools • Mobilised expertise to interrogate the pathway and engaged schools and the PVI sector in consultation • Delivered two engagement workshops • Produced a stakeholder newsletter • Prepared for implementation in April 2014 within existing resources • Secured CCG investment for a perinatal maternal and infant mental health specialist and training, which can be rolled out across the workforce
Expected Progress Over Next 12 Months	<p>Recently, the implementation plan has changed its parameters in light of shifts in development at an AGMA level. The project is now going to implement stages 2 & 8 only of the eight stage model in the South pilot area in April 2014, and not all stages of the new delivery model. Schools and the PVI will still be engaged in the stakeholder planning, and it may be possible to implement stages 7 & 8 with schools in the South in the September term but at this stage there is no authority across AGMA to fully implement across all stages in the whole authority. The lack of a suitable IT/system solution has delayed our plans but we are looking immediately at the option to join the Intellisant pilot which will require resourcing the purchase of mobile devices and software support for the duration of the pilot. At the moment Pennine are</p>

	<p>potentially funding this, via the financial value of the block contract with Trafford CCG.</p> <p>The commencement date for full implementation across the GM footprint looks likely to be October 2015 at the latest update, which will have an impact on our local timescale for implementation.</p> <p>The council and its partners will monitor carefully the AGMA wide developments in order to consider whether they wish to implement earlier than October 2015 although it is likely this date has been chosen to coincide with the transition of the commissioning of health visiting services to the council.</p>
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Transforming Justice

Background	<p>Transforming Justice aims to reduce levels of crime, offending and reoffending across Greater Manchester by better, more coordinated support for offenders at the points of arrest, sentence and release, and neighbourhood work to prevent offending. It has focused initially on youth and young people (aged 16-25), because the peak age of offending is 19, and this age group accounts for 40% of criminal justice costs.</p>
What does success look like	<p>Intensive Community Orders – Across GM, scale up from 150 individuals per year to 650 from the 2014/15 financial year, with a stepped increase in this profile during the 2013/14 financial year as an alternative to custody. Adapted for each district, this involves expanding current provision in Salford, Manchester and Trafford, and establishing new provision in other areas, building on existing plans.</p> <p>Resettlement support – to roll out the current approach to re-settlement within communities used at Hindley Young Offenders Institute to 16-18 year olds from across Greater Manchester (GM). By April 2014, to extend provision to all institutions holding a significant numbers of 16-18 and 18-21 year olds from across GM, even when not based within GM. The success of positive re-settlement should be reduction in re-offending and future costs,</p> <p>Youth Custody Triage - to review current practice and adopt the GM good practice model by Summer 2013. This includes rapid assessment of children and young people, and parents / carers to enable them to obtain earlier support. YOS is already involved at key stages of the pre-court decision making process. Ensure capacity is in place to divert 2,370 young people across all districts from 2014/15 in order to minimise the use of custody for young people.</p> <p>Women offenders – To establish new centres to cover women offenders from the whole of GM (currently cover 4 districts), provide triage for 2,000 women offenders in all GM police custody suites over three years. By April 2014, offer Intensive Community Orders to over 130 women per year, and support 130 women ‘through the gate’ at HMP Styal over three years.</p>
Delivery and Implementation update	<p>Intense Community Orders: The ICO remains operational and delivering according to the requirement of the pilot. Work is taking place on completing the Investment Agreement at Greater Manchester level. Consideration is being given to commissioning a discreet version of ICO for women. The Transforming Justice Executive has agreed the roll out of ICO across GM with additional funding for the next 18 months. Discreet ICO for women offenders has been ruled out and funding for discreet women’s provision is identified through the FIM. Implementation will start from April 2014</p> <p>Youth Triage is still being delivered in Trafford as an ‘As Is’ model and is still contributing to reduction in First Time Entrants. Once the Cost Benefit Analysis is finalised it will be the impetus for engaging with key partners and developing a discreet packages of support for children and young people pre-court.</p> <p>Resettlement Offer The youth element of the Resettlement Offer is now live since the 1st October. On-going work is</p>

	<p>taking place on developing the Young Adult element of the Resettlement Offer. Roll out of the Young Adult Offer should be in early 2014 informed by the completion of the Cost Benefit Analysis.</p> <p><u>Women Offenders</u></p> <p>Slow progress has been made on linking the women's delivery model to the Stronger Families agenda due to changes in probation personnel due to the current tendering process for future service delivery. Trafford is waiting for information from probation regarding the profile of women's offender in Trafford and the potential to set up a single mothers project.</p>
Expected Progress over next 12 months	<p>The expectation for 2014 is to continue to make progress on implementing the new delivery model within a changing criminal justice environment, and the need to make efficiency savings and improve outcomes for offenders.</p> <p>There is a need to make greater use of data and analysis to profile some groups of offenders, and inform future configuration and design of service delivery.</p>

Work and Skills

Background	<ul style="list-style-type: none"> • Greater Manchester needs a high performing infra-structure for skills and employment services which can support individuals in all local authorities. To meet this aspiration the performance of the 'supply-side' infra-structure needs to both improve performance and increase efficiency and intensive work is in progress in this area. • Our challenge is to deliver more outcomes with less resource, which means improved targeting and co-ordination to make the most difference for our economy and for our workless people. • Improving residents' skills and connecting them to jobs is at the core of the GM Strategy.
What does success look like	<ul style="list-style-type: none"> • Reduce numbers on the Employment Support Allowance (ESA) by reducing the inflow and increasing the outflow to jobs • Improve qualifications and work opportunities for young people, particularly those not in employment or training • Increase progression in the labour market for low skilled people, especially those who have repeated spells on Jobseekers Allowance (JSA).
Delivery and Implementation update	<p>A robust governance structure is in place to facilitate much of the Work and Skills agenda, with the Trafford Economic Employment and Skills group having oversight of all activities, and separate multi-agency steering groups to lead the work on Work Programme Leavers and the Business Innovation and Skills Single Parents pilot.</p> <p>There has also been strong internal support into the PSR work from the Finance and Performance monitoring teams in undertaking the cost benefit analysis and evaluation work.</p> <p>Good progress has been made on the overall delivery of the Partington Pledge pilot with the evaluation and cost benefit analysis work now completed</p> <p>Following further negotiations with the Department for Work and Pensions (DWP) about the future of New Choices, a three month extension to the project has been agreed up to the end of March 2014. This will allow for further monitoring data to be collected, and will also time to develop an alternative partnership offer for New Choices which is a project working with offenders and re-engaging them in the work place.</p> <p>Support to, and work with Work Programme Providers has been slow in development mainly due to the number of different supplier providers involved and their complex relationships; the</p>

	existing contractual relationships with DWP; and the competition brought about by the recent Work Programme Leavers (WPL) tender process. However, the WPL project is now taking shape at a Greater Manchester and Trafford level and plans in Trafford are developing with the new service provider in order to enable the maximum number of people to achieve work through the new programme.
Expected Progress over next 12 months	<p>The Partington Pledge is now in the implementation phase and the challenge will be in integrating it into the mainstream service at DWP. The pilot worked because DWP allocated a dedicated resource to caseload the 85 young people in Partington. There is no agreement to do this going forward, and additional resources will need to be secured to fund this work.</p> <p>Further work will be undertaken with Work Programme Providers so that we are working in partnership to support Trafford residents into employment. One example will be in developing the offer to New Choices clients so that several Work Programme Providers will be available in Partington to see their clients and offer support.</p> <p>In terms of the Work Programme Leavers pilot, partners will work closely with Big Life our service provider, to ensure that the service works effectively and that good sustainable job outcomes are achieved for Trafford residents.</p>

Stronger Families

Background	<p>The DfE identified that there are 360 families in Trafford, meeting the criteria for Troubled Families, known in Trafford as Stronger Families, who partners aimed to work with over the three years up to April 2015. In addition to the national indicators relating to work issues, poor education attendance and crime or anti-social behaviour, Stronger Families almost always have other, often long-standing, problems which can lead to an intergenerational cycle of disadvantage.</p> <p>Successful early intervention with these families provides a substantial opportunity to reduce dependency and potentially redirect resources to other areas. This requires a whole family approach and a model which delivers sustainable outcomes and prevents problems from repeating.</p> <p>In order to do this effectively a co-ordinated multi agency approach has been taken, and the Trafford Partnership is the lead strategic body to oversee the development and implementation of a new delivery model which aims to break the cycle of reliance, vulnerability and intergenerational high cost to the public purse.</p>
What does success look like	<p>A reduction in the total number of Stronger Families based on evidence that outcomes have been achieved with them linked to a payment by results model, plus softer intelligence about change</p> <p>Identification of 100% of the Stronger Families quota for years 1, 2, and 3 and a partnership commitment to working with those families in a new and integrated way.</p> <p>Completion of Family Assessments and Family Action Plans for 70% of the families identified within a given year, with the maximum number of families turned around in terms of outcomes as a result of the interventions offered, with evidence available of the impact on a cost benefit basis.</p>
Delivery and Implementation update	<p>In terms of payment by results, the previous 12 months have been a strong period both for turning around the lives of Trafford's Troubled Families but also in terms of income generation through the Governments rewards scheme. As of February 2014, Trafford has turned around the lives of over 50% of its 360 targeted families, leaving us joint second in AGMA and well on track to achieve our total of 360 by June 2015</p> <p>In terms of the development and implementation of the delivery model, the following are key highlights:</p>

	<ul style="list-style-type: none"> • The model has been fully implemented with clear referral pathways, whole family assessments, one case co-ordinator allocated per family and clear monitoring systems in place. • The introduction of an electronic case management system allows partners to access and contribute to a single case record for a family. • Clear monitoring systems are in place to report against local and national outcomes. • Evidence is now available of families engaging in support where they have previously refused to work with professionals.
Expected Progress Over Next 12 Months	<ul style="list-style-type: none"> • Plans to be in place for the roll out of Troubled families post 2015 with GM potentially being an early adopter for the new Families at risk/ complex dependency cohort which is described further below. • At least 75% of Trafford families turned around by May 2015. • To undertake a full evaluation of the Trafford and GM model to understand best practice. • To identify how the community can support local families and to work with them to evidence the impact of this support. • GM to evidence potential investment propositions with partners

Health and Social Care

Background	<p>The Trafford Health and Social Care economy is fully committed to whole system integration to deliver high quality, compassionate care, through person centred, cost effective and co-ordinated care and support – thereby improving all clients¹ experience and outcomes, and the effective use of resources across Trafford economy.</p> <p>Our aim is to build resilience and sustainability across our economy by ensuring a whole system approach to population management and the delivery of cost effective, person centred, co-ordinated care. Together we will reconfigure structures, systems and pathways and align this with cross sector culture change to deliver meaningful transformation.</p> <p>We see integration as the key mechanism to deliver high quality, compassionate care leading to improved health and well -being for Trafford residents:</p> <ul style="list-style-type: none"> • improving health and wellbeing being across the course of life rather than reacting to problems • investment in keeping people well and able to live independently • focusing on preventing and reducing illnesses such as cancers, cardiovascular disease and respiratory disease through improved awareness of citizens • Supporting people to successfully manage their long term condition • reducing inequalities in health and wellbeing between the most and least deprived neighbourhoods • a strategic shift towards early intervention and prevention • effective use of resources and reduction in duplication • Working together to manage increasing demand and cost diversion
What does success look like	<ul style="list-style-type: none"> • Partners /Governance- Health and Wellbeing Board, Integrated Care Redesign Board, includes CCG, Council, Community and Voluntary Sector, Citizens' Reference Board and Healthwatch, Acute providers, Community Health provider, Mental Health, Carers,

¹ Throughout this document we are referring to patients and customers as 'clients' to ensure constancy across the whole of our integrated care plan.

	<p>Public Health.</p> <ul style="list-style-type: none"> • The People - whole population level, focus on intensive users of services through risk stratification programme and working upstream to reduce the numbers of people reaching crisis point in their care needs • New Service Model – based on locality partnerships and multiagency teams, creation of Trafford Health and Social Care Service (formal provider integration) and closely aligned commissioning function, personalisation, community resilience, shift to early help and prevention
Delivery and Implementation update	<ul style="list-style-type: none"> • Trafford has formally agreed a section 75 between Trafford Council and Pennine care (hosts of the community health provider services) due to go live on 1st April 14 . • Programme management has been identified and started on 3rd march • Programme board established including a local GP and CCG lead (first mtg end of march) • Joint provider management board has approved a 4 patch based approach which is coterminous with CCG and children’s services • Agreement on recruitment of a Head of service per patch has been reached and work on job descriptions is underway • Current HOS across Health and Social Care have been engaged through an introductory session and workshop agreed for April to develop the approach
Expected Progress Over Next 12 Months	<ul style="list-style-type: none"> • New structure to be implemented • New delivery models to be designed ,agreed and implemented • Fully operational locality based Health and Social care teams will be in place • Joint work with GPs and CCG to be further enhanced • To explore ICT solutions to enhance joint working • To see a shift in activity from secondary care to community care (supported by the better care fund)

Future of Public Service Reform

The ambition is for sustainable economic growth, where all residents contribute to and benefit from sustained prosperity, with a corresponding reduction in demand. Scaling up our work on public service reform alongside GM work on growth is how we will achieve this vision. This means supporting more residents to be independent and self-reliant, thus reducing high levels of cost and demand on public services across GM. Reform has to become a key mainstream element of how districts and partners will meet the financial challenges they face in 2015/16 and beyond. A revised model of public service reform for post 2015 is in development and may well be piloted during 2014-15 subject to agreement with government at a Greater Manchester level. The first major change involves a potential shift to a focus on complex dependency cohorts which would encompass some of the existing work streams and work to identify and agree these cohorts is now starting. The focus on work and skills will be a strong priority within this work. It is envisaged that this work will:

- Be scaled up to cover more families and individuals
 - Broader – additionally, for example, those leaving the Work Programme, offenders, those involved in organised crime, and those with complex needs within Health and Social Care
 - Deeper – for example, families at risk of becoming troubled, and those in low pay, no pay cycles
- Have a sharper focus on employability, low skills and worklessness
- Be designed in order to contribute to reducing budget pressures for LAs and partners, e.g. Looked After Children, Children In Need

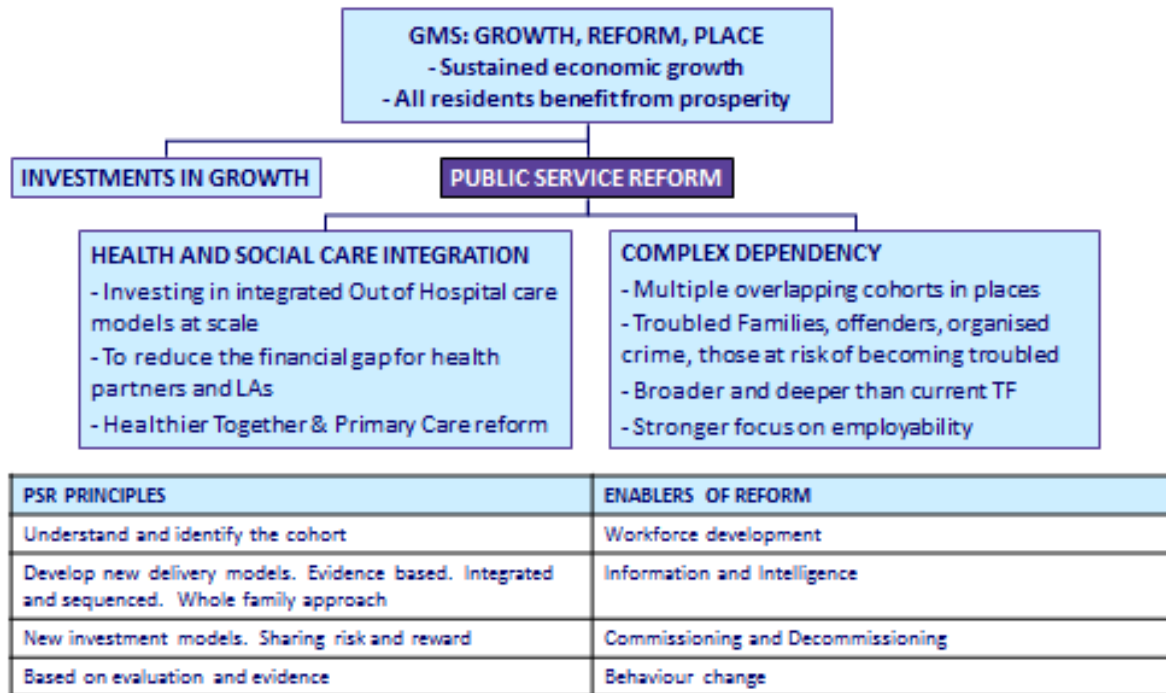
The second major focus is Health and Social Care integration which is already underway. Trialling work with the ‘at risk’ in GM could help generate the evidence that informs a possible deal with Government about a multi-departmental Payment by Results approach beyond the next election, bringing together current departmental payment by results schemes in one place. That would involve agreeing priority outcomes, budgets and payment incentives, and open up the potential for deals with DWP work benefits and other national budgets.

Governance in Trafford

In addition to a scaled up approach to Public Service Reform in Greater Manchester, within Trafford, Public Service Reform is central to the partnership work around future service need and provision, within collective available resources. Common themes are being considered across the work streams and the principles of PSR are being applied to all future service planning in order to create sustainability for the future. The work undertaken in Trafford around potential complex dependency cohorts is already being shared with partners. The PSR governance structure remains in place and involves a PSR steering group to bring together the work stream leads with the leads for the enabling work around workforce, data analysis and infrastructure. This group reports to the Corporate Management Team on a regular basis and to partners via the Trafford Partnership infrastructure. PSR also reports to the Council Executive.

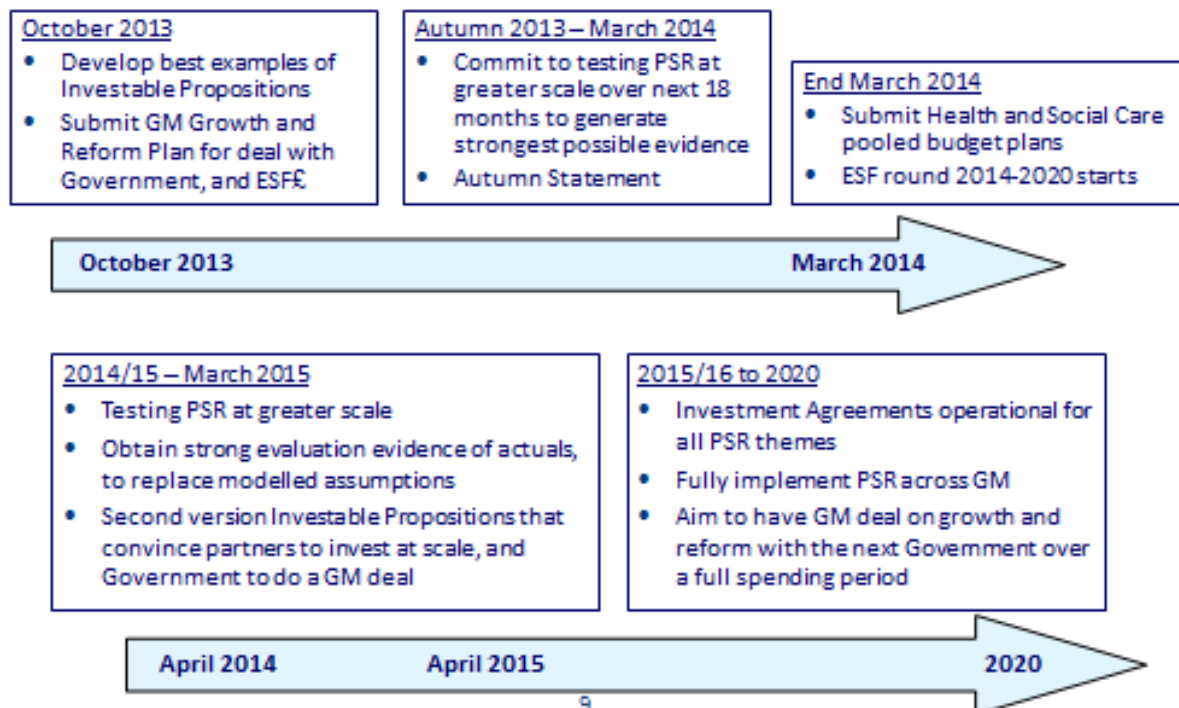
The diagram below is the latest PSR structure within Greater Manchester which reflects the overall vision for PSR and also the future direction of the work to which Trafford remains actively committed.

PSR: Reduce dependency, improve outcomes



4

Reform timeline



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Agenda Item 4

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 March 2014
Report for: Information
Report of: Director of Human Resources

Report Title

Annual Governance Statement 2012/13 – update on significant governance issue : Terms and Conditions

Summary

This brief report provides an extract from the 2012/13 Annual Governance Statement outlining one of the significant governance issues identified for further development through 2013/14 i.e. Changes to staff terms and conditions as part of ongoing plans to achieve savings.

It also includes a brief update on progress on implementation of the new terms and conditions, which will be effective from 1st April 2014.

Recommendation

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

Contact person for access to background papers and further information:

Name: Joanne Hyde, Director of HR
Extension: x1586

Background Papers:

None

**Annual Governance 2012/13 Statement – Significant Governance Issue :
Terms and Conditions**

1. Introduction

- 1.1 Detailed below is an extract from the 2012/13 Annual Governance Statement followed by a brief update on actual progress made to date in respect of one of the significant governance issues referred to in the Statement i.e. staff terms and conditions.

2. Annual Governance Statement 2012/13 Extract

- 2.1 The following detail was included in sections 5.3 and 5.4 of Trafford Council's 2012/13 Annual Governance Statement:

The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to transform service delivery arrangements, to ensure the Council effectively delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.

Detailed below are significant governance issues and a summary of the actions planned to address these in 2013/14.

2012/13 Issues and Action Planned 2013/14

3. Terms and Conditions

In 2012/13, the Council began a process of considering a number of options which would result in changes to staff terms and conditions as part of ongoing plans to achieve savings. The Council started a review of staff terms and conditions to try to find ways to achieve maximum savings with minimum impact on the workforce and where at all possible, without changing core employment benefits, i.e. basic pay and pensions. The Council also wants to protect those staff on lower salaries.

In 2012/13, a number of ideas were shared with staff and trade unions to gain feedback to assist in considering any possible changes. Staff were given the opportunity to comment on the initial ideas and also provide alternative suggestions. In 2013/14, proposals for changes to terms and conditions are to be developed for formal consultation.

3. Updated position (March 2014)

- 3.1 Following a period of informal consultation between October 2012 and October 2013, a final package of proposals was put to the workforce and the trade unions on 3rd October 2013, when the Council issued a S.188 notice. This marked the commencement of a statutory 45 day consultation period which ended on 17th November 2013.

- 3.2 The framework for the statutory period of consultation mirrored that which had been adopted for the previous consultation processes which had taken place in December 2012 and June 2013. The formal process included a series of 11 staff information sessions, led by a Corporate Director, a member of the HR Leadership Team and an Elected Member. As in the preceding consultation exercises, these sessions were very well attended and generated lively discussion and feedback from the workforce. In addition, dedicated intranet pages were developed, direct mailshots were sent out to all staff (including absent staff) and formal weekly meetings were undertaken with the trade unions.
- 3.3 The period of formal consultation concluded on 17th November 2013 and a significant amount of feedback was once again received from staff and the trade unions.
- 3.4 Taking into account this feedback, a final position was developed and this was presented to the Employment Committee for approval on 2nd December 2013.
- 3.5 The final position set out the following changes to terms and conditions:
- Withdrawal of the Essential Car User Scheme for all staff and introduction of a Critical Car User Scheme, with a revised assessment criteria and reduced lump sum allowance of £423 per annum;
 - Introduction of a uniform mileage rate based on the HMRC rate (currently 45p per mile);
 - Reduction in the sick pay scheme to a maximum of 3 months full pay and 3 months half pay;
 - Introduction of a mandatory 3 days unpaid leave for a temporary period of 2 years;
 - Introduction of a Trafford “Living Wage” of £7.20 for the lowest paid staff;
 - Reduction in the rate of pay for non-contractual overtime to plain time;
 - Removal of the relocation allowance for enforced moves within the borough (Appendix E payments)

In addition, a commitment was given to reduce overall spend on overtime and agency working.

- 3.6 Given the changes to the original proposals, the savings target was revised to an estimated £1.9m.
- 3.7 These changes were approved by the Employment Committee on 2nd December 2013, with an implementation date of 1st April 2014.
- 3.8 In this respect, the following implementation timeline was agreed:

DATE	ACTION
2 nd December 2013	Employment Committee
4 th December 2013	Issue letters to all staff seeking individual agreement to change terms and conditions on a voluntary basis
6 th January 2014	Commence 12 week termination and reengagement process for those staff who have not voluntarily agreed to change their terms and conditions and continue to seek voluntary agreement to changes throughout the notice period
1 st April 2014	Implement revised terms and conditions

- 3.9 To date, over 90% of the workforce have voluntarily accepted the changes to terms and conditions, leaving around 360 staff who have yet to sign up.
- 3.10 Targeted communications have now been issued to these staff to remind them of the sign up process and also to inform them of what will happen on 1st April 2014 if they do not wish to accept the revised terms and conditions.
- 3.11 In addition, meetings are planned with Corporate Directors to discuss business continuity plans for those areas where staff have yet to sign up. These meetings will take place during week commencing 17th March 2014.
- 3.12 Detailed guidance on how the transition to the new terms and conditions will be managed will also be cascaded to all staff week commencing 17th March 2014.

TRAFFORD COUNCIL

Report to: Accounts & Audit Committee
Date: 25 March 2014
Report for: Information
Report of: Director of Finance

Report Title

Reserves and Provisions

Summary

Total Council reserves and provisions at 1st April 2013 were £(86.108)m of which £(11.390)m belongs to Schools. There are planned commitments between 2013/14 and 2015/16 of £48.608m, leaving an estimated balance of £(37.5)m as at 31st March 2016 of which £(26.065)m relates to Council reserves and provisions and £(11.435)m belongs to schools.

Reserves and provisions are reviewed throughout the year, but particularly at the time of establishing a budget and closing down the accounts at the end of the year. The revenue budget for 2014/15 included for £2.3m of expenditure to be financed from reserves. In addition, after taking into account all other reserves and provisions, a minimum reserve level of £6m of the General Reserve was maintained and agreed by the Council in February 2014.

The remaining balance is committed to known or potential liabilities, in many cases mitigating the impact on the base budget should certain eventualities happen, such as insurance claims and the anticipated cost of employment rationalisation.

Recommendation(s)

The report is noted.

Contact person for access to background papers and further information:

Name: Ian Kershaw/ Dave Muggeridge
Extension: 4302

Papers for further reference:

Account 2013, published October 2013
Budget Report 2014/15, 19 February 2014
2013/14 Revenue Monitoring Reports

Background Information

Implications:

Relationship to Corporate Priorities	Not applicable to this report
Financial	Not applicable to this report
Legal Implications	Not applicable to this report
Equality/Diversity Implications	Not applicable to this report
Sustainability Implications	Not applicable to this report
Staffing/E-Government/Asset Management Implications	Not applicable to this report
Risk Management Implications	Not applicable to this report
Health and Safety Implications	Not applicable to this report

1. Definitions

- 1.1 The Council has both cash-backed and non cash-backed reserves. Non cash-backed reserves are for the purposes of accounting adjustments required to state the statutory accounts according to format universally applied to both private sector and public sector bodies without actually affecting the Council's budget and therefore the amount of Council Tax that needs to be raised. For example, increases or decreases in pension fund valuations are adjusted to a non cash-backed reserve, or accounting reserve, rather than the £millions in annual variation impacting on the Council's operations. This report will deal only with cash-backed reserves and provisions.
- 1.2 The following 'layman' definitions are provided as reference to describe and place in context provisions and reserves:

Reserve; an amount set aside for a possible future event that is either planned or dependent upon potential future circumstances so that the additional expense would not impact on base budget.

Provision; a liability is certain, however the value and/or timing of payment is not known and has to be professionally estimated.

2. Governorship, Reporting & Management

- 2.1 Provisions are established for a specific legal liability and monies released only to discharge that liability. Increases and decreases to provisions are charged to the revenue account in the year that change is identified. Equally, should a provision be estimated to be excessive or fully discharge the liability with funds remaining, the excess will be transferred back to the revenue account. The Director of Finance manages all but the provision for the return of charges made under section 117 of the Mental Health Act 1993 which is determined and discharged by the Corporate Director for C&WB.
- 2.2 The Council's Constitution specifies that the Director of Finance executes accounting transactions, such as the creation and use of provisions, and creates and utilises reserves:
- Up to £0.5m per transaction without consultation;
 - Between £0.5m and £1.5m in consultation with the Executive Portfolio Holder for Finance;
 - Over £1.5m in consultation with the Leader, Deputy Leader and Executive Member for Finance.
- 2.3 Once a reserve has been established, authorisation to call upon the reserve can be delegated to an appropriate officer. The Director of Finance reviews all reserves regularly during the year, and specifically when closing the annual accounts and establishing the budget. Many reserves are directly managed by the Director of Finance, and all reserve transfers are handled through the accountancy function.
- 2.4 The General Reserve, Collection Fund, and Directorate Service Balance Reserves are specifically featured in the 10 monthly revenue budget monitoring reports. The overall reserve position is commented upon in the Robustness &

Reserves section of the budget report, and is specified within the statutory accounts. Capital reserves are detailed in the quarterly capital monitoring reports. Allocation of the General Reserve is by Council or Executive decision, the Collection Fund is released according to professional estimates made by the Director of Finance, and service reserves are determined by the relevant Corporate Director.

- 2.5 External Audit also provide a high level assessment of the adequacy of reserves as part of their closedown work, and the Accounts & Audit Committee are presented with a listing and summary movement in reserves as part of the closedown and approval of statutory accounts process.

3. Balances, Characteristics & Summary of Commitments

- 3.1 Details of each reserve, its purpose, the controlling officer, value at the beginning of 2013/14 and estimated commitments until the end of 2015/16 and remaining balance is provided in the attached annex. The values in the following table provide a summary of balances by category of reserve.

Table 1 :- Cash Backed Reserves by Category

	1 April 2013 (£m)	Net Commitments 2013 to 2016 (£m)	Est 31 March 2016 (£m)
Capital reserves:			
- Revenue resourced	(1.585)	1.585	(0.000)
- Capital resourced	(37.304)	33.220	(4.084)
Sub-total Capital Reserves	(38.889)	34.805	(4.084)
Revenue reserves:			
- Earmarked	(9.616)	3.388	(6.228)
- Smoothing	(5.500)	2.416	(3.084)
- Service carry forwards	(2.095)	0.290	(1.805)
- General	(10.644)	3.952	(6.692)
- Collection Fund	(0.05)	(0.287)	(0.292)
Sub-total Revenue Reserves	(27.860)	9.759	(18.101)
Provisions	(7.969)	4.089	(3.880)
Sub-Total Council Reserves and Provisions	(74.718)	48.653	(26.065)
Schools General	(11.285)	?	(11.285)
Schools Synthetic Pitch	(0.105)	(0.045)	(0.150)
Sub-Total Schools Reserves	(11.390)	(0.045)	(11.435)
Total Reserves and Provisions	(86.108)	48.608	(37.500)

3.2 The above table reflects planned use however, it is entirely possible that reserves and provisions may need to be accessed differently to the plan. In particular schools reserves are assessed as part of the closedown procedure for final accounts, schools may access or increase their reserves during the year according to their need and own plans.

3.3 Capital reserves - Opening balance £(38.889)m

Capital Reserves are so called as they are committed to support capital expenditure through the approved capital programme, however, it is the original source of the money that dictates the extent of its use:

Revenue resourced £(1.585)m; can be used to support both revenue or capital expenditure. Revenue resources have been fully allocated to support investment in new technology (CRM and Content Management) and the residue costs of the Long Term Accommodation Strategy.

Capital resourced £(37.304)m; can only be spent on capital projects. The Council develops the capital programme so that all known resources are committed against schemes over its 3 years and is reviewed on a quarterly basis and completely overhauled and reapproved each year. The balance of £(4.084)m needs to be adjusted by a further commitment of £3.399m as part of the agreed Capital Programme in 2016/2017 leaving a balance of £(0.685)m. This balance is set aside to cover the potential further costs of Equal Pay settlements, which as a result of a recent change in accounting practice can be settled against capital expenditure.

3.4 Revenue reserves - Opening Balance £(27.860)m

Earmarked £(9.616)m: ten individual reserves, of which six are expected to be fully committed by 2016. The main reserves are for insurance £(3.922)m, and the costs of reorganisation and change (Employment Rationalisation, Transformation and Training) which total £(4.486)m. As austerity budgets are expected to continue, the level of reserves associated with reorganisation may need further support, and/or the expenditure be catered for in the base budget.

Smoothing £(5.500)m: liabilities for normal operating expenditure are not always similar year-on-year, a good example being the local elections budget when there are elections only three of every four years. It has been the practice to even out this variable expenditure to recognise the underlying budgetary requirements of the base budget. The largest reserve relates to the Waste Levy £(3.365)m which aims to smooth the annual increases in the levy during the construction of the PFI facilities. The smoothing reserves, which are all fully committed, will grow and decline according to the characteristics of the relevant expenditure, and are reviewed and monitored carefully by the Director of Finance.

Service carry forwards £(2.095)m: this is the total of service accumulated over and under spends carried forward from outturns since 2005. Technically these reserves form part of the General Reserve, but it is an internal accounting convention in line with the policy of the Medium Term Financial Strategy. This flexibility was introduced for service directorates to remove the incentive to 'spend up' to budget levels and reward good financial management. Any overspends are to be made good in the next financial year, and as part of the budget process Corporate Directors are

required to include in their plans adequate action to recover their balanced position.

General £(10.644)m: the General Reserve is made up of previous budget underspends, and is primarily increased by Council-Wide budget outturns as Directorate Service Balance Reserves now accommodate service under and over spends in accordance with the Medium Term Financial Strategy policies. The largest planned movements are a £2.9m contribution to support the Council's revenue budget in 2013/2014 and 2014/2015 and a £2.4m drawdown as a result of a shortfall in business rates baseline income under the new Business Rates Retention Scheme. There is a legal requirement (section 26 of the LG Act 2003) for the Council to have minimum available reserves to deal with unexpected or emergency expenditure. The Director of Finance makes an assessment of a minimum General Reserve level having taken into account other reserves and potential areas of risk in each Budget. The current minimum level is £6.0m (the details that support the calculation can be found in the 2014/15 Budget Report of 19th February 2014, Annex N).

Collection Fund (£0.05)m: The Collection Fund is the local taxation pool for Council Tax and business rates upon which the Government, GM Police and Crime Commission, GM Fire & Rescue Authority, Partington Town Council and the Council all precept upon. The Fund is managed on behalf of these stakeholders by the Council. Any year-end balance on the Collection Fund is transferred to this reserve. A deficit must be corrected in the following year, which in itself could cause a Council Tax rise. Any surplus arising is shared between the stakeholders and they utilise this within their budget estimates. The Council has anticipated a contribution of £0.300m in 2014/15 from the Collection Fund surplus.

3.5 Provisions - Opening Balance £(7.969)m:

All provisions have been deemed by the relevant expert to be required.

The main movement that is expected are the costs in discharging the remaining outstanding Equal Pay claims during 2013/14 and 2014/15 of £3.594m

There are also projected movements in insurance provisions (Third Party and Employers Liability) based on the assessment of outstanding liabilities as assessed by our actuary and also actual claims settled.

A movement of £0.419m will take place in 2013/14 regarding the payment to the creditors of the Council's former insurer Municipal Mutual Insurance which went into administration in January 1994. Under the winding up agreement, claims are paid out in full, however are clawed back if on final winding up there are insufficient assets to meet all liabilities (further details can be found in the Accounts 2013, Note 23). A claw back was triggered in 2013.

3.6 Schools Reserves £(11.390)m

Schools : these balances relate to the net underspends in individual schools' budgets accumulated over the years under the general policy of

delegated responsibility. These monies are the sole responsibilities of the Governors and Head Teachers, to be used at their discretion. Supportive action is provided to schools should they be in deficit, and the overall surplus provides for a loan support scheme. Excessive funds are a matter of Government policy. Should schools move to academy status any reserves are also transferred.

4. Conclusions

- 4.1 Total Council reserves and provisions at 1st April 2013 were £(86.108)m of which £(11.390)m belongs to Schools. There are planned commitments between 2013/14 and 2015/16 of £48.608m, leaving an estimated balance of £(37.5)m as at 31st March 2016. This is subject to actual use of reserves and provisions for events that are not yet certain.
- 4.2 Of the projected balance of £(37.5)m, £(11.415)m belongs to schools and a further £(3.399)m is committed to the current capital programme relating to 2016/2017. The Council is required by law to maintain a minimum level of reserves to meet unexpected or emergency expenditure, which is currently established at £6m of the General Reserve after taking into account the existing earmarked reserves and their known commitments. A further £(3.084)m is set aside to smooth the volatility in base budget fluctuations, such as the increase in the Waste Levy and £(3.880)m for known provisions.
- 4.3 Much of the remaining balance £(2.853)m is set aside to meet known, estimated and/or expected future commitments largely associated with the costs of reorganisation as a result of continued austerity

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Capital Reserves						
Earmark - ICT Development	Investment in new ICT to improve efficiency Council-wide.	CD T&R	(911)	911	0	Expenditure relates to support new CRM and Content Management System as part of capital programme.
Capital - LTA Decant	To cover the cost of accommodation changes arising from the Long Term Accommodation Project	CD T&R	(674)	674	0	Reserve is fully committed to the LTA programme and to cover residual running costs on admin buildings to be disposed of.
Capital Reserves : Revenue Resourced			(1,585)	1,585	0	
Capital Receipts - VAT Shelter	Income received from THT under a VAT sharing agreement. VAT is recovered by THT on work undertaken and shared with the Council	DoF	(6,766)	6,766	0	Capital receipts are applied to support Capital Programme. A number of environmental warranties were given to THT when the housing stock was transferred. At this stage it is unlikely there will be any liabilities to THT in respect of these, hence the balance on this account has been used to support the Capital Programme.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Capital Receipts - Other	Income derived from sale of surplus assets to support the capital programme	DoF	(3,245)	(839)	(4,084)	Capital receipts are applied to support the Capital Programme. There is a further commitment of £3,399k in 16/17 (not shown in figures) leaving a balance of £(685)k. It is recommended that the remaining balance is set aside to cover the potential future increased costs of Equal Pay settlements (a recent change in accounting practice allows settlements to be charged to capital expenditure).
Capital Related Grants	Capital Grants to support the capital programme	DoF	(25,187)	25,187	0	Fully committed to support the capital programme. Grants mainly relate to those from DfE to support the schools capital programme eg primary capital strategy and basic need
Capital Reserve	Reserve to support the capital programme	DoF	(2,106)	2,106	0	Full balance used against the draft capital programme 2014/16
Capital Reserves : Capital Resourced			(37,304)	33,220	(4,084)	
Sub-Total Capital Reserves			(38,889)	34,805	(4,084)	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Earmarked Reserves						
Insurance Reserve	Funds earmarked for future claims and to carry out risk management initiatives.	DoF	(3,922)	562	(3,360)	The Council is largely self-insured and the fund (reserve) has been created from premiums to cover future claims, including resilience to cope with major claims. The Council insurance policies contain a significant "excess" of £275k for public liability and buildings. In any year the Council has stop-loss cover so that the annual maximum exposure to claims is £1.5m. The reserve is also used to offset any increases in provision for liability claims identified by the actuary.
Library Book Fund	Funds earmarked for new library management system	CD T&R	(80)	80	0	Will be utilised on Self Service Machine upgrade (£27k), Upgrading PC's used for Peoples Network (£14k) balance (£39k) will be utilised on wider roll out of e-books/e-readers.
Training	To undertake corporate training across the Council.	DoHR	(512)	512	0	Committed in 13/14 to support the costs of the apprentice programme (£47k) and Members training (£50k). Remaining reserve should to be retained to fund training and development interventions identified in respect to the NOM activity.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Transformation	Money set aside to pump prime the achievement of the next stage of efficiencies through the Transformation Programme.	CD T&R	(1,821)	1,814	(7)	In order to maximise savings at the time of delivery, the costs of Transformation are now supported from the reserve rather than being charged to the saving. The balance will be used to support the New Operating Model work into the future.
Civic vehicle reserve	Replacement of mayoral vehicle	DoL	(16)	8	(8)	Annual sum set aside as depreciation from revenue budget
Voluntary Sector Grants Reserve	Carry forward of prior year spend due to slippage on projects	CD T&R	(121)	121	0	Committed over next three years to smooth the impact of reductions in Voluntary Sector revenue budget.
Community Safety	Investment in Community Safety initiatives.	CD T&R	(22)	22	0	Fully committed in 13/14
Earmark Gen - Employment Rationalisation	To cover the cost of rationalising the employment of staff by the Council (i.e. severance pay)	DoF	(2,153)	(700)	(2,853)	Severance and related costs above revenue budget provision; in 2013/14 was £248k. Approximate annual contributions made towards cost of severance from this reserve over last three years is £1,081k, this could therefore cover approximately 3 more years of severance costs.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
LAA Performance Reward Grant	Grant awarded in 2010/11, to be utilised in conjunction with partners	CD T&R for Leader	(916)	916	0	Leader has delegated authority to approve, based on views of Trafford Partnership
Altrincham Forward	Residual balance on Olympic hosting reserve transferred to support Altrincham Forward	CD T&R	(53)	53	0	Fully committed in 13/14 (consultancy costs associated with developing strategy)
Sub-Total Earmarked Reserves			(9,616)	3,388	(6,228)	
Smoothing Reserves						
Legal Expenses	Smoothing reserve for external legal expenses and also contingency for potential back claims regarding changes in land charges	DoL	(199)	77	(122)	Exact amount of commitment on land charges is unknown and is dependent on level of potential claims.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
MIA Debt restructure	Smoothing of airport debt restructure costs over the medium term	DoF	(708)	(700).	(1,408)	The Council agreed to an unsecured loan of £8.7m with MIA in return for an annual yield of 12%. The loan is not due for repayment until 2055. As it is unsecured there is a risk of default. A proportion of the interest earned is used as a provision for default. The figure is the forecast level at the end of 16/17.
Waste Levy	To smooth the effects on the Council's budget of movements in the waste levy over the medium term	CD ETO	(3,365)	2,134	(1,231)	Annual increases in the levy are volatile during the construction phase of the PFI facilities. We have opted for a smoother levy to build the base budget gradually. The reserve has also been used to finance late adjustments in the levy. It should be fully utilised by 2018/19.
Winter Maintenance	To smooth the effects on the Council's maintenance budget as a result of adverse weather conditions	CD ETO	(120)	0	(120)	This reserve was established in 2013 to provide emergency funds to cover the costs of highways & footpath maintenance during periods of adverse weather conditions
Elections	To smooth the elections budget across the 4 year Municipal cycle.	DoL	(187)	124	(63)	Used to smooth the costs of Elections cycle.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Interest Rates	To smooth the effect on the Council's budget of volatile movements in interest rates.	DoF	(1,108)	968	(140)	There are three main components: (i) a stepped interest loan will move into its secondary period in 2015 and will revert to a variable interest rate estimated a 6%, therefore this reserve will be utilised as a cushion to cope if rates exceed the assumption : (ii) new borrowings have been postponed in the recent past and some of the financial benefit from this decision is being set aside to smooth the impact when borrowing does reoccur. (iii). for time when investment rates are lower than forecast (iv) provision for potential defaults on LAMS. Reserve adjusted to accommodate a 0.5% variation in interest rates on RBS loan of £100k and £40k set aside for potential default on LAMS cases. Balance (£700k) transferred to Employee Rationalisation Reserve. Remaining balance £(140)k retained in the event of further variations in RBS loan interest rate.
Sub-Total Smoothing Reserves			(5,500)	2,416	(3,084)	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Delegated Service Budgets	LD Pool Reserve deficit carried forward Revenue budget under/overspends to be carried forward as part of the Council's Medium Term Financial Plans.	CD's	1,472 (3,567)	(1,472) 1,762	0 (1,805)	Learning Disability Pool deficit will be addressed over a two year period. Commitments are updated monthly in budget monitoring report (£1,060k of balance is T&R, £596k CFW).
General Reserve	Collation of previous underspends on the General Fund	DoF for Council or Executive	(10,644)	3,952	(6,692)	Commitments are updated monthly in budget monitoring report
Collection Fund (TMBC share)	Collation of previous underspends on the Collection Fund (Trafford Council Share)	DoF	(5)	(287)	(292)	Used to support council tax.
Sub-Total Revenue Reserves			(27,860)	9,759	(18,101)	

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Provisions						
VAT on Car Parking	Monies held pending outcome of litigation affecting all LA's re VAT on off-street parking	DoF	(135)	0	(135)	If the VAT tribunal/ court decision is not in our favour this money will be paid over to HMRC.
MMI Claw Back	Provision held for clawback of claims paid out by MMI under scheme of administration	DoF	(419)	419	0	In January 1994 the Council's former insurer, Municipal Mutual Insurance, made a scheme of agreement with its creditors. Under this scheme, claims are initially paid out in full, however are clawed back if on winding up there are insufficient assets to meet all liabilities. A clawback was triggered in 2013 for £419k.
S117 Mental Health Act 1983	Provision for charges which may have been unlawfully levied under S117 of the Mental Health Act 1983	CD C&WB	(118)	0	(118)	Auditors required this provision to be made. We are expected to actively seek past service users to provide a refund of fees they have paid.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Employment Rationalisation	Severance agreements with staff which may or may not be taken up	DoF	(156)	156	0	An accounting requirement for redundancy payments to be made in 13/14.
Equal Pay	Liabilities under Equal Pay legislation.	DoF	(3,835)	3,594	(241)	The Council is actively trying to settle all remaining claims during 13/14 and 14/15.
Third Party Insurance	Provision for self-insurance for Public Liability claims	DoF	(2,551)	(194)	(2,745)	This provision represents the estimated value of outstanding insurance liability claims. It is assessed annual by an actuary and will be drawn down as and when claims are settled.
Employers Liability Insurance	Provision for self-insurance for Employers Liability claims	DoF	(755)	114	(641)	This is assessed annually by an actuary and represents the estimated value of outstanding insurance liability claims.
Total Provisions			(7,969)	4,089	(3,880)	
Sub-Total Council Reserves and Provisions			(74,718)	48,653	(26,065)	
Schools	Similar to the general reserve but for each specific school. Collation of previous under or over-spending against the school budget	Heads & Governors	(11,285)	0	(11,285)	The school will determine what to spend their reserves on within the confines of regulation.

Name of cash-backed reserve	Purpose	Officer*	Balance 31 March 2013 (£000's)	Net transfers in/out (£000's)	Expected Balance 31 March 2016 (£000's)	Note on commitment
Timperley Synthetic Pitch	Contractual arrangement to support pitch replacement	CD ETO	(105)	(45)	(150)	Set aside to meet a future contractual liability
Sub-Total School Reserves			(11,390)	(45)	(11,435)	
Total Reserves and Provisions			(86,108)	48,608	(37,500)	

Key: Responsible Officers

DoF Director of Finance
DoHR Director of Human Resources
DoL Director of Legal & Democratic Services
CD C&WB Corporate Director for Communities & Well-Being
CD T&R Corporate Director for Transformation & Resources
CD ETO Corporate Director for Environment, Transport & Operations
CD EGP Corporate Director for Economic Growth & Prosperity
CD's Each respective Corporate Director

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 March 2014
Report for: Approval
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Service – Internal Audit Charter and Strategy

Summary

To provide the Accounts and Audit Committee with the Internal Audit Charter and Internal Audit Strategy documents for approval following their recent review. (The documents were previously updated in March 2012 and have recently been reviewed / updated to reflect the introduction of the Public Sector Internal Audit Standards in 2013).

Recommendation

The Accounts and Audit Committee is asked to approve the Internal Audit Charter and Strategy.

Contact person for access to background papers and further information:

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

Background Papers:

Internal Audit Terms of Reference and Strategy (March 2012)
UK Public Sector Internal Audit Standards (PSIAS) (effective from April 2013)
Local Government Application Note for the UK PSIAS (Chartered Institute of Public Finance and Accountancy in collaboration with the Chartered Institute of Internal Auditors).

Introduction and Background

This report sets out the updated Internal Audit Charter and Strategy.

The Internal Audit Charter describes the purpose, authority and principal responsibilities of the Internal Audit function provided by the Audit and Assurance Service, and the Internal Audit Strategy describes the arrangements in place to deliver internal audit so as to ensure that the objectives and scope of the Service are met.

These key documents are subject to regular review and approval by CMT and the Accounts and Audit Committee. They were last reviewed and approved in March 2012 (The Internal Audit Charter formerly being referred to as the Internal Audit Terms of Reference). The Charter and Strategy have since been reviewed and updated to take into account requirements set out in the UK Public Sector Internal Audit Standards (PSIAS).

There is a summary of the changes / additions made to the Charter and Strategy, compared to the previous versions in the Appendix. There are no fundamental changes to the overall audit approach but the documents reflect updated standards as required under PSIAS.

The PSIAS came into effect from 1 April 2013 and replace the CIPFA Code of Practice for Internal Audit in Local Government. (The new standards are a result of a collaboration between CIPFA and the Chartered Institute of Internal Auditors (CIIA) to develop a common set of audit standards for the public sector). Local Authorities are expected to report on compliance with these standards by June 2014 and annually thereafter. Audit and Assurance will report details of compliance with the standards as part of the 2013/14 Annual Internal Audit Report. This will be informed by a detailed self assessment which is currently in progress.

As part of PSIAS, in addition to the requirement to undertake internal assessments of Internal Audit, there is a requirement that an external assessment is undertaken at least every 5 years. The Greater Manchester Chief Internal Auditor Group is working together to agree a suitable approach to ensure a suitable external assessment process is established within required timescales.

As part of ensuring adherence to PSIAS, the Service has reviewed its Code of Ethics, Values and Conduct. All audit staff have signed up to the updated Code, which includes an acknowledgement that they have read and understood the requirements set out in the PSIAS in respect of the Code of Ethics for internal audit staff.

**Trafford Council Audit and Assurance Service
Internal Audit Charter**



**TRAFFORD
COUNCIL**

Internal Audit Charter

Audit and Assurance Service (March 2014)

TRAFFORD COUNCIL

AUDIT AND ASSURANCE SERVICE - INTERNAL AUDIT CHARTER

1. Introduction

- 1.1 Section 151 of the Local Government Act 1972 requires Councils to “make arrangements for the proper administration of their financial affairs”. More specific requirements are detailed in the Accounts and Audit Regulations 2011 in that the relevant body must “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.
- 1.2 The Internal Audit Charter describes the purpose, authority and principal responsibilities of the Internal Audit function at Trafford which is provided by the Audit and Assurance Service.
- 1.3 The Audit and Assurance Service is required to operate in accordance with the UK Public Sector Internal Audit Standards which came into effect from 1 April 2013. The Standards are mandatory for all internal auditors working in the UK Public Sector.

2. Definitions

Internal Audit

- 2.1 “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.” (Public Sector Internal Audit Standards, April 2013).
- 2.2 CIPFA provide further details in their PSIAS Local Government Application Note : “Internal audit provides an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. It may also undertake consulting services at the request of the organisation, subject to there being no impact on the core assurance work and the availability of skills and resources.

The “Board” and “Senior Management”

- 2.3 The Public Sector Internal Audit Standards (PSIAS) require that the internal audit charter defines the terms ‘board’ and ‘senior management’ in relation to the work of internal audit. For the purposes of internal audit

**Trafford Council Audit and Assurance Service
Internal Audit Charter**

work, the 'board' refers to the Council's Accounts and Audit Committee which has delegated responsibility for overseeing the work of internal audit. The term senior management will be defined on an individual basis according to individual context but will usually refer to the Corporate Management Team (CMT).

3. Status

- 3.1 The Audit and Assurance Service forms part of Finance Services within the Transformation and Resources Directorate.
- 3.2 Internal Audit's authority derives directly from its statutory responsibilities and the Procedure Rules established by the Council.
- 3.3 The responsibility for the production and execution of the audit plan and subsequent audit activity rests with the Audit and Assurance Manager. The Audit and Assurance Manager reports to the Director of Finance but will report directly to the Chief Executive where required.

4 Reporting Lines

- 4.1 The work of the Audit and Assurance Service is reported directly to the Chief Executive; to Members via the Committee charged with responsibility for audit and governance (The Accounts and Audit Committee, defined by the term "Board" under PSIAS) and to Executive members. The work of the Accounts and Audit Committee is also reported annually to the Council.
- 4.2 Internal audit assignments are the subject of formal reports. These reports are sent to the relevant Corporate Director and Head of Service together with relevant managers. The Executive member with portfolio responsibility, Chief Executive, Corporate Director – Transformation and Resources, Director of Finance and External Audit will receive copies of the internal audit reports. The Monitoring Officer will also receive copies of audit reports at the discretion of the Audit and Assurance Manager. Reports are issued initially as drafts and, following agreement as to contents and responsibility for implementing recommendations, a final report is issued. The Accounts and Audit Committee are provided with a summary on a quarterly basis of each audit opinion report issued.

5 Independence

- 5.1 The Audit and Assurance Service will be sufficiently independent of the activities being audited so that auditors are able to make impartial and effective professional judgements and recommendations.

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Internal Audit Charter**

- 5.2 Internal Audit will determine its priorities in consultation with the Accounts and Audit Committee.
- 5.3 The Audit and Assurance Manager will report impartially in his or her own name.
- 5.4 Where internal audit staff have a perceived or real conflict of interest in undertaking a particular piece of work (whether for personal reasons or through undertaking any non-audit duties), this will be managed through the internal audit management and supervisory process. Work will be re-assigned where appropriate. Staff are required to declare any potential conflict of interest and a signed declaration from each member of staff is required on an annual basis.
- 5.5 Adequate budgetary resources will be made available to enable the Internal Audit function to maintain its independence.

6 Responsibilities

- 6.1 The principal objective of the Audit and Assurance Service is to provide the Council with an independent and objective opinion on the Council's control environment.
- 6.2 The Audit and Assurance Service should play a key role in shaping the ethics and standards of the Council and where appropriate, act as a catalyst for change and improvement.
- 6.3 The scope of internal audit work will cover all the Council's activities and encompass both the financial and non-financial aspects of the control environment. This includes activities undertaken in partnership with other organisations where assurance will be sought in accordance with agreed protocols including access rights.
- 6.4 Internal audit work comprises an independent and objective review of the control environment. The key elements of the control environment include:
 - (a) Establishing and monitoring the achievement of the organisation's objectives
 - (b) The facilitation of policy and decision making ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the council, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties
 - (c) Ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which the council's

**Trafford Council Audit and Assurance Service
Internal Audit Charter**

functions are exercised, having regard to a combination of economy, efficiency and effectiveness

- (d) The financial management of the Council and the reporting of financial management
 - (e) The performance management of the Council and the reporting of performance management.
- 6.5 The Council's assurance and performance management framework will be taken into consideration when determining the work of Internal Audit. The key elements of the assurance and performance management framework are:
- Risk management both at the strategic and operational levels
 - The monitoring of key Council objectives and targets by the Corporate Management Team
 - Business planning - the identification and monitoring of key business targets by individual services
 - Self-assessments by managers of the operation of controls for which they are responsible
 - Reviews by External Audit
 - Reviews by other external agencies
 - Scrutiny reviews
 - Previous work of Internal Audit and the Accounts and Audit Committee.
- 6.6 Particular attention will be devoted to any aspects of the control environment affected by significant changes within the organisation's risk environment.
- 6.7 The Audit and Assurance Manager will also make a provision, in the scope of Internal Audit's work, to form an opinion where key systems are operated by the Council on behalf of other bodies or other bodies operating key systems on behalf of the Council.
- 6.8 Where the Council works in partnership with other organisations, the role of Internal Audit will be defined on an individual basis.
- 6.9 The Audit and Assurance Manager will give an opinion on the operation of the Council's control environment in the annual internal audit report.
- 6.10 The Audit and Assurance Service will also take a lead role in supporting the work of the Accounts and Audit Committee. This will include co-ordinating the Committee's work programme in agreement with Committee members and supporting the Committee to report on its work undertaken.

7 Fraud and Corruption

- 7.1 The Audit and Assurance Manager is responsible for the maintenance of the Council's anti-fraud and corruption policy and strategy and the raising of fraud awareness across the Council.
- 7.2 The Audit and Assurance Manager will be informed of all suspected or detected fraud, corruption or impropriety, so that he or she can consider the adequacy of the relevant controls and evaluate the implication of fraud and corruption for his or her opinion on the internal control environment.

8. Access

- 8.1 The Audit and Assurance Service will have unrestricted direct access to all Members, Council personnel, records (whether manual or computerised), cash, stores, and other assets and may enter Council property or land to obtain such information and explanations considered necessary to fulfil the responsibilities of an internal audit function. Such access shall be granted on demand and not be subject to prior notice and will also extend to partner bodies or external contractors working on behalf of the authority insofar as such access relates to work carried out or services provided on behalf of or in partnership with the authority.

9 Limitations of Internal Audit Responsibilities

- 9.1 In seeking to discharge the responsibilities detailed above, and in line with the responsibilities of Internal Audit set out in section 6 above, it should be noted that the Internal Audit function is not responsible for:
- Controlling the risks of the Authority.
 - Establishing and maintaining systems of internal control.
 - Determining operational policies or procedures.

10. Resources

- 10.1 The Audit and Assurance Manager will hold a relevant professional qualification; have wide experience of audit and management and will be responsible for ensuring that the Audit and Assurance Service is appropriately staffed in terms of numbers, grades, qualification levels and experience.
- 10.2 The Audit and Assurance Manager will ensure that appropriate provision is made for maintaining and developing the competence of audit staff. All internal auditors will undertake a programme of continuing professional development to maintain and develop their skills. A record of training and development undertaken and planned will be maintained.

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Internal Audit Charter**

- 10.3 The Audit and Assurance Manager is responsible for ensuring that the resources of the Audit and Assurance Service are sufficient to meet its responsibilities and achieve its objectives. If a situation arose whereby it was concluded that resources were insufficient this will be formally reported to the Section 151 Officer, Chief Executive and, if the position is not resolved, to Members charged with responsibility for audit and governance (Accounts and Audit Committee).

11. Consultancy

- 11.1 Consultancy comprises the range of services, other than assurance services, provided by Internal Audit to assist management in meeting the objectives of the Council. This may include facilitation, process design, training, and advisory services. The Audit and Assurance Manager will be responsible for deciding what level of consultancy support Internal Audit can provide. The scope of any consultancy work will be agreed with management and will only be undertaken where resources permit without impacting on the planned annual assurance process. Account will always be taken of the primary objective of Internal Audit to complete assurance work and approval would be sought from the Accounts and Audit Committee before any significant unplanned consultancy work is agreed which would impact on the Internal Audit Plan.

12. Review

- 12.1 The Internal Audit Charter will be subject to regular review, the results of which will be reported for approval by the Corporate Management Team and the Accounts and Audit Committee.

**Mark Foster
Audit and Assurance Manager
March 2014**



TRAFFORD
COUNCIL

Internal Audit Strategy

Audit and Assurance Service (March 2014)

TRAFFORD COUNCIL AUDIT AND ASSURANCE SERVICE

INTERNAL AUDIT STRATEGY

1. Introduction

- 1.1 The Internal Audit Charter defines the objectives and scope of Internal Audit. The Internal Audit Strategy set out in this document details the arrangements in place to deliver internal audit so as to ensure that the objectives and scope of the Audit and Assurance Service are met.
- 1.2 The Audit and Assurance Service is required to deliver a risk-based audit plan in a professional independent manner, to provide the Council with an opinion on the level of assurance it can place upon the internal control environment, and to make recommendations to improve it.
- 1.3 The Strategy Statement below sets out the key requirements for ensuring the Audit and Assurance Service fulfils its role effectively. The Statement sets out the overarching vision and aims of the Service. Details of how these requirements are to be met are set out in sections 3 to 8 of the Strategy.

2. Strategy Statement

- 2.1 The Audit and Assurance Service plays a key role in shaping the ethics, values and standards of the Council. The Service should be professional, challenging and innovative, acting as a catalyst for change and improvement by:
 - Ensuring its work adds value, maximises assurances to the Council and its positive impact on the achievement of corporate objectives and service delivery;
 - Having a sound knowledge of the organisation, being forward looking and aware of local, regional and national agendas and their impact on the Council;
 - Ensuring the service is flexible, works in partnership with managers, invests in good working relationships with all stakeholders and responds effectively to the changing needs of the Council;
 - Having sufficient resources, particularly officer resources in quantity, skills mix, knowledge and experience to effectively deliver the vision and uphold professional standards.

3. Service Provision

- 3.1 The Internal Audit function is provided by the Audit and Assurance Service, which is part of Finance Services within the Transformation and Resources Directorate. Day to day management is the responsibility of the Audit and Assurance Manager who reports to the

**Trafford Council Audit and Assurance Service
Internal Audit Strategy**

Director of Finance (Section 151 Officer). The Service maintains independence in its reporting as set out in its Charter and associated procedures.

- 3.2 Internal audit services to the Council are currently provided by in-house resources and are complemented by bought-in resources as follows:
- Specialist ICT audit resources are provided by Salford Audit Services. This arrangement was agreed by AGMA as part of a review of joint working whereby Salford provide specialist resources for use by all the Greater Manchester authorities. These specialist resources are used to complement in-house resources.
 - Internal audit resources will be bought-in if the Audit and Assurance Manager, in agreement with the Director of Finance, considers this to be necessary to ensure completion of the audit plan, and if resources permit this approach. The engagement of bought-in internal audit resources will be reported to Members charged with the responsibility for audit and governance. (Recognition will be given to potential conflicts of interest where bought in internal audit resources also provide non internal audit services to the Council).
- 3.3 The Audit and Assurance Manager is responsible for ensuring that all internal audit work complies with the Internal Audit Charter and the Public Sector Internal Audit Standards.

4. Audit Planning

- 4.1 A risk based Audit and Assurance Service plan will be produced on an annual basis. This will be derived from the 'Audit Universe' which comprises all auditable areas in the control environment (the internal control environment encompassing internal control, risk management and governance arrangements). Work will be planned to ensure adequate assurance is provided towards the completion of the Council's Annual Governance Statement.
- 4.2 Resources will be allocated taking into account assurance levels required, risks involved and the potential impact of the work. The planned programme of work will be informed by:
- assurance required to be provided as a Council
 - assurance gained from other sources other than internal audit work including external audit and other inspectorates, service self assessments etc.
 - knowledge and understanding of the organisation including future priorities and potential impacts
 - detailed consultation with key stakeholders.
- 4.3 Factors to be taken into account when undertaking a risk assessment of auditable areas will take account of the council's assurance and performance management framework including:
- Risk management both at the strategic and operational levels

**Trafford Council Audit and Assurance Service
Internal Audit Strategy**

- Monitoring of key Council objectives and targets by the Corporate Management Team
- Directorate and Service Business Planning arrangements
- Governance and control self assessments by managers of the operation of controls for which they are responsible
- Reviews by External Audit and other external agencies
- Other internal reviews including scrutiny work
- Previous internal audit and Accounts and Audit Committee findings.

4.4 The Annual Audit Plan lists the areas to be audited and the resources required. Audit reviews and other programmes of work will focus both on strategic and operational issues. To ensure adequate flexibility, audit work will involve a number of different methods of delivery i.e. traditional internal audit reviews; provision of guidance; awareness raising; advice to project / working groups etc. The plan will be prepared to ensure:

- Fundamental financial systems are reviewed on a cyclical basis.
- Adequate resources are set aside for anti-fraud and corruption work including investigating suspected cases and raising awareness across the Council.
- Adequate resources are included to enable reviews of the Council's corporate governance and risk management arrangements.
- The Council's ICT systems are subject to adequate internal audit coverage.
- Procurement and contracts arrangements across the council are reviewed.
- Internal Audit fulfils its role in auditing schools, supporting the process by which schools are required to meet the Schools Financial Value Standard.
- Adequate coverage of other key business risks including individual coverage of authority-wide issues, individual services, establishments, partnerships, programmes and projects.

4.5 Provision is made to follow up work completed in previous periods. The plan also contains a contingency for unforeseen changes which may necessitate a change in priorities.

4.6 The Audit Plan is flexible and will be kept under review and will be revised to take account of changes in the risk environment. Significant changes in the audit plan will be reported to the Corporate Management Team and to the Accounts and Audit Committee.

5. **Service Delivery**

5.1 There will be close working with management in agreeing the scope of individual audit assignments. The planning and scoping process takes into account any significant factors, developments and key risks to

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Internal Audit Strategy**

ensure the internal audit review of that area will add value for the Council.

- 5.2 The ongoing development of the Audit and Assurance Service's knowledge base will provide an effective source of information as part of the planning process. Knowledge will be developed by various means including ongoing liaison and discussion with managers and other key stakeholders.
- 5.3 Individual Audit and Assurance projects will have, within the overall project time allocation, planned time to allow the Audit and Assurance Officer(s) to research and build their knowledge of the area (proportionate to the nature/complexity of the review).
- 5.4 The Audit and Assurance Manager will ensure that there are documented protocols and procedures for planning and conducting audits, setting out the standards for the service. The Audit and Assurance Manager will monitor performance against the standards set out in the audit manual and other relevant documents.

6. Reporting

- 6.1 Reporting arrangements for the Audit and Assurance Service are set out in protocols which form an integral part of the Service's internal audit manual.
- 6.2 The approach to reporting, delivering opinions and supporting conclusions, and developing associated improvement actions will be flexible. This will be to ensure that officer resources are effectively utilised, the needs of recipient managers/stakeholders are met, the necessary assurance is provided and the form of reporting maximises ownership and impact of resulting improvement actions / organisational change.
- 6.3 For individual audit assignments, where internal audit recommendations are made, these will be discussed with management prior to the issue of audit reports. The findings from the audit will be reported, clearly identifying and explaining the key risks and control weaknesses, with the relative priority of recommendations clearly communicated. Following each audit, the client manager will have the opportunity to provide feedback via the client satisfaction survey.
- 6.4 Progress against the annual audit plan will be monitored by the Audit and Assurance Manager and reported to the Corporate Management Team and to the Accounts and Audit Committee on a regular basis.
- 6.5 The Audit and Assurance Service will give an overall opinion each year on the Council's risk management, control and governance arrangements to support the Annual Governance Statement. The Internal Audit opinion on the control environment will be given in the

Annual Internal Audit Report, which will be presented to CMT and the Accounts and Audit Committee.

7. Staffing / Resources

- 7.1 In order to deliver the Internal Audit Strategy and comply with professional standards, it is important that the Audit and Assurance Service comprises staff with the appropriate skills and experience.
- 7.2 Audit and Assurance officers are expected to undertake continuing professional development as appropriate and undertake training / development activities, both for personal development and to ensure there is an effective skills balance within the Service.
- 7.3 The Service operates personal development and review processes in line with the Council's policy as well as professional good practice. Ongoing training and development needs are identified as part of this process. In addition to internal training, such as through e-learning, shadowing the work of colleagues etc, available training provided by key providers such as CIPFA and IIA is considered and where appropriate included within the ongoing programme of training. Training and development needs are reviewed regularly.
- 7.4 The Service has a clearly defined code for staff encompassing ethics, conduct and values in accordance with the Public Sector Internal Audit Standards. Staff are required to complete and sign a declaration statement in line with the PSIAS Code of Ethics.
- 7.5 If resources, including staffing, are insufficient for the Audit and Assurance Service to provide an opinion on the control environment, the Audit and Assurance Manager will report this to the Director of Finance / Corporate Management Team and to the Accounts and Audit Committee.

8. Ongoing Development Actions

- 8.1 The Service reviews its procedures, systems and working methods on a regular basis. An annual review of effectiveness of internal audit is undertaken which includes an assessment against the Public Sector Internal Audit Standards. Details are reported to the Accounts and Audit Committee. There are a number of areas that are subject to ongoing or periodic review to ensure standards are maintained and where possible improvements made.
- 8.2 The following will continue to be considered as part of ongoing service planning and monitoring of performance:
- Consider the ongoing appropriateness / application of audit procedures and protocols both in ensuring these continue to

**Trafford Council Audit and Assurance Service
Internal Audit Strategy**

meet the organisation's requirements and remain in accordance with the Public Sector Internal Audit Standards.

- Continue to consider and where appropriate, adopt, various approaches to audit reporting taking into account client feedback.
- Continue to consider training and development needs of staff to ensure there remains adequate knowledge and expertise in specific areas of audit activity.
- As part of ongoing audit planning, continue to consider the approach to gathering assurance including collaboration with other Internal Audit providers e.g. in respect of audit reviews of partnerships and other arrangements where there is collaboration between organisations.
- Continue to consider appropriate means of raising awareness of key governance and control issues. Ensure content on the Audit and Assurance Intranet site is regularly reviewed to ensure it is up to date and provides effective guidance.
- Ensure methods of working take into account any changes in the organisational structure, accommodation issues, technology, agile working protocols etc.

9. Review

- 9.1 The Internal Audit Strategy will be subject to regular review, the results of which will be reported to the Accounts and Audit Committee and the Corporate Management Team.

**Mark Foster
Audit and Assurance Manager
March 2014**

**Internal Audit Charter and Strategy – Changes to previous version
(March 2012)**

Internal Audit Charter

1. Intro. – reference to PSIAS coming into effect from 1 April 2013. Standards are mandatory for all internal auditors working in the UK Public Sector.

2. Definitions – 2.1&2.2 Internal Audit definition updated from previous CIPFA definition. 2.3 Definition of Board and Senior Management added.

4. Reporting lines (updating titles – reference to External Audit instead of the Audit Commission).

5.4 Added in the following “Where internal audit staff have a perceived or real conflict of interest in undertaking a particular piece of work (whether for personal reasons or through undertaking any non-audit duties), this will be managed through the internal audit management and supervisory process. Work will be re-assigned where appropriate. Staff are required to declare any potential conflict of interest and a signed declaration from each member of staff is required on an annual basis.”

6.5 Reference to External Audit instead of the Audit Commission.

6.8 The following is added “Where the Council works in partnership with other organisations, the role of Internal Audit will be defined on an individual basis.”

9.1 Replacing reference to the previous CIPFA Code of Practice, a section has been added on the limitations of Internal Audit’s responsibilities.

11. Further information added in respect of potential consultancy work with approval sought from the Accounts and Audit Committee for any significant changes in planned work.

IA Strategy

1. Introduction: Reference to Internal Audit Charter instead of Internal Audit Terms of Reference.

3.1 Reference to Internal Audit Charter instead of Internal Audit Terms of Reference.

3.3 Service Provision – reference to Internal Audit Charter instead of Terms of Reference and PSIAS instead of CIPFA Code of Practice.

4.3. Audit Planning. Reference to External Audit instead of Audit Commission.

7.4 The following reference has been added “The Service has a clearly defined code for staff encompassing ethics, conduct and values in accordance with the Public Sector Internal Audit Standards. Staff are required to complete and sign a declaration statement in line with the PSIAS Code of Ethics.

8.1 Reference added to PSIAS.

8.2 Reference added as follows “Consider the ongoing appropriateness / application of audit procedures and protocols both in ensuring these continue to meet the organisation’s requirements and remain in accordance with the Public Sector Internal Audit Standards”.

8.3 Reference added to “Ensure methods of working take into account any changes in the organisational structure....”

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 March 2014
Report for: Approval
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Service – Internal Audit Operational Plan 2014/15

Summary

The purpose of the report is to provide, at a high level, the proposed Internal Audit Operational Plan for 2014/15.

Recommendation

The Accounts and Audit Committee is asked to approve the 2014/15 Internal Audit Plan.

Contact person for access to background papers and further information:

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

Background Papers:
None

Internal Audit Operational Plan 2014/15 – Audit and Assurance Service

1. Introduction

- 1.1 The 2014/15 Internal Audit Operational Plan identifies the work to be undertaken by the Audit and Assurance Service during the year. This report describes its method of compilation and presents, at a high level, the 2014/15 Plan for approval.

2. Background

- 2.1 Each year the Audit and Assurance Service produces a report setting out its annual plan for approval by CMT and the Accounts and Audit Committee. Subsequent updates are then provided to CMT and the Accounts and Audit Committee through the year highlighting work undertaken and progress against key areas of the Plan.
- 2.2 In accordance with the Accounts and Audit (England) Regulations 2011, it is a requirement that the Council “must undertake an adequate and effective internal audit of its accounting records and its system of internal control in accordance with the proper practices in relation to internal control.” In order to support this, it should be noted that new standards for Internal Audit have been in place since 1 April 2013, the Public Sector Internal Audit Standards. These replaced the CIPFA Code of Practice for Internal Audit in Local Government (2006). In 2013/14, the Audit and Assurance Service reviewed its Charter, Strategy and supporting procedures to ensure adherence to the Standards which will be reported on, as required, by June 2014 in the 2013/14 Annual Internal Audit Report.

3. Compilation of the Plan

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

- across the Council are also taken into account in planning and scheduling work.
- 3.4 Corporate Directorates provide input to the plan through liaison with the Audit and Assurance Service throughout the year, through information provided in risk registers, self assessments and control / governance issues raised by individual services.
 - 3.5 The Service has a number of obligations to take into account in producing the Plan. This includes the need to set aside time to meet the requirements of the Accounts and Audit Regulations 2011 by facilitating the production of the Authority's Annual Governance Statement.
 - 3.6 Plans also take into account other audit, assurance or development work being undertaken in particular areas. This includes for instance work by the External Auditor and other developments across the Council.
 - 3.7 The amount of time available to undertake the annual plan is identified, and individual areas of work selected on the basis of risk until available time has been utilised. This includes time taken into account to ensure there is adequate follow up of findings from work undertaken in the previous year. A contingency is also held to allow for unforeseen circumstances.
 - 3.8 For reporting and monitoring purposes the plan is divided into a number of categories. Whilst the plan is divided into these categories it should be noted that there are significant areas of overlap between them and assurance gathered from one source could apply to another. For instance, whilst there is a block of time allocated to procurement and value for money, such issues will also be covered to some degree within other areas of the plan such as reviews of fundamental systems; anti-fraud and corruption work and reviews of schools and other establishments.
 - 3.9 It should be noted that there is a reduction in planned operational days in the Audit Plan, due to the departure of one member of staff, the post having been subsequently deleted. (1325 planned days in 2014/15 compared to 1450 in 2013/14). As in previous years when an officer has left the team, this has resulted in a reduction in days in some areas of the Plan although given the reduction has been applied over a number of categories, in 2014/15 there is no significant reduction in any one specific category.
 - 3.10 There is a variety of activities undertaken to fulfil the Audit Plan and in addition to conducting internal audit reviews, work also includes providing input to project / working groups, providing guidance and advice, and developing or providing input to council policies and procedures.
 - 3.11 The report does not include reference to all work to be undertaken during the year. As issues are raised or areas of risks are identified on an

ongoing basis, other areas are included through the year and existing plans reviewed. For some areas, elements of planning may take place during the year and therefore detailed plans are not available at the commencement of the year. Quarterly updates to CMT and the Accounts and Audit Committee will include reference to new work included in the work plan through the year. The Operational Plan is flexible and during the year adjustments may be made to accommodate any changes in the control environment and to consider emergent risks. Supporting the plan set out in this report are further detailed programmes of work for the individual categories listed in section 4, plus further plans detailing work allocated to individual staff.

- 3.12 It should be noted that there are a number of other activities undertaken that are not reflected in the analysis of planned days as they are not attributable to one particular category of work but support the audit process. These include support to the Accounts and Audit Committee, liaison with the External Auditor (Grant Thornton), development of audit systems, procedures and guidance, networking with other Greater Manchester Internal Audit groups to share good practice, information gathering in support of the production of the audit plan etc. Separate time allocations are given to individual staff to undertake these activities.
- 3.13 Where key areas identified in the Plan are not undertaken as scheduled, this will be reported in subsequent updates and / or the Annual Internal Audit Report as necessary.

4. Operational Plan Coverage 2014/15

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

4.2 Fundamental Systems

These are the core financial systems that provide key inputs for the production of the material balances in the Council's accounts. Work in the first part of the year will focus on undertaking 2013/14 system reviews. Work in planning for 2014/15 reviews will commence towards the end of the year.

Previous assurance obtained in earlier audits will be taken into account in planning the level of audit coverage within individual reviews.

The following 13 systems will be reviewed as part of annual reviews specifically covering 2013/14 with a report issued for each review:

Payroll, Treasury Management, Purchase to Pay, Accounts Receivable and Debt Recovery, Council Tax, Business Rates, Housing Benefit and Council Tax Reduction, Income Control, Budgetary Control, Let Estates, Works Management, Energy Management and Fuel Card monitoring,

Further work relating to a number of other systems will be undertaken during the year. This will include reporting on findings from four reviews which are either currently in progress or to commence in 2014/15. These are as follows : Softbox system (Children, Families and Wellbeing), Personal Budgets (Children, Families and Wellbeing), Insurance, and Education FMS (schools system).

4.3 Governance

Audit and Assurance will lead on reviewing and collating supporting evidence and assurances for the completion of the Council's 2013/14 Annual Governance Statement. As part of this, a Corporate Governance review will be completed using CIPFA/SOLACE guidance as a framework. This identifies particular aspects of governance arrangements to review across the Council such as clarity of responsibilities and reporting arrangements, procedural issues, standards of conduct, management of risks, community engagement, workforce planning etc. Work in support of producing the 2014/15 Annual Governance Statement will commence in the final quarter of the year.

An audit review of governance arrangements in respect of the Trafford Partnership will be undertaken, once the Council's restructure of the service area supporting the Partnership has been completed later in the year.

An audit review has commenced as planned in March 2014 of partnership arrangements in respect of the Section 75 Strategic Partnership agreement for integrated commissioning of children's health and social care services, between Trafford Council and Trafford Clinical Commissioning Group. The review will be completed and findings expected to be reported later in 2014. In addition, later in the year a review of the recently established Section 75 Strategic Partnership Agreement for the integrated delivery of health and social care between Trafford Council and Pennine Care Foundation Trust will be completed.

4.4 Risk Management

Time is allocated to review existing risk management arrangements across the Council and ensuring processes are evidenced. This will include continuing to facilitate the ongoing update of the strategic risk register. This provides assurance in respect of the highest strategic risks faced by the Authority in terms of the management and ongoing monitoring of those risks. As part of this, there will also be ongoing liaison with individual Corporate Directorates to share good practice and gather

assurance at a Directorate level that risk registers at that level continue to be maintained effectively. The Service maintains corporate risk management guidance, available on the Council's intranet, which where applicable will continue to be updated.

4.5 Anti Fraud & Corruption

The key areas of focus in this area are :

- To further develop the anti fraud and corruption culture within the Council by, for example, raising awareness corporately.
- To investigate referred cases.

In 2014/15, the Service will continue to contribute to raising awareness across the Council of the Council's Anti-Fraud and Corruption Strategy and supporting guidance in order to promote measures to prevent, deter or detect instances of fraud and corruption. As part of this, the Service will liaise with Legal and Human Resources as required, where appropriate, to review existing policies and protocols.

The Service maintains anti-fraud and corruption guidance on the Council intranet, which where applicable will continue to be updated.

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

4.6 Procurement / Value for Money

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

Arrangements for recruiting to the multi-authority collaborative strategic procurement unit, consisting of Stockport, Trafford and Rochdale Councils (STaR) are now well advanced. Audit and Assurance will continue to monitor developments in this area with a view to agreeing work plans later in the year in consultation and collaboration with the Director of STaR and member Authorities.

Towards the end of the year, an audit review of the contract letting and monitoring arrangements for the new corporate Car Parking enforcement contract will be undertaken.

There will also be a contract monitoring audit review of the arrangements established in respect of the lease for the management / operation of Altrincham Market.

As part of the 2014/15 Plan, Audit will be agreeing, in liaison with the Director of Public Health and also the Procurement team, audit coverage of contracting issues relating to Public Health. (Work commenced on the contract award and monitoring arrangements for the Sexual Health contract during 2013/14 and will be completed in 2014/15 with further review work to be agreed).

Time will also be allocated for any work carried forward from the 2013/14 Internal Audit Plan which will be highlighted in the 2013/14 Annual Internal Audit Report.

Where appropriate, Audit will continue to liaise with Procurement to investigate issues in relation to adherence to the Contract Procedure Rules.

4.7 Information, Communications and Technology (ICT)

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

In 2014/15 a number of pieces of audit work carried out in 2013/14 will be followed up to provide assurance that appropriate controls have been put in place where areas for improvements in control had previously been identified. This includes follow up of three previous audits : The ICT Data Centre review, Information Governance review and the Integrated Children's System /Electronic Common Assessment Framework review.

A number of schools ICT Governance and Security reviews were completed during 2013/14 with reports issued to individual schools. In 2014/15, a corporate report will be issued to summarise any key issues and recommendations made.

A review will be completed of functionality/security in relation to the newly developed Council website.

A review will also be undertaken of ICT Change Management processes to review against best practice.

There will also be a review of ICT controls within the Council's general ledger covering security of systems and data and reliability of data outputs.

Audit will continue to provide project assurance where required to project / working groups for corporate ICT developments. Advice / guidance on control issues relating to ICT related developments within individual service areas will also be given as required.

Audit will continue to contribute to the Information Security and Governance Board such as providing input where required to the process of reviewing policies and other developments.

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

Any further review work will be agreed during the year and reported to CMT and the Accounts and Audit Committee.

4.8 Schools

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

Based on a risk assessment, taking into account the information above and from previous work undertaken at each school and liaison with the CFW Directorate and Finance Services, a minimum of 14 school audit opinion reports will be issued. This will include follow up work undertaken for schools where a less than adequate opinion was provided in 2013/14. The majority of school audits will take place from September 2014.

The Plan also includes a review of the newly established Nexus Education Centre, which was formed following the amalgamation of the Council's Key Stage 3 and Key Stage 4 pupil referral units.

Work is also in progress in developing an optional service for schools whereby a school audit "healthcheck" will be offered at an agreed charge. Further details on this will be reported as part of a future Audit and Assurance quarterly update later in the year.

4.9 Establishments

A number of establishment reviews are completed each year to ensure a broad coverage of audit work across the Council. The approach taken to auditing this area may include reviews of individual establishments and also central reviews taking into account processes on a service wide basis. Risks reviewed encompass a number of areas of control such as procedures and responsibilities, adherence to legislation and internal procedures, budgetary control, Payroll/HR related processes, risk management, security (of cash, assets and data), purchasing; income collection and recording and other areas specific to the service under review.

The following new reviews are planned:

- Meadowside Day Centre (Older People, Learning Disability services)
- One Children's centre
- Follow up audit of Altrincham Crematorium which was previously audited in 2013/14.

There will also be time allocated for the completion of any reviews in progress / audits carried forward from the 2013/14 Plan (which will be highlighted in the 2013/14 Annual Internal Audit Report). These will include the issue of the following reports in 2014/15:

- Sale Waterside Theatre
- 2 Children's Centres.

Further time will be allocated if necessary for other establishment reviews, dependent on priorities, including accommodating audits following issues raised during the year.

4.10 Assurance – Other Key Business Risks

Time is allocated to reviewing risk areas derived from a number of sources not covered within other categories of the Plan, including Directors / senior managers' recommendations, risk registers (Strategic and Directorate Risk Registers), and internal audit risk assessments.

Reviews planned to be completed include the following:

- Building Control (Economic Growth and Prosperity)
- Catering -Trafford Town Hall (Environment, Transport and Operations)
- Music Service (Children Families and Wellbeing)
- Trafford Youth Service barge project (Children, Families and Wellbeing)
- Registrar's Income (Transformation and Resources)

Follow up work in respect of reviews previously undertaken in 2013/14 will be undertaken. This will include follow up reviews of:

- Section 106 Planning Agreements
- Business Continuity
- Carrington weighbridge (waste transfer)
- Carrington Depot Stores (follow up on audit reports issued in 2013/14 relating to reviews in Stores and Street Lighting).

In addition, reviews planned to commence in 2014/15 include the following:

- Planning Control (Economic Growth and Prosperity)
- Land Sales programme (Economic Growth and Prosperity).

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

There will also be time allocated for the completion of any reviews in progress / carried forward from 2013/14 (which will be highlighted in the 2013/14 Annual Internal Audit Report).

Finally, where required, the Audit and Assurance Service will continue to provide a role in reviewing data provided on certain statutory returns. This will include the Carbon Reduction Commitment (CRC) reports the Council is required to submit.

The majority of reviews in this category are expected to commence in the second half of the year. There will also be time set aside to review other potential risk areas as raised through 2014/15.

4.11 Service Advice / Projects

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

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

Audit also contributes to a number of project groups involved in the development of new systems or review of processes, providing advice and assurance where appropriate. (In 2013/14, this included input to groups/boards relating to the New Organisational Model Enabler team, corporate review of ETO Operations, Information Security Governance Board, Adult Social Care system, Housing Benefits Risk Based Verification Policy and Customer Relationship Management (CRM) project). Audit will continue to set planned time aside to contribute to projects to provide input in terms of consideration of internal control issues. Significant areas of work undertaken will be reported as part of 2014/15 updates to CMT and the Accounts and Audit Committee.

4.12 Financial Appraisals

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

2014/15 Operational Audit Plan – Allocation in Days

Appendix

Category	Details	<u>Impact of Audit and Assurance's work</u>	<u>Planned Days</u> (Profiled by each quarter of year – Q1/Q2/Q3/Q4)
Fundamental Systems	Completion of annual (2013/14) fundamental systems reviews and other system reviews. Planning of 2014/15 fundamental systems reviews.	Assurance on the operation of material business critical systems. Improvements in control environment supporting the achievement of corporate priorities, effective financial management, good governance and supporting the Council's position in respect of its external audit review.	230 (70/70/50/40)
Governance	Corporate Governance Review. Collation of supporting evidence and production of the 2012/13 Annual Governance Statement Audit reviews of governance arrangements for the Council's significant partnerships.	Provision of assurance on the effectiveness of governance arrangements in place within the Council to support the achievement of Council and Community objectives and priorities. The Annual Governance Statement provides assurance to the public on the effectiveness of governance arrangements and enables the establishment of corporate improvement priorities. Provision of assurance on the effectiveness of partnership governance arrangements. Supporting the achievement of Council and Trafford Partnership priority outcomes.	80 (37/12/22/9)
Corporate Risk Management	Facilitating the updating of the Council's strategic risk register. Progression of actions to support the Council's Risk Management Strategy including review of risk management	Assisting the Council to effectively manage risks leading to improvements in service delivery, achievement of objectives and improvements in the allocation of resources. The work also supports the Council in evidencing good practice undertaken when subject to external audit review.	30 (5/10/5/10)

	processes, awareness raising and provision of guidance to services and partnerships.		
Anti Fraud & Corruption	<p>Work supporting the Anti- Fraud and Corruption Strategy, including raising awareness of supporting guidance to promote measures to prevent, deter or detect instances of fraud and corruption.</p> <p>Continued work in supporting the National Fraud Initiative.</p> <p>Investigation of referred cases, including if applicable those highlighted through the National Fraud Initiative.</p>	<p>Contributes to the maintenance of high standards of conduct and governance. Provides assurance on the management of the risks of fraud and corruption. Advice to services on the improvement of controls in place to reduce potential risks, e.g. financial loss and reputational damage.</p>	<p>180 (40/45/50/45)</p>
Procurement / Value for money	<p>Review of procurement / contract management arrangements across the Council including systems in place and associated arrangements to secure value for money.</p>	<p>Assurance and challenge on the adequacy of procurement arrangements. Contributes to improvements in service delivery and the achievement of value for money for the Council.</p>	<p>70 (10/15/15/30)</p>
ICT Audit	<p>Reviews to be completed in line with the ICT audit plan.</p> <p>Investigation of misuse of ICT and awareness raising regarding appropriate use of ICT.</p>	<p>Specialised technical advice and assurance on the adequacy of controls surrounding ICT systems. Assurance to managers who place significant reliance on ICT systems for the delivery of services.</p>	<p>90 (20/25/20/25)</p>
Schools	<p>Audit reviews of individual schools and service wide review work.</p> <p>Supporting schools in ensuring awareness of requirements within the</p>	<p>Supports improvements in standards of governance and control in schools and supports process to enable achievement of standards set by DfE.</p>	<p>170 (25/30/55/60)</p>

	DfE Schools' Financial Value Standard.		
Establishments	Reviewing governance and control arrangements across a range of establishments.	This work enables Internal Audit to provide a breadth of assurance across the Council that there are adequate governance and control arrangements in place, that policies and procedures are being implemented, that risks are being managed, and outcomes delivered.	70 (20/20/15/15)
Assurance – Other Key Business Risks	Selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews will include authority wide issues and areas relating to individual service areas.	Improvement in the delivery of objectives and outcomes in areas where risks are identified.	170 (20/45/40/65)
Service Advice / Projects	General advice across all services. Support and advice to the organisation in carrying out key projects ensuring new systems, functions and procedures provide for adequate controls and good governance arrangements.	Support to services around the relevance and application of corporate policies, procedure rules and good governance arrangements. Contributing to the delivery of effective project outcomes ensuring key risks are taken into account and appropriate controls considered in the development of new systems, functions and procedures.	100 (25/25/25/25)
Financial Appraisals	Financial Assessments of contractors and potential providers	Assurance to services on the financial viability of contractors and potential providers Reducing risk in procurement and delivery of services across the Council	35 (9/9/9/8)

		Total Allocated Days	1225 (281/306/306/332)
		Contingency (To cover additional / unexpected work and any unexpected reductions in available staff days).	100
		Total Planned Days	1325
		Available Days	1325
		Surplus/Deficit for Year	0

The Audit Plan for Trafford Council

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

Year ended 31 March 2014

25 March 2014

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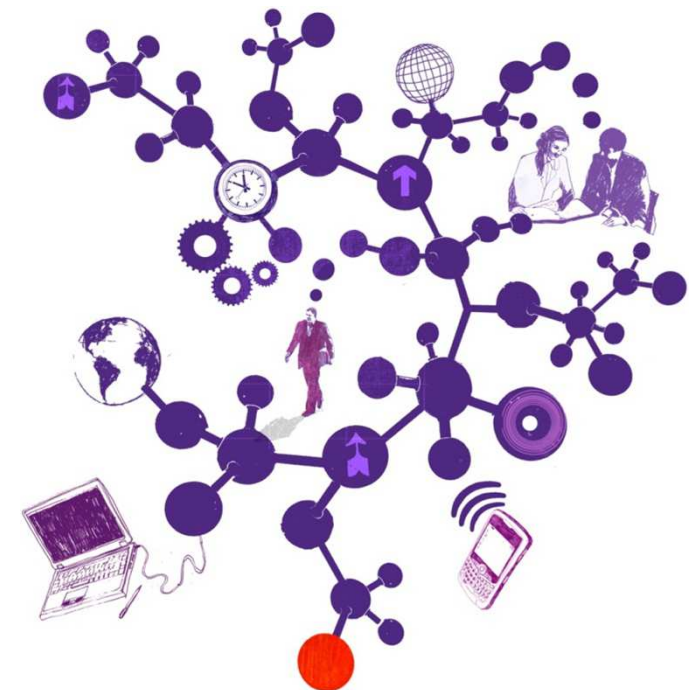
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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to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

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Understanding your business

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

Challenges/opportunities

1. Efficiency savings

- The Council plans to deliver a balanced budget in 2013/14 and needs to achieve £18.5m savings.

2. Medium term financial planning

- The Council has agreed its budget for 2014/15. This requires efficiency, additional income and other savings measures amounting to £17m.
- The Council's medium term forecast indicates it will need to reduce expenditure and/or increase income by £49.8m over the next three years, 2015/18.

3. Responding to changes or transfers of responsibilities to Local Government

- From 1 April 2013 the Council took on new responsibilities including Public Health, Business Rates Retention and Local Council Tax Support. These changes present both opportunities and challenges for the Council.

4. Delivering regeneration projects

- The Council continues to work closely with private and public sector partners to co-ordinate and implement the strategic economic growth of the Borough, including the regeneration of town centres

Our response

- Review the 2013/14 revenue budget outturn and audit of the 2013/14 financial statements.
- Monitor the forecast outturn and financial position of the Council for the 2013/14 year.

- Examine the Council's arrangements to update its Medium Term Financial Strategy and projections of savings required in future years.

- Watching brief over the changes to the Council's arrangements.
- Review of the joint plan prepared by the Council with Trafford CCG and the Health and Wellbeing Board for the transformation of adult health and social care services through the Better Care Fund.

- Watching brief over the Council's regeneration projects and future plans.
- Audit of accounting for Capital Expenditure, Capital Financing, Grants and Contributions.

Developments relevant to your business and the audit

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

Developments and other requirements

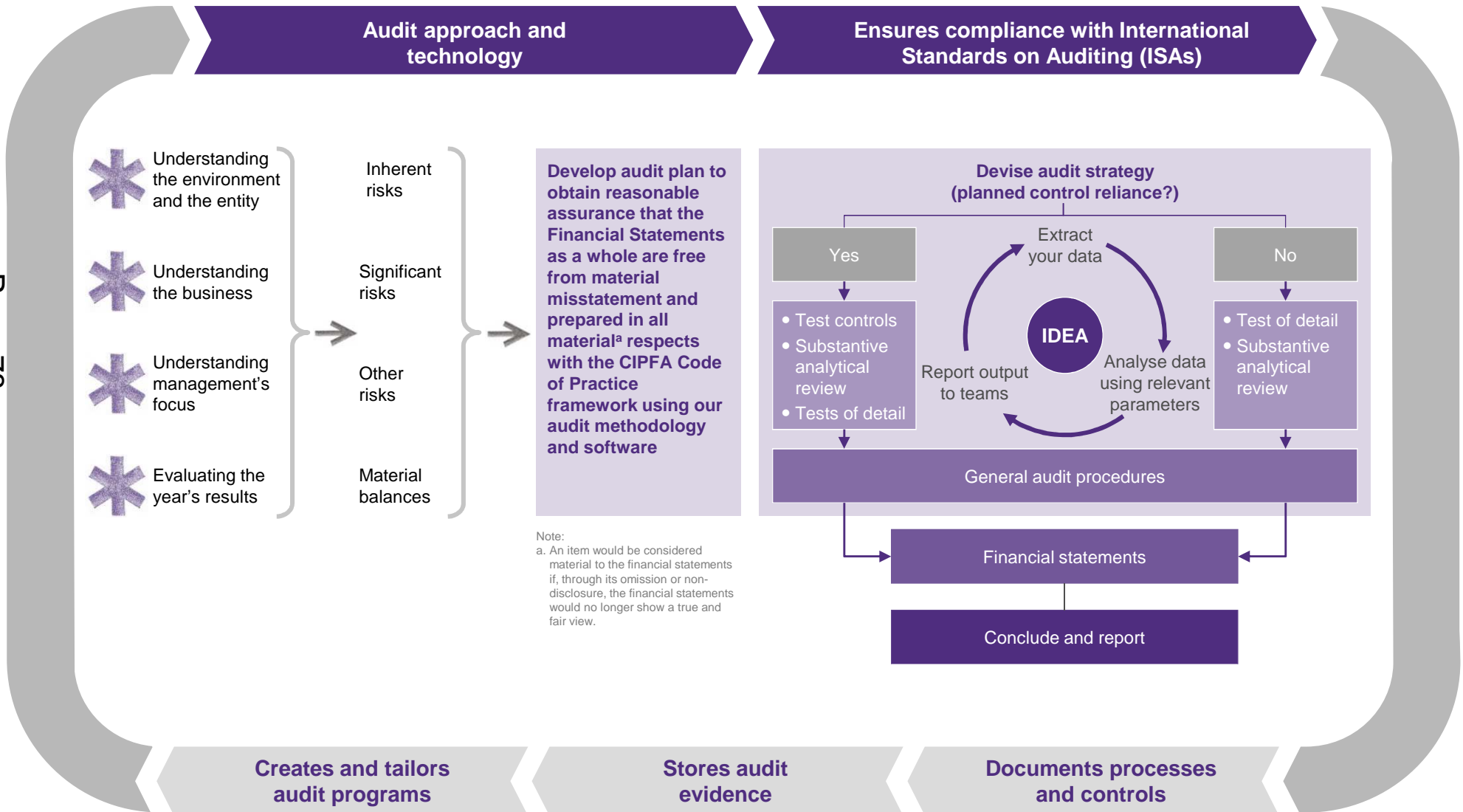
<p>1. Financial reporting</p> <ul style="list-style-type: none"> • Changes to the CIPFA Code of Practice • Clarification of Code requirements around PPE valuations • Changes to NDR accounting and provisions for business rate appeals • Transfer of assets to Academies 	<p>2. Legislation</p> <ul style="list-style-type: none"> • Local Government Finance settlement • Welfare reform Act 2012 	<p>3. Corporate governance</p> <ul style="list-style-type: none"> • Annual Governance Statement (AGS) • Explanatory foreword 	<p>4. Pensions</p> <ul style="list-style-type: none"> • The impact of 2013/14 changes to the Local Government pension Scheme (LGPS) 	<p>5. Continuing financial Pressures</p> <ul style="list-style-type: none"> • Managing service provision with less resource • Progress against savings plans 	<p>6. Other requirements</p> <ul style="list-style-type: none"> • The Council is required to submit a Whole of Government accounts pack on which we provide an audit opinion • The Council completes grant claims and returns on which audit certification is required
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Our response

<p>We will ensure that</p> <ul style="list-style-type: none"> • The Council complies with the requirements of the CIPFA Code of Practice and business rate appeals through discussions with management and our substantive testing • Schools are accounted for correctly and in line with the latest guidance 	<ul style="list-style-type: none"> • We will discuss the impact of the legislative changes with the Council through our regular meetings with senior management and those charged with governance, providing a view where appropriate 	<ul style="list-style-type: none"> • We will review the arrangements the Council has in place for the production of the AGS • We will review the AGS and the explanatory foreword to consider whether they are consistent with our knowledge 	<ul style="list-style-type: none"> • We will review how the Council dealt with the impact of the 2013/14 changes through our meetings with senior management and will review the accounting treatment in the 13/14 accounts for IAS19 	<ul style="list-style-type: none"> • We will review performance against the savings plans, and the arrangements in place to respond to financial pressures • We will undertake a review of financial resilience as part of our VFM conclusion 	<ul style="list-style-type: none"> • We will carry out work on the WGA pack in accordance with requirements • We will certify grant claims and returns in accordance with Audit Commission requirements
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Our audit approach

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Significant risks identified

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

In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing – ISAs) which are listed below:

Significant risk	Description	Substantive audit procedures
The revenue cycle includes fraudulent transactions	Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.	<ul style="list-style-type: none">• Review and testing of revenue recognition policies• Testing of material revenue streams
Management over-ride of controls	Under ISA 240 there is a presumed risk that the risk of management over-ride of controls is present in all entities.	<ul style="list-style-type: none">• Review of accounting estimates, judgments and decisions made by management• Testing of journal entries• Review of unusual significant transactions• Review of IT general controls

Other risks identified

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

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

Other reasonably possible risks	Description	Work to be completed during interim visit	Further work planned at post statements visit
Operating expenses	Creditors understated or not recorded in the correct period	<ul style="list-style-type: none"> • Documentation of processes and controls • Evaluation and walkthrough of controls • Sample testing of expenditure in the year to date 	<ul style="list-style-type: none"> • Sample testing of operating expenses for the remaining period of the year. • Detailed review and testing of year end accruals and creditor balances.
Employee remuneration	Employee remuneration accrual understated	<ul style="list-style-type: none"> • Documentation of the processes and controls • Evaluation and walkthrough of controls • Sample testing of expenditure in the year to date 	<ul style="list-style-type: none"> • Sample test of payroll expenditure for the remaining period of the year.
Welfare Expenditure	Welfare benefit expenditure improperly computed	<ul style="list-style-type: none"> • Documentation of processes and controls • Evaluation and walkthrough of controls 	<ul style="list-style-type: none"> • Agreement to accounts and supporting notes. • Housing Benefit and Council Tax Subsidy Claim testing using Audit Commission HBCOUNT approach.
Property, Plant & Equipment	PPE activity not valid	<ul style="list-style-type: none"> • Test to confirm the operation of the system and controls • Evaluation and walkthrough of controls. 	<ul style="list-style-type: none"> • Sample testing of PPE movements during the year. • Agreement to accounts and supporting notes. • Sample test of PPE additions and disposals, including compliance with capitalisation requirements.

Other risks identified

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

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

Other reasonably possible risks	Description	Work to be completed during interim visit	Further work planned at post statements visit
Property, Plant & Equipment	Revaluation measurement not correct	<ul style="list-style-type: none"> Review of the arrangements made by management to commission an appropriate valuation of the Council's asset base and the steps taken to ensure that valuations obtained are correctly reflected in the Council's asset register and accounted for in the financial statements. 	<ul style="list-style-type: none"> Review of the analysis which demonstrates that the value of assets in the Council's balance sheet is not materially different from the amount that would be given by a full valuation carried out on 31 March 2014. Detailed testing of accounting entries posted to reflect valuations obtained.

Value for money

Value for money

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

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

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

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We have undertaken a risk assessment to identify areas of risk to our VfM conclusion. We will undertake work in the following areas to address the risks identified:

- Assess 2013/14 financial performance, the 2014/15 revenue budget assumptions, and the Medium Term Financial Strategy.
- High level review of actions taken by the Council to manage risks to council tax and business rates collection levels arising from welfare reform, changes to business rates and the current economic climate.
- Review, as a tracer, the Council's joint work with its partners to implement the Better Care Fund.

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings report and in the Annual Audit Letter.

Results of interim audit work

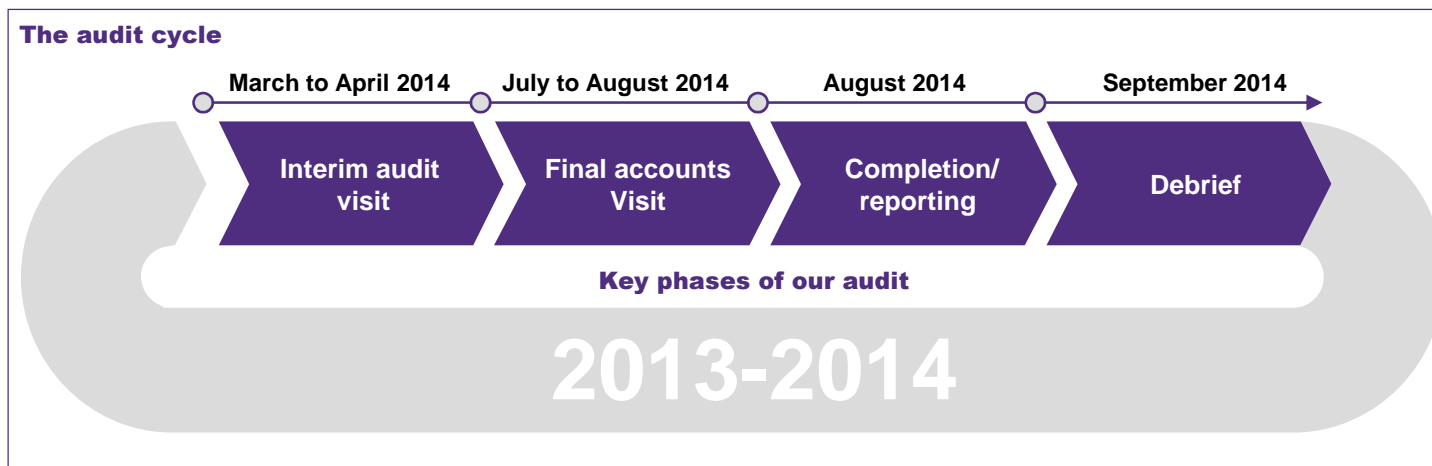
The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed and findings	Conclusion
Internal audit	<p>We are reviewing internal audit's overall arrangements in accordance with auditing standards. Our work to date has not identified any issues which we wish to bring to your attention.</p> <p>We are also reviewing internal audit's work on the Council's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.</p>	<p>When this work is complete, we will conclude whether overall the internal audit service continues to provide an independent and satisfactory service to the Council and internal audit work contributes to an effective internal control environment at the Council.</p>
Walkthrough testing	<p>We are completing walkthrough tests of controls operating in areas where we consider that there is a risk of material misstatement to the financial statements.</p>	<p>Upon completion of this work, we will bring to your attention any issues or weaknesses which impact on our audit approach.</p>
Review of information technology (IT) controls	<p>Our information systems specialists are performing a high level review of the general IT control environment, as part of the overall review of the internal controls system. This is to provide assurance that IT controls have been implemented in accordance with our documented understanding.</p>	<p>Our work to date has identified no material weaknesses which are likely to adversely impact on the Council's financial statements.</p>

Results of interim audit work

	Work performed	Conclusion
Journal entry controls	<p>We are reviewing the Council's journal entry policies and procedures as part of determining our journal entry testing strategy.</p> <p>We will perform detailed testing of journal entries at the year end.</p>	<p>Our work to date has not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p>

Key dates



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

Fees and independence

Fees

	£
Council audit	156,119
Grant certification	27,700
Total fees (excluding VAT)	183,819

Fees for other services

Service	Fees £
n/a	nil

Our fee assumptions include:

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

Independence and ethics

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

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

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

Communication of audit matters with those charged with governance

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

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

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

Respective responsibilities

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

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

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

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

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



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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 March 2014
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Anti-Fraud and Corruption Update

Summary

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

Recommendation

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

Contact person for access to background papers and further information:

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

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

Background Papers:

Trafford Council Anti-Fraud and Corruption Strategy

Audit and Assurance Service – Anti-Fraud and Corruption work update 2014

1. Introduction

- 1.1 As part of the internal audit plan, the Audit and Assurance Service conducts work relating to anti-fraud and corruption. As well as undertaking investigative activities, work also involves reviewing measures in place to reduce the risk of fraud and raising awareness across the Council.
- 1.2 This report summarises work undertaken in 2013/14 and planned actions to support the Anti-Fraud and Corruption Strategy.
- 1.3 The report does not include a detailed update of work undertaken relating to Benefit Fraud. The Accounts and Audit Committee received an update on this in September 2013 and will receive a further update later in 2014.
- 1.4 The formation of a Single Fraud Investigation Service (SFIS), covering all welfare benefit fraud, was announced in the Autumn Statement by the Chancellor of the Exchequer on 5 December 2013. As previously reported to the Accounts and Audit Committee, the SFIS will bring together welfare benefit fraud investigations currently undertaken by DWP, local authorities and HMRC. It is expected that these changes will take place on a phased basis with completion by March 2016. Future updates in respect of benefit fraud to the Accounts and Audit Committee in 2014 will include developments on this when details of the rollout of this in Trafford are confirmed.

2. Guidance / Awareness Raising

- 2.1 The Audit and Assurance Service in conjunction with the Human Resources Workforce Strategy team launched an e-learning tool: "Fraud Awareness for Local Government". This course was provided by the National Fraud Authority in conjunction with Deloitte.
- 2.2 The course was made available from May 2013. Initially this was targeted at managers across the Council. Updates on the progress of this group in completing the course have been provided to the Corporate Management Team (CMT). As at the end of February 2014, just under 62% of managers have successfully completed this training. A further 3%% have partially completed the course.
- 2.3 CMT have subsequently agreed that the e-learning course should be mandatory for all employees with a Trafford Council network account.

Access to the e-learning site was rolled out to these other relevant employees later in the year.

2.4 A progress report produced in February 2014 identified that a total of 837 employees (approximately 36% of all employees with access to the training, including managers) have successfully completed the e-learning module since its release. A further 61 have partially completed the course.

2.5 Other anti fraud and corruption initiatives undertaken in the year include:

- The issuing of general guidance on the Council's policies on registering offers of gifts and hospitality.
- Two Governor training sessions have been provided in conjunction with Trafford's Governor Services section entitled "An introduction to Internal Audit". The second half of these sessions were particularly focussed on Anti Fraud and Corruption and feedback on the sessions from Governors attending was positive.
- New Head Teacher induction training undertaken at an event in conjunction with other services.

3. National Fraud Initiative (NFI)

3.1 The Audit and Assurance Service continue to undertake the investigation of referred cases of fraud and corruption including the examination of matches identified by the National Fraud Initiative data matching exercises (NFI).

3.2 As Members will be aware through previous reports to the Committee, the National Fraud Initiative (NFI) is a nationwide data matching exercise. It is designed to help participating bodies identify possible cases of error or fraud and detect and correct any consequential under or overpayments from the public purse. It is carried out once every two years at minimal cost to the organisations involved and is firmly established as the United Kingdom's premier public sector fraud detection exercise.

3.3 Council data was submitted to the Audit Commission in October 2012 and the subsequent matches were received in January 2013. To the beginning of March 2014 a total of 1,839 matches have been reviewed which has resulted in the identification and correction of 99 errors and the detection of 8 frauds. A further 34 cases are currently being investigated.

3.4 All of the identified frauds relate to Housing Benefit matches. Total overpayments currently being recovered as a result of the 2012/2013

NFI exercise amount to £66,995. There is also an ongoing weekly reduction in payments of £1,015, approximately £52,780 per annum.

- 3.5 The NFI exercise also includes a requirement for local authorities to submit council tax and electoral register data for a Council Tax Single Person Discount (SPD) data match. In the Audit Commission's publication "Protecting the Public Purse 2013" it is recognised that the NFI has identified over 100,000 cases of SPD fraud nationally, totalling £160m.
- 3.6 In Trafford, the previous NFI SPD match identified 124 cases where the discount had been claimed incorrectly and a total of £39,036 was recovered. This outcome was achieved by officers in the Audit and Assurance Service working with officers from the Council Tax section.
- 3.7 Trafford Council will be sending its latest council tax and electoral register data during March 2014.

4. Investigations

- 4.1 Investigations across the Council in the year relate to a number of themes including disposal of council assets (one), ICT investigations (two), and loss/theft of cash or assets (five).
- 4.2 During 2013/14 Audit and Assurance staff have contributed to work in relation to one ongoing and five new investigations.
- 4.3 In relation to four of the six investigations, Audit has recommended control improvements to reduce future risks. These relate to the following:
 - Investigation in to levels of materials usage and stock control procedures following allegations of theft.
 - Investigations into the disposal of ICT assets.
 - Two instances of loss of cash in establishments.

The two other investigations relate to alleged ICT misuse. For one of these, this resulted in the resignation of one employee. The other investigation is ongoing.

- 4.4 In addition, a further two thefts (one equipment and one cash) are currently the subject of separate police investigations. One of these is the subject of a formal internal disciplinary investigation against an employee, however no-one has yet been charged with a criminal offence. The other case involving the theft of cash has been referred to Crown Court.

4.5 Further updates on the above will be given as part of the 2013/14 Annual Internal Audit Report.

5. Future Work

5.1 Future work in respect of anti fraud and corruption initiatives will include:

- Further activity in relation to awareness raising for staff, including analysis of completion of the e-learning module and, where applicable, reminders to managers and other staff to complete this.
- In addition to the Council Tax and Electoral register upload in respect of SPD claimants mentioned previously, preparatory work for the next full NFI data matching exercise to take place around October 2014 will commence around June this year.
- Liaison with Legal Services and Human Resources as appropriate in reviewing Council's policies and procedures in relation to anti fraud and corruption.
- Continued support in investigations across the Council as and when required/appropriate.
- Inclusion of a number of audit reviews in the Audit Plan following up on control issues / risks previously identified in relation to investigations undertaken.

5.2 A dedicated block of time will be set aside in the Annual Audit plan in order to undertake this work.

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1. INTRODUCTION

- 1.1 The Council's Strategic Risk Register (SRR) contains the strategic risks the Council is likely to face in achieving its high level corporate objectives.
- 1.2 In accordance with the Council's Risk Management Policy, the Corporate Management Team (CMT) provides regular periodic updates on the strategic risk environment and in particular performance in managing the specific risks incorporated within the SRR.
- 1.3 This report, for quarter four 2013/14, is based on information provided by risk owners through January to March 2014.
- 1.4 The report highlights changes since the previous quarterly update and also, stated in section 2 below, key developments since the Accounts and Audit Committee last received an update in September 2013.

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

- 2.1 Section 3 of this report contains a summary listing of the highest strategic risks identified. The Audit & Assurance Service requested current strategic risk owners to provide a summary update on the strategic risks that are under their remit including progress in managing these risks.
- 2.2 **Overall, it is considered that the level of strategic risk faced by the Council remains fairly stable.**
- 2.3 Since the last strategic risk monitoring update was reported to the Accounts and Audit Committee (Quarter two report 2013/14 in September 2013), two strategic risks have been added to the Register. Details are as follows:
 - SR 20 (Risk added in quarter three) – Trafford Council must ensure that information held about citizens, employees, partners, contractors, members and organisations in Trafford is safe in their hands. To be able to assure its partners and the public that this is the case they need to demonstrate that they are handling personal/ sensitive and commercial data securely both in technology and physical terms. They also need to ensure that third parties acting on their behalf are handling their data sets in accordance with Trafford Council's policies and procedures. This is a corporate risk and the risk to the Council is reputational, financial and could ultimately be a breach of the Data Protection Act.
 - SR21 (Risk added in quarter four) – Ability to support schools in delivering the new national requirement in supplying Free School Meals.

- 2.4 The risk exposure score has remained stable or improved for many risks, with the exception of one.
- SR8 – Demand for eligible services outstrips resources in adult social care: Risk exposure score has increased from 20 (High) to 25 (High).
- 2.5 Four risks have reduced their risk exposure score:
- SR1 - Major regeneration projects do not proceed due to economic and financial constraints has decreased from 15 (Medium) to 8 (Low).
 - SR12 - Statutory targets relating to Adult Social Care services are not met has decreased from 12 (Medium) to 10 (Medium).
 - SR14 - Failure to complete the Business Continuity Programme Project, resulting in an increased risk that the Council may fail to deliver Council services in the event of significant disruption has decreased from 12 (Medium) to 10 (Medium).
 - SR17 -Inability to meet Trafford residents' requests to have burials within the local area due to insufficient land has decreased from 16 (High) to 12 (Medium).
- 2.6 The risk charts on page four show an analysis of the current strategic risks. The chart analyses the levels of risk exposure in terms of impact and likelihood. The number of strategic risks for each risk level is shown. There are now 21 strategic risks (four of which are considered high level).
- 2.7 Overall, it is considered that the strategic risk environment is stable overall. **Performance in managing the risks has been stable or shown improvement** as highlighted in the summary analysis of each risk on pages 5 to 16.

Comparison of Risk Levels December 2013 and March 2014

IMPACT		Risk Levels – December 2013				
		Very Low (1)	Low (2)	Med. (3)	High (4)	Very High (5)
Very High(5)		4	4	2	1	
High (4)		1	3			
Medium (3)			2	1	2	
Low (2)						
Very Low (1)						
		LIKELIHOOD				

IMPACT		Risk Levels – March 2014				
		Very Low (1)	Low (2)	Med. (3)	High (4)	Very High (5)
Very High(5)		4	4	1	2	
High (4)		1	3	1		
Medium (3)			2	1	2	
Low (2)						
Very Low (1)						
		LIKELIHOOD.				

High Risk
Medium Risk
Low Risk

3. Summary Table –Strategic Risks (March 2014)



Red	Amber	Green
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Risk	Strategic Risk Title / (Directorate) / (Portfolio)	Risk Level	Management of Risk - Direction of Travel *	Comments
1	Major regeneration projects, including Altair, Altrincham Strategic Framework delivery, Old Trafford Master Plan (OTMP) and Carrington development do not proceed due to economic and financial constraints. (EGP)/(EGP)	8 Low	↑ Improvement	<p>All project risks contained and detailed within individual project plans. Overall, all projects within tolerance.</p> <ul style="list-style-type: none"> • Urmston Phase 2 is now completed. • Altair planning application has been approved. • Funding has been approved for the OTMP, and Land Pooling Agreement on preparation. • Altrincham public realm strategy agreed and phase 1 complete. Procurement of design consultants for phase 2 to commence in February 2014. • Proposals for new Altrincham Library approved at Executive. Anticipated lease completion April 2014. • New operator for Altrincham market appointed and Operating Agreement and Agreement for lease completed (November 2013). • Stretford Masterplan approved (January 2014). • Draft Altrincham Strategy approved (January 2014). • Sale of Carrington by Shell to Langtee completed and new project governance structure agreed (December 2013).
2	Whilst safeguarding services in Trafford have been inspected and rated by OfSTED as good with good prospects for improvement, this is an area of Council responsibility that requires constant high levels of vigilance to guard against the risk of harm or abuse to children that could have been prevented through intervention and support of services. In particular, the risk of the Safeguarding Board not being effective in undertaking its duties and	20 High	↔ Stable	<ul style="list-style-type: none"> • Trafford took part in a Safeguarding Peer Review in February and received the final letter on 05 June 2013. An action plan in response was agreed and is almost complete. The overall messages about safeguarding were very positive, with recognition of good practice, strong partnership working and a learning organisation. The feedback has been helpful in confirming for us the areas of continued development and improvement which were already underway and the findings were in line with our own evaluation of strengths and areas of development needed. • OFSTED implemented their long awaited new inspection framework for local

	<p>responsibilities and/ or insufficient numbers of staff, particularly social workers with relevant experience, to provide effective safeguarding services to children and young people. (CFW)/(Supporting Children and Families)</p>			<p>authority safeguarding arrangements in November 2013 and several authorities have now been inspected. Authorities only receive 24 hours notice of the start of the four week process. Trafford has considered the new criteria for achieving an outcome of “good” and has worked on making sure the information required as soon as the unannounced inspection starts can be available. We anticipate an early inspection but have no way of knowing when it might happen.</p> <ul style="list-style-type: none"> • With regard to the general overview of safeguarding: <ul style="list-style-type: none"> • Partnership working and communication in safeguarding services remain good, both within the CFW and between the CFW, health partners and other agencies. Guidance and direction for staff are good and staff report experiencing professional challenge and support, with accessible managers and clear decision making. • Trafford continues to have a good reputation as an Authority, with high numbers of applicants for posts in CFW and positive feedback from staff who have come to Trafford from other Authorities. • Caseloads are high but manageable. The workload management system indicates that staff are working at capacity and this is kept under review on a monthly basis. • Training and support for social work staff has been reviewed to comply with the new national professional capabilities framework that is still in development. Training for experienced workers is now being developed to comply with the new requirements and Trafford has identified a Principal Social Worker for Children’s Services in line with the national requirement. • A partnership response in respect of Early Help for families is a priority as part of the response to the Munro Review of Child Protection and a strategy has been developed to
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				<p>reflect the work already undertaken and the work needed for the future.</p> <ul style="list-style-type: none"> • The Family Justice Review recommendations are being progressed and the new court timescales will be implemented in full by April 2014. This requires all Authorities to achieve outcomes for children in shorter timescales and for more expert work to be undertaken by Social Workers rather than additional professionals. • There remains heightened awareness regionally and nationally around child sexual exploitation. Trafford has a clear strategy and action plan on a partnership basis to manage this potential risk.
3	<p>Demand for school places under-estimated and/ or additional school places are not delivered to satisfy increased demand. (CFW)/(Education)</p>	<p>15 Medium</p>	<p>↔ Stable</p>	<ul style="list-style-type: none"> • All children have been allocated places for the 2013/14 academic year. • The demand for primary and secondary school places continues to be monitored and capital resources allocated to ensure sufficient places are provided to meet our statutory duty. • A two year resource allocation has now been received from Department for Education (DfE) and a capital programme is planned in line with projections. • A secondary sufficiency review has been launched with schools to manage the projected increases working through from the primary sector. A report on the outcome of consultations will be presented to the Executive in April 2014. The Review also addresses the fragmentation of governance arrangements.
4	<p>There continues to be uncertainty regarding the Council's medium term financial position given the reliance that exists on support from Central Government, cost pressures within the existing budget and major changes in the administration of Business Rates resulting in a greater risk being transferred to local government.</p>	<p>25 High</p>	<p>↔ Stable</p>	<ul style="list-style-type: none"> • The budget for 2014/15 has been balanced, however, even after allowing for a 2% rise in the Council Tax rate and 0.5% increase in the base per year, it is forecasted that a further £49.8m of savings will be required by 2017/18. • Risks surrounding the Business Rates Retention Scheme continue as the Government has not announced comprehensive regulations and accounting practices which are required to fully determine the impact of the Scheme in-year and in future years.

	(T&R)/(Finance)			<p>Further, analytical data from the Valuation Office Agency on valuation appeals is limited, making it difficult to determine impact in terms of timing and quantum.</p> <ul style="list-style-type: none"> • Council Tax Base and the demands on the Council Tax Subsidy Scheme would appear to be better than initially planned for, which has made a £1m contribution to the 2014/15 and ongoing sustainable budget. • Service spending continues to be tightly controlled with a forecasted under-spend on the revenue budget of £(0.353)m from services. • The focus of the Executive and Corporate Management Team has now moved to future budgets at a time of significant austerity. Business cases around potential future business models are in development for review by CMT mid to late March.
5	<p>Availability of capital resources from sales of surplus assets and Government Grant to support the Capital Programme. (T&R)/(Finance)</p>	<p>9 Medium</p>	<p>↔ Stable</p>	<ul style="list-style-type: none"> • Nationally, Government funding has been suppressed and cautious estimates of funding have been assumed by Trafford for its current Capital Programme. The sale of spare Council assets has also been suppressed due to the economy. This has reduced the availability of local discretionary funds. The current plans for 2014/17 maximise the use of LSVT VAT receipts from Trafford Housing Trust. • Historically an element of these has been retained to support a number of environmental warranties e.g. asbestos, given to THT following the transfer of housing stock, but THT has confirmed that no further claims are anticipated. In the event of any future valid claim any cost would need to be met from existing revenue or capital resources. • The Capital Programme and level of available resources continues to be monitored and reported to the Executive on a quarterly basis. As part of the current budget process the 2014/17 Programme has been reviewed to ensure it remains affordable. • The Community Infrastructure Levy represents a potential significant improvement in the availability of funds.

6	Ability of partnership working in relation to vulnerable adults and older people. (CFW)/(Adult Social Services)	12 Medium	 Stable	<p>No change in the risk since last update.</p> <ul style="list-style-type: none"> • The Health and Wellbeing Board is established. • The Health and Wellbeing Strategy has been subject to extensive consultation and was signed off by the Board in October 2013. The underpinning Action Plan is under development in partnership with the Clinical Commissioning Group (CCG), and wider stakeholders. • A Health and Wellbeing Programme Delivery Board has been convened to continue the population of the action plan on a wider partnership footprint. • The integration of Adult Social Care Operational Services and Trafford Provider Services has continued to progress based on strong project management arrangements. A formal partnership agreement was signed and agreed in October 2013 and agreed by the Full Council Executive. Implementation is planned from 1 April 2014. • The transfer of community health from Trafford Provider Services to Pennine Care has been successfully completed. • Heightened awareness nationally around safeguarding – elderly and vulnerable adults. Risks around ensuring all elderly and vulnerable adults in Trafford are safe and potential reputation risk is mitigated.
7	Ability of partnership working to release resources with sufficient speed and execution to deliver joint objectives around children. Increased risk from role of National Commissioning Board (NCB) local area team as associate commissioner and lead funding agency for health visiting and some school nursing services. (CFW)/(Supporting Children & Families)	15 Medium	 Stable	<ul style="list-style-type: none"> • Strategic Partnership Agreement (Section 75) for CYPS Integrated Commissioning agreed for approval at October Executive. • Consistent contract management arrangements in place for community health contract. • Ongoing risk in relation to the role of NCB's local area team as associate commissioner and lead funding agency for HV and some school nursing services. • Successful transition of Community Health contract to Pennine Care and revised governance arrangements. • Revised Joint Commissioning Executive Group (JCEG) to be established from January 2014.
8	Demand for eligible services outstrips resources in adult	25 High		<ul style="list-style-type: none"> • Winter period has seen an increase in demand re-hospital discharges.

	social care (CFW)/(Adult Social Services)	(Dec. 2013 – 20 : High)	↔ Stable	<ul style="list-style-type: none"> • Increased numbers coming through reablement and homecare adding pressure to financial resources. • Business Delivery Programme Board continues to monitor and manage demand, performance and savings delivery based on a collaborative model, including commissioners, operations, health colleagues, Finance and Performance. The model has been commended by the MJ Awards in relation to its innovative approach. • A Business Case portfolio is in place. • The Telecare offer has been accelerated evidenced by the launch of the Telecare Pledge to all residents in Trafford over 80+. • An external pilot in relation to Assessment and Re-ablement is embedded, and continues to be evaluated. • Strong operational links developed with the hospitals to manage delayed transfer.
9	Failure of the Adult Safeguarding Service (CFW)/(Adult Social Services)	10 Medium	↔ Stable	<p>No change in the risk since the last update.</p> <ul style="list-style-type: none"> • Development and launch of new Safeguarding procedures. • Refresh of Adult Safeguarding Board. • Safeguarding procedures have been reviewed. • Senior Learning & Development post vacant. Impact on sustaining competency in relation to implementation of practice with both internal and external agencies. • Serious Case Review Panel reviewed and in place
10	Breach of health and safety legislation leading to prosecution under the Corporate Manslaughter Act (T&R)/(T&R)	10 Medium	↔ Stable	<p>No change in the risk since the last update.</p> <ul style="list-style-type: none"> • New guidance has been issued for managers and staff on health and safety training, to ensure that all staff receive the necessary statutory health and safety training required for their job. • The Corporate Health and Safety Policy has been updated to reflect current corporate priorities, structures and arrangements for managing health and safety and to align with minor changes to the law, to ensure that the policy is up to date and relevant. • A Corporate Health and Safety Improvement Plan has been agreed by

				CMT for 2013-14.
11	Council does not agree, adopt and deliver carbon reduction targets. (ETO)/(Highways & Environment) & (EGP)/(EGP)	12 Medium	↔ Stable	<ul style="list-style-type: none"> Trafford successfully submitted its 2013 Carbon Reduction Commitment (CRC) Scheme Annual Report and ordered and surrendered the required number of carbon allowances. Annual Greenhouse Gas Reporting information has been submitted to DECC and published on the Council's website. Installation of Automatic Meter Readers is underway. Progress has also been made on the electronic population of the Council's energy database, which will be upgraded to a new system soon. A refreshed Energy and Water Management Plan, including street lighting and transport, is being prepared to provide a framework for carbon emissions reduction. In December 2012, the government published simplifications to the CRC Energy Efficiency Scheme. The qualification year for Phase 2 of the CRC is 2012/13. Based on new official guidance, under the proposed new arrangements, Trafford will fall out of the CRC Scheme at the beginning of Phase 2 in 2014/15 The Council is engaging with the AGMA Public Buildings Retrofit Team to explore the potential for schools retrofit programme, as well as the Greater Manchester Heat Network Programme looking at a project for Trafford Park.
12	Statutory targets relating to Adult Social Care services are not met. (CFW)/(Adult Social Services)	10 Medium	↑ Improvement	<ul style="list-style-type: none"> Monitoring is in place and a range of weekly, monthly and quarterly reports are overseen by Business Delivery Programme Board. Performance is monitored against national and local performance indicators as per Directorate Performance Framework. The overall improvement in performance evidenced by year has been significant.
13	Major event leading to inability to deliver critical services to vulnerable people. (CFW)/(Adult Social Services)	9 Medium	↔ Stable	Business Continuity Plans have been embedded and updated.
14	Failure to complete the Business Continuity (BC)	10 Medium		<ul style="list-style-type: none"> Prior to the final Internal Audit Report, the Business Continuity templates were

	<p>Programme Project, resulting in an increased risk that the Council may fail to deliver Council services in the event of significant disruption. (T&R)/(T&R)</p>		<p style="text-align: center;">↑ Improvement</p>	<p>completely revised and have since been issued with other guidance as a Business Continuity Toolkit hosted on the Council's Intranet site.</p> <ul style="list-style-type: none"> • The revamped Council website also provided an opportunity to update the information on the Business Continuity pages. • An updated Business Continuity Policy was approved by CMT on 11 December 2013. • The Head of Partnerships and Performance has agreed that each Corporate Directorate will take part in a Business Continuity exercise in 2014, followed by a corporate event. The first event will be themed around ICT Disaster Recovery and this will take place early April 2014. • A spreadsheet outlining the current structure of the Council, highlighting the current status of business continuity planning across the Authority, using the Red, Amber and Green (RAG) system. An updated position statement will be made to CMT at the beginning of March 2014. • For ease of reference a summary of the RAG spreadsheet is outlined below: <ul style="list-style-type: none"> • <u>Children, Families and Wellbeing (Adults)</u>. All Business Impact Analyses (BIAs) and necessary Business Continuity (BC) plans completed. • <u>Children, Families and Wellbeing (Children)</u>. All BIAs and necessary BC plans completed except Education Standards and Area Support. They are shown Amber in the spreadsheet and are expected mid-December. • <u>Economic Growth and Prosperity</u>. All BIAs and BC plans complete. • <u>Environment, Transport and Operations</u>. Still awaiting Environment Strategy, some of Environmental Operations, School Transport and Public Protection. • Transformation and Resources. Still awaiting responses from Legal and Democratic. The Communications Team, HR and Culture and Sport
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				<p>have this work in progress. ICT are now updating their Disaster Recovery/ BCP.</p> <ul style="list-style-type: none"> • <u>Corporate Plan</u>. If all service plans are finalised by the end of March 2014, the target is to complete a new corporate plan by the end of April 2014. <p>There has been a tremendous amount of work across all the services updating their plans which in turn will lower the risk of a failure to deliver during a business interruption.</p>
15	Financial and other implication as a result of coalition Government policy to fast track initially “outstanding” schools and then all other schools to academy status. (CFW)/(Education)	15 Medium	↔ Stable	<ul style="list-style-type: none"> • 17 Trafford schools (12 secondary and five primary) have Academy Status. • It is expected academy conversion will continue in the next year in the primary sector with notification of another four potential academies received. • The DfE has clarified its expectation that any school judged, by Ofsted, to be inadequate should become a sponsored academy as soon as possible. • Risk has been mitigated by the successful maintenance of the Trafford family of schools and proactive work within academies.
16	Adult Social Care Budget 2013/14: Ability to implement wide range of savings proposals in the current economic conditions. (CFW)/(Adult Social Services).	15 Medium	↔ Stable	<ul style="list-style-type: none"> • 85% of savings proposals have been delivered. • The demand management remains a significant risk and is mirrored nationally. The demand pressures will continue to be monitored through the Business Delivery Programme Board on a weekly basis throughout the year. • It is currently difficult to project the outturn. The reducing pressure of the Learning Disability (LD) Pooled Fund following significant action by the Directorate will continue to be a priority linked to the Recovery Plan which is in place and will see a balanced position over a two year period. The LD Partnership Agreement will be reviewed including revisiting the contribution to the Pooled Budget from the CCG.
17	Inability to meet Trafford residents’ requests to have burials within the local area due to insufficient land. (ETO)/(Highways and Environment)	12 Medium	↔ Stable	<ul style="list-style-type: none"> • Agreement in principal reached to purchase additional land. • Decision of acquisition expected in April 2014. • Anticipated final purchase April 2014. • Additional possibilities also being looked

				<p>at adjacent Urmston Cemetery.</p> <ul style="list-style-type: none"> • Risk reduced to a medium. • Planning application to be submitted following acquisition.
18	<p>The Council website is not easily accessible, services are unable to update information or provide service responses fast enough through digital challenges to meet customer expectations. Other channels of communication – face to face, telephone and Member’s surgeries - gain increased numbers of requests due to reliability issues around digital channels. (T&R)/(T&R).</p>	<p>12 Medium</p>	<p>↑ Improvement</p>	<ul style="list-style-type: none"> • Customers have a greater and growing use and dependency on websites to access up to date information and services, including financial transactions. • Trafford Council’s website and supporting infrastructure, including IT, Customer Relationship management (CRM) and content updates from all service areas need to be robust to support customers in accessing information and services; and allow them to carry out financial transactions. This also protects and promotes the Council’s reputation. • The Council website was re-launched on 1 October 2013 and is far more transactional than the previous version with Apply for It, Book It, Pay for It, Request It and Say It boxes that allow customers to self-serve. All services now have the capability of updating their own web pages and key members of staff throughout all Directorates have received training on the web Content Management System (CMS). • The Customer Strategy sets out the priorities for the Council around channel shift and how we will meet the challenges that creates. • The new CRM System will come on stream next year and will allow for further customers to self-serve where they can. • The website now has Browse Aloud functionality. This enables people to access the website whose first language is not English and those who have visual impairments that make reading text difficult. The software translates the text into a number of other different languages chosen from a drop down list. Additionally the top 20 languages can also be translated from text to speech.
19	<p>Impact and implementation of the Care Bill. The Care Bill was published in May 2013 and outlines new duties and responsibilities for Local Authorities, building on the</p>	<p>15 Medium</p>	<p>↔ Stable</p>	<ul style="list-style-type: none"> • A baseline exercise has been completed by the Business Delivery Programme Board and a high level action completed. • Programme Board has been established. • Leads within Programme Board identified for eight work streams.

	<p>Governments “Caring for our Future” White Paper, published last year. Key elements include new rights for carers to assessment and support, national eligibility threshold for care and support, a cap on the costs that people will have to pay for care, financial protection for those with modest wealth, deferred payment agreements, Local Authority responsibility for preventative services and the provision of information and a duty to carry out needs assessments. (CFW)/(Adult Social Services).</p>			<ul style="list-style-type: none"> • Work taken forward following national guidance when provided. • Programme Manager appointed.
20	<p>Trafford Council must ensure that information held about citizens, employees, partners, contractors, members and organisations in Trafford is safe in their hands. To be able to assure its partners and the public that this is the case they need to demonstrate that they are handling personal/ sensitive and commercial data securely both in technology and physical terms. They also need to ensure that 3rd parties acting on their behalf are handling their data sets in accordance with Trafford Council’s policies and procedures. This is a corporate risk and the risk to the Council is reputational, financial, adverse publicity and could ultimately be a breach of the Data Protection Act. (T&R)/(T&R).</p>	<p>15 Medium</p>	<p>↑ Improvement</p>	<ul style="list-style-type: none"> • Citizens and businesses have a right to expect data held about them to be treated in a secure manner and only shared on a need to know basis. • Employees, Partners, Contractors and members have the right to expect data held about them to be treated in a secure manner. • Trafford Council have a responsibility to protect their data and information including building and equipment security • The Information Security Governance Work Stream have developed all relevant policies, procedures, communication and education including mandatory courses for all employees, partners and members. • Following this work an annual work plan has been developed to monitor internal policies and procedures and systematically scan the external environment for any legal or statutory changes in obligations placed on the Council. • Information Asset Owners have been identified in all areas of the Council to ensure that the culture of Information Governance is embedded in the Council’s day to day activities. • Corporate Information Governance Groups have been identified to assist in embedding information governance in the culture of the Council.

21	Ability to support schools in delivering the new national requirement in supplying Free School Meals (FSM) (ETO)/(Environmental Operations)	16 High	New Risk	New Risk – for details of this risk see risk register on pages 38/39 of report.
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* Note: This indicates the direction of travel in respect of performance in managing the risk and not direction of travel of the risk level.

4. STRATEGIC RISK REGISTER (March 2014)

STRATEGIC RISK REGISTER 2013/14			Risk Number	1		
Corporate Priorities	<ul style="list-style-type: none"> Value for money Fighting crime 	Link(s) to Community Strategy Key Objectives	<ul style="list-style-type: none"> Positive environmental impact Better homes Health and improved quality of life for all Strong economy 			
RISK	Major regeneration projects, including Altair, Altrincham Strategic Framework delivery, Old Trafford Master Plan (OTMP) and Carrington development do not proceed due to economic and financial constraints.					
Consequences	<ul style="list-style-type: none"> Failure to deliver on promise to community. Negative impact on reputation. Adverse impact on urban regeneration. Failure to deliver the Core Strategy housing and employment growth targets. Negative impact on economic and housing growth in the borough. 					
Controls	<ul style="list-style-type: none"> Lead officers identified. Consultants in advisory role where appropriate. Officer/ member steering groups in place. Regular performance meetings with developer/ key stakeholders. Detailed project plans in place. Altrincham Forward. 					
Risk Assessment	Likelihood	Altair = 2 Altrincham = 2 OTMP = 2 Carrington = 2	Impact	Altair = 4 Altrincham = 4 OTMP = 4 Carrington = 4	Exposure	Altair = 8 Altrincham = 8 OTMP = 8 Carrington = 8 Average = 8
RISK LEVEL			Low Risk (Average)			
Risk Performance Indicators	<p>Altair</p> <ul style="list-style-type: none"> CPO confirmed, developer proposals being finalised. Funding strategy dependent upon pre-letting key parts of development. Planning application approved. <p>Altrincham</p> <ul style="list-style-type: none"> Altrincham Forward Board reviews – quarterly. Delivery of pipeline developments, including Graftons (on site), new hospital, interchange and Altair (see above). Support of local traders/ organisations/residents. Altrincham Town Team in place (July 2013). Draft Altrincham Strategy approved for consultation (January 2014). <p>OTMP</p> <ul style="list-style-type: none"> Essex Way development complete. Tamworth refurbishment and demolition works on site – completion March 2014 (on track). Hullard refurbishments complete. HCA funding for Shrewsbury Street scheme approved. Project governance structure agreed and in place. Report to Council Executive due March 2014. Land Pool Agreement under development. Funding approved. <p>Carrington</p>					

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

STRATEGIC RISK REGISTER		Risk Number	2
2013/14			
Corporate Priorities		Link(s) to Community Strategy Key Objectives	
RISK	Whilst safeguarding services in Trafford have been inspected and rated by Ofsted as good with good prospects for improvement, this is an area of Council responsibility that requires constant high levels of vigilance to guard against the risk of harm or abuse to children that could have been prevented through intervention and support of services. In particular, the risk of the Safeguarding Board not being effective in undertaking its duties and responsibilities and/or insufficient numbers of staff, particularly social workers with relevant experience, to provide effective safeguarding services to children and young people.		
Consequences	<ul style="list-style-type: none"> • Harm or abuse of children. • Sanctions/penalties against Service. • Legal liability claims. 		

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

Improvement Actions (ref to action plans)						<ul style="list-style-type: none"> Action plans from recent inspections to be progressed and monitored within CFW. Requirements of the Munro review are being progressed via an implementation plan. The Family Justice Review recommendations are being progressed and the new court timescales will be implemented. Authorities are required to achieve outcomes for children in shorter timescales and we will continue to manage potential risks.
Person or Group Responsible for management of risk			CFW Senior Leadership Team			
Previous risk reviews completed:						
<ul style="list-style-type: none"> C Pratt, Corporate Director CYPS. April 2009 and October 2009 M Woodhouse, Interim Corporate Director CYPS. March 2010 and July 2010 D Brownlee, Corporate Director CYPS. January, April, July, September 2011, January 2012, August 2012 and February 2013 						
Risk Review Date	August 2013	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team	

STRATEGIC RISK REGISTER 2013/14			Risk Number		3	
Corporate Priorities		Link(s) to Community Strategy Key Objectives				
RISK		Demand for school places underestimated and/ or additional school places are not delivered to satisfy increased demand.				
Consequences		<ul style="list-style-type: none"> Statutory duty not discharged. Negative impact on reputation. Ad hoc expensive provision required. Disruption to pupils education. 				
Controls		<ul style="list-style-type: none"> Thorough review based on most recent birth rates undertaken in January 2012 taking into account recent and planned housing developments. The comprehensive plan, giving the analysis of and projecting the increased demand for school places considered by the Executive in June 2013 is now being implemented. Secondary School Sufficiency Review to plan for 2017 and beyond. 				
Risk Assessment	Likelihood	3	Impact	5	Exposure	15
RISK LEVEL			Medium Risk			
Risk Performance Indicators						
Effectiveness of controls and performance indicators		The direction of travel remains stable. Planning for school places continues to be an area of risk. All pupils have been placed in schools for the 2013/14 academic year, though not necessarily in the preferred choice of parents. A two year resource allocation has been received from the DfE and a capital programme planned in line with projections.				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> Continue to update the review undertaken on most recent birth rates and taking into account recent and planned housing developments. Monitor the potential consequence of the economic recession of parents transferring from private schools to Trafford state schools. Continue to monitor the demand for primary and secondary school places; produce a plan 				

<p>for meeting these; secure the necessary capital resources and deliver the plan. Current projections suggest that from 2017 the number of secondary school places will be a major issue.</p> <ul style="list-style-type: none"> • Fragmentation of governance arrangements makes it increasingly difficult to plan places in the secondary sector. Trafford is the Admissions Authority for only one of its 18 secondary schools and, therefore, has limited direct powers in relation to place planning and admissions policies. A secondary school sufficiency review has been launched with schools to manage the projected increases that are coming through the primary sector. • Update the Executive when Spending Review allocations are published. • Subject to approval, implement the comprehensive plan. 					
Person or Group Responsible for management of risk			CFW Senior Leadership Team		
<p>Previous risk reviews completed:</p> <ul style="list-style-type: none"> • C Pratt, Corporate Director CYPS. April 2009 and October 2009 • M Woodhouse, Interim Corporate Director CYPS. March 2010 and July 2010 • D Brownlee, Corporate Director CYPS. January, April, July, September 2011, January 2012, August 2012 and February 2013 					
Risk Review Date	August 2013	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team

STRATEGIC RISK REGISTER 2013/14		Risk Number	4
Corporate Priorities	All Corporate Priorities	Link(s) to Community Strategy Key Objectives	
RISK	<p>There continues to be uncertainty regarding the Council's medium term financial position given the reliance that exists on support from Central Government and that public expenditure reductions are now expected to continue until 2017/18.</p> <p><u>Support from Central Government Cost Pressures</u> The Council's grant settlement for 2014/15 is known and the provisional settlement for 2015/16 has been provided. The position for the following two years is not known and is unlikely to be considered until after the election of a new government in May 2015.</p> <p>In addition to reducing funding there continues to be cost pressures and demands on the budget including:</p> <ul style="list-style-type: none"> • Increased demand on and in the cost of adult social care. • Pressure from Transport and Waste Disposal levies. • Employee costs – potential risks in this area include for national pay award, national insurance and pension changes, and the continuing effects of job evaluation. • Organisational change costs. <p><u>Business Rate Retention</u> A new financial regime for Business Rates was introduced in April 2013. This will allow the Council to have a share of 24.5% of any growth in rates above the baseline set for Trafford. However, the Council will become responsible for 49% of any reductions below the baseline. The Council has had to set aside £2.4m for</p>		

		losses arising from appeals made by businesses against their rateable values. Despite this there are still a large number of outstanding appeals that could adversely impact on the Council. These appeals are determined by the Valuation Office Agency.				
Consequences		<ul style="list-style-type: none"> Reducing level of services across the Authority. Adverse perception of the Authority. Negative impact on reputation. Potential political impact. 				
Controls		<ul style="list-style-type: none"> The Council's budget for 2014/15 was agreed in February 2014. Prioritisation of budget resource towards demand led budget areas within social care. Budget and financial management information systems in place. Regular (at least monthly) budget monitoring reports including a Council Tax and Business Rate projections. Liaison with Valuation Office. Government safety net will limit losses on business rates (Trafford's maximum liability in 2014/15 is £2.4m). Provisions maintained for anticipated costs of organisational change (employment rationalisation). Smoothing reserves established where necessary for such items as, Treasury Management to avoid changes in the external markets impacting on the budget, and to equalise the costs of the Waster Disposal PFI over the medium term. Minimum level of reserves established to provide short term cover for losses. 				
Risk Assessment	Likelihood	5	Impact	5	Exposure	25
RISK LEVEL			High Risk			
Risk Performance Indicators		<ul style="list-style-type: none"> Director of Finance monitoring Council's current year budget. Regular (at least monthly) budget/ financial monitoring (Directorates). TPR monitoring transformation savings. Consideration of the likely position in 2015/18 has been re-assessed. 				
Effectiveness of controls and performance indicators		3				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> Will need to refresh MTFP. Other options for savings being developed by Corporate Directors. 				
Person or Group Responsible for management of risk			Director of Finance			
Previous risk reviews completed:						
<ul style="list-style-type: none"> I Duncan, Director of Finance. April 2009; October 2009; February 2010; July 2010 and January 2011 I Kershaw, Head of Financial Management. August 2011 and January 2012. 						
Risk Review Date	September 2012	Completed By	Ian Duncan	Designation	Acting Corporate Director – T&R	
Risk Review Date	February 2013	Completed By	Ian Duncan	Designation	Director of Finance	
Risk Review Date	August 2013	Completed By	Dave Muggeridge	Designation	Finance Manager	
Risk Review Date	March 2014	Completed By	Ian Duncan	Designation	Director of Finance	

STRATEGIC RISK REGISTER 2013/14				Risk Number		5	
Corporate Priorities				Link(s) to Community Strategy Key Objectives		No specific link	
RISK		Availability of capital resources from sales of surplus assets and Government Grant to support the Capital Programme.					
Consequences		Reduction in ability to deliver capital improvement plans.					
Controls		<ul style="list-style-type: none"> Capital programme and land sales programme reviewed on a quarterly basis and reported to the Executive, including an update on resource availability. Monitor generation of capital receipts. Review of capital expenditure plans accordingly – either continuing to proceed, flexing, rescheduling or postponing as appropriate. 					
Risk Assessment	Likelihood	3	Impact	3	Exposure	9	
RISK LEVEL				Medium Risk			
Risk Performance Indicators		<ul style="list-style-type: none"> Capital receipts. Monitoring existing commitments. 					
Effectiveness of controls and performance indicators		4					
Improvement Actions (ref to action plans)		None proposed at present. Values set at realistic levels and some evidence of minor improvements, and new approaches introduced.					
Person or Group Responsible for management of risk				Director of Finance			
Previous risk reviews completed:							
<ul style="list-style-type: none"> I Duncan, Director of Finance. April 2009; October 2009; February 2010; July 2010 and January 2011 I Kershaw, Head of Financial Management. August 2011 J Valentine, Head of Asset Management. January 2012, August 2012 and February 2013. 							
Risk Review Date	August 2013	Completed By	Dave Muggeridge	Designation	Finance Manager		
Risk Review Date	February 2014	Completed By	Graeme Bentley	Designation	Technical Finance Manager		

STRATEGIC RISK REGISTER 2013/14				Risk Number		6	
Corporate Priorities		<ul style="list-style-type: none"> Services focused on the most vulnerable people Low Council Tax and Value for Money 		Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for All.	
RISK		Ability of partnership working with health to deliver joint objectives for vulnerable adults and older people and to improve health inequalities.					
Consequences		<ul style="list-style-type: none"> Not meeting service objectives around key groups of people. Spend is not best utilised/ limited value for money. Could lead to reduced service/support to vulnerable persons. 					
Controls		<ul style="list-style-type: none"> Partnership Boards in place. Mechanisms in place to support decision-making and deliver governance. Regular leadership and oversight meetings with Council and NHS Chief Executives. Leadership and engagement by relevant Chief Officers in respective fields. 					
Risk Assessment	Likelihood	3	Impact	4	Exposure	12	

RISK LEVEL		Medium Risk			
Risk Performance Indicators	<ul style="list-style-type: none"> • Signing-off procedures on key agreements and arrangements • Delivery of health and wellbeing indicators 				
Effectiveness of controls and performance indicators	3 – There are forums in place which enable Adult Social Services and CCG commissioners to meet on a regular basis, to ensure the deliver of joint partnership objectives. The Health and Wellbeing Partnership Board has been set up and Public Health responsibilities have been successfully transferred. There are Boards in place to oversee the delivery of joint services e.g. the Mental Health Commissioning Partnership Group and the Integrated Community and Equipment Services Board. There is a positive relationship in place with Pennine Care, Trafford Community Health Provider, based on effective governance and strong partnership working.				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> • Work with Health and Wellbeing Partnership to implement Health and Wellbeing Strategy. • Ensuring existing partnerships have governance arrangements in place that are fit for the future. 				
Person or Group Responsible for management of risk	CFW Senior Leadership Team				
Previous risk reviews completed by:					
<ul style="list-style-type: none"> • D McNulty, Chief Executive. April 2009. • D Hanley, Deputy Director CWB. February 2010; July 2010 and January 2011. • J Walker, Performance & Partnerships Manager, August 2011 • D Wagstaff, Senior Business Relationship Partner. January 2012 					
Risk Review Date	August 2012	Completed By	Anne Higgins, Jo Willmott, Jeremy Kay & Mark Grimes	Designation	CWB Senior Management Team
Risk Review Date	February 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team
Risk Review Date	August 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CFW Senior Management Team
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team

STRATEGIC RISK REGISTER 2013/14			Risk Number	7
Corporate Priorities	<ul style="list-style-type: none"> • Services focused on the most vulnerable people. • Value for Money 	Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for All
RISK	Ability of partnership working to release resources with sufficient speed and execution to deliver joint objectives around children. Increased risk from role of National Commissioning Board (NCB) local area team as associate commissioner and lead funding agency for health visiting and some school nursing services.			
Consequences	<ul style="list-style-type: none"> • Not meeting service objectives around key groups of people. 			

	<ul style="list-style-type: none"> • Unable to deliver services to as many people as the Council ought to. • Spend is not best utilised/ limited value for money. • Could lead to reduced service/ support to vulnerable persons. 					
Controls	<ul style="list-style-type: none"> • Children's Trust Board. • Joint Commissioning Management Board. • Mechanisms in place to support decision-making and deliver governance. • Regular leadership and oversight meetings with Council and CCG Chief Executives. • Leadership and engagement by relevant Chief Officers in respective fields. 					
Risk Assessment	Likelihood	3	Impact	5	Exposure	15
RISK LEVEL			Medium Risk			
Risk Performance Indicators	<ul style="list-style-type: none"> • Children and Young Persons delivery plan. • Signing-off procedures on key agreements and arrangements. 					
Effectiveness of controls and performance indicators	<ul style="list-style-type: none"> • Establishment of the Health and Well-Being Board for Trafford provide a governance structure supporting local planning, integrated strategic needs assessment and ensuring local accountability, promote integrity and partnership and review major service redesigns of health and wellbeing related services provided by the NHS and Local Government. • Strategic Partnership (Section 75) for CYPS Commissioning is being revised following the transition from the Primary Care Trust to CCG. • Community health services tender for CYPS and CAMHS completed and awarded to Pennine Care, successful transition and new S75 Agreement approved. • Children's Trust Board receives quarterly performance indicator updates. • CTB successful in bidding for a range of project funding from the LAA reward grant to support partnership delivery of priorities. 					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> • Work closely with CCG following the transfer of commissioning function to GP consortia and establish links with emerging bodies such as National Commissioning Board and Public Health England. • Audit Review of S75 Agreement during 2014/15. • Provider S75 Agreement combined with Adult Services to create an all age integrated agreement. 					
Person or Group Responsible for management of risk			CFW Senior Leadership Team.			
Previous risk reviews completed:						
<ul style="list-style-type: none"> • M Woodhouse, Interim Director CYPS. March and July 2010 • D Brownlee, Corporate Director CYP. January, April, July, September 2011, January 2012, August 2012 and February 2013 						
Risk Review Date	August 2013	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team	

STRATEGIC RISK REGISTER 2013/14			Risk Number	8
Corporate Priorities	Services focused on the most vulnerable people	Link(s) to Community Strategy Key Objectives	Health & Improved Quality of Life for All	
RISK	Demand for eligible services outstrips resources in adult social care.			

Consequences		<ul style="list-style-type: none"> • Overspend on budgets. • People do not receive services they are eligible for. 				
Controls		<ul style="list-style-type: none"> • Delivery of MTFP and in year savings. • Monitoring of budgets at SMT and service level. • Business Delivery Programme Board established to monitor and manage demand, performance and savings delivery. • Business case portfolio in place. • Resource allocation system introduced and embedded. • Improvements made to re-ablement services/ embedding of telecare offer. • Improved performance data in place, to identify trends in take up of services. • Local business performance indicators developed. 				
Risk Assessment	Likelihood	5	Impact	5	Exposure	25
RISK LEVEL			High Risk			
Risk Performance Indicators		<ul style="list-style-type: none"> • Budget monitoring. • Project monitoring. 				
Effectiveness of controls and performance indicators		4 – Delivery of savings is on target but demand for services is increasing and impacting on budget.				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> • Work on delivering in year and future savings. • Implement austerity measures. • Improved performance data to identify trends in take-up of services. • Improved intelligence around take-up by potential service users. • Implement LD and mental health programmes. 				
Person or Group Responsible for management of risk			CFW Senior Leadership Team			
Previous risk reviews completed:						
<ul style="list-style-type: none"> • D Hanley, Director of Operations. April 2009; July 2010 and January 2011 • J Walker, Performance & Partnerships Manager. October 2009, February 2010 and August 2011 • D Wagstaff, Senior Business Relationship Partner. January 2012 						
Risk Review Date	August 2012	Completed By	Anne Higgins, Jo Willmott, Jeremy Kay & Mark Grimes	Designation	CWB Senior Management Team	
Risk Review Date	February 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team	
Risk Review Date	August 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team	
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team	

STRATEGIC RISK REGISTER 2013/14			Risk Number	9
Corporate Priorities	Services focussed on the	Link(s) to Community	•Strong Communities	

	most vulnerable people.	Strategy Key Objectives	•Health & Improved Quality of Life for All			
RISK	Failure of the Adult Safeguarding Service.					
Consequences	<ul style="list-style-type: none"> • Potential harm to vulnerable individuals. • Legal action against the Council. • Adverse impact on reputation. 					
Controls	<ul style="list-style-type: none"> • Updated Safeguarding strategy in place. • Discrete Safeguarding team. • Training provided to all key staff. • Working with a wide range of partners. • Robust management information and quarterly monitoring in place • Regular multi-agency safeguarding management meeting in place. 					
Risk Assessment	Likelihood	2	Impact	5	Exposure	10
RISK LEVEL			Medium Risk			
Risk Performance Indicators	<ul style="list-style-type: none"> • SMT reporting. • Reports to Safeguarding Board. 					
Effectiveness of controls and performance indicators	3					
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> • Multi-agency review re: extending safeguarding role and responsibilities underway. • Reports on safeguarding incidents, by individual provider, to be introduced. • Implement quality assurance arrangements. • Re-launch communications with public and partners. 					
Person or Group Responsible for management of risk	CFW Senior Leadership Team					
Previous risk reviews completed:						
<ul style="list-style-type: none"> • D Hanley, Deputy Director CWB. April 2009; October 2009; July 2010 and January 2011 • J Walker, Performance & Partnerships Manager. February 2010 and August 2011 • D Wagstaff, Senior Business Relationship Partner. January 2012 						
Risk Review Date	August 2012	Completed By	Anne Higgins, Jo Willmott, Jeremy Kay & Mark Grimes	Designation	CWB Senior Management Team	
Risk Review Date	February 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team	
Risk Review Date	August 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team	
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team	

STRATEGIC RISK REGISTER 2013/14			Risk Number	10
Corporate Priorities	Value for Money	Link(s) to Community		

				Strategy Key Objectives			
RISK		Breach of health and safety legislation leading to prosecution under the Corporate Manslaughter Act.					
Consequences		<ul style="list-style-type: none"> • Possible personal conviction of Officers and/ or Members. • Adverse impact on reputation. • Financial consequences of fines/ legal claims. 					
Controls		<ul style="list-style-type: none"> • Health and Safety Policy. • Procedures in place to ensure legal compliance. • Risk assessments and safe systems of work. • Health and Safety Advisors aligned to each Directorate to provide expertise and support. • Member awareness. • Management training. • Improved support to schools to be provided via SLA. 					
Risk Assessment	Likelihood	2	Impact	5	Exposure	10	
RISK LEVEL				Medium Risk			
Risk Performance Indicators		<ul style="list-style-type: none"> • Health and Safety team track all accidents/ near misses. • Six month report to CMT/ Executive and Annual Report to Council. • Targets set for accident reduction. • Corporate Health and Safety Improvement Plan reviewed annually. 					
Effectiveness of controls and performance indicators		2					
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> • Delivery of work plan to implement recommendations from February 2008 report. • Audit & Assurance to undertake a review of the Council's corporate health and safety arrangements. 					
Person or Group Responsible for management of risk				All			
Risk reviews completed:							
<ul style="list-style-type: none"> • G Pickering, Corporate Director PPD. April 2009 • P Valentine, IBU Manager. October 2009 • J Arnold, Health & Safety Manager. February 2010; July 2010, January 2011 and August 2011 							
Risk Review Date	August 2012	Completed By	C Hay	Designation	Workforce & Core Strategy Officer		
Risk Review Date	February 2013	Completed By	J Arnold	Designation	Health & Safety Manager		
Risk Review Date	September 2013	Completed By	J Arnold	Designation	Health & Safety Manager		
Risk Review Date	February 2014	Completed By	J Arnold	Designation	Health & Safety Manager.		

STRATEGIC RISK REGISTER 2012/13			Risk Number	11
Corporate Priorities	Low Council Tax and Value for Money.	Link(s) to Community Strategy Key Objectives	<ul style="list-style-type: none"> • Positive Environmental Impact • Better Homes • Strong Economy 	
RISK		Council does not agree, adopt and deliver carbon reduction targets.		
Consequences		<ul style="list-style-type: none"> • Financial consequences due to lack of CRC compliance. • Reputation damage to the Council. 		

Controls		<ul style="list-style-type: none"> • Key stakeholders engaged. • Low Carbon Infrastructure Delivery Group established. • The Energy and Water Management Plan. • The Borough –wide Sustainability Strategy. • E-technology monitoring tools being utilised. 				
Risk Assessment	Likelihood	4	Impact	3	Exposure	12
RISK LEVEL			Medium Risk			
Risk Performance Indicators		<ul style="list-style-type: none"> • Delivery of the Energy and Water Management Plan. • Delivery of the borough-wide Sustainability Strategy. • Reporting compliance with CRC Energy Efficiency Scheme. • Corporate Greenhouse Gas Emissions reporting data. • Emissions data for the local authority area (published by DECC). 				
Effectiveness of controls and performance indicators		2				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> • Review and update the corporate Energy and Water Management Plan. • Review and update the borough-wide Sustainability Strategy and Action Plan. • Implementation of continuous audit reviews and recommendations. 				
Person or Group Responsible for management of risk			EGP are primarily responsible for this risk supported by ETO			
Risk reviews completed: A Hunt, Sustainability Manager. September 2011 and January 2012, August 2012 and February 2013.						
Risk Review Date	August 2013	Completed By	A Hunt	Designation	Sustainability Manager	
Risk Review Date	January 2014	Completed By	A Hunt	Designation	Sustainability Manager	

STRATEGIC RISK REGISTER 2013/14			Risk Number		12	
Corporate Priorities		<ul style="list-style-type: none"> • Lower Council Tax and Value for Money. • Services focussed on three most vulnerable people 		Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for All
RISK		Statutory targets relating to Adult Social Care services are not met.				
Consequences		<ul style="list-style-type: none"> • Services fail. • Adverse impact on Council's reputation. • Failure to meet personalisation agenda. 				
Controls		<ul style="list-style-type: none"> • Performance management framework in place (now also captures PCT information). • Established data flows on statutory/ national indicators and performance indicators. • Monitoring in place within service – a range of weekly, monthly and quarterly reports overseen by Business Delivery Board and reported through to SMT. • Mental Health Trust engaged through Partnership meetings. 				
Risk Assessment	Likelihood	2	Impact	5	Exposure	10
RISK LEVEL			Medium Risk			
Risk Performance Indicators		Performance monitored against national and local performance indicators as per Directorate Performance framework. Action plans implemented, where appropriate, against underperforming targets.				

Effectiveness of controls and performance indicators	2 – Effective governance provided by Adult Social Care Business Delivery Board.				
Improvement Actions (ref to action plans)	Ensure the roll out of the new operating model continues to address key personalisation performance indicators.				
Person or Group Responsible for management of risk	CFW Senior Leadership Team				
Risk reviews completed:					
<ul style="list-style-type: none"> J Walker, Performance & Partnerships Manager. April 2009; October 2009; February 2010; July 2010, January 2011 and August 2011 D Wagstaff, Senior Business Relationship Partner. August 2011 and January 2012 					
Risk Review Date	August 2012	Completed By	Anne Higgins, Jo Willmott, Jeremy Kay & Mark Grimes	Designation	CWB Senior Management Team
Risk Review Date	February 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team
Risk Review Date	August 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CFW Senior Management Team
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team

STRATEGIC RISK REGISTER 2013/14				Risk Number		13	
Corporate Priorities		Services focused on the most vulnerable people		Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for All	
RISK		Major event leading to inability to deliver critical services to vulnerable people.					
Consequences		<ul style="list-style-type: none"> Interruption to service provision to vulnerable people. Financial loss to the organisation. 					
Controls		<ul style="list-style-type: none"> Business continuity plans under development within Directorate with supporting action plans actively monitored. Plan development with providers. 					
Risk Assessment	Likelihood	3	Impact	3	Exposure	9	
RISK LEVEL				Medium Risk			
Risk Performance Indicators		Action plan to test and monitor business continuity plans.					
Effectiveness of controls and performance indicators		2 – Full suite of business continuity plans in place.					
Improvement Actions (ref to action plans)		Establish programme for testing business continuity plans.					

Person or Group Responsible for management of risk		CFW Senior Leadership Team			
Previous risk reviews completed:					
<ul style="list-style-type: none"> • D Hanley, Deputy Director CWB. April 2009; July 2010 and January 2011 • J Walker, Performance & Partnerships Manager. October 2009, February 2010 and August 2011 • D Wagstaff, Senior Business Relationship Partner. January 2012 					
Risk Review Date	August 2012	Completed By	Anne Higgins, Jo Willmott, Jeremy Kay & Mark Grimes	Designation	CWB Senior Management Team
Risk Review Date	February 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team
Risk Review Date	August 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CFW Senior Management Team
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team

STRATEGIC RISK REGISTER 2013/14		Risk Number		14	
Corporate Priorities	All corporate priorities	Link(s) to Community Strategy Key Objectives	<ul style="list-style-type: none"> • Health & Improved Quality of Life for All • Better Homes • Positive Environmental Impact • Strong Economy 		
RISK	Failure to complete the Business Continuity (BC) Programme Project, resulting in an increased risk that the Council fails to deliver Council services in the event of significant disruption.				
Consequences	<ul style="list-style-type: none"> • Failure to meet requirements of the Civil Contingencies Act, good practice and Use of Resources Assessment criteria. • Failure to have sufficient plans in place at a service and corporate level to respond effectively to local and widespread disruption, including that caused by emergencies. • Failure to continue the delivery of critical Council services including those vital to human welfare during disruption. 				
Controls	<ul style="list-style-type: none"> • Set of templates and guidelines in place to guide service business continuity planning. • Performance Business Partners have responsibility to support Directorates to review plans on an annual basis. • Council wide Civil Contingencies Steering Group in place to plan testing of plans and to monitor the effectiveness of the plans. 				
Risk Assessment	Likelihood	2	Impact	5	Exposure 10
RISK LEVEL			Medium Risk		
Risk Performance Indicators	<ul style="list-style-type: none"> • All services to have a Business Continuity Plan. • Testing programme in place with review periods linked to risk. • Corporate BC Plan to be produced. • Service level and Corporate Business Continuity Plans to be tested. 				

Effectiveness of controls and performance indicators	2				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> • Testing plan to be developed by Partnerships and Performance, (Emergency Planning), and rolled out during 2014 across Directorates. • BIA documents and where necessary, BCP, are in place in most service areas. • An updated BC Policy was approved by CMT on the 11 December 2013. • An updated position statement will be made to CMT in March 2014. 				
Person or Group Responsible for management of risk	Head of Performance and Partnerships				
Previous risk reviews completed:					
<ul style="list-style-type: none"> • A Harrison, Temporary Business Continuity Lead. February 2010; May 2010; July 2010 and January 2011. • J Stephenson, Head of Partnerships & Performance. August 2011, August 2012 and February 2013 					
Risk Review Date	August 2013	Completed By	Jayne Stephenson	Designation	Head of Partnerships & Performance
Risk Review Date	February 2014	Completed By	Jayne Stephenson & David Hooley	Designation	Head of Performance & Partnerships & Emergency Planning Manager

STRATEGIC RISK REGISTER 2013/14			Risk Number	15		
Corporate Priorities		Excellence in Education		Link(s) to Community Strategy Key Objectives		Bright Futures
RISK	Financial and other implication as a result of coalition Government policy to fast track initially “outstanding” schools and then all other schools to academy status.					
Consequences	<ul style="list-style-type: none"> • Significant reduction in Dedicated Schools Grant. • Possible reduction in “buy back” arrangements of school services – loss of income. • Possible reduction in purchase of authority wide service contracts e.g. Payroll, Grounds Maintenance, Buildings Maintenance, Legal, Audit, Insurance etc. • Human Resource implications – if we no longer provide services to a substantial number of schools then will not need to maintain (or be able to afford) current staffing levels – unless we substantially increase costs to other schools. • All good and outstanding schools are eligible for independent Academy Status. All satisfactory schools may convert to Academy Status with good/ outstanding sponsor. • Underperforming schools will be compelled to convert as part of an Academy chain. 					
Controls	Monitoring the position of schools who have expressed an interest.					
Risk Assessment	Likelihood	5	Impact	3	Exposure	15
RISK LEVEL			Medium Risk			
Risk Performance Indicators	<ul style="list-style-type: none"> • Twelve secondary and five primary schools have Academy Status. • Two primary schools are in process of converting (March/April 2014) and two special schools have received approval from the Secretary of State to convert (possibly September 2014). • A number of other secondary schools are giving serious consideration to conversion. • There is a very low level of interest in primary schools although it is anticipated that this will accelerate in the next year. Numbers under constant review. The DfE has indicated that any school judged (by OFSTED) to be inadequate should become a sponsored academy as soon as possible. • Working relationships with schools that have converted to Academy status remain 					

	excellent.				
Effectiveness of controls and performance indicators	<ul style="list-style-type: none"> • SLA improvement programme in place. • Dialogue and review of SLAs agreed for 2013/14 has commenced feedback from schools and has been positive to date and School Improvement Services has achieved buy back of £120,000. • Programme of regular meetings with Academy principles to ensure effective partnership working continue to take place. • Academies have become members of the Schools Joint Negotiating Committee. • Academy schools are represented on the School Funding Forum. 				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> • To continue to offer value for money SLAs to schools who become Academy Status. • To monitor closely the position regarding status of schools that currently have expressed and interest and to work with the Headteacher and Governing Bodies. • To continue the programme of meeting with Senior Officers. 				
Person or Group Responsible for management of risk	CFW Senior Leadership Team/Corporate Director (T&R)				
Previous risk reviews completed:					
<ul style="list-style-type: none"> • M Woodhouse, Interim Corporate Director CYPS. July 2010 • D Brownlee, Corporate Director CYPS. January April, July, September 2011, January 2012, August 2012 and February 2013 					
Risk Review Date	August 2013	Completed By	Deborah Brownlee	Designation	Corporate Director CFW
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team

STRATEGIC RISK REGISTER 2013/14				Risk Number		16	
Corporate Priorities		Services focussed on the most vulnerable people		Link(s) to Community Strategy Key Objectives		Health & Improved Quality of Life for all	
RISK		Adult Social Care Budget 2013/14: Ability to implement wide range of savings proposals in the current economic conditions.					
Consequences		<ul style="list-style-type: none"> • Difficulty of implementing wide range of budget savings proposals destabilises provision with potential that people may not receive the services they are eligible for. • Not delivering budget savings within agreed timescales leading to an overspend. • Potential risk to destabilising the social care market in Trafford arising from implementing wide range of budget savings proposals. 					
Controls		<ul style="list-style-type: none"> • Regular monitoring of budget at SMT and service level. • Robust plans for implementation of budget savings proposals. • Business Delivery Programme Board to monitor and manage savings delivery. • Performance data in place to identify trends in take up of service. • Market management and intelligence role of CWB commissioning officers. 					
Risk Assessment	Likelihood	3	Impact	5	Exposure	15	
RISK LEVEL				Medium Risk			
Risk Performance Indicators		<ul style="list-style-type: none"> • Budget monitoring. • SLT reporting. 					

	<ul style="list-style-type: none"> Business Delivery Programme Board's role in monitoring and managing savings proposals delivery. 				
Effectiveness of controls and performance indicators	<p>3</p> <ul style="list-style-type: none"> Each proposal has agreed business case and risk rating. Consultation exercise was completed. Budget savings proposals being closely monitored. Performance data being collected on an on going basis. 100% of savings proposals delivered. 				
Improvement Actions (ref to action plans)					
Person or Group Responsible for management of risk	CFW Senior Leadership Team				
Previous risk reviews completed:					
<ul style="list-style-type: none"> J Kay, Finance Manager and D Wagstaff, Senior Business Relationship Partner. March 2012 					
Risk Review Date	August 2012	Completed By	Anne Higgins, Jo Willmott, Jeremy Kay & Mark Grimes	Designation	CWB Senior Management Team
Risk Review Date	February 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CWB Senior Management Team
Risk Review Date	August 2013	Completed By	Deborah Brownlee, Linda Harper, Jo Willmott & Jeremy Kay	Designation	CFW Senior Management Team
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team

STRATEGIC RISK REGISTER 2013/14			Risk Number	17		
Corporate Priorities	<ul style="list-style-type: none"> Low Council Tax and Value for Money Economic Growth and Development 		Link(s) to Community Strategy Key Objectives	<ul style="list-style-type: none"> Positive Environmental Impact 		
RISK	Inability to meet Trafford residents' requests to have burials within the local area due to insufficient land.					
Consequences	<ul style="list-style-type: none"> Impact on MTFP. Reputational damage to the Council. Council does not acquire the required additional burial land. 					
Controls	<ul style="list-style-type: none"> On-going negotiations to acquire new land. Effective project management of land acquisition and development. Capital monies available for purchase. 					
Risk Assessment	Likelihood	3	Impact	4	Exposure	12
RISK LEVEL			Medium Risk			
Risk Performance Indicators	<ul style="list-style-type: none"> Project deadlines for land acquisition established. Compliance with development plan deadlines (to be established). 					

	<ul style="list-style-type: none"> • Monitor available burial space in all Council cemeteries. 				
Effectiveness of controls and performance indicators	2				
Improvement Actions (ref to action plans)	<ul style="list-style-type: none"> • Agreement in principal reached to purchase additional land. • Decision of acquisition expected April 2014. • Anticipated final purchase April 2014. • Additional possibilities also being looked at adjacent Urmston Cemetery. • Risk reduced to medium. • Planning application to be submitted following acquisition. 				
Person or Group Responsible for management of risk			ETO supported by EGP		
Risk Review Date	August 2013	Completed By	Phil Valentine	Designation	Interim Marketing and Communications Manager
Risk Review Date	February 2014	Completed By	Phil Valentine	Designation	Environment Strategic Business Manager.

STRATEGIC RISK REGISTER 2013/14				Risk Number	18	
Corporate Priorities	Reshaping Trafford Council	Link(s) to Community Strategy Key Objectives	Strong Communities SC3 Increased overall satisfaction with services in all communities			
RISK	The Council website is not easily accessible, services are unable to update information or provide service responses fast enough through digital challenges to meet customer expectations. Other channels of communication – face to face, telephone and Member’s surgeries - gain increased numbers of requests due to reliability issues around digital channels.					
Consequences	<ul style="list-style-type: none"> • Up to date information about how to access Trafford services via channels residents’ prefer is not available. • Costs around access to information and services are higher than necessary and customers are less satisfied because the process is not as easy as it should be. 					
Controls	The new Customer Strategy and Communication Strategy will work together to identify customer preferences within Trafford, and put systems, support and staffing in place to meet those needs, allowing easy, self-service to information and services 24/7.					
Risk Assessment	Likelihood	3	Impact	4	Exposure	12
RISK LEVEL			Medium Risk			
Risk Performance Indicators	<ul style="list-style-type: none"> • Consultation provides up to date information about residents preferences. • Customer and Communication strategies developed in line with customer preferences, support reduction in avoidable contact and any future changes to how services are delivered. • Customer and Communication systems, staffing and support are in place to deliver the actions plans from those strategies. • Successful delivery of new Content Management System (CMS). CMS meets the needs of Trafford Council, including successful links to partner organisations that are responsible for service delivery now and in the future. 					

Effectiveness of controls and performance indicators		<ul style="list-style-type: none"> • Delivery of Customer Strategy - Customer Service Board. • Ongoing review of CMS Project to ensure delivery. All services now have the capability of updating their own web pages and key members of staff throughout all Directorates have received training on CMS – Sarah Curran • Additional strategic communication support to develop and deliver a Communications Strategy and plans linked to priorities, including the Customer Strategy – Lynda Fothergill 			
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> • Ensure strong linkages between the Customer Strategy, CMS and Communications Strategy. • Develop Communication action plans linked to Council priorities (link to actions plans). Most will include communication. Ensure we develop a more proactive approach with more planning by services allowing the opportunity to plan communication according to priorities – meet customer requirements, use communication methods that residents use – more digital, less print. Deliver value for money • The Council website was launched on 1 October 2013 and is far more transactional than the previous version with Apply for It, Book It, Pay for It, Request It and Say It boxes allowing customers to self serve. • The new CRM System will come on stream next year, allowing customers to further self-serve. • The website has Browse Aloud functionality. This enables people to access the website whose first language is not English and those who have visual impairments. 			
Person or Group Responsible for management of risk		Customer Service Board CMS Project Interim Marketing and Communications Manager and Communications Team			
Risk Review Date	September 2013	Completed By	Lynda Fothergill & Communications	Designation	Interim Marketing & Communications Manager
Risk Review Date	February 2014	Completed By	Sarah Curran	Designation	Head of Customer Service

STRATEGIC RISK REGISTER 2013/14			Risk Number	19
Corporate Priorities		Link(s) to Community Strategy Key Objectives		
RISK	<u>Impact and implementation of the Care Bill.</u> The Care Bill was published in May 2013 and outlines new duties and responsibilities for Local Authorities, building on the Governments “Caring for our Future” White paper, published last year. Key elements include new rights for carers to assessment and support, national eligibility threshold for care and support, a cap on the costs that people will have to pay for care, financial protection for those with modest wealth , deferred payment agreements, Local Authority responsibility for preventative services and the provision of information and a duty to carry out needs assessments.			
Consequences	<ul style="list-style-type: none"> • Increased financial pressure due to cost cap and increased responsibilities. • Increased demand on already stretched capacity due to increased responsibility for assessment and developing of care accounts for all residents requiring care. • Potential reputational damage through failure to meet changed responsibilities and duties. 			
Controls	<ul style="list-style-type: none"> • The Bill is currently subject to consultation and Trafford Council are drafting a response and linking in with National and regional networks 			

	<ul style="list-style-type: none"> Adult Social Care Business Delivery Board providing overview and scrutiny role in relation to preparations and readiness. 					
Risk Assessment	Likelihood	5	Impact	3	Exposure	15
RISK LEVEL			Medium			
Risk Performance Indicators						
Effectiveness of controls and performance indicators	This is a new risk which will be closely monitored. An action plan has already been developed to ensure business readiness.					
Improvement Actions (ref to action plans)						
Person or Group Responsible for management of risk	CFW Senior Leadership Team					
Risk Review Date	August 2013	Completed By	Deborah Brownlee	Designation	Corporate Director CFW	
Risk Review Date	February 2014	Completed By	Deborah Brownlee, Linda Harper, John Pearce, Charlotte Ramsden & Carol Baker-Longshaw	Designation	CFW Senior Leadership Team	

STRATEGIC RISK REGISTER 2013/14		Risk Number	20
Corporate Priorities	<ul style="list-style-type: none"> Services focused on the most vulnerable people Reshaping Trafford Council 	Link(s) to Community Strategy Key Objectives	
RISK	<p>Trafford Council must ensure that information held about citizens, employees, partners, contractors, members and organisations in Trafford are safe in their hands. To be able to assure its partners and the public that this is the case they need to demonstrate that they are handling personal/ sensitive and commercial data securely both in technology and physical terms. They also need to ensure that 3rd parties acting on their behalf are handling their data sets in accordance with Trafford Council's policies and procedures. This is a corporate risk and the risk to the Council is reputational, financial, adverse publicity and could ultimately be a breach of the Data Protection Act. (T&R)/(T&R).</p>		
Consequences	<ul style="list-style-type: none"> Statutory duty not discharged. Negative impact on reputation. Unforeseen financial implications Emotional damage to service users <p>The risk is a mixture of reputational, financial, adverse publicity and could ultimately be a breach of the Data Protection Act resulting in a fine or multiple fines up to £500k.</p>		
Controls	<ul style="list-style-type: none"> A project to develop policies, procedures, communication and training is underway 		

		<ul style="list-style-type: none"> • Reviews of data breaches are underway to identify problem areas • Mandatory training is being rolled out to all staff • Specific role related training is being rolled out to specialist staff • A project underway to gain N3 accreditation through the IG Toolkit. (Access to NHS records) • An annual work plan has been developed to improve on current processes and to monitor and enforce best practice 				
Risk Assessment	Likelihood	3	Impact	5	Exposure	15
RISK LEVEL			Medium			
Risk Performance Indicators						
Effectiveness of controls and performance indicators		<ul style="list-style-type: none"> • An Information Governance Project Board has been set up to oversee the Information Governance work. • The project to develop policies and procedures has made significant improvements to prepare the council for managing their information in line with information governance guidelines. • Training Needs Assessments are in the process of being carried out to identify the training requirements of staff, partners, consultants and members. • A communications plan has been developed and a communications campaign will be underway before Easter focusing on protecting information, employees responsibilities, mandatory training and guidelines and toolkits to enable 'best practice' information governance. 				
Improvement Actions (ref to action plans)		<ul style="list-style-type: none"> • Continue to update the Information Governance Board on progress. • Communication will take the form of informing, education and enforcing over the coming 12 months. • Monitoring of the effectiveness of the campaign will be carried out through system audits, data protection audits, reviews of data flows and reviews/updates of all contracts with 3rd parties and data sharing partners. • The Senior Information Risk Owner (SIRO) will regularly update CMT on the progress of the work plans. 				
Person or Group Responsible for management of risk			Wendy Marston – Corporate Director of Transformation & Resources			
Risk Review Date	25 February 2014	Completed By	Paula Titterington	Designation	Records and Information Systems Manager	

STRATEGIC RISK REGISTER 2013/14			Risk Number	21
Corporate Priorities	Low Council Tax and Value for Money	Link(s) to Community Strategy Key Objectives	Health and improved quality of life for all.	
RISK	Ability to support schools in delivering the new national requirement in supplying Free School Meals (FSM).			
Consequences	<ul style="list-style-type: none"> • Failure to deliver the capital funding requirements (to ensure infrastructure/equipment) placed with the LEA to deliver FSM. • Failure to deliver administer additional FSC funding and delivery of additional meals. • Reduction in current standard of FSM. • Negative impact on reputation. • Adverse impact on catering service. 			

	<ul style="list-style-type: none"> • Failure to deliver new national requirement. • Negative impact on other contracts held with schools. 					
Controls	<ul style="list-style-type: none"> • Lead officers identified. • Schools SLA group. • Analysis of needs (infrastructure/administration/delivery) started. • Project plans being developed. 					
Risk assessment	Likelihood	Infrastructure/equipment = 4 Administration of funding = 3 Delivery of additional meals = 4 Overall = 4	Impact	Infrastructure/equipment = 5 Administration of funding = 4 Delivery of additional meals = 4 Overall = 4	Exposure	Infrastructure/equipment = 5 Administration of funding = 3 Delivery of additional meals = 4 Overall = 16
RISK LEVEL			High Risk (Average)			
Risk Performance Indicators	<ul style="list-style-type: none"> • Educations Buildings Group (EBG) takes responsibility for co-ordination and allocation of capital monies to schools (including VA schools who are required to find 10% of the capital themselves). • Capital monies, Schools Revenue and DFC are utilised where appropriate to ensure implementation of the additional FSMs can be delivered. • A project group be established (EBG, Schools SLA Group, Access Trafford – FSM data collection and the Catering Service). • Investigation and analysis of individual schools needs in relation to equipment, staffing, suppliers, serving times, implementation costs, variable meal costs. • Information guidance to schools/parents on application requirement for FSM. • Implementation of data collection/analysis of FSM uptake. 					
Effectiveness of controls and performance indicators	Infrastructure/equipment = 2 Administration of funding = 3 Delivery of additional meals = 3					
Improvement Actions (ref to action plans)	Regular performance meetings with developers/key stakeholders to ensure project time and delivery of key milestones.					
Person or Group Responsible for management of risk	Environment Transport and Operations (ETO)					
Risk Review Date	January 2014	Completed By	Phil Valentine	Designation	Environment Strategic Business Manager	

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TRAFFORD COUNCIL

Report to: Executive

Date: 24 February 2014

Report for: Information

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

Report Title:

Revenue Budget Monitoring 2013/14 – Period 9 (April to December 2013).

Summary:

The approved revenue budget for the year is £159.003m. The forecast for the end of the year, as projected following nine months of activity, is £156.762m being a net underspend of £(2.241)m, (1.4)% of the budget. This is a favourable movement of £(0.049)m on the previous month.

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

Activity	Forecast £m	Movement £m
Vacancy management & control	(1.2)	(0.1)
Social Services demand led budgets	1.3	-
Projects/savings rescheduling	0.3	-
Running costs	0.1	(0.1)
New Grant	(0.2)	-
Income	(0.6)	0.3
Service Outturn	(0.3)	0.1
Additional Airport dividend	(1.3)	-
Other Council-wide budgets	(0.6)	(0.1)
Forecasted outturn	(2.2)	(0.0)
Learning Disability Pool	(0.6)	(0.1)

Reserves

The forecast level of General Reserve at year end is £(11.1)m or £(8.7)m if the NDR Safety Net requirement is triggered (see paragraph 9). Deducting future planned commitments the long term balance is £(6.6)m, or £(0.6)m above the minimum level of £(6.0)m.

The net service carry forward reserves at the beginning of the year were £(3.6)m. With a planned use to support savings and change projects of £1.8m, plus a net underspend of £(0.3)m, the projected carry forward is £(2.1)m. The Learning Disability Pool reserve had an adverse brought forward balance of £1.5m, which will be reduced by the recovery plan in-year to £0.9m, with a view to full recovery by the end of next year.

Council Tax

There is an in-year forecasted Council Tax surplus, of £(0.887)m, a favourable movement of £(0.015)m since the last report.

Recommendation(s)

It is recommended that:

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

Contact person for access to background papers and further information:

Head of Financial Management Extension: 4302

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be been contained within available resources in 2013/14.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health and Safety Implications	Not applicable

Director of Finance:.....ID

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

Signature: Appended in hard copy.

Budget Monitoring - Financial Results

- The approved budget is £159.003m. Based on the budget monitoring for the first 9 months of the year, the overall forecast for the year is £156.762m, being an underspend of £(2.241)m, (1.4)%. Included within this total is a net service underspend of £(0.316)m or (0.2)% of the relevant budget, and underspends in Council-Wide budgets of £(1.925)m or (8.2)% of the relevant budget.
- The Learning Disability (LD) Pool recovery plan is forecasted to achieve £(0.582)m or (2.9)% of cash savings to offset the brought forward adverse balance on the fund of £1.472m. The details of service variances can be found in Annexes 1 to 4, and for Council-Wide, Annex 5:

Table 1: Budget Monitoring results by Directorate	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)	Annex
Children, Families & Wellbeing	162	0.3%	174	1
Environment, Transport & Operations	54	0.2%	(39)	2
Economic Growth & Prosperity	-	0.0%	-	3
Transformation & Resources	(532)	(2.6)%	(108)	4
Total Service Variances	(316)	(0.2)%	27	
Council-wide budgets	(1,925)	(8.2)%	(76)	5
Estimated outturn variance (period 9)	(2,241)	(1.4)%	(49)	
Learning Disability Pool	(582)	(2.9)%	(67)	1
Total Forecasted outturn	(2,823)	(1.8)%	(116)	

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)
Supporting Children & Families	83	0.3%	254
Education	177	2.6%	(3)
Adult Social Services	(98)	(0.3)%	(77)
Community Health & Wellbeing	-	0.0%	-
Highways & Environment	54	0.2%	(39)
Safe and Strong Communities	23	1.1%	(2)
Economic Growth & Prosperity	-	0.0%	-
Transformation & Resources	(333)	(2.3)%	(72)
Finance	(2,147)	(7.8)%	(110)
Estimated outturn variance (period 9)	(2,241)	(1.4)%	(49)
Adult Social Services (LD Pool)	(582)	(2.9)%	(67)
Total Forecasted outturn	(2,823)	(1.8)%	(116)

Key Month on Month Variations

- The key variances contributing to the period movement of a favourable £(0.049)m are:
 - £0.378m Adoption Placement income. This relates to eleven Adopters who are now expected to be approved in the last quarter of the financial year and so will only generate 2013/14 budgeted income in 2014/15;

- £(0.188)m reduction in adoption agency fees due to a lower number of placements than previously expected;
- £(0.148)m additional savings identified across the Transformation & Resources Directorate from staff vacancies and higher income levels;
- Other minor net movements across all other services, £(0.091)m.

In addition there has been a favourable movement of £(0.067)m in the 2013/14 underspend in the Learning Disability Pooled fund to £(0.582)m.

MTFP Savings and increased income

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

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

5. There has been slippage on savings in Telecare £0.115m due to delays in the implementation of medical dispensers, Enforcement £0.232m due to additional staff consultation and Establishing the Strategic Procurement Unit with Partners £125k where savings will not be achieved until February. However, sustainable savings will be achieved on these projects and alternative in-year savings/ use of reserves have been identified for 2013/14 to mitigate any savings shortfall.
6. The Home to School Transport saving is projected to have a shortfall of £175k in 2013/14 and alternative sustainable savings for 2014/15 have not yet been identified. In-year savings across CFW will mitigate the shortfall in 2013/14 but are excluded from the figures above. Revenues & Benefits savings are forecast to exceed budget by £(150)k.

Council Tax

7. There have been a number of regulatory changes impacting on Council Tax collection, in particular the introduction of the Council Tax Support Scheme and the ability to move from a 10-month to a 12-month payment plan. After taking such matters into account, this year's collection performance of 86.52% to the end of December is reasonably comparable to last year's figure of 87.58%.
8. Overall, the current end of year total revenue forecast is for an additional £(887)k of Council Tax above budgeted levels, which is a favourable monthly movement of £(15)k. The variances are detailed in the table below.

Table 4: Council Tax forecast and surplus estimate for 2013/14	Overall (with all precepts)		Trafford element only	
	£(000's)	£(000's)	£(000's)	£(000's)
Surplus brought forward		(6)		(5)
Changes in Band D equivalents	(428)		(360)	
Empty Homes Premium	(160)		(135)	
Council Tax Support awards	(794)		(669)	
Backdated valuations & discounts	329	(1,053)	277	(887)
Surplus carry forward		(1,059)		(892)

Business Rates

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

Reserves

10. The General Reserve balance brought forward was £(10.6)m, against which there are planned commitments up to the end of 2014/15 of £4.0m.
11. The addition of the Council-Wide underspend of £(1.9)m, a one-off Waste Levy refund of £(0.5)m and the potential trigger of the NDR safety net detailed in paragraph 9 above of £2.4m provides for a projected 31 March 2015 balance of £(6.6)m, being £(0.6)m above the agreed minimum level of £(6.0)m. The utilisation of reserves is a consideration of the 2014/15 budget and medium term financial planning process.

Table 5: General Reserve Movements	(£000's)
Balance 31 March 2013	(10,643)
Commitments in 2013/14:	
- Planned use for 2013/14 Budget	906
- One-off projects from 2012/13 brought forward	98
- Planned use for one-off projects 2013/14	1,019
- Waste Levy refund (one-off)	(538)
- Council-wide budgets underspend	(1,925)
- Potential trigger of Safety Net (paragraph 9)	2,386
Balance 31 March 2014	(8,697)
- Planned use for 2014/15 Budget	2,094
Projected balance after known commitments	(6,603)

12. Service balances brought forward from 2012/13 were a net £(3.6)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net surplus of £(2.133)m to be carried forward to 2014/15 (Table 6). There is also an outstanding balance on the Learning Disability Pool of £0.890m, however, there is a recovery plan to bring the pool back into balance by the end of 2014/15 (see Annex 1).
13. The use of Service reserve balances during the year is detailed in Annexes 1 to 4 of the report. However the main highlights include :
- invest to save projects in CFW of £0.622m;
 - £0.126m committed on re-phased projects per the 2012/13 outturn report in EGP with the remaining balance £0.186m earmarked to supplement 2013/14 project work, plus provide one-off mitigation if income levels continue to be adversely affected by the economic climate;
 - Transformation Support within T&R of £0.177m and £0.185m set aside for Land Charges Claims.

	B/f April 2013 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Table 6: Service balances			
Children, Families & Wellbeing	(1,427)	830	(597)
Environment, Transport & Operations	(439)	291	(148)
Economic Growth & Prosperity	(312)	312	0
Transformation & Resources	(1,389)	1	(1,388)
Total All Services (Surplus)/Deficit	(3,567)	1,434	(2,133)
Learning Disability Pool	1,472	(582)	890
Total (Surplus)/Deficit	(2,095)	852	(1,243)

Recommendations

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

TRAFFORD MBC

Report to: CFW Directorate Management Team
Date: 23 January 2013
Report for: Discussion
Report author: CFW Finance Managers

Report Title

**Revenue Budget Monitoring 2013/14 – Period 9
 (April 2013 to December 2013 inclusive)**

1 Outturn Forecast

- 1.1 The approved revenue budget for the year is £82.600m. The projected outturn is £82.180m which is £(0.420)m under the approved budget (0.51%), a £0.107m adverse movement from the November forecast.
- 1.2 The £107k net adverse movement in the month is a result of:
- £(47)k favourable movement in staff costs across the Directorate
 - £378k adverse movement in Adoption Placement Income. The Adoption team will have recruited thirty-nine prospective adopters in 2013/14. Five of these adopters have been used for places for our own children which has saved £143k inter-agency fees. Of the thirty-nine adopters recruited, eleven will be approved in the last quarter of the financial year and so will generate income in 2014/15.
 - £(203)k favourable movement in care package and commissioned services costs, consisting of a £(144)k favourable movement in Adult Social Care and £(19)k in Children's Care
 - £(21)k favourable movement in other running costs.

2 Explanation of Variances

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

Supporting Children & Families and Education Portfolios - £251k adverse movement.

- Despite a number of actions to reduce demand and the cost of placements, there has been an increase in client numbers generating a net overspend of £582k in external placement costs and £42k of internal costs (staffing £72k, adoption fees £(111)k and other running costs £81k). This has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(10)k.
- There is an anticipated surplus of adoption income of £(45)k. This is being generated through the approval of 35 adopters and their use by other Local

Authorities for which we can charge £(27)k per placement. However, the activity supporting the identification of suitable families is supported by grant that cannot be guaranteed in the long term.

- Commissioning service projected underspend of £(117)k from staff savings and other variances.
- Education and Early Years' service predicted overspend of £177k: Home to School transport pressure of £516k, vacant staff posts totalling £(114)k, additional income of £(244)k and other variances £19k, and
- Children's Centres projected underspend of £(146)k, relating to staffing.

Adult Social Care Portfolio - £(77)k favourable movement

- A decrease of £(42)k in Older People residential placements (8).
- A decrease of £(48)k in the Physical Disabilities residential placements
- Other minor adverse variances of £13k in Support and Other Services.

Learning Disabilities (LD) Pooled Budget - £(67)k favourable movement

- A decrease in placement costs of £(67)k.

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

3 Learning Disabilities Pooled Fund

- 3.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £1,472k, and a recovery plan to deliver cash savings against budget over two financial years to address this. The 2013/14 target is for an outturn balance of £900k. The projected outturn is £890k.

- 3.2 The Deputy Corporate Director has re-phased the recovery plan, and included additional initiatives:

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

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

4 Service carry-forward reserves

- 4.1 At the beginning of April 2013 the Children, Families and Wellbeing Directorate had accumulated balances of £(1,427)k carried forward from previous financial years.
- 4.2 The remaining carry-forward balances at the end of the year after taking into account the outturn position are:

Table 1: Utilisation of Carry forward Reserve 2013/14 –	(£000's)
Balance brought forward 1 April 2013	(1,427)
Specific expenditure assigned against the reserve re: invest to save	622
Specific expenditure committed from 2012/13	46
P9 Forecast Outturn	162
Balance carried forward at 31 March 2014	(597)
Specific Expenditure committed 2014-15 re Adoption Reform Grant and other commitments	245

Table 2: Utilisation of Carry forward Reserve 2013/14 – Learning Disabilities Pooled Fund	(£000's)
Balance brought forward 1 April 2013	1,472
P9 Forecast outturn cash movement	(582)
Balance carried forward at 31 March 2014	890

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

5 Management Action

- 5.1 Key to the delivery of the budget is management of demand, placement costs and delivery of the Learning Disabilities Pooled Fund Recovery Plan. The Directorate will focus on
- Monitoring the impact of the changes in activity and discharges from services seen in period 9. Putting in place action to mitigate the budget pressure.
 - Delivery of the Learning Disability Pooled Fund Recovery Plan in partnership with Trafford Clinical Commissioning Group.
 - Monitoring of the impact on demand of the Telecare and Reablement budget savings
 - Continuous review of all placements to ensure the most effective provision is made

Period 9 Projected Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P9 Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 – P9 movement (£000's)	Ref
Education Portfolio						
Dedicated Schools Grant	0	0	0	0	0	CFW1
Transfer to Dedicated Schools Grant Reserve	0	0	0	0	0	CFW1
Education Early Years' Service	6,937	7,114	177	180	(3)	CFW5
Sub-total	6,937	7,114	177	180	(3)	
Supporting Children & Families Portfolio						
Children's Social Services	15,214	15,690	476	206	270	CFW2
Children with Complex & Additional Needs	2,023	1,918	(105)	(94)	(11)	CFW2
Commissioning	1,712	1,595	(117)	(140)	23	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,489	1,527	38	33	5	CFW6
Youth Offending Service	527	464	(63)	(50)	(13)	CFW7
Children's Centres	2,174	2,028	(146)	(126)	(20)	CFW4
Youth Service	1,430	1,430	0	0	0	
Sub-total	24,569	24,652	83	(171)	254	
Adult Social Services Portfolio						
Older People	20,250	20,009	(241)	(199)	(42)	CFW8
Physical Disabilities	4,194	4,066	(128)	(80)	(48)	CFW9
Equipment & Adaptations	801	772	(29)	(29)	0	CFW10
Mental Health	3,416	3,716	300	294	6	CFW11
Other Adult Services	746	739	(7)	(14)	7	CFW12
Strategic & Support Services	896	910	14	14	0	CFW13
Adaptations	(52)	(52)	0	0	0	

Housing Services	1,247	1,271	24	24	0	CFW14
Community Services	251	255	4	4	0	CFW15
Equalities & Diversity	184	149	(35)	(35)	0	CFW16
Sub-total	31,933	31,835	(98)	(21)	(77)	
Community Health & Wellbeing Portfolio						
Public Health	(862)	(862)	0	0	0	
Sub-total	(862)	(862)	0	0	0	
Total	62,577	62,739	162	(12)	174	
Learning Disabilities Pooled Fund	20,023	19,441	(582)	(515)	(67)	CFW17
Total	82,600	82,180	(420)	(527)	107	

Business Reason / Area (Subjective analysis)	P9 Outturn (£000's)	P8 Outturn (£000's)	P8-P9 movement (£000's)	Ref
DSG Reserve				
DSG Reserve B/Fwd.	(2,453)	(2,453)	0	
Spend on DSG Reserve	1,103	1,103	0	CFW1
DSG projected underspend	(1,350)	(1,350)	0	
Transfer to DSG Reserve	1,350	1,350	0	
Children, Families & Wellbeing				
Management of staff vacancies	(600)	(553)	(47)	CFW3,4,5,6,7,8, 10,11,15,16
External care packages and commissioned services	38	241	(203)	CFW2,8,9,10,14, 16
Delay in closure of establishments	102	97	5	CFW7
Transport costs	515	515	0	CFW5
Other running costs	12	22	(10)	CFW3,5,12,13
Grant income	(198)	(198)	0	CFW2
Adoption income	(45)	(423)	378	CFW2
Other income	(244)	(228)	(16)	CFW3
Sub-total	(420)	(527)	107	
Total	(420)	(527)	107	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

Supporting Families & Children Portfolio, Education Portfolio

CFW1 – DSG Reserve b/fwd.

- The DSG reserve brought forward balance is £(2.453)m. There are likely to be commitments against this in 2013/14 of £1.103m. This leaves an underspend of £(1.350)m. This underspend will be carried forward to 2014/15. Further variances will come to light once the full impact of the new academic year is known. (e.g. increased pupil numbers).
- The Funding Forum was made aware of this reserve at the July 2013 meeting and proposals will be forwarded at a future meeting on how to utilise this. It is highly likely some of it will be distributed to schools on a one off basis. Further details can be sought by accessing the July 2013 Funding Forum report.

Non DSG Variances £260k adverse

CFW2 – Children’s Social Care £371k adverse (Includes Children with Complex & Additional Needs)

- Despite a number of actions to reduce demand and the cost of placements, there has been an unexpected increase in client numbers generating a net overspend of £582k in external placement costs, in addition to an overspend of £72k in staffing, a saving on adoption agency placement fees of £(111)k and other costs of £81k. This is despite a significantly reduced unit cost per week over the last three years due to the placement strategy implemented. The increased demographics are in line with national trends and increased child population overall in Trafford. The increase has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(10)k.
- This overspend is also off-set for 2013-14 by an anticipated surplus in adoption income of £(45)k. This is being generated through the approval of 35 adopters and their use by other Local Authorities for which we can charge £(27)k per placement. This level of grant and income cannot be guaranteed in future.

CFW3 – Commissioning £(117)k favourable

- The favourable variance is due to staff posts being held vacant £(47)k, an underspend on contracts within commissioned Early Intervention and Complex & Additional Needs services totalling £(80)k, and other variances totalling £10k.

CFW4 – Children’s Centres £(146)k favourable

- The favourable variance within this service is due to a slippage in staffing costs totalling £(146)k.

CFW5 – Education & Early Years £177k adverse

- The projected overspend of £177k within the Education and Early Years’ service is due to the impact of demographic pressures on contract and escort costs for SEN Transport of £516k, overall staff savings across the service of £(114)k, additional income received from schools and academies of £(244)k and other variances totalling £19k.

CFW6 – MARAS £38k adverse

- The estimated overspend within MARAS relates to additional staffing costs incurred in the year totalling £38k.

CFW7 – Youth Offending Service £(63)k favourable

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

Adult Social Care Portfolio £(98)k favourable**CFW8 – Older People £(241)k favourable**

- **Care Management/Assessment £(363)k favourable**
Due to managed vacancies within the Social Work, Assessment, Reablement and Screening teams.
- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £21k adverse**
In previous periods demand had been within expected levels, period 9 has seen a net increase of 1 service user in homecare.
- **Katherine Lowe House and The Princess Centre - £101k adverse**
Delays in the closure of Katherine Lowe House (£86k) and the Princess Centre (£15k) resulting in additional costs being incurred.

CFW9 – Physical Disabilities £(128)k favourable

- **Care Management/Assessment £(87)k favourable**
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Direct Payments - £(41)k favourable**
One additional residential placement costing £45k more than budgeted, 1 additional homecare placement; £12k and 1 existing placement were package costs have increased; £17k. Recovery of Direct Payment allocations is greater than budgeted £(115)k.

CFW10 – Equipment & Adaptations - £(29)k favourable

- **External Minor Adaptations - £(29)k favourable**
The volume of repair call out is projected to be slightly lower than estimated in the budget.

CFW11 – Mental Health - £300k adverse

- **Care Management and Assessment £(50)k favourable**
Due to managed vacancies within the Community Mental Health Team.
- **Residential and Nursing Care/Home Care/Direct Payments/Supported Living £350k adverse**
There are 9 residential service users with significantly higher than budgeted costs and one homecare user higher than budgeted.

CFW12 - Other Adult Services £(7)k favourable

- **Emergency Duty Team £93k adverse**
Due to projected staff costs due to current workload.
- **Transport Services - £(100)k favourable**

Rationalisation of trips following merger of Princess Centre and Pathways.

CFW13 - Strategic & Support Services - £14k adverse

- **Finance Team £14k adverse**
Due to higher than expected client services costs.

CFW14 - Housing Services - £24k adverse

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

CFW15 - Community Services - £4k adverse

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

CFW16 – Equalities & Diversity - £(35)k favourable

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

Learning Disabilities Pooled Fund

CFW17 – Learning Disabilities - £(582)k favourable – Pooled Fund Arrangement

- **Residential and Nursing Care/Home Care/Direct Payments £(541)k favourable**
The impact of the recovery plan on projected demand.
- **Daycare £(55)k favourable**
The new method of service provision at the Meadowside Centre has delivered a saving higher than estimated.
- **Care Management/Assessment £14k adverse**
Agency cover for long term sick and additional resource to deliver recovery plan.

TRAFFORD MBC

Report to: ETO Directorate Management Team
 Date: 22 January 2014
 Report for: Discussion
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 9 (April to December 2013)

1. Forecast Outturn for the Year

- 1.1 The approved revenue budget for the year is £29.193m. The forecast outturn before management action is £29.247m, which is £0.054m over the approved budget (0.2%). This is a favourable movement of £(0.039)m since last month, which is across a number of service areas.
- 1.2 Action to manage budget pressures will continue throughout the remainder of the year (see paragraph 2.2) and a nil variance is expected as a result. The financial forecasts will be revised once the results of this action are considered realisable.
- 1.3 The Directorate has also brought forward balances of £(0.439)m from previous years (paragraph 3). This includes £(0.202)m earmarked specifically to mitigate one-off budget pressures this year, such as from the Enforcement review. The aim is to deliver a balanced budget without use of these reserves but, based on the forecast overspend above, £0.054m has been earmarked as a commitment at this point.
- 1.4 The forecast outturn for the Directorate can be subject to external factors, such as the effects of weather, and income streams affected by economic conditions. Any remaining balances from previous years not currently committed are being held to mitigate such pressures for the remainder of the year.

2. Summary of Variances

- 2.1 The overall net variance reflects a number of individual under and overspends across the diverse areas of the Directorate, summarised as follows:
- Re-profiling of savings from the review of Enforcement due to additional staff consultations £0.314m;
 - Re-profiling of Groundforce staff savings pending the ongoing review of working conditions (e.g. overtime) £0.100m, a favourable movement of £(0.016)m since last reported;
 - Public Protection licencing income shortfall – continuing adverse effect of economic climate £0.068m, a reduction of £(0.002)m this month;
 - Traffic Management costs for major events – additional costs £0.054m;
 - Street Lighting – prices in the new energy contract are higher than anticipated at the start of the year £0.035m;

- Additional costs from the extension of the Parking enforcement contract prior to full re-tendering exercise during the year £0.035m;
- Head of Operations post part year vacancy (revenue element) £(0.030)m;
- The full closure of Oakfield Road car park has taken longer than predicted when setting the budget and income is £(0.153)m higher than expected for the full year;
- Other Parking income higher than expected £(0.049)m;
- Income in Bereavement Services has continued to be higher than expectations £(0.112)m;
- School crossing patrols underspend from ongoing net vacancies £(0.055)m;
- Rebate expected from transport leasing contractor £(0.050)m;
- Waste Management – total underspend of £(0.060)m from the waste collection contract, refurbishing of existing dustbin stock, and other running costs, a favourable movement of £(0.010)m;
- Other net underspend £(0.043)m.

2.2 The management action plan being implemented includes numerous steps to ensure that essential services are delivered within budget throughout the year. These will be monitored throughout the year and reflected in the forecast outturn for the service areas accordingly:

- Only necessary spending on supplies and services to be approved;
- Reduced use and greater control of overtime and travel expenses;
- Monitoring and evaluation of existing and potential new income streams;
- Analysis of rechargeable work for both revenue and capital schemes;
- Additional improvements to efficiency through service redesign and better procurement;
- Potential to accelerate future savings proposals.

3. Reserves

3.1 At the end of 2012/13 the Directorate had a surplus on accumulated balances of £(0.439)m, which was carried forward to 2013/14. This was a result of the successful management of budget pressures in 2012/13, plus generated surpluses to assist in mitigating future pressures (if required) while sustainable solutions are implemented.

3.2 The planned use of these balances is shown below. The current balance of £(0.109)m is being held to cover potential budget pressures from external factors, such as from adverse weather or reductions in income. Any balance remaining at year end will be carried forward to support services in 2014/15 accordingly.

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(439)
Traded service investment projects c/f	132
Car Parking – contract cost/income	105
Period 9 forecast outturn (adverse)	54
Balance after known commitments	(148)

4. Savings

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

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

- 4.2 The shortfall of £0.414m relates to re-profiling of savings in Enforcement and Groundforce above, and is £(0.020)m less than last reported based on latest projections. These are to be mitigated in full from management action and other favourable variances across the Directorate, or by the use of accumulated balances if required.

5. Recommendations

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

Period 9 Forecast Outturn revenue expenditure and income variances.

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	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	5,130	5,179	49	50	(1)	ETO1
School Crossing Patrols	512	457	(55)	(55)	0	ETO2
Parking Services	(150)	(320)	(170)	(170)	0	ETO3
Groundforce	4,593	4,689	96	112	(16)	ETO4
Bereavement Services	(998)	(1,089)	(91)	(91)	0	ETO5
Sustainability & Greenspace	410	349	(61)	(61)	0	ETO6
Waste Management (incl. WDA levy)	18,661	18,601	(60)	(50)	(10)	ETO7
Public Protection	806	858	52	54	(2)	ETO8
Environmental Enforcement	30	344	314	314	0	ETO9
Directorate Strategy & Business Support	471	451	(20)	(10)	(10)	
Sub-total	29,465	29,519	54	93	(39)	
Operational Services for Education	(272)	(272)	0	0	0	
Total Forecast Outturn Period 9	29,193	29,247	54	93	(39)	

ETO Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Highways and Network Management				
Traffic Management costs - events	54	54	0	
Fee income shortfall	5	5	0	
Transport rebates	(25)	(25)	0	
Staffing vacancies	(30)	(30)	0	
Energy – Street Lighting	35	35	0	
Other running costs	10	11	(1)	
Sub-total	49	50	(1)	ETO1
School Crossing Patrols - vacancies	(55)	(55)	0	ETO2
Parking Services				
Additional income – Oakfield Road	(153)	(153)	0	
Additional income - others	(49)	(49)	0	
Contract extension one-off costs	35	35	0	
Staffing and running costs	(3)	(3)	0	
Sub-total	(170)	(170)	0	ETO3
Groundforce				
Re-profiling of staff/equipment savings	100	116	(16)	
Overtime/other additional running costs	21	21	0	
Transport rebates	(25)	(25)	0	
Sub-total	96	112	(16)	ETO4
Bereavement Services				
Essential maintenance costs	21	21	0	
Income above budget	(112)	(112)	0	
Sub-total	(91)	(91)	0	ETO5
Sustainability & Greenspace				
Vacancy, supplies & services	(61)	(61)	0	ETO6
Waste Management				
Refurbishment and reduced demand for bin replacement	(20)	(10)	(10)	
Contract costs	(30)	(30)	0	
Running costs	(10)	(10)	0	
Sub-total	(60)	(50)	(10)	ETO7

ETO Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Public Protection				
Income shortfall including licencing	68	70	(2)	
Mitigating action – hold on filling vacancies	(16)	(16)	0	
Sub-total	52	54	(2)	ETO8
Environmental Enforcement				
Re-profiling of staff/equipment saving	314	314	0	ETO9
Director & ETO Business Support				
Staffing and Running costs	(20)	(10)	(10)	
Total Forecast Outturn Period 9	54	93	(39)	

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

ETO 1 – Highways & Network Management - £0.049m (adverse)

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

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

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

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

Forecast running costs are £0.010m above budget, largely due to the re-phasing of work regarding changes to security arrangements at Carrington depot.

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

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

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

The approved budget included assumptions regarding the partial, then full closure of Oakfield Road car park during the year as part of the regeneration of Altrincham Town Centre. The re-phasing of the town centre project has resulted in forecast income being £(0.153)m above budget.

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

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

ETO 4 – Groundforce - £0.096m (adverse)

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled, and there is forecast overspend of £0.100m this year. A review is ongoing regarding revised terms and conditions, overtime and procurement accordingly. The review is informing the action plan to bring future spend in line with budget, plus balances have been carried forward from 2012/13 to be utilised as one-off mitigation, if required. The overspend has reduced by £(0.016)m since last reported.

Other supplies, services and overtime costs are forecast to be £0.021m above budget. An element of this relates to one-off reactive service requests, which are often out of normal working hours. The review of the service above will also look to address these issues.

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

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

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

ETO 6 – Sustainability and Greenspace £(0.061)m (favourable)

Management action to control running costs, plus staff vacancies, gives rise to a predicted underspend of £(0.061)m.

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

An underspend of £(0.020)m is expected relating to a reduction in the forecast purchase cost of replacement bins. This correlates to an increase in the refurbishing of existing bin stock and also a reduction in demand generally. The underspend has increased by £(0.010)m since projected last month.

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

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

ETO 8 – Public Protection £0.052m (adverse)

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

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

ETO 9 – Environmental Enforcement £0.314m (adverse)

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

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

TRAFFORD MBC

Report to: EGP Directorate Management Team
 Date: 22 January 2014
 Report for: Discussion
 Report author: EGP/ETO Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 9 (April to December 2013)

1. Forecast Outturn

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

2. Explanation of Variances

- 2.1 The forecast outturn variances are summarised below, with more detail at Appendix 1:
- Shortfall in property rent income of £0.141m due to the on-going adverse effect of the economy, primarily on town centre rents (e.g. Stamford Centre);
 - Backdated rental income of £(0.073)m was confirmed in November 2013 relating to Shrewsbury Street;
 - Rental income from airport land is £(0.019)m higher than budgeted, and is based on the notification received from Manchester City Council in March 2013;
 - Confirmation of the final 2012/13 rental income from Stretford Arndale by the agents of the owners was received in September, and was £(0.111)m higher than had been anticipated;
 - Facilities management staffing is £0.070m above budget due to the later than planned disposal of a number of properties. This also includes the cost of interim support to help deliver the Council's overall land sales programme;
 - There is a forecast staffing underspend across EGP relating to the ongoing restructure and appointments to vacancies £(0.062)m;
 - Planning Application fees income is now expected to be £(0.018)m above budget, a favourable movement of £(0.030)m this month. Building control income is forecast to be less than planned by £0.011m, which is an adverse

movement of £0.036m. This is based on the weekly monitoring and projections of income;

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

3. Reserves

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

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(312)
Re-phasing of projects from 2012/13	126
Forecast outturn P9	0
Committed on 2013/14 projects plus mitigation for potential future budget pressures	186
Balance after forecast outturn/commitments	0

4. Savings

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

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

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

5. Recommendations

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

Period 9 Forecast Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P9 Forecast Outturn (£000's)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P9 – P8 Variance (£000's)	Ref
Economic Growth & Prosperity Portfolio						
Asset Management	1,089	1,096	7	7	0	EGP1
Planning & Building Control	174	129	(45)	(45)	0	EGP2
Strategic Planning & Development	525	519	(6)	(6)	0	
Economic Growth	723	702	(21)	(21)	0	
Housing Strategy	522	587	65	65	0	EGP3
Directorate Strategy & Business Support	248	248	0	0	0	
Total Forecast Outturn Period 9	3,281	3,281	0	0	0	

EGP Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Asset Management				
Investment Property Rental Income:				
- Stamford Centre - shortfall	34	34	0	
- Other properties - shortfall	69	69	0	
- Airport - surplus	(19)	(19)	0	
- Stretford Arndale 12/13 final rent	(111)	(111)	0	
- Shrewsbury St. backdated rent	(73)	(73)	0	
Community buildings – income/running costs	35	38	(3)	
Facilities Management - staffing	70	70	0	
Asset Management – staffing vacancies	(12)	(12)	0	
Other minor running cost variances	14	11	3	
Sub-total	7	7	0	EGP1
Planning & Building Control				
Planning applications income shortfall	(18)	12	(30)	
Building Control income surplus	11	(25)	36	
Staffing vacancies	(38)	(32)	(6)	
Sub-total	(45)	(45)	0	EGP2
Strategic Planning & Development				
Staffing/running costs savings	(6)	(6)	0	
Sub-total	(6)	(6)	0	
Economic Growth				
Staffing/running costs savings	(21)	(21)	0	
Sub-total	(21)	(21)	0	
Housing Strategy				
Housing improvements capital fee income shortfall	46	46	0	
Green Deal income re-phased implementation	31	31	0	
Running cost savings	(12)	(12)	0	
Sub-total	65	65	0	EGP3
Total Forecast Outturn Period 9	0	0	0	

NOTES ON OUTTURN VARIANCES

EGP1 – Asset Management - £0.007m (adverse)

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

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

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

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

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

Income from planning fees is forecast to be £(0.018)m above budget, which is a favourable movement of £(0.030)m from last month.

Building control income is forecast to be below budget by £0.011m, which is an adverse movement of £0.036m.

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

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

EGP3 – Housing Strategy – £0.065m (adverse)

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

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

TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team
 Date: 23 January 2014
 Report for: Discussion
 Report author: T&R Finance Manager

Revenue Budget Monitoring 2013/14 – Period 9 (April 2013 – December 2013 inclusive)

1 Outturn

1.1 The current approved revenue budget for the year is £20.327m. The forecast outturn of £19.795m is £(0.532)m below the approved budget. This is a £(0.108)m favourable movement since last month.

1.2 The £(108)k favourable movement in the month is a result of:

£(86)k favourable variance on staffing costs due to vacancies in Partnerships and Performance not being filled following the finalisation of the staff review and delayed recruitment in ICT.

£27k adverse variances on court costs and legal fees.

£20k additional running costs to match additional Arts Grant income.

£(7)k favourable variance on other running costs.

£(24)K favourable variance on Proceeds of Crime Fraud income.

£16k adverse movement on CCTV income.

£(54)k favourable collective variance on other income streams including £(20)k grant income, £(9)k HR Occupational Health SLA income, £(7)k Registrars.

2 Reserves

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

Table 1: Utilisation of Carry Forward Reserve 2013/14	£000's
Balance b/f 1 April 2013	(1,389)
Planned use in 2013/14	
Land Charges Claims	185
Transformation Support	177
Library improvements	56
CCTV/ Control room marketing and set up costs	55
LGG Support	51
SWiTch Support	51
EDRMS	40
ICT textlink and contracts	34
Altrincham Forward	20
Investment in New Operating Model	13
Finance and Access Trafford IT improvements	8
Legal Case Management System	7
Disaster Recovery – Stretford Library	6
Budget/ grants rolled over into 2014/15	(170)
2013/14 Outturn	(532)
Remaining Balance at 31 March 2014	(1,388)

- 2.2 In 2014/15 and future years the surplus balance will be used to ensure that the directorate can meet and sustain the challenges of the future, particularly ensuring support for the Transformation Programme and New Operating Model. Planned usage of reserves in 2014/15 currently totals £328k including costs associated with the £170k budget/ grants roll-over.

3 Welfare Reform

- 3.1 In the nine months of operation, Trafford Assist has made awards to 1,698 different individuals with a total value of £115,328. The total value of awards are shown in the table below:

Item	Awards	Value
Furniture	402	£88,158
Paypoint (cash)	880	£13,826
Food	1,275	£13,344
Total	2,557	£115,328

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

3.3 In addition to the above, 896 awards, out of 1,252 requests, for Discretionary Housing Payment have been made amounting to £268,199. This is in line with budgeted expectations.

Period 9 Forecasted Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	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	1,935	2,095	160	115	45	T&R2,4,6
Communications & Customer Services	6,865	6,668	(197)	(136)	(61)	T&R1,4,6
Partnerships & Performance	2,712	2,444	(268)	(216)	(52)	T&R3
Strategic Human Resources	2,332	2,313	(19)	(15)	(4)	T&R4
Corporate Leadership and Support	367	358	(9)	(9)	(0)	
sub-total	14,211	13,878	(333)	(261)	(72)	
Finance Portfolio						
Finance Services	3,944	3,722	(222)	(188)	(34)	T&R1,5
sub-total	3,944	3,722	(222)	(188)	(34)	
Safe and Strong Communities						
Culture & Sport	2,172	2,195	23	25	(2)	T&R4,6
sub-total	2,172	2,195	23	25	(2)	
Total	20,327	19,795	(532)	(424)	(108)	

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	(504)	(418)	(86)	T&R1
Court Costs and Legal fees	181	154	27	T&R2
Running costs relating to Public Health	(209)	(209)	0	T&R3
Running Costs	184	171	13	T&R4
Proceeds of Crime Income	11	35	(24)	T&R5
Income	(195)	(157)	(38)	T&R6
Total	(532)	(424)	(108)	

NOTES ON PROJECTED VARIANCES

T&R1

There are a number of posts which were held vacant whilst staffing structures were being reviewed, particularly in ICT (£246k), Revenues & Benefits (£218k) and Partnerships & Performance (£74k).

T&R2

Legal expenses are forecast to be £181k adverse to budget due to a continuing increase in childcare cases and a number of new development projects.

T&R3

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

T&R4

Running costs are being tightly controlled to remain within budget. However, the initiative to reduce sickness levels has impacted on utilisation of Occupational Health services causing an increased forecast adverse variance of £52k within HR. Other significant unbudgeted spend includes by election costs (£20k), additional SWiTch costs (£37k) and grant funded expenditure in the Waterside Arts Centre.

T&R5

The number of new Proceeds of Crime cases and timing of receipts of existing cases has been reviewed. This month there is a reduction in the forecast shortfall in income to £11k.

T&R6

There is forecast to be a favourable variance on income of £(190)k, particularly on Legal income, including Registrars, Waterside Arts Centre grants and HR SLA income. The shortfall in ticket sales in the Waterside Arts Centre has reduced further in the month.

TRAFFORD MBC

Report to: Director of Finance
 Date: 23 January 2014
 Report for: Information
 Report author: Head of Financial Management

Report Title

Revenue Budget Monitoring 2013/14 – Period 9 Outturn - Council-Wide Budgets (April 2013 to December 2013 inclusive)

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £23.602m. The outturn forecast is £21.677m, which is £(1.925)m under budget, and a favourable movement of £(0.076)m since last month.

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

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

Members expenses - £(0.040)m, relating to the voluntary 1.9% reduction in allowances and savings in telephony and other running costs;

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

Housing and Council Tax Benefits overpayment recovery net variance of £(0.241)m;

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

Some of the savings from the proposed changes to staff terms and conditions will not be achieved in full this year, £0.144m;

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

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

2 Service carry-forward reserve and Recommendations

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

Period 9 Forecasted Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	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	17,852	17,856	4	4		
Provisions (bad debts & pensions)	1,742	1,886	144	144		C-W4
Treasury Management	8,366	7,050	(1,316)	(1,316)		C-W1
Insurance	659	659				
Members Expenses	944	904	(40)	(30)	(10)	C-W2
Grants	(6,283)	(6,680)	(397)	(397)		C-W5
Other Centrally held budgets	322	2	(320)	(254)	(66)	C-W3
Total	23,602	21,677	(1,925)	(1,849)	(76)	

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	(1,305)	(1,305)		C-W1
- Debt Management cost savings	(11)	(11)		C-W1
Members expenses	(40)	(30)	(10)	C-W2
Grants	(397)	(397)		C-W5
Other Centrally held budgets	(320)	(254)	(66)	C-W3
Staff terms and conditions	144	144		C-W4
Precepts, Levies & Subscriptions	4	4		
Total	(1,925)	(1,849)	(76)	

NOTES ON PROJECTED VARIANCES

C-W1 – Treasury Management - £(1.316)m (favourable)

The Council has now received a total dividend from Manchester Airport Group of £(2.321)m, which is £(1.321)m in excess of the budgeted figure. This includes a one-off allocation of £(0.969)m relating to the higher than expected levels of cash balances held in Stansted Airport at the time of acquisition. The base budget for 2014/15 will be amended to reflect the dividend expected from Trafford's new share allocation in the expanded group.

The adverse movement in the month of £0.015m relates to rephasing of the Land Sales programme resulting in lower cash balances and therefore reduced investment interest.

Other minor variances of £(0.010)m.

C-W2 – Members Allowances - £(0.040)m (favourable), £(0.010)m (favourable) movement

All 63 Trafford Members agreed to take a voluntary 1.9% reduction in the value of their allowances, generating a saving of £(0.016)m. Other savings from pay, telephony and running costs are also expected of £(0.024)m.

C-W3 – Other Centrally held budgets - £(0.320)m (favourable), £(0.066)m (favourable) movement

NNDR Refunds - £(0.070)m (favourable)

A number of backdated Exemptions and Rateable Value reductions to Trafford buildings has generated one-off income of £(0.070)m.

Housing & Council Tax Benefits - £(0.241)m (favourable), £(0.052)m (favourable) movement

There is a net forecast variance of £(241)k within the Housing Benefit and Council Tax Benefit budgets, a favourable movement of £(0.052)m since last month; this consists of a small saving of £(0.006)m within the Housing Benefit budget and a recovery of overpaid Council Tax Benefit from previous financial years of £(0.235)m.

The credit from the recovery of overpaid Council Tax Benefit is difficult to predict and will eventually taper off as the Council Tax Benefit scheme was replaced on 1 April 2013 with the new Council Tax Support Scheme.

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

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

Other minor variances of £0.011m, a movement in the month of £0.006m.

C-W4 – Provisions - £0.144m (adverse)

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

C-W5 – Grants - £(0.397)m (favourable)

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

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

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 25 March 2014
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Accounts and Audit Committee – Work Programme – 2013/14

Summary

This report sets out the updated work plan for the Committee for the 2013/14 municipal year i.e. items covered during the year in addition to the agenda for the March 2014 meeting.

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

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

Recommendation

The Accounts and Audit Committee is asked to note the 2013/14 work programme.

Contact person for access to background papers and further information:

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

Background Papers: None

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Annual Governance Statement / Corporate Governance	Anti- Fraud & Corruption Arrangements	Accounts
27 June 2013	Agree Committee's Work Programme for 2013/14 (including consideration of training and development) Training & Development – Draft accounts (provided outside committee)					
	- 2012/13 Annual Internal Audit Report	- Audit Progress Report		- Review 2012/13 draft Annual Governance Statement - Accounts and Audit Committee 2012/13 Annual Report to Council		- Review 2012/13 draft accounts - Treasury Management Annual Performance 2012/13 - Insurance Performance Report 2012/13.
26 September 2013						
	- Q1 Internal Audit Monitoring Report	- Audit Findings Report - Financial Resilience Report	- Strategic Risk Register Monitoring Report	- 2012/13 Annual Governance Statement (final version)	- Benefit Fraud Investigation 2012/13 Annual Report	- Approval of Annual Statement of Accounts 2012/13 - Revenue Budget Monitoring Report.
20 November 2013	Training and Development – Presentation on the Transformation Programme					
	- Q2 Internal Audit monitoring report	- Annual Audit Letter - Audit Update	(Risk Management Update within Q2 Internal Audit monitoring report).	- Consider improvement actions taken in 2013/14 in respect of 2012/13 governance issues : <ul style="list-style-type: none"> • Locality Partnerships • EDRMS. 		- Treasury Management : mid year review - Update on 2012/13 External Audit Findings Report Recommendation (Re payroll documentation) - Revenue Budget Monitoring Report.

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Annual Governance Statement / Corporate Governance	Anti- Fraud & Corruption Arrangements	Accounts
11 February 2014	- Q3 Internal Audit monitoring report	- Audit Update - Grant Claims report		- Report on arrangements for 2013/14 Annual Governance Statement - Consider improvement actions taken in 2013/14 in respect of 2012/13 governance issues. (Public Health)	- Risk-Based Verification Policy (Part 2 Item)	- Treasury Management Strategy - Insurance update - Revenue Budget Monitoring Report
25 March 2014	- 2014/15 Internal Audit Plan - Public Sector Internal Audit Standards Update : Internal Audit Charter and Strategy	- Audit Update	- Strategic Risk Register Monitoring Report	- Consider improvement actions taken in 2013/14 in respect of 2012/13 governance issues. <ul style="list-style-type: none"> • Public Service Reform • Terms and Conditions 	- Anti Fraud & Corruption / National Fraud Initiative update	- Reserves Update - Revenue Budget Monitoring Report.

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