

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 25 March 2013**

**Report for: Information**

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

### Report Title:

Revenue Budget Monitoring 2012/13 – Period 10 (April 2012 to January 2013 inclusive).

### Summary:

At month ten, the projected revenue outturn is £154.435m compared to the budget of £155.395m (summary tables by Directorate & Portfolio at paragraph 1), a favourable variance of £(0.960)m, or (0.6)%. Excluding Council-Wide budgets, the service expenditure outturn is £(0.410)m less than budgeted, or (0.3)%.

This movement consists of a number of relatively minor movements across all services:

<b>Activity</b>	<b>Forecast £m</b>	<b>Movement £m</b>
Social Services clients & need	1.2	0.1
Suppressed income	0.3	-
Street lighting electricity costs	0.2	-
Vacancy & running cost management	(1.9)	(0.2)
Treasury Management	(0.4)	-
New grant & rephased projects	(0.4)	(0.1)
<b>Forecasted outturn</b>	<b>(1.0)</b>	<b>(0.2)</b>
LD Pool (annex 2, section 5)	0.9	

The budgeted savings target of £12.2m is forecasted to be achieved, with 99% of original projects delivered on target and the remaining element made good with new and/or amended projects or management action.

The combined effect of the underspending position and in-year commitments, will reduce Directorates' service reserves from £(2.6)m to £(1.9)m. Some Directorates will have a combined debit balance on their service reserve of £0.2m, which will be expected to be addressed by in-year or future years' savings.

The forecast level of General Reserve at year end is £(8.6)m. Taking into account transfers and commitments as approved by Council in the 2013/14 budget, the long term forecasted uncommitted balance is £(6.6)m, £(0.6)m above the minimum level of £(6.0)m.

The forecasted Council Tax surplus as at 31 March 2013 has suffered from further backdated valuations and discounts and is estimated to be £(0.191)m.

**Recommendation(s)**

**It is recommended that:**

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

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

Head of Financial Management                      Extension: 4302

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be contained within available resources in 2012/13.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health and Safety Implications	Not applicable

Finance Officer Clearance .....IK.....

Legal Officer Clearance .....JLF.....

Head of Financial Management Signature: Appended in hard copy.

## Budget Monitoring - Financial Results

1. Based on the budget monitoring for the first 10 months of the year, the overall forecast for the year is for an underspend of £(0.960)m, (0.6)%. Included within this total is a net service underspend of £(0.410)m, and underspends in Council-Wide budgets of £(0.550)m or (2.2)% of the relevant budget. The details of service variances can be found in Annexes 1 to 5, and for Council-Wide, Annex 6.

<b>Table 1: Budget Monitoring results by Directorate</b>	<b>Year end Forecast (£000's)</b>	<b>Percent-age %</b>	<b>Period Movement (£000's)</b>	<b>Annex</b>
Children & Young People	(116)	(0.5)%	(65)	1
Communities & Wellbeing	295	0.6%	(12)	2
Environment, Transport & Operations	55	0.2%	-	3
Economic Growth & Prosperity	(30)	(0.9)%	(30)	4
Transformation & Resources	(614)	(3.1)%	22	5
<b>Total Service Variances</b>	<b>(410)</b>	<b>(0.3)%</b>	<b>(85)</b>	
Council-wide budgets	(550)	(2.2)%	(43)	6
<b>Estimated outturn variance (period 10)</b>	<b>(960)</b>	<b>(0.6)%</b>	<b>(128)</b>	

<b>Table 2: Budget Monitoring results by Executive Portfolio Holder</b>	<b>Year end Forecast (£000's)</b>	<b>Percent-age %</b>	<b>Period Movement (£000's)</b>
Supporting Children & Families	(73)	(0.3)%	(62)
Education	(43)	(1.4)%	(3)
Adult Care, Health & Wellbeing	295	0.6%	(12)
Highways & Environmental	(27)	(0.1)%	(10)
Safe, Strong Communities	82	3.3%	10
Economic Growth & Prosperity	(30)	(0.9)%	(30)
Transformation & Resources	(570)	(3.6)%	(23)
Finance	(594)	(2.0)%	2
<b>Estimated outturn variance (period 10)</b>	<b>(960)</b>	<b>(0.6)%</b>	<b>(128)</b>

### Key Month on Month Variations

2. The key variances contributing to the period movement of a favourable £(0.128)m are:
  - a) £(0.065)m – various expenditure underspends across the Children and Young People's Directorate, particularly within Complex Needs (£(0.033)m) and Children's Centre Projects (£(0.066)m) offset by a period increase in Placement costs of £0.046m;
  - b) £(0.030)m – positive movement across EGP, largely as a result of effective management of staff vacancies £(0.020)m and minor running cost savings in Facilities Management £(0.010)m.
  - c) £(0.043)m – positive movement within Council Wide, as a result of an additional five Right-to-Buy sales of ex-Council Houses by Trafford Housing Trust since the last report.

d) Other minor net movements across all other services of £0.010m.

### **MTFP Savings and increased income**

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

### **Council Tax**

4. The surplus on the Collection Fund relating to the Council at 31 March 2012 was £(0.294)m of which £0.200m is planned to support the 2012/13 budget. Pro-active management of the Council Tax base and the award of discounts and exemptions is estimated to generate an in-year surplus of £(0.339)m. However, after adjusting for backdated valuation office changes of £0.242m the estimated closing balance at 31 March 2013 will be reduced to £(0.191)m. The cost of these revaluations has increased over the last few years as shown in Table 3 below and is now having a significant impact on the level of surplus going forward. The impact of this is being considered as part of the 2013/14 and future budget plans.

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

## Reserves

5. The table below shows the forecast balance on the General Reserve at 31 March 2013 and also includes for the transfers and future commitments agreed by Council on 20 February as part of the 2013/14 Budget. The forecasted balance at year end is £(9.8)m which includes for a transfer from the insurance reserve of £(2.6)m, after taking into account future commitments the uncommitted future balance is £(6.6)m, £(0.6)m above the agreed minimum level of £(6.0)m.

<b>Table 4: General Reserve Movements</b>	<b>(£000's)</b>
<b>Balance brought forward 1 April 2012</b>	<b>(9,802)</b>
<b>General base budget support 2012-13:</b>	
- Approved by Council February 2012	994
<b>Planned in-year transactions 2012-13:</b>	
- Reversal of PCT support in 2011/12 for LD Pool	(400)
- Planned use for one-off projects in 2012/13	1,548
- Apprenticeship programme (second year)	50
- Maximising Community Infrastructure Levy	140
- Payment Card Industry Data Security Standards (PCIDSS)	40
- Pathology & Mortuary contract transition	22
- Biomass Appeal expenditure (Executive 30 July 2012)	160
- Waste Service Improvements	100
- Catering Services Investment	60
- Increase Equal Pay Provision	500
Council-wide budgets underspend (forecast)	(550)
- Transfer from Insurance Reserve	(2,646)
<b>Forecast balance 31 March 2013</b>	<b>(9,784)</b>
<b>Commitments 2013/14:</b>	
Planned base budget support 2013/14	850
Further planned support (one-off schemes):	
- Reablement Community and Wellbeing	200
- Waterside Investment	50
- Enforcement Review	60
<b>Forecast balance 31 March 2014</b>	<b>(8,624)</b>
<b>Commitments 2014/15:</b>	
Planned base budget support 2014/15	2,000
<b>Forecast after commitments</b>	<b>(6,624)</b>

There are also a number of potential claims or commitments against the General Reserve balance not included in the above table, such as the overspend position of some Directorates, the overspend on the LD Pooled Fund (see Annex 2 Section 5) and the potential need to invest in order to achieve future savings to help towards future budgets.

6. Service balances brought forward from 2011/12 were a net £(2.633)m. After planned movements, and the estimated outturn for the year, there is a projected net surplus of £(1.871)m to be carried forward to 2013/14 (Table 5).

<b>Table 5: Service balances</b>	<b>B/f April 2012 (£000's)</b>	<b>Forecast Movement in-year (£000's)</b>	<b>Forecast Balance (£000's)</b>
Children & Young People	(1,210)	411	(799)
Communities & Wellbeing	(135)	295	160
Environment, Transport & Operations	(200)	200	-
Economic Growth & Prosperity	(79)	49	(30)
Transformation & Resources	(1,009)	(193)	(1,202)
<b>Total All Services (Surplus)/Deficit</b>	<b>(2,633)</b>	<b>762</b>	<b>(1,871)</b>

### Recommendations

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

## TRAFFORD MBC

Report to: CYP – Directorate Management Team  
 Date: 20<sup>th</sup> February 2013  
 Report for: Information  
 Report author: Finance Manager for CYPS

Report Title

**Revenue Budget Monitoring 2012/13 – Period 10  
 (April 2012 to January 2013 inclusive)**

**1. Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £25.576m, net of the Dedicated Schools Grant (DSG) which totals £128m. The outturn forecast is £25.460m which is £(0.116)m under the approved budget. This is a favourable movement of £(0.065)m compared to last month.
- 1.2 Appendix 1 details by both department and variance area the projected outturn as compared to the approved revenue budget. The main outturn variances are:
- A predicted overspend within the Children’s Social Care service of £370k comprising of staffing budgets £122k, placement budgets £528k, additional Intensive Fostering grant income £(187)k and other minor variations totalling £(93)k. These variances include budgets for Children with Complex and Additional Needs;
  - Education Early Years services £(438)k underspend, as a result of delays in staff appointments in Children’s Centre’s and savings on specific projects;
  - Youth Offending Service; a projected saving of £(60)k which relates directly to remand placements.

**2. Service carry-forward reserve**

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

<b>Table 1: Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Balance brought forward 1 April 2012	(1,210)
Specific expenditure assigned against the reserve re: invest to save	200
Specific expenditure delayed in 2011/12 and committed from 2012/13	327
P10 Forecast Outturn	(116)
<b>Projected Balance at 31 March 2013</b>	<b>(799)</b>

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

### **3 MTFP Savings and increased income**

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

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

3.2 The Transformation savings of £(1.660)m are monitored closely by the Transformation Board and are reported on separately.

3.3 It is currently forecast that the remaining £(0.890)m savings target will be delivered. At present, there are no risks which could affect the forecast.

### **4 Management Action to control expenditure and achieve a balanced budget**

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

### **5 Performance Progress**

5.1 The Ofsted 2011 Assessment of Children's Services within Trafford rated us as 'Performs Excellently' the highest grading available. This maintains the position that was achieved in 2010. The rating takes into account the totality of services for children in Trafford bringing together external scrutiny and performance measures for social care, health and educational services.

5.2 April 2010 Ofsted/CQC Inspection of safeguarding and Looked after Children's Services. Of 33 grades awarded 29 were good, 1 outstanding and 3 adequate. The inspection highlighted the effectiveness of the multi-agency service, the quality of support provided for children, young people and families, ambitious,



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

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

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

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

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

### Period 10 Forecasted Outturn revenue expenditure and income variances and movements from Period 9 monitoring report

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9 to P10 movement (£000's)	Ref
<b>Supporting Children &amp; Families Portfolio</b>						
Children’s Social Services	14,705	15,107	402	374	28	CYPS 3
Children with Complex & Additional Needs	2,206	2,173	(33)	2	(33)	CYPS 3
Support Services to CYP	6,953	7,077	124	112	12	CYPS 8
Commissioning & Multi Agency Referral & Assessment Service (MARAS)	3,128	3,060	(68)	(66)	(2)	CYPS 5
Youth Offending Service	744	684	(60)	(52)	(8)	CYPS 6
Children’s Centres	3,948	3,510	(438)	(381)	(57)	CYPS 7
Early Intervention Grant	(9,288)	(9,288)	0	0	0	
<b>Sub-total</b>	<b>22,396</b>	<b>22,323</b>	<b>(73)</b>	<b>(11)</b>	<b>(62)</b>	
<b>Education Portfolio</b>						
Dedicated Schools Grant	0	(284)	(284)	(296)	12	CYPS1,2
Transfer to Dedicated Schools Grant Reserve	0	284	284	296	(12)	
Education Early Years’ Service	2,236	2,193	(43)	(40)	(3)	CYPS 4
Connexions Service	944	944	0	0	0	
<b>Sub-total</b>	<b>3,180</b>	<b>3,137</b>	<b>(43)</b>	<b>(40)</b>	<b>(3)</b>	
<b>Total</b>	<b>25,576</b>	<b>25,460</b>	<b>(116)</b>	<b>(51)</b>	<b>(65)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9 to P10 movement (£000's)</b>	<b>Ref</b>
<b>DSG Reserve B/Fwd.</b>	<b>(171)</b>	<b>(171)</b>	<b>0</b>	
Increase in DSG Income	(30)	(30)	0	CYPS1
School In Year Adjustments	(250)	(220)	(30)	CYPS2
Redundancies & Maternity	(106)	(90)	(16)	CYPS2
SEN	134	70	64	CYPS2
Other minor variances	(32)	(26)	(6)	CYPS2
<b>DSG projected Underspend</b>	<b>(455)</b>	<b>(467)</b>	<b>12</b>	
<b>Transfer to DSG Reserve</b>	<b>455</b>	<b>467</b>	<b>(12)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9 to P10 movement (£000's)</b>	<b>Ref</b>
<b>Non DSG</b>				
Social Care staffing pressures due to cover arrangements	122	118	4	CYPS 3
Additional Grant Funding	(187)	(187)	0	CYPS 3
Placements Budget	528	482	46	CYPS 3,6
Sale West Development Centre	33	60	(27)	CYPS 8
Delays in appointments of staff	(237)	(265)	28	CYPS 7
Savings in Children's Centre Projects	(168)	(102)	(66)	CYPS 7
Serious Case Review	20	20	0	CYPS 5
Other staffing variances	(36)	(36)	0	CYPS 4,5
Other minor variances	(191)	(141)	(50)	CYPS 3,4,5,7,8
<b>Total Net Underspend Non DSG</b>	<b>(116)</b>	<b>(51)</b>	<b>(65)</b>	

## **NOTES ON PROJECTED VARIANCES**

### **Variations within the DSG.**

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

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

#### **CYPS2 – Other Variations £(254)k (favourable)**

The position on DSG budgets has become more accurate following the October census. Demand on central DSG budgets is less than the budgetary position and would suggest an underspend of £(254)k.

#### **– DSG Reserve b/fwd.**

The overall projected variations of £(284)k will increase the DSG reserve brought forward balance of £(171)k, making a net projected underspend of £(455)k at 31<sup>st</sup> March 2013. This underspend will be carried forward to 2013/14.

### **Non-DSG Variations.**

#### **CYPS3 – Children’s Social Care £371k (adverse) (Includes Children with Complex & Additional Needs)**

The projected overspend of £371k comprises of placement costs £528k, staffing budgets £122k, minor variations £(92)k and additional grant income of £(187)k relating to Intensive Fostering.

#### **CYPS4 – Early Years £(43)k (favourable)**

This saving is mainly as a result of staff posts being held vacant through the year £(36)k, and additional training income received £(7)k.

#### **CYPS5 – Commissioning & MARAS £(68)k (favourable)**

The movement of £(2)k from last month relates to a further underspend within the Early Intervention Commissioning fund.

#### **CYPS6 – Youth Offending Service £(60)k (favourable)**

This underspend relates to a projected saving on remand placements.

#### **CYPS7 – Children’s Centres £(438)k (favourable)**

A full review of the Children’s Centre service has been carried out and the savings found are as a result of delays in appointing staff to vacant posts totalling £(237)k, a planned saving of £(126)k on specific commissioned projects and other variations across the service totalling £(75)k.

**CYPS8 – Support Services to CYP £124k (adverse)**

The overspend in Support Services is mainly due to a projected shortfall in income at Sale West Development Centre of £54k. This is as a result of new projections based on expected schools usage of the centre in this academic year and reflects schools having fewer resources to spend on training, etc. A business plan is currently being drawn up which will bring forward options to resolve this shortfall and on-going viability. Other movements within this area are also as a result of a reduction in schools income to other support services such as Advisory & Inspection, Governor and Business Support totalling £70k.

## TRAFFORD MBC

Report to: C&WB Directorate Management Team  
 Date: 15<sup>th</sup> February 2013  
 Report for: Discussion  
 Report author: C&WB Finance Manager

Report Title

**Revenue Budget Monitoring 2012/13 – Period 10  
 (April 2012 to January 2013 inclusive)**

**1. Outturn Forecast**

- 1.1 The approved revenue budget for the year is £49.092m. The projected outturn is £49.387m which is £0.295m over the approved budget, a net £(0.012)m favourable movement since November's forecast which is due to minor variances across the Directorate. Appendix 1 details, by department and variance area, the projected outturn as compared to the approved revenue budget.
- 1.2 Demand for services above budgeted levels especially in residential and home care was a major concern in 2011/12; indications are that this trend has continued in 2012/13. Robust management action is in place and focused on containing demand and cost which is vital as the December to January period is historically the time of peak demand.
- 1.3 Section 4 below discusses the situation in the Learning Disabilities Pooled Fund and lists management action to address this which has reduced the forecasted end of year position to £0.912m. Action is planned into following years such that the LD Pool will be brought back into balance within two years.

**2 Department of Health additional support funding for Social Care**

- 2.1 On the 20th December 2012 the Department of Health announced the release of £25m to the NHS North of England, for local health and care services (paid initially to Primary Care Trusts) to spend this financial year on front line services. This additional resource, commonly known as Winter Pressures funding, has arrived near the very end of the financial year. The extra money has been spent on helping people to leave hospital more quickly, get settled back at home with the support they need, and to prevent unnecessary admissions to hospital. This money has been passed on to Social Services authorities, Trafford's allocation is £0.319m and was received w/c 18<sup>th</sup> February. The impact of this resource allocation will be covered in detail in Period 11.

### 3 MTFP Savings and increased income

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

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

### 4 Service carry-forward reserve

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

<b>Table 1: Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Balance brought forward 1 April 2012	(135)
P10 Forecast outturn	295
<b>Balance carried forward at 31 March 2013</b>	<b>160</b>

- 4.3 In addition to the above there will be a carry forward balance on the Learning Disabilities Pooled Fund, currently forecasted at £0.912m, matched by a specific management action plan to reduce this to £nil over a two year period or sooner.

### 5 Learning Disabilities Pooled Fund

- 5.1 Trafford has operated a pooled fund for Learning Disability Services in conjunction with Trafford Primary Care Trust (PCT) since 1 April 2003. Over the last few years the LD Pooled fund has moved from an underspending position to an overspending position. A plan to reduce the pressure in the fund has been produced and agreed by the Directorate's management team. The focus will be on delivering efficiencies, in the sum of £(1.779)m in-year:
- Block contracts – a programme to retender (£0.404m);

- Continuing Health Care funding (£0.404m);
- Residential services – development of existing service (£0.356m);
- Additional PCT contribution, subject to agreement, (£0.287m);
- Housing and void management agreements (£0.256m);
- Maximising use of new Respite services (£0.072m).

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

## **6 Management Action**

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

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



## 7. Performance progress

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

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

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

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

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

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

### Period 10 Projected Outturn revenue expenditure and income variances, and movements from Period 9 monitoring report

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9 – P10 movement (£000's)	Ref
<b>Adult Care, Health &amp; Wellbeing Portfolio</b>						
Older People	22,750	22,846	96	49	47	C&W1
Physical Disabilities	3,162	3,326	164	169	(5)	C&W2
Equipment & Adaptations	1,084	1,042	(42)	7	(49)	C&W3
Mental Health	3,426	3,476	50	39	11	C&W4
Other Adult Services	960	988	28	12	16	C&W5
Support Services	1027	1,047	20	33	(13)	C&W6
Adaptations	(69)	(69)	0	0	0	
Housing Services	2,661	2,661	0	0	0	
Drugs and Alcohol Service	290	290	0	0	0	
Equalities & Diversity	134	113	(21)	(2)	(19)	C&W7
<b>Total</b>	<b>35,425</b>	<b>35,720</b>	<b>295</b>	<b>307</b>	<b>(12)</b>	

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9– P10 movement (£000's)	Ref
Learning Disabilities Pool	13,667	14,579	912	865	47	C&W8
<b>Total</b>	<b>13,667</b>	<b>14,579</b>	<b>912</b>	<b>865</b>	<b>47</b>	

<b>Adult Care, Health &amp; Wellbeing Portfolio</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9 – P10 movement (£000's)</b>	<b>Ref</b>
<b>Older People</b>				
Care management/assessment	(358)	(331)	(27)	C&W1
Residential and nursing care	363	348	15	C&W1
Home Care	364	236	128	C&W1
Day Care	(367)	(360)	(7)	C&W1
Direct Payments	94	156	(62)	C&W1
<b>Physical Disabilities</b>				
Care management/assessment	16	16	0	C&W2
Residential and nursing care	85	57	28	C&W2
Home Care	40	36	4	C&W2
Day Care	(7)	(5)	(2)	C&W2
Direct Payments	30	65	(35)	C&W2
<b>Equipment &amp; Adaptations</b>				
Lift repairs & maintenance	(42)	7	(49)	C&W3
<b>Mental Health</b>				
Care management/assessment	(51)	(29)	(22)	C&W4
Residential and nursing care	81	45	36	C&W4
Home Care	(1)	(3)	2	C&W4
Direct Payments	21	26	(5)	C&W4
<b>Other Adult Services</b>				
Other Services	28	12	16	C&W5
<b>Support Services</b>				
Social Worker clerical support	0	13	(13)	C&W6
Financial Services	20	20	0	C&W6
<b>Equalities &amp; Diversity</b>				
Equalities Team	(21)	(2)	(19)	C&W7
<b>Total</b>	<b>295</b>	<b>307</b>	<b>(12)</b>	

<b>Learning Disabilities Pool</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9– P10 movement (£000's)</b>	<b>Ref</b>
Care management/assessment	3	(5)	8	C&W8
Residential and nursing care	18	(15)	33	C&W8
Home Care	787	716	71	C&W8
Day Care	(34)	41	(75)	C&W8
Direct Payments	138	128	10	C&W8
<b>Total</b>	<b>912</b>	<b>865</b>	<b>47</b>	

## NOTES ON VARIANCES AND PERIOD MOVEMENTS

### Adult Care, Health & Wellbeing Portfolio £295k adverse

#### **C&W1 – Older People - £96k adverse**

- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £454k adverse**

Two of the four key service provision budgets are showing increased demand. Residential care is 12 service users higher than budgeted and homecare is 11 service users higher than budgeted.

- **Care Management and Assessment - £(358)k favourable**

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

#### **C&W2 – Physical Disabilities - £164k adverse**

- **Residential and Nursing Care/Home Care/Direct Payments - £148k adverse**

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

#### **C&W3 – Equipment & Adaptations - £(42)k favourable**

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

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

- **Equipment - £(23)k favourable**

The volume of equipment recycled at the One Stop Resource Centre was higher than expected for in period 10.

#### **C&W4 – Mental Health - £50k adverse**

- **Care Management and Assessment £(51)k favourable**

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

- **Residential and Nursing Care/Home Care/Direct Payments £101k adverse**

There are three residential service users higher than budgeted.

#### **C&W5 – Other Adult Services - £28k adverse**

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

**C&W6 Support Services - £20k adverse**

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

**C&W7 Equalities & Diversity - £(21)k favourable**

- **Equalities Team £(21)k favourable**  
Managed efficiencies in the Equalities Team's translation fees budget.

**C&W8– Learning Disabilities Pooled - £912k adverse**

**Cost of care packages - £909k adverse**

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

- Residential, additional 7 service users, total additional costs £369k;
- Homecare, additional 9 service users, total additional costs £657k;
- Day Care, additional 5 service users, total additional costs £87k;
- and Direct Payments, additional 8 service users, total additional costs £275k, to be off-set by year end recovery of unused contingency estimated at £(479)k.

**Care Management/Assessment £3k adverse**

Additional costs in the Assessment Team.

## TRAFFORD MBC

Report to: ETO Directorate Management Team  
 Date: 20 February 2012  
 Report for: Discussion  
 Report author: ETO/EGP Finance Manager

Report Title

**Revenue Budget Monitoring 2012/13 – Period 10 (April 2012 to January 2013)**

**1. Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £32.299m. The forecast outturn is £32.354m, which is £0.055m above the approved budget, and is unchanged from the last report. This overspend is fully mitigated from available balances carried forward from previous financial years.
- 1.2 The forecast outturn includes management action of £(0.029)m to contain projected overspends within the overall Directorate budget for the year. Management action has already achieved savings of £(0.571)m since first initiated in period 4, including an increase of £(0.089)m this month. This has been offset by additional adverse variances identified of £0.196m, including £0.044m this month. The management action implemented and planned for the remainder of the year is described in section 3, with details of all variances included in Appendix 1.
- 1.3 In addition to the above, there is also £0.020m relating to the Biomass Public Inquiry, which the Executive have previously approved from the General Reserve.

**2. Explanation of Variance and Movements**

- 2.1 The forecast outturn for the year is an overspend of £0.055m, which is fully covered by balances from prior years, and is unchanged.
- 2.2 This includes adverse variances of £0.486m where medium to long term action plans are underway, a favourable movement of £(0.010)m since last reported:
- Street lighting energy costs £0.221m – unchanged this month;
  - Car park income shortfall £0.021m, a favourable movement of £(0.020)m based on latest income figures;
  - Open Space reserve funding shortfall £0.058m;
  - Commercial Waste income shortfall £0.030m;
  - Planning fee regulation changes income shortfall £0.050m;

- Crime and Disorder income shortfall – fixed penalty notices £0.086m which is unchanged, partly mitigated by staff vacancies £(0.005)m – an adverse movement of £0.010m from last month;
- Sale Watersports Centre/Deckers contract saving £0.025m.

2.3 Management action already implemented and other variances give a forecast underspend of £(0.402)m to part mitigate the above pressures this year, a favourable net movement of £(0.035)m this month:

- Highways and Transportation – additional fee income of £(0.180)m, with management action to reduce running costs £(0.042)m, unchanged from last month's projection;
- School Crossing Patrols – underspend of £(0.040)m relating to slippage in the filling of supervisory and operational staff vacancies;
- Car parking rates bills are a £(0.030)m less than budgeted due to the effect of rate revaluations, a favourable movement of £(0.020)m this month based on latest information from the valuers;
- Groundforce – supplies, services and overtime costs £0.035m above budget, which is £0.005m higher than last month;
- Bereavement Services income is expected to be £(0.010)m above budget;
- Sustainability & Greenspace – underspend of £(0.033)m from a vacant post plus management action to control running costs, an adverse movement of £0.020m this month;
- Waste management – underspend of £(0.050)m on contract costs as reported previously, plus a favourable movement this month of £(0.020)m due to further management action on other running costs.
- Public Protection:
  - £0.056m shortfall in licences fee income;
  - Management action of £(0.048)m from delays in filling vacancies, a favourable movement of £(0.014)m this month;
  - Shortfall in pest control income £0.025m;
  - One-off ICT costs of £0.020m as part of the project to amalgamate business systems and, hence, deliver ongoing efficiency savings.
- Culture & Sport:
  - Sport and leisure projected running cost underspend £(0.014)m;
  - Sale Waterside Arts Centre income is expected to exceed budget target by £(0.010)m for the year.

2.4 The Directorate has a future action plan of £(0.029)m to mitigate the remaining adverse variance (see paragraph 3 below), plus will utilise the remaining £(0.055)m of accumulated balances from previous years to bring the outturn in line with the approved budget. The amount of future management action required will be reviewed and updated as the savings are achieved and/or new issues arise, and has reduced by a favourable £(0.045)m this month.

### 3. Management Action Plan 2012/13

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

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

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

### 4. Reserves

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

<b>Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2012	(200)
Committed in 2012/13	145
Period 10 adverse variances with medium/long term action plans	486
Period 10 underlying projected underspend	(402)
Forecast effect of management action plan	(29)
<b>Deficit Balance after outturn/commitments</b>	<b>Nil</b>

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

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

4.4 At its meeting of 8 February 2013 the Waste Disposal Authority approved the refund of £(15)m surplus balances back to the nine constituent AGMA Councils. Trafford will receive a total of £(1.449)m, as had been expected, and this will be used to offset waste disposal costs over the next few years of the Medium Term Financial Plan. The Council's 2013/14 budget approved on 20 February 2013 includes £(0.500)m use of earmarked reserves relating to this refund.



## 5. Savings

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

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

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

## 6. Recommendations

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

**Period 10 Forecast revenue expenditure and income variances, and movements from Period 9 monitoring report.**

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

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>P9 – P10 Movement (£000's)</b>	<b>Ref</b>
<b>Highways &amp; Environment Portfolio</b>						
Highway and Network Management, incl. Traffic & Transportation	5,439	5,438	(1)	(1)	0	ETO 1
School Crossing Patrols	503	463	(40)	(40)	0	ETO 2
Parking Services	(391)	(419)	(28)	12	(40)	ETO 3
Groundforce	4,712	4,805	93	88	5	ETO 4
Bereavement Services	(911)	(921)	(10)	(10)	0	ETO 5
Sustainability & Greenspace	487	454	(33)	(53)	20	ETO 6
Waste Management (incl. WDA levy)	18,763	18,687	(76)	(56)	(20)	ETO 7
Public Protection	1,072	1,175	103	117	(14)	ETO 8
Directorate Strategy & Business Support	443	437	(6)	0	(6)	
<b>Sub-total</b>	<b>30,117</b>	<b>30,119</b>	<b>2</b>	<b>57</b>	<b>(55)</b>	
<b>Safe &amp; Strong Communities Portfolio</b>						
Crime and Disorder	289	370	81	71	10	ETO 9
Culture and Sport	2,222	2,223	1	1	0	ETO10
<b>Sub-total</b>	<b>2,511</b>	<b>2,593</b>	<b>82</b>	<b>72</b>	<b>10</b>	
<b>Operational Services for Education</b>	<b>(329)</b>	<b>(329)</b>	<b>0</b>	<b>0</b>		
<b>Future Management Action Plan</b>	<b>0</b>	<b>(29)</b>	<b>(29)</b>	<b>(74)</b>	<b>45</b>	ETO11
<b>Total Forecast Period 10</b>	<b>32,299</b>	<b>32,354</b>	<b>55</b>	<b>55</b>	<b>0</b>	

<b>ETO Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>P9 – P10 Movement (£000's)</b>	<b>Ref</b>
<b>Highway and Network Management, incl. Traffic &amp; Transportation</b>				
Fee income	(180)	(180)	0	
Street lighting energy costs	221	221	0	
Supplies and services costs	(42)	(42)	0	
<b>Sub-total</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>	ETO 1
<b>School Crossing Patrols - vacancies</b>	<b>(40)</b>	<b>(40)</b>	<b>0</b>	ETO 2
<b>Parking Services</b>				
Car Parking income shortfall	126	146	(20)	
Car Parking business rates refund (c/f from 2011/12)	(105)	(105)	0	
Current year business rates	(30)	(10)	(20)	
Staffing and running costs	(19)	(19)	0	
<b>Sub-total</b>	<b>(28)</b>	<b>12</b>	<b>(40)</b>	ETO 3
<b>Groundforce</b>				
Supplies, services, overtime costs – slippage in reorganisation	35	30	5	
Open space reserve commitments – funding shortfall	58	58	0	
<b>Sub-total</b>	<b>93</b>	<b>88</b>	<b>5</b>	ETO 4
<b>Bereavement Services</b>				
Projected Income above budgeted	(10)	(10)	0	ETO 5
<b>Sustainability and Greenspace – vacancy, supplies &amp; services</b>	<b>(33)</b>	<b>(53)</b>	<b>20</b>	ETO 6
<b>Waste Management</b>				
Commercial Waste income shortfall	30	30	0	
Contract costs	(50)	(50)	0	
Running costs – depot and others	(41)	(21)	(20)	
Bulky waste income	(15)	(15)	0	
<b>Sub-total</b>	<b>(76)</b>	<b>(56)</b>	<b>(20)</b>	ETO 7

<b>ETO Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>P9 – P10 Movement (£000's)</b>	<b>Ref</b>
<b>Public Protection</b>				
Planning fee income – savings shortfall	50	50	0	
Licensing income shortfall	56	56	0	
Pest Control income shortfall	25	25	0	
ICT one-off costs	20	20	0	
Mitigating Action – delay filling vacancies	(48)	(34)	(14)	
<b>Sub-total</b>	<b>103</b>	<b>117</b>	<b>(14)</b>	ETO 8
<b>Crime and Disorder</b>				
Income shortfall – penalty notices	86	86	0	
Staff vacancies and running costs	(5)	(15)	10	
<b>Sub-total</b>	<b>81</b>	<b>71</b>	<b>10</b>	ETO 9
<b>Culture and Sport</b>				
Contract saving shortfall	25	25	0	
Sport and Leisure running costs	(14)	(14)	0	
Sale Waterside Arts Centre income	(10)	(10)	0	
<b>Sub-total</b>	<b>1</b>	<b>1</b>	<b>0</b>	ETO10
<b>Directorate Strategy &amp; Business Support</b>				
Supplies and services	(6)	0	(6)	
<b>Future Management Action across ETO</b>				
Additional income	0	(50)	50	
Accelerated Savings	0	0	0	
Controls over running costs	(29)	(24)	(5)	
<b>Sub-total</b>	<b>(29)</b>	<b>(74)</b>	<b>45</b>	ETO11
<b>Total Forecast Period 10</b>	<b>55</b>	<b>55</b>	<b>0</b>	

## NOTES ON FORECAST OUTTURN VARIANCES (PERIOD 10)

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

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

Street lighting energy costs exceed budget by £0.221m as a result of external market conditions. This includes £0.050m relating to industry changes in calculating energy usage, plus the ongoing cumulative effect of inflationary increases in prices from 2011/12, and forecast for 2012/13 based on the latest contract and usage volumes.

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

Management action in controlling running costs is projected to produce an underspend of £(0.042)m by year end.

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

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

### **ETO 3 – Parking Services – £(0.028)m (favourable)**

There is an overall shortfall in parking income of £0.126m due to economic conditions affecting the number and length of visits, a favourable movement of £(0.020)m this month based on latest income figures. This has been partly mitigated through the use of £(0.105)m of business rate refunds carried forward in the ETO reserve from 2011/12, giving a net shortfall of £0.021m.

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

Business rates are £(0.030)m less than expected as rate revaluations agreed in 2011/12 are reflected in the current year bills. This is a favourable movement of £(0.020)m based on latest information from the valuers.

Action to control general running costs is generating a projected underspend of £(0.015)m, with staffing expected to be £(0.004)m underspent, as reported previously.

### **ETO 4 – Groundforce - £0.093m (adverse)**

Supplies, services and overtime costs are forecast to be £0.035m above budget due to slippage in staff re-organisations, plus fuel and material cost increases – an adverse movement of £0.005m this month.

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

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

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

**ETO 6 – Sustainability and Greenspace £(0.033)m (favourable)**

Management action to control running costs, plus a vacant post, has resulted in a projected underspend of £(0.033)m. This is an adverse movement of £0.020m from last month based on latest information and one-off costs incurred this month.

**ETO 7 – Waste Management – £(0.076)m (favourable)**

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

Management action to control contract and general running costs has resulted in a projected underspend of £(0.091)m. This includes £(0.050)m relating to the waste collection contract as reported previously, plus an additional £(0.041m) from general running costs, including depots – a favourable movement of £(0.020)m this month.

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

**ETO 8 – Public Protection - £0.103m (adverse)**

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

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

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

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

These shortfalls are partly mitigated through management action to delay filling vacancies and controlling running costs of £(0.048)m. This includes a favourable movement of £(0.014)m this month due to ongoing vacancies.

**ETO 9 – Crime and Disorder £0.081m (adverse)**

There is a £0.086m shortfall in income from fixed penalty notices, partly mitigated in-year by £(0.005)m of staffing and running costs underspends, which is an adverse movement of £0.010m this month. The income targets and operational model of this service is included in the Council-wide enforcement review alongside Parking Services, as mentioned in ETO 3 above.

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

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

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

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

**ETO 11 – Future Management Action Plan across ETO £(0.029)m (favourable)**

The Directorate has agreed and implemented a range of measures to bring the forecast overspend in period 3 in line with the approved budget (see section 3). These measures have delivered £(0.571)m since first initiated in period 4, including £(0.089)m this month. This has been offset by additional adverse variances identified of £0.196m, with £0.044m this month.

Savings from management action are reflected in the individual service projections as they are delivered and the future savings plan updated each month. The requirement for future planned action has reduced by £0.045m this month, leaving £0.029m for the remainder of the year.

## TRAFFORD MBC

Report to: EGP Directorate Management Team  
 Date: 21 February 2013  
 Report for: Discussion  
 Report author: EGP/ETO Finance Manager

Report Title

**Revenue Budget Monitoring 2012/13 – Period 10 (April 2012 to January 2013)**

**1. Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £3.307m. The forecast outturn is £3.277m, which is an underspend of £(0.030)m for the year. There is a favourable movement of £(0.030)m this month due to staffing and running cost savings.
- 1.2 There are still underlying pressures on the Directorate budget due to adverse external influences on budgeted levels of income relating to investment properties (see paragraph 2 below). These have been taken forward in the Medium Term Financial Plan.
- 1.3 In addition to the above, the July 2012 Executive approved that costs directly associated with the Biomass Public Inquiry be funded from the General Reserve. These were estimated at the time to be approximately £0.100m. Based on latest information, including invoices received, the overall cost is expected to be £0.140m, which is an additional £0.040m forecast from the Reserve.

**2. Explanation of Variance**

- 2.1 The projected variances at period 10 and movements from period 9 are summarised as follows, with more detail at Appendix 1:
  - Shortfall in investment property income £0.197m due to the on-going adverse effect of the economy primarily on town centre rents, unchanged from the last report;
  - The determination of the rent review of the Sale Tesco store was confirmed by the arbitrators in August, and income of £(0.134)m was receivable as a one-off, backdated to October 2009. Fees payable to the arbitrators of £0.009m are incorporated in this total.
  - Confirmation of the final 2011/12 rental income from Stretford Arndale by the agents of the owners was received in August, at £(0.077)m higher than had been anticipated.
  - Minor variances in Asset Management running costs are £(0.041)m, which is a favourable movement of £(0.010)m this month.



- Planning Application fees income shortfall of £0.052m, which is unchanged, and includes for the 15% increase in planning fees effective from 22 November 2012 reported previously.
- Fee income from housing improvement capital schemes is expected to be £0.018m less than budget due to a reduced volume of property sales, and is unchanged.
- Other favourable variances of £(0.055)m from staffing vacancies and running costs, in particular relating to the management review undertaken this financial year. This is an increase of £(0.020)m from last month due to management posts remaining vacant longer than had been predicted.

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

### 3. Reserves

3.1 At the end of 2011/12 the Directorate had (£0.079)m from previous years which is fully committed on rephased projects, per the 2011/12 outturn report. There is a forecast surplus balance of £(0.030)m at the end of this financial year, which will be carried forward to support ongoing project work.

<b>Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2012	(79)
Rephased projects committed from 2011/12	79
Period 10 variance	(30)
<b>(Surplus) Balance after outturn/commitments</b>	<b>(30)</b>

3.2 In July 2012, the Executive approved that costs directly associated with the Biomass Public Inquiry be funded from the General Reserve. These were estimated at the time to be approximately £0.100m. Based on latest information, including from invoices received, overall costs are predicted to be £0.140m, which is an additional £0.040m forecast from the Reserve.

### 4. Savings

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

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

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

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

## 5. Recommendations

5.1 It is recommended that:

- The forecast underspend from the 2012/13 budget be noted.
- It be noted that the estimated costs of the Biomass Public Inquiry, previously approved from General Reserve, are projected to be £0.140m.

**Period 10 Forecast revenue expenditure and income variances, and movements from Period 9 monitoring report.**

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

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>P9 – P10 Movement (£000's)</b>	<b>Ref</b>
<b>Economic Growth &amp; Prosperity Portfolio</b>						
Asset Management	1,074	1,029	(45)	(35)	(10)	EGP1
Planning & Building Control	173	200	27	27	0	EGP2
Strategic Planning & Development	659	684	25	25	0	EGP2
Economic Development and Regeneration	603	587	(16)	(16)	0	
Housing Strategy	613	623	10	10	0	EGP3
Directorate Strategy & Business Support	185	154	(31)	(11)	(20)	
<b>Total Forecast Period 10</b>	<b>3,307</b>	<b>3,277</b>	<b>(30)</b>	<b>0</b>	<b>(30)</b>	

<b>EGP</b>	<b>P10 Outturn Variance (£000's)</b>	<b>P9 Outturn Variance (£000's)</b>	<b>P9 – P10 Movement (£000's)</b>	<b>Ref</b>
<b>Business Reason / Area (Subjective analysis)</b>				
<b>Asset Management</b>				
Investment Property Rental Income:				
- Stretford Arndale - shortfall	77	77	0	
- Stretford Arndale – backdated re 2011/12	(77)	(77)	0	
- Sale Tesco – backdated rent review	(134)	(134)	0	
- Stamford Centre - shortfall	35	35	0	
- Airport - shortfall	25	25	0	
- Market Street - shortfall	29	29	0	
- Other properties - shortfall	31	31	0	
Surplus property costs	10	10	0	
Minor running cost savings – Facilities Mgt.	(41)	(31)	(10)	
<b>Sub-total</b>	<b>(45)</b>	<b>(35)</b>	<b>(10)</b>	EGP1
<b>Planning &amp; Building Control</b>				
Delay in implementing new planning regulations	27	27	0	EGP2
<b>Strategic Planning &amp; Development</b>				
Delay in implementing new planning regulations	25	25	0	EGP2
<b>Economic Development and Regeneration</b>				
Staffing vacancies	(16)	(16)	0	
<b>Housing Strategy</b>				
Housing improvements capital fee income	18	18	0	EGP3
Minor running cost savings	(8)	(8)	0	
<b>Sub-total</b>	<b>10</b>	<b>10</b>	<b>0</b>	
<b>Directorate Strategy &amp; Business Support</b>				
Staffing vacancies - management	(31)	(11)	(20)	
<b>Total Forecast Period 10</b>	<b>(30)</b>	<b>0</b>	<b>(30)</b>	

## NOTES ON FORECAST OUTTURN VARIANCES (PERIOD 10)

### **EGP 1 – Asset Management – Investment properties - £(0.045)m (favourable)**

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

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

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

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

The effect of the economy is adversely effecting other rents across the property portfolio, including Stamford Centre £0.035m, Market Street £0.029m, Airport £0.025m and others £0.031m. This is included in the EGP Medium Term Financial Plan.

There are a number of minor staffing and running cost underspends of £(0.041)m across Facilities Management, a favourable movement of £(0.010)m this month.

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

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

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

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

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

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

## TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team  
 Date: 21<sup>st</sup> February 2013  
 Report for: Discussion  
 Report author: Finance Manager

<b>Revenue Budget Monitoring 2012/13 – Period 10          (April 2012 – January 2013 inclusive)</b>
---

## 1. Outturn Forecast

1.1 The current approved revenue budget for the year is £19.735m. The outturn forecast is £19.121m which is £(0.614)m below approved budget. This is a 0.022m adverse variance since last month.

1.2 The net adverse movement in the month is a result of:

**£(25)k** favourable: a number of vacancies, particularly in HR and Communications, are being held as a consequence of future savings proposals or recent staff restructures.

**£12k** adverse; extension to P2P temporary contracts until the end of March 2013.

**£22k** adverse; reassessment of forecast SLA income.

**£13k** adverse; net minor movements in running costs and income.

## 2. MTFP Savings and increased income

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

	<b>Budget target (£000's)</b>	<b>End of Year Forecast (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(146)	(146)	0
Transformation savings*	(560)	(520)	40
Financial Management review	(368)	(368)	0
ICT review	(120)	(120)	0
Reduction in ICT contracts	(214)	(214)	0
Reduction in specialist training	(100)	(100)	0
Reduce Community Action Pots	(150)	(150)	0
Reduction in various goods & services	(172)	(172)	0
Other savings	(197)	(237)	(40)
<b>Total</b>	<b>(2,027)</b>	<b>(2,027)</b>	<b>0</b>

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

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

### 3. Service carry-forward reserve

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

<b>Table 1: Utilisation of Carry Forward Reserve 2012/13</b>	<b>£000's</b>
Balance b/f 1 April 2012	(1,009)
<b>Planned use in 2012/13:</b>	
EDRM and Storage Support	115
Library Management System	102
Local Support scheme for Council Tax	90
Transformation support	79
E-Readers, Postal Identifiers, CCTV Marketing	20
Disaster Recovery Contact Centre	15
P10 Forecasted Outturn	(614)
<b>Remaining Balance at 31 March 2013</b>	<b>(1,202)</b>

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

Corporate Priority		Low Council Tax & Value for Money							
<p>To ensure that the Council can demonstrate it provides efficient effective and economical, value for money services to the people of Trafford, by undertaking the following actions:</p> <ul style="list-style-type: none"> <li>• Deliver the Council's Transformation Programme;</li> <li>• Continue to provide effective use of resources;</li> <li>• Continue to manage the reputation of the Council and the borough as a whole.</li> </ul>									
Key Performance Measure	Outturn 2011/12	Performance Status & Direction of Travel							
		October		November		December (Q3)		January	
		Current	Target	Current	Target	Current	Target	Current	Target
<b>Deliver the Council's Transformation Programme</b>									
Minimum reserve level (LCT 15)	£9.21m G	£7.715m ↑	£6m G	£7.715m ↔	£6m G	£7.796m ↑	£6m G	£9.784m ↑	£6m G
Delivery of efficiency and other savings (NI179)	£21.3m G					£12.18m ↑	£12.16m G		
<b>Continue to provide effective use of resources</b>									
Reduce the level of sickness absence (council-wide excluding schools) (Days) (BV12i)	9.93 R	9.99 ↑	9 R	10.01 ↓	9 R	9.72 ↑	9 R	10.18 ↓	9 R
<p>Across the Council, the projected average number of days lost to sickness absence for 2012/13 is currently 10.18 days. This is against a corporate target of 9 days per annum, per person, which indicates a projected overall negative variance in target of 1.18 days per person. For the same period last year, the number of days lost was running at 9.66 days per person, which therefore shows a dip in performance of 0.52 days per person.</p>									



Whilst at the end of 2012, the Council-wide trend indicated a general improvement in levels of attendance, the January figures reflect a dip in performance across all directorates, which is disappointing. Whilst the dip is reflective of an annual trend as absence levels traditionally increase during the winter months, it is recognised that significant work will be required across absence hotspot areas if the Council is to achieve its target of 9 days by the end of the financial year. If sickness absence levels remain high, then there is a significant impact on service costs in areas where cover is required, for example increased agency and overtime costs. There is also the indirect cost of increased workload pressure on employees of absent colleagues.

Whilst the overall picture may be disappointing, it is recognised that the Transformation and Resources and Economic Growth and Development directorates are well below the performance target which is pleasing; work to reduce sickness in these areas still continues.

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

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

Achieving a higher investment rate than the national average (7 day cash LIBID) (LCT 20)	0.55% G	<b>0.53%</b> ↓	0.1% G	<b>0.52%</b> ↓	0.1% G	<b>0.51%</b> ↓	0.1% G	<b>0.5%</b> ↓	0.1% G
Land Sales Programme (FM 10)	<b>£5.5m</b> R					<b>£2.05m</b> ↓	£2m G		
<b>Continue to manage the reputation of the Council and the borough as a whole</b>									
% collected for year - council tax (BV 9)	97.82% G	<b>68.89%</b> ↓	68.48% G	<b>78.04%</b> ↑	77.85% G	<b>87.58%</b> ↑	87.06% G	<b>96.57%</b> ↓	96.11% G
% collected for year - business rates (BV 10)	97.4% A	<b>68.8%</b> ↑	68.9% A	<b>78.19%</b> ↑	77.82% G	<b>87.2%</b> ↓	87.38% A	<b>95.93%</b> ↓	95.73% G
Average days to recover external debts (LCT 02)	<b>85</b> R	<b>62</b> ↓	56 A	<b>47</b> ↑	56 G	<b>53</b> ↓	56 G	<b>33</b> ↑	56 G
Increase the % of all calls that will be answered within 20 seconds (LCT09)	81% G	<b>92%</b> ↑	80% G	<b>92%</b> ↔	80% G	<b>89%</b> ↓	80% G	<b>92%</b> ↑	80% G
Reduce the % of lost calls to the Access Trafford contact centre (LCT 10)	6% G	<b>2%</b> ↔	5% G	<b>1%</b> ↑	5% G	<b>4%</b> ↓	5% G	<b>1%</b> ↑	5% G
Percentage of Housing Benefit Overpayments collected (LCT 16)	63.1% A	<b>71.09%</b> ↑	70% G	<b>69.76%</b> ↓	70% A	<b>68.74%</b> ↓	70% A	<b>66.15%</b> ↓	70% A

More overpayments were raised in January (over £200k) than any month since April 12. Many of the benefit overpayments can be for large amounts (£000s) and take a long time to collect which affects the collection rate. If for example the debtor is still on benefit, the standard deduction rate is £10.65 per week. When comparing the level of overpayments in January 2013 with January 2012 we have seen an increase of almost 80%. This is largely due to a data matching exercise with the DWP to review claimant's income. The exercise is now complete. The 70% in year collection target remains very challenging. There is a full recovery program planned for the remainder of the financial year and proactive recovery will continue in order to assist us to achieve our target. The budgeted income from the recovery of overpaid Housing Benefit is £954k in 2012/13. We have collected £1.1m consequently there will be no effect on the Council's financial resource. The recovery program will be adhered to and we are undertaking proceedings each month against debtors. Additionally close monitoring of the debt raised will take place to ensure that the level of overpayments is minimised in the first place. This will assist with the overall collection performance. This work will be carried out using current resource levels.

To actively investigate allegations of benefit fraud and ensure where suitable that sanctions and/or prosecutions are enforced (LCT 17)	79 G					54 ↓	56 A		
Conduct and conclude investigations into alleged benefit fraud that identify more serious abuses (i.e. high yield) of the benefits system (total overpayments £) (LCT 18)	£619,052 G					£463,470 ↑	£450k G		
Average time to process Housing /Council Tax Benefit new claims and change events (Days) (NI 181)	7.16 G	6.9 ↓	7.5 G	6.99 ↓	7.5 G	7.12 ↓	7.5 G	7.3 ↓	7.5 G

## Appendix 1

### Period 10 Forecast Outturn revenue expenditure and income variances, and movements from Period 9 monitoring report

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P10 Forecast Outturn (£000's)	P10 Outturn variance (£000's)	P9 Outturn variance (£000's)	P9 to P10 movement (£000's)	Note ref
<b>Transformation and Resources Portfolio</b>						
Legal & Democratic	1,943	2,048	105	111	(6)	T&R1, 2, 5
Communications & Customer Services	7,598	7,209	(389)	(392)	3	T&R1, 2, 5
Partnerships & Performance	2,960	2,983	23	24	(1)	T&R1, 3
Strategic Human Resources	3,023	2,887	(136)	(123)	(13)	T&R1, 2, 5
Corporate Leadership and Support	401	228	(173)	(167)	(6)	T&R1
<b>sub-total</b>	<b>15,925</b>	<b>15,355</b>	<b>(570)</b>	<b>(547)</b>	<b>(23)</b>	
<b>Finance Portfolio</b>						
Finance Services	3,810	3,766	(44)	(89)	45	T&R1, 2, 4, 5
<b>sub-total</b>	<b>3,810</b>	<b>3,766</b>	<b>(44)</b>	<b>(89)</b>	<b>45</b>	
<b>Total</b>	<b>19,735</b>	<b>19,121</b>	<b>(614)</b>	<b>(636)</b>	<b>22</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9 to P10 movement (£000's)</b>	<b>Note ref</b>
Management of vacancies	(624)	(611)	(13)	T&R1
Running costs	(93)	(77)	(16)	T&R2
CCTV – Projected shortfall in income	92	92	0	T&R3
Proceeds of Crime income	193	191	2	T&R4
Other Income	(182)	(231)	49	T&R5
<b>Total</b>	<b>(614)</b>	<b>(636)</b>	<b>22</b>	

## **NOTES ON PROJECTED VARIANCES**

### **T&R1**

There are a number of posts which were held vacant whilst staffing structures were being reviewed. Favourable movement in the month reflects appointments to posts in HR and Communications.

### **T&R2**

Running costs variances for deferred expenditure are shown below

Communications £(46)k

Access Trafford £(65)k

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

### **T&R3**

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

### **T&R4**

The expected receipt date for a Proceeds of Crime case has been reviewed and a further £2K of income will now not be received in 2012/13.

### **T&R5**

Management action has generated increased income from;

- Activity with education sector e.g. schools, £(57)k
- A legal services arrangement with the Probation Service, £(18)k
- Collaborative arrangements £(42)k
- Libraries fees and charges income £(33)k
- Land Charges income £(23)k
- Other minor income variations across the Directorate £(9)k

## TRAFFORD MBC

**Report to:** Director of Finance  
**Date:** 21 February 2013  
**Report for:** Information  
**Report author:** Head of Financial Management

**Report Title**

<b>Revenue Budget Monitoring 2012/13 – Period 10 - Council-Wide Budgets (April 2012 to January 2013 inclusive)</b>
--

**1 Outturn Forecast**

1.1 The current approved revenue budget for the year is £25.384m. The outturn forecast is £24.834m, which is £(0.550)m under the budget, a favourable movement of £(0.043)m since last month.

1.2 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;

Treasury Management – savings in debt interest repayments £(0.337)m and increased investment interest £(0.106)m;

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

Eight Right-To-Buy sales of ex-Council Houses, £(0.080)m, an additional five since the last report;

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

Reduced Housing Benefit subsidy £0.020m, relating to the use of bed and breakfast accommodation for homeless people;

Other minor variances of £0.012m.

## 2 MTFP Savings and increased income

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

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

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

## 3 Service carry-forward reserve and Recommendations

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

**Period 10 Forecast Outturn revenue expenditure and income variances, and movements from Period 9 monitoring report**

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

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P10 Forecast Outturn (£000's)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9 to P10 movement (£000's)</b>	<b>Ref</b>
<b>Finance Portfolio</b>						
Precepts, Levies & Subscriptions	16,536	16,583	47	47		C-W3
Provisions (bad debts, pensions, property rates)	1,745	1,745				
Treasury Management	9,051	8,608	(443)	(430)	(13)	C-W1
Insurance	647	647				
Members Expenses	942	942				
Grants	(3,627)	(3,627)				
Other Centrally held budgets	90	(64)	(154)	(124)	(30)	C-W2
<b>Total</b>	<b>25,384</b>	<b>24,834</b>	<b>(550)</b>	<b>(507)</b>	<b>(43)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P10 Outturn variance (£000's)</b>	<b>P9 Outturn variance (£000's)</b>	<b>P9 to P10 movement (£000's)</b>	<b>Ref</b>
Treasury Management:				
- Investment Income	(106)	(93)	(13)	C-W1
- Debt Management cost savings	(337)	(337)		C-W1
Other Centrally held budgets				
- External audit fees	(106)	(106)		C-W2
- Right-To-Buy sales	(80)	(30)	(50)	C-W2
- Housing Benefit subsidy	20	0	20	C-W2
- Other minor payments	12	12		C-W2
Precepts, Levies & Subscriptions				
- AGMA Budgets	47	47		C-W3
<b>Total</b>	<b>(550)</b>	<b>(507)</b>	<b>(43)</b>	



## NOTES ON PROJECTED VARIANCES

### **C-W1 – Treasury Management - £(0.443)m (favourable), a movement of £(0.013)m since the last report.**

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

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

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

The monthly movement relates to an additional £(0.013)m of investment interest from favourable cash flow as a result of rephased capital expenditure.

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

The Audit Commission fees for 2012/13 have substantially reduced, in particular relating to the standard audit fee, £(0.106)m, due in part to the Council's good quality financial management. There has also been eight Right-To-Buy sales of ex-Council Houses by Trafford Housing Trust, which are not budgeted for, generating income of £(0.080)m to the Council, an additional five sales since the last report. £0.012m relates to a payment to HM Revenues and Customs for unpaid tax and national insurance following a national investigation into payments to School Improvement Partners.

Housing Options Service Trafford (HOST – managed by Salford Council), who are responsible for Trafford's statutory housing service for the homeless have been using bed and breakfast accommodation due to the high level of demand since summer 2012. The Housing Benefit subsidy arrangements on bed and breakfast tenancies is punitive to discourage Local Authorities from using this accommodation. Trafford will only receive just over half of the benefit expenditure back in subsidy from the DWP and the projected shortfall to the end of March 2013 is £20k.

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

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