

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 24 June 2013**

**Report for: Information**

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

### **Report Title:**

Revenue Budget Monitoring 2012/13 – Period 12 pre-audit Outturn (April 2012 to March 2013 inclusive).

### **Summary:**

The revenue budget for 2012/13 is £155.395m and the pre-audit outturn is £152.931m. This is an underspend of £(2.464)m, (1.6)%, for the year, and a favourable movement on the February forecast of £(1.054)m (summary tables by Directorate and Portfolio at paragraph 1).

Excluding Council-Wide budgets, the service expenditure outturn is £(1.460)m less than budgeted, or (1.1)%.

<b>Activity</b>	<b>Draft Outturn £m</b>	<b>Period Movement £m</b>
Social Services clients & need	1.1	-
Suppressed income	0.2	(0.1)
Street lighting electricity costs	0.2	-
Vacancy & running cost management	(2.4)	(0.3)
Treasury Management	(0.5)	(0.1)
New grant & rephased projects	(0.7)	(0.3)
New Contingency budgets	(0.4)	(0.3)
<b>Forecasted outturn</b>	<b>(2.5)</b>	<b>(1.1)</b>
LD Pool (Annex 2, Section 5)	1.5	0.7

The main variances for the year are:

- £1.048m net additional demographic pressure, either by way of the number and/or need of clients in both Children and Adult Social Care;
- £(1.579)m relating to savings in staff costs, mainly where posts have been left vacant in anticipation of staff restructures or future savings plans;
- £(0.731)m of general in-year management savings and/or austerity measures as part of budgetary control to mitigate other pressures;
- £(0.481)m of interest savings; either by pro-actively avoiding relatively high debt charges in the short term, or by way of increased cash balances primarily due to the rephasing of the capital programme, and capital grants received in advance;
- £(0.322)m savings on specific Children's Centres commissioned projects;
- £(0.220)m net contingency budgets following year-end adjustments, primarily

due to exceptional general debtor collection performance.

- £(0.170)m seventeen Right to Buy sales of ex-Council Houses;
- £(0.009)m net other individual variances.

The main movements since the last report are:

- £(0.220)m net contingency budgets following year-end adjustments, primarily due to exceptional general debtor collection performance.
- £(0.090)m – nine Right-to-Buy sales of ex-Council Houses by Trafford Housing Trust in the final quarter of the financial year;
- £(0.049)m – additional savings in staffing, £(0.033)m and placement costs £(0.027)m, offset by minor increases in running costs of £0.011m within Children's Social Care;
- £(0.089)m – further savings identified within Children's Centre projects;
- £(0.061)m – net reduction in client costs within Adult Social Services;
- £(0.194)m – reduction in running costs, £(0.155)m and additional income, £(0.039)m across the Environment Transport and Operations Directorate;
- £(0.084)m – minor movements across the Economic Growth and Prosperity, £(0.050)m and Transformation & Resources, £(0.034)m Directorates;
- Other minor net movements across all other services of £(0.267)m.

In addition to the above, it is noted that the end of year balance on the Learning Disability Pool has moved in the period by an adverse £0.7m to a total of £1.5m. This contrasts with the savings plan initiated at the beginning of the year to achieve an end of year balance of around £0.9m. Attention is drawn to Annex 2 Section 2 which discusses this matter further.

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

Service balances brought forward from 2011/12 were a net £(2.633)m. After the pre-audited outturn for the year, there is a net surplus of £(3.567)m to be carried forward to 2013/14 (Table 5).

The forecast level of General Reserve at year end is £(10.6)m. After taking into account future planned commitments the long term balance is £(6.8)m, £(0.8)m above the minimum level of £(6.0)m.

The forecasted Council Tax surplus, relating to the Council only, as at 31 March 2013 is estimated to be £(0.005)m. Pro-active management provided for additional income generated in year of £(0.230)m, however, this was absorbed by back dated valuations and discount awards.

**Recommendation(s)**

**It is recommended that:**

- a) The pre audited outturn be noted;
- b) The General Reserve and Collection Fund balances and commitments are noted and confirmed.

**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 .....ID

Legal Officer Clearance .....MJ

Director of Finance Signature .....

## Budget Monitoring – Summary Financial Results

1. Based on the pre-audit outturn for the year, the Council will underspend its budget by £(2.464)m, (1.6)%, for 2012/13 (Tables 1 & 2), which is a favourable movement of £(1.054)m from last month (paragraph 4).
2. The overall variance includes a net underspend on the five Directorate budgets of £(1.460)m, (1.1)%, and a net underspend on Council-wide budgets of £(1.004)m, (4.0)%. 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	(649)	(2.5)%	(249)	1
Communities & Wellbeing	202	0.4%	(73)	2
Environment, Transport & Operations	(147)	(0.5)%	(194)	3
Economic Growth & Prosperity	(149)	(4.4)%	(50)	4
Transformation & Resources	(717)	(3.6)%	(34)	5
<b>Total Service Variances</b>	<b>(1,460)</b>	<b>(1.1)%</b>	<b>(600)</b>	
Council-wide budgets	(1,004)	(4.0)%	(454)	6
<b>Draft outturn variance (period 12)</b>	<b>(2,464)</b>	<b>(1.6)%</b>	<b>(1,054)</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	(579)	(2.6)%	(243)
Education	(70)	(2.2)%	(6)
Adult Care, Health & Wellbeing	202	0.4%	(73)
Highways & Environmental	(238)	(0.8)%	(208)
Safe, Strong Communities	91	3.6%	14
Economic Growth & Prosperity	(149)	(4.4)%	(50)
Transformation & Resources	(600)	(3.8)%	(3)
Finance	(1,121)	(3.8)%	(485)
<b>Draft outturn variance (period 12)</b>	<b>(2,464)</b>	<b>(1.6)%</b>	<b>(1,054)</b>

### Key Outturn Variations and Period Movements

3. The key variances for the year are:
  - £1.048m net additional demographic pressure, either by way of the number and/or need of clients in both Children and Adult Social Care;
  - £(1.579)m relating to savings in staff costs, mainly where posts have been left vacant in anticipation of staff restructures or future savings plans;
  - £(0.731)m of general in-year management savings and/or austerity measures as part of budgetary control to mitigate other pressures;
  - £(0.481)m of interest savings; either by pro-actively avoiding relatively high debt charges in the short term, or by way of increased cash balances

primarily due to the rephasing of the capital programme, and capital grants received in advance;

- £(0.322)m savings on specific Children's Centres commissioned projects;
- £(0.220)m of net contingency budgets, primarily due to exceptional general debtor collection performance which has reduced the bad debt provision;
- £(0.170)m seventeen Right to Buy sales of ex-Council Houses;
- £(0.009)m net other individual variances.

4. The key variances contributing to the period movement of a favourable £(1.054)m are:

- £(0.220)m of net contingency budgets, primarily due to exceptional general debtor collection performance which has reduced the bad debt provision;
- £(0.090)m - nine Right-to-Buy sales of ex-Council Houses by Trafford Housing Trust in the final quarter of the financial year;
- £(0.049)m – additional savings in staffing, £(0.033)m and placement costs £(0.027)m, offset by minor increases in running costs of £0.011m within Children's Social Care;
- £(0.089)m – further savings identified within Children's Centre projects;
- £(0.061)m – net reduction in client costs within Adult Social Services;
- £(0.194)m – reduction in running costs, £(0.155)m and additional income, £(0.039)m across the Environment Transport and Operations Directorate;
- £(0.084)m – minor movements across the Economic Growth and Prosperity, £(0.050)m and Transformation & Resources, £(0.034)m Directorates;
- Other minor net movements across all other services of £(0.267)m.

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

5. The Budget included for £(12.2)m of savings and increased income. Nearly all of the original projects delivered on target and the remaining elements were made good with new and/or amended projects or management action. Further details of the achievements against the savings target for each Directorate are shown in Annexes 1 to 6 below.

### **Council Tax**

6. The brought forward surplus on the Collection Fund, relating to the Council, at 31 March 2012 was £(0.294)m, of which £0.200m was planned to support the 2012/13 budget. Pro-active management of the taxbase in terms of identifying properties and bringing them into taxation as early as possible, as well as management of the extent of exemption and discount awards generated a further £(0.230)m.
7. However, this prospective surplus of £(0.324)m has been reduced by an increase in the value of backdated valuations and discount awards, £0.256m, and an adjustment in the required amount to be set aside for bad debt £0.063m, reducing the end of year surplus to £(0.005)m. The lack of a surplus

had been forecasted at the time of establishing the 2013/14 budget plans, and the traditional use of a small amount of surplus to support the budget was withdrawn.

8. The trend of back-dated valuations and discounts has changed from reducing to increasing, and will pose a real challenge in avoiding a deficit when combined with the implications of the introduction of the Council Tax Support Scheme to replace Benefits, other changes brought about by Welfare Reform and the already tight margins the Council has set in terms of collection rates.

<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	256

## Reserves

9. 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 2013 as part of the 2013/14 Budget, and adjustments made as a consequence of the end of year accounts process. The forecasted balance at year end is £(10.643)m, which includes for a transfer from the insurance reserve of £(2.6)m. After taking into account future plans the uncommitted balance is £(6.8)m, £(0.8)m above the agreed minimum level of £(6.0)m.

<b>Table 4 : General Reserve Movements</b>	<b>(£000's)</b>
<b>Outturn Report Balance 31 March 2012</b>	<b>(9,802)</b>
- Reversal of PCT support in 2011/12 LD Pool	(400)
<b>Adjusted balance brought forward 31 March 2012</b>	<b>(10,202)</b>
General base budget support 2012/13	994
Further Authorised use in 2012/13	
- Planned use for one-off projects in 2012/13	1,578
- Internal costs of the Biomass Appeal expenditure	137
- Increase in Equal Pay Provision	500
- Council-wide budgets underspend	(1,004)
Transfer from Insurance Reserve	(2,646)
<b>Balance 31 March 2013 (pre-audit)</b>	<b>(10,643)</b>
<b>Commitments after 31 March 2013:</b>	
- Planned use for 2013/14 Budget	1,015
- One-off projects from 2012/13 brought forward	98
- Planned use for one-off projects 2013/14	701
<b>Balance 31 March 2014</b>	<b>(8,829)</b>
- Planned use for 2014/15 Budget	2,000
<b>Projected balance after known commitments</b>	<b>(6,829)</b>

10. Service balances brought forward from 2011/12 were a net £(2.633)m. After the pre-audited outturn for the year, there is a net surplus of £(3.567)m to be carried forward to 2013/14 (Table 5). Some of this surplus is already committed to rephased projects, including the investment costs for 2013/14 budget savings proposals, and the remainder is anticipated to support future budgets.

	<b>B/f April 2012 (£000's)</b>	<b>Forecast Movement in-year (£000's)</b>	<b>Forecast Balance (£000's)</b>
<b>Table 5: Service balances</b>			
Children & Young People	(1,210)	(284)	(1,494)
Communities & Wellbeing	(135)	202	67
Environment, Transport & Operations	(200)	(239)	(439)
Economic Growth & Prosperity	(79)	(234)	(313)
Transformation & Resources	(1,009)	(379)	(1,388)
<b>Total All Services (Surplus)/Deficit</b>	<b>(2,633)</b>	<b>(934)</b>	<b>(3,567)</b>

### Recommendations

11. It is recommended that:

- a) The pre audited outturn be noted.
- b) The General Reserve and Collection Fund balances and commitments are noted and confirmed.

## TRAFFORD MBC

Report to: CYP – Directorate Management Team  
 Date: 15<sup>th</sup> May 2013  
 Report for: Information  
 Report author: Finance Manager for CYPS

Report Title

**Revenue Budget Monitoring 2012/13 – Provisional Outturn Position.  
 (April 2012 to March 2013 inclusive)**

**1. Outturn Position**

1.1 The current approved revenue budget for the year is £25.515m, net of the Dedicated Schools Grant (DSG) which totals £128m. The final outturn is £24.866m which is £(0.649)m under the approved budget. This is a favourable movement of £(0.249)m compared to last month.

1.2 Appendix 1 details by both department and variance area the final outturn as compared to the approved revenue budget. The main outturn variances are:

- An overspend within the Children’s Social Care on placement budgets of £0.434m.
- Slippage and suspension of projects relating to Children’s Centres of £(0.493)m.
- A reduction in youth remand placements £(0.071)m.
- Other savings of £(0.519)m as a result of additional income and grants, vacancy management and general cost management.

**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	114
Specific expenditure delayed in 2011/12 and committed from 2012/13	251
P12 Final Outturn	(649)
<b>Balance at 31<sup>st</sup> March 2013</b>	<b>(1,494)</b>

2.2 The carry forward reserve has been accumulated over a number of years mostly as a consequence of vacancies arising in project areas, either because of recruitment issues or rephasing of those projects. Such project expenditure is not a feature of core business any more, and the likelihood that the carry forward reserve will benefit from such cash savings in the future is very much reduced.

2.3 The reserve will partly be used to invest in specific projects which will be of benefit in 2013/14 and future years. There will also be a contingency element to offset the possibility of increased pressures on demand led placements.

### **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. All of the planned savings were achieved during the year:

	<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>

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

4.1 The budget has been monitored to ensure that pressures have been managed effectively. There is 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 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. The results from Summer 2012 maintained, and surpassed, the high standards set in previous years at every age level and represent Trafford's best ever set of results:

- 75% of children at Early Years Foundation Stage achieved the measured standard – up from 70% the previous year – compared to 64% nationally.
- At age 11, over 86% of pupils achieved Level 4 or above in English and Mathematics, up from 84% the previous year ;
- At 16, 71.9% of pupils in Trafford achieved 5 x A\* - C grades at GCSE including English and Mathematics, up from 69.4%, significantly higher than the national level of 58.3%. The Trafford increase is all the more notable when seen against a backdrop of plateauing of pass rates nationally.

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 12 Final Outturn revenue expenditure and income variances and movements from Period 11 monitoring report

The following tables detail the main variances from the revenue budget to the final 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)	P12 Final Outturn (£000's)	P12 Outturn variance (£000's)	P11 Outturn variance (£000's)	P11 to P12 movement (£000's)	Ref
<b>Supporting Children &amp; Families Portfolio</b>						
Children's Social Services	14,644	14,925	281	235	46	CYPS 3
Children with Complex & Additional Needs	2,206	2,083	(123)	(43)	(80)	CYPS 3
Support Services to CYP	6,953	6,951	(2)	68	(70)	CYPS 8
Multi Agency Referral (MARAS)	1,742	1,826	84	99	(15)	CYPS 5
Commissioning	1,386	1,230	(156)	(128)	(28)	CYPS 5
Youth Offending Service	744	673	(71)	(64)	(7)	CYPS 6
Children's Centres	3,948	3,356	(592)	(503)	(89)	CYPS 7
Early Intervention Grant	(9,288)	(9,288)	0	0	0	
<b>Sub-total</b>	<b>22,335</b>	<b>21,756</b>	<b>(579)</b>	<b>(336)</b>	<b>(243)</b>	
<b>Education Portfolio</b>						
Dedicated Schools Grant	0	(2,186)	(2,186)	(1,757)	(429)	CYPS1,2
Transfer to Dedicated Schools Grant Reserve	0	2,186	2,186	1,757	429	
Education Early Years' Service	2,236	2,166	(70)	(64)	(6)	CYPS 4
Connexions Service	944	944	0	0	0	
<b>Sub-total</b>	<b>3,180</b>	<b>3,110</b>	<b>(70)</b>	<b>(64)</b>	<b>(6)</b>	
<b>Total</b>	<b>25,515</b>	<b>24,866</b>	<b>(649)</b>	<b>(400)</b>	<b>(249)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P12 Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 to P12 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	(1,548)	(1,548)	0	CYPS1
School In Year Adjustments	(435)	(250)	(185)	CYPS2
Redundancies & Maternity	(184)	(150)	(34)	CYPS2
SEN	118	108	10	CYPS2
Teaching Packages	(186)	0	(186)	CYPS2
Early Years PVI Places	106	90	16	CYPS2
Pupil Referral Units	(50)		(50)	CYPS2
Other minor variances	(7)	(7)	0	CYPS2
<b>DSG projected Underspend</b>	<b>(2,357)</b>	<b>(1,928)</b>	<b>(429)</b>	
<b>Transfer to DSG Reserve</b>	<b>2,357</b>	<b>1,928</b>	<b>429</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P12 Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 to P12 movement (£000's)</b>	<b>Ref</b>
<b>Non DSG</b>				
Social Care staffing pressures due to cover arrangements	16	14	2	CYPS 3
Additional Grant Funding	(283)	(187)	(96)	CYPS 3
Placements Budget	441	468	(27)	CYPS 3,6
Sale West Development Centre	35	35	0	CYPS 8
Delays in appointments of staff	(256)	(246)	(10)	CYPS 7
Savings in Children's Centre Projects	(322)	(233)	(89)	CYPS 7
Serious Case Review	20	20	0	CYPS 5
Other staffing variances	(90)	(65)	(25)	CYPS 4,5
Other minor variances	(210)	(206)	(4)	CYPS 3,4,5,7,8
<b>Total Net Underspend Non DSG</b>	<b>(649)</b>	<b>(400)</b>	<b>(249)</b>	

## NOTES ON PROJECTED VARIANCES

### Variations within the DSG.

#### **CYPS1 – Increase in DSG £(1,548)k (favourable)**

The Council was made aware of the final DSG allocation for 2012/13 on 26<sup>th</sup> June 2012 which resulted in additional income of £(30)k; the pupil numbers being funded was 7 higher than originally anticipated.

DSG income is continually adjusted during the year to reflect Academy schools. The DfE has given a refund to the Council of £(1,518)k and this comprises 80% of the Rates (NDR) bill for these schools £(1,020)k and an amount equivalent to their insurance cost of £(498)k. The reasons for these amounts being paid is not documented in the DfE explanations of the recoupment calculation but checks with the DfE have confirmed our entitlement to this refund. This is a one-off adjustment.

#### **CYPS2 – Other Variations £(638)k (favourable)**

DSG budgets such as Early Years places and SEN placements are demand led and difficult to predict. A balance needs to be struck when setting DSG budgets in attempting to delegate as much money as possible to schools, whilst also having enough central resources in order to meet demand for these items. Teaching Packages £(186)k will be distributed to secondary schools in the next financial year. This is a major part of the £(427)k favourable movement between period 11 and period 12. Schools in year adjustments are £(435)k less than budgeted for and this is a favourable movement of £(185)k since period 11. Schools can claim for budget increases right up until the close of the financial year. From April 2013 Pupil Referral Units (PRU's) will have delegated budgets. With this in mind the Funding Forum agreed that the PRU's could carry forward their underspend into 2013-14 to allow some flexibility to assist with the new challenges. The £50k therefore will be earmarked within the DSG reserve for the PRU's.

#### **– DSG Reserve b/fwd.**

The overall variances of £(2,186)k will increase the DSG reserve to a net underspend of £(2,357)k at 31<sup>st</sup> March 2013. This underspend will be carried forward to 2013/14. The Schools Funding Forum consider that there should be a working balance of approximately £(0.5)m to meet increase in demand for certain budgets. Clearly this reserve exceeds what would be considered to be a working balance and consideration will be given on how to use this for the benefit of schools in the future. In considering this the Forum will have to be consulted prior to a final decision being made.

## **Non-DSG Variances.**

### **CYPS3 – Children’s Social Care £158k (adverse) (Includes Children with Complex & Additional Needs)**

The overspend of £158k comprises of placement costs £434k, staffing budgets £14k, minor variances £(103)k and additional grant income of £(187)k relating to Intensive Fostering.

### **CYPS4 – Early Years £(70)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 and slippage on projects £(27)k.

### **CYPS5 – Commissioning & MARAS £(72)k (favourable)**

The majority of this underspend is due to salaries and additional grant income.

### **CYPS6 – Youth Offending Service £(71)k (favourable)**

This underspend relates to a saving on remand placements.

### **CYPS7 – Children’s Centres £(592)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 £(246)k, a saving of £(220)k on specific commissioned projects and other variations across the service totalling £(126)k.

### **CYPS8 – Support Services to CYP £(2)k (favourable)**

The pressures within this area include a shortfall in income in Sale West Development Centre (£35k) and £41k for statutory retirement costs. These are offset by additional grant income (relating to 2011/12 that we were made aware of later) of £(111)k. The movement from period relates to the additional grant income.

## TRAFFORD MBC

**Report to:** C&WB Directorate Management Team  
**Date:** 7 May 2013  
**Report for:** Discussion  
**Report author:** C&WB Finance Manager

**Report Title**

<b>Revenue Budget Monitoring 2012/13 – Period 12 - Outturn (April 2012 to March 2013 inclusive)</b>
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**1. Outturn Forecast**

- 1.1 The outturn for 2012/13 is £49.287m which is £0.202m, or 0.4%, above the approved budget of £49.085m. However, this is a net £(0.073)m favourable movement from the February monitor.
- 1.2 The main outturn variance is due to higher demand in Physical Disability services costing £0.225m. However, reference is made to the outturn of the Learning Disabilities Pool fund in section 2 below. Appendix 1 provides details on outturn variances and movements since the February monitor across all services.
- 1.3 During the year there were a number of other pressures that impacted on the service delivery across the Directorate:
  - increased demand for services especially home care and residential services,
  - increased numbers of referrals for care assessments and
  - the effects of high demand in local hospitals impacting on demand for adult care services.
- 1.4 Work undertaken with NHS partners to integrate operational adult care staff with local health services together with the provision of Reablement and Telecare services provided the capacity to meet demand mostly within available resources. The consequence being that the majority of services areas controlled service delivery and costs within budget by a net £(0.021)m, generally with minimal variances.

## 2 Learning Disabilities Pooled Fund

- 2.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £1.468m, and an early projection of budget pressures in the sum of an additional £1.577m which would bring the end of year balance to an adverse £3.045m. A recovery plan was initiated to deliver cash savings against budget over two financial years to address this, with a 2012/13 target of £(2.136)m so that the carry forward balance would be in the region of £0.9m. This target is in addition to the achieving cross-Directorate budget savings of £(5.827)m.
- 2.2 The recovery plan achieved 72% of the in-year target, £(1.540)m, which leaves an adverse variance to be carried forward of £1.472m. The Deputy Corporate Director has refreshed the recovery plan, and included additional initiatives:
- Expansion of telecare and reablement into Learning Disabilities services
  - Additional services identified for retendering
  - Accommodation development to reduce cost of provision
- 2.3 The updated plan has been shared with the Trafford Clinical Commissioning Group (CCG), which replaces 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:

Year	End of Year Balance (£000's)	New annual cash target (£000's)
2011/12	1,468	
2012/13	1,472	
2013/14	900	(572)
2014/15	Nil	(900)

## 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 have achieved their targets. The Learning Disabilities Supported Living: New Models of Service option has achieved an additional £(0.014)m. The table below summarises the outturn of these savings targets:

	Budget target (£000's)	Outturn (£000's)	Variance (£000's)
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 and Learning Disabilities Pooled Fund carry-forward reserves

- 4.1 The service carry-forward reserve balance at the end of the year, after taking into account the outturn position, is a deficit of £69k:

<b>Table 1: Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Balance brought forward 1 April 2012	(135)
P12 Outturn	202
<b>Balance carried forward at 31 March 2013</b>	<b>67</b>

- 4.2 The carried forward balance will be absorbed into and recovered through the Directorate's cost control plan for 2013/14.
- 4.3 In addition to the above, the carried forward balance on the Learning Disabilities Pooled Fund is a deficit of £1,472k:

<b>Table 2: Utilisation of Learning Disabilities Pooled Fund Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Balance brought forward 1 April 2012	1,468
P12 Outturn	4
<b>Balance carried forward at 31 March 2013</b>	<b>1,472</b>

- 4.4 There is a specific management action plan to reduce to £nil over a two year period (section 2).

#### 5 Management Action

- 5.1 There is a strong underlying trend of increased demand for adult social care services in Trafford matching the trend experienced nationally. The Directorate has in place strong cost control processes to deal with this issue but there is a risk that demand for services may exceed the budget available even with the additional provision included in the 2013/14 Medium Term Plan. To deal with this risk the Directorate will:

- continue with and strengthen the cost control measures put in place in 2012/13,
- closely monitor that the expected outcome of reduced demand in high cost services as a result of the additional enhanced reablement and telecare resources put in place in 2013/14 are achieved,
- continue with the integration work with our NHS partners, co-ordinating and targeting resources to manage demand in the whole (NHS and Council) care system, and
- strengthen the delivery of the LD Pooled Fund recovery plan through a joint group of senior Clinical Commissioning Group and Council officers.

## 6. Performance progress

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

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

In 2013 / 14, our vision is to provide innovative, flexible, first class services focused on the needs of the individual, their carers and family. We want to enable people to have more choice and control over the support they receive and to provide quality services that encourage people to lead healthy, independent lives.

We want to continue to strengthen partnerships with colleagues in health, the private, voluntary and community sectors and with other key departments within the Council, including Children and Young People Services. We also want to develop strong relationships within the emerging governance structure of health and adult social care, including Trafford's Clinical Commissioning Group, the Health and Wellbeing Board and Healthwatch.

We want to maintain our engagement with local people by:

- listening to concerns and ideas from individuals and local communities;
- co-producing plans and models of services that are sustainable;
- supporting self-sufficiency;
- meeting the needs of individuals requiring support.

Overall, we have five key approaches to enable us to meet this vision:

- **Personalisation** – we want people to have more choice, control and flexibility in meeting their needs.
- **Health integration** – we want people to receive the best possible health and social care services delivered efficiently, effectively and in a co-ordinated way.
- **Promoting resilience and independence** - we want to ensure that people in Trafford are able to live as independently as possible, for as long as possible.
- **Safeguarding vulnerable adults** – we want to ensure that vulnerable adults at risk of abuse are safeguarded through robust monitoring of services commissioned to support older people, adults with a learning disability, mental health need, physical disability or health condition.

- **Market management and quality assurance** – we want to stimulate the market in Trafford ensuring there is a diverse choice of quality services that meet individuals' needs.

The Directorate has developed a comprehensive performance framework to enable us to assess and monitor progress against these principles. Key measures within this framework include;

- The % of eligible service users / carers to receive Self-Directed Support in year (ASCOF 1Ci - Local)
- The % of eligible service users / carers to receive Direct Payments in year (ASCOF 1Cii)
- The Average % reduction in service hours following reablement intervention
- The number of Delayed transfers of Care from hospital
- The number of Older People admitted to permanent Residential / Nursing Care
- The number of people in receipt of telecare in year
- Social Care related Quality of Life (composite user experience measure ASCOF 1A) – Survey.
- Overall satisfaction of people who use services with their care and support

### Period 12 Outturn revenue expenditure and income variances, and movements from Period 11 monitoring report

The following tables detail the main variances from the revenue budget to the 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)	P12 Outturn (£000's)	P12 Outturn variance (£000's)	P11 Outturn variance (£000's)	P11 – P12 movement (£000's)	Ref
<b>Adult Care, Health &amp; Wellbeing Portfolio</b>						
Older People	22,750	22,744	(6)	98	(104)	C&W1
Physical Disabilities	3,162	3,387	225	193	32	C&W2
Equipment & Adaptations	1,084	1,071	(13)	(60)	47	C&W3
Mental Health	3,425	3,451	26	32	(6)	C&W4
Other Adult Services	953	950	(3)	26	(29)	C&W5
Support Services	1,027	1,016	(11)	12	(23)	C&W6
Adaptations	(69)	(25)	44	0	44	C&W7
Housing Services	2,660	2,654	(6)	0	(6)	C&W8
Drugs and Alcohol Service	292	262	(30)	0	(30)	C&W9
Equalities & Diversity	134	110	(24)	(26)	2	C&W10
<b>Total</b>	<b>35,418</b>	<b>35,620</b>	<b>202</b>	<b>275</b>	<b>(73)</b>	

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P12 Outturn (£000's)	P12 Outturn variance (£000's)	P11 Outturn variance (£000's)	P11 – P12 movement (£000's)	Ref
Learning Disabilities Pool	13,667	15,139	1,472	844	628	C&W11
<b>Total</b>	<b>13,667</b>	<b>15,139</b>	<b>1,472</b>	<b>844</b>	<b>628</b>	

<b>Adult Care, Health &amp; Wellbeing Portfolio</b>	<b>P12 Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 – P12 movement (£000's)</b>	<b>Ref</b>
<b>Older People</b>				
Care management/assessment	(305)	(292)	(13)	C&W1
Residential and nursing care	176	248	(72)	C&W1
Home Care	403	416	(13)	C&W1
Day Care	(371)	(363)	(8)	C&W1
Direct Payments	91	89	2	C&W1
<b>Physical Disabilities</b>				
Care management/assessment	(8)	6	(14)	C&W2
Residential and nursing care	176	124	52	C&W2
Home Care	40	35	5	C&W2
Day Care	(7)	(7)	0	C&W2
Direct Payments	24	35	(11)	C&W2
<b>Equipment &amp; Adaptations</b>				
Lift repairs & maintenance	(13)	(60)	47	C&W3
<b>Mental Health</b>				
Care management/assessment	(50)	(59)	9	C&W4
Residential and nursing care	37	74	(37)	C&W4
Home Care	17	(4)	21	C&W4
Direct Payments	22	21	1	C&W4
<b>Other Adult Services</b>				
Other Services	(3)	26	(29)	C&W5
<b>Support Services</b>				
Financial Services	(11)	12	(23)	C&W6
<b>Adaptations</b>				
Adaptations	44	0	44	C&W7
<b>Housing Support</b>				
Supporting People	(6)	0	(6)	C&W8
<b>Drug &amp; Alcohol Service</b>				
BSO Support	(30)	0	(30)	C&W9
<b>Equalities &amp; Diversity</b>				
Equalities Team	(24)	(26)	2	C&W10
<b>Total</b>	<b>202</b>	<b>275</b>	<b>(73)</b>	

<b>Learning Disabilities Pool</b>	<b>P12 Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11– P12 movement (£000's)</b>	<b>Ref</b>
Care management/assessment	12	13	(1)	C&W11
Residential and nursing care	59	8	51	C&W11
Home Care	1,424	657	767	C&W11
Day Care	(29)	(73)	44	C&W11
Direct Payments	6	239	(233)	C&W11
<b>Total</b>	<b>1,472</b>	<b>844</b>	<b>628</b>	

## NOTES ON VARIANCES AND PERIOD MOVEMENTS

### Adult Care, Health & Wellbeing Portfolio £204k adverse

#### **C&W1 – Older People - £(6)k favourable**

- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £299k adverse**

Two of the four key service provision budgets are showing increased demand. Residential care is 10 service users higher than budgeted and homecare is 11 service users higher than budgeted.

- **Care Management and Assessment - £(305)k favourable**

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

#### **C&W2 – Physical Disabilities - £225k adverse**

- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £233k 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 - £(13)k favourable**

- **Equipment - £(13)k favourable**

The volume of equipment recycled at the One Stop Resource Centre was higher than expected for in 2012/13.

#### **C&W4 – Mental Health - £26k adverse**

- **Care Management and Assessment £(50)k favourable**

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

- **Residential and Nursing Care/Home Care/Direct Payments £76k adverse**

There are three residential service users higher than budgeted.

#### **C&W5 – Other Adult Services - £(3)k favourable**

- Due to a lower than expected level of complaints resulting in a reduction in external independent investigation fees.

#### **C&W6 Support Services - £(11)k favourable**

- **Financial Services £(11)k favourable**

Underspend due to vacancy management to support the Directorate's financial position.

**C&W7 Adaptations - £44k adverse**

- Underachievement in adaptations fee income due to a lower than expected number of schemes being completed..

**C&W8 Housing Services - £(6)k favourable**

- The Supporting People programme has delivered all current contracts within budget and a £(6)k favourable budget position. This is related to the delivery of the 2012/13 plan of budget savings.

**C&W9 Drug & Alcohol Service - £(30)k favourable**

- Lower than expected demand in the Drug Service; £(12)k and managed vacancies in the administration support service; £(18)k.

**C&W10 Equalities & Diversity - £(24)k favourable**

- **Equalities Team £(24)k favourable**  
Managed efficiencies in the Equalities Team's translation fees and events budget.

**C&W11– Learning Disabilities Pooled - £1,472k adverse**

**Cost of care packages - £1,460k 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 1 service users, total additional costs £59k;
- Homecare, additional 28 service users, total additional costs £1,424k;
- Day Care, 2 service users less than expected, underspend £(29)k;
- and Direct Payments, additional 1 service users, total additional costs £6k.

**Care Management/Assessment £12k adverse**

Additional costs in the Assessment Team.



## TRAFFORD MBC

Report to: ETO Directorate Management Team  
 Date: 8 May 2013  
 Report for: Discussion  
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2012/13 – Period 12 Outturn
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**1. Outturn**

- 1.1 The approved revenue budget for the year is £32.286m. The outturn is £32.139m, which is £(0.147)m under the approved budget.
- 1.2 The overall underspend of £(0.147)m has been achieved against a background of significant financial challenges for the Directorate throughout the year. This includes the achievement of approved budget savings of £(1.734)m, plus the successful management of budget pressures of £0.527m.
- 1.3 The management team has taken a number of steps to ensure that essential services were delivered within budget:
- 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;
  - Additional improvements to efficiency through service redesign.
- 1.4 There is a favourable movement in the outturn since the forecast included in the last report. This is attributed to:
- Cost management : supplies and services across ETO £(0.070)m;
  - Acceleration of budget savings £(0.066)m – Public Protection and Sustainability & Greenspace;
  - One-off refund in Parking business rates £(0.019)m;
  - Net additional income due to external factors, such as weather £(0.039)m.

**2. Explanation of Variance and Movements**

- 2.1 There were a number of budget pressures during the year of £0.527m, and which measures are in place to address in the Medium Term Financial Plan:
- Street lighting energy costs – inflation and inventory increases £0.195m;
  - Groundforce/Sustainability & Greenspace – review of rechargeable balances at year end leading to an adverse variance of £0.028m;

- Open Space reserve funding has reduced by £0.058m and there are timing issues with implementing corresponding reductions in costs;
- Income shortfall of £0.050m related to indefinite delays in the changes to national planning fee regulations expected when the budget was approved;
- Crime and Disorder income shortfall – fixed penalty notices £0.092m, part mitigated by staff vacancies and running cost underspends £(0.018)m;
- Public Protection - £0.061m shortfall in licences fee income due to economic conditions, shortfall in pest control income £0.036m due to adverse weather;
- Sale Watersports Centre/Deckers contract saving not achieved £0.025m.

2.2 These pressures have been fully mitigated by a range of management actions implemented during the year of £(0.674)m (listed below), which are in addition to the delivery of the approved budget savings of £(1.734)m:

- Highways and Transportation – additional fee income of £(0.209)m, management action to reduce running costs £(0.075)m;
- School Crossing Patrols – underspend of £(0.034)m relating to slippage in the filling of supervisory and operational staff vacancies;
- Car parking – business rate revaluations and one-off refunds £(0.049)m, underspend of £(0.028)m from staff vacancies and contract costs.
- Bereavement Services income is £(0.044)m above budget, an increase from last reported which has coincided with the prolonged spell of cold weather. Minor underspends in staffing and running costs £(0.010)m.
- Waste management – underspend of £(0.048)m on contract costs, plus £(0.028)m from management action to reduce other supplies costs, including depots. Bulky waste income is £(0.021)m higher than budgeted.
- Public Protection - management action of £(0.056)m from delays in filling vacancies and in-year savings in running costs, plus accelerated budget savings approved in February 2013 £(0.035)m;
- Culture & Sport – running cost underspends of £(0.014)m, minor shortfall in Waterside Arts Centre income £0.006m.
- Directorate Strategy and Business Support - £(0.029)m of minor underspends from the management of staffing and running costs.

### 3. Reserves

3.1 At the end of 2011/12 the Directorate had a surplus on accumulated balances of £(0.200)m, which was carried forward to 2012/13. The outturn balance on the service earmarked reserve to be carried forward to 2013/14 is £(0.439)m.

<b>Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2012	(200)
Traded service investment projects c/f	(92)
Period 12 adverse variances with medium/long term action plans (para. 2.2)	410
Period 12 net underspend (para. 2.3)	(557)
<b>Balance after outturn</b>	<b>(439)</b>
Already committed and re-phased projects in 2013/14	<b>237</b>
<b>Balance after commitments</b>	<b>(202)</b>

3.2 The carry forward balance of £(0.439)m relates to items already committed, re-phased project expenditure, and the remainder to be utilised to cover one-off budget pressures already being experienced at the start of 2013/14:

- car parking £0.105m and traded services £0.040m carried forward for another financial year to cover contract costs already committed;
- £0.092m re-phasing of traded services projects, including the continued roll out of catering Parentpay system, plus investment in equipment to maintain competitiveness with external providers.
- £0.202m to mitigate one-off timing issues already being experienced in the delivery of certain savings for 2013/14.

#### 4. Savings

4.1 The Council Budget included for £(12.2)m of savings and increased income, of which £(1.734)m related to ETO Directorate.

	<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 ETO</b>	<b>(1,734)</b>	<b>(1,734)</b>	<b>0</b>

4.2 The shortfall of £0.050m relates to indefinite delays to expected changes in national planning fee regulations, and £0.025k due to contract savings not delivered in sport and leisure £0.025m. These have been mitigated in full from management action taken across the Directorate, and addressed in the MTFP.

#### 5. Recommendations

5.1 It is recommended that the outturn underspend of £(0.147)m for 2012/13 be noted.

**Period 12 Outturn revenue expenditure and income variances, and movements from Period 11 monitoring report.**

The following tables detail the main variances from the revenue budget to the 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>P12 Outturn (£000's)</b>	<b>P12 Outturn Variance (£000's)</b>	<b>P11 Outturn Variance (£000's)</b>	<b>P11 – P12 Movement (£000's)</b>	<b>Ref</b>
<b>Highways &amp; Environment Portfolio</b>						
Highway and Network Management, incl. Traffic & Transportation	5,439	5,348	(91)	(5)	(86)	ETO 1
School Crossing Patrols	503	469	(34)	(42)	8	ETO 2
Parking Services	(391)	(468)	(77)	(28)	(49)	ETO 3
Groundforce	4,730	4,884	154	105	49	ETO 4
Bereavement Services	(911)	(965)	(54)	(10)	(44)	ETO 5
Sustainability & Greenspace	487	421	(66)	(35)	(31)	ETO 6
Waste Management (incl. WDA levy)	18,763	18,666	(97)	(96)	(1)	ETO 7
Public Protection	1,041	1,097	56	105	(49)	ETO 8
Directorate Strategy & Business Support	443	414	(29)	(24)	(5)	
<b>Sub-total</b>	<b>30,104</b>	<b>29,866</b>	<b>(238)</b>	<b>(30)</b>	<b>(208)</b>	
<b>Safe &amp; Strong Communities Portfolio</b>						
Crime and Disorder	289	363	74	76	(2)	ETO 9
Culture and Sport	2,222	2,239	17	1	16	ETO10
<b>Sub-total</b>	<b>2,511</b>	<b>2,602</b>	<b>91</b>	<b>77</b>	<b>14</b>	
<b>Operational Services for Education</b>	<b>(329)</b>	<b>(329)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Outturn Period 12</b>	<b>32,286</b>	<b>32,139</b>	<b>(147)</b>	<b>47</b>	<b>(194)</b>	

<b>ETO Business Reason / Area (Subjective analysis)</b>	<b>P12 Outturn Variance (£000's)</b>	<b>P11 Outturn Variance (£000's)</b>	<b>P11 – P12 Movement (£000's)</b>	<b>Ref</b>
<b>Highway and Network Management, incl. Traffic &amp; Transportation</b>				
Fee income	(209)	(180)	(29)	
Street lighting energy costs	195	217	(22)	
Supplies and services costs	(77)	(42)	(35)	
<b>Sub-total</b>	<b>(91)</b>	<b>(5)</b>	<b>(86)</b>	ETO 1
<b>School Crossing Patrols - vacancies</b>	<b>(34)</b>	<b>(42)</b>	<b>8</b>	ETO 2
<b>Parking Services</b>				
Car Parking income shortfall	19	126	(107)	
Car Parking business rates refund (c/f from 2011/12)	(19)	(105)	86	
Current year business rates	(49)	(30)	(19)	
Staffing and running costs	(28)	(19)	(9)	
<b>Sub-total</b>	<b>(77)</b>	<b>(28)</b>	<b>(49)</b>	ETO 3
<b>Groundforce</b>				
Supplies, services, overtime costs – including slippage in reorganisation	68	47	21	
Open space reserve commitments – funding shortfall	58	58	0	
Rechargeable income balances	28	0	28	
<b>Sub-total</b>	<b>154</b>	<b>105</b>	<b>49</b>	ETO 4
<b>Bereavement Services</b>				
Staffing and running costs	(10)	0	(10)	
Income above budgeted	(44)	(10)	(34)	
<b>Sub-total</b>	<b>(54)</b>	<b>(10)</b>	<b>(44)</b>	ETO 5
<b>Sustainability and Greenspace – vacancy, supplies &amp; services</b>	<b>(66)</b>	<b>(35)</b>	<b>(31)</b>	ETO 6

ETO Business Reason / Area (Subjective analysis)	P12 Outturn Variance (£000's)	P11 Outturn Variance (£000's)	P11 – P12 Movement (£000's)	Ref
<b>Waste Management</b>				
Commercial Waste income shortfall	8	10	(2)	
Contract costs	(48)	(50)	2	
Running costs – depot and others	(36)	(41)	5	
Bulky waste income	(21)	(15)	(6)	
<b>Sub-total</b>	<b>(97)</b>	<b>(96)</b>	<b>(1)</b>	ETO 7
<b>Public Protection</b>				
Planning fee income – savings shortfall	50	50	0	
Licensing income shortfall	61	56	5	
Pest Control income shortfall	36	25	11	
ICT one-off costs	8	20	(12)	
Mitigating Action:				
- Delay filling vacancies	(46)	(46)	0	
- Running costs in-year savings	(18)	0	(18)	
- Accelerated 13/14 running cost savings	(35)	0	(35)	
<b>Sub-total</b>	<b>56</b>	<b>105</b>	<b>(49)</b>	ETO 8
<b>Crime and Disorder</b>				
Income shortfall – penalty notices	92	90	2	
Staff vacancies and running costs	(18)	(14)	(4)	
<b>Sub-total</b>	<b>74</b>	<b>76</b>	<b>(2)</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	6	(10)	16	
<b>Sub-total</b>	<b>17</b>	<b>1</b>	<b>16</b>	ETO10
<b>Directorate Strategy &amp; Business Support</b>				
Staffing and running costs	(29)	(24)	(5)	
<b>Total Outturn Period 12</b>	<b>(147)</b>	<b>47</b>	<b>(194)</b>	

## NOTES ON OUTTURN VARIANCES

### **ETO 1 – Highways & Network Management - £(0.091)m (favourable)**

Fee income in Highways and Transportation is £(0.209)m more than budgeted for the year, a favourable movement of £(0.029)m since the last report. 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 has continued 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 £0.195m, a favourable movement of £(0.022)m. The overspend includes £0.050m relating to industry changes in calculating energy usage, plus the ongoing cumulative effect of inflationary increases in prices continuing from 2011/12 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 has resulted in an underspend of £(0.077)m at year end. This is a favourable movement of £(0.035)m from last reported from due to minor variances across a wide range of areas within this service.

### **ETO 2 – School Crossing Patrols – £(0.034)m (favourable)**

There is an underspend on staffing of £(0.034)m due to difficulties in the filling of vacancies, which has continued from 2011/12. The underspend has reduced by £0.008m as a number of vacancies have now been filled after successful recruitment processes.

### **ETO 3 – Parking Services – £(0.077)m (favourable)**

There is an overall shortfall in parking income of £0.019m and this is fully mitigated through the use of business rate refunds carried forward in the ETO reserve from 2011/12.

The net shortfall is £(0.021)m better than had been previously expected. This is due pay and display income levels being maintained in the post-Christmas period, with there being no tapering off of parking fees in the last three months of the year. Income from parking fines is also above budget by £(0.017)m for the year, whereas a minor shortfall had been previously predicted.

Business rates are £(0.049)m less than expected. This reflects the effect of rate revaluations agreed in 2011/12 in the current year bills, plus there is an additional £(0.019)m relating to Oakfield Road notified in March 2013.

Action to control general running costs has resulted in an underspend of £(0.019)m, with staffing £(0.010)m underspent – a favourable movement of £(0.010)m.

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.

#### **ETO 4 – Groundforce - £0.154m (adverse)**

Supplies, services and overtime costs are £0.068m above budget due to slippage in staff re-organisations, plus fuel and material cost increases – an adverse movement of £0.021m since last reported. A number of historic balances on rechargeable accounts have been charged to the revenue account following a year-end review, totalling £0.028m.

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 £(0.054)m (favourable)**

Net income levels for the year have exceeded the budget by £(0.044)m. This is a favourable movement of £(0.034)m since the last report due to income levels being higher than had been predicted for the last few weeks of the financial year. This has coincided with unusually harsh weather conditions, particularly during March.

There are some minor underspends totalling £(0.010)m in staffing and general running costs.

#### **ETO 6 – Sustainability and Greenspace £(0.066)m (favourable)**

Management action to control running costs, plus a vacant post, has resulted in a projected underspend of £(0.066)m. This is a favourable movement of £(0.031)m from last month, and includes savings accelerated from the approved budget for 2013/14.

#### **ETO 7 – Waste Management – £(0.097)m (favourable)**

Commercial waste income is £0.008m less than budgeted, which is a favourable movement of £(0.002)m from last reported. In recent years the cost of disposing of commercial waste through the GM Waste Disposal Authority has made this service increasingly uncompetitive with private sector providers, leading to difficulties in retaining business. Negotiations with WDA over recent months have been successful in reducing these disposal costs, and as a result the loss of business predicted before the start of the year has effectively been averted. A review of this service is underway, with options also being evaluated when the waste collection contract is re-tendered in 2014. This has also been taken forward in the Medium Term Financial Plan.

Management action to control contract and general running costs has resulted in an underspend of £(0.084)m, which is £0.007m less than the last report. The underspend includes £(0.048)m relating to the waste collection contract, plus an additional £(0.036)m from general running costs, depots, and minor income.

Income from bulky waste removal is £(0.021)m above budget, an increase of £(0.006)m.



### **ETO 8 – Public Protection - £0.056m (adverse)**

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

There is a shortfall in licence fee income of £0.061m resulting from a reduction in applications and also due to delays in implementing staff re-organisations. This is £0.005m higher than previously reported.

Pest control income from domestic and commercial properties is expected to be £0.036m less than budgeted, which is £0.011m higher than had been projected. The overall shortfall is due to unfavourable weather conditions, in particular over the summer/autumn period in 2012. The increase in the shortfall relates to the prolonged cold weather during March 2013.

One-off ICT costs of £0.008m related to the project to amalgamate business systems and, hence, deliver a sustainable efficiency saving from 2013/14. Costs are £(0.012)m less than previously reported due to procurement savings actioned by management.

These shortfalls are partly mitigated through a variety of management actions to control costs throughout the year. This includes the delay in filling vacant posts £(0.046)m, plus further favourable variances reported this month from controlling in-year running costs £(0.018)m, and also £(0.035)m from the acceleration of running cost savings included in the approved budget for 2013/14.

### **ETO 9 – Crime and Disorder £0.074m (adverse)**

There is a £0.092m shortfall in income from fixed penalty notices, which is £0.002m higher than previously reported. This has been partly mitigated by £(0.018)m of one-off staffing and running costs underspends, which is a favourable movement of £(0.004)m. The income targets and operational model of this service is included in the Council-wide enforcement review alongside Parking Services, as mentioned in ETO 3 above.

### **ETO 10 – Sport and Leisure £0.017m (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 has not been realised this financial year.

Management action to control running costs in Sport and Leisure have resulted in an underspend of £(0.014)k.

The income at Sale Waterside Arts Centre is £0.006m less than budget for the year. In previous reports a surplus of £(0.010)m had been predicted with movement due to accruals for the timing differences in event income and costs at year end .

## TRAFFORD MBC

Report to: EGP Directorate Management Team  
 Date: 9 May 2013  
 Report for: Discussion  
 Report author: EGP/ETO Finance Manager

Report Title

Revenue Budget Monitoring 2012/13 – Period 12 Outturn
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**1. Outturn**

1.1 The approved revenue budget for the year is £3.369m. The outturn is £3.220m, which is an underspend of £(0.149)m for the year, and a favourable movement of £(0.050)m since the last report.

1.2 The underspend for the year has been achieved against a background of a number of significant financial challenges. This includes achieving the approved budget savings of £(0.591)m, plus the successful management of a number of in-year and ongoing pressures affecting the Directorate budget. Underlying pressures include the adverse effects of the economy on budgeted levels of income:

- shortfall in investment property rental income £0.194m;
- lower than expected fees from planning applications £0.076m.

These are taken forward in the Medium Term Financial Plan.

1.3 The budget pressures have been able to be mitigated through a combination of successful management actions during the year:

- control of running costs and accelerated savings in asset management £(0.080)m;
- staffing underspends due to the management restructure implemented during the year £(0.086)m;
- one-off income from backdated rent reviews in asset management £(0.253)m.

1.4 A number of EGP budgets are for project related activity, in particular in the areas of Housing Growth, Strategic Planning and Economic Growth. Some of the project-based work started or planned in 2012/13 will now be delivered in the new financial year and associated budgets of £(0.126)m will be carried over in the EGP Reserve accordingly (section 3).

## 2. Explanation of Variances

- 2.1 The outturn variances are summarised below, with more detail at Appendix 1:
- Shortfall in investment property income of £0.194m due to the on-going adverse effect of the economy, primarily on town centre rents;
  - The determination of the rent review of the Sale Tesco store was confirmed by the arbitrators in August, and income of £(0.132)m was receivable as a one-off, backdated to October 2009;
  - 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;
  - Income from backdated rent reviews in relation to Plymouth Road and Chester Road £(0.044)m;
  - A number of minor underspends across Asset Management running costs and income total £(0.081)m, which includes £(0.024)m relating to staffing. This is a favourable movement of £(0.042)m from the previous report, in particular due to the acceleration of savings approved in February 2013;
  - Planning Application fees income shortfall of £0.076m. This includes the effect of the 15% national increase in planning fees from 22 November 2012;
  - Fee income from housing improvement capital schemes is a net £0.024m less than budget due to a reduced volume of property sales;
  - Other favourable variances of £(0.109)m from staffing vacancies, running costs, and minor income. This includes £(0.086)m relating to the management review undertaken this financial year.

## 3. Reserves

- 3.1 At the end of 2011/12 the Directorate had (£0.079)m from previous years which was committed on re-phased projects, per the 2011/12 outturn report. After successful procurement processes only £0.041m was utilised in 2012/13 leaving a residual balance of £(0.038)m to be further carried forward.
- 3.2 A number of other project based budgets have been underspent in 2012/13, partly due to the restructure of EGP management throughout the year and partly due natural timing issues across the financial year end. These include Housing Growth, Strategic Planning and Economic Growth. The phasing of these projects has required £(0.126)m of associated budgets to be carried forward to support the continuation of the work into 2013/14.
- 3.3 There is a forecast surplus balance of £(0.313)m at the end of this financial year. This is earmarked to support the ongoing project work above, but also to provide one-off mitigation where income levels continue to be adversely affected by the economic climate, or other budget pressures during the year.

<b>Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2012	(79)
Utilised in 2012/13	41
Re-phasing of projects from 2012/13	(126)
Outturn underspend	(149)
<b>(Surplus) Balance after outturn/commitments</b>	<b>(313)</b>

#### 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 savings target outturn position:

	<b>Budget target (£000's)</b>	<b>Outturn (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(111)	(35)	76
Transformation savings	(120)	(120)	0
Other savings	(360)	(360)	0
Mitigating one-off savings	0	(76)	(76)
<b>Total</b>	<b>(591)</b>	<b>(591)</b>	<b>0</b>

- 4.2 The approved budget included a saving of £0.111m from “*Additional income from locally determined application fees*”. This income has not been achieved due to indefinite delays in national changes in regulations for the setting of planning fees. The adverse variance is part mitigated by the implementation of a national 15% increase in fees from 22 November 2012. Savings from across the Directorate budget were able to fully mitigate the pressure in 2012/13, and the full year effect of the 15% increase is expected to mitigate the saving in full from 2013/14. Planning fees continue to be monitored on a weekly basis throughout the year.

#### 5. Recommendations

- 5.1 It is recommended that:
- The outturn underspend of £(0.149)m for 2012/13 be noted.

**Period 12 Outturn revenue expenditure and income variances, and movements from Period 11 monitoring report.**

The following tables detail the main variances from the revenue budget to the 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>P12 Outturn (£000's)</b>	<b>P12 Outturn Variance (£000's)</b>	<b>P11 Outturn Variance (£000's)</b>	<b>P11 – P12 Movement (£000's)</b>	<b>Ref</b>
<b>Economic Growth &amp; Prosperity Portfolio</b>						
Asset Management	1,135	995	(140)	(94)	(46)	EGP1
Planning & Building Control	173	233	60	27	33	EGP2
Strategic Planning & Development	659	676	17	25	(8)	EGP2
Economic Development and Regeneration	603	587	(16)	(16)	0	EGP4
Housing Strategy	613	613	0	10	(10)	EGP3
Directorate Strategy & Business Support	186	116	(70)	(51)	(19)	EGP4
<b>Total Outturn Period 12</b>	<b>3,369</b>	<b>3,220</b>	<b>(149)</b>	<b>(99)</b>	<b>(50)</b>	

EGP	P12	P11	P11 – P12	
Business Reason / Area (Subjective analysis)	Outturn Variance (£000's)	Outturn Variance (£000's)	Movement (£000's)	Ref
<b>Asset Management</b>				
Investment Property Rental Income:				
- Stretford Arndale - shortfall	73	77	(4)	
- Stretford Arndale – backdated re 2011/12	(77)	(77)	0	
- Sale Tesco – backdated rent review	(132)	(134)	2	
- Stamford Centre - shortfall	60	35	25	
- Airport - shortfall	1	25	(24)	
- Market Street - shortfall	29	29	0	
- Other properties - shortfall	31	31	0	
- Plymouth Rd & Chester Rd – backdated rent	(44)	(41)	(3)	
Staffing/running cost savings and income	(81)	(39)	(42)	
<b>Sub-total</b>	<b>(140)</b>	<b>(94)</b>	<b>(46)</b>	EGP1
<b>Planning &amp; Building Control</b>				
Delay in implementing new planning regulations	51	27	24	EGP2
AMGA (Dig GM)	9	0	9	
<b>Sub-total</b>	<b>60</b>	<b>27</b>	<b>33</b>	
<b>Strategic Planning &amp; Development</b>				
Delay in implementing new planning regulations	25	25	0	EGP2
Running costs minor variances	(8)	0	(8)	
<b>Sub-total</b>	<b>17</b>	<b>25</b>	<b>(8)</b>	
<b>Economic Growth – staffing vacancies</b>	<b>(16)</b>	<b>(16)</b>	<b>0</b>	EGP4
<b>Housing Strategy</b>				
Housing improvements capital fee income	24	18	6	EGP3
Minor running cost savings	(12)	(8)	(4)	
Income – social housing fraud	(12)	0	(12)	
<b>Sub-total</b>	<b>0</b>	<b>10</b>	<b>(10)</b>	
<b>Directorate staffing – management vacancies</b>	<b>(70)</b>	<b>(51)</b>	<b>(19)</b>	EGP4
<b>Total Period 12</b>	<b>(149)</b>	<b>(99)</b>	<b>(50)</b>	

## NOTES ON OUTTURN VARIANCES

### **EGP1 – Asset Management – Investment properties - £(0.140)m (favourable)**

This includes backdated income above expectations of £(0.077)m relating to Stretford Arndale and £(0.132)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 £0.073m 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. No provision has been made in the outturn for additional income after year end relating to 2012/13. Any income received may not be confirmed by the agents until July/August 2013 but will be fully available to support the base budget in 2013/14.

The determination of the rent review of the Sale Tesco store was also confirmed by the arbitrators in August, and income of £(0.132)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 affecting other rents across the property portfolio, including Stamford Centre £0.060m, Market Street £0.029m, and others £0.031m. This is included in the EGP Medium Term Financial Plan. Airport rent will now be in line with budget following notification in March from Manchester City Council of new rent levels for the next five years, an improvement of £(0.024)m for 2012/13.

Income from backdated rent reviews has been received this month relating to Plymouth Road £(0.025)m and Chester Road £(0.019)m.

There are a number of staffing and minor running cost underspends plus additional SLA income totalling £(0.081)m across Facilities and Asset Management, a favourable movement of £(0.042)m this month.

### **EGP2 – Planning application fees – income shortfall £0.076m (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 has put 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.

Pre application fees were introduced in July this year for which £(0.023)m income has been achieved, and which is £(0.013)m higher than had been predicted in the last report.

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

**EGP3 – Housing Strategy – Housing Improvement fee income £0.024m (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. This will be taken forward in the Medium Term Financial Plan.

**EGP4 – Management staff underspends £(0.086)m (favourable)**

The Directorate has undergone a complete senior management restructure during the financial year and the timing of staff changes has given rise to an underspend of £(0.086)m. This includes an additional £(0.019)m from last reported due to management vacancies continuing longer than expected.



## TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team  
 Date: 8 May 2013  
 Report for: Discussion  
 Report author: T&R Finance Manager

<b>Revenue Budget Monitoring 2012/13 – Period 12</b> <b>(April 2012 – March 2013 inclusive)</b>
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## 1 Outturn

1.1 The current approved revenue budget for the year is £19.735m. The outturn of £19.018m is £(0.717)m below the approved budget. This is a £(0.034)m favourable variance since last month. The cumulative variance for the year ending 31<sup>st</sup> March 2013 of £(0.717)m favourable to budget is a result of:

**£(657)k** favourable variance in staffing costs, including £(368)k due to vacancies not being filled in areas where staffing reductions were planned for 2013/14 and £(174)k on senior management arrangements. Savings have also been achieved through some acting up arrangements within the Directorate and in certain areas such as ICT and Communications savings have been made through recruitment freezes during staff restructures. (T&R 1)

**£172k** adverse variance on legal and court costs, mainly regarding childcare and planning. This overspend would normally be charged to the Legal smoothing reserve but, given the situation regarding the senior management arrangements saving, the cost has been charged to the T&R Revenue budget in the year. (T&R 2)

**£(280)k** favourable variance in various running costs across the Directorate, particularly £(136)k in Revenues & Benefits and £(79)k in ICT. (T&R 3)

**£195k** adverse variance in Proceeds of Crime income. Income from Proceeds of Crime continues to be achieved at lower levels and over a longer period of time than originally anticipated. Action has been taken to improve the long term position for the Proceeds of Crime Initiative, including reviewing case loads and working in partnership with GM Police. The underlying shortfall in income will be re-assessed and 2013/14 budgets re-aligned accordingly. (T&R 4)

**£84k** adverse variance on income for CCTV/ Control Room. Operational issues have delayed the development and marketing of the new CCTV Control Room products. £50k of the new anticipated income stream of £(60)k was not achieved. (T&R 5)

**£(32)k** favourable variance in the Liability Order income. A year-end review of the provision based on improved collection rates has identified a reduction in the bad debt provision. (T&R 6)

**£(199)k** favourable movement in other income streams, including £(35)k on Library income, £(42)k on Legal Probation work, £(41)k on Registrars income and £(17)k on Land Charges. (T&R 7)

1.2 The £(34)k net favourable movement in March is a result of:

£12k adverse variance on staff costs.

£(20)k favourable collective minor variances on running costs including scanning costs as a result of the recant back into the Town Hall being lower than forecast.

£(32)k favourable variance on liability order income, mainly due to a reduced requirement for bad debt provision.

£6k adverse collective minor variances on other income streams.

## 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.

2.2 All T&R savings and increased income were achieved in the year except £50k of CCTV income. Alternative savings were identified across T&R to offset this shortfall.

	<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)	(510)	50
Financial Management review	(368)	(368)	0
ICT review	(120)	(120)	0
Reduction in ICT contracts	(214)	(214)	0
Reduction in specialist training	(100)	(100)	0
Reduce Community Action Pots	(150)	(150)	0
Reduction in various goods & services	(172)	(172)	0
Other savings	(197)	(247)	(50)
<b>Total</b>	<b>(2,027)</b>	<b>(2,027)</b>	<b>0</b>

### 3 Reserves

- 3.1 The Directorate has accumulated balances of £(1.009)m brought forward from 2011/12. During 2012/13 £36k of savings in Communications have been earmarked for Summer Events and £10k for the production of the final issue of Trafford Today in June. The table below summarises the movement during 2012/13 and earmarked expenditure in 2013/14:

<b>Table 1: Utilisation of Carry Forward Reserve 2012/13</b>	<b>£000's</b>
Balance b/f 1 April 2012	(1,009)
2012/13 Outturn	(717)
Use of Reserves	338
<b>Remaining Balance at 31 March 2013</b>	<b>(1,388)</b>
Six month's support for Let's Go Global	56
Summer Events	36
Printing of June edition of Trafford Today	10
<b>Remaining Balance at 31 March 2014</b>	<b>(1,286)</b>

- 3.2 In 2013/14 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.
- 3.3 There has been substantial slippage in the training programme during the evaluation phase of the Council-wide training review. £180k of training underspend has been transferred into the Training Reserve in 2012/13. The training reserve will be used to support the anticipated high demand for training in 2013/14 and minimise the impact of the £200k reduction in training budget.
- 3.4 £121k of unallocated Voluntary Sector Grant funding has been rolled over into 2013/14 using the smoothing reserve which is committed to support neighbourhood funding.
- 3.5 £8k has been transferred into a Mayoral Vehicle Reserve to obviate any requirement for capital funding when the Mayoral vehicle needs replacing. This reserve now totals £16k.

### 4 Performance Progress

- 4.1 The Transformation & Resources Directorate leads on the delivery of the corporate priority "Low Council Tax and Value for Money". Detailed below is performance at the end of March 2013.

**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)**

<b>Corporate Priority</b>	<b>Low Council Tax &amp; Value for Money</b>
<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							
		December (Q3)		January		February		March (Q4)	
		Current	Target	Current	Target	Current	Target	Current	Target
<b>Deliver the Council's Transformation Programme</b>									
Minimum reserve level (LCT 15)	£9.21m G	£7.703m ↓	£6m G	£7.799m ↑	£6m G	£6.624 ↓	£6m G	£6.829 ↑	£6m G
Includes all future known commitments identified in the Council Budget Report 20 <sup>th</sup> February 2013									
Delivery of efficiency and other savings (NI179)	£21.3m G	£12.18m ↑	£12.16m 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	9.72 ↑	9 R	10.18 ↓	9 R	10.23 ↓	9 R	10.02 ↑	9 R
Achieving a higher investment rate than the national average (7 day cash LIBID) (LCT 20)	0.55% G	0.51% ↓	0.1% G	0.5% ↓	0.1% G	0.5% ↔	0.1% G	0.52% ↑	0.1% G
Land Sales Programme (FM 10)	£5.5m	£2.05m ↓	£2m G					£3.03m ↑	£3m G
Receipts for 2011/12 were below target because of delays in completing sales due to planning and legal issues. Some receipts will be received in 2012/13 and the overall programme within the MTFP period is on target.									

Key Performance Measure	Outturn 2011/12	Performance Status & Direction of Travel							
		December (Q3)		January		February		March (Q4)	
		Current	Target	Current	Target	Current	Target	Current	Target
<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>87.58%</b> ↑	87.06% G	<b>96.57%</b> ↓	96.11% G	<b>97.61%</b> ↓	97.28% G	<b>98.1%</b> ↓	97.8% G
% collected for year - business rates (BV 10)	97.4% A	<b>87.2%</b> ↓	87.38% A	<b>95.93%</b> ↓	95.73% G	<b>97%</b> ↓	96.95% G	<b>97.87%</b> ↓	97.4% G
Average days to recover external debts (LCT 02)	<b>85</b> R	<b>53</b> ↓	56 G	<b>33</b> ↑	56 G	<b>29</b> ↑	56 G	<b>34</b> ↓	56 G
There has been a significant improvement in the average number of days taken to recover external debt. However, the recent step in performance is largely due to inclusion of the Academies invoices in the calculation.									
Increase the % of all calls that will be answered within 20 seconds (LCT09)	81% G	<b>89%</b> ↓	80% G	<b>92%</b> ↑	80% G	<b>91%</b> ↓	80% G	<b>81%</b> ↓	80% G
Reduce the % of lost calls to the Access Trafford contact centre (LCT 10)	6% G	<b>4%</b> ↓	5% G	<b>1%</b> ↑	5% G	<b>1%</b> ↔	5% G	<b>3%</b> ↓	5% G
Percentage of Housing Benefit Overpayments collected (LCT 16)	63.1% A	<b>68.74%</b> ↓	70% A	<b>66.15%</b> ↓	70% A	<b>68.72%</b> ↑	70% A	<b>67.7%</b> ↓	70% A
<p>The outturn for 2012/13 has considerably improved since this time last year.</p> <p>The 70% in year target has been difficult to achieve. During 2012/13 training was provided and the recovery team is now generic and can collect both Council Tax arrears and Housing Benefit Overpayments. A full recovery programme planned for 2013/14 and we intend to implement additional recovery procedures to improve collection.</p> <p>The budgeted income from the recovery of overpaid Housing Benefit is £954k in 2012/13. We have collected £1.3m consequently there will be no effect on the Council's financial resource.</p> <p>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.</p> <p>This work will be carried out using current resource levels.</p>									
To actively investigate allegations of benefit fraud and ensure where suitable that sanctions and/or prosecutions are enforced (LCT 17)	79 G	<b>54</b> ↓	56 A					<b>78</b> ↑	72 G
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	<b>£463,470</b> ↑	£450k G					<b>£643,891</b> ↓	£600k G
Average time to process Housing /Council Tax Benefit new claims and change events (Days) (NI 181)	7.16 G	<b>7.12</b> ↓	7.5 G	<b>7.3</b> ↓	7.5 G	<b>6.91</b> ↑	7.5 G	<b>7.23</b> ↓	7.5 G

## Appendix 1

### Period 12 Forecasted Outturn revenue expenditure and income variances and movements from Period 11 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>P12 Forecast Outturn (£000's)</b>	<b>P12 Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 to P12 movement (£000's)</b>	<b>Note ref</b>
<b>Transformation and Resources Portfolio</b>						
Legal & Democratic	1,943	2,029	86	116	(30)	T&R 2,7
Communications & Customer Services	7,598	7,189	(409)	(427)	18	T&R 1,3,7
Partnerships & Performance	2,943	2,982	39	33	6	T&R 1,5
Strategic Human Resources	3,023	2,894	(129)	(146)	17	T&R 1,3
Corporate Leadership and Support	401	214	(187)	(173)	(14)	T&R 1
<b>sub-total</b>	<b>15,908</b>	<b>15,308</b>	<b>(600)</b>	<b>(597)</b>	<b>(3)</b>	
<b>Finance Portfolio</b>						
Finance Services	3,827	3,710	(117)	(86)	(31)	T&R 1,3,4,6
<b>sub-total</b>	<b>3,827</b>	<b>3,710</b>	<b>(117)</b>	<b>(86)</b>	<b>(31)</b>	
<b>Total</b>	<b>19,735</b>	<b>19,018</b>	<b>(717)</b>	<b>(683)</b>	<b>(34)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P12 Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 to P12 movement (£000's)</b>	<b>Note Ref</b>
Management of Vacancies	(657)	(669)	12	T&R 1
Legal & Court costs	172	154	18	T&R 2
Running costs	(280)	(242)	(38)	T&R 3
Proceeds of Crime income	195	196	(1)	T&R 4
CCTV/ Control Room	84	89	(5)	T&R 5
Liability Order income	(32)	0	(32)	T&R 6
Other Income	(199)	(211)	12	T&R 7
<b>Total</b>	<b>(717)</b>	<b>(683)</b>	<b>(34)</b>	

## TRAFFORD MBC

Report to: Director of Finance  
 Date: 16 May 2013  
 Report for: Information  
 Report author: Head of Financial Management

Report Title

**Revenue Budget Monitoring 2012/13 – Draft Period 12 Outturn - Council-Wide Budgets  
 (April 2012 to March 2013 inclusive)**

**1 Draft Outturn Forecast**

- 1.1 At the time of writing the accounts have been closed on the best estimates available for the following items that are subject to final adjustments:

Carbon Reduction Allowances; £0.053m costs against a budget of £0.056m, based on recharges to schools of £(0.203)m. Final costs and schools charges subject to audit.

Municipal Mutual Insurance ‘claw back’; at the time of the budget it was known that the Council would need to contribute to previous claims paid on its behalf in the region of 15%, as the assets of MMI are insufficient to cover current and future estimated liabilities. The advised claw back amount at 15% of £0.419m will be a new provision charged to the 2012/13 accounts. The potential maximum liability has been advised to be in the region of a further £0.4m, and this along with other matters will be considered when determining the level of insurance reserves.

- 1.2 The current approved revenue budget for the year is £25.406m. The outturn forecast is £24.402m, which is £(1.004)m under the budget, a favourable movement of £(0.454)m since the last report.
- 1.3 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;

Provision for bad debts; due to exceptional general debtor collection performance, particularly for debt outstanding from the previous financial year, the amount set aside for bad debt can be reduced. After making adequate provision for Housing Benefit debtors and charges for the MMI claw back provision there is a net underspend of £(0.220)m.

Treasury Management: £(0.325)m of debt charges were avoided, and increased balances and investment rates generated a further £(0.156)m. Part of the month on month variance of £(0.038)m is a small increase in Airport dividend of £(0.006)m;

External audit fees £(0.098)m; relating mainly to a reduction in the standard audit fee;

Seventeen Right-To-Buy sales of ex-Council Houses, £(0.170)m, of which nine sales were notified after year end and constitute the main month on month variance at £(0.090)m;

Additional AGMA projects and a reduction in funding sources have resulted in additional costs to the Council of £0.047m;

Reduced Council Tax and Housing Benefit subsidy £0.020m, a minor variance compared to the £78m budget;

There were a number of other minor variances across Council Wide budgets in the sum of £(0.102)m for the year, with a month on month variance of £(0.106)m. Many of these budgets can only be assessed at the end of the year, and include for such matters as the Coroners Service which is operated by Stockport Council.

## 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 savings target was fully met at year end:

	<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>

## 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. Within this the underspend for the Coroners Service of £(0.030)m is carried forward as commitment so that funds are available in much the same way as they are for service reserves; and in this case to deal with the unusual activity in 2013/14 of temporary accommodation and court room rental whilst the existing accommodation at Mount Tabor is made fit for purpose.



**Period 12 Draft Outturn revenue expenditure and income variances, and movements from Period 11 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>P12 Draft Outturn (£000's)</b>	<b>P12 Draft Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 to P12 movement (£000's)</b>	<b>Ref</b>
<b>Finance Portfolio</b>						
Precepts, Levies & Subscriptions	16,568	16,617	49	47	2	C-W4
Provisions (bad debts, pensions, property rates)	1,745	1,504	(241)		(241)	C-W1
Treasury Management	9,051	8,570	(481)	(443)	(38)	C-W2
Insurance	647	647				
Members Expenses	942	913	(29)		(29)	
Grants	(3,627)	(3,657)	(30)		(30)	
Other Centrally held budgets	80	(192)	(272)	(154)	(118)	C-W3
<b>Total</b>	<b>25,406</b>	<b>24,402</b>	<b>(1,004)</b>	<b>(550)</b>	<b>(454)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P12 Draft Outturn variance (£000's)</b>	<b>P11 Outturn variance (£000's)</b>	<b>P11 to P12 movement (£000's)</b>	<b>Ref</b>
Provision for bad debts	(220)	0	(220)	C-W1
Treasury Management:				
- Investment Income	(156)	(106)	(50)	C-W2
- Debt Management cost savings	(325)	(337)	12	C-W2
Other Centrally held budgets				
- External audit fees	(98)	(106)	8	C-W3
- Right-To-Buy sales	(170)	(80)	(90)	C-W3
- Housing Benefit subsidy	20	20		C-W3
- Other minor variances	(24)	12	(36)	C-W3
Precepts, Levies & Subscriptions				
- AGMA Budgets	47	47		C-W4
- Other minor variances	2		2	C-W4
- Other minor variances	(80)		(80)	
<b>Total</b>	<b>(1,004)</b>	<b>(550)</b>	<b>(454)</b>	

## NOTES ON PROJECTED VARIANCES

### **C-W1 – Provision for bad debts - £(0.220)m (favourable), a movement of £(0.220)m since the last report.**

There has been exceptional general debtor collection performance during the year, not only on debt raised during the year, but particularly on the previous year's debt balance. These general debtors relate to charges to individuals or organisations for the supply of goods and services by the Council.

After adequate assessment of other debt provisions, particularly for Housing Benefits, the combined reduction in the bad debt provision and available budget was an underspend of £(0.639)m. With such a sum being available, the MMI claw back provision of £0.419m has been charged to this account, rather than using reserves unnecessarily. The insurance reserve will now also hold for claw back above the currently estimated 15%.

### **C-W2 – Treasury Management - £(0.481)m (favourable), a movement of £(0.038)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 has resulted 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 during the last part of the year, was not taken thereby generating a saving of £(0.314)m in interest payable. This course of action was undertaken in accordance with advice obtained from the Council's external treasury management consultants.

Adjustments to the capital programme and the receipt of capital grants ahead of expenditure has improved cash flow, generating £(0.120)m, and improved interest rates a further £(0.020)m.

There has also been an additional share dividend of £(0.006)m received from Manchester International Airport.

### **C-W3 – Other Centrally held budgets - £(0.272)m favourable**

The Audit Commission fees for 2012/13 have substantially reduced by £(0.098)m, 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 seventeen Right-To-Buy sales of ex-Council Houses by Trafford Housing Trust, which are not budgeted for, generating income of £(0.170)m to the Council.

Council Tax and Housing Benefit subsidy – minor loss of subsidy of £0.020m on a combined budget of £78m.

Other minor variances of £(0.024)m.

**C-W4 – Precepts, Levies & Subscriptions - £0.049m 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 due to Lead authorities is higher than expected, £0.047m. Other minor variances of £0.002m.