

## TRAFFORD COUNCIL

Report to: Executive

Date: 29 July 2013

Report for: Information

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

### Report Title:

Revenue Budget Monitoring 2013/14 – Period 3 (April to June 2013).

### Summary:

The approved revenue budget for the year is £159.003m. The forecast for the end of the year, as projected following three months of activity, is £157.766m being a net underspend of £(1.2)m, (0.8)% of the budget. In addition, the Learning Disability Recovery plan is forecasted to achieve £(0.5)m of in-year cash savings. The main areas of budget variance are summarised as:

<b>Activity</b>	<b>Forecast £m</b>
Vacancy management & control	(0.5)
Social Services demand led budgets	0.4
Projects/savings rescheduling	0.3
Running costs	0.2
New Grant	(0.2)
Income	(0.1)
<b>Service Outturn</b>	<b>0.1</b>
Additional Airport dividend	(1.3)
<b>Forecasted outturn</b>	<b>(1.2)</b>
Learning Disability Pool	(0.5)

### **Reserves**

The forecast level of General Reserve at year end is £(10.3)m. After taking into account future planned commitments the long term balance is £(8.2)m, £(2.2)m above the minimum level of £(6.0)m.

The net of service carry forward reserves at the beginning of the year was £(3.6)m, with a planned use to support savings and change projects of £2.0m, plus net overspend of £0.1m the projected carry forward is £(1.5)m. The Learning Disability Pool reserve has an adverse carry forward balance of £1.5m, which will be reduced by the recovery plan in-year to £0.9m, with a view to full recover by the end of next year.

### **Council Tax**

There is an in-year forecasted Council Tax surplus, of £(0.3), primarily due to the introduction of the Empty Home Property Premium, pro-active discount and exemption award management, and a reduction in planned Council Tax Support awards. However, back dated valuations and discounts continue to be a significant cost reducing the surplus.

**Business Rates**

It is too early to tell on the data available what the end of year position will be, and work continues to obtain clarity.

**Welfare Reform**

Trafford Assist and other welfare support schemes have been successfully implemented operationally and after three months are managing within planned financial limits.

**Recommendation(s)****It is recommended that:**

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

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

Head of Financial Management

Extension: 4302

Background Papers: None

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

Director of Finance:.....

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

## Budget Monitoring - Financial Results

1. The approved budget as amended at the 4 March Executive is £159.003m. Based on the budget monitoring for the first 3 months of the year, the overall forecast for the year is £157.766m, being an underspend of £(1.2)m, (0.8)%. Included within this total is a net service overspend of £0.112m or 0.1% of the relevant budget, and underspends in Council-Wide budgets of £(1.349)m or (5.6)% of the relevant budget.
2. The Learning Disability (LD) Pool recovery plan is forecasted to achieve £(0.525)m or 0.6% of cash savings to offset the brought forward adverse balance on the fund of £1.472m. The details of service variances can be found in Annexes 1 to 4, and for Council-Wide, Annex 5:

<b>Table 1: Budget Monitoring results by Directorate</b>	<b>Year end Forecast (£000's)</b>	<b>Percentage %</b>	<b>Annex</b>
Children, Families & Wellbeing	102	0.1%	1
Environment, Transport & Operations	-	0.0%	2
Economic Growth & Prosperity	53	1.6%	3
Transformation & Resources	(43)	(0.2)%	4
<b>Total Service Variances</b>	<b>112</b>	<b>0.1%</b>	
Council-wide budgets	(1,349)	(5.6)%	5
<b>Estimated outturn variance (period 3)</b>	<b>(1,237)</b>	<b>0.8%</b>	
Learning Disability Pool	(525)	(0.64)%	1
<b>Total Forecasted outturn</b>	<b>(1,762)</b>	<b>(1.1)%</b>	

<b>Table 2: Budget Monitoring results by Executive Portfolio Holder</b>	<b>Year end Forecast (£000's)</b>	<b>Percentage %</b>
Supporting Children & Families	49	0.2%
Education	-	0.0%
Adult Social Services	81	0.2%
Community Health & Wellbeing	(28)	0.0%
Highways & Environmental	-	0.0%
Safe, Strong Communities	2	0.1%
Economic Growth & Prosperity	53	1.6%
Transformation & Resources	88	0.6%
Finance	(1,482)	(5.3)%
<b>Estimated outturn variance (period 3)</b>	<b>(1,237)</b>	<b>(0.8)%</b>
Adult Social Services (LD Pool)	(525)	(1.0)%
<b>Total Forecasted outturn</b>	<b>(1,762)</b>	<b>(1.1)%</b>

## Main Variations

3. The main forecast service outturn variances are:
  - £0.5m net pressure in demand led Social Services; Children's related £0.4m, and Adult Social Care £0.1m;

- Vacancy Management of £(0.5)m relating mainly to where recruitment has been suspended whilst reviews take place or establishment changes are implemented;
- Income of a net £(0.1)m; primarily due to, a delay in closure of Oakfield Road car park £(0.2)m, and increase in income from bereavement services £(0.1)m, offset by a reduction in licence fees £0.1m and Asset Management rental income £0.1m;
- An adverse variance of £0.2 from the review of Enforcement, delayed so that additional staff consultation can take place, and a further £0.1m of Groundforce savings pending a review of working conditions;
- Intensive Fostering grant has been unexpectedly continued by the Government with an award to the Council of £(0.2)m, which will be used to mitigate increased Children placement costs;
- £0.1m pressure associated with increased legal fees due to a continuing increase in childcare cases/ new development projects;
- £(1.3)m favourable variation in Treasury Management relating to Manchester Airport Group dividend received above budget;
- £(0.5)m projected in year underspend on the LD Pooled Fund.

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

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

<b>Table 3: Savings 2012/13</b>	<b>Budget target (£000's)</b>	<b>End of Year Forecast (£000's)</b>	<b>Variance (£000's)</b>
Transformation savings	(8,131)	(8,132)	(1)
Other savings	(10,389)	(10,389)	
<b>Total</b>	<b>(18,520)</b>	<b>(18,521)</b>	<b>(1)</b>

5. There has been slippage on savings in Groundforce £0.126m pending a review of working conditions and Enforcement £0.214m due to additional staff consultation. These will be mitigated in full from management action taken across the Directorate or use of accumulated balances if required.

## Collection Fund

- The brought forward surplus on the Collection Fund that relates to the Council, as opposed to that which belongs to the GM Fire & Rescue Authority and Police & Crime Commissioner, was almost zero, at £(0.005)m.

## Council Tax

- The current forecast is for an additional £(0.311)m of Council Tax to be due in year above budgeted levels;

	Overall		Trafford	
	£(000's)	£(000's)	£(000's)	£(000's)
<b>Surplus brought forward</b>		<b>(6)</b>		<b>(5)</b>
Changes in Band D equivalents	35		30	
Empty Homes Premium	(356)		(300)	
Council Tax Support awards	(348)		(294)	
Banding valuations & discounts	300	(369)	253	(311)
<b>Forecasted surplus carry forward</b>		<b>(375)</b>		<b>(316)</b>

- Back dated valuations and discounts continues to be a significant issue, and is exacerbated by the decrease in properties and increased discount awards which has reduced the basic number of Band D equivalents. The introduction of the Empty Homes Premium of an additional 50% for properties empty for two years or more has resulted in additional income. The Empty Homes Premium cannot be guaranteed into the future as the purpose of the policy is to discourage empty properties and to encourage bringing them into the housing market. There has been a steady net reduction in the new Council Tax Support Scheme caseload of 125 awards since the beginning of the year, contributing £(0.294)m.

## Business Rates

- Under the new Business Rate Retention Scheme, the Council is permitted to retain a proportion of business rates growth (24.5%) above a set threshold. On the downside the Council must contribute 49% of any shortfall in the threshold. Therefore for the first time since 1990, the Council has a direct interest in the amount of business rates collected.
- A major impediment to advising what the position is on business rates is the significant number of appeals outstanding against rateable values. There has been a reduction in the extent of outstanding appeals from £86m of tax yield (£180m rateable value) in December to £75m (£156m rateable value) in June. Whilst there have been regular updates to the tax base, the available data is insufficient to base a reliable forecast. This is particularly true of revaluations which can be backdated to 2010, or even as far as 2005 in some cases.

## Welfare Reform

- There have been a number of changes to the overall Welfare system since 1 April 2013. Para 8 above refers to a lower number of claimants for council tax support (replacement of previous Council Tax Benefit system). With other

welfare changes there was some concern about the impact on council tax collection levels. Up to the end of June 2013 30.8% of all council tax due had been collected, which compares to 31% for the same period last year. Whilst this is slightly down, it is accordance with our assumed collection rate for 2013/14.

12. Another major change that came into force on 1 April 2013 was the transfer of the emergency social fund from the administration of the Department for Work & Pensions, to the local management by Local Authorities, with the Council's scheme designated Trafford Assist. In the knowledge of the potential need for increased emergency support given the current economic climate and the many changes in Welfare Reform, the planning of Trafford Assist was started early and involved a wide range of stake holders.
13. In the first three months of operation, Trafford Assist had made 918 individual awards with a value of £39,000. So far, a typical month's awards are shown in the table below, however there are further Welfare Reforms, such as the 'benefits cap', and the winter months ahead:

<b>Item</b>	<b>Awards</b>	<b>Value</b>
Furniture	42	£10,000
Paypoint (cash)	112	£1,700
Food	153	£1,550
<b>Total</b>	<b>307</b>	<b>£13,250</b>

14. The Trafford Assist scheme is under budget after the first quarter in operation. There are no plans to adjust the qualifying criteria at this stage, as demand on the scheme may increase when other Welfare Benefit changes are introduced and during the winter. The scheme continues to receive positive comments from customers, DWP and other Partners particularly about positive intervention and signposting.
15. In addition to the above, 303 awards for Discretionary Housing Payment out of 460 requests have been made in the sum of £77,000, which is in line with budgeted expectations of £75,000.

## Reserves

16. The pre-audited General Reserve balance brought forward is £(10.6)m, against which there are planned commitments up to the end of 2014/2015 of £3.8m. The addition of the Council-Wide underspend of £(1.3)m provides for a projected 31 March 2015 balance of £(8.2)m, being £(2.2)m above the agreed minimum level of £(6.0)m:

<b>Table 4 : General Reserve Movements</b>	<b>(£000's)</b>
<b>Balance 31 March 2013 (subject to audit confirmation)</b>	<b>(10,643)</b>
<b>Commitments in 2013/14:</b>	
- Planned use for 2013/14 Budget	906
- One-off projects from 2012/13 brought forward	98
- Planned use for one-off projects 2013/14	701
- Council-wide budgets underspend	(1,349)
<b>Balance 31 March 2014</b>	<b>(10,287)</b>
- Planned use for 2014/15 Budget	2,094
<b>Projected balance after known commitments</b>	<b>(8,193)</b>

17. Service balances brought forward from 2012/13 were a net £(3.6)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net surplus of £(1.542)m to be carried forward to 2014/15 (Table 5). This balance is currently reduced by the outstanding balance on the Learning Disability Pool of £0.947m, however there is a recovery plan to bring the pool back into balance by the end of 2014/15 (see Annex 1).
18. The of use of reserve balances during the year are detailed in the report however highlights include :-
- invest to save projects in CFW of £0.389m;
  - re-profiling of approved savings within ETO of £0.202m;
  - £0.126m committed on re-phased projects per the 2012/13 outturn report in EGP with the remaining balance £0.186m earmarked to supplement 2013/14 project work, plus provide one-off mitigation if income levels continue to be adversely affected by the economic climate;
  - Transformation Support within T&R of £0.234m and £0.185m set aside for Land Charges Claims.

	<b>B/f April 2013 (£000's)</b>	<b>Forecast Movement in-year (£000's)</b>	<b>Forecast Balance (£000's)</b>
<b>Table 5: Service balances</b>			
Communities, Families & Wellbeing	(1,427)	640	(787)
Environment, Transport & Operations	(439)	439	0
Economic Growth & Prosperity	(312)	312	0
Transformation & Resources	(1,389)	634	(755)
<b>Total All Services (Surplus)/Deficit</b>	<b>(3,567)</b>	<b>2,025</b>	<b>(1,542)</b>
Learning Disability Pool	1,472	(525)	947
<b>Total (Surplus)/Deficit</b>	<b>(2,095)</b>	<b>1,500</b>	<b>(595)</b>

## Recommendations

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



## TRAFFORD MBC

Report to: CFW Directorate Management Team  
 Date: 18 July 2013  
 Report for: Discussion  
 Report author: CFW Finance Managers

Report Title

**Revenue Budget Monitoring 2013/14 – Period 3  
 (April 2013 to June 2013 inclusive)**

**1. Outturn Forecast**

- 1.1 The approved revenue budget for the year is £82,241k. The projected outturn is £81,818k which is £(0.423)k under the approved budget.
- 1.2 Appendix 1 details by both directorate and variance area the forecast outturn as compared to the approved revenue budget. In summary by portfolio the breakdown of the projected outturn is shown below:

<b>Portfolio</b>	<b>Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Supporting Children & Families	29,124	29,173	49
Education	1,883	1,883	0
Adult Social Care	32,079	32,160	81
Public Health	(829)	(857)	(28)
<b>Total</b>	<b>62,257</b>	<b>62,359</b>	<b>102</b>
Learning Disabilities Pooled Fund	19,984	19,459	(525)
<b>Total</b>	<b>82,241</b>	<b>81,818</b>	<b>(423)</b>

- 1.3 The main projected outturn variances by portfolio are:

**Supporting People & Families and Education Portfolios**

- A predicted underspend within the Children's Social Care service of £(36)k comprising of placement budgets £162k, offset by additional Intensive Fostering grant income £(198)k.
- School Support Services; a projected saving of £(88)k, this is a result of staffing savings £(56)k, additional income from Academies £(21)k and other variances £(11)k.
- Commissioning projected saving of £(18)k from staff savings due to vacant posts.

- MARAS predicted overspend of £184k: Home to School transport pressure of £215k, staff posts vacant £(32)k and other variances £1k.
- Children's Centre overspend of £7k: Overspend for staff posts £7k.

### **Adult Social Care Portfolio**

1. Older People's Services, a projected underspend in external placement costs of £(174)k
2. Physical Disabilities Services, a projected overspend in external placement costs of £52k offset by managed staff vacancies of £(60)k.
3. Mental Health Services, a projected overspend in external placement costs of £217k offset by managed staff vacancies of £(61)k
4. Other Adult Services, projected additional staff costs in the Emergency Duty Team of £77k due to higher than expected workload.

### **Public Health Portfolio**

5. Public Health services, a projected underspend of £(28)k from managed staff vacancies.

### **Learning Disabilities (LD) Pooled Budget**

6. A projected underspend of £(525)k in year net contribution to the LD Pooled fund recovery plan to offset the brought forward deficit of £1,472k. The anticipated in year underspend is dependent on a managed recovery plan, outlined in greater detail below.

- 1.4 The budget depends on the successful implementation and delivery of two key savings plans to reduce demand; Telecare £(400)k and Reablement £(500)k. Whilst the plans have been implemented the actual reduction in demand will not be felt until later in the year. It is therefore too early to say what level of saving will be delivered and how this will impact on the projected outturn.
- 1.5 The current extended period of hot weather presents a potential risk to the budget as demand may change from expected budgeted levels.
- 1.6 Appendix 1 details by both directorate and variance area the forecast outturn as compared to the approved revenue budget.

## **2 Learning Disabilities Pooled Fund**

- 2.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £1,472m, and a recovery plan to deliver cash savings against budget over two financial years to address this.
- 2.2 The 2013/14 target is for an outturn balance of £0.900m. The projected outturn is £947k.
- 2.3 The Deputy Corporate Director has re-phased the recovery plan, and included additional initiatives:
  - Expansion of telecare and reablement into Learning Disabilities services
  - Additional services identified for retendering
  - High cost and out of borough placements review
  - Accommodation development to reduce cost of provision

- 2.4 The updated plan is 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:

### 3 Service carry-forward reserves

- 3.1 At the beginning of April 2013 the Childrens, Families and Wellbeing Directorate had accumulated balances of £(1,425)k carried forward from previous financial years.
- 3.2 The remaining carry-forward balances at the end of the year after taking into account the outturn position are:

<b>Table 1: Utilisation of Carry forward Reserve 2013/14 –</b>	<b>(£000's)</b>
Balance brought forward 1 April 2013	(1,427)
Specific expenditure assigned against the reserve re: invest to save	389
Specific expenditure committed from 2012/13	149
P3 Forecast Outturn	102
<b>Balance carried forward at 31 March 2014</b>	<b>(787)</b>

<b>Table 1: Utilisation of Carry forward Reserve 2013/14 – Learning Disabilities Pooled Fund</b>	<b>(£000's)</b>
Balance brought forward 1 April 2013	1,472
P3 Forecast outturn cash movement	(525)
<b>Balance carried forward at 31 March 2014</b>	<b>947</b>

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

### 4 Management Action

- 4.1 Key to the delivery of the budget, especially for Adult Social Care is management of demand, placement costs and delivery of the Learning Disabilities Pooled Fund Recovery Plan. The Directorate will focus on
- Delivery the Learning Disability Pooled Fund Recovery Plan in partnership with Trafford Clinical Commissioning Group.
  - Monitoring of the impact on demand of the Telecare and Reablement budget savings
  - Monitoring of the impact on demand of the extended period of hot weather.
  - Continuous review of all placements to ensure the most effective provision is made

### Period 3 Projected Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, 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>P3 Outturn (£000's)</b>	<b>P3 Outturn variance (£000's)</b>	<b>Ref</b>
<b>Supporting Children &amp; Families Portfolio</b>				
Children's Social Services	14,873	14,837	(36)	CFW2
Children with Complex & Additional Needs	2,034	2,034	0	CFW3
Support Services to CYP	3,730	3,642	(88)	CFW4
Commissioning	1,636	1,618	(18)	CFW5
Multi Agency Referral & Assessment Service (MARAS)	4,061	4,245	184	
Youth Offending Service	577	577	0	
Children's Centres	2,213	2,220	7	CFW6
<b>Sub-total</b>	<b>29,124</b>	<b>29,173</b>	<b>49</b>	
<b>Education Portfolio</b>				
Dedicated Schools Grant	0	(623)	(623)	CFW1
Transfer to Dedicated Schools Grant Reserve	0	623	623	
Education Early Years' Service	1,020	1,020	0	
Connexions Service	863	863	0	
<b>Sub-total</b>	<b>1,883</b>	<b>1,883</b>	<b>0</b>	
<b>Adult Social Services Portfolio</b>				
Older People	20,330	20,173	(157)	CFW7
Physical Disabilities	4,206	4,198	(8)	CFW8
Equipment & Adaptations	801	789	(12)	CFW9
Mental Health	3,418	3,574	156	CFW10
Other Adult Services	729	813	84	CFW11
Strategic & Support Services	910	917	7	CFW12

Adaptations	(59)	(64)	(5)	CFW13
Housing Services	1,355	1,380	25	CFW14
Community Services	252	252	0	
Equalities & Diversity	137	128	(9)	CFW15
<b>Sub-total</b>	<b>32,079</b>	<b>32,160</b>	<b>81</b>	
<b>Community Health &amp; Wellbeing Portfolio</b>				
Public Health	(829)	(857)	(28)	CFW16
<b>Sub-total</b>	<b>(829)</b>	<b>(857)</b>	<b>(28)</b>	
<b>Total</b>	<b>62,257</b>	<b>62,359</b>	<b>102</b>	
Learning Disabilities Pooled Fund	19,984	19,459	(525)	CFW17
<b>Total</b>	<b>82,241</b>	<b>81,818</b>	<b>(423)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P3 Outturn (£000's)</b>	<b>Ref</b>
<b>Supporting Children &amp; Families Portfolio, Education Portfolio</b>		
<b>DSG Reserve B/Fwd.</b>	<b>(2,453)</b>	
Spend on DSG Reserve	1,853	CFW1
Minor variances	(23)	
<b>DSG projected underspend</b>	<b>(623)</b>	
<b>Transfer to DSG Reserve</b>	<b>623</b>	
<b>Non DSG</b>		
Additional Grant Funding	(198)	CFW2
Placements Budget	162	CFW3
Home to School Transport	215	CFW5
Staffing variances	(99)	CFW3,4,5,6
Additional Income	(21)	CFW3
Other minor variances	(10)	CFW3,5
<b>Sub-total Net Underspend Non DSG</b>	<b>49</b>	
<b>Adult Social Care Portfolio</b>		
Management of vacancies	(123)	CFW7,8,10,11,15
External care packages and commissioned services	104	CFW7,8,9,10,14
Delay in closure of establishments	97	CFW7
Other running costs	3	CFW12,13
<b>Sub-total</b>	<b>81</b>	
<b>Community Health &amp; Wellbeing Portfolio</b>		
Commissioned Services	(30)	CFW16
Other running costs	2	CFW16
<b>Sub-total</b>	<b>(28)</b>	
<b>Total</b>	<b>102</b>	
<b>Learning Disabilities Pooled Fund</b>		
Management of vacancies	(71)	CFW17
External care packages and commissioned services	(454)	CFW17
<b>Sub-total</b>	<b>(525)</b>	
<b>Total</b>	<b>(423)</b>	

## NOTES ON VARIANCES AND PERIOD MOVEMENTS

### Supporting Families & Children Portfolio, Education Portfolio

#### Within the DSG

##### CFW1 – DSG Reserve b/fwd.

- The DSG reserve brought forward balance is £(2.453)m. There are commitments against this in 2013/14 of £1.853m and variance in-year of £(23)k. This leaves an underspend of £(0.623)m. This underspend will be carried forward to 2014/15.
- The Funding Forum are aware of the DSG reserve and proposals will be put forward in September as to how this will be invested which will include one off allocations to schools.

##### Non DSG Variances £49k adverse

##### CFW2 – Children’s Social Care £(36)k favourable (Includes Children with Complex & Additional Needs)

- The underspend is mainly due to additional grant income of £(198)k relating to Intensive Fostering, the placements budget has pressures of £162k.

##### CFW3 – Support Services £(88)k favourable

- This saving is mainly as a result of staff posts being held vacant £(56)k, additional training income received £(21)k and other variances £(11)k.

##### CFW4 – Commissioning £(18)k favourable

- This favourable variance of £(18)k is due to vacant staff posts.

##### CFW5 – MARAS £184k adverse

- Home to School transport pressure of £215k, staff posts vacant £(32)k and other variances £1k.

##### CFW6 – Children’s Centre £7k adverse

- The Children’s Centre’s projected overspend is due to staff posts £7k.

##### Adult Social Care Portfolio £81k adverse

##### CFW7 – Older People £(157)k favourable

- **Care Management/Assessment £(80)k favourable**  
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £(174)k favourable**  
Due to lower than estimated demand levels.
- **Katherine Lowe House and The Princess Centre - £97k adverse**  
Delays in the closure of Katherine Lowe House (£84k) and the Princess Centre (£13k) resulting in additional costs being incurred.

##### CFW8– Physical Disabilities £(8)k favourable

- **Care Management/Assessment £(60)k favourable**

Due to managed vacancies within the Social Work teams.

- **Residential and Nursing Care/Home Care/Direct Payments - £52k adverse**  
One additional residential placement costing £50k more than budgeted..

**CFW9 – Equipment & Adaptations - £(12)k favourable**

- **External Minor Adaptations - £(12)k favourable**  
The volume of repair call out is projected to slightly lower than estimated in the budgeted.

**CFW10– Mental Health - £156k adverse**

- **Care Management and Assessment £(61)k favourable**  
Due to managed vacancies within the Community Mental Health Team.
- **Residential and Nursing Care/Home Care/Direct Payments/Supported Living £217k adverse**  
There is one residential service user higher than budgeted and one homecare user higher than budgeted.

**CFW11 Other Adult Services £84k adverse**

- **Emergency Duty Team £84k adverse**  
Due to projected staff costs due to current workload.

**CFW12 Strategic & Support Services - £7k adverse**

- **Finance Team £7k adverse**  
Due higher than expected client services costs.

**CFW13 Adaptations - £(5)k favourable**

- **Adaptations Income £(5)k favourable**  
Due to overachievement in adaptations fee income.

**CFW14 Housing Services - £25k adverse**

- **Supporting People £25k adverse**  
Underachievement in income contribution.

**CFW15 – Equalities & Diversity - £(9)k favourable**

- **Equalities & Diversity £(9)k favourable**  
Due to managed vacancies in the Team

**Community Health & Wellbeing Portfolio £(28)k favourable**

**CFW16– Public Health Services - £(28)k favourable**

- **Public Health Services £(28)k favourable**  
Due to managed vacancies in the Commissioning Team.

**Learning Disabilities Pooled Fund**

**CFW17 – Learning Disabilities - £(525) favourable – Pooled Fund Arrangement**

- **Residential and Nursing Care/Home Care/Direct Payments £(443)k favourable**  
The impact of the recovery plan on projected demand.



- **Daycare £(11)k favourable**  
The new method of service provision at the Meadowside Centre has delivered a savings higher than estimated.
- **Care Management/Assessment £(71)k favourable**  
Due to managed vacancies within the Social Work teams.

## TRAFFORD MBC

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

Report Title

## Revenue Budget Monitoring 2013/14 – Period 3 (April to June 2013)

**1. Forecast Outturn for the Year**

- 1.1 The approved revenue budget for the year is £29.209m. The forecast outturn before management action is £29.380m, which is £0.171m over the approved budget (0.6%). An action plan has already been put into place to bring spending and income in line with the budget for the remainder of the year (see paragraph 2) and a nil variance is expected as a result.
- 1.2 The Directorate has also brought forward balances of £(0.439)m from previous years of which £(0.202)m is earmarked specifically to mitigate one-off budget pressures if required (paragraph 3). In particular, this relates to savings which have been re-profiled to later in the year, such as where additional staff consultations have been undertaken.
- 1.3 This is the first monitoring report of the financial year and, the information available to produce a forecast outturn is limited and subject to change at this point. For example, the Directorate budget can be adversely affected by weather conditions, and income streams by the wider economic climate.

**2. Summary of Variances**

- 2.1 The overall net variance reflects a number of individual under and overspends across the diverse areas of the Directorate:
- Re-profiling of savings from the review of Enforcement due to additional staff consultation £0.214m;
  - Re-profiling of Groundforce staff savings pending a review of working conditions (e.g. overtime) £0.126m;
  - Public Protection licencing income – continuing adverse effect of economic climate £0.070m;
  - Traffic Management costs for major events – additional costs £0.054m;
  - Additional costs from the extension of the Parking enforcement contract prior to full re-tendering exercise during the year £0.033m;
  - The full closure of Oakfield Road car park has taken longer than predicted and income is £(0.172)m higher than expected for the full year;
  - Income in Bereavement Services has continued to be higher than expectations £(0.101)m;
  - School crossing patrols ongoing net vacancies £(0.050)m;

- Others £(0.003)m.

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

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

### 3. Reserves

3.1 At the end of 2012/13 the Directorate had a surplus on accumulated balances of £(0.439)m, which was carried forward to 2013/14. This was a result of successful management action to both mitigate the adverse budget pressures in 2012/13, plus deliver sufficient additional surpluses to assist in mitigating future pressures if required while sustainable solutions are implemented. The planned use of these balances is shown below:

<b>Utilisation of Carry forward Reserve 2013/14</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2013	(439)
Traded service investment projects c/f	132
Car Parking – contract cost/income	105
Earmarked for re-profiling of approved savings	202
<b>Balance after commitments</b>	<b>0</b>

### 4. Savings

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

	<b>Budget (£000's)</b>	<b>Outturn (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(307)	(307)	0
Efficiencies and others	(605)	(575)	30
Policy Choice	(2,099)	(1,795)	304
Mitigating action across ETO	0	(334)	(334)
<b>Total ETO</b>	<b>(3,011)</b>	<b>(3,011)</b>	<b>0</b>

4.2 The shortfall of £0.334m relates to re-profiling of savings in Enforcement and Groundforce above. These are to be mitigated in full from management action taken across the Directorate, or by the use of accumulated balances if required.

### 5. Recommendations

5.1 It is recommended that the forecast outturn and mitigating management action be noted.

**Period 3 Forecast Outturn revenue expenditure and income variances.**

The following tables detail the main variances from the revenue budget to the forecast outturn 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>P3 Forecast Outturn (£000's)</b>	<b>P3 Outturn Variance (£000's)</b>	<b>Ref</b>
<b>Highways &amp; Environment Portfolio</b>				
Highway and Network Management, incl. Traffic & Transportation	5,130	5,217	87	ETO1
School Crossing Patrols	512	462	(50)	ETO2
Parking Services	(150)	(329)	(179)	ETO3
Groundforce	4,593	4,747	154	ETO4
Bereavement Services	(998)	(1,089)	(91)	ETO5
Sustainability & Greenspace	426	394	(32)	ETO6
Waste Management (incl. WDA levy)	18,661	18,661	0	
Public Protection	806	866	60	ETO7
Environmental Enforcement	30	244	214	ETO8
Directorate Strategy & Business Support	471	479	8	
<b>Sub-total</b>	<b>29,481</b>	<b>29,652</b>	<b>171</b>	
<b>Operational Services for Education</b>	<b>(272)</b>	<b>(272)</b>	<b>0</b>	
<b>Management action plan across ETO</b>	<b>0</b>	<b>(171)</b>	<b>(171)</b>	ETO9
<b>Total Forecast Outturn Period 3</b>	<b>29,209</b>	<b>29,209</b>	<b>0</b>	

<b>ETO Business Reason / Area (Subjective analysis)</b>	<b>P3 Outturn Variance (£000's)</b>	<b>Ref</b>
<b>Highway and Network Management, incl. Traffic &amp; Transportation</b>		
Traffic Management costs - events	54	
Fee income shortfall (capital)	33	
<b>Sub-total</b>	<b>87</b>	ETO1
<b>School Crossing Patrols - vacancies</b>	<b>(50)</b>	ETO2
<b>Parking Services</b>		
Additional income – Oakfield Road	(172)	
Additional income - others	(22)	
Contract extension one-off costs	33	
Staffing and running costs	(18)	
<b>Sub-total</b>	<b>(179)</b>	ETO3
<b>Groundforce</b>		
Re-profiling of staff/equipment savings	126	
Overtime/other additional running costs	28	
<b>Sub-total</b>	<b>154</b>	ETO4
<b>Bereavement Services</b>		
Essential maintenance costs	10	
Income above budget	(101)	
<b>Sub-total</b>	<b>(91)</b>	ETO5
<b>Sustainability &amp; Greenspace</b>		
Vacancy, supplies & services	<b>(32)</b>	ETO6
<b>Public Protection</b>		
Income shortfall including licencing	70	
Mitigating action – hold on filling vacancies	(10)	
<b>Sub-total</b>	<b>60</b>	ETO7
<b>Environmental Enforcement</b>		
Re-profiling of staff/equipment saving	<b>214</b>	ETO8
<b>Director &amp; ETO Business Support</b>		
Staffing and Running costs	<b>8</b>	
<b>Management Action - running costs</b>	<b>(171)</b>	ETO9
<b>Total Forecast Outturn Period 3</b>	<b>0</b>	

## **ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES**

### **ETO 1 – Highways & Network Management - £0.087m (adverse)**

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

Forecast fee income in Highways and Transportation is £0.033m less than budgeted for the year. This includes fees which can be capitalised, and which will be subject to the continual review of revenue and capital projects throughout the year. This review process also forms part of the management action plan to mitigate adverse variances in year.

### **ETO 2 – School Crossing Patrols – £(0.050)m (favourable)**

There is a forecast underspend on staffing of £(0.050)m due to the ongoing difficulties in the filling of vacancies, which has continued from 2012/13. Leavers and new starters have broadly matched each other in recent months, which has meant the net staffing level has not increased as intended.

### **ETO 3 – Parking Services – £(0.179)m (favourable)**

The approved budget included assumptions regarding the partial, then full closure of Oakfield Road car park during the year as part of the regeneration of Altrincham Town Centre. The re-phasing of the town centre project has resulted in forecast income above budget of £(0.172)m.

Other car parking income continues to be above expectations, following on from 2012/13, £(0.022)m.

The contract for Parking enforcement has been extended for a further 12 months while a full tender exercise is undertaken. The extension has increased costs by £0.033m from the previous contract period which has expired. The new contract will be awarded from April 2014.

Action to control general running costs and the holding of vacancies gives rise to an expected underspend of £(0.018)m.

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

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled pending a review of terms and conditions, overtime and procurement, leading to a forecast adverse variance of £0.126m. The review will feed into the management action plan, plus balances have been carried forward from 2012/13 to be utilised as one-off mitigation, if required.

Other supplies, services and overtime costs are forecast to be £0.028m above budget. An element of this relates to one-off reactive service requests, which are often out of normal working hours. The review of the service above will also look to address these issues.

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

Net income levels for the year are expected to exceed the budget by £(0.101)m, and follows the levels from the last financial year. Running costs above budget of £0.010m relate to essential works.

**ETO 6 – Sustainability and Greenspace £(0.032)m (favourable)**

Management action to control running costs, plus staff vacancies, gives rise to a predicted underspend of £(0.032)m.

**ETO 7 – Public Protection - £0.060m (adverse)**

There is a predicted shortfall in income of £0.070m across the service. This relates in particular to licencing, which is due to lower levels of applications received. This is to a large extent related to the economic climate and has continued from the last financial year. This will also be assessed as part of the Medium Term Financial Plan.

The shortfall is expected to be partly mitigated through a variety of management actions to control costs throughout the year, including a delay in filling vacant posts £(0.010)m. The management action plan includes for possible further restrictions on staffing vacancies.

**ETO 8 – Environmental Enforcement £0.214m (adverse)**

The savings associated with the review of Enforcement have been re-profiled following additional staff consultations. This has resulted in a forecast adverse variance of £0.214k for the year. The management action plan for ETO will look to address the adverse variance in-year. The variance was identified very early in this financial year and the Directorate was also able to identify and earmark balances from the 2012/13 accounts to mitigate this variance, if required.

**ETO 9 – Management Action £(0.171)m (favourable)**

The Directorate has already instigated a management action plan to contain adverse variances projected for the year. This includes reviews of overtime and other staff costs, plus gaining a better understanding of cost drivers, such as in Groundforce. Vehicle and depot costs are also being reviewed alongside procurement and contract costs. These will be monitored throughout the year and reflected in the forecast outturn for the relevant service area as they are realised.

## TRAFFORD MBC

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

Report Title

Revenue Budget Monitoring 2013/14 – Period 3 (April to June 2013)
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**1. Forecast Outturn**

- 1.1 The approved revenue budget for the year is £3.304m. The forecast outturn is £3.357m, which is £0.053m above the budget. Variances are subject to change at this early stage of the year, in particular relating to forecasts of planning and rental income which are affected by external market conditions.
- 1.2 The Directorate will implement management action to manage these budget pressures, particularly around staffing and control of running costs, and a nil variance is expected at year end. EGP also has balances of £(0.312)m brought forward from previous years which are largely related to re-phased project costs, but are also available to fully mitigate the above variance, if required.

**2. Explanation of Variances**

- 2.1 The forecast outturn variances are summarised below, with more detail at Appendix 1:
- Shortfall in property rent income of £0.072m due to the on-going adverse effect of the economy, primarily on town centre rents (e.g. Stamford Centre);
  - Rental income from airport land is £(0.019)m higher than budgeted, and is based on the notification received from Manchester City Council in March this year;
  - Facilities management staffing is £0.030m above budget due to the later than planned disposal of a number of properties (e.g. Broomwood);
  - There is a forecast staffing underspend across EGP relating to the ongoing restructure and appointments to vacancies £(0.065)m;
  - Planning Application fees income predicted shortfall is £0.060m. Building control income is forecast to be higher than planned by £(0.060)m giving a net nil variance across the two income streams;
  - Fee income from housing improvement capital schemes is a net £0.046m less than budget due to a reduced volume of property sales;
  - Other variances of £(0.011)m relating to running costs.



### 3. Reserves

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

<b>Utilisation of Carry forward Reserve 2013/14</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2013	(312)
Re-phasing of projects from 2012/13	126
Forecast outturn overspend P3	53
Committed on 2013/14 projects plus mitigation for potential future budget pressures	133
<b>Balance after forecast outturn/commitments</b>	<b>0</b>

### 4. Savings

- 4.1 The approved Directorate budget includes savings of £(0.696)m, (21.1)% as follows:

	<b>Budget (£000's)</b>	<b>Outturn (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(122)	(122)	0
Efficiencies and others	(351)	(351)	0
Policy Choice	(223)	(193)	30
<b>Total EGP</b>	<b>(696)</b>	<b>(666)</b>	<b>30</b>

- 4.2 The shortfall of £0.030m relates to savings in Facilities Management staffing which have needed to be re-profiled due to the disposal of buildings taking longer than had been planned. This will be mitigated by management action taken across the Directorate, or by the use of accumulated balances if required.

### 5. Recommendations

- 5.1 It is recommended that:
- The forecast outturn of £0.053m for 2013/14 be noted.

### Period 3 Forecast Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the outturn 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>P3 Forecast Outturn (£000's)</b>	<b>P3 Outturn Variance (£000's)</b>	<b>Ref</b>
<b>Economic Growth &amp; Prosperity Portfolio</b>				
Asset Management	1,118	1,194	76	EGP1
Planning & Building Control	174	139	(35)	EGP2
Strategic Planning & Development	525	519	(6)	EGP2
Economic Growth	717	701	(16)	EGP4
Housing Strategy	522	556	34	EGP3
Directorate Strategy & Business Support	248	248	0	EGP4
<b>Total Forecast Outturn Period 3</b>	<b>3,304</b>	<b>3,357</b>	<b>53</b>	

<b>EGP</b>	<b>P3 Forecast Outturn</b>	
<b>Business Reason / Area (Subjective analysis)</b>	<b>Variance (£000's)</b>	<b>Ref</b>
<b>Asset Management</b>		
Investment Property Rental Income:		
- Stamford Centre - shortfall	34	
- Other properties - shortfall	19	
- Airport - surplus	(19)	
Community buildings – income/running costs	19	
Facilities Management - staffing	30	
Asset Management – staffing vacancies	(12)	
Other minor running cost variances	5	
<b>Sub-total</b>	<b>76</b>	EGP1
<b>Planning &amp; Building Control</b>		
Planning applications income shortfall	60	
Building Control income surplus	(60)	
Staffing vacancies	(35)	
<b>Sub-total</b>	<b>(35)</b>	EGP2
<b>Strategic Planning &amp; Development</b>		
Staffing/running costs savings	(6)	
<b>Sub-total</b>	<b>(6)</b>	
<b>Economic Growth – staffing vacancies</b>	<b>(16)</b>	
<b>Housing Strategy</b>		
Housing improvements capital fee income shortfall	46	EGP3
Staffing/running cost savings	(12)	
<b>Sub-total</b>	<b>34</b>	
<b>Total Forecast Outturn Period 3</b>	<b>53</b>	

## NOTES ON OUTTURN VARIANCES

### **EGP1 – Asset Management - £0.076m (adverse)**

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

Facilities Management staffing is expected to be £0.030m above budget. The associated saving has needed to be re-profiled as the planned disposal of buildings is taking longer than expected.

There are a number of staffing and minor running cost underspends of £(0.007)m across Asset Management.

### **EGP2 – Planning and Building Control – £(0.035)m (favourable)**

Income from planning fees is forecast to be £0.060m less than budget, which is due to the continuing adverse economic climate.

Building control income is forecast to be above budget by £(0.060)m. This includes some capital related income plus the service has been successful in competing with other external providers.

Planning and building control fees are continuing to be monitored on a weekly basis.

An underspend from staffing vacancies is predicted to be £(0.035)m, and the filling of these posts will be addressed by the ongoing restructure of EGP.

### **EGP3 – Housing Strategy – Housing Improvement fee income £0.046m (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.

## TRAFFORD MBC

**Report to:** Transformation & Resources Directorate Management Team  
**Date:** 18 July 2013  
**Report for:** Discussion  
**Report author:** T&R Finance Manager

**Revenue Budget Monitoring 2013/14 – Period 3  
(April 2013 – June 2013 inclusive)**

## **1 Outturn**

- 1.1 The current approved revenue budget for the year is £20.297m. The outturn of £20.254m is £(0.043)m below the approved budget.
- 1.2 The £(43)k net favourable movement to date is a result of:
- £(156)k favourable variance on staff costs, particularly in Revenues & Benefits and ICT where vacancies have been held open pending the outcome of reviews;
  - £125k adverse variance on legal costs;
  - £29k adverse collective variances on other running costs;
  - £(41)k favourable variance on income streams.

## **2 Services transferred into the T&R directorate**

- 2.1 The £2.198m budget for Culture & Sport has been transferred from ETO into T&R with effect from 1<sup>st</sup> April 2013.

## **3 Reserves**

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

<b>Table 1: Utilisation of Carry Forward Reserve 2013/14</b>	<b>£000's</b>
Balance b/f 1 April 2013	(1,389)
<b>Planned use in 2013/14</b>	
Transformation Support	234
Land Charges Claims	185
LGG Support	56
EDRMS	50
Communications/Events	46
Library improvements	40
ICT textlink and contracts	34
Apprentice Support	20
Legal Case Management System	7
CCTV Marketing	5
2013/14 Outturn	(43)
<b>Remaining Balance at 31 March 2014</b>	<b>(755)</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.

### Period 3 Forecasted Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, 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>P3 Forecast Outturn (£000's)</b>	<b>P3 Outturn variance (£000's)</b>	<b>Note ref</b>
<b>Transformation and Resources Portfolio</b>				
Legal & Democratic	1,885	2,024	139	T&R2,4
Communications & Customer Services	6,866	6,818	(48)	T&R1
Partnerships & Performance	2,687	2,693	6	
Strategic Human Resources	2,350	2,347	(3)	T&R1,3,4
Corporate Leadership and Support	367	361	(6)	
<b>sub-total</b>	<b>14,155</b>	<b>14,243</b>	<b>88</b>	
<b>Finance Portfolio</b>				
Finance Services	3,944	3,811	(133)	T&R1
<b>sub-total</b>	<b>3,944</b>	<b>3,811</b>	<b>(133)</b>	
<b>Safe and Strong Communities</b>				
Culture & Sport	2,198	2,200	2	
<b>sub-total</b>	<b>2,198</b>	<b>2,200</b>	<b>2</b>	
<b>Total</b>	<b>20,297</b>	<b>20,254</b>	<b>(43)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P3 Outturn variance (£000's)</b>	<b>Note ref</b>
Management of Vacancies	(156)	T&R1
Court Costs and Legal fees	125	T&R2
Running Costs	29	T&R3
Other Income	(41)	T&R4
<b>Total</b>	<b>(43)</b>	

## **NOTES ON PROJECTED VARIANCES**

### **T&R1**

There are a number of posts which are held vacant whilst staffing structures are being reviewed, particularly in ICT and Revenues & Benefits.

### **T&R2**

Legal expenses are forecast to be £125k adverse to budget due to a continuing increase in childcare cases and a number of new development projects.

### **T&R3**

Running costs are being tightly controlled to remain within budget. However, the initiative to reduce sickness levels has impacted on utilisation of Occupational Health services due to an increase in the number of referrals, causing a forecast adverse variance of £33k within HR.

### **T&R4**

There is forecast to be a favourable variance on income of £(41)k, particularly on Registrars.



## TRAFFORD MBC

**Report to:** Director of Finance  
**Date:** 18 July 2013  
**Report for:** Information  
**Report author:** Head of Financial Management

**Report Title**

<b>Revenue Budget Monitoring 2013/14 – Period 3 Outturn - Council-Wide Budgets (April 2013 to June 2013 inclusive)</b>
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**1 Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £23.952m. The outturn forecast is £22.603m, which is £(1.349)m under the budget.
- 1.2 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;

Treasury Management: £(1.321)m relating to Manchester Airport Group dividend received above budget and £(0.020)m of reduced debt charges.

There were a number of other minor variances across Council Wide budgets in the sum of £(0.008)m for the year.

**2 Service carry-forward reserve and Recommendations**

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

## Appendix 1

### Period 3 Draft Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, 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)	P3 Outturn (£000's)	P3 Draft Outturn variance (£000's)	Ref
<b>Finance Portfolio</b>				
Precepts, Levies & Subscriptions	17,806	17,806		
Provisions (bad debts & pensions)	1,742	1,742		
Treasury Management	8,366	7,025	(1,341)	C-W1
Insurance	659	659		
Members Expenses	944	944		
Grants	(5,887)	(5,895)	(8)	
Other Centrally held budgets	322	322		
<b>Total</b>	<b>23,952</b>	<b>22,603</b>	<b>(1,349)</b>	

Business Reason / Area (Subjective analysis)	P3 Outturn variance (£000's)	Ref
Treasury Management:		
- Investment Income	(1,321)	C-W1
- Debt Management cost savings	(20)	C-W1
Grants	(8)	
<b>Total</b>	<b>(1,349)</b>	

## **NOTES ON PROJECTED VARIANCES**

### **C-W1 – Treasury Management - £(1.341)m (favourable).**

#### **Investments – £(1,321)k – Increased MAG share dividend**

In 2013 Manchester Airport Group (MAG) acquired Stansted Airport which resulted in the Council's share allocation in the expanded group being restated from 5% to 3.22%. The MAG board, at its June 2013 meeting, agreed the total level of share dividend to be paid in 2013/14 and this was set at £72m, payable in 2 tranches, £50m in July 2013 and £22m in October 2013. The Council will now receive a total of £(2.321)m, which is £(1.321)m in excess of the budgeted figure. Whilst the level of dividend forecasted to be received annually has been revised to a level of £(1.352)m from that previously received of £(1.000)m, this year's dividend is higher than normal as it contains a one-off allocation relating to the higher than expected levels of cash balances held in Stansted Airport at the time of acquisition.

#### **Debt - £(20)k – Minimum Revenue Provision**

A lower than expected level of prudential borrowing relating to the 2012/13 capital programme has resulted in a temporary reduction in the minimum revenue provision in 2013/14.