

TRAFFORD COUNCIL

Report to: Executive

Date: 23 September 2013

Report for: Information

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

Report Title:

Revenue Budget Monitoring 2013/14 – Period 4 (April to July 2013).

Summary:

The approved revenue budget for the year is £159.003m. The forecast for the end of the year, as projected following four months of activity, is £157.940m being a net underspend of £(1.1)m, (0.7)% 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:

Activity	Forecast £m	Movement £m
Vacancy management & control	(0.4)	0.1
Social Services demand led budgets	0.5	0.1
Projects/savings rescheduling	0.2	(0.1)
Running costs	0.4	0.2
New Grant	(0.2)	-
Income	(0.2)	(0.1)
Service Outturn	0.3	0.2
Additional Airport dividend	(1.3)	-
Other Council-wide savings	(0.1)	(0.1)
Forecasted outturn	(1.1)	0.1
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 service carry forward reserves at the beginning of the year were £(3.6)m. With a planned use to support savings and change projects of £2.0m, plus a net overspend of £0.3m, the projected carry forward is £(1.3)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 £1.0m, with a view to full recover by the end of next year.

Council Tax

There is an in-year forecasted Council Tax surplus, of £(0.558)m, an improvement of £(0.247)m since last period largely due to a revised assessment of future discounts and exemptions.

Business Rates

It is too early to tell from 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 four 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:.....ID

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

Signature: Appended in hard copy.

Budget Monitoring - Financial Results

1. The approved budget as amended at the 4 March 2013 Executive is £159.003m. Based on the budget monitoring for the first 4 months of the year, the overall forecast for the year is £157.940m, being an underspend of £(1.063)m, (0.7)%. Included within this total is a net service overspend of £0.311m or 0.2% of the relevant budget, and underspends in Council-Wide budgets of £(1.374)m or (5.7)% of the relevant budget.
2. The Learning Disability (LD) Pool recovery plan is forecasted to achieve £(0.492)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:

Table 1: Budget Monitoring results by Directorate	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)	Annex
Children, Families & Wellbeing	301	0.6%	199	1
Environment, Transport & Operations	-	0.0%	-	2
Economic Growth & Prosperity	40	1.2%	(13)	3
Transformation & Resources	(30)	(0.2)%	13	4
Total Service Variances	311	0.2%	199	
Council-wide budgets	(1,374)	(5.7)%	(25)	5
Estimated outturn variance (period 4)	(1,063)	(0.7)%	174	
Learning Disability Pool	(492)	(0.6)%	33	1
Total Forecasted outturn	(1,555)	(1.0)%	207	

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)
Supporting Children & Families	198	0.7%	149
Education	24	1.3%	24
Adult Social Services	86	0.1%	5
Community Health & Wellbeing	(7)	0.0%	21
Highways & Environment	-	0.0%	
Safe and Strong Communities	35	1.6%	33
Economic Growth & Prosperity	40	1.2%	(13)
Transformation & Resources	86	0.6%	(2)
Finance	(1,525)	(5.5)%	(43)
Estimated outturn variance (period 4)	(1,063)	(0.7)%	174
Adult Social Services (LD Pool)	(492)	(0.6)%	33
Total Forecasted outturn	(1,555)	(1.0)%	207

Key Month on Month Variations

3. The key variances contributing to the period movement of an adverse £0.207m are:
 - £0.249m staffing pressures within Children's Social Care to cover essential posts in order to meet statutory demands and increasing pressures;

- These additional costs have been partly mitigated by a favourable movement in Children's placement costs due to income from selling adoptive placements to other authorities, £(0.095)m;
- £0.083m additional pressures from external care package and running costs, partly offset by management of vacancies, £(0.071)m, within Adult Social Care;
- £0.038m legal expenses relating to an increasing number of childcare cases and new development projects, £0.036m lower than expected income from Sale Waterside Arts Centre ticket sales, offset by increases in other income streams, reductions in running expenses and vacancy management, £(0.061)m, across the Transformation & Resources Directorate;
- £(0.025)m saving in Members expenses, mainly as a result of the voluntary 1.9% reduction in allowances;
- £0.033m adverse movement in the LD Pooled Fund underspend to £(0.492)m, mainly due to lower than expected staffing vacancies in the reablement service;
- Other minor net movements across all other services, £0.020m.

MTFP Savings and increased income

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

Table 3: Savings 2013/14	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Transformation savings	(8,131)	(8,132)	(1)
Other savings	(10,389)	(10,389)	
Total	(18,520)	(18,521)	(1)

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.

Council Tax

6. The current forecast is for an additional £(0.558)m of Council Tax to be due in year above budgeted levels, this is a change of £(0.247)m since last month, mainly due to a revised assessment of future discounts and exemptions of £(0.201)m having a positive impact on the Band D equivalent tax base.

	Overall		Trafford	
	£(000's)	£(000's)	£(000's)	£(000's)
Surplus brought forward		(6)		(5)
Changes in Band D equivalents	(245)		(205)	
Empty Homes Premium	(326)		(275)	
Council Tax Support awards	(392)		(330)	
Backdated valuations & discounts	300	(663)	252	(558)
Forecasted surplus carry forward		(669)		(563)

Business Rates

7. 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.
8. 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 no further update from the Valuation Office Agency on the first quarter levels of appeals outstanding from the figure of £75m (£156m rateable value) reported previously, this continues to make advising on the forecast position difficult.

Welfare Reform

9. There have been a number of changes to the overall Welfare system since 1 April 2013. Para 7 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 July 2013 40.24% of all council tax due had been collected, which compares to 40.52% for the same period last year. Whilst this is slightly down, it is in accordance with our assumed collection rate for 2013/14.
10. In the first four months of operation, Trafford Assist had made 1,252 individual awards with a value of £54,465. 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:

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

11. The Trafford Assist scheme is within budget after the first four months in operation. There are no plans to adjust the qualifying criteria at this stage, as demand on the scheme may increase when other Welfare Benefit changes are introduced and during the winter. The scheme continues to receive positive comments from customers, DWP and other Partners particularly about positive intervention and signposting.
12. In addition to the above, 423 awards for Discretionary Housing Payment out of 632 requests have been made in the sum of £109,020, which is in line with budgeted expectations.

Reserves

13. The pre-audited General Reserve balance brought forward is £(10.6)m, against which there are planned commitments up to the end of 2014/15 of £3.8m. The addition of the Council-Wide underspend of £(1.4)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:

Table 4 : General Reserve Movements	(£000's)
Balance 31 March 2013 (subject to audit confirmation)	(10,643)
Commitments in 2013/14:	
- Planned use for 2013/14 Budget	906
- One-off projects from 2012/13 brought forward	98
- Planned use for one-off projects 2013/14	701
- Council-wide budgets underspend	(1,374)
Balance 31 March 2014	(10,312)
- Planned use for 2014/15 Budget	2,094
Projected balance after known commitments	(8,218)

14. 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 £(1.330)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 £0.980m, however there is a recovery plan to bring the pool back into balance by the end of 2014/15 (see Annex 1).
15. The use of Service reserve balances during the year are detailed in Annexes 1 to 4 of the report. However the main 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.

Table 5: Service balances	B/f April 2013 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Communities, Families & Wellbeing	(1,427)	839	(588)
Environment, Transport & Operations	(439)	439	0
Economic Growth & Prosperity	(312)	312	0
Transformation & Resources	(1,389)	647	(742)
Total All Services (Surplus)/Deficit	(3,567)	2,237	(1,330)
Learning Disability Pool	1,472	(492)	980
Total (Surplus)/Deficit	(2,095)	1,745	(350)

Recommendations

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

TRAFFORD MBC

Report to: CFW Directorate Management Team
 Date: 22 August 2013
 Report for: Discussion
 Report author: CFW Finance Managers

Report Title

**Revenue Budget Monitoring 2013/14 – Period 4
 (April 2013 to July 2013 inclusive)**

1. Outturn Forecast

- 1.1 The approved revenue budget for the year is £82,242k. The projected outturn is £82,051k which is £(191)k under the approved budget, a £232k adverse movement since July's forecast.
- 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:

Portfolio	Budget	Projected Outturn	Variance
	£000's	£000's	£000's
Supporting Children & Families	29,232	29,430	198
Education	1,883	1,907	24
Adult Social Care	31,951	32,037	86
Public Health	(829)	(836)	(7)
Total	62,237	62,538	301
Learning Disabilities Pooled Fund	20,005	19,513	(492)
Total	82,242	82,051	(191)

- 1.3 The reasons for the £232k adverse movement from July by portfolio are:

Supporting Children & Families and Education Portfolios - £173k adverse

- A predicted overspend within the Children's Social Care service of £69k (Including Complex and Additional Needs) comprising of placement budgets £67k, additional Intensive Fostering grant income £(198k), staffing budgets £190k, Section 17 monies £39k, Youth Homelessness (£51k) and other minor variances £22k.
- School Support Services; a projected saving of £(91)k, this is a result of staffing savings £(56)k, additional income from Academies £(21)k and other variances £(14)k.

- Commissioning projected saving of £(15k) from staff savings due to vacant posts.
- MARAS predicted overspend of £208k: Home to School transport pressure of £215k, staff posts vacant £(20)k and other variances £23k.
- Children's Centres and Early Years overspend of £51k, all relating to slippage in savings

Adult Social Care Portfolio - £5k adverse

- A minor reduction in projected external placement costs £(7)k.
- Adaptation Service; a reduction in fee income charged for completed disabled facilities schemes £10k.
- Other Services £2k; increase in staff costs in the Emergency Duty Team of £9k due to higher than expected workload, underspend in Equalities and Diversity events budget £(19)k, other minor variances £12k.

Public Health Portfolio - £21k adverse

- Public Health services, a reduction in managed staff vacancies, £21k.

Learning Disabilities (LD) Pooled Budget - £33k adverse

- A reduction in the expected staff vacancies in the reablement service £33k.

- 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 recent 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 £1,472k, 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 £900k. The projected outturn is £980k.
- 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 Children's, Families and Wellbeing Directorate had accumulated balances of £(1,427)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:

Table 1: Utilisation of Carry forward Reserve 2013/14 –	(£000's)
Balance brought forward 1 April 2013	(1,427)
Specific expenditure assigned against the reserve re: invest to save	389
Specific expenditure committed from 2012/13	149
P4 Forecast Outturn	301
Balance carried forward at 31 March 2014	(588)

Table 1: Utilisation of Carry forward Reserve 2013/14 – Learning Disabilities Pooled Fund	(£000's)
Balance brought forward 1 April 2013	1,472
P4 Forecast outturn cash movement	(492)
Balance carried forward at 31 March 2014	980

- 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 recent period of hot weather.
 - Continuous review of all placements to ensure the most effective provision is made

Period 4 Projected Outturn revenue expenditure and income variances.

The following tables detail the main variances from the revenue budget to the forecasted outturn, and movements from Period 3 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)	P4 Outturn (£000's)	P4 Outturn variance (£000's)	P3 Outturn variance (£000's)	P3 – P4 movement (£000's)	Ref
Supporting Children & Families Portfolio						
Children’s Social Services	14,981	15,102	121	(36)	157	CFW2
Children with Complex & Additional Needs	2,034	1,982	(52)	0	(52)	CFW2
Support Services to CYP	3,730	3,639	(91)	(88)	(3)	CFW3
Commissioning	1,636	1,621	(15)	(18)	3	CFW4
Multi Agency Referral & Assessment Service (MARAS)	4,061	4,269	208	184	24	CFW5
Youth Offending Service	577	577	0	0	0	
Children’s Centres	2,213	2,240	27	7	20	CFW6
Sub-total	29,232	29,430	198	49	149	
Education Portfolio						
Dedicated Schools Grant	0	37	37	(23)	60	CFW1
Transfer to Dedicated Schools Grant Reserve	0	(37)	(37)	23	(60)	
Education Early Years’ Service	1,020	1,044	24	0	24	CFW6
Connexions Service	863	863	0	0	0	
Sub-total	1,883	1,907	24	0	24	
Adult Social Services Portfolio						
Older People	20,293	20,131	(162)	(157)	(5)	CFW7
Physical Disabilities	4,206	4,194	(12)	(8)	(4)	CFW8
Equipment & Adaptations	801	789	(12)	(12)	0	CFW9
Mental Health	3,418	3,576	158	156	2	CFW10
Other Adult Services	729	822	93	84	9	CFW11
Strategic & Support Services	927	935	8	7	1	CFW12

Adaptations	(59)	(54)	5	(5)	10	CFW13
Housing Services	1,247	1,272	25	25	0	CFW14
Community Services	252	254	2	0	2	CFW15
Equalities & Diversity	137	118	(19)	(9)	(10)	CFW16
Sub-total	31,951	32,037	86	81	5	
Community Health & Wellbeing Portfolio						
Public Health	(829)	(836)	(7)	(28)	21	CFW17
Sub-total	(829)	(836)	(7)	(28)	21	
Total	62,237	62,538	301	102	199	
Learning Disabilities Pooled Fund	20,005	19,513	(492)	(525)	33	CFW18
Total	82,242	82,051	(191)	(423)	232	

Business Reason / Area (Subjective analysis)	P4 Outturn (£000's)	P3 Outturn (£000's)	P3-P4 movement (£000's)	Ref
Supporting Children & Families Portfolio, Education Portfolio				
DSG Reserve B/Fwd.	(2,453)	(2,453)	0	
Spend on DSG Reserve	1,853	1,853	0	CFW1
Minor variances	37	(23)	60	
DSG projected underspend	(563)	(623)	60	
Transfer to DSG Reserve	563	623	(60)	
Non DSG				
Additional Grant Funding	(198)	(198)	0	CFW2
Placements Budget	67	162	(95)	CFW3
Home to School Transport	215	215	0	CFW5
Staffing variances	150	(99)	249	CFW3,4,5,6
Additional Income	(21)	(21)	0	CFW3
Other minor variances	9	(10)	19	CFW3,5
Sub-total Net Underspend Non DSG	222	49	173	
Adult Social Care Portfolio				
Management of vacancies	(194)	(123)	(71)	CFW7,8,10,11,15,16
External care packages and commissioned services	146	104	42	CFW7,8,9,10,14
Delay in closure of establishments	91	97	(6)	CFW7
Other running costs	44	3	41	CFW12,13
Sub-total	87	81	6	
Community Health & Wellbeing Portfolio				
Commissioned Services	(31)	(30)	(1)	CFW17
Other running costs	23	2	21	CFW17
Sub-total	(8)	(28)	20	
Total	301	102	199	
Learning Disabilities Pooled Fund				
Management of vacancies	(7)	(71)	64	CFW18
External care packages and commissioned services	(485)	(454)	(31)	CFW18
Sub-total	(492)	(525)	33	
Total	(191)	(423)	232	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

Supporting Children & Families Portfolio, Education Portfolio

Within the DSG

CFW1 – DSG Reserve b/fwd.

- The DSG reserve brought forward balance is £(2.453)m. There are likely to be commitments against this in 2013/14 of £1.853m and variance in-year of £37k. This leaves an underspend of £(0.563)m. This underspend will be carried forward to 2014/15. The movement from the previous month relates to increased pressure on nursery places.
- The Funding Forum was made aware of this reserve at the July meeting and proposals will be forwarded at the September meeting on how to utilise this. It is very likely that some it will be distributed to schools on a one off basis. Further details can be sought by accessing the July Funding Forum report.

Non DSG Variances £222k adverse

CFW2 – Children’s Social Care £69k adverse (Includes Children with Complex & Additional Needs)

- This overspend is mainly due to staffing budgets of £190k and Placements £67k, offset by additional grant income of £(198)k. (Other Variances £10k). The staffing variances are due to the need to cover essential posts in order to meet statutory demands and increasing pressures. The reduction in the placements overspend from last month is due to one off income from selling adoptive placements to other authorities

CFW3 – Support Services £(91)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 variance £(14)k

CFW4 – Commissioning £(15)k favourable

- This favourable variance of £(15)k is due to vacant staff posts.

CFW5 – MARAS £208k adverse

- Home to School transport pressure of £215k, staff posts vacant £(20)k and other variances £13k.

CFW6 – Children’s Centres and Early Years £51k adverse

- The Children’s Centres and Early Years projected overspend is due to staff posts £51k.

Adult Social Care Portfolio £86k adverse

CFW7 – Older People £(162)k favourable

- **Care Management/Assessment £(182)k favourable**
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £(72)k favourable**
Due to lower demand than estimated.

• **Katherine Lowe House and The Princess Centre - £92k adverse**
Delays in the closure of Katherine Lowe House (£77k) and the Princess Centre (£15k) resulting in additional costs being incurred.

CFW8 – Physical Disabilities £(12)k favourable

- **Care Management/Assessment £(57)k favourable**
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Direct Payments - £45k adverse**
One additional residential placement costing £45k 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 budget.

CFW10 – Mental Health - £158k adverse

- **Care Management and Assessment £(53)k favourable**
Due to managed vacancies within the Community Mental Health Team.
- **Residential and Nursing Care/Home Care/Direct Payments/Supported Living £211k adverse**
There is one residential service user with significantly higher than budgeted costs and one homecare user higher than budgeted.

CFW11 - Other Adult Services £93k adverse

- **Emergency Duty Team £93k adverse**
Due to projected staff costs due to current workload.

CFW12 - Strategic & Support Services - £8k adverse

- **Finance Team £8k adverse**
Due to higher than expected client services costs.

CFW13 - Adaptations - £5k adverse

- **Adaptations Income £5k adverse**
Due to projected underachievement in adaptations fee income.

CFW14 - Housing Services - £25k adverse

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

CFW15 - Community Services - £2k adverse

- **Community Services £2k adverse**
Underachievement in income contribution.

CFW16 – Equalities & Diversity - £(19)k favourable

- **Equalities & Diversity £(19)k favourable**
Due to managed vacancies in the Team £(8)k and a projected underspend in the events budget £(11)k.

Community Health & Wellbeing Portfolio £(7)k favourable

CFW17 – Public Health Services - £(7)k favourable

- **Public Health Services £(7)k favourable**
Due to managed vacancies in the Commissioning Team.

Learning Disabilities Pooled Fund

CFW18 – Learning Disabilities - £(492)k favourable – Pooled Fund Arrangement

- **Residential and Nursing Care/Home Care/Direct Payments £(464)k favourable**
The impact of the recovery plan on projected demand.
- **Daycare £(21)k favourable**
The new method of service provision at the Meadowside Centre has delivered a savings higher than estimated.
- **Care Management/Assessment £(7)k favourable**
Due to managed vacancies within the Social Work teams.

TRAFFORD MBC

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

Report Title

Revenue Budget Monitoring 2013/14 – Period 4 (April to July 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 £29.305m, which is £0.096m over the approved budget (0.3%). This is a favourable movement of £(0.075)m since the last report, which is due to improved forecasts of income from the GM Access Permit Scheme £(0.025)m, and rebates now expected from the transport leasing contractor £(0.050)m.
- 1.2 An action plan is in 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.
- 1.3 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.
- 1.4 This is the second monitoring report of the financial year and, hence, 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 when setting the budget and income is hence £(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 on-going net vacancies £(0.050)m;
- Income now expected from the GM Road Access Permit Scheme £(0.025)m;
- Rebate now expected from transport leasing contractor £(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:

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

4. Savings

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

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

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 4 Forecast Outturn revenue expenditure and income variances.

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P4 Forecast Outturn (£000's)	P4 Outturn Variance (£000's)	P3 Outturn Variance (£000's)	P3 – P4 Movement (£000's)	Ref
Highways & Environment Portfolio						
Highway and Network Management, incl. Traffic & Transportation	5,130	5,167	37	87	(50)	ETO1
School Crossing Patrols	512	462	(50)	(50)	0	ETO2
Parking Services	(150)	(329)	(179)	(179)	0	ETO3
Groundforce	4,593	4,722	129	154	(25)	ETO4
Bereavement Services	(998)	(1,089)	(91)	(91)	0	ETO5
Sustainability & Greenspace	426	394	(32)	(32)	0	ETO6
Waste Management (incl. WDA levy)	18,661	18,661	0	0	0	
Public Protection	806	866	60	60	0	ETO7
Environmental Enforcement	30	244	214	214	0	ETO8
Directorate Strategy & Business Support	471	479	8	8	0	
Sub-total	29,481	29,577	96	171	(75)	
Operational Services for Education	(272)	(272)	0	0	0	
Management action plan across ETO	0	(96)	(96)	(171)	75	ETO9
Total Forecast Outturn Period 4	29,209	29,209	0	0	0	

ETO Business Reason / Area (Subjective analysis)	P4 Outturn Variance (£000's)	P3 Outturn Variance (£000's)	P3 – P4 Movement (£000's)	Ref
Highway and Network Management, incl. Traffic & Transportation				
Traffic Management costs - events	54	54	0	
Fee income shortfall	8	33	(25)	
Transport rebates	(25)	0	(25)	
Sub-total	37	87	(50)	ETO1
School Crossing Patrols - vacancies	(50)	(50)	0	ETO2
Parking Services				
Additional income – Oakfield Road	(172)	(172)	0	
Additional income - others	(22)	(22)	0	
Contract extension one-off costs	33	33	0	
Staffing and running costs	(18)	(18)	0	
Sub-total	(179)	(179)	0	ETO3
Groundforce				
Re-profiling of staff/equipment savings	126	126	0	
Overtime/other additional running costs	28	28	0	
Transport rebates	(25)	0	(25)	
Sub-total	129	154	(25)	ETO4
Bereavement Services				
Essential maintenance costs	10	10	0	
Income above budget	(101)	(101)	0	
Sub-total	(91)	(91)	0	ETO5
Sustainability & Greenspace				
Vacancy, supplies & services	(32)	(32)	0	ETO6
Public Protection				
Income shortfall including licencing	70	70	0	
Mitigating action – hold on filling vacancies	(10)	(10)	0	
Sub-total	60	60	0	ETO7
Environmental Enforcement				
Re-profiling of staff/equipment saving	214	214	0	ETO8
Director & ETO Business Support				
Staffing and Running costs	8	8	0	
Management Action - running costs	(96)	(171)	75	ETO9
Total Forecast Outturn Period 4	0	0	0	

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

ETO 1 – Highways & Network Management - £0.037m (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 £0.008m less than budgeted for the year. This is a favourable movement of £(0.025)m since last reported, which relates to income now expected to be received from the GM Road Access Permit Scheme (GMRAPs).

The overall adverse variance has also improved from last month due to the expected receipt of rebates from the vehicle leasing contractor £(0.025)m.

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

There is a forecast underspend on staffing of £(0.050)m due to the on-going 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 - £0.129m (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.

The overall adverse variance has also improved from last month due to the expected receipt of rebates from the vehicle leasing contractor £(0.025)m.

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 £0.214m 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 £(0.096)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: 21 August 2013
 Report for: Discussion
 Report author: EGP/ETO Finance Manager

Report Title

<p>Revenue Budget Monitoring 2013/14 – Period 4 (April to July 2013)</p>

1. Forecast Outturn

- 1.1 The approved revenue budget for the year is £3.304m. The forecast outturn is £3.344m, which is £0.040m above the budget. This is a favourable movement of £(0.013)m since last month due mainly to better than expected forecasts of planning application fee income for the year. 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 £0.067m 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 on-going restructure and appointments to vacancies £(0.065)m;
 - Planning Application fees income predicted shortfall is £0.050m, which is a favourable movement of £(0.010)m since last reported. Building control income is forecast to be higher than planned by £(0.060)m giving a net £(0.010)m underspend 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 £(0.009)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.

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(312)
Re-phasing of projects from 2012/13	126
Forecast outturn overspend P4	40
Committed on 2013/14 projects plus mitigation for potential future budget pressures	146
Balance after forecast outturn/commitments	0

4. Savings

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

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

- 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 £0.040m for 2013/14 be noted.

Period 4 Forecast Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P4 Forecast Outturn (£000's)	P4 Outturn Variance (£000's)	P3 Outturn Variance (£000's)	P3 – P4 Variance (£000's)	Ref
Economic Growth & Prosperity Portfolio						
Asset Management	1,118	1,191	73	76	(3)	EGP1
Planning & Building Control	174	129	(45)	(35)	(10)	EGP2
Strategic Planning & Development	525	519	(6)	(6)	0	EGP2
Economic Growth	717	701	(16)	(16)	0	EGP4
Housing Strategy	522	556	34	34	0	EGP3
Directorate Strategy & Business Support	248	248	0	0	0	EGP4
Total Forecast Outturn Period 4	3,304	3,344	40	53	(13)	

EGP Business Reason / Area (Subjective analysis)	P4 Outturn Variance (£000's)	P3 Outturn Variance (£000's)	P3 – P4 Movement (£000's)	Ref
Asset Management				
Investment Property Rental Income:				
- Stamford Centre - shortfall	34	34	0	
- Other properties - shortfall	19	19	0	
- Airport - surplus	(19)	(19)	0	
Community buildings – income/running costs	14	19	(5)	
Facilities Management - staffing	30	30	0	
Asset Management – staffing vacancies	(12)	(12)	0	
Other minor running cost variances	7	5	2	
Sub-total	73	76	(3)	EGP1
Planning & Building Control				
Planning applications income shortfall	50	60	(10)	
Building Control income surplus	(60)	(60)	0	
Staffing vacancies	(35)	(35)	0	
Sub-total	(45)	(35)	(10)	EGP2
Strategic Planning & Development				
Staffing/running costs savings	(6)	(6)	0	
Sub-total	(6)	(6)	0	
Economic Growth – staffing vacancies	(16)	(16)	0	
Housing Strategy				
Housing improvements capital fee income shortfall	46	46	0	EGP3
Staffing/running cost savings	(12)	(12)	0	
Sub-total	34	34	0	
Total Forecast Outturn Period 4	40	53	(13)	

NOTES ON OUTTURN VARIANCES

EGP1 – Asset Management - £0.073m (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 £0.014m. 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 £(0.005)m across Asset Management.

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

Income from planning fees is forecast to be £0.050m less than budget, which is due to the continuing adverse economic climate. This includes a favourable movement of £(0.010)m since last reported due to improvements in the projected volume of applications for the year.

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 on-going 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: 22 August 2013
Report for: Discussion
Report author: T&R Finance Manager

**Revenue Budget Monitoring 2013/14 – Period 4
(April 2013 – July 2013 inclusive)**

1 Forecast Outturn

- 1.1 The current approved revenue budget for the year is £20.297m. The projected outturn of £20.267m is £(0.030)m below the approved budget. This is a £0.013m adverse movement since last month.
- 1.2 The £13k net adverse movement in the month is a result of:
- £(41)k favourable variance on staff costs across the Directorate.
 - £38k adverse variance on legal costs.
 - £(10)k favourable collective variances on other running costs.
 - £36k adverse variance on forecast ticket sales in the Waterside Arts Centre.
 - £(10)k favourable variance on other income streams.

2 Reserves

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

Table 1: Utilisation of Carry Forward Reserve 2013/14	£000's
Balance b/f 1 April 2013	(1,389)
Planned use in 2013/14	
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	(30)
Remaining Balance at 31 March 2014	(742)

- 2.2 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 4 Forecasted Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P4 Forecast Outturn (£000's)	P4 Outturn variance (£000's)	P3 Outturn variance (£000's)	P3 to P4 Movement (£000's)	Note ref
Transformation and Resources Portfolio						
Legal & Democratic	1,885	2,037	152	139	13	T&R2,4
Communications & Customer Services	6,866	6,802	(64)	(48)	(16)	T&R1
Partnerships & Performance	2,687	2,696	9	6	3	
Strategic Human Resources	2,350	2,347	(3)	(3)	0	T&R3
Corporate Leadership and Support	367	359	(8)	(6)	(2)	
sub-total	14,155	14,241	86	88	(2)	
Finance Portfolio						
Finance Services	3,944	3,793	(151)	(133)	(18)	T&R1
sub-total	3,944	3,793	(151)	(133)	(18)	
Safe and Strong Communities						
Culture & Sport	2,198	2,233	35	2	33	T&R4
sub-total	2,198	2,233	35	2	33	
Total	20,297	20,267	(30)	(43)	13	

Business Reason / Area (Subjective analysis)	P4 Outturn variance (£000's)	P3 Outturn variance (£000's)	P3 to P4 movement (£000's)	Note ref
Management of Vacancies	(197)	(156)	(41)	T&R1
Court Costs and Legal fees	163	125	38	T&R2
Running Costs	19	29	(10)	T&R3
Income	(15)	(41)	26	T&R4
Total	(30)	(43)	13	

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 £163k 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 causing a forecast adverse variance of £33k within HR.

T&R4

There is forecast to be a favourable variance on income of £(15)k, particularly on Registrars but offset by a shortfall in income in the Waterside Arts Centre.

TRAFFORD MBC

Report to: Director of Finance
Date: 22 August 2013
Report for: Information
Report author: Head of Financial Management

Report Title

Revenue Budget Monitoring 2013/14 – Period 4 Outturn - Council-Wide Budgets (April 2013 to July 2013 inclusive)
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1 Outturn Forecast

1.1 The current approved revenue budget for the year is £23.952m. The outturn forecast is £22.578m, which is £(1.374)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;

Members expenses - £(0.025)m, relating mainly to the voluntary 1.9% reduction in allowances;

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.

Period 3 Draft Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P4 Forecast Outturn (£000's)	P4 Outturn variance (£000's)	P3 Outturn variance (£000's)	P3 to P4 movement (£000's)	Ref
Finance Portfolio						
Precepts, Levies & Subscriptions	17,806	17,806				
Provisions (bad debts & pensions)	1,742	1,742				
Treasury Management	8,366	7,025	(1,341)	(1,341)		C-W1
Insurance	659	659				
Members Expenses	944	919	(25)		(25)	C-W2
Grants	(5,887)	(5,895)	(8)	(8)		
Other Centrally held budgets	322	322				
Total	23,952	22,578	(1,374)	(1,349)	(25)	

Business Reason / Area (Subjective analysis)	P4 Outturn variance (£000's)	P3 Outturn variance (£000's)	P3 to P4 movement (£000's)	Ref
Treasury Management:				
- Investment Income	(1,321)	(1,321)		C-W1
- Debt Management cost savings	(20)	(20)		C-W1
Members Allowances	(25)		(25)	C-W2
Grants	(8)	(8)		
Total	(1,374)	(1,349)	(25)	

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.

C-W2 – Members Allowances - £(0.025)m (favourable).

All 63 Trafford Members agreed to take a voluntary 1.9% reduction in the value of their allowances. This will generate a saving of £(0.016)m. Other minor savings from telephony and running costs are also expected of £(0.009)m.