

Trafford Council

Review of the Council's Arrangements for Securing Financial Resilience

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

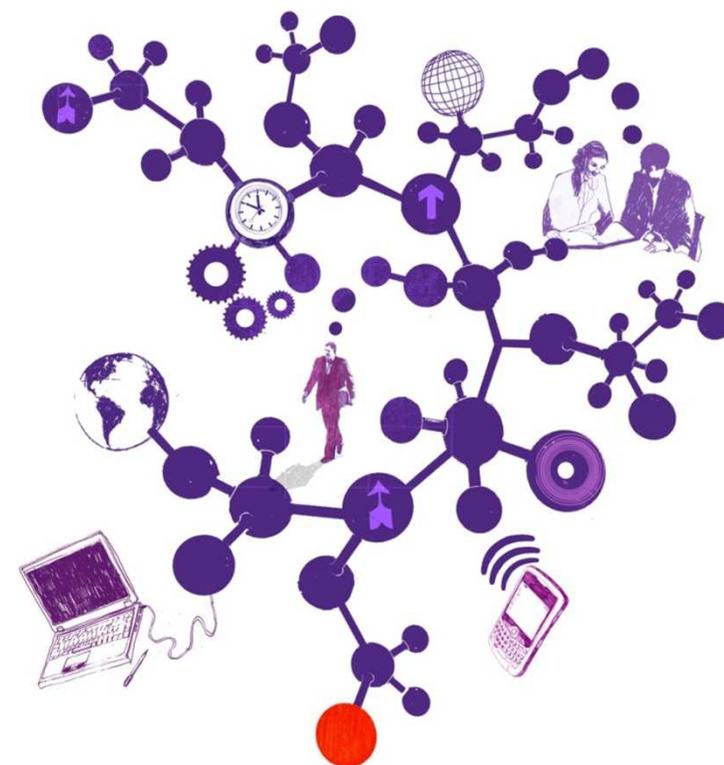
Year ended 31 March 2013

31 March 2013

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

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Executive Summary

Our approach

Value for Money Conclusion

Our work supporting our Value for Money (VfM) conclusion, as part of the statutory external audit, includes a review to determine if the Council has proper arrangements in place for securing financial resilience.

In so doing we have considered whether the Council has robust financial systems and processes in place to manage its financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future. We have carried out our work in discussion and agreement with officers and completed it in such a way as to minimise disruption to them.

The definition of foreseeable future for the purposes of this financial resilience review is 12 months from the date of this report.

We have reviewed the financial resilience of the Council by looking at:

- Key indicators of financial performance;
- Its approach to strategic financial planning;
- Its approach to financial governance; and
- Its approach to financial control.

Further detail on each of these areas is provided in the sections of the report that follow. Our overall conclusion is that whilst the Council faces financial challenges ahead with significant reductions in future government funding its current arrangement for securing financial resilience are good.

We have used a red/amber/green (RAG) rating with the following definitions.

Green	Arrangements meet or exceed adequate standards. Adequate arrangements identified and key characteristics of good practice appear to be in place.
Amber	Potential risks and/or weaknesses. Adequate arrangements and characteristics are in place in some respects, but not all. Evidence that the Council is taking forward areas where arrangements need to be strengthened.
Red	High risk: The Council's arrangements are generally inadequate or may have a high risk of not succeeding

Executive Summary

National and Local Context

National Context

The Chancellor of the Exchequer announced the current Spending Review (SR10) to Parliament on 20 October 2010. SR10 represented the largest reductions in public spending since the 1920's. Revenue funding to local government was to reduce by 19% by 2014-15 (excluding schools, fire and police). After allowing for inflation, this equates to a 28% reduction in real terms with local government facing some of the largest cuts in the public sector. In addition, local government funding reductions were frontloaded, with 8% cash reductions in 2011-12. This followed a period of sustained growth in local government spending, which increased by 45% during the period 1997 to 2007.

The Chancellor of the Exchequer, in his Autumn Statement in November 2011, announced further public spending reductions of 0.9% in real terms in both 2015-16 and 2016-17. In his Autumn Statement on 5 December 2012, the Chancellor reinforced austerity measures announcing a further £6.6bn of savings during 2013-14 and 2014-15. Whilst health and schools will be continue to be protected in line with the Government's policy set out in SR10, local government will continue to face significant funding reductions. The Department for Communities and Local Government will contribute £470m of these additional savings, £445m of which will come from local authority funding during 2014-15, with local authorities being exempt from additional savings in 2013-14. In his March 2013 Budget the Chancellor announced further departmental 1% saving during 13/14 and 14/15. The NHS and schools remain protected, but police and local government will need to find an additional 0.5% over both years.

The next spending review period, 2015-16, was announced by the Chancellor on 26 June 2013. Local government will face a further 10% funding reduction for this period.

These funding reductions come at a time when demographic and recession based factors are increasing demand for some services, and there is a decreasing demand for some services, such as car parking, where customers pay a fee or charge.

Financial austerity is expected to continue until at least 2017.

Local Context

Trafford Council is one of the 10 Local Authorities in the Greater Manchester Region and home to over 220,000 people. Located between Cheshire, Manchester Airport and the City of Manchester, the borough covers 41 square miles and a number of towns including Stretford, Sale, Altrincham, Partington and Urmston. Well known for sporting venues such as Manchester United Football Club & Museum, Lancashire County Cricket Club and Altrincham Football Club.

The Council has a below average net spend per head of population (2011-12 information), of £1,655 per head compared with an average of £1,704. (statistical nearest neighbours).

The Council has set a two year budget plan up to 2014-15. The Plan sets out the requirement to balance a budget gap of £38.9m with a combination of efficiencies, new income and reserves, changes to terms and conditions and other savings.

Executive Summary

Overview of Arrangements

Risk area	Summary observations	High level risk assessment
Key Indicators of Performance	Review against key performance indicators show that the Council is in a strong position. Our review of indicators of liquidity, long term borrowing, performance against budget, reserves balances and schools balances all rated the Council as green. This was based on information from 2011-12.	 Green
Strategic Financial Planning	The Council has agreed a budget plan for 2013-14 and 2014-15 and incorporated the revisions arising from the latest local government settlement. The Plan identified a requirement for £38.9m of savings over the two year period.	 Green
Financial Governance	The Council has a sound governance framework in place. This enables it to monitor the achievement of its strategic objectives and whether these have resulted in appropriate services and value for money. Through the planning and budget setting process, the Council's financial environment and financial performance is understood throughout the organisation. Members are actively engaged in the process. Clear and comprehensive reporting is undertaken at all levels and the Council has a good track record of delivering performance in line with budgets.	 Green
Financial Control	The Council has an effective system of internal control which is designed to identify and prioritise the risks to the Council and then manage and monitor these. Finance staff are experienced and appropriately qualified and the Council has maintained sound controls around the fundamental financial systems to ensure effective financial reporting throughout the year. The Council has an effective Internal Audit function and a good performance management framework, with regular monitoring of the achievement of corporate objectives through the Annual Delivery Plan.	 Green

Executive Summary

Next Steps

Area of review	Key points for consideration	Responsibility	Timescale	Management response
Key Indicators of Performance	<p>Trafford currently performs well in key areas of performance relative to statistical nearest neighbours. Faced with a continuing uncertain financial climate it will become even more critical to ensure that the Council has appropriate levels of reserves and that it closely monitors and manages its net assets position to underpin its financial resilience.</p>			
Strategic Financial Planning	<p>Trafford has recognised that with continuing government funding reductions it will be essential going forward to secure effective partnership working to enable scarce resources to be most effectively used. Trafford has set out its Partnership Vision for locality working through the development of Vision 2015. The development of robust partnerships as set out will be key to achievement of the best possible outcomes based on the collective resources available.</p>			
Financial Governance	<p>The need for robust governance and financial planning and management in local government is greater than ever. Trafford Council has robust systems in place to face these challenges. It will need to ensure that it continues to provide support to members to ensure effective challenge and decision making.</p>			

Executive Summary

Next Steps

Area of review	Key points for consideration	Responsibility	Timescale	Management response
Financial Control	The Council has continued to deliver Transformation Programme savings and at the end of 2012-13 had realised total savings for the year of over £12m. The Council is faced with the continuing challenge of finding further savings which will become increasingly difficult. It will be essential therefore to ensure that its savings plans are clearly communicated, link to specific policy decisions, and that the impact on service levels and quality is clearly identified and monitored.			

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Appendix - Key indicators of financial performance

Key Indicators

Introduction

This section of the report includes analysis of key indicators of financial performance, benchmarked where this data is available. These indicators include:

- Working capital ratio
- Long term borrowing to tax revenue
- Long term borrowing to long term assets
- Sickness absence levels
- Out-turn against budget
- Useable Reserves: Gross Revenue Expenditure
- Schools Reserves - Balances to DSG allocations

We have used the Audit Commission's nearest neighbours benchmarking group comprising the following authorities:

Bath and North East Somerset
Bedford Borough Council
Calderdale Metropolitan Borough Council
Cheshire East Council
Cheshire West and Chester Council
City of York Council
Darlington Borough Council
Derby City Council
Dudley Metropolitan Borough Council
Kirklees Metropolitan Borough Council
Peterborough City Council
Stockport Metropolitan Borough Council
Swindon Borough Council
Warrington Borough Council

Key Indicators

Overview of performance

Area of focus	Summary observations	Assessment
Liquidity	<p>The working capital ratio indicates whether a council has enough current assets, or resources, to cover its immediate liabilities. The Council's working capital ratio was 1.67 at 31 March 2013 (2.05 at 31 March 2012), a decrease of 0.35). Comparative information on liquidity from the Council's statistical nearest neighbours (up to 2011-12) shows the Council is performing well and is above the average of 1.15.</p> <p>The Council has also improved its Council Tax and National non-domestic rates (NNDR) collection rates in 2012-13. Collecting £90m Council Tax in 2012-13, a performance of 98.1% (97.8% in 2011-12) and £153m of NNDR, a performance of 97.9% (97.4% in 2011-12).</p>	 Green
Borrowing	<p>The Council's borrowing at 31 March 2013 was £103.4m (£100.7m in 2011-12) with £4m of this being due within 12 months.</p> <p>According to the Audit Commission nearest neighbour benchmark group for 2011-12, the Council showed it had a comparatively lower than average ratio of borrowing:</p> <ul style="list-style-type: none"> • Long term borrowing as a percentage of tax revenues was 0.69 (69%) in 2011-12, compared to an average of 1.43. • Long term borrowing as a percentage of long term assets was 0.24 (24%), compared to an average of 0.28. <p>The Council complied with treasury management and prudential indicators and benchmarks set for 2012-13.</p>	 Green
Workforce	<p>Across the Council, the average number of days lost to sickness absence for 2012-13 was 10.02 days. This is against a corporate target of 9 days per annum and an average of 9.93 days in 2011-12. In 2011-12 the average across Greater Manchester was (8.75 days) and the average across the public sector (8 days).</p> <p>The Council monitors all key performance statistics through its quarterly Annual Delivery Plan and has invested time to support managers manage sickness absence through training and coaching. It is now revising its strategy in key areas, including data accuracy, performance management and support and intervention address levels of sickness.</p>	 Amber

Key Indicators

Area of focus	Summary observations	Assessment
Performance Against Budgets: revenue & capital	<p>The Council has a good track record in achieving the revenue budget and managing financial performance.. The Council achieved an underspend against the final budget of £2.5m (1.6%) and achieved a budgeted savings and increased income target of £12.2m. The Council achieved this whilst facing continued austerity budgets and with increases in demand in children's and adult social care services.</p> <p>Capital expenditure for 2012-13 totalled £58m (or 95% of the controllable budget set). The variance against budget (of £5.6m) was mainly due to some slippage on schemes and re-profiling to 2013-14.</p>	 Green
Reserve Balances	<p>Total Usable Reserves at 31 March 2013 were £44.2m - a decrease of £12.7m over the previous year. Within these, the General Fund Reserve balance increased by £842k to £10.6m, Earmarked General Fund Reserves (excluding schools) decreased slightly by £327k to £23.6m, whilst the Capital Receipts Reserve reduced by £13.3m to £10m.</p> <p>When compared to the Audit Commission nearest neighbour benchmark group, the Council was the highest in terms of balances held compared to gross revenue expenditure at the 2011-12 year end (mainly due to a higher capital receipts reserves and lower gross revenue expenditure). The comparative data is not yet available for 2012-13.</p> <p>The Council considers and agrees each year its needs based strategy for levels of reserves, with a minimum General Fund Reserve set at £6m for 2013-14.</p>	 Green
Schools Balances	<p>The Audit Commission accepts that there will be some unspent Direct Schools Grant (DSG) at each year end which will be transferred to reserves but expects councils to ensure that the funding is spent on the current cohort wherever possible. The latest available data published by the Audit Commission, for 2011-12, shows that the Council has a higher than average level of unspent DSG allocation compared to its statistical nearest neighbour benchmark group in relation to year end balances held. However the School Reserves level at 31 March 2013 has reduced from £13.4 m to £9m due in part to transfer of schools to academy status and independent of the Council. At the 31 March 2013 the Council has four schools with a deficit balance totalling £127k.</p>	 Green

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Strategic Financial Planning

Key characteristics of good strategic financial planning

In conducting our review of strategic financial planning we have assessed the Council's performance against the following indicators:

- Focus on achievement of corporate priorities is evident through the financial planning process. The MTFP focuses resources on priorities.
- The MTFP includes outcome measures, scenario planning, benchmarking, resource planning and details on partnership working. Targets have been set for future periods in respect of reserve balances, prudential indicators etc.
- Annual financial plans follow the longer term financial strategy.
- There is regular review of the MTFP and the assumptions made within it. The Council responds to changing circumstances and manages its financial risks.
- The Council has performed stress testing on its model using a range of economic assumptions including CSR.
- The MTFP is linked to and is consistent with other key strategies, including workforce.
- KPIs can be derived for future periods from the information included within the MTFP.

Strategic Financial Planning

Medium Term Financial Strategy

Area of focus	Summary observations	Assessment
Focus of the MTFP	<p>The Council have set a two year Plan up to 2014-15 supplemented with further medium term planning through to 2018-19. The Council builds up its medium term plans using base budget assumptions to identify the budget gap and then develops budget proposals and efficiencies to bring this into balance.</p> <p>The Council finalised the two year Plan in March 2013 after public consultation on key decisions and approval by the Executive. The Plan sets out the requirement to balance a budget gap of £38.9m with a combination of efficiencies, new income and reserves, changes to terms and conditions and other savings.</p>	 Green
Adequacy of planning assumptions	<p>The Council has a good track record of setting a robust and stable budget, delivering significant efficiencies and good quality services within budget.</p> <p>The Council reviews the assumptions within its medium term plans as new information becomes available to mitigate against uncertainties in the level of future funding to be received from Government and the impact on savings required.</p>	 Green
Scope of the MTFP and links to annual planning	<p>The Council has produced a detailed two year Plan up to 2014-15 and set in place outline plans up to 2018-19 based on projections on future government funding and spending pressures.</p> <p>The Council has a robust scrutiny process in place to ensure proposals are effectively developed and agreed. The corporate management team and Executive meet to discuss budget proposals which are subject to further scrutiny throughout the budget process. The Overview and Scrutiny Committee reviewed the budget consultation with recommendations agreed for the Executive to provide on going progress reports on proposals and the impact on specific service delivery. The Council reviewed and refined the proposals leading up to the final approval by the Executive in March 2013.</p>	 Green

Strategic Financial Planning

Medium Term Financial Strategy

Area of focus	Summary observations	Assessment
Review processes	Medium term financial plans are continually reviewed and refined as detailed Government funding settlements become known. The Council's two year Plan offers a certain amount of stability in view of the challenging financial environment and funding decreases faced going forward.	 Green
Responsiveness of the Plan	<p>In developing its medium term plans the Council challenges directorates to develop detailed business cases to support their budget proposals which are then subject to challenge and review.</p> <p>The Council has invested in Procurement and Transformation Teams to focus on both transformational change and the delivery of efficiencies. From 2004 the Council has delivered £54m of permanent efficiencies with an emphasis on management and back office functions, reducing the impact on front line services. Going forward, however, with continued reductions in Government funding the Council has recognised that the delivery of further cost reductions will require them to identify new business models, appropriate partnerships and undergo further organisational change.</p>	 Green

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Financial Governance

Key characteristics of effective financial governance

In conducting our review of financial governance we have assessed the Council's performance against the following indicators:

Understanding

- There is a clear understanding of the financial environment the Council is operating within:
 - Regular reporting to Members. Reports include detail of action planning and variance analysis etc.
 - Actions have been taken to address key risk areas.
 - Officers and managers understand the financial implications of current and alternative policies, programmes and activities.

Engagement

- There is engagement with stakeholders including budget consultations.

Monitoring and review

- There are comprehensive policies and procedures in place for Members, Officers and budget holders which clearly outline responsibilities.
- Number of internal and external recommendations overdue for implementation.
- Committees and Cabinet regularly review performance and it is subject to appropriate levels of scrutiny.
- There are effective recovery plans in place (if required).

Financial Governance

Understanding and engagement

Area of focus	Summary observations	Assessment
Understanding the Financial Environment	<p>The Council has an effective budget monitoring process with detailed revenue and capital reporting to the corporate management team and Executive throughout the year. The Council delivers focused training and workshops to help ensure financial matters are understood at all levels and to raise awareness and understanding on key issues.</p> <p>In 2012-13 the Council agreed detailed training and development plans for each directorate and developed a member training plan based on individual personal development reviews.</p>	 Green
Executive and Member Engagement	<p>Members are actively engaged in the development of detailed budget proposals.</p> <p>The Council effectively project manages the development and refinement of detailed budget proposals through a programme of budget workshops with members. A series of Executive and Scrutiny workshops focus on key decisions including feedback from consultation in arriving at final proposals.</p>	 Green
Overview for controls over key cost categories	<p>Progress against savings plans are reported throughout the year.</p> <p>The revenue and capital budget position is reported to the corporate management team and Executive throughout the year and provides information regarding the delivery of savings and actions required going forward.</p>	 Green
Budget reporting: revenue and capital	<p>Budget reporting is robust and comprehensive for both Revenue reporting and Capital programme reporting. The reports include a high level summary with key variances and progress against budget and savings. Detailed annexes include the position by directorate.</p>	 Green
Adequacy of other Committee/ Cabinet Reporting	<p>The Council has effective scrutiny arrangements. Reports are provided regularly to the Overview and Scrutiny Committee who provide a further level of challenge, alongside reviewing any impact on service performance.</p>	 Green

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Financial Control

Key characteristics of effective financial control

In conducting our review of financial control we have assessed the Council's performance against the following indicators:

Budget setting and budget monitoring

- Budgets are robust and prepared in a timely fashion.
- Budgets are monitored at an officer, member and Cabinet level and officers are held accountable for budgetary performance.
- Financial forecasting is well-developed and forecasts are subject to regular review.

Savings Plans

- Processes for identifying, delivering and monitoring savings plan schemes are robust, well thought through and effective.

Financial Systems

- Key financial systems have received satisfactory reports from internal and external audit.
- Financial systems are adequate for future needs.

Finance Department

- The capacity and capability of the Finance Department is fit for purpose.

Internal Control

- There is an effective internal audit which has the proper profile within the organisation. Agreed Internal Audit recommendations are routinely implemented in a timely manner.
- There is an assurance framework in place which is used effectively by the Council and business risks are managed and controlled.

Financial Control

Internal arrangements

Area of focus	Summary observations	Assessment
Budget setting and monitoring - revenue and capital	<p>The Council has an effective business planning and budget setting process, which includes consultation with stakeholders and rigorous review and challenge by Members.</p> <p>The Council manages budgets well and this is evidenced by a good track record in achieving the overall budget and taking action on any overspends identified in year.</p> <p>Through the business planning process, the Council has a good understanding of its costs and performance and considers different ways of achieving savings through service redesign and activity monitoring to identify areas where services can be provided more effectively and efficiently.</p> <p>The Council has an effective Treasury Management strategy in place which is reported regularly to the Accounts and Audit Committee.</p>	 Green
Performance against Savings Plans	<p>The Council has a good track record of achieving savings targets and meeting its budget.</p> <p>During 2012-13 the Council delivered its budgeted savings target and increased income of £12.2m. It has developed detailed proposals to meet a budget gap of £21.7m in 2013-14 and a robust planning process in place to identify savings to meet a further £17.2m gap in 2014-15.</p>	 Green
Key Financial Accounting Systems	<p>The Council has sound financial systems to support effective financial reporting. Internal Audit concluded in their Internal Audit Opinion for 2012-13 that the overall control environment at the Council operates to a satisfactory standard. Internal Audit found that controls were adequate and effective in most areas based on reviews of fundamental financial systems and across other areas of governance examined during the year. Improvements plans with follow up actions were agreed for those areas where improvements were recommended. Findings from our external audit work on financial accounting systems identified no significant weaknesses.</p>	 Green

Financial Control

Internal and external assurances

Area of focus	Summary observations	Assessment
Finance Department Resourcing	<p>The Council has experienced managers and staff within its Finance Department. Staff responsible for the production of the accounts, and monthly finance and monitoring reports are all appropriately trained, and experienced. This has resulted in the preparation of timely and good quality accounts over the last few years.</p>	 Green
Internal audit arrangements	<p>The Council has an effective in-house Internal Audit function provided by the Audit and Assurance Service which fully complies with CIPFA standards. The Internal Audit plan is agreed at the start of each year by the Accounts and Audit Committee who provide robust challenge on the proposed coverage and scope of planned work.</p> <p>Internal Audit provide detailed and regular progress monitoring and assurance reports to the Audit Committee during the year. The annual Internal Audit report prepared at each year end summarises the overall findings on the work completed which forms part of the overall evidence supporting the Council's annual governance statement.</p>	 Green
External audit arrangements	<p>External audit have regular liaison meetings with the Director of Finance, Head of Legal Services and other senior officers. These meetings include detailed finance and budget updates and potential emerging areas of risk. Ad-hoc finance meetings are also scheduled as appropriate to ensure issues are effectively communicated.</p> <p>The external audit engagement lead and audit manager attend Accounts and Audit Committee meetings which provide independent assurance on the adequacy of the Council's overall governance framework, and independent scrutiny of performance and financial reporting.</p>	 Green
Assurance framework/risk management	<p>The Council has an established Risk Management Policy and Strategy which it updated during 2012-13. Corporate Directorates maintain risk registers on an on going basis and the Council's strategic risk register contains the strategic medium to long term risks.</p> <p>The Council identifies and monitors the key risks to the achievement of the Council's objectives by a process of update and review of its strategic risk register throughout the year. Quarterly reports setting out risks and key developments are monitored by the Transformation, Performance and Resources Group and the Corporate Management Team. In addition the Accounts and Audit Committee are provided with six monthly updates.</p>	 Green

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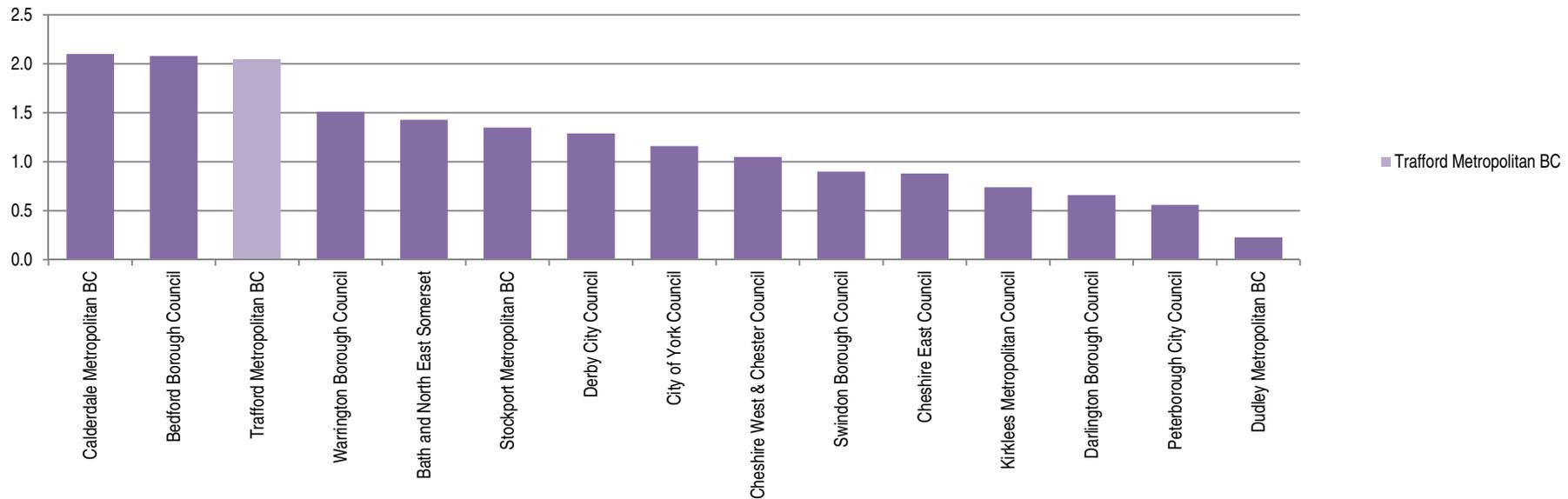
Key Indicators of Financial Performance

Working Capital Ratio 2011-2012

Definition The working capital ratio indicates whether a council has enough current assets, or resources, to cover its immediate liabilities. i.e. those liabilities to be met over the next twelve month period. A ratio of less than one - i.e. current liabilities exceed current assets - indicates potential liquidity problems. It should be noted that a high working capital ratio isn't always a good thing; it could indicate that an authority is not effectively investing its excess cash.

Findings The Council has the third highest working capital ratio (2.05) at 31 March 2012. This compares to an average of 1.15 for the Audit Commission nearest neighbour benchmark group for liquidity.

Working Capital ratio - 2011-12

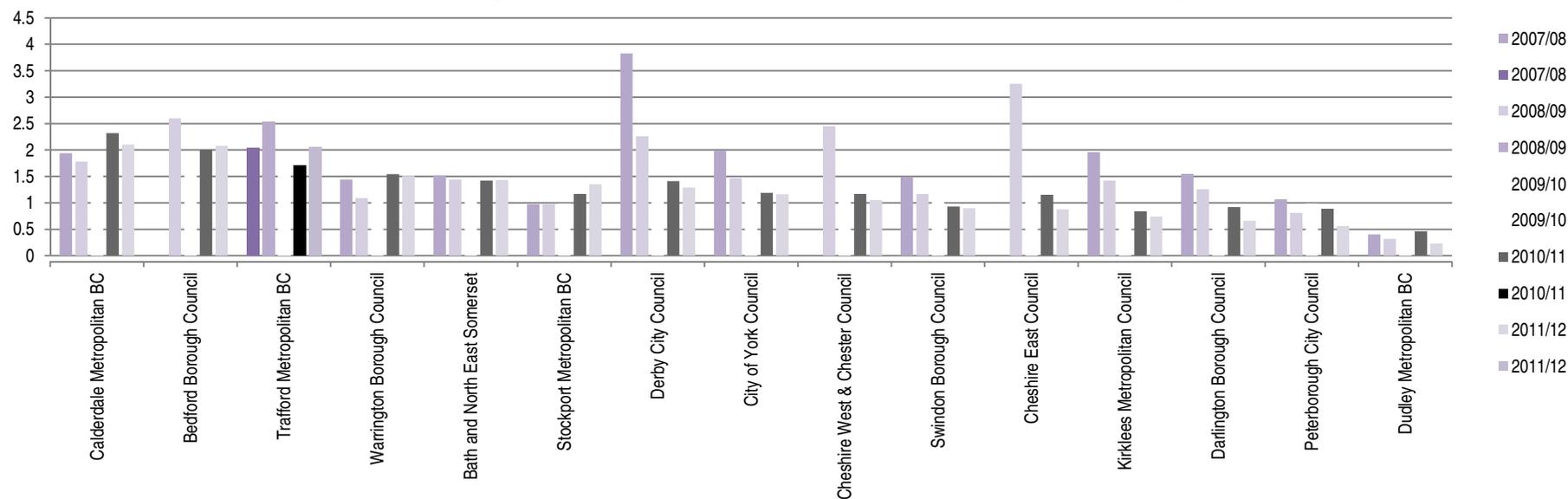


Key Indicators of Financial Performance

Working Capital Ratio Trend

Findings The Council's working capital ratio has remained fairly stable over the last 5 years. It is the third highest in 2011/12 at 2.05 compared with the Audit Commission nearest neighbour benchmark group.

Working Capital Ratio - trend [in order of 2011-12 value]



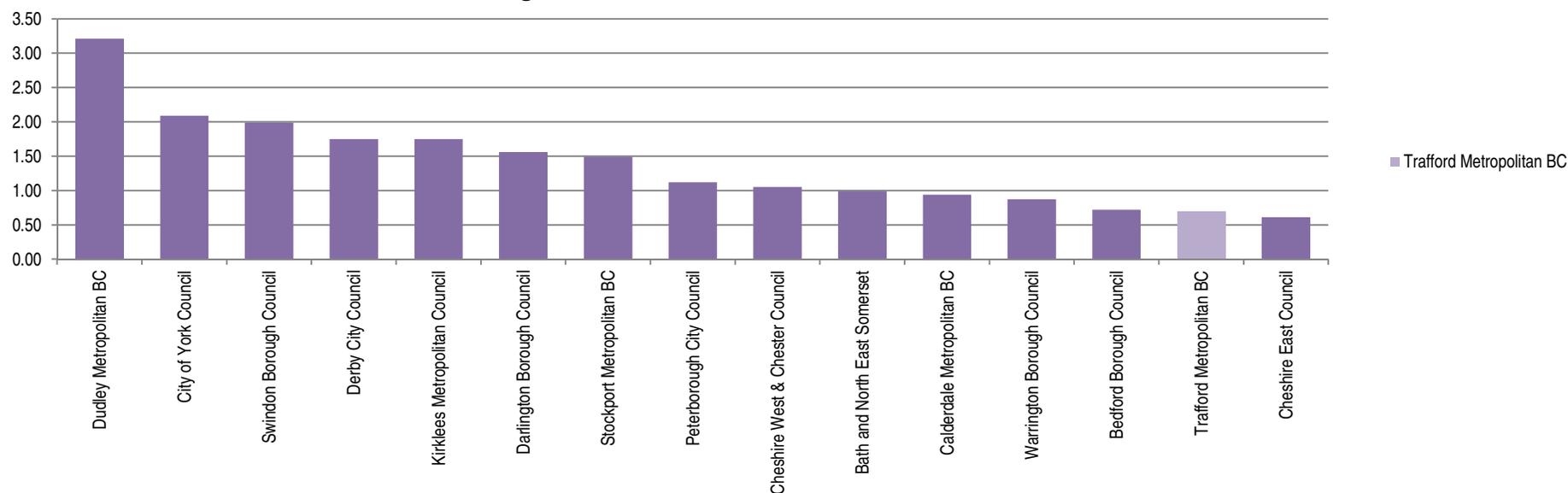
Key Indicators of Financial Performance

Long Term Debt to Tax Ratio 2011-2012

Definition The long term debt to tax ratio indicates the percentage of long term borrowing as a share of tax revenue. A ratio of more than one means that long term borrowing exceeds council tax revenue.

Findings The Council has a lower level of long term borrowing as a percentage of tax revenues (69%) when compared with the Audit Commission nearest neighbour benchmark group (average 143%) as at 31 March 2012. It has the second lowest level of long term debt within the statistical group.

Long Term Debt to Tax Revenue ratio 2011-12

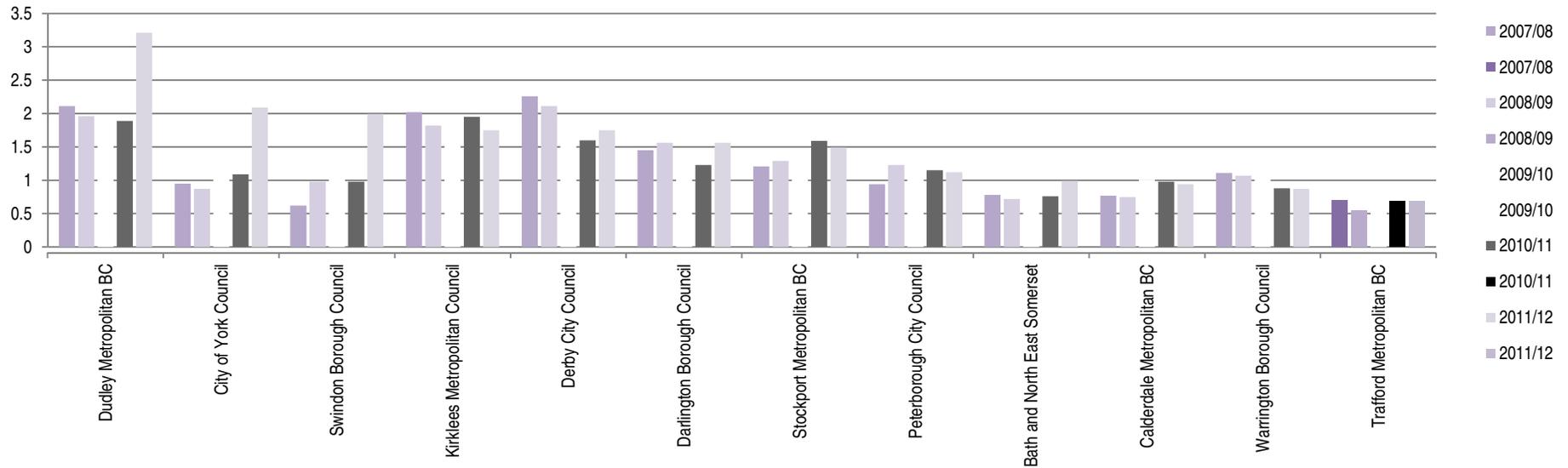


Key Indicators of Financial Performance

Long Term Debt to Tax Trend

Findings The Council historically has lower levels of debt when compared with the Audit Commission nearest neighbour benchmark group. This has remained fairly stable in relation to tax revenue over the period.

Long Term Debt to Tax Revenue ratio - trend [in order of 2011-12 value]



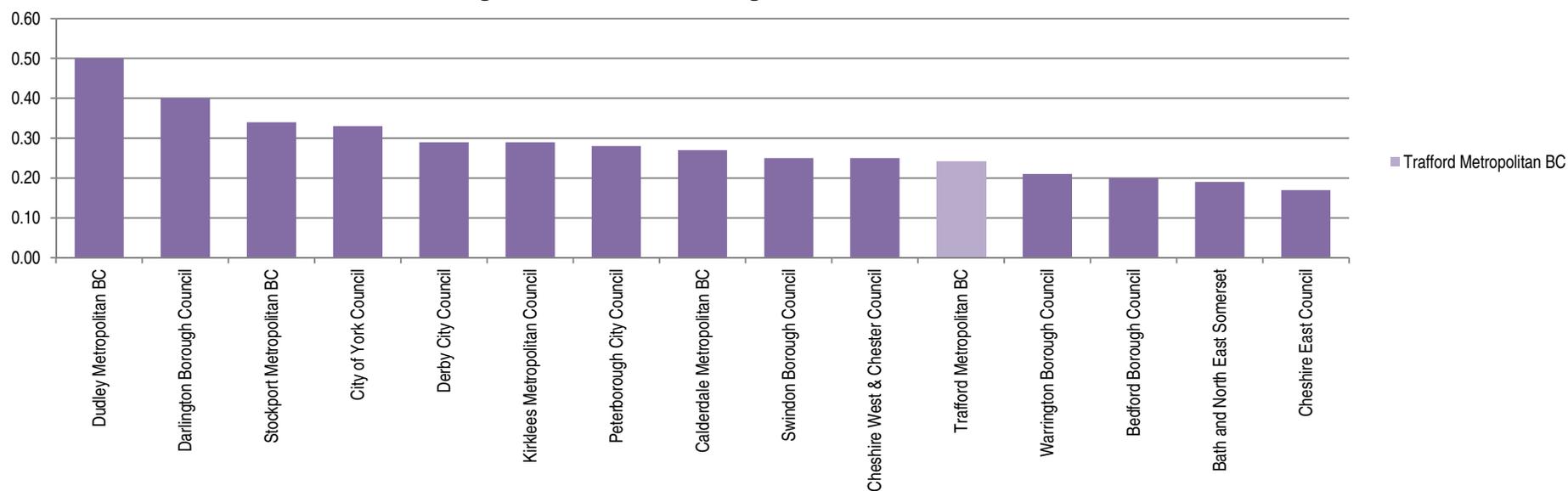
Key Indicators of Financial Performance

Long Term Debt to Long Term Assets 2011-2012

Definition The long term debt to long term assets ratio shows the relationship between long term debt as a percentage of long term assets.

Findings The Council's long term debt to asset ratio was 24% at 31 March 2012. This compares to an average of 28% for the Audit Commission nearest neighbour benchmark group. It is the fifth lowest in the statistical group.

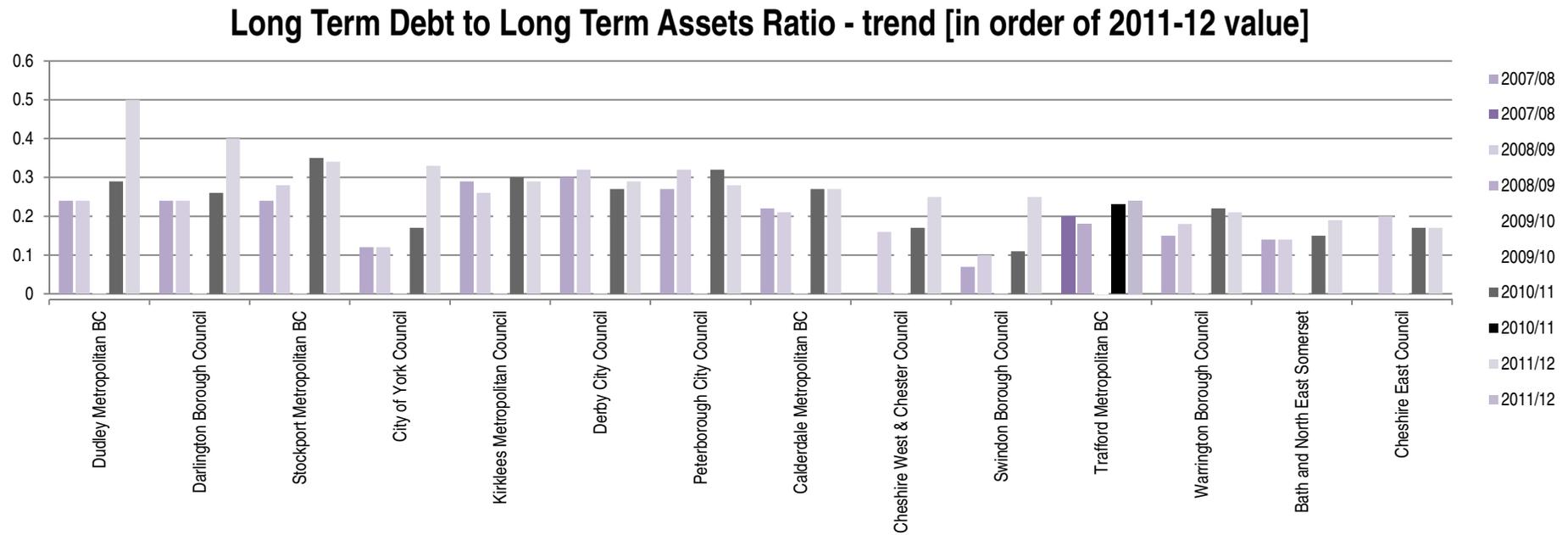
Long Term Debt to Long Term Assets ratio 2011-12



Key Indicators of Financial Performance

Long Term Debt to Long Term Assets Trend

Findings The relationship between long term debt and long term assets has historically remained stable over the previous 5 year period..



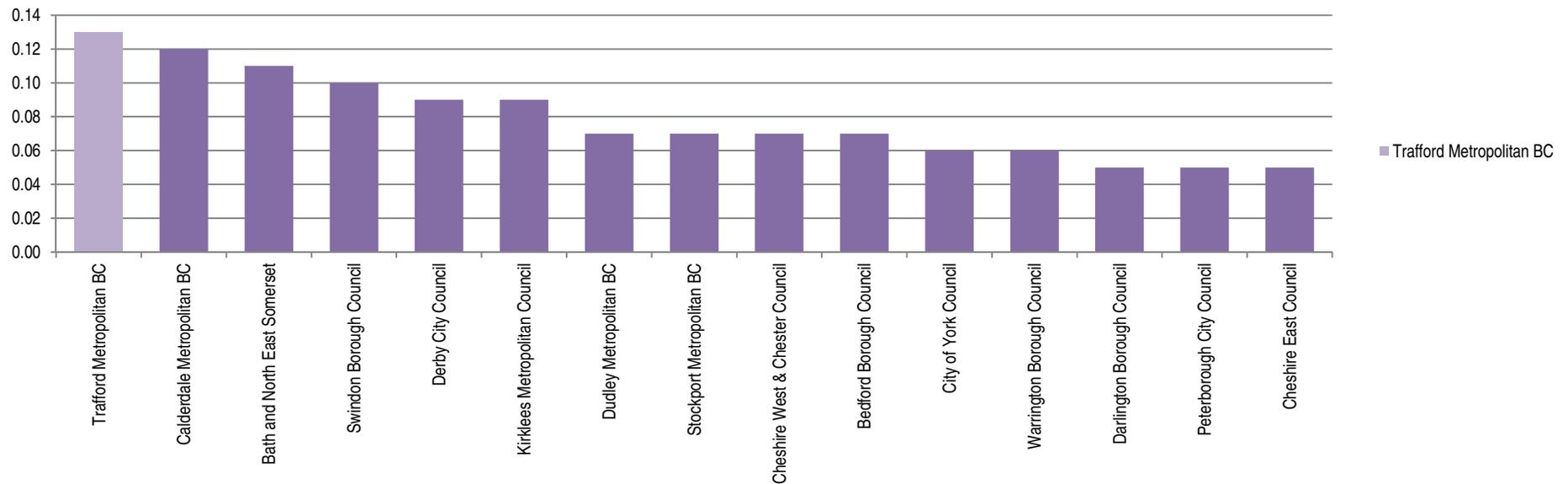
Key Indicators of Financial Performance

Usable Reserves to Gross Revenue Expenditure 2011-2012

Definition The ratio shows the level of useable capital and revenue reserves as a share of expenditure. A ratio of 1 indicates reserves match expenditure.

Findings The Council has the highest level of reserves comparative to levels of expenditure across the statistical group.

Usable Reserves to Gross Revenue Expenditure ratio 2011-12

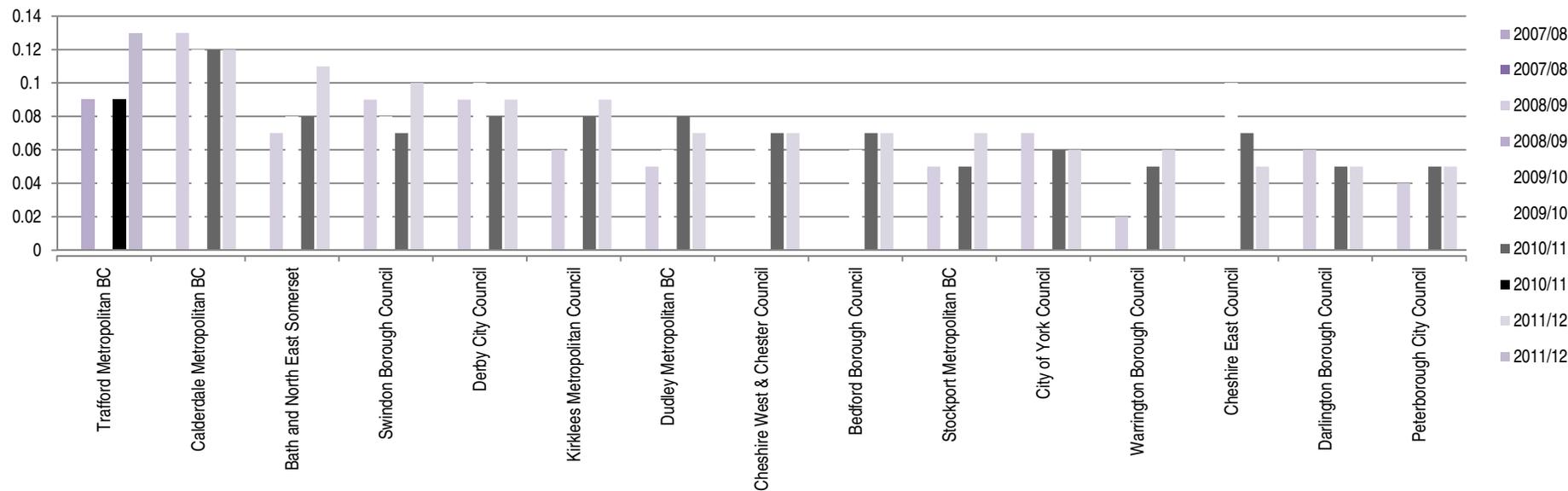


Key Indicators of Financial Performance

Usable Reserves to Gross Revenue Expenditure Trend

Findings Trafford's useable reserves have increased in 2011-12 and are now the highest compared to its statistical neighbours.

Usable Reserves to Gross Revenue Expenditure ratio - trend [in order of 2011-12]



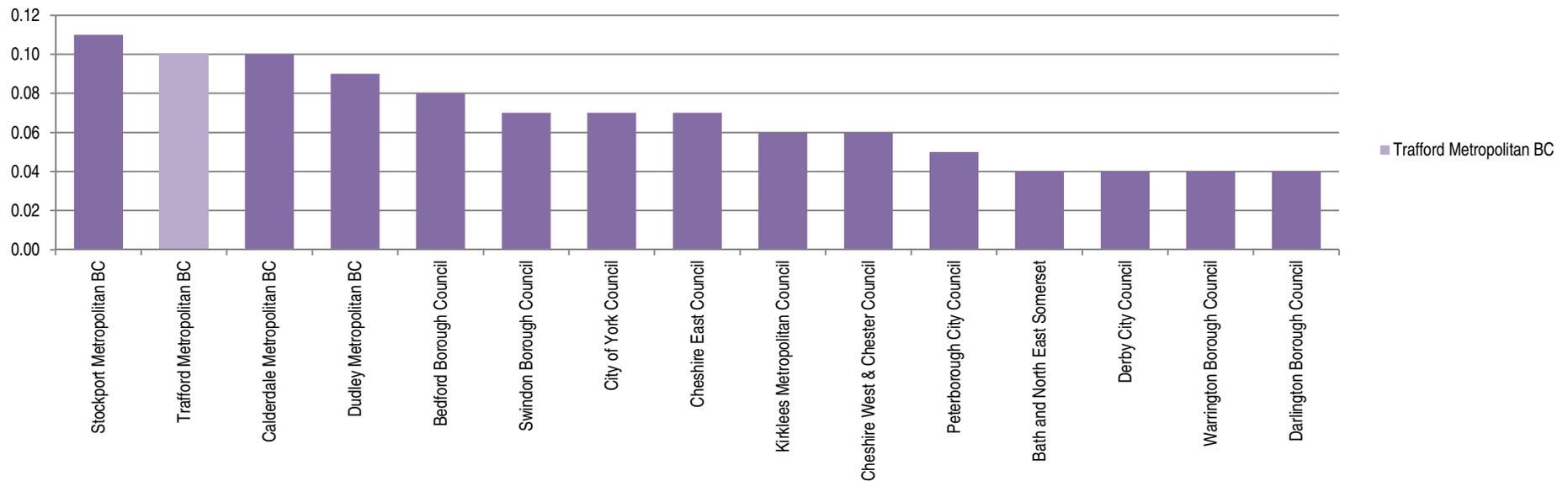
Key Indicators of Financial Performance

Schools Balances to Dedicated Schools Grant 2011-2012

Definition The ratio shows the share of schools balances in relation to the total dedicated schools grant (DSG) allocation received for the year.

Findings Trafford has a higher than average level of unspent DSG allocation at the end of the year (10%), compared to a statistical average of 7%. This is the second highest in the group.

Schools Balances to Dedicated Schools Grant ratio 2011-12

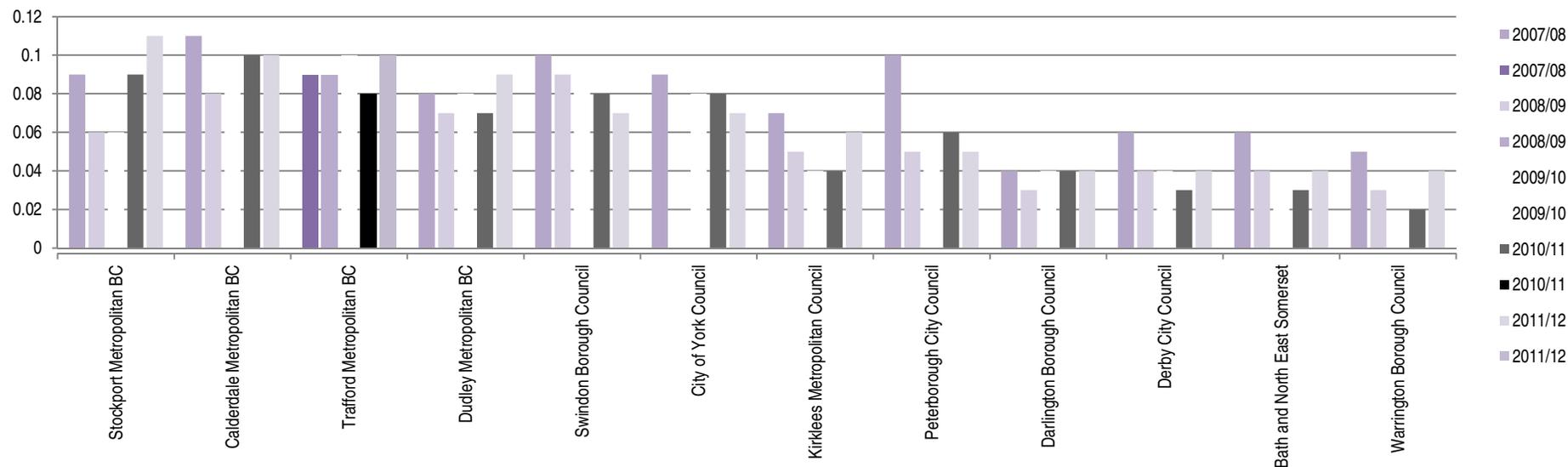


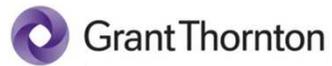
Key Indicators of Financial Performance

Schools Balances to Dedicated Schools Grant Trend

Findings Trafford's unspent level of DSG has increased in 2011-12 and is now second highest compared to its statistical neighbours.

Schools Balances to Dedicated Schools Grant ratio - trend [order of 2011-12]





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