

TRAFFORD COUNCIL

Report to: Executive

Date: 24 February 2014

Report for: Information

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

Report Title:

Revenue Budget Monitoring 2013/14 – Period 9 (April to December 2013).

Summary:

The approved revenue budget for the year is £159.003m. The forecast for the end of the year, as projected following nine months of activity, is £156.762m being a net underspend of £(2.241)m, (1.4)% of the budget. This is a favourable movement of £(0.049)m on the previous month.

In addition, the Learning Disability Recovery plan is forecasted to achieve £(0.6)m of in-year cash savings. The main areas of budget variance are summarised as:

Activity	Forecast £m	Movement £m
Vacancy management & control	(1.2)	(0.1)
Social Services demand led budgets	1.3	-
Projects/savings rescheduling	0.3	-
Running costs	0.1	(0.1)
New Grant	(0.2)	-
Income	(0.6)	0.3
Service Outturn	(0.3)	0.1
Additional Airport dividend	(1.3)	-
Other Council-wide budgets	(0.6)	(0.1)
Forecasted outturn	(2.2)	(0.0)
Learning Disability Pool	(0.6)	(0.1)

Reserves

The forecast level of General Reserve at year end is £(11.1)m or £(8.7)m if the NDR Safety Net requirement is triggered (see paragraph 9). Deducting future planned commitments the long term balance is £(6.6)m, or £(0.6)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 £1.8m, plus a net underspend of £(0.3)m, the projected carry forward is £(2.1)m. The Learning Disability Pool reserve had an adverse brought forward balance of £1.5m, which will be reduced by the recovery plan in-year to £0.9m, with a view to full recovery by the end of next year.

Council Tax

There is an in-year forecasted Council Tax surplus, of £(0.887)m, a favourable movement of £(0.015)m since the last report.

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:.....JL

Signature: Appended in hard copy.

Budget Monitoring - Financial Results

- The approved budget is £159.003m. Based on the budget monitoring for the first 9 months of the year, the overall forecast for the year is £156.762m, being an underspend of £(2.241)m, (1.4)%. Included within this total is a net service underspend of £(0.316)m or (0.2)% of the relevant budget, and underspends in Council-Wide budgets of £(1.925)m or (8.2)% of the relevant budget.
- The Learning Disability (LD) Pool recovery plan is forecasted to achieve £(0.582)m or (2.9)% 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	162	0.3%	174	1
Environment, Transport & Operations	54	0.2%	(39)	2
Economic Growth & Prosperity	-	0.0%	-	3
Transformation & Resources	(532)	(2.6)%	(108)	4
Total Service Variances	(316)	(0.2)%	27	
Council-wide budgets	(1,925)	(8.2)%	(76)	5
Estimated outturn variance (period 9)	(2,241)	(1.4)%	(49)	
Learning Disability Pool	(582)	(2.9)%	(67)	1
Total Forecasted outturn	(2,823)	(1.8)%	(116)	

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)
Supporting Children & Families	83	0.3%	254
Education	177	2.6%	(3)
Adult Social Services	(98)	(0.3)%	(77)
Community Health & Wellbeing	-	0.0%	-
Highways & Environment	54	0.2%	(39)
Safe and Strong Communities	23	1.1%	(2)
Economic Growth & Prosperity	-	0.0%	-
Transformation & Resources	(333)	(2.3)%	(72)
Finance	(2,147)	(7.8)%	(110)
Estimated outturn variance (period 9)	(2,241)	(1.4)%	(49)
Adult Social Services (LD Pool)	(582)	(2.9)%	(67)
Total Forecasted outturn	(2,823)	(1.8)%	(116)

Key Month on Month Variations

- The key variances contributing to the period movement of a favourable £(0.049)m are:
 - £0.378m Adoption Placement income. This relates to eleven Adopters who are now expected to be approved in the last quarter of the financial year and so will only generate 2013/14 budgeted income in 2014/15;

- £(0.188)m reduction in adoption agency fees due to a lower number of placements than previously expected;
- £(0.148)m additional savings identified across the Transformation & Resources Directorate from staff vacancies and higher income levels;
- Other minor net movements across all other services, £(0.091)m.

In addition there has been a favourable movement of £(0.067)m in the 2013/14 underspend in the Learning Disability Pooled fund to £(0.582)m.

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	(8,005)	(7,981)	24
Other savings	(10,515)	(10,515)	
Total	(18,520)	(18,496)	24

5. There has been slippage on savings in Telecare £0.115m due to delays in the implementation of medical dispensers, Enforcement £0.232m due to additional staff consultation and Establishing the Strategic Procurement Unit with Partners £125k where savings will not be achieved until February. However, sustainable savings will be achieved on these projects and alternative in-year savings/ use of reserves have been identified for 2013/14 to mitigate any savings shortfall.
6. The Home to School Transport saving is projected to have a shortfall of £175k in 2013/14 and alternative sustainable savings for 2014/15 have not yet been identified. In-year savings across CFW will mitigate the shortfall in 2013/14 but are excluded from the figures above. Revenues & Benefits savings are forecast to exceed budget by £(150)k.

Council Tax

7. There have been a number of regulatory changes impacting on Council Tax collection, in particular the introduction of the Council Tax Support Scheme and the ability to move from a 10-month to a 12-month payment plan. After taking such matters into account, this year's collection performance of 86.52% to the end of December is reasonably comparable to last year's figure of 87.58%.
8. Overall, the current end of year total revenue forecast is for an additional £(887)k of Council Tax above budgeted levels, which is a favourable monthly movement of £(15)k. The variances are detailed in the table below.

Table 4: Council Tax forecast and surplus estimate for 2013/14	Overall (with all precepts)		Trafford element only	
	£(000's)	£(000's)	£(000's)	£(000's)
Surplus brought forward		(6)		(5)
Changes in Band D equivalents	(428)		(360)	
Empty Homes Premium	(160)		(135)	
Council Tax Support awards	(794)		(669)	
Backdated valuations & discounts	329	(1,053)	277	(887)
Surplus carry forward		(1,059)		(892)

Business Rates

9. The Valuation Office Agency has provided a quarterly update on the level of appeals as at 31st December 2013, this shows that the amount of appeals has reduced from £150m to £137m, largely as a result of appeals outstanding being settled. The cost of settled appeals including any backdated costs, plus the requirement to establish a provision for the remaining outstanding appeals, is likely to result in the Council falling significantly below its baseline in 2013/14. This shortfall will subsequently trigger the Government safety net and require the Council to make a contribution of £2.4m, which has been set aside within the General Reserve as shown in Table 5 below.

Reserves

10. The General Reserve balance brought forward was £(10.6)m, against which there are planned commitments up to the end of 2014/15 of £4.0m.
11. The addition of the Council-Wide underspend of £(1.9)m, a one-off Waste Levy refund of £(0.5)m and the potential trigger of the NDR safety net detailed in paragraph 9 above of £2.4m provides for a projected 31 March 2015 balance of £(6.6)m, being £(0.6)m above the agreed minimum level of £(6.0)m. The utilisation of reserves is a consideration of the 2014/15 budget and medium term financial planning process.

Table 5: General Reserve Movements	(£000's)
Balance 31 March 2013	(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	1,019
- Waste Levy refund (one-off)	(538)
- Council-wide budgets underspend	(1,925)
- Potential trigger of Safety Net (paragraph 9)	2,386
Balance 31 March 2014	(8,697)
- Planned use for 2014/15 Budget	2,094
Projected balance after known commitments	(6,603)

12. 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 £(2.133)m to be carried forward to 2014/15 (Table 6). There is also an outstanding balance on the Learning Disability Pool of £0.890m, however, there is a recovery plan to bring the pool back into balance by the end of 2014/15 (see Annex 1).
13. The use of Service reserve balances during the year is detailed in Annexes 1 to 4 of the report. However the main highlights include :
- invest to save projects in CFW of £0.622m;
 - £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 £0.177m and £0.185m set aside for Land Charges Claims.

	B/f April 2013 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Table 6: Service balances			
Children, Families & Wellbeing	(1,427)	830	(597)
Environment, Transport & Operations	(439)	291	(148)
Economic Growth & Prosperity	(312)	312	0
Transformation & Resources	(1,389)	1	(1,388)
Total All Services (Surplus)/Deficit	(3,567)	1,434	(2,133)
Learning Disability Pool	1,472	(582)	890
Total (Surplus)/Deficit	(2,095)	852	(1,243)

Recommendations

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

TRAFFORD MBC

Report to: CFW Directorate Management Team
Date: 23 January 2013
Report for: Discussion
Report author: CFW Finance Managers

Report Title

**Revenue Budget Monitoring 2013/14 – Period 9
 (April 2013 to December 2013 inclusive)**

1 Outturn Forecast

- 1.1 The approved revenue budget for the year is £82.600m. The projected outturn is £82.180m which is £(0.420)m under the approved budget (0.51%), a £0.107m adverse movement from the November forecast.
- 1.2 The £107k net adverse movement in the month is a result of:
- £(47)k favourable movement in staff costs across the Directorate
 - £378k adverse movement in Adoption Placement Income. The Adoption team will have recruited thirty-nine prospective adopters in 2013/14. Five of these adopters have been used for places for our own children which has saved £143k inter-agency fees. Of the thirty-nine adopters recruited, eleven will be approved in the last quarter of the financial year and so will generate income in 2014/15.
 - £(203)k favourable movement in care package and commissioned services costs, consisting of a £(144)k favourable movement in Adult Social Care and £(19)k in Children's Care
 - £(21)k favourable movement in other running costs.

2 Explanation of Variances

- 2.1 The forecast outturn variances are summarised below by Portfolio, with more detail at Appendix 1.

Supporting Children & Families and Education Portfolios - £251k adverse movement.

- Despite a number of actions to reduce demand and the cost of placements, there has been an increase in client numbers generating a net overspend of £582k in external placement costs and £42k of internal costs (staffing £72k, adoption fees £(111)k and other running costs £81k). This has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(10)k.
- There is an anticipated surplus of adoption income of £(45)k. This is being generated through the approval of 35 adopters and their use by other Local

Authorities for which we can charge £(27)k per placement. However, the activity supporting the identification of suitable families is supported by grant that cannot be guaranteed in the long term.

- Commissioning service projected underspend of £(117)k from staff savings and other variances.
- Education and Early Years' service predicted overspend of £177k: Home to School transport pressure of £516k, vacant staff posts totalling £(114)k, additional income of £(244)k and other variances £19k, and
- Children's Centres projected underspend of £(146)k, relating to staffing.

Adult Social Care Portfolio - £(77)k favourable movement

- A decrease of £(42)k in Older People residential placements (8).
- A decrease of £(48)k in the Physical Disabilities residential placements
- Other minor adverse variances of £13k in Support and Other Services.

Learning Disabilities (LD) Pooled Budget - £(67)k favourable movement

- A decrease in placement costs of £(67)k.

- 2.2 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 effectiveness of the plans on the reduction in demand is currently being analysed and assessed.

3 Learning Disabilities Pooled Fund

- 3.1 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. The 2013/14 target is for an outturn balance of £900k. The projected outturn is £890k.
- 3.2 The Deputy Corporate Director has re-phased the recovery plan, and included additional initiatives:
- A review of all existing and projected placements
 - 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
- 3.3 The updated plan is shared with the Trafford Clinical Commissioning Group (CCG), which replaced 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.

4 Service carry-forward reserves

- 4.1 At the beginning of April 2013 the Children, Families and Wellbeing Directorate had accumulated balances of £(1,427)k carried forward from previous financial years.
- 4.2 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	622
Specific expenditure committed from 2012/13	46
P9 Forecast Outturn	162
Balance carried forward at 31 March 2014	(597)
Specific Expenditure committed 2014-15 re Adoption Reform Grant and other commitments	245

Table 2: Utilisation of Carry forward Reserve 2013/14 – Learning Disabilities Pooled Fund	(£000's)
Balance brought forward 1 April 2013	1,472
P9 Forecast outturn cash movement	(582)
Balance carried forward at 31 March 2014	890

- 4.3 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.

5 Management Action

- 5.1 Key to the delivery of the budget is management of demand, placement costs and delivery of the Learning Disabilities Pooled Fund Recovery Plan. The Directorate will focus on
- Monitoring the impact of the changes in activity and discharges from services seen in period 9. Putting in place action to mitigate the budget pressure.
 - Delivery of 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
 - Continuous review of all placements to ensure the most effective provision is made

Period 9 Projected 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)	P9 Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 – P9 movement (£000's)	Ref
Education Portfolio						
Dedicated Schools Grant	0	0	0	0	0	CFW1
Transfer to Dedicated Schools Grant Reserve	0	0	0	0	0	CFW1
Education Early Years' Service	6,937	7,114	177	180	(3)	CFW5
Sub-total	6,937	7,114	177	180	(3)	
Supporting Children & Families Portfolio						
Children's Social Services	15,214	15,690	476	206	270	CFW2
Children with Complex & Additional Needs	2,023	1,918	(105)	(94)	(11)	CFW2
Commissioning	1,712	1,595	(117)	(140)	23	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,489	1,527	38	33	5	CFW6
Youth Offending Service	527	464	(63)	(50)	(13)	CFW7
Children's Centres	2,174	2,028	(146)	(126)	(20)	CFW4
Youth Service	1,430	1,430	0	0	0	
Sub-total	24,569	24,652	83	(171)	254	
Adult Social Services Portfolio						
Older People	20,250	20,009	(241)	(199)	(42)	CFW8
Physical Disabilities	4,194	4,066	(128)	(80)	(48)	CFW9
Equipment & Adaptations	801	772	(29)	(29)	0	CFW10
Mental Health	3,416	3,716	300	294	6	CFW11
Other Adult Services	746	739	(7)	(14)	7	CFW12
Strategic & Support Services	896	910	14	14	0	CFW13
Adaptations	(52)	(52)	0	0	0	

Housing Services	1,247	1,271	24	24	0	CFW14
Community Services	251	255	4	4	0	CFW15
Equalities & Diversity	184	149	(35)	(35)	0	CFW16
Sub-total	31,933	31,835	(98)	(21)	(77)	
Community Health & Wellbeing Portfolio						
Public Health	(862)	(862)	0	0	0	
Sub-total	(862)	(862)	0	0	0	
Total	62,577	62,739	162	(12)	174	
Learning Disabilities Pooled Fund	20,023	19,441	(582)	(515)	(67)	CFW17
Total	82,600	82,180	(420)	(527)	107	

Business Reason / Area (Subjective analysis)	P9 Outturn (£000's)	P8 Outturn (£000's)	P8-P9 movement (£000's)	Ref
DSG Reserve				
DSG Reserve B/Fwd.	(2,453)	(2,453)	0	
Spend on DSG Reserve	1,103	1,103	0	CFW1
DSG projected underspend	(1,350)	(1,350)	0	
Transfer to DSG Reserve	1,350	1,350	0	
Children, Families & Wellbeing				
Management of staff vacancies	(600)	(553)	(47)	CFW3,4,5,6,7,8, 10,11,15,16
External care packages and commissioned services	38	241	(203)	CFW2,8,9,10,14, 16
Delay in closure of establishments	102	97	5	CFW7
Transport costs	515	515	0	CFW5
Other running costs	12	22	(10)	CFW3,5,12,13
Grant income	(198)	(198)	0	CFW2
Adoption income	(45)	(423)	378	CFW2
Other income	(244)	(228)	(16)	CFW3
Sub-total	(420)	(527)	107	
Total	(420)	(527)	107	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

Supporting Families & Children Portfolio, Education Portfolio

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 £1.103m. This leaves an underspend of £(1.350)m. This underspend will be carried forward to 2014/15. Further variances will come to light once the full impact of the new academic year is known. (e.g. increased pupil numbers).
- The Funding Forum was made aware of this reserve at the July 2013 meeting and proposals will be forwarded at a future meeting on how to utilise this. It is highly likely some of it will be distributed to schools on a one off basis. Further details can be sought by accessing the July 2013 Funding Forum report.

Non DSG Variances £260k adverse

CFW2 – Children’s Social Care £371k adverse (Includes Children with Complex & Additional Needs)

- Despite a number of actions to reduce demand and the cost of placements, there has been an unexpected increase in client numbers generating a net overspend of £582k in external placement costs, in addition to an overspend of £72k in staffing, a saving on adoption agency placement fees of £(111)k and other costs of £81k. This is despite a significantly reduced unit cost per week over the last three years due to the placement strategy implemented. The increased demographics are in line with national trends and increased child population overall in Trafford. The increase has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(10)k.
- This overspend is also off-set for 2013-14 by an anticipated surplus in adoption income of £(45)k. This is being generated through the approval of 35 adopters and their use by other Local Authorities for which we can charge £(27)k per placement. This level of grant and income cannot be guaranteed in future.

CFW3 – Commissioning £(117)k favourable

- The favourable variance is due to staff posts being held vacant £(47)k, an underspend on contracts within commissioned Early Intervention and Complex & Additional Needs services totalling £(80)k, and other variances totalling £10k.

CFW4 – Children’s Centres £(146)k favourable

- The favourable variance within this service is due to a slippage in staffing costs totalling £(146)k.

CFW5 – Education & Early Years £177k adverse

- The projected overspend of £177k within the Education and Early Years’ service is due to the impact of demographic pressures on contract and escort costs for SEN Transport of £516k, overall staff savings across the service of £(114)k, additional income received from schools and academies of £(244)k and other variances totalling £19k.

CFW6 – MARAS £38k adverse

- The estimated overspend within MARAS relates to additional staffing costs incurred in the year totalling £38k.

CFW7 – Youth Offending Service £(63)k favourable

- The saving within the Youth Offending Service comes from an anticipated underspend in remand placement costs.

Adult Social Care Portfolio £(98)k favourable**CFW8 – Older People £(241)k favourable**

- **Care Management/Assessment £(363)k favourable**
Due to managed vacancies within the Social Work, Assessment, Reablement and Screening teams.
- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £21k adverse**
In previous periods demand had been within expected levels, period 9 has seen a net increase of 1 service user in homecare.
- **Katherine Lowe House and The Princess Centre - £101k adverse**
Delays in the closure of Katherine Lowe House (£86k) and the Princess Centre (£15k) resulting in additional costs being incurred.

CFW9 – Physical Disabilities £(128)k favourable

- **Care Management/Assessment £(87)k favourable**
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Direct Payments - £(41)k favourable**
One additional residential placement costing £45k more than budgeted, 1 additional homecare placement; £12k and 1 existing placement were package costs have increased; £17k. Recovery of Direct Payment allocations is greater than budgeted £(115)k.

CFW10 – Equipment & Adaptations - £(29)k favourable

- **External Minor Adaptations - £(29)k favourable**
The volume of repair call out is projected to be slightly lower than estimated in the budget.

CFW11 – Mental Health - £300k adverse

- **Care Management and Assessment £(50)k favourable**
Due to managed vacancies within the Community Mental Health Team.
- **Residential and Nursing Care/Home Care/Direct Payments/Supported Living £350k adverse**
There are 9 residential service users with significantly higher than budgeted costs and one homecare user higher than budgeted.

CFW12 - Other Adult Services £(7)k favourable

- **Emergency Duty Team £93k adverse**
Due to projected staff costs due to current workload.
- **Transport Services - £(100)k favourable**

Rationalisation of trips following merger of Princess Centre and Pathways.

CFW13 - Strategic & Support Services - £14k adverse

- **Finance Team £14k adverse**
Due to higher than expected client services costs.

CFW14 - Housing Services - £24k adverse

- **Supporting People £24k adverse**
Underachievement in income contribution.

CFW15 - Community Services - £4k adverse

- **Community Services £4k adverse**
Underachievement in income contribution.

CFW16 – Equalities & Diversity - £(35)k favourable

- **Equalities & Diversity £(35)k favourable**
Due to managed vacancies in the Team £(24)k and a projected underspend in the events budget £(11)k.

Learning Disabilities Pooled Fund

CFW17 – Learning Disabilities - £(582)k favourable – Pooled Fund Arrangement

- **Residential and Nursing Care/Home Care/Direct Payments £(541)k favourable**
The impact of the recovery plan on projected demand.
- **Daycare £(55)k favourable**
The new method of service provision at the Meadowside Centre has delivered a saving higher than estimated.
- **Care Management/Assessment £14k adverse**
Agency cover for long term sick and additional resource to deliver recovery plan.

TRAFFORD MBC

Report to: ETO Directorate Management Team
 Date: 22 January 2014
 Report for: Discussion
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 9 (April to December 2013)

1. Forecast Outturn for the Year

- 1.1 The approved revenue budget for the year is £29.193m. The forecast outturn before management action is £29.247m, which is £0.054m over the approved budget (0.2%). This is a favourable movement of £(0.039)m since last month, which is across a number of service areas.
- 1.2 Action to manage budget pressures will continue throughout the remainder of the year (see paragraph 2.2) and a nil variance is expected as a result. The financial forecasts will be revised once the results of this action are considered realisable.
- 1.3 The Directorate has also brought forward balances of £(0.439)m from previous years (paragraph 3). This includes £(0.202)m earmarked specifically to mitigate one-off budget pressures this year, such as from the Enforcement review. The aim is to deliver a balanced budget without use of these reserves but, based on the forecast overspend above, £0.054m has been earmarked as a commitment at this point.
- 1.4 The forecast outturn for the Directorate can be subject to external factors, such as the effects of weather, and income streams affected by economic conditions. Any remaining balances from previous years not currently committed are being held to mitigate such pressures for the remainder of the year.

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, summarised as follows:
- Re-profiling of savings from the review of Enforcement due to additional staff consultations £0.314m;
 - Re-profiling of Groundforce staff savings pending the ongoing review of working conditions (e.g. overtime) £0.100m, a favourable movement of £(0.016)m since last reported;
 - Public Protection licencing income shortfall – continuing adverse effect of economic climate £0.068m, a reduction of £(0.002)m this month;
 - Traffic Management costs for major events – additional costs £0.054m;
 - Street Lighting – prices in the new energy contract are higher than anticipated at the start of the year £0.035m;

- Additional costs from the extension of the Parking enforcement contract prior to full re-tendering exercise during the year £0.035m;
- Head of Operations post part year vacancy (revenue element) £(0.030)m;
- The full closure of Oakfield Road car park has taken longer than predicted when setting the budget and income is £(0.153)m higher than expected for the full year;
- Other Parking income higher than expected £(0.049)m;
- Income in Bereavement Services has continued to be higher than expectations £(0.112)m;
- School crossing patrols underspend from ongoing net vacancies £(0.055)m;
- Rebate expected from transport leasing contractor £(0.050)m;
- Waste Management – total underspend of £(0.060)m from the waste collection contract, refurbishing of existing dustbin stock, and other running costs, a favourable movement of £(0.010)m;
- Other net underspend £(0.043)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 the successful management of budget pressures in 2012/13, plus generated surpluses to assist in mitigating future pressures (if required) while sustainable solutions are implemented.

3.2 The planned use of these balances is shown below. The current balance of £(0.109)m is being held to cover potential budget pressures from external factors, such as from adverse weather or reductions in income. Any balance remaining at year end will be carried forward to support services in 2014/15 accordingly.

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
Period 9 forecast outturn (adverse)	54
Balance after known commitments	(148)

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)	(1,715)	384
Mitigating action across ETO	0	(414)	(414)
Total ETO	(3,011)	(3,011)	0

- 4.2 The shortfall of £0.414m relates to re-profiling of savings in Enforcement and Groundforce above, and is £(0.020)m less than last reported based on latest projections. These are to be mitigated in full from management action and other favourable variances across the Directorate, or by the use of accumulated balances if required.

5. Recommendations

- 5.1 It is recommended that the forecast outturn be noted.

Period 9 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)	P9 Forecast Outturn (£000's)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Highways & Environment Portfolio						
Highway and Network Management, incl. Traffic & Transportation	5,130	5,179	49	50	(1)	ETO1
School Crossing Patrols	512	457	(55)	(55)	0	ETO2
Parking Services	(150)	(320)	(170)	(170)	0	ETO3
Groundforce	4,593	4,689	96	112	(16)	ETO4
Bereavement Services	(998)	(1,089)	(91)	(91)	0	ETO5
Sustainability & Greenspace	410	349	(61)	(61)	0	ETO6
Waste Management (incl. WDA levy)	18,661	18,601	(60)	(50)	(10)	ETO7
Public Protection	806	858	52	54	(2)	ETO8
Environmental Enforcement	30	344	314	314	0	ETO9
Directorate Strategy & Business Support	471	451	(20)	(10)	(10)	
Sub-total	29,465	29,519	54	93	(39)	
Operational Services for Education	(272)	(272)	0	0	0	
Total Forecast Outturn Period 9	29,193	29,247	54	93	(39)	

ETO Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Highways and Network Management				
Traffic Management costs - events	54	54	0	
Fee income shortfall	5	5	0	
Transport rebates	(25)	(25)	0	
Staffing vacancies	(30)	(30)	0	
Energy – Street Lighting	35	35	0	
Other running costs	10	11	(1)	
Sub-total	49	50	(1)	ETO1
School Crossing Patrols - vacancies	(55)	(55)	0	ETO2
Parking Services				
Additional income – Oakfield Road	(153)	(153)	0	
Additional income - others	(49)	(49)	0	
Contract extension one-off costs	35	35	0	
Staffing and running costs	(3)	(3)	0	
Sub-total	(170)	(170)	0	ETO3
Groundforce				
Re-profiling of staff/equipment savings	100	116	(16)	
Overtime/other additional running costs	21	21	0	
Transport rebates	(25)	(25)	0	
Sub-total	96	112	(16)	ETO4
Bereavement Services				
Essential maintenance costs	21	21	0	
Income above budget	(112)	(112)	0	
Sub-total	(91)	(91)	0	ETO5
Sustainability & Greenspace				
Vacancy, supplies & services	(61)	(61)	0	ETO6
Waste Management				
Refurbishment and reduced demand for bin replacement	(20)	(10)	(10)	
Contract costs	(30)	(30)	0	
Running costs	(10)	(10)	0	
Sub-total	(60)	(50)	(10)	ETO7

ETO Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Public Protection				
Income shortfall including licencing	68	70	(2)	
Mitigating action – hold on filling vacancies	(16)	(16)	0	
Sub-total	52	54	(2)	ETO8
Environmental Enforcement				
Re-profiling of staff/equipment saving	314	314	0	ETO9
Director & ETO Business Support				
Staffing and Running costs	(20)	(10)	(10)	
Total Forecast Outturn Period 9	54	93	(39)	

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

ETO 1 – Highways & Network Management - £0.049m (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 are being addressed in the Medium Term Financial Plan. A number of options are also being evaluated up to reduce this pressure.

The overall adverse variance also includes expected receipt of rebates from the vehicle leasing contractor £(0.025)m.

There is an underspend on staffing arising from a vacant managerial post £(0.030)m.

Street Lighting energy costs are projected to be £0.035m higher than budgeted as a result of recent increases in the annual energy supplier contract.

Forecast running costs are £0.010m above budget, largely due to the re-phasing of work regarding changes to security arrangements at Carrington depot.

ETO 2 – School Crossing Patrols – £(0.055)m (favourable)

There is a forecast underspend on staffing of £(0.055)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 – £(0.170)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 being £(0.153)m above budget.

Other car parking income continues to be above expectations by £(0.049)m, following on from 2012/13.

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 £0.035m from the previous contract period which has now expired. The new contract will be awarded from April 2014.

ETO 4 – Groundforce - £0.096m (adverse)

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled, and there is forecast overspend of £0.100m this year. A review is ongoing regarding revised terms and conditions, overtime and procurement accordingly. The review is informing the action plan to bring future spend in line with budget, plus balances have been carried forward from 2012/13 to be utilised as one-off mitigation, if required. The overspend has reduced by £(0.016)m since last reported.

Other supplies, services and overtime costs are forecast to be £0.021m 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.

Receipt of rebates from the vehicle leasing contractor is expected to be £(0.025)m for the year.

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

Net income levels for the year are expected to exceed the budget by £(0.112)m, and follows the levels from the last financial year. Forecast running costs are above budget by £0.021m and relates to essential works.

ETO 6 – Sustainability and Greenspace £(0.061)m (favourable)

Management action to control running costs, plus staff vacancies, gives rise to a predicted underspend of £(0.061)m.

ETO 7 – Waste Management £(0.060)m (favourable)

An underspend of £(0.020)m is expected relating to a reduction in the forecast purchase cost of replacement bins. This correlates to an increase in the refurbishing of existing bin stock and also a reduction in demand generally. The underspend has increased by £(0.010)m since projected last month.

There is an underspend of £(0.010)m based on estimates of the waste collection contract costs for the year. In addition, there is a further £(0.020)m saving in the contract cost due to successful negotiations with the supplier regarding the annual inflationary increase which applies from October each year.

Other running costs are £(0.010)m less than budget.

ETO 8 – Public Protection £0.052m (adverse)

There is a predicted shortfall in income of £0.068m 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 delays in filling vacant posts £(0.016)m. The management action plan includes for possible further restrictions on staffing vacancies.

ETO 9 – Environmental Enforcement £0.314m (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 £0.314m for the year. This takes account of the additional time being taken to review and consult on the proposals, and incorporate feedback.

The management action plan for ETO is looking to address the adverse variance in-year from within the Directorate budget. 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 (paragraph 3).

TRAFFORD MBC

Report to: EGP Directorate Management Team
 Date: 22 January 2014
 Report for: Discussion
 Report author: EGP/ETO Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 9 (April to December 2013)

1. Forecast Outturn

- 1.1 The approved revenue budget for the year is £3.281m. The forecast outturn is for a nil variance against budget. There are offsetting movements in the income projections for Planning and Building Control since reported last month.
- 1.2 The Directorate 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 mitigate any future adverse variances, should they arise.

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 £0.141m due to the on-going adverse effect of the economy, primarily on town centre rents (e.g. Stamford Centre);
 - Backdated rental income of £(0.073)m was confirmed in November 2013 relating to Shrewsbury Street;
 - 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 2013;
 - Confirmation of the final 2012/13 rental income from Stretford Arndale by the agents of the owners was received in September, and was £(0.111)m higher than had been anticipated;
 - Facilities management staffing is £0.070m above budget due to the later than planned disposal of a number of properties. This also includes the cost of interim support to help deliver the Council's overall land sales programme;
 - There is a forecast staffing underspend across EGP relating to the ongoing restructure and appointments to vacancies £(0.062)m;
 - Planning Application fees income is now expected to be £(0.018)m above budget, a favourable movement of £(0.030)m this month. Building control income is forecast to be less than planned by £0.011m, which is an adverse

movement of £0.036m. This is based on the weekly monitoring and projections of income;

- Fee income from housing improvement capital schemes is a net £0.046m less than budget due to a reduced volume of property sales;
- Shortfall in income of £0.031m due to re-phasing of the implementation of Green Deal;
- Net underspend on other running costs £(0.016)m.

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 £0.126m 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 P9	0
Committed on 2013/14 projects plus mitigation for potential future budget pressures	186
Balance after forecast outturn/commitments	0

4. Savings

- 4.1 The approved Directorate budget includes savings of £(0.696)m, (17.4)% 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)	(168)	55
Total EGP	(696)	(641)	55

- 4.2 The shortfall of £0.055m relates to savings in Facilities Management staffing which have needed to be re-profiled due to the disposal of certain 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 for 2013/14 be noted.

Period 9 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)	P9 Forecast Outturn (£000's)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P9 – P8 Variance (£000's)	Ref
Economic Growth & Prosperity Portfolio						
Asset Management	1,089	1,096	7	7	0	EGP1
Planning & Building Control	174	129	(45)	(45)	0	EGP2
Strategic Planning & Development	525	519	(6)	(6)	0	
Economic Growth	723	702	(21)	(21)	0	
Housing Strategy	522	587	65	65	0	EGP3
Directorate Strategy & Business Support	248	248	0	0	0	
Total Forecast Outturn Period 9	3,281	3,281	0	0	0	

EGP Business Reason / Area (Subjective analysis)	P9 Outturn Variance (£000's)	P8 Outturn Variance (£000's)	P8 – P9 Movement (£000's)	Ref
Asset Management				
Investment Property Rental Income:				
- Stamford Centre - shortfall	34	34	0	
- Other properties - shortfall	69	69	0	
- Airport - surplus	(19)	(19)	0	
- Stretford Arndale 12/13 final rent	(111)	(111)	0	
- Shrewsbury St. backdated rent	(73)	(73)	0	
Community buildings – income/running costs	35	38	(3)	
Facilities Management - staffing	70	70	0	
Asset Management – staffing vacancies	(12)	(12)	0	
Other minor running cost variances	14	11	3	
Sub-total	7	7	0	EGP1
Planning & Building Control				
Planning applications income shortfall	(18)	12	(30)	
Building Control income surplus	11	(25)	36	
Staffing vacancies	(38)	(32)	(6)	
Sub-total	(45)	(45)	0	EGP2
Strategic Planning & Development				
Staffing/running costs savings	(6)	(6)	0	
Sub-total	(6)	(6)	0	
Economic Growth				
Staffing/running costs savings	(21)	(21)	0	
Sub-total	(21)	(21)	0	
Housing Strategy				
Housing improvements capital fee income shortfall	46	46	0	
Green Deal income re-phased implementation	31	31	0	
Running cost savings	(12)	(12)	0	
Sub-total	65	65	0	EGP3
Total Forecast Outturn Period 9	0	0	0	

NOTES ON OUTTURN VARIANCES

EGP1 – Asset Management - £0.007m (adverse)

The effect of the economy is continuing to adversely affect rents across the property portfolio, including Stamford Centre £0.034m, and Community Buildings £0.035m. Other investment property is expected to have a shortfall of £0.069m. 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.

For Stretford Arndale, the Agents for the owners have managed to continue to make a number of short term lettings to ensure the number of vacant units is minimised and this has held up gross rental income. This is despite rent reductions on the bigger units of around 40% upon lease renewals. The year-end rental payment notified during September is hence £(0.111)m higher than expected.

Backdated rental income was confirmed in November 2013 relating to Shrewsbury Street £(0.073)m.

Facilities Management staffing is expected to be £0.070m above budget. The associated saving has needed to be re-profiled as the planned disposal of buildings is taking longer than expected. Interim staffing costs of £0.015m are also included to provide support to the Council's overall land sales programme, for which future capital expenditure plans have a level of reliance on.

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

Income from planning fees is forecast to be £(0.018)m above budget, which is a favourable movement of £(0.030)m from last month.

Building control income is forecast to be below budget by £0.011m, which is an adverse movement of £0.036m.

Planning and building control fees are continuing to be monitored on a weekly basis and the income projections are based on the most up to date figures at the time of writing this report.

An underspend from staffing vacancies is predicted to be £(0.038)m. The filling of vacant posts will be addressed by the ongoing restructure of EGP.

EGP3 – Housing Strategy – £0.065m (adverse)

This includes an adverse variance of £0.046m relating to Housing Improvement fee income. 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.

There is a projected shortfall in income of £0.031m due to re-phasing of the implementation of Green Deal. Savings from staff vacancies are £(0.012)m, with vacancies being addressed through the restructure of EGP.

TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team
 Date: 23 January 2014
 Report for: Discussion
 Report author: T&R Finance Manager

Revenue Budget Monitoring 2013/14 – Period 9 (April 2013 – December 2013 inclusive)

1 Outturn

1.1 The current approved revenue budget for the year is £20.327m. The forecast outturn of £19.795m is £(0.532)m below the approved budget. This is a £(0.108)m favourable movement since last month.

1.2 The £(108)k favourable movement in the month is a result of:

£(86)k favourable variance on staffing costs due to vacancies in Partnerships and Performance not being filled following the finalisation of the staff review and delayed recruitment in ICT.

£27k adverse variances on court costs and legal fees.

£20k additional running costs to match additional Arts Grant income.

£(7)k favourable variance on other running costs.

£(24)K favourable variance on Proceeds of Crime Fraud income.

£16k adverse movement on CCTV income.

£(54)k favourable collective variance on other income streams including £(20)k grant income, £(9)k HR Occupational Health SLA income, £(7)k Registrars.

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	
Land Charges Claims	185
Transformation Support	177
Library improvements	56
CCTV/ Control room marketing and set up costs	55
LGG Support	51
SWiTch Support	51
EDRMS	40
ICT textlink and contracts	34
Altrincham Forward	20
Investment in New Operating Model	13
Finance and Access Trafford IT improvements	8
Legal Case Management System	7
Disaster Recovery – Stretford Library	6
Budget/ grants rolled over into 2014/15	(170)
2013/14 Outturn	(532)
Remaining Balance at 31 March 2014	(1,388)

- 2.2 In 2014/15 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 and New Operating Model. Planned usage of reserves in 2014/15 currently totals £328k including costs associated with the £170k budget/ grants roll-over.

3 Welfare Reform

- 3.1 In the nine months of operation, Trafford Assist has made awards to 1,698 different individuals with a total value of £115,328. The total value of awards are shown in the table below:

Item	Awards	Value
Furniture	402	£88,158
Paypoint (cash)	880	£13,826
Food	1,275	£13,344
Total	2,557	£115,328

- 3.2 The Trafford Assist scheme is within budget after the first nine 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 favourable comments from customers, DWP and other Partners particularly about positive intervention and signposting.

3.3 In addition to the above, 896 awards, out of 1,252 requests, for Discretionary Housing Payment have been made amounting to £268,199. This is in line with budgeted expectations.

Period 9 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)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 Movement (£000's)	Note ref
Transformation and Resources Portfolio						
Legal & Democratic	1,935	2,095	160	115	45	T&R2,4,6
Communications & Customer Services	6,865	6,668	(197)	(136)	(61)	T&R1,4,6
Partnerships & Performance	2,712	2,444	(268)	(216)	(52)	T&R3
Strategic Human Resources	2,332	2,313	(19)	(15)	(4)	T&R4
Corporate Leadership and Support	367	358	(9)	(9)	(0)	
sub-total	14,211	13,878	(333)	(261)	(72)	
Finance Portfolio						
Finance Services	3,944	3,722	(222)	(188)	(34)	T&R1,5
sub-total	3,944	3,722	(222)	(188)	(34)	
Safe and Strong Communities						
Culture & Sport	2,172	2,195	23	25	(2)	T&R4,6
sub-total	2,172	2,195	23	25	(2)	
Total	20,327	19,795	(532)	(424)	(108)	

Business Reason / Area (Subjective analysis)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Note ref
Management of Vacancies	(504)	(418)	(86)	T&R1
Court Costs and Legal fees	181	154	27	T&R2
Running costs relating to Public Health	(209)	(209)	0	T&R3
Running Costs	184	171	13	T&R4
Proceeds of Crime Income	11	35	(24)	T&R5
Income	(195)	(157)	(38)	T&R6
Total	(532)	(424)	(108)	

NOTES ON PROJECTED VARIANCES

T&R1

There are a number of posts which were held vacant whilst staffing structures were being reviewed, particularly in ICT (£246k), Revenues & Benefits (£218k) and Partnerships & Performance (£74k).

T&R2

Legal expenses are forecast to be £181k adverse to budget due to a continuing increase in childcare cases and a number of new development projects.

T&R3

Savings from support services that the council can provide within its existing resources for Public Health functions are £(209)k. This budget is included within Partnerships & Performance but related to back office services across T&R. This sustainable saving has been included within the T&R MTFP for 2014/15.

T&R4

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 an increased forecast adverse variance of £52k within HR. Other significant unbudgeted spend includes by election costs (£20k), additional SWiTch costs (£37k) and grant funded expenditure in the Waterside Arts Centre.

T&R5

The number of new Proceeds of Crime cases and timing of receipts of existing cases has been reviewed. This month there is a reduction in the forecast shortfall in income to £11k.

T&R6

There is forecast to be a favourable variance on income of £(190)k, particularly on Legal income, including Registrars, Waterside Arts Centre grants and HR SLA income. The shortfall in ticket sales in the Waterside Arts Centre has reduced further in the month.

TRAFFORD MBC

Report to: Director of Finance
 Date: 23 January 2014
 Report for: Information
 Report author: Head of Financial Management

Report Title

Revenue Budget Monitoring 2013/14 – Period 9 Outturn - Council-Wide Budgets (April 2013 to December 2013 inclusive)

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £23.602m. The outturn forecast is £21.677m, which is £(1.925)m under budget, and a favourable movement of £(0.076)m since last month.

1.2 Appendix 1 details the variances from the approved budget and the period movement from the previous forecast by both function and activity, which in summary are:

Treasury Management - £(1.321)m relating to Manchester Airport Group dividend received above budget;

Members expenses - £(0.040)m, relating to the voluntary 1.9% reduction in allowances and savings in telephony and other running costs;

One-off NNDR refunds from backdated Exemptions and Rateable Value reductions on Trafford buildings £(0.070)m;

Housing and Council Tax Benefits overpayment recovery net variance of £(0.241)m;

Savings on Grant Thornton fees for audit of grant claims, £(0.020)m;

Some of the savings from the proposed changes to staff terms and conditions will not be achieved in full this year, £0.144m;

Non ring-fenced grants - £(0.389)m relating to several grants that were not included in the 2013/14 budget;

There were a number of other minor variances across Council Wide budgets in the sum of £0.012m 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 9 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)	P9 Forecast Outturn (£000's)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
Finance Portfolio						
Precepts, Levies & Subscriptions	17,852	17,856	4	4		
Provisions (bad debts & pensions)	1,742	1,886	144	144		C-W4
Treasury Management	8,366	7,050	(1,316)	(1,316)		C-W1
Insurance	659	659				
Members Expenses	944	904	(40)	(30)	(10)	C-W2
Grants	(6,283)	(6,680)	(397)	(397)		C-W5
Other Centrally held budgets	322	2	(320)	(254)	(66)	C-W3
Total	23,602	21,677	(1,925)	(1,849)	(76)	

Business Reason / Area (Subjective analysis)	P9 Outturn variance (£000's)	P8 Outturn variance (£000's)	P8 to P9 movement (£000's)	Ref
Treasury Management:				
- Investment Income	(1,305)	(1,305)		C-W1
- Debt Management cost savings	(11)	(11)		C-W1
Members expenses	(40)	(30)	(10)	C-W2
Grants	(397)	(397)		C-W5
Other Centrally held budgets	(320)	(254)	(66)	C-W3
Staff terms and conditions	144	144		C-W4
Precepts, Levies & Subscriptions	4	4		
Total	(1,925)	(1,849)	(76)	

NOTES ON PROJECTED VARIANCES

C-W1 – Treasury Management - £(1.316)m (favourable)

The Council has now received a total dividend from Manchester Airport Group of £(2.321)m, which is £(1.321)m in excess of the budgeted figure. This includes a one-off allocation of £(0.969)m relating to the higher than expected levels of cash balances held in Stansted Airport at the time of acquisition. The base budget for 2014/15 will be amended to reflect the dividend expected from Trafford's new share allocation in the expanded group.

The adverse movement in the month of £0.015m relates to rephasing of the Land Sales programme resulting in lower cash balances and therefore reduced investment interest.

Other minor variances of £(0.010)m.

C-W2 – Members Allowances - £(0.040)m (favourable), £(0.010)m (favourable) movement

All 63 Trafford Members agreed to take a voluntary 1.9% reduction in the value of their allowances, generating a saving of £(0.016)m. Other savings from pay, telephony and running costs are also expected of £(0.024)m.

C-W3 – Other Centrally held budgets - £(0.320)m (favourable), £(0.066)m (favourable) movement

NNDR Refunds - £(0.070)m (favourable)

A number of backdated Exemptions and Rateable Value reductions to Trafford buildings has generated one-off income of £(0.070)m.

Housing & Council Tax Benefits - £(0.241)m (favourable), £(0.052)m (favourable) movement

There is a net forecast variance of £(241)k within the Housing Benefit and Council Tax Benefit budgets, a favourable movement of £(0.052)m since last month; this consists of a small saving of £(0.006)m within the Housing Benefit budget and a recovery of overpaid Council Tax Benefit from previous financial years of £(0.235)m.

The credit from the recovery of overpaid Council Tax Benefit is difficult to predict and will eventually taper off as the Council Tax Benefit scheme was replaced on 1 April 2013 with the new Council Tax Support Scheme.

External Audit Fees - £(0.020)m (favourable)

The final charge has been received from Grant Thornton for 2012/13 grant certification work, generating a budget saving of £(0.020)m.

Other minor variances of £0.011m, a movement in the month of £0.006m.

C-W4 – Provisions - £0.144m (adverse)

A budget saving of £(0.180)m was set aside for the part-year effect of proposed changes to staff terms and conditions. Some of these savings will not now be achieved in full this year.

C-W5 – Grants - £(0.397)m (favourable)

Final notifications have now been received for the following non ring-fenced grants which are held within Council-wide. Cash has already been received or is being received in stages during the year from the appropriate Government department:

- Education Services Support - £(0.191)m. However, this amount will reduce depending on the final number of Schools becoming Academy in the year.
- Council Tax New Burdens - £(0.114)m.
- New Burdens Zero Based Review Adult Social Care - £(0.059)m. An assessment is currently being made of how much will be required to reconfigure the Social Care ICT system in order to meet the new statutory management information requirements. This figure may therefore reduce.
- Local Flood - £(0.025)m.
- Council Tax freeze - £(0.008)m.