

TRAFFORD COUNCIL

Report to: Executive

Date: 1 December 2014

Report for: Information

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

Report Title:

Revenue Budget Monitoring 2014/15 – Period 6 (April to September 2014).

Summary:

The revised revenue budget approved at the Council meeting on 17 September 2014 is £156.134m. The forecast for the end of the year, as projected following six months of activity, is £155.787m being a net underspend of £(0.347)m, (0.2)% of the budget. This is a favourable movement of £(0.836)m since the last report.

The main areas of budget variance are summarised as:

Activity	Forecast £m	Movement £m
Increased demand and unit costs for Children in Care Placements	0.5	0.1
Additional external income, including SLA's	0.0	0.3
Rephased base budget savings	0.4	0.1
In year savings not met - Terms & Conditions	0.4	-
Other non-achievement of in-year savings	0.2	
Vacancy management	(1.1)	(0.4)
Deprivation of Liberty assessment costs	0.1	-
Other variances	0.0	(0.1)
Additional Income from Business Rates available in 2014/15	(0.8)	(0.8)
Forecast outturn	(0.3)	(0.8)

Reserves

The opening balance of the General Reserve was £(11.0)m, and after taking into account approved use and commitments, the forecasted closing balance is £(8.2)m, which is £(2.2)m above the Council established minimum level of £(6.0)m.

In addition, the net service carry forward reserves at the beginning of the year was £(4.004)m, and after taking into account planned use and commitments, and the service Directorates' outturn the forecasted closing balance is £0.174m deficit (excluding LD Pool).

There is a deficit brought forward on the Learning Disability Pooled Fund of £3m. This will be considered with the CCG and proposals brought forward.

Council Tax

The surplus brought forward of £(0.5)m, will be increased by an in-year forecasted surplus of £(1.1)m. After taking account of the planned use of £0.4m to support the base budget and another £0.2m for backdated valuation and discount appeals, the total surplus forecasted to be carried forward is £(1.0)m. The Council's share of this surplus is £(0.8)m, and is planned to support future budgets in the MTFP.

Business Rates

Updated information on outstanding and settled appeals has recently been provided by the VOA which has allowed an updated business rate projection for 2014/15 to be undertaken. An estimated surplus of £(3.489)m is projected for 2014/15, largely due to the in-year cost of appeals being lower than anticipated. Trafford's share of this estimated surplus will be £(0.855)m; due to accounting requirements this can only be brought into the General Fund in 2015/16.

In 2014/15, Trafford will also receive additional Section 31 grant which will compensate the Council for the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes which is wholly retained by the Council, totaling £(0.844)m. This grant is included in the forecast outturn of £155.787m.

Medium Term

It is recommended that £0.5m is set aside from the General Reserve to finance capacity requirements in the CFW Directorate and Finance service.

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

- a) the latest forecast and planned actions be noted and agreed;
- b) a sum of £0.5m is allocated from the General Reserve to provide additional capacity to deliver future savings, as set out in paragraphs 17-19 of the report.

Contact person for access to background papers and further information:

David Muggeridge, Finance Manager, Financial Accounting

Extension: 4534

Background Papers:

None

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	As set out above
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
Resource Implications e.g. Staffing / ICT / Assets	Not applicable
Risk Management Implications	Not applicable
Health & Wellbeing Implications	Not applicable
Health and Safety Implications	Not applicable

Director of Finance:.....ID.....

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

DIRECTOR'S SIGNATURE

Budget Monitoring - Financial Results

- The revised budget approved at the 17 September 2014 Council meeting is £156.134m. Based on the budget monitoring for the first 6 months of the year, the overall forecast for the year is £155.787m, being an underspend of £(0.347)m, (0.2)%, a favourable movement of £(0.836)m since the last report.
- The details of service variances can be found in Annexes 1 to 3, and for Council-Wide, Annex 4:

Table 1: Budget Monitoring results by Directorate	Year end Forecast (£000's)	Percentage %	Period Movement (£000's)	Annex
CFW – Children's Services	706	2.3%	160	1
CFW – Adult Social Services	285	0.5%	(69)	1
CFW – Public Health	-	-	-	1
Economic Growth, Environment & Infrastructure	(258)	(0.8)%	(36)	2
Transformation & Resources	55	0.3%	(68)	3
Total Service Variances	788	0.6%	(13)	
Council-wide budgets	(1,135)	(5.6)%	(823)	4
Estimated outturn variance (period 6)	(347)	(0.2)%	(836)	

CFW – Children, Families & Wellbeing

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percentage %	Period Movement (£000's)
Children's Services	706	2.3%	160
Adult Social Services	285	0.5%	(69)
Community Health & Wellbeing	-	-	-
Environment & Operations	(139)	(0.5)%	(23)
Economic Growth & Planning	(119)	(2.5)%	(13)
Communities & Partnerships	119	3.8%	27
Transformation & Resources	115	1.1%	(27)
Finance	(1,314)	(5.5)%	(891)
Estimated outturn variance (period 6)	(347)	(0.2)%	(836)

Key month on month variations

- The key variances contributing to the period movement of a favourable £(0.836)m are:
 - £0.350m adverse variance on adoption income received from other authorities.
 - £(0.108)m favourable variance on home to school transport due to new contractual arrangements for the new academic year.
 - £(0.165)m favourable variance across a number of Community, Family and Wellbeing services relating to management of staff vacancies.
 - £(0.116)m favourable variance as a result of changes in client need within Older Peoples services.

- An £0.080m adverse variance due to a reduction in adaptation fee income from the capital programme.
- £0.050m adverse variance across other Adults budget.
- Within EGEI key movements relate to one-off backdated rechargeable income in Groundforce £(0.039)m, additional shortfall in Highways capital fee income £0.039m, and a net favourable movement in running costs across the Directorate £(0.036)m.
- £(0.110)m favourable movement due to vacancy management within T&R, partly offset by a delay in in-year savings implementation of £0.044m.
- £(0.844)m additional Section 31 grant relating to the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes (see paragraph 14 below).
- £0.056m reduction in the level of Education Services grant.
- Housing and Council Tax Benefits overpayment recovery is expected to generate an additional net variance of £(0.080)m.
- £0.045m adverse variance within Finance portfolio associated with an exercise to review the number of empty properties and award of single person discount relating to Council Tax.
- Other net minor variances, £(0.002)m.

MTFP Savings and increased income

4. The 2014/15 base budget, or permanent budget, is based on the achievement of permanent base budget savings and increased income of £(13.776)m.
5. The following table summarises the overall forecasted achievement of the total base budget savings target for 2014/15 of £(13.776)m; noting the potential shortfall, proposed action to mitigate this shortfall in 2014/15 and action taken in the draft budget proposals for 2015/16

Table 3: Base budget savings	Total (£000's)
Total Savings delivered or in progress	(12,442)
Budget savings required	(13,776)
Shortfall	1,334
To be met by:	
Re-phased savings from T&R reserve in 14/15	
• HR Restructure	(100)
• Partnerships & Communities Restructure	(96)
• Legal Service Restructure	(36)
• Design and Print	(83)
Re-phased savings from EGEI reserve in 14/15	
• Parks Maintenance	(47)
• Town Centre Advertising	(16)
• Property Referral Fees Advertising	(3)
• Moving Travel Offences	(30)

	Total (£000's)
Alternative savings yet to be identified within CFW in 14/15	
<ul style="list-style-type: none"> Ascot House joint service with TPS 	(100)
Information & Advice savings (Council wide saving to be split equally across CFW, EGEI & T&R)	(100)
Sub-total – alternative savings	(611)
Savings without alternative solutions:	
<ul style="list-style-type: none"> Terms and Conditions (CFW) 	423
<ul style="list-style-type: none"> Children in Care Placements 	200
<ul style="list-style-type: none"> Shortfall in Adoption Fee Income 	100
Total	723

6. Approximately 90% of base budget savings have been or are forecasted to be delivered:
- Of the £1.334m shortfall, £0.856m relates to CFW, £0.348m T&R and £0.130m EGEI.
 - There are some savings that are delayed in 2014/15 (£0.595)m but the full effect is still expected to be delivered in the 2015/16 budget;
 - Alternative savings are being sought within year in CFW relating to Ascot House, £0.100m;
 - There are savings that will not be delivered, of which £0.423m relates to terms and conditions within CFW and, at the time of preparing the draft budget, £0.146m relating to Children in Care Placements. In addition there is a further £0.016m relating to the full year effect of reduced Town Centre Advertising income. These savings, totaling £(0.585)m form part of the 2014/15 outturn forecast. CIC placement pressures have since increased to £0.2m.

Council Tax

7. The brought forward surplus on the Council Tax element of the Collection Fund has shared ownership between GM Fire & Rescue Authority and Police & Crime Commissioner, as well as the Council.
8. After six months of activity, the total Council Tax in-year surplus is forecasted at £(1.115)m, with the Council's share of this being £(0.937)m. After taking account of the planned application to support the 2014/15 budget, £0.356m, and reductions as a consequence of back-dated valuations and awards of discounts or exemptions of £0.250m, the end of year total balance is forecasted at £(0.967)m, of which the Council's share is £(0.812)m. The Medium Term Financial Plan assumes use of the Collection Fund surplus at similar levels to 2014/15 into the future.

.Table 4: Council Tax surplus	Overall		Trafford	
	£(000's)	£(000's)	£(000's)	£(000's)
Surplus brought forward		(458)		(385)
Changes in Band D equivalents	(43)		(36)	
Empty Homes Premium	(120)		(101)	
Council Tax Support awards	(952)		(800)	
Banding valuations & discounts	250	(865)	210	(727)
In-year application of surplus		356		300
Forecasted surplus carry forward		(967)		(812)

9. The majority of the in-year surplus has been generated from pro-active interventions in unreported changes of circumstances, which has reduced the need for Council Tax Support. This means that the correct award of Support is made earlier and reduces the amount of overpayments that have to be collected subsequently. Some of the in-year increase also relates to an increase in empty homes premium, however, this initiative cannot be guaranteed into the future as the purpose of the policy is to discourage empty properties and to encourage bringing them into the housing market. The forecast surplus of £(0.812)m is largely due to a reduction in the number of claimants receiving Council Tax Support. There has been a total reduction of 408 cases in the six months since March 2014, which is a 2% reduction in the live benefit caseload out of a current total of 18,633. A review of sole occupier discounts will commence shortly and this is forecast to have further positive impact on the tax base.

Business Rates

10. 2014/15 will be the second year of operation of the new business rates retention scheme. The Government has established a target yield figure, or baseline, and 24.5% of yield above target is retained by the Council. However, 49% of any shortfall against the target is charged to the Council up to a safety net maximum cost to the Council of £2.433m.
11. In the report to Council on 17 September 2014 when the re-aligned budget was agreed for 2014/15, reference was made about the potential financial benefit from business rates depending on the outcome of the auditor's view of last year's Statement of Accounts. This benefit has now come to fruition.
12. Updated information on outstanding and settled appeals has recently been provided by the VOA which has allowed an updated business rate projection for 2014/15 to be undertaken. The projected outturn position is £158.077m compared to a baseline budget of £154.588m, an estimated surplus of £(3.489)m. The major reason for the estimated surplus relates to the in-year cost of appeals which is £(3.0)m lower than originally assumed due to the certainty provided by setting aside a provision for backdated appeals in the 2013/14 accounts. The majority of appeal costs incurred in 2014/15 will be charged to this provision.
13. Trafford's share of this surplus will be 49%, of which half will attract a levy payment leaving a balance of £(0.855)m. Under the rules which govern the scheme, this estimated figure cannot be included in the General Fund until 2015/16.

14. In 2014/15 Trafford will also receive additional Section 31 grant which will compensate the Council for the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes which is wholly retained by the Council totaling £(0.844)m. The Council has discretion to utilise the grant.

Reserves

15. The General Reserve balance brought forward is £(11.0)m, against which there are planned commitments up to the end of 2014/15 of £3.9m. The addition of the Council-wide underspend of £(1.1)m provides for a projected balance as at 31 March 2015 of £(8.2)m which is £(2.2)m above the approved minimum level of £(6.0)m:

Table 5 : General Reserve Movements	(£000's)
Balance 31 March 2014 (subject to audit confirmation)	(10,980)
Commitments in 2014/15:	
- Planned use for 2014/15 Budget (agreed 19 Feb 2014)	2,007
- Additional support for Adult Services (agreed 17 September 2014)	1,582
- Planned use for one-off projects 2014/15	279
- Council-wide budgets underspend	(1,135)
Balance 31 March 2015	(8,247)*

* Note: possible additional call on reserves of £500k, see para 18-20 below.

16. Service balances brought forward from 2013/14 were a net £(0.982)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net deficit of £3.196 to be carried forward to 2015/16 (Table 6).

Table 6: Service balances	b/f April 2014 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Communities, Families & Wellbeing	(871)	1,502	631
Economic Growth, Environment & Infrastructure	(1,155)	761	(394)
Transformation & Resources	(1,978)	1,915	(63)
Total All Services (Surplus)/Deficit	(4,004)	4,178	174
Learning Disability Pool (a)	3,022	-	3,022
Total (Surplus)/Deficit	(982)	4,178	3,196

Note:

(a) the deficit on the pooled fund will require discussion with the CCG and will require a permanent solution i.e. the deficit cannot be carried forward each year.

The use of reserve balances during the year are detailed in the Directorate reports attached as Annexes.

Medium Term Financial Plan

17. On 20 October the Executive released its draft budget proposals for 2015/16 for the purpose of consultation. In that report mention was also made to the forecast financial position for the Council in 2016/17 and 2017/18. It is clear that over the three year period 2015 - 18 a key aspect of the Council's sustainability will be the ability to identify the means of saving a substantial sum of money within the CFW Directorate.
18. Accordingly it is planned to bring together a small team to provide capacity to help deliver 2015/16 savings and identify opportunities to realise financial savings in the following two years. In addition some additional resource may be required to help implement the changes in the Finance service to help achieve its target savings next year.
19. It is recommended that a sum of £0.5m is set aside from reserves in the current year to pump prime these initiatives.

Recommendations

20. It is recommended that:
 - a) the latest forecast and planned actions be noted and agreed;
 - b) a sum of £0.5m is allocated from the General Reserve to provide additional capacity to deliver future savings, as set out in paragraphs 17-19 of the report.

Report to: CFW Senior Leadership Team
Date: 16th October 2014
Report for: Discussion
Report author: CFW Finance Managers

Report Title:

Revenue Budget Monitoring 2014/15 – Period 6 (April to September 2014).
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1 Outturn Forecast

- 1.1 This is the fourth CFW Directorate Monitoring Report for 2014/15 and now reflects the budget re-alignment set out as part of the period 4 monitoring report.
- 1.2 The revised revenue budget for the year for CFW is £84.927m. The projected outturn for CFW is now £85.918m, which is £0.991m in excess of the approved budget (1.17%).
- 1.3 This represents an adverse variance from period 5 of £91k due to:
- £350k adverse variance on adoption income levels.
 - £(108)k favourable variance on home to school transport due to new contractual arrangements for the new academic year.
 - £(82)k favourable variance across a number of children’s services that mainly relate to management of staff vacancies.
 - £(83)k favourable variance arising from vacancies within Older People’s and Mental Health Services.
 - £(116)k favourable variance as a result of changes in client need within Older Peoples services.
 - An £80k adverse variance due to a reduction in adaptation fee income from the capital programme.
 - £50k adverse variance across other Adults budget.

2 Explanation of Variances

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

Children’s Social Services - £961k adverse variation from budget

1. £485k adverse variance on client care packages which is analysed in the table below:-;

Service	Budget Service Users	Budget Average weekly cost	Gross Budget	Actual Service Users	Average weekly cost	Actual Gross Forecast	Variance Service Users	Variance Gross Forecast
	No.	£	(£000's)	No.	£	(£000's)	No.	(£000's)
Welfare secure	0.3	5,068	90	0.3	5,113	90	0.0	0
External Children's Homes	4.4	3,361	764	6.6	3,164	1,086	2.2	322
Agency foster care	28.3	844	1,247	34.8	852	1,560	6.6	313
In-house foster care	97.4	270	1,373	92.6	297	1,432	(4.8)	59
Family and friend foster care	109.6	180	1,031	108.1	186	1,046	(1.5)	15
Asylum seekers	1.7	272	24	1.7	203	18	0.0	(6)
Special Guardianship	33.0	159	274	31.0	145	237	(2.0)	(37)
Assisted Residence Allowances	26.0	96	130	25.0	102	133	(1.0)	3
Aftercare	n/a	n/a	303	n/a	n/a	381	n/a	78
Supported Lodges	n/a	n/a	255	n/a	n/a	209	n/a	(46)
Youth Homeless	n/a	n/a	185	n/a	n/a	149	n/a	(36)
Stay in Care Placements	n/a	n/a	70	n/a	n/a	0	n/a	(70)
Adoption	20.0	n/a	976	12.0	n/a	791	(8.0)	(185)
CAN respite	2.6	1,674	227	2.6	1,731	234	0.0	7
CAN long term care	3.4	2,448	434	4.2	2,331	509	0.8	75
CAN Home from Home	n/a	n/a	239	n/a	n/a	194	n/a	(45)
CAN Direct payments/personalisation	n/a	n/a	376	n/a	n/a	414	n/a	38
Total			7,998			8,483		485

2. £365k shortfall in income, most of which relates to adoption income;
3. £89k adverse variance on running costs;
4. Staff vacancies of £(105)k and an adverse variance of £127k relating to the non-achievement of savings in relation to changes in terms and conditions. This is due to the number of exemptions in connection with critical front line services.

Children's Staff Management of vacancies – favourable variance £(367)k

There is a favourable variance of £(367)k in relation to the management of staff vacancies across all of Children's Services (£(105)k included in Children's Social Services above).

Children's Terms and Conditions Savings Unachieved – adverse variance £220k

An overspend of £220k relating to the non-achievement of savings in relation to changes in terms and conditions. This is due to the number of exemptions in connection with critical front line services. £127k is included in Children's Social Services above.

Children's Education Early Years Additional Income - favourable variance £(85)k

Mainly relating to addition income relating to Education Psychology

Adults and LD Pool – £285k adverse variation from budget:

1. Base budget savings not achieved (See Section 3.5) - £403k adverse;
2. A recent Supreme Court judgment, which effectively lowered the threshold for what constitutes deprivation of liberty in care (DOLS), has resulted in additional assessment costs for all local authorities, which for Trafford is £85k;
3. In year savings of £(148)k due to vacant posts, particularly within Older People's Services £(77)k and Mental Health £(51)k;
4. A favourable variation on care packages of £(82)k since the budget was re-aligned in August 2014; and
5. Other variances amounting to a net overspend of £27k.

Public Health – nil variance from budget:

The Public Health budget is funded through a ring-fenced grant. Any underspend against this grant in the current year will therefore be carried forward to 2015/16. The projected variations relating to Public Health are set out and explained in detail in Appendix 1 and summarised below:

- Management of vacancies - £(70)k favourable; and
- Other income - £(22)k favourable non-recurrent income from Community Safety for Test on Arrest and a £(25)k contribution from the CCG in respect of Dementia Advice contracts.

This will leave a current unallocated grant balance of £117k for which proposals will be brought forward to support Public Health priorities.

3. Care Packages

- 3.1 Adult CFW supports the most vulnerable people in the borough and therefore the budgets are demand led. Variations in the number and unit cost of care packages has therefore led to significant variations in demand levels which have not previously been fully reflected in budget.
- 3.2 2014/15 budgets have now been re-aligned based on the actual cost of all service users up to 31st August with a projection to 31st March 2015 for all "live" cases at 1st October 2014.
- 3.3 The following table sets out the budget and period 6 forecast showing the number and average weekly unit cost of "live" cases.

	Re-aligned 2014/15 Budget			Forecast Outturn			Forecast Variance		
Service	Service Users	Average weekly cost	Gross Budget	Current Service Users	Average weekly cost	Gross Forecast	Service Users	Weekly cost	Gross Forecast
	No.	£	(£000's)	No.	£	(£000's)	No.	£	(£000's)
Older People									
Domiciliary Care	855	156.33	7,096	880	154.62	7,052	25	(1.71)	(44)
Direct Payments	155	178.42	1,669	163	173.99	1,656	8	(4.43)	(13)
Residential/Nursing	571	471.06	14,222	564	470.17	14,090	(7)	(0.89)	(132)
Physical Disability									
Domiciliary Care	143	178.98	1,212	125	188.46	1,165	(18)	9.48	(47)
Direct Payments	189	220.12	2,270	178	224.59	2,269	(11)	4.47	(1)
Residential/Nursing	30	656.50	947	29	661.83	947	(1)	5.33	-
Learning Disability									
Day Care	30	265.06	407	30	265.06	407	-	-	-
Domiciliary Care	49	293.85	799	47	304.16	792	(2)	10.31	(7)
Direct Payments	254	297.47	4,220	251	301.47	4,239	(3)	4.00	19
Residential/Nursing	74	1,330.10	4,166	73	1,330.67	4,127	(1)	0.57	(39)
Supported Living	88	992.47	4,287	82	1,008.46	4,425	(6)	15.99	138
Mental Health									
Domiciliary Care	46	121.01	244	40	116.27	243	(6)	(4.74)	(1)
Direct Payments	30	122.65	209	28	125.40	211	(2)	2.75	2
Residential/Nursing	39	561.39	1,135	39	561.39	1,135	-	-	-
Supported Living	19	1,298.06	1,092	20	1,291.00	1,105	1	(7.06)	13
Total			43,975			43,863			(112)

Note: the gross forecast is based on the actual cost of services to date plus a forecast for the remainder of the year based on current users. It is not possible to multiply across the above table as the service users & unit cost only reflect current cases.

3.4 For budget monitoring purposes, a number of **assumptions** have been made within financial monitoring:

- Estimated clawback on Direct Payments of £(850)k. This is based on the actual clawback figure in 2013/14 adjusted to reflect growth in the number of service users receiving direct payments.
- An annual reduction of £(200)k against Home Care packages to reflect previous experience that approximately 10% of home care package hours are not used. This has been applied pro rata to the number of months remaining in the year, the assumed reduction from 1st October 2014 to 31st March 2015 is £(100)k.
- A contingency provision of £500k to offset any net growth in care package numbers/costs during the remainder of the financial year.
- A pay award of 1% has been assumed for 2014/15.

3.5 **Savings**

The council's overall budget for 2014/15 includes £(13,776)k of savings of which £(7,457)k relates to CFW. The table in Appendix 2 shows the current assumptions made regarding the delivery of in-year savings targets within the forecasts set out in this report.

Of the 34 savings proposals a total of 29 are expected to be achieved, totalling £(6.534)m. The remaining 5 schemes projecting a shortfall of £0.923m are as follows:

Children in Care placements - £200k. This saving proposal was linked to a plan to reduce unit costs for CIC placements (see CFW2 for further details).

Terms and Conditions - £423k shortfall due to the number of exemptions in relation to the delivery of front line services.

Adoption Placement fees - £100k savings relating to income from other LA's will not be achieved, as the number of adopters now exceeds the number of children awaiting adoption.

Ascot House – the £100k saving originally related to opportunities for joint funding with health. For monitoring purposes, it is currently assumed that this will not be achieved although alternative reductions are being sought in year.

Advice & Information – this £100k saving is a Council Wide target which will be split equally across EGEL, CFW and T&R in future monitoring reports. For period 6 this still sits within CFW and the current forecast assumes this will not be fully achieved.

3.6 There are also £3.3m of additional in year savings which were approved as part of the CFW Budget Re-alignment Report, of which it was assumed that £2.5m would be achieved in year: A list of these savings are also included in Appendix 2.

4. Learning Disabilities Pooled Fund

- 4.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £3.022m.
- 4.2 Dialogue is taking place with the Trafford Clinical Commissioning Group (CCG) in order to agree how we collectively address the on-going pressure on the LD Pooled Budget.

5. Service carry-forward reserves

- 5.1 At the beginning of April 2014 the Children, Families and Wellbeing Directorate had accumulated balances of £(871)k carried forward from previous financial years.
- 5.2 The remaining carry-forward balances at the end of the year after taking into account the outturn position are:

	DSG	CFW – Non LD Pool	CFW LD Pool
	(£000's)	(£000's)	(£000's)
Balance b/f 1 April 2014	(2,777)	(871)	3,022
Specific commitments in 2014/15	750	511	-
P6 Forecast Outturn	180	991	-
	(1,847)	631	3,022

6. Management Action

- 6.1 The re-aligned CFW budget is dependent on the delivery of additional in-year savings of £(2.5)m. Detailed implementation plans are now underway for these savings.
- 6.2 The following actions have also been taken to offset the variance in adoption income:

A review of all the posts that have been set against the adoption income budget has been completed;

A review of the wider social care budget has been completed to identify any additional areas of saving;

A review of the Adoption Income Targets for 2015/16.

6.3 Resource Allocation Process

The Resource Allocation model, which includes a weekly Resource Panel has been extended to include wider representation including Directors. The aim of the revised model is to ensure that the amount of funding allocated is based on "Just Enough" support principles, to minimise cases agreed outside the Resource Panel and to ensure that the process for agreeing funding for individual packages of care is strengthened, ensuring that both senior operational managers and commissioners scrutinise each case and make best use of available resources, voids, contracts etc.

In addition a further panel has been established to exercise the same level of scrutiny on cases coming out of the internal and external reablement services.

6.4 Business Delivery Programme Board

The Business Delivery Programme Board has recently refreshed the way it works, splitting into three key elements:

- Core Business,
- Financial Business, and
- Learning Disability Business.

This new approach ensures Directors, lead commissioners, Finance Managers and Heads of Operational Services maintain oversight of activity linked to the budget and address key issues relating to financial monitoring reports, monitoring of savings targets, and other budget recovery action taken. A revised approach to escalating issues arising to the CFW Senior Leadership Team has also been agreed.

6.5 Financial Tracking and Monitoring

An overarching Activity Plan has been developed which details all areas of activity linked to the Learning Disability Pooled Budget, including previous Recovery Plans and Business Cases in respect of 2014/15 and 2015/16 savings proposals.

In addition a financial spread sheet has been created to allow reductions to be quantified based on “real time” information. The spread sheet highlights the starting position, reductions projected based on Business Case plans and actual reductions achieved once actions have been implemented and savings realised. The introduction of the facility to track financial changes will support the programme of work and highlight where savings have been achieved and also where there may be areas at risk.

The next stage will be to develop similar spread sheets for other service areas, starting with Mental Health. These spread sheets will then be used to support financial management until the Liquid Logic system is implemented.

6.6 Children in Care Placements Tracking and Monitoring

Robust tracking and monitoring of placements for children is in place via monthly meetings with the Joint Director and heads of service to consider all placement budget lines and ensure all tracking of individual children is clear and up to date. These meetings outline tasks for follow-up such as placements that may need to be extended due to complexity of needs, placements that may be able to end early and placements where further cost reductions may be possible.

In addition a quarterly placement monitoring meeting is held with the Joint Director, heads of service and operational managers to consider in detail all placement budgets and all placements to ensure forecasting is accurate and any necessary amendments are made to projections. This is an opportunity to challenge any placement that needs additional action.

All placement requests for agency foster care or out of borough residential care are considered at a weekly meeting chaired by the Head of Children in Care to ensure the placement is necessary and that the need cannot be met by any other option. This is then agreed with the Joint Director.

At the start of the year predicted end dates of placements are factored into budget expenditure plans and a contingency budget is agreed for placements anticipated to be needed during the course of the year. The projected actual budget spend includes the anticipated use of the contingency budget. During the year the contingency budget gets spent as additional need emerges for placements and once used, any anticipated additional placement costs are titled additional pressures to ensure staff are aware that these are costs over the allocated budget. If any contingency money is not required it is removed from the projections gradually during the second half of the year. The current projected overspend includes £177k of anticipated additional pressures where money has not yet been spent but is anticipated to be needed before March. This figure is actively reviewed each month.

Period 6 Projected Outturn revenue expenditure and income variances

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

Budget Book Format (Objective analysis)	Full Year Revised Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	P6 – P5 Movement (£000's)	Ref
Children’s Services Portfolio – DSG Element						
Dedicated Schools Grant	0	180	180	434	(254)	CFW1
Transfer to Dedicated Schools Grant Reserve	0	(180)	(180)	(434)	254	CFW1
Sub-total – DSG	0	0	0	0	0	
Children’s Services Portfolio – Non DSG Element						
Education Early Years’ Service	6,110	5,976	(134)	(28)	(106)	CFW3
Children’s Social Services	15,383	16,319	936	618	318	CFW2
Children with Complex & Additional Needs	1,943	1,968	25	54	(29)	CFW2
Commissioning	1,716	1,661	(55)	(61)	6	
Multi Agency Referral & Assessment Service (MARAS)	1,491	1,442	(49)	(32)	(17)	
Youth Offending Service	363	377	14	19	(5)	
Children’s Centres	1,990	1,922	(68)	(61)	(7)	
Youth Service	1,384	1,421	37	37	0	
CFW Children’s Total	30,380	31,086	706	546	160	

Budget Book Format (Objective analysis)	Full Year Revised Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	P5 – P6 Movement (£000's)	Ref
Adult Social Services Portfolio						
Older People	20,439	20,385	(54)	118	(172)	CFW4
Physical Disabilities	4,963	4,989	26	0	26	CFW5
Equipment & Adaptations	1,004	1,029	25	1	24	CFW6
Mental Health	3,592	3,537	(55)	(3)	(52)	CFW7
Other Adult Services	803	988	185	146	39	CFW8
Strategic & Support Services	967	968	1	(6)	7	
Adaptations	(64)	(57)	7	(71)	78	CFW9
Housing Services	630	606	(24)	1	(25)	CFW10
Community Services	230	226	(4)	(4)	0	
Equalities & Diversity	144	145	1	0	1	
Sub-total	32,708	32,816	108	182	(74)	
Learning Disabilities Pooled Fund	22,707	22,884	177	172	5	CFW11
CFW Adults Total	55,415	55,700	285	354	(69)	
Community Health & Wellbeing Portfolio						
Public Health	(868)	(868)	0	0	0	CFW12
CFW Public Health Total	(868)	(868)	0	0	0	
CFW Total	84,927	85,918	991	900	91	

Business Reason / Area (Subjective analysis)	P6 Outturn (£000's)	P5 Outturn (£000's)	P5-P6 Movement (£000's)	Ref
Children's				
Management of staff vacancies	(367)	(194)	(173)	
Transport Costs	0	57	(57)	
Client Need	287	297	(10)	CFW2
2014/15 Savings not achieved	418	364	54	
Other running costs	114	70	44	
Income	254	(48)	302	CFW2,3
Total Children's	706	546	160	
Adults				
Management of staff vacancies	(218)	(135)	(83)	CFW4,5,7,11,12
Transport Costs	-	-	-	
Client Need	(82)	75	(157)	CFW4,5,12
Reduction in Grant Income	-	-	-	
2014/15 Savings not achieved	403	403	-	CFW4,8,12
Other running costs	275	184	91	CFW4,6,7,8,9,10, 11,12
Other Income	(93)	(173)	80	CFW,8,9,11,12
Total Adults	285	354	(69)	
Total CFW	991	900	91	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

CFW1 – DSG Reserve b/fwd.

- The brought forward DSG reserve balance is £(2,777)k. £750k of this has been allocated to schools on a one off basis there is an expected overspend on SEN of £353k, an underspend on Maternity of £(88)k plus other variances totalling £(85)k. This would leave a year end reserve of £(1,847)k.

CFW2 – Children’s Social Services (Including CAN) £961k adverse variance

- There is an overspend of £485k, on client care packages of which £285k relates to increased numbers and £200k increase in unit costs. This is an increase of £42k on the previous month. Plans are being reviewed in line with what was described in paragraph 6.5.
- There is a projected shortfall in adoption income of £299k. This is an adverse movement of £366k from the previous month. It has now become apparent that in the North West the number of recruited adopters is exceeding the number of children awaiting adoption. The result of this is that associated staffing establishments will have to be reviewed.
- The remaining variances are a reduction in the Staying Put Grant £87k, support costs relating to foster carers £104k, staff management £(105)k, £127k for not achieving the Terms and Conditions saving and other minor variances of £(36)k.

CFW3 Children’s Education Early Years – £(134)k favourable

- Additional income mainly relating to the Education Psychology Service £(85)k.

CFW – Children’s various Vacancy Management – £(367)k Favourable

- There are vacancy management savings amounting to £(367)k which are mainly in Commissioning £(45)k, Children’s Centres £(55)k, MARAS £(49)k Education Early Years £(113)k and Children’s Social Services (already included in CFW2 above) £(105)k.

CFW – Children’s various 2014/15 savings not achieved - £220k adverse

- Non-achievement of elements of the terms and conditions saving due to the volume of exemptions required in critical front line services. (£127k already included in Children’s Social Services CFW2 above).

CFW4 – Older People £(54)k favourable

Vacancy management - £(77)k favourable:

- Commissioning management £(20)k favourable and Care Management £(57)k favourable - Vacancies and savings against posts budgeted at top of grade offset by additional agency costs.

Client Need- £(116)k favourable:

- Reduction in the number of residential/nursing clients and other variations in client need.

Savings not achieved- £100k adverse:

- Residential Homes (Ascot House) - £100k adverse –collaborative working saving which it is currently assumed will not be achieved.

Other running costs- £39k adverse:

- Increased premises and supplies and services expenditure within residential homes and reablement.

CFW5 – Physical Disabilities £26k adverse

Client Need- £23k adverse:

- Net variations in client need.

Other running costs- £3k adverse:

- Minor variances within other Physical Disability budgets.

CFW6 – Equipment & Adaptations £25k adverse

Other running costs- £25k adverse:

- Additional insurance costs relating to bath hoists which were not previously covered under the insurance contract.

CFW7 – Mental Health £(55)k favourable

Vacancy management - £(51)k favourable:

- MH Social Workers (51)k favourable - Vacancies and savings against posts budgeted at top of grade offset by additional agency costs.

Other running costs- £(4)k favourable:

- Minor variances within other Mental Health budgets.

CFW8 - Other Adult Services £185k adverse

Other running costs- £142k adverse:

- Generic Services - additional Deprivation of Liberty (DOLS) assessment costs £85k.
- Additional costs of £57k in relation to Healthwatch.

Savings not achieved- £67k adverse:

- Information and Advice Review - £100k adverse - this is a Council Wide savings target which will be split equally across EGEI, CFW and T&R in future monitoring reports. For period 6 this still sits within CFW and the current forecast assumes this will not be achieved.

Other income – £(57)k favourable

- Increased Healthwatch income £(57)k.

CFW9– Adaptations – £7k adverse

Other Income - £11k adverse:

- Reduction in income assumed from capital programme. This is an adverse change since period 5 when it was forecast that £69k additional income would be achieved due to contractual issues in 2013/14 which led to slippage in the capital programme and additional work/income in 2014/15.

Other running costs- £(4)k favourable:

- Minor variances within other Adaptations budgets.

CFW10– Housing Services – £(24)k favourable

Other running costs- £(24)k favourable:

- Contractual savings in year.

CFW11– LD Pooled Fund – £177k adverse

Vacancy management - £(16)k favourable:

- Net vacancies within Social Work, In-House Day Care and Reablement.

Client Need- £11k adverse:

- Net variations in client need.

Savings not achieved- £203k adverse:

- Terms and conditions savings not achieved due to the number of exemptions relating to the delivery of critical front line services.

Other running costs- £(21)k favourable:

- Other variances within Learning Disability budgets.

CFW12 - Public Health – nil variance

Vacancy management - £(70)k favourable:

- Public Health Leaders - £(48)k favourable – vacancies and savings against posts budgeted at top of grade.
- Health Improvement - £(22)k favourable – vacancy management.

Other running costs- £117k adverse:

- Unallocated grant balance of £117k arising from overall forecast public health underspends for which proposals will be brought forward to support Public Health priorities.

Other income - £(47)k favourable:

- Drug & Alcohol Misuse - £(22)k favourable non recurrent income from Community Safety for Test on Arrest.
- Health & Wellbeing - £(25)k favourable non recurrent income from CCG towards Dementia Advice contracts.

Appendix 2

CFW Base Budget Savings 2014/15		Note	2014/15	Forecast	Variance
			Budget	Saving	
			(£000's)	(£000's)	(£000's)
Children in Care Placements	CYPS	1	(480)	(280)	200
Supported Living	CYPS		(50)	(50)	
MARAS Staffing	CYPS		(50)	(50)	
Market Management	CYPS		(350)	(350)	
Increased Use Personal Budgets	CYPS		(25)	(25)	
Commissioning Integration	CYPS		(20)	(20)	
Complex Additional Needs	CYPS		(50)	(50)	
Education Support Services Review	CYPS		(100)	(100)	
Home To School Transport	CYPS		(100)	(100)	
Complex & Additional Needs Personalisation	CYPS		(125)	(125)	
Terms and Conditions	CYPS	2	(656)	(436)	220
Adoption Placement Fees	CYPS	3	(100)	-	100
Connexions Service	CYPS		(260)	(260)	
Youth Offending Service	CYPS		(150)	(150)	
Early Years Childcare	CYPS		(25)	(25)	
Education Welfare Officers	CYPS		(100)	(100)	
School Improvement	CYPS		(105)	(105)	
Grant Assisted Projects (YOS & KEEP)	CYPS		(74)	(74)	
Reduced Inflation applied to running costs	Adults		(422)	(422)	
Market Management	Adults		(533)	(533)	
New models of service in LD reducing placement costs	Adults		(200)	(200)	
Mental Health - implement Personal Budgets	Adults		(50)	(50)	
LD Transport - implement Personal Budgets	Adults		(200)	(200)	
Ascot House - joint service with TPS resulting in efficiencies in running costs	Adults	4	(100)	-	100
Reduce Public Health	Adults		(850)	(850)	
Telecare	Adults		(400)	(400)	
Reablement	Adults		(500)	(500)	
Commissioning Integration (Children's/Adults)	Adults		(20)	(20)	
Advice & Information - Council wide review	Adults	5	(150)	(50)	100
Pre-payment cards	Adults		(40)	(40)	
Carers Services	Adults		(50)	(50)	
Extension of Personalisation Agenda	Adults		(25)	(25)	
Supporting People	Adults		(399)	(399)	
Terms and Conditions	Adults	2	(695)	(492)	203
Inflationary increase for rents charged for supported living houses	Adults		(3)	(3)	
			(7,457)	(6,534)	923

CFW In Year Budget Savings 2014/15		2014/15 Target	Assumed in rebased Budget	Forecast Saving	Variance
		(£000's)	(£000's)	(£000's)	(£000's)
Music Service	CYPS	(5)	(5)	(5)	-
Early Help Framework	CYPS	(66)	(66)	(66)	-
Complaints and Governance	CYPS	(5)	(4)	(4)	-
Stronger Families	CYPS	(250)	(250)	(250)	-
Area Family Support Team	CYPS	(36)	(18)	(18)	-
Children In care Personal needs	CYPS	(100)	(100)	(100)	-
Education Psychology	CYPS	(50)	(50)	(50)	-
Application of Grants	CYPS	(500)	(500)	(500)	-
Vacancy Management (Children's 50%)	CYPS	(290)	(105)	(105)	-
Voluntary and Community Sector	Adults	(80)	(80)	(80)	-
LD – Contract Negotiations	Adults	(150)	(75)	(75)	-
LD – Acceleration of Tenders	Adults	(490)	(245)	(245)	-
LD – Ordinary Residence	Adults	(150)	(75)	(75)	-
LD – Ordinary Residence – Brokering	Adults				-
Supported Living		(7)	(4)	(4)	-
LD – Care Packages	Adults	(9)	(9)	(9)	-
LD – Development Fund	Adults	(13)	(13)	(13)	-
LD – Void Management	Adults	(17)	(9)	(9)	-
Better Care Fund	Adults	(788)	(788)	(788)	-
Vacancy Management (Adults 50%)	Adults	(290)	(104)	(104)	-
		(3,296)	(2,500)	(2,500)	0

TRAFFORD MBC

Report to: Economic Growth, Environment and Infrastructure
Directorate Management Team

Date: 23 October 2014

Report for: Discussion

Report author: Finance Manager

Report Title

Revenue Budget Monitoring 2014/15 – Period 6 (April 2014 to September 2014)

1. Forecast Outturn for the Year

- 1.1 The approved revenue budget for the year is £33.287m. The forecast outturn is £33.029m, which is £(0.258)m under the approved budget. This is a net favourable movement of £(0.036)m from the last report.
- 1.2 There are a number of minor movements across all services from last reported. The key areas relate to one-off backdated rechargeable income in Groundforce £(0.039)m, additional shortfall in Highways capital fee income £0.039m, and a net favourable movement in running costs across the Directorate £(0.036)m.
- 1.3 The Directorate has brought forward balances of £(1.155)m from previous years (paragraph 3). These are earmarked for specific project based activity which has been re-phased from previous years, one-off projects to support in-year service efficiencies, and also to mitigate specific one-off budget pressures this year, such as from the Enforcement and Groundforce reviews, if required. The remaining balance based on the projected outturn above is £(0.394)m. This will be held to mitigate any future pressures during the year, such as weather related incidents.

2. Summary of Variances

- 2.1 The overall favourable variance of £(0.258)m reflects a number of individual under and overspends across the diverse areas of the Directorate, as detailed in Appendix 1 and summarised below.
- 2.2 There is one-off shortfall in approved savings relating to the Enforcement review (from 2013/14) £0.058m, and Groundforce review £0.047m. This is due to additional time taken for staff and stakeholder consultations. There is also an expected income saving shortfall of £0.030m from moving traffic offences, which is linked to the progress of the AGMA initiative supporting this. Income generation from town centre advertising will not be achieved £0.016m following recent legal advice, and property referral web-site advertising has been re-phased leading to a one-off shortfall of £0.003m this year. Savings will be delivered in full from 2015/16, and for town centre advertising alternative proposals will be progressed through the Medium Term Financial Plan.
- 2.3 The levy paid to Greater Manchester Waste Disposal Authority is expected to be £0.200m higher than budgeted, which is due to weather related increases in the volume of green waste being recycled over the summer. This can be partially mitigated by a negotiated one-off procurement saving in the waste collection contract £(0.150)m.

- 2.4 Favourable one-off income variances are projected from Oakfield Road car park £(0.128)m and Urmston Town centre rent £(0.040)m. Income from the GM Road Access Permit Scheme is also expected to be £(0.082)m above budget. Backdated one-off income has been received relating to rechargeable grounds maintenance costs £(0.039)m. There are income shortfalls forecast relating to car parking £0.015m, licencing £0.024m, pest control £0.020m, planning and building control £0.029m (which is monitored weekly) and Green Deal £0.035m. Overall projected income is £0.003m less since last reported.
- 2.5 There are a number of favourable variances relating to staffing budgets as a result of turnover or vacancy management £(0.269)m, including £(0.080)m from senior management restructuring, £(0.050)m from school crossing patrols and £(0.050)m Highways. The net underspend on staffing has increased by £(0.007)m since last reported.
- 2.6 Other running cost variances include an underspend on Administrative Buildings £(0.049)m. Overall projected running costs have reduced by £(0.045)m since the last report which relates to minor movements across the Directorate.
- 2.7 Management action will continue throughout the year to ensure that essential services are delivered within budget and to seek out opportunities for future financial benefits. This includes:
- Only necessary spending on supplies and services to be approved;
 - Systematic 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 2013/14 the Directorate had a surplus on accumulated balances of £(1.155)m, which was carried forward to 2014/15. This was a result of the successful management of budget pressures in the last two financial years but also includes a number of commitments relating to projects being re-phased across the year end.
- 3.2 The planned use of these balances is shown below. The current balance of £(0.394)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 2015/16 accordingly.

Utilisation of Carry forward Reserve 2014/15	(£000's)
ETO Surplus balance brought forward at 1 April 2014	(494)
EGP Surplus balance brought forward at 1 April 2014	(661)
Re-phasing of projects from 2013/14	381
Committed on 2014/15 projects	638
Period 6 forecast outturn (favourable)	(258)
Balance after known commitments	(394)

4. Savings

- 4.1 The approved Directorate budget includes 2014/15 savings of £(3.153)m as follows:

	Budget (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(320)	(271)	49
Efficiencies and others	(786)	(786)	0
Policy Choice	(1,920)	(1,873)	47
Mitigating action across EGEI	0	(96)	(96)
Terms and Conditions	(127)	(127)	0
Total EGEI	(3,153)	(3,153)	0

- 4.2 The income shortfall of £0.049m relates to the delay in implementing the saving relating to moving traffic offences £0.030m (note EGEI1 below) and £0.019m from town centre advertising and property referral fee web-site advertising (EGEI10). In policy choice £0.047m relates to re-phasing of savings in Groundforce (note EGEI4). All these items 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. The savings will be achieved in full from 2015/16, with alternative measures for town centre advertising progressed through the Medium Term Financial Plan.
- 4.3 In addition, there is a £0.058m shortfall in the saving associated with the review of Enforcement approved in the 2013/14 budget. This is also due to additional staff and stakeholder consultations and the saving is now being delivered in full (from August 2014) (see note EGEI5).

5. Forecasting and Risk

- 5.1 This is the fourth monitoring report of the financial year based on six months of actual activity and the information available to produce the forecast outturn will be refined and subject to change as the year progresses.
- 5.2 The key assumptions and/or areas of risk in this forecast are:
- GM Waste Disposal Authority levy – each month the WDA notifies GM Councils of variances in the actual tonnages of waste delivered compared to that assumed when setting the levy at the start of the year. This results in an additional cost or rebate per Council. Actual tonnages can be affected by weather and also customer behaviour, for example levels of recycling. There is a £0.200m increase in the levy forecast this year due to the weather (see note EGEI5 below);
 - Fee income from capital works will vary depending on the progress of delivering the approved capital programme during the year – total budgeted fee income for the year is £2.2m;
 - Demand led fees and charges income, such as from Parking, Licencing, Planning and Building Control, will vary based on economic conditions and customer behaviour. Bereavement Services income is also affected by external factors. All fees and charges are monitored weekly or monthly, with trends and previous profiles used to inform forecasts;

- Investment property income – this varies depending on economic factors, and includes income from shopping centres (e.g. Stretford Mall) where lettings and rents are the responsibility of the owners of the properties;
- Weather related incidents impact on costs and income, particularly during the winter months. This includes increased winter maintenance costs (gritting etc.), pot hole damage to highways, tree and other infrastructure damage. The Directorate has £0.140m in a Winter Maintenance reserve to smooth these pressures across financial years, if required.
- A pay award of 1% has been assumed for 2014/15.

6. Recommendations

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

Period 6 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.

Economic Growth, Environment & Infrastructure Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Forecast Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Highway and Network Management, including Traffic & Transportation	5,151	5,135	(16)	(67)	51	EGEI1
School Crossing Patrols	509	459	(50)	(50)	0	EGEI2
Parking Services	(337)	(474)	(137)	(114)	(23)	EGEI3
Groundforce	4,144	4,166	22	89	(67)	EGEI4
Bereavement Services	(1,090)	(1,092)	(2)	(5)	3	
Sustainability & Greenspace	359	339	(20)	(10)	(10)	
Waste Management (incl. WDA levy)	18,979	19,026	47	49	(2)	EGEI5
Public Protection	602	641	39	19	20	
Environmental Enforcement	89	147	58	53	5	EGEI6
Directorate Strategy & Business Support	259	179	(80)	(80)	0	EGEI7
Sub-total Environment & Operations Portfolio	28,665	28,526	(139)	(116)	(23)	
Property and Development	2,451	2,280	(171)	(135)	(36)	EGEI8
Planning & Building Control	(119)	(61)	58	50	8	EGEI9
Strategic Planning & Development	533	527	(6)	(6)	0	
Economic Growth	741	706	(35)	(41)	6	EGEI10
Housing Strategy	596	631	35	26	9	EGEI11
Directorate Strategy & Business Support	492	492	0	0	0	
Sub-total Economic Growth & Planning Portfolio	4,694	4,575	(119)	(106)	(13)	
Operational Services for Education	(72)	(72)	0	0	0	
Total Forecast Outturn Period 6	33,287	33,029	(258)	(222)	(36)	

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Highways and Network Management				
Income shortfall, including moving traffic offences	40	34	6	
GMRAPs income above budget	(82)	(82)	0	
Capital fee income shortfall	90	51	39	
Staff vacancies	(50)	(50)	0	
Running costs including depot	16	10	6	
Energy – Street Lighting	(30)	(30)	0	
Sub-total	(16)	(67)	51	EGEI1
School Crossing Patrols - vacancies	(50)	(50)	0	EGEI2
Parking Services				
Additional income – Oakfield Road	(128)	(128)	0	
Income shortfall – other locations	15	29	(14)	
Staffing and running costs	(24)	(15)	(9)	
Sub-total	(137)	(114)	(23)	EGEI3
Groundforce				
Re-profiling of staff/equipment savings	47	47	0	
Other running costs – weather related demand	9	30	(21)	
External income	(34)	12	(46)	
Sub-total	22	89	(67)	EGEI4
Bereavement Services				
Staffing and maintenance costs	(2)	(5)	3	
Sustainability & Greenspace				
Vacancy, supplies & services	(20)	(10)	(10)	
Waste Management				
Staffing and general running costs	(3)	(1)	(2)	
GM Waste levy – additional green waste recycling	200	200	0	
Waste contract – one-off procurement saving	(150)	(150)	0	
Sub-total	47	49	(2)	EGEI5
Public Protection				
Staffing and running costs	(5)	(5)	0	
Income shortfalls	44	24	20	
Sub-total	39	19	20	

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Environmental Enforcement				
Re-profiling of staff/equipment saving	58	53	5	EGEI6
Director & Business Support				
Staffing and Running costs	(80)	(80)	0	EGEI7
Sub-total Environment & Operations Portfolio	(139)	(116)	(23)	
Property and Development				
Investment Property Rental Income:				
- Urmston Town Centre – one-off surplus	(40)	(40)	0	
- Airport – surplus	(16)	(16)	0	
- Other properties - surplus	(15)	(8)	(7)	
Community buildings – income/running costs	(6)	11	(17)	
Admin Buildings running costs	(49)	(40)	(9)	
Other minor running cost variances	8	11	(3)	
Major projects capital fee income	(53)	(53)	0	
Sub-total	(171)	(135)	(36)	EGEI8
Planning & Building Control				
Planning applications income	(36)	(44)	8	
Building Control income shortfall	65	60	5	
Staffing including interim support	15	15	0	
Running costs	14	19	(5)	
Sub-total	58	50	8	EGEI9
Strategic Planning & Development				
Staffing/running costs savings	(6)	(6)	0	
Economic Growth				
Staffing vacancies	(49)	(51)	2	
Other running costs	(5)	(9)	4	
Town centre advertising income	16	16	0	
Property referral fee website advertising income	3	3	0	
Sub-total	(35)	(41)	6	EGEI10

Economic Growth, Environment & Infrastructure Business Reason / Area (Subjective analysis)	P6 Outturn Variance (£000's)	P5 Outturn Variance (£000's)	Period Movement (£000's)	Ref
Housing Strategy				
Green Deal income re-phased implementation	35	35	0	
Staffing and running cost savings	0	(9)	9	
Sub-total	35	26	9	EGEI11
Sub-total Economic Growth & Planning Portfolio	(119)	(106)	(13)	
Total Forecast Outturn EGEI Period 6	(258)	(222)	(36)	

Summary Variance Analysis Period 6

All Services	Savings £000	Staff £000	Running Costs £000	Income £000	Total Variance £000
Period 5	141	(262)	47	(148)	(222)
Period 6	154	(269)	2	(145)	(258)
Period Movement	13	(7)	(45)	3	(36)

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

EGEI1 – Highways & Network Management - £(0.016)m (favourable)

Income generation of £(0.030)m is included as a saving in the approved budget from moving traffic offences. This is part of an AGMA initiative to improve safety and traffic flows on major routes and the project has needed to be re-phased into 2015/16.

Staffing is expected to be £(0.050)m underspent for the year due to vacancies.

There is additional income above budget of £(0.082)m from the Greater Manchester Road Access Permit Scheme, which was implemented during 2013/14.

Fee income from technical and consultancy work charged to capital schemes is predicted to be £0.090m below budget due to the predicted timing of capital works. This is an adverse movement of £0.039m since last reported and will be reviewed throughout the year as the capital programme progresses.

Street Lighting energy costs are projected to be £(0.030)m less than budgeted based on latest projected usage volumes and includes the new contract prices from October 2014.

EGEI2 – School Crossing Patrols – £(0.050)m (favourable)

There is a forecast underspend on staffing due to vacancies.

EGEI3 – Parking Services – £(0.137)m (favourable)

The approved budget for 2013/14 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 £(0.128)m above budget, which has continued from last year.

Other car parking income is broadly on target, although resurfacing work at a supermarket car park in Sale is expected to lead to a one-off income shortfall of around £0.035m this year.

EGEI4 – Groundforce - £0.022m (adverse)

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled, and there is forecast one-off overspend of £0.047m this year. This relates to additional consultations with staff and other stakeholders in order to implement the approved budget proposals.

Running costs are expected to be £0.009m above budget which is a favourable movement of £(0.021)m since last reported. One-off backdated income of £(0.039)m is reported this month relating to rechargeable grounds maintenance works recently received.

EGEI5 – Waste Management and Disposal - £0.047m (adverse)

Following recent notifications from the Greater Manchester Waste Disposal Authority, there is an estimated additional levy cost of £0.200m this year. This is due to weather related increases in the overall tonnages of green waste being disposed, and is adversely affecting all Councils across Greater Manchester. The level of waste is recorded at the time of disposal and the levy impact reported monthly to GM Councils by the WDA. The percentage of waste recycled as a proportion of all waste remains high (over 60%), and the budgeted savings from the introduction of food waste recycling are on course to be achieved.

The service has negotiated changes to the waste collection contract which will result in a one-off saving of £(0.150)m. This can be used to part mitigate the disposal levy pressure above, with the balance covered by use of reserves brought forward from 2014/15, if necessary.

EGEI6 – Environmental Enforcement £0.058m (adverse)

The 2013/14 saving associated with the review of Enforcement has been re-profiled following additional staff and stakeholder consultations. This has resulted in a forecast overspend of £0.058m for the year. All changes have been implemented at the end of August and the saving achieved in full from this point.

EGEI7 – Director & Business Support £(0.080)m (favourable)

The restructure and the ETO and EGP Directorates has led to a rationalisation of management costs which is expected to deliver a saving of £(0.080)m on current budgeted staff costs. This will be taken forward in the Medium Term Financial Plan as appropriate.

EGEI8 – Property and Development - £(0.171)m (favourable)

The approved budget for 2014/15 included assumptions regarding Urmston Town Centre asset disposal. This has taken longer than had been assumed and rental income has continued beyond expectations giving an additional £(0.040)m one-off benefit this year. The disposal has now been completed.

Rent from Manchester Airport rent is £(0.016)m above budget following notification from Manchester City Council of new rent levels.

Improved efficiency in the Major Projects team has continued from the last financial year and forecast for fee income from capital and external projects is £(0.053)m higher than previously forecast.

Administrative building running costs are less than expected across the portfolio by £(0.049)m, including £(0.034)m relating to the catering concession at Altrincham Town Hall.

EGEI9 – Planning and Building Control – £0.058m (adverse)

Projected income from planning fees is £0.008m less than last reported, now giving an overall surplus of £(0.036)m. There is a projected shortfall in income from building control fees £0.065m and action is underway to address this. Both fees are monitored and reported on a weekly basis and the projections are based on data from the early part of the year only.

There is a projected overspend on staffing of £0.015m for the year due to the appointment of interim staff to cover vacancies and address the resulting capacity issues. The permanent filling of vacant posts will be addressed by the ongoing restructure of the combined Directorate. Running costs are £0.014m above budget and includes investment in ICT to improve efficiency.

EGEI10 – Economic Growth Team – £(0.035)m (favourable)

There is an underspend in staffing and running costs of the Altrincham Town Team as service review and potential re-design is implemented in this area.

The income generation proposal relating to town centre advertising will not be achieved due to recent legal advice leading to an overspend of £0.016m. This will be addressed through alternative proposals and progressed in the Medium Term Financial Plan. Income from property referral fees web-site advertising have been re-phased to later in the year giving a predicted shortfall of £0.003m.

EGEI11 – Housing Strategy – £0.035m (adverse)

There is a predicted shortfall in income of £0.035m from the implementation of Green Deal. This is an ongoing pressure and will be addressed in the Medium Term Financial Plan.

TRAFFORD COUNCIL

Report to: Transformation & Resources Directorate Management Team
 Date: 16 October 2014
 Report for: Discussion
 Report author: Senior Accountant – Transformation & Resources

Revenue Budget Monitoring 2014/15 – Period 6 (April 2014 – September 2014 inclusive)
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1 Outturn

- 1.1 The current approved revenue budget for the year is £17,629k, and after period six the forecasted outturn is £17,684k, which is a £55k, or (0.31)%, overspend position. This is a favourable net movement since the last report of £(68)k.

2 Summary of forecast and movements

- 2.1 Detail on the forecasted outturn analysed by service, portfolio and activity is provided at Appendix 1. The following summarises the significant movements from the previous period, referenced to the detail in Appendix 1, which net to £(68)k:

Delays in delivering budget savings, £374k adverse forecast, £44k adverse movement; the adverse variance is based on a prudent assessment of both timing and savings level (T&R1). The monthly movement reflect the additional time now required to implement the savings in the current year; however these recurring base budget savings are anticipated to be completed by the end of the year and will be delivered in full in 2015/16. The in-year reduction in savings will be mitigated by other cash savings.

Delay in telephony, voice and data upgrade, £74k adverse forecast, no movement; the migration of voice and data telephony lines will not yield the anticipated savings, a contribution towards the cost of the delay is being negotiated with the contractor (T&R2).

Barrister and Court Fees, £77k adverse forecast, no movement; the quantity of cases being determined in-year and the costs of the individual cases has been on the increase for a number of years. The 2015/16 budget includes for additional funding to address the budget shortfall in this business activity (T&R3).

Vacancy Management, £(431)k favourable forecast, £(110)k favourable movement; this net variance includes an overspend position in financial management £99k, mitigated within the service from Revenues and Benefits which is underspending by a forecasted £(223)k. The favourable movement in the month reflects senior management vacancy forecast £(29)k and vacant posts in ICT £(64)k and Communications £(22)k which will form part of the 2015/16 savings proposals (T&R4).

Running costs variances, £(21)k favourable forecast, no movement; a review of running cost expenditure across the Directorate has resulted in a favourable forecast (T&R5).

Minor income variances, £(18) k favourable forecast, £(2)k favourable movement; (T&R6).

3 MTFP Savings 2014-15

3.1 The council's overall budget for 2014/15 includes £(13,776)k of savings of which £(3,006)k relates to T&R. All actions to achieve the T&R full year savings are expected to be completed by 31 March 2015 although the timing of some of these will mean the cash saving in 2014/15 is forecast to be £(2,632)k, which is 88% of the target.

3.2 The delay in in-year cash savings of £0.374m into the following year is in respect of the following initiatives.

Table 1: Saving Description	Phased Savings (£000's)
Human Resources Restructure (a)	100
Partnerships and Communities Restructure (b)	96
Legal Services Restructure (a)	36
Design and Print (c)	83
ICT - Social care - licence fee (d)	59
Total	374

3.3 Notes to the above phased savings table:

- (a) As noted at Scrutiny review this is a phased implementation;
- (b) £222k achieved. Balance is due to lengthened timescale to appoint to structure;
- (c) £107k achieved. Balance to be realised across the Council, a longer contract tendering exercise is now to be undertaken to maximise savings;
- (d) Linked to rephased Liquid Logic ICT project.

3.4 The in-year shortfall against budget will be mitigated by in year net underspends.

4 Reserves

4.1 The Directorate has accumulated balances of £(1,978)k brought forward from previous years. This will be used to support the delivery of the Reshaping Trafford Programme and the development of future efficiencies. Funding will be provided for an investment in ICT hardware, software and communications such as server upgrades, network connections and access to services.

4.2 The table overleaf summarises the projected movement during 2014/15:

Table 2: Utilisation of Carry Forward Reserve 2014/15	£000's
Balance b/f 1 April 2014	(1,978)
Delivering Reshaping Trafford and future efficiencies	670
ICT hardware and software upgrades	361
Contingencies	503
Land Charges Claim	185
Improving communications and democratic access	141
2014/15 Outturn	55
Remaining Balance at 31 March 2015	(63)

5 Main Assumptions

- 5.1 This forecast has been based on six months of actual activity in 2014/15, compared to the budgeted plan, and where appropriate to previous years. Where adjustments have been made, they have been done in consultation with the relevant manager for any known variance in plans or activity. The key assumptions and/or areas of risk in this forecast are:

Court costs and Barrister fees; are volatile, with the quantity of cases being determined in-year and the costs of the individual cases being highly variable. The estimated forecast is based on current actuals extrapolated by the previous five years' experience, but will need to be kept under review.

Included in the T&R 2014/15 is £592k vacancy factor, which reflects staff turnover and the delays in time to recruit to establishment posts at 3.5%. The current vacancy management forecast of £(434)k favourable variance (T&R 4) assumes that this £(592)k will be fully achieved as per previous year's activity levels. After six months £88k or 15% of this vacancy factor has not been achieved but the current vacancy levels forecasted assume this will be achieved by the end of the financial year.

The £74k adverse variance on the transfer of telephony lines to the new contractor is prudently shown at the maximum for the whole year. Furthermore, a contribution towards the additional in-year costs from the contractor is being negotiated. Should the transfer take place earlier and/or a contribution received, this will reduce the extent of this adverse variance.

Waterside Arts Centre ticket sales income is based on previous year's activity. Income is variable dependent upon the entertainment programme and customer demand. At this stage of the year it is difficult to forecast total annual income with certainty, as the Christmas period typically generates 50%, or around £(130)k, of the gross annual income. Christmas booking have now begun but it is too early for comparisons with last year's sales.

A pay award of 1% has been assumed for 2014/15.

Period 6 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)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	P5 to P6 Movement (£000's)	Note ref
Transformation and Resources Portfolio						
Legal & Democratic	2,491	2,622	131	99	32	T&R1,3
Communications & Customer Services	5,919	5,897	(22)	13	(35)	T&R1,2
Strategic Human Resources	2,068	2,127	59	54	5	T&R1
Corporate Leadership and Support	368	315	(53)	(24)	(29)	
sub-total	10,846	10,961	115	142	(27)	
Finance Portfolio						
Finance Services	3,614	3,435	(179)	(111)	(68)	
sub-total	3,614	3,435	(179)	(111)	(68)	
Communities and Partnerships						
Partnerships & Communities	1,546	1,637	91	63	28	T&R1
Culture & Sport	1,623	1,651	28	29	(1)	
sub-total	3,169	3,288	119	92	27	
Total	17,629	17,684	55	123	(68)	

Business Reason / Area (Subjective analysis)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	P5 to P6 Movement (£000's)	Note ref
Delay in savings implementation	374	330	44	T&R 1
ISDN line upgrade delay	74	74	0	T&R 2
Court Costs and Legal fees	77	77	0	T&R 3
Management of Vacancies	(431)	(321)	(110)	T&R 4
Running Costs	(21)	(21)	0	T&R 5
Income	(18)	(16)	(2)	T&R 6
Total	55	123	(68)	

NOTES ON PROJECTED OUTTURN VARIANCES

£374k adverse, phasing of base budget savings (discussed in Section 3); action will be taken in year on the various initiatives to achieve £3,006k in savings within the Directorate. However, five of these will be delayed causing a part year adverse effect in 2014/15. Underspends in other areas, in-year cash savings will be used to mitigate this loss (T&R1).

£74k adverse, delay in telephony, voice and data upgrade; the migration of voice and data telephony lines between contractors has been delayed (T&R2).

£77k adverse, Barrister and Court fees; primarily due to current activity levels relating mainly to childcare caseload and the cost of such legal action (T&R3).

£(431)k favourable, vacancy management; Communications, Human Resources, Revenues and Benefits, Internal Audit, Corporate Leadership and ICT services have been recently subject to reviews, staff turnover and posts being held back for 2015/16 savings. This net variance includes £99k adverse variance in Financial Management due to the need to recruit temporary additional capacity in support of priority work, which has been offset by a £(223)k favourable variance within the Revenue & Benefits service, which is due in part to secondments and externally funded project work (T&R4).

£(21)k favourable, running costs; running costs particularly in ICT and Communications are forecast to be below current budgeted levels (T&R 5).

£(18)k favourable, income; there are minor favourable income variances across the T&R Directorate (T&R 6).

TRAFFORD COUNCIL

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

Report Title

Revenue Budget Monitoring 2014/15 – Period 6 Outturn - Council-Wide Budgets (April 2014 to September 2014 inclusive)

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £20.291m. The outturn forecast is £19.156m, which is £(1.135)m under the budget, a favourable movement of £(0.823)m since the last report.

1.2 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;

Proceeds from the planned sale of the Council's interest in Urmston Town Centre, in excess of the figure reported to the Council meeting on 17 September 2014, £(0.054)m;

Empty Homes/Single Person Discount Review, £0.045m;

Members expenses - savings as a result of changes to the Members Allowances Scheme, £(0.025)m;

£(0.844)m additional Section 31 grant relating to the Government's extension of the Small Business Rate Relief/Retail Relief Discount Schemes and further income from renewable energy schemes;

£0.056m reduction in the level of Education Services grant;

Housing and Council Tax Benefits overpayment recovery net variance of £(0.296)m, a small favourable movement on last month of £(0.080)m;

External Audit fees, one-off rebate £(0.021)m offset by additional costs of £0.015m relating to the forensic review of the Council's investigation report into budget monitoring arrangements;

Other minor variances, £(0.011)m.

2 Service carry-forward reserve

2.1 Other than for the Coroner's Service, Council-Wide budgets do not have their own carry forward reserve, and any underspend will be transferred to the General Reserve, as detailed in the summary report.

3 Forecasting and Risk

- 3.1 This forecast has been based on six months of actual activity. The activity covered by Council-Wide budgets is varied, and the key assumptions in the September forecast are:

Average investment rates will be 0.7% with a cash flow of £75.4m.

The majority of the Council's loans are at fixed rate interest. The only variable loan of £20m is with the Royal Bank of Scotland at 6.01%. However, there is a smoothing reserve to mitigate large variations from this assumption.

Council error in the award of housing benefit will be within threshold limits, and recovery of benefit overpayments will continue at previous activity levels.

All contingency budgets for end of year adjustments will be utilised, including the provision for bad and doubtful debts.

A pay award of 1% has been assumed for 2014/15.

Period 6 Draft Outturn revenue expenditure and income variances,

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

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P6 Forecast Outturn (£000's)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	Period Movement (£000's)	Ref
Finance Portfolio						
Precepts, Levies & Subscriptions	17,855	17,859	4	4		
Provisions (bad debts & pensions)	(535)	(544)	(9)	(54)	45	C-W1
Treasury Management	7,981	7,971	(10)	(10)		
Insurance	775	775				
Members Expenses	926	901	(25)	(25)		C-W2
Grants	(6,804)	(7,597)	(793)	(5)	(788)	C-W3
Other Centrally held budgets	93	(209)	(302)	(222)	(80)	C-W4
Total	20,291	19,156	(1,135)	(312)	(823)	

Business Reason / Area (Subjective analysis)	P6 Outturn variance (£000's)	P5 Outturn variance (£000's)	Period Movement (£000's)	Ref
Urmston Town Centre additional sale proceeds	(54)	(54)		C-W1
Empty Homes/Single Person Discount Review	45	0	45	C-W1
Treasury Management:				
- Investment Income	(10)	(10)		
Precepts, Levies & Subscriptions	4	4		
Members Expenses	(25)	(25)		C-W2
Grants	(793)	(5)	(788)	C-W3
External audit fees	(6)	(6)		C-W4
Housing & Council Tax benefits	(296)	(216)	(80)	C-W4
Total	(1,135)	(312)	(823)	

NOTES ON PROJECTED VARIANCES

C-W1 – Provisions - £(0.009)m (favourable), an adverse movement of £0.045m

The sale proceeds from the planned sale of the Council's interest in Urmston Town Centre, following its redevelopment, are now expected to be £(1.354)m, which is £(0.054)m in excess of the figure agreed at the Council meeting on 17 September 2014.

A recent exercise has been carried out to confirm whether long term (more than 6 months) empty properties were in fact occupied. The fee invoice has now been received for this work for £0.045m made up from an Empty Homes review, £0.033m and a Single Person Discount review, £0.011m. No budget is held for this exercise.

C-W2 – Members Expenses - £(0.025)m (favourable)

Changes to the Members Allowances Scheme were approved at the Council meeting on 17 September 2014 following a report from the Independent Remuneration Panel (IRP). The changes will generate annual savings of approximately £(0.036)m. However, a number of the changes are only effective part way through the year and the estimated saving in 2014/15 is £(0.025)m.

C-W3 Grants - £(0.793)m (favourable), a favourable movement of £(0.788)m

In 2014/15 the Council will receive additional Section 31 grant to compensate for the loss of income from the Government's decision to extend the Small Business Rate Relief/Retail Relief Discount Schemes. The grant also includes a sum for a renewable energy scheme at Saica paper mill, which is wholly retained by the Council. The grant is worth £(0.844)m in total and the Council has discretion over its use.

A recent notification has been received for the 2014/15 Education Services grant, which at £(3.397)m will be £0.056m below the budget of £(3.453)m. This specific grant is based on pupil numbers in Council maintained schools and may reduce further depending on the final number of schools converting to Academy status during the year.

C-W4 – Other Centrally held budgets - £(0.302)m (favourable), £(0.080)m favourable movement

- **Housing & Council Tax Benefits - £(0.216)m (favourable)**

There is a net variance of £(0.196)m within the Housing Benefit budget, a small favourable movement on last month of £(0.080)m. The Council Tax Benefit Scheme ceased in 2013 and was replaced by the Council Tax Support Scheme. Any recovery of overpaid Council Tax Benefit from previous years is retained by the Council and the latest projected outturn for 2014/15 is £(0.100)m.

The credit from the recovery of overpaid Council Tax Benefit is difficult to predict and will eventually taper off.

- **External Audit fees - £(0.006)m**

The Audit Commission has paid rebates to audited bodies, returning some £6.8m to local government, fire and rescue and police bodies. The rebates reflect the efficiency savings achieved by the Commission ahead of its closure in March 2015, Trafford's share being £(0.021)m. There have also been additional one-off costs of £0.015m relating to the forensic review of the Council's investigation report into budget monitoring arrangements.