

WIRRAL COUNCIL

CABINET

18 APRIL 2013

SUBJECT	REVENUE MONITORING 2012/13 MONTH 11 (FEBRUARY 2013)
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1 EXECUTIVE SUMMARY

- 1.1 This report sets out the revenue position for 2012/13 as at Month 11 (February 2013). It identifies the latest financial projections and ongoing management actions to ensure any year end overspend is minimised.

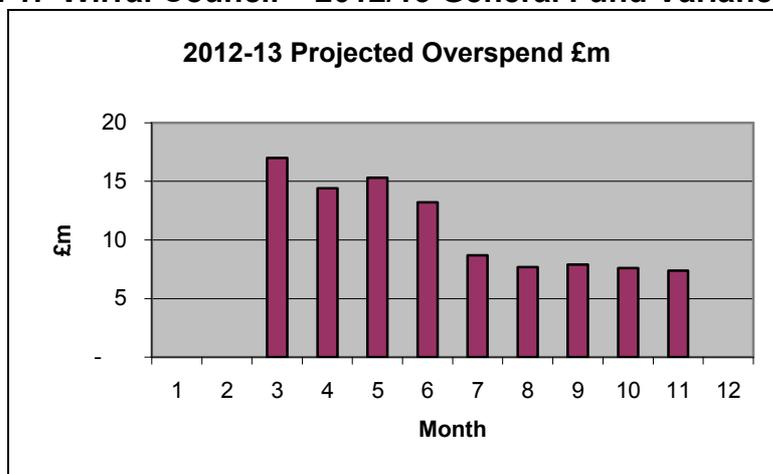
2 BACKGROUND

- 2.1 Cabinet on 6 September 2012, when considering the Month 3 monitor, instituted a spending freeze in the light of a £17m projected overspend. Items within the freeze agreed by 18 October, 8 November, and 20 December Cabinets are included within the monitoring figures below. The outcome of weeks since then are reported within Appendix 7, attached.

OVERALL POSITION AT MONTH 11 (FEBRUARY 2013)

- 2.2 The projected revenue forecast for the year, at Month 11 (February 2013), shows a potential General Fund **overspend of £7.4m**, down £0.2m on the M10 projection of a £7.6m overspend. This improvement is largely due to a reduced projected overspend within Children & Young People.

Graph 1: Wirral Council – 2012/13 General Fund Variance, by month



- 2.3 A report examining issues regarding the level of debt which has previously been included within the Authority's accounts and assumed was collectable is to be released in the near future. This may increase the size of the underlying projected 2012/13 overspend. The release of earmarked reserves to cover this cost have however been identified.

CHANGES TO THE AGREED BUDGET AND VARIATIONS

- 2.4 The Budget for 2012/13 was agreed by Council on 1 March 2012 and is detailed in Appendix 2; any increase in the Budget has to be agreed by full Council. Changes to the budget have occurred since it was set and these are summarised in the table below. These comprise variations approved by Cabinet / Council including approved virements, budget realignments reflecting changes to the departmental structure and responsibilities, and expenditure freeze decisions, as well as any technical adjustments. These are detailed in Appendix 3.

Table 1: 2012/13 Original & Revised Net Budget analysed by Department

	Original Net Budget	Approved Budget Virements Mths 1-10	Previous Freeze Decisions	Approved Budget Virements Month 11	Revised Net Budget
	£000	£000	£000	£000	£000
Adult Social Services	66,660	571	-85	-	67,146
Children & Young People	73,665	-195	-172	-	73,298
Finance	24,610	-2,424	-493	-	21,693
Law, HR & Asset Management	13,901	1,183	-54	-17	15,013
Regeneration, Hsg & Planning	25,764	-768	-962	-	24,034
Technical Services	59,478	178	-526	17	59,147
Freeze Savings	-	-	2,292	-	2,292
Efficiency Fund	-	2,132	-	-	2,132
Net Cost of Services	264,078	677	0	0	264,755

Note 1: M11 virements reflect a review of energy prices which saw an adjustment for street lighting to Technical Services from Asset Management.

- 2.5 A budget realignment exercise took place in January. This was conducted mainly on a departmental basis with departments allocating some monies to overspending areas such as employees and supplies and services from underspending budget lines, such as Transfer payments, Third Party payments and Recharges. A large number of individual virements have been made in the month. As the exercise was self funding this has not solved the overall forecast overspend but has moved a number of budgets closer in line.
- 2.6 The main report will only comment on large variations (Red and Yellow items). The 'variations' analysis distinguishes between overspends and underspends and the proposed 'risk band' classification is:
- Overspends - Red (over +£301k), Amber (+£141k to +£300k)
 - Acceptable - Green (range from +£140k to -£140k)
 - Underspends - Blue (-£141k to -£300k),
 - Yellow (over -£301k)

Table 2: RAGBY Classification of 2012/13 Departmental Projected General Fund Budget variations (Month 10 in brackets)

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Adults	4	2 (2)	0 (0)	1 (1)	1 (1)	0 (0)
Children & YP	7	2 (2)	1 (1)	0 (0)	2 (2)	2 (2)
Finance	6	0 (0)	1 (1)	1 (1)	0 (0)	4 (4)
Law, HR & AM	7	1 (1)	1 (1)	3 (3)	1 (1)	1 (1)
Reg, Hsg & Plan	5	0 (0)	0 (0)	3 (3)	1 (1)	1 (1)
Technical Servs	7	1 (1)	0 (1)	6 (5)	0 (0)	0 (0)
TOTAL	36	6 (6)	3 (4)	14 (13)	5 (5)	8 (8)

- 2.7 The reporting process identifies over or underspends and classifies them into risk bands. The projection is for a total potential General Fund overspend of £7.4m across the six Directorates for 2012/13, as set out in the table below, which records 4 departments as red and two yellow (unchanged from M10).

Table 3: 2012/13 Projected General Fund Budget variations by Department

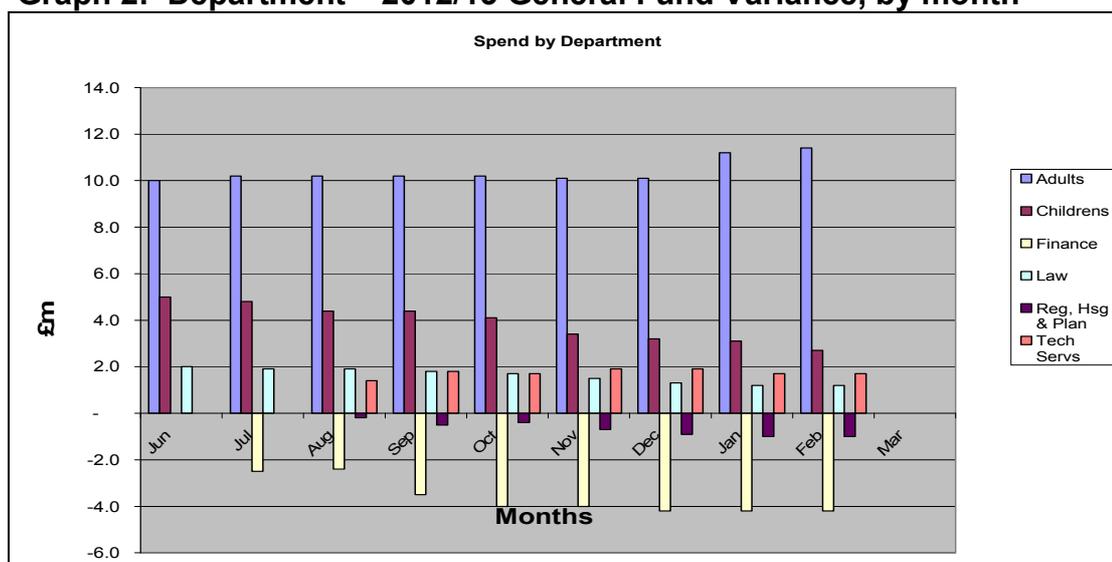
Department	Revised Budget	Forecast Outturn	(Under) Overspend Month 11	RAGBY Classification	Month 10 (Under)/ Overspend	Change
	£000	£000	£000		£000	£000
Adults	67,146	78,540	11,400	R	11,200	+200
Children & YP	73,298	75,998	2,700	R	3,100	-400
Finance	21,693	17,544	-4,200	Y	-4,200	-
Law,HR & AM	15,013	16,246	1,200	R	1,200	-
Reg, Hsg & Plan	24,034	23,053	-1,000	Y	-1,000	-
Technical Servs	59,147	60,813	1,700	R	1,700	-
Freeze wks	2,292	-	-2,300	n/a	-2,300	-
Efficiency Fund	2,132	-	-2,100	n/a	-2,100	-
TOTAL	264,755	272,194	7,400		7,600	-200

Note: DASS figures reflect Cabinet 7th February decision agreeing increased funding for 2012/13 Care Home fees.

- 2.8 Within the various departments there have been the following developments:

- **Adult Social Services** there is a potential overspend of £11.4m, an increase of £0.2m since M10 partly due to an increase in agency staff and care costs. Cabinet on 7 February agreed an increase in 2012-13 Residential and Nursing Home fees of £1.058 million.
- **Children and Young People** there is a potential overspend of £2.7m, down £0.4m on M10 due to reductions in transport, training, foster care and agency costs
- **Law, HR and Asset Management** there is a potential overspend of £1.2m, unchanged on M10.
- **Finance** is projecting a £4.2m underspend, unchanged since M10.
- **Regeneration, Housing and Planning** are forecasting a £1.0m underspend, unchanged on M10.
- **Technical Services** forecast is a £1.7m overspend, unchanged on M10.

Graph 2: Department – 2012/13 General Fund Variance, by month



Note: DASS figure includes additional Care fees agreed by Cabinet 7 February

2.9 To complete the analysis, the table below sets out the position by category of spend/income. The largest area of variance remains supplies and services which incorporates the cost of care for adults and children.

Table 4: Projected Departmental Variations by Spend and Income

	Reported Budget	Virement Month 11	Revised Budget	Forecast Outturn	Variance	RA GBY	Change from Month 10
	£000	£000	£000	£000	£000	£000	£000
Gross Expenditure							
Employees	143,426	-	143,426	142,993	-433	Y	-228
Premises	19,211	-194	19,017	18,499	-518	Y	236
Transport	7,378	-	7,378	8,727	1,349	R	-14
Supplies and Services	114,851	198	115,049	126,857	11,808	R	208
Third Party Payments	73,483	-	73,483	73,594	111	G	-160
Transfer Payments	170,784	-	170,784	170,855	71	G	105
Support Services	79,999	-	79,999	77,938	-2,061	Y	-1
Financing Costs	71,375	-	71,375	69,545	-1,830	Y	1
Schools Expenditure	442,596	-	442,596	440,996	-1,600	Y	-
Total Expenditure	1,123,103	4	1,123,107	1,130,004	6,897		147
Gross Income							
Schools Income	439,851	-	439,851	438,451	1,400	R	-
Government Grants	213,465	-	213,465	214,763	-1,298	Y	1
Other Grants and Reimbursements	17,592	-	17,592	21,425	-3,833	Y	32
Customer/Client Receipts	45,917	-4	45,913	41,160	4,753	R	-175
Interest	1,105	-	1,105	1,376	-271	B	-39
Recharge Other Rev A/c	140,418	8	140,426	140,636	-210	B	-102
Total Income	858,348	4	858,352	857,811	541		-283
Net Expenditure	264,755	-	264,755	272,193	7,438		-136

- 2.10 Schools expenditure is funded from the Dedicated Schools Grant. As this grant is ringfenced any over/underspend will not impact on the General Fund financial position.

RAGBY REPORTING AND OTHER ISSUES

- 2.11 The Red and Yellow RAGBY issues that are the subject of corporate focus are detailed in the following sections by Business Area (by Department identifying the service) and then by Subjective Area (by the type of spend / income). The Business Areas are defined as the high level Objective Summary as per the Council Estimates (Blue Book).

2.12 Business Area Reds

Adult Social Services: Two of the Department's Business Areas remain reported as red (unchanged from month 10); Personal Assessment and Planning; and Personal Support. A forecast overspend of £11.4 million is forecast for the department (including an increase in care fees of £1.058 million) agreed by Cabinet on 7th February 2013. The issues mainly involve underlying pressures in Community Care, shortfall in 2011/12 re-provision and unachieved income which totals £6.55 million. There is slippage across a number of savings targets including market review £1.6 million, corporate EVR/VS £1.35 million and £0.7 million relating to staff savings targets.

Children and Young People: Two of the Department's Business Areas are flagged as red (unchanged from month 10) with a £2.7 million overspend forecast for the department. The red areas are Children's Services and the Integrated Transport Unit. Children's Services pressures relate in the main to social care costs and case numbers, and remain unchanged. Transport is provided by the department on behalf of all departments and the projected overspend has reduced by £100,000 to £1m.

Finance: No Business Areas are flagged as red.

Law, HR and Asset Management: One area remains flagged red (no change on month 10) with a forecast overspend of £1.2m. The red area is Asset Management, which continues to report issues regarding the non-achievement of savings across a number of activities. These include facilities management, office rationalisation and asset disposal savings. Human Resources has dropped from a red to amber rating, although business transformation and terms and conditions within Human Resources will not achieve their 12/13 savings target.

Regeneration, Housing and Planning: No Business Areas flagged as red.

Technical Services: Only one area is flagged as red (unchanged from month 10). Engineers, where shortfalls in car parking income and income relating to inspection and alteration of highways are significantly below target, remains red.

Schools: The authority remains in discussion with the Department for Education regarding the possible loss of £1.4 million of grant for schools. Table 4 reflects a potential loss of grant with a corresponding reduction in schools expenditure.

2.13 **Business Area Yellows**

Adult Social Services: No Business Areas are flagged as yellow.

Children and Young People: Two areas remain flagged as yellow, LEA School Costs and Non-School Costs. LEA School Costs reflect the receipt of additional refund of deducted grant and fees in respect of Academies plus general expenditure savings. The non school variance is due to savings relating to Connexions expenditure and receipt of a Troubled Families Grant.

Finance: Four areas are flagged as yellow (unchanged from Month 10). Financial Services reflects savings on Treasury Management; lower borrowing costs will provide benefit of £1.7m. Benefits and Revenue Services are forecast to provide a further £1m of savings from additional grant receipts and £0.5 million relating to staffing savings through vacancy control. IT Services are forecast as yellow mainly due to savings on equipment costs. Customer Services is forecast as yellow due to savings on staffing costs.

Law, Human Resources and Asset Management: One area, Regulatory Services, is flagged as yellow (unchanged from Month 10). The variation is due to higher than anticipated income for Community Patrol services and the Fair Trading scheme, combined with an underspend within Environmental Health transport costs and controls on expenditure.

Regeneration, Housing and Planning: One area is flagged as yellow (unchanged from Month 10). A freeze on grant payments is contributing to the underspend in Strategic Development. Housing and Regeneration Services has moved from a yellow to blue rating.

2.14 **Subjective Area Reds**

Transport: The Integrated Transport Unit is managed by Children & Young People and the budget continues to be under pressure as a consequence of the demands in respect of Adults Services and Special Education Needs.

Supplies and Services: The variation is mainly comprised of pressures within Adult Social Services and Children & Young People relating to care service costs. An element of the overspend in expenditure is funded from health grants which show as a corresponding over achievement of income within the other grant income line.

Schools Income: Discussions have taken place with the Department for Education regarding potential loss of schools grant. Any shortfall will be met by a corresponding decrease in schools expenditure.

Customer and Client Receipts: This mainly reflects likely income shortfalls within a number of departments. Areas forecasting to underachieve budget include car parking, Cultural Services, cemeteries and crematorium fees, highways inspection and alteration fees, building control and planning and social services fees. The forecast outturn position reflects the need to write off a sizeable amount of irrecoverable income relating to a court case regarding New Road and Street Works Act invoices.

As outlined above in paragraph 2.3 a major risk has been identified regarding levels of collectable debt which will have a substantial financial impact upon the authority's finances. Officers have urgently put in place a system to ensure ongoing income is recovered by implementing agreed policy. The further release of earmarked reserves has been identified to cover the costs.

2.15 Subjective Area Yellows

Employees: Employee costs have now moved into the yellow category. This partly reflects savings made from the recruitment freeze, restrictions in agency and overtime expenditure and the non-filling of vacancies ahead of service restructuring.

Premises: The major reasons for the projected saving are the restrictions to highways and parks expenditure, which is classed within this category, together with projected savings on authority rates bills and a number of spending freeze decisions. Offsetting this is the delivery of savings under the rationalisation of office accommodation which is not progressing in accordance with the expected timetable.

Support Services Costs: The variation within this area is mainly due to the abolition of the Efficiency Fund. For reporting purposes the £2.1m unused budget has been left within the report totals rather than shown as a transfer to General Fund balances.

Financing Costs: Lower borrowing costs arising from slippage and reductions to the capital programme will realise savings of £1.7m in this area.

Schools Expenditure: The underspend in this area reflects reductions to compensate for a potential loss of grant within the year. There are some further savings in relation to asset costs.

Government Grants: The Authority is forecasting an increased level of Housing and Council Tax Benefit grant receipts.

Other Grants and Reimbursements: This includes additional monies received in respect of Academy funding, plus monies from health which are partly funding the increased community care costs within the supplies and services line.

MANAGEMENT ACTIONS

2.16 The Departmental Directors and the Executive Team continue to seek to identify actions to keep spend within the Budget allocated – these actions are detailed in Appendix 4. Besides the normal Management actions to address the financial pressures, the spending freeze was implemented by Cabinet on 6 September 2012 and agreed decisions are reflected within the tables above.

2.17 A number of items have been identified as recurring issues, such as the inability to meet income targets in a range of service areas. An exercise has been undertaken to review the accuracy of budgets, in order to:

- Identify short-term funding for 2012/13, if there is a net increase in cost; and,
- As part of compiling next year's budget, propose growth or savings to ensure that the budget inaccuracies are corrected and budgets are soundly based.

A parallel review of Earmarked Reserves has been undertaken together with a review of the requirements of the 2012/13 policy options. Cabinet 8 November also agreed to remove the Efficiency Fund base budget and replace with a self replenishing fund initially funded from reserves.

2.18 A series of actions are being undertaken to produce a further reduction in the overspend. Departments have a number of control measures in place with spend being authorised at senior levels, vacancy control measures and restrictions in the use of overtime and agency staff.

FREEZE PROCESS AND OUTCOMES

2.19 The Freeze process was agreed on September 6 and developed further as reported in the month 5 monitor. Adjustments of £2,291,867 have been incorporated into the current monitoring forecast representing decisions made by Cabinet on 18 October and 8 November. No additional items have been rejected in the month.

2.20 The purpose of the exercise is to reduce the projected overspend which, by Section 28 of the Local Government Act 2003, is the duty of the Council, that is, all its Members. No items have been recommended under the freeze process this month.

2.21 An analysis by department of the freeze items so far agreed is detailed in the following table:-

Table 5: Freeze savings analysed by department

Description	DASS	CYP	Finance	LHRAM	RHP	Tech	Total
	£	£	£	£	£	£	£
To 28/02	85,038	171,871	492,900	54,158	961,586	526,314	2,291,867

3 RELEVANT RISKS

3.1 The possible failure to deliver the Revenue Budget will be mitigated by the monthly review by Chief Officers, charged with improving performance. There are a number of risks that may impact adversely on the forecast expenditure for the remaining months of the year including:-

- Individual budgets may turn out to be unsound. A review of codes has been put in place with the aim of reducing the numbers of budget codes and improving management control. The revised coding structures will be reflected within the 2013/14 budgets;
- Increased demand for services, particularly within Adult and Children's Social Care Services, where greater than forecast numbers coming into care services can impact significantly on financial forecasts. Cabinet on 7 February agreed a proposed increase in nursing and residential care home fees at a cost up to £1,058,000 per annum;
- The impact of the economic downturn significantly affects both the demand for services and also levels of income, such as fees and charges and arrears collection. This report already forecasts a potential under recovery of fees and charges which may need to be revised if the economic downturn was to worsen;
- The Council's arrangements for the implementation of a new pay and grade structure under Single Status are progressing and an earmarked reserve for the costs of implementation has been established. There remains uncertainty as to the likely final costs;
- There are budget saving options still to be delivered and these are detailed in Appendix 5. Those yet to be delivered are reflected in the forecast overspends of the Departments;
- There are a number of significant issues regarding outstanding debt owed to the Council which may result in increased costs if the costs are deemed to be irrecoverable.

4 OTHER OPTIONS CONSIDERED

4.1 Options are included for Cabinet to consider on increasing the level of the General Fund balance.

5 CONSULTATION

5.1 No consultation has been carried out in relation to this report.

6 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 As yet there are no implications for voluntary, community or faith groups.

7 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

7.1 The agreed minimum level of General Fund balance was set at £6m as part of the March 2012 budget decision. The November 29 Cabinet revised the policy level so that it is set in relation to the risks the Council faces. For 2012/13 it has been calculated at £12.5m, and for 2013/14 at £21.1m. Cabinet 18 February 2013 agreed a revised 2013/14 General Fund balance risk calculation of £13 million. This reflected increased certainty regarding a number of funding sources and measures regarding implementation of budget savings. However there are a number of areas which could result in adverse future pressures on the budget and the General Fund Balance, in particular the issues regarding fees and charges income.

Table 7: SUMMARY OF THE PROJECTED GENERAL FUND BALANCES

Details	£m	£m
Projected balance 31 March 2013 when setting the Budget 2012/13		+8.8
Add : Increase following completion of 2011/12 accounts	+2.0	
Add : Council Tax re-imburement met in 2011/12 rather than budgeted 2012/13	+3.9	+5.9
<i>Sub total</i>		+14.7
Less : Cabinet decisions since the 2012/13 Budget was agreed	-0.7	
Add : Cabinet decision September 6 to release Earmarked Reserve	+7.0	
Cabinet decision November 29 to further release Earmarked Reserves	+10.5	+16.8
Less : Potential overspends, at M11 (includes Efficiency Fund removal)		-7.4
Projected balance 31 March 2013		24.1

7.2 The current levels of Earmarked Reserves are shown in Table 8 with a full listing included at Appendix 6.

Table 8: Earmarked Reserves 2012/13

	Balance at 1 April 2012 £000	Movement in year £000	Current Balance 28 Feb 2013 £000
Housing Benefit Reserve	11,155	(2,000)	9,155
Insurance Fund	9,635	(543)	9,092
Working Neighbourhoods Fund	7,959	(7,073)	886
Debt Restructuring Fund	7,941	-	7,941
Grant Reserves	1,884	(296)	1,588
Management of other risks	32,530	(9,550)	22,980
School Balances and Schools Related	15,144	(280)	14,864
Total Reserves	86,248	(19,742)	66,506

Note: Cabinet on 6 September 2012 agreed to release £7m of an Earmarked Reserve (Working Neighbourhood Fund), and on 29 November 2012 agreed to release various additional reserves, totalling £12.505m.

- 7.3 The predicted year end overspend position means very careful consideration will need to be given to any proposed adjustments from departments which increase earmarked reserves and provisions. The reporting of the final accounts position normally includes details and reasons behind the continuation or creation of any earmarked reserves and provisions. Additional verification will be required as part of the 2012/13 closure of accounts process to ensure that the control of the revenue budget overspend continues to have the highest priority. The year end processes will also continue to include extensive sampling arrangements as agreed with the authority's external auditors to ensure that expenditure and income is accounted for in the correct financial year in accordance with proper accounting practice.

8 LEGAL IMPLICATIONS

- 8.1 The entire report concerns the duty of the Council to avoid a budget shortfall as outlined at paragraph 2.20. This is not just an academic exercise in balancing the books. The Chief Finance Officer is under a personal duty under the Local Government Finance Act 1988 section 114A to make a report to the executive if it appears to him that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- 8.2 If the Chief Finance Officer reports that there are insufficient resources to meet expenditure, the Council is prevented from entering into any new agreement which may involve the incurring of expenditure at any time by the authority, until the report is considered, and if the problem is ongoing until it is resolved. It is remarkably broad in its prohibition of new agreements, no matter what their scale. It would not only prevent the authority from hiring new staff or letting new construction contracts, but from ordering minor office supplies.

9 EQUALITIES IMPLICATIONS

- 9.1 An Equalities Impact Assessment is attached to this report. Although this report is essentially a monitoring report which reports on financial performance, any budgetary decisions, including freeze recommendations, need to be assessed for any equality implications.

10 CARBON REDUCTION IMPLICATIONS

- 10.1 There are no implications arising directly from this report.

11 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are no implications arising directly from this report.

12 RECOMMENDATIONS

12.1 Cabinet is asked to note that:

- a) at Month 11 (February 2013), the full year forecast projects a potential General Fund overspend of £7.4m;
- b) there were no rejected freeze items in the month;
- c) a major risk continues to exist concerning the reliability of fees & charges income going back many years. Corrective action is being taken to maximise recovery. A separate report regarding the background and recommendations relating to this issue is to be produced.

13 REASONS FOR THE RECOMMENDATIONS

13.1 The Council, having set a Budget at the start of the financial year, needs to ensure that the delivery of this Budget is achieved. This has to be within the allocated and available resources to ensure the ongoing financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required which is enhanced with the monthly reporting of the financial position.

REPORT AUTHOR: Peter Molyneux
Chief Accountant
Telephone (0151) 666 3389
Email petemolyneux@wirral.gov.uk

APPENDICES

- Appendix 1 Revenue Monitoring and Reporting Timetable 2012/13.
- Appendix 2 General Fund Revenue Budget for 2012/13 agreed by Council.
- Appendix 3 Changes to the Budget 2012/13 since it was set.
- Appendix 4 Management actions
- Appendix 5 Progress on delivering agreed savings 2012/13
- Appendix 6 Earmarked Reserves – General Fund
- Appendix 7 Freeze outcomes

SUBJECT HISTORY

Council Meeting	Date
Revenue monitoring reports have previously been submitted as part of the Performance & Financial Review presented to Cabinet on a quarterly basis and from September 2012 are being submitted monthly.	

REVENUE MONITORING AND REPORTING TIMETABLE 2012/13

Budget Monitoring Timetable 2012/13

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Reports Available For The Executive Team	Reports Available For Cabinet	Reports Available For Council Excellence Overview & Scrutiny Committee
			Monthly	Monthly	Quarterly
1	April	06-May		-	-
2	May	11-Jun		-	04-Jul
3	June	06-Jul	23-Aug	06-Sep	01-Oct
4	July	07-Aug	04-Oct	18-Oct	-
5	August	07-Sep	04-Oct	18-Oct	-
6	September	05-Oct	25-Oct	08-Nov	27-Nov
7	October	07-Nov	29-Nov	20-Dec	-
8	November	07-Dec	10-Jan	24-Jan	-
9	December	08-Dec	24-Jan	18-Feb (rev)	26-Mar
10	January	07-Feb	28-Feb	14-Mar	-
11	February	07-Mar	28-Mar	(Virtual) 5-April	-
12	Outturn (Provisional)	08-Apr	30-May	13-Jun	3-Jul

GENERAL FUND REVENUE BUDGET 2012/13

AGREED BY COUNCIL ON 1 MARCH 2012

Department	Current Budget
Expenditure	£000
Adult Social Services	66,660
Children & YP (plus Schools)	73,665
Finance	24,610
Law, HR and Asset Mgt	14,151
Regeneration, Housing and Planning	25,764
Technical Services	59,905
Merseytravel	29,060
Local Pay Review + Low Pay	248
EVR/VS Scheme	(290)
Council Tax Reimbursement	3,990
Contribution from Balances	(10,282)
Budget Requirement	287,481
Income	
Government Grant	144,737
C/Tax Freeze Grant	6,573
Local Services Grant	1,805
Council Tax	132,911
Collection Fund	1,455
Total Income	287,481
Statement of Balances	
As at 1 April	18,405
Contributions from Balances	(9,605)
Balances	8,800

APPENDIX 3

CHANGES TO THE BUDGET AGREED SINCE THE 2012/13 BUDGET WAS SET RELATING TO THE COMPLETION OF THE 2011/12 ACCOUNTS

Cabinet	Items	£m
21 Jun	2011/12 Financial Outturn report resulted in an improvement in balances due to a net underspend in the year	-5.9
	OVERALL IMPACT OF THESE DECISIONS	-5.9

VARIATIONS TO THE APPROVED BUDGETS 2012/13

Cabinet	Items	£m
29 Mar	Pacific Road Theatre – Law/Technical Services Increase budget	+0.6
12 Apr	Streetscene Contract Review - Increase budget	+0.1
	OVERALL IMPACT OF THESE DECISIONS	0.7

VIREMENTS BELOW LEVEL REQUIRING CABINET APPROVAL

Cabinet	Items	£m
The following adjustments have no bottom line impact on the authority budget:		
n/a	Adjustment of Community Asset Transfer capital financing budget from LawHRAM to Finance	0.077
n/a	Employee budget transferred from LawHRAM to HRP	0.034
n/a	Employee budget transferred from Technical Services to LawHRAM	0.035
n/a	Technical Services reallocation of Internal Savings Targets within budget lines	1.400
n/a	Reallocation of Home Insulation Works within Regeneration, Housing and Planning between Supplies and Services category and Third Party payments	1.100
n/a	Movement of posts between departments relating to Building Control, Welfare Rights and Community Services personnel. The housing benefit review increase claims (transfer payments) and associated grant of £7.3 million, the reclassification of DASS transport recharge from transport to support services and adjustments for financing costs and grant receivable relating to regeneration schemes.	
n/a	Budget realignment within departmental budgets. Net increase of £870,000 expenditure funded from net increase of £870,000 Income. Net nil.	0.870

APPENDIX 4

MANAGEMENT ACTIONS

ACTIONS TAKEN BY THE EXECUTIVE TEAM / DEPARTMENTAL DIRECTORS TO REDUCE SPEND / INCREASE INCOME

Department	Items	£000
Children	Connexions – Further reductions in the contract costs (in excess of the agreed savings target)	500
	Troubled Families –Successful submission for Government Grant which will help meet some of the existing costs.	250
	Academies – Increased income being achieved through a review of charges to academies for services provided.	100
	Academies – additional monies received from refund of 'top slice from Department for Education	150
All	Reviews of on going expenditure across all departments	Tbc
All	Review of budgets to improve monitoring through realignment	Tbc
DASS	Review of all voluntary sector contracts	Tbc
DASS	Overarching commissioning strategy developed	Tbc
All	Spending freeze (including Policy Option Review)	2,292
All	Abolition of Efficiency Fund	2,200
DASS	Restrictions to overtime rates	Tbc
DASS	Review of use of agency staff on case by case basis	Tbc
	Independent review tea to ensure packages are proportionate to need	TBC
	Total savings from these actions	5,492

APPENDIX 5

PROGRESS ON DELIVERING THE AGREED SAVINGS 2012/13 £000's

Department	16,457	Comments / progress on implementation	RA GB Y	4,799	260	11,398
	100%			29.2	1.6	69.3
DASS				R	A	G
Commissioning Of Services	1,600	This saving will not be delivered in 2012-13.	R	1,600		
Prevention Services	500	This saving will be delivered in 2013-14 on the assumption that the proposed underfunded budget adjustment of £0.638m is made	R	500		
Employee Budgets 2%	400	This saving will not be delivered.	R	400		
Procurement	26	This saving will not be delivered in 2012-13.	R	26		
Austerity – Supplies	24	This saving will not be delivered in 2012-13.	R	24		
EVR Scheme	17	This saving will not be delivered in 2012-13.	R	17		
CHILDREN & YOUNG PEOPLE						
Early Intervention Grant	1,000	Has been achieved	G			1000
Employee Budgets 2%	750	Progress remains difficult, with pressures on Social work.	R	750		
EVR Scheme	386	Staff who left were from self funded areas, so no budget saving possible.	R	386		
Connexions contract	250	Achieved, with a further £700k contract saving.	Y			250
Schools Intervention Funding	250	Achieved	G			250
Procurement	246	Allocated across Social Care	R	246		
Austerity – Supplies	16	Will be achieved within expenditure controls	G			16
FINANCE						
Efficiency Investment Budget	2,500	The Efficiency Investment Budget has been reduced	G			2,500
Housing Benefit	1,200	This has been built into HB budgets	G			1,200
IT and Printing Services	550	This is part of the departments strategic savings target	G			550
Employees Budget 2%	520	This is part of the departments strategic savings target	G			520
EVR Scheme	343	This is part of the departments strategic savings target	G			343
Procurement	189	This is part of the departments strategic savings target	G			189
Austerity – Supplies	8	This saving has been built into departmental budgets	G			8
LAW,HR,ASSET MGT						
Facilities Management	500	£250k achieved through the reduction in Maintenance budgets, balance will not be achieved in year.	R	250		250

Business Transformation	300	Target will not be achieved 2012/13	R	300		
Employee Terms & Conditions	300	Target will not be achieved 2012/13	R	300		
Employee Budgets 2%	260	Currently on target to be achieved in year.	A		260	
Office Rationalisation	260	Achieved	G			260
Disposal of Assets	100	Achieved.	G			100
Procurement	33	Budgets reduced to reflect these savings.	G			33
Austerity – Supplies	6	Budgets reduced to reflect these savings.	G			6
REG,HSG & PLANNING						
Broadband Facility	1,075	Achieved	G			1,075
Home Insulation Programme	1,000	Achieved	G			1,000
Employee Budgets 2%	160	On target to achieve	G			160
Supporting People Contracts	150	Achieved	G			150
Merseyside Info Service	50	Achieved	G			50
EVR Scheme	13	Achieved	G			13
Austerity – Supplies	8	Achieved	G			8
TECHNICAL SERVICES						
Procurement	745	Currently anticipated to be achieved. Biffa contract part of this	G			745
Employee Budgets 2%	380	Currently anticipated to be achieved.	G			380
EVR Scheme	150	Currently anticipated to be achieved.	G			150
Street Lighting	100	Currently anticipated to be achieved.	G			100
Highways Administration	80	Currently anticipated to be achieved.	G			80
Austerity – Supplies	12	Currently anticipated to be achieved.	G			12

EARMARKED RESERVES - GENERAL FUND

Earmarked Reserves	Balance 1 April 2012 £000	Movement In Year	Current Balance 28 Feb 13 £000
Schools Balances	11,767	-	11,767
Housing Benefit	11,155	(2,000)	9,155
Insurance Fund	9,635	(543)	9,092
Working Neighbourhood Fund	7,959	(7,073)	886
Debt Restructuring	7,941	-	7,941
Minimum Revenue Provision	4,400	(4,400)	-
Community Fund Asset Transfer	3,301	-	3,301
Intranet Development	3,161	-	3,161
Local Pay review	2,641	-	2,641
One Stop Shop/Libraries IT Networks	2,119	-	2,119
Supporting People Programme	1,505	(400)	1,105
Cosyhomes Insulation	1,244	(800)	444
School Harmonisation	1,241	-	1,241
Stay, Work, Learn Wise	908	-	908
Schools Capital Schemes	777	-	777
Matching Fund	558	(558)	-
20 MPH Zones	550	(500)	50
Home Adaptations	537	-	537
West Wirral Schemes	530	(300)	230
Merseyside Information Service	500	(500)	-
ERDF Match Funding	500	-	500
Strategic Asset Review	495	-	495
Planned Preventative Maintenance	483	-	483
Heritage Fund	420	(300)	120
Schools Automatic Meter Readers	415	-	415
Children's Workforce Development Council	399	-	399
Schools Contingency	370	-	370
Business Improvement Grant	342	-	342
Local Area Agreement Reward	322	4	326
Primary Care Trust Physical Activities	300	-	300
Schools Service IT	294	-	294
Schools Summer Term	280	(280)	-
Homeless Prevention	271	-	271
Other Reserves	8,928	(2,092)	6,836
	<u>86,248</u>	<u>(19,742)</u>	<u>66,506</u>

Note : Cabinet on 6 September 2012 agreed to release £7m of an Earmarked Reserve (Working Neighbourhood Fund), and on 29 November 2012 agreed to release various additional reserves, totalling £12.505m.

FREEZE OUTCOMES

**No freeze items submitted for
consideration were rejected during the
period**

Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details: Peter Molyneux

EIA lead Officer: Peter Molyneux

Email address: petemolyneux@wirral.gov.uk

Head of Section: Tom Sault

Chief Officer: Peter Timmins

Department: Finance

Date: 19 March 2013

Section 2: What Council proposal is being assessed?
Revenue Monitoring (including freeze proposals)

Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes

If 'yes' please state which meeting and what date

Cabinet 18 October 2012

Please add hyperlink to where your EIA is/will be published on the Council's website <http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/finance>

Section 3: Does the proposal have the potential to affect..... (please tick relevant boxes)

- ✓ **Services**
- ✓ **The workforce**
- ✓ **Communities**
- ✓ **Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Does the proposal have the potential to maintain or enhance the way the Council (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- ✓ Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 5: Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.
Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications
All groups	Budgetary overspends will result in requirement to reduce expenditure in year with consequences on communities and staff. Rational decision making to tackle issues will enhance good relations and minimise negative impacts	Budgetary control including regular monitoring, freeze procedures and budgetary reviews will assist in limiting impact	Peter Timmins	On Going	Budgetary overspends would require funding from resources
All groups	Reduction in expenditure from freeze proposals could impact on services delivered to communities	Freeze process includes exemptions for critical service areas. Process allows for business case to be submitted to exempt expenditure from freeze	Peter Timmins	On Going	Freeze proposals will assist enabling control of expenditure

Section 5a: Where and how will the above actions be monitored?

Monthly monitoring report to Cabinet. This will include recommendations for approval of spending freeze decisions

Section 5b: If you think there is no negative impact, what is your reasoning behind this?

Section 6: What research / data / information have you used in support of this process?

Budgetary forecast information

Section 7: Are you intending to carry out any consultation with regard to this Council proposal?

Yes / No – (please delete as appropriate) No

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why: Urgent decisions required to tackle budgetary position. Freeze proposals undergo review process and involve officers and members

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place and by when?

Before you complete your consultation, please email your preliminary EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.

Section 9: Have you remembered to:

- a) Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)
- b) Include any potential positive impacts as well as negative impacts? (section 5)
- c) Send this EIA to equalitywatch@wirral.gov.uk via your Chief Officer?
- d) Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?