

WIRRAL COUNCIL

CABINET

8 NOVEMBER 2012

SUBJECT	REVENUE MONITORING 2012/13 MONTH 6 (SEPTEMBER 2012)
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 continues the new format and sets out the revenue position for 2012/13 as at Month 6 (September 2012). It identifies the latest financial projections and prioritises the risks for ongoing management actions, to ensure the year-end position will result in spend remaining within the budget allocated.

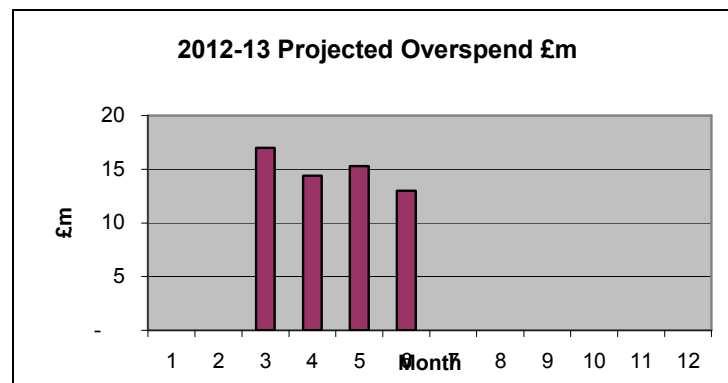
2 BACKGROUND

- 2.1 Cabinet on 6 September 2012, when considering the Month 3 monitor, instituted a spending freeze, in the light of a significant projected overspend. Items included in the first two weeks of the freeze were agreed by Cabinet on 18 October. Further items from weeks three to six are recommended for inclusion as per Appendix 7.
- 2.2 A monthly Capital Monitor is separately reported to Cabinet.

OVERALL POSITION AT MONTH 6 (SEPTEMBER 2012)

- 2.3 The projected revenue forecast for the year, at Month 6 (to end September 2012), shows a potential General Fund **overspend of £13.2m**, down £2.1m on the M5 projection of a £15.3m overspend.

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



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. They presently comprise variations approved by Cabinet / Council and will in future include approved virements relating to the use of the Efficiency Investment Fund, reserves, any budget realignments to reflect any changes to the departmental structure and responsibilities, 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 Month 1-5	Freeze Decisions Weeks 1-2	Approved Budget Virements Month 6	Revised Net Budget
	£000	£000		£000	£000
Adult Social Services	66,660	-	-85	-66	66,509
Children & Young People	73,665	-	-172	-	73,493
Finance	24,610	27	-142	66	24,561
Law, HR & Asset Management	13,901	224	-53	50	14,122
Regeneration, Hsg & Planning	25,764	34	-22	69	25,845
Technical Services	59,478	392	-526	-119	59,225
Freeze Savings	-	-	1,000	-	1,000
Net Cost of Services	264,078	677	0	0	264,755

Note: the month 6 virements reflect movement of posts between departments relating to Building Control, Welfare Rights and Community Services personnel.

- 2.5. 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 5 in brackets)

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Adults	4	2 (2)	0 (0)	1 (1)	0 (0)	1 (1)
Children & YP	7	3 (3)	1 (0)	1 (1)	0 (1)	2 (2)
Finance	6	0 (0)	0 (0)	4 (4)	0 (0)	2 (2)
Law,HR & AM	7	2 (2)	1 (0)	3 (4)	0 (1)	1 (0)
Reg, Hsg & Plan	5	1 (1)	0 (0)	3 (3)	0 (0)	1 (1)
Technical Servs	7	2 (1)	0 (1)	5 (5)	0 (0)	0 (0)
TOTAL	36	10 (9)	2 (1)	17 (18)	0 (2)	7 (6)

2.6 The reporting process identifies over or underspends and classifies them into risk bands. The projection is for a total potential General Fund overspend of £13.2m across the six Directorates for 2012/13, as set out in the table below, which records four departments on red and two on yellow (up one on M5).

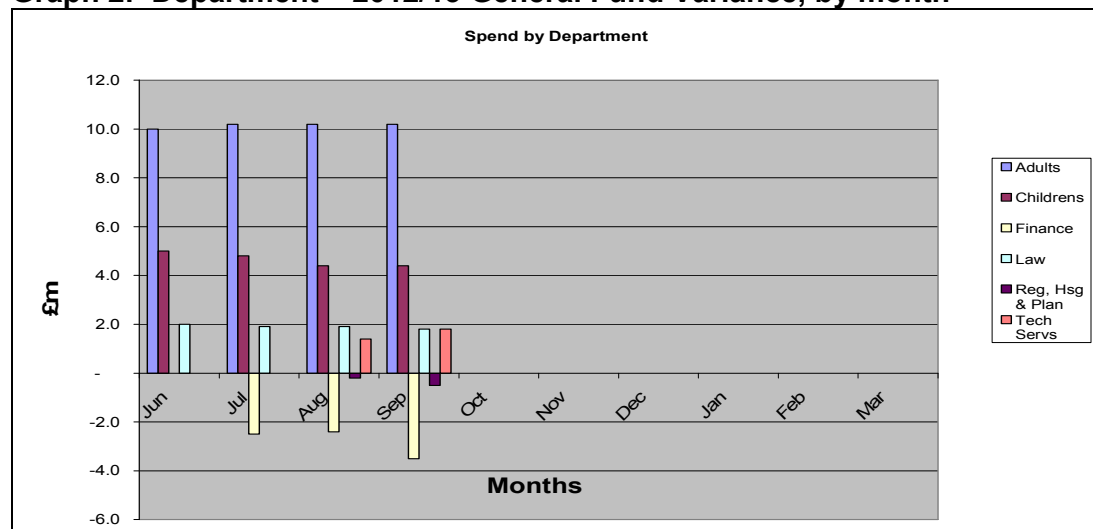
Table 3: 2012/13 Projected General Fund Budget variations by Department

Department	Revised Budget	Forecast Outturn	(Under) Overspend	RAGBY Classification	Month 5 (Under)/Overspend	Change
	£000	£000	£000		£000	£000
Adults	66,509	76,709	10,200	R	10,200	-
Children & YP	73,493	77,893	4,400	R	4,400	-
Finance	24,561	21,061	-3,500	Y	-2,400	-1,100
Law,HR & AM	14,122	15,922	1,800	R	1,900	-100
Reg, Hsg & Plan	25,845	25,345	-500	Y	-200	-300
Technical Servs	59,225	61,025	1,800	R	1,400	+400
Freeze wks 1-2	1,000	0	-1,000		-	-1,000
TOTAL	264,755	277,955	13,200		15,300	-2,100

2.7 Within the various departments, there have been the following developments:

- **Adult Social Services** there is a potential overspend of £10.2m, unchanged since M5.
- **Children and Young People** there is a potential overspend of £4.4m, unchanged from M5.
- **Law, HR and Asset Management** there is a potential overspend of £1.8m, down £0.1m on M5.
- **Finance** is projecting a £3.5m underspend, £1.1m more than in M5. This is largely due to a reassessment of housing benefit claims and related likely grant receipt
- **Regeneration, Housing and Planning** are forecasting a £0.5m underspend an improvement of £0.3m on M5
- **Technical Services** are forecasting a £1.8m overspend an increase of £0.4m on M5.

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



- 2.8 To complete the analysis, the table below sets out the position by category of spend/income. The main areas of variance are under employees and supplies & services, the latter incorporating the cost of care for adults and children.

Table 4: Projected Departmental Variations by Spend and Income

	Reported Budget	Virements Month 6	Revised Budget	Forecast Outturn	Variance	RAG BY	Change from Month 5
	£000	£000	£000	£000	£000	£000	£000
Gross Expenditure							
Employees	141,962		141,962	144,062	2,100	R	-900
Premises	21,970		21,970	22,870	900	R	-400
Transport	8,561	-1,313	7,248	8,748	1,500	R	-
Supplies and Services	112,780		112,780	123,780	11,000	R	-150
Third Party Payments	73,227		73,227	73,227	-	G	-
Transfer Payments	163,072	7,301	170,373	170,373	-	G	-
Support Services	78,978	1,313	80,291	80,291	-	G	-
Financing Costs	71,961	-560	71,401	70,001	-1,400	Y	-400
Schools Expenditure	442,596		442,596	441,196	-1,400	Y	-1,400
Total Expenditure	1,115,107	6,741	1,121,848	1,134,548	12,700		-3,250
Gross Income							
Schools Income	439,851	-	439,851	438,451	1,400	R	1,400
Government Grants	205,025	6,741	211,766	213,916	-2,150	Y	-1,000
Other Grants/Reimbursements	17,810		17,810	18,210	-400	Y	-
Customer and Client Receipts	45,838	-	45,838	44,198	1,640	R	240
Other	130	-130	0	0	-	G	-
Interest	875	130	1,005	1,105	-100	G	400
Recharge to Other Rev A/c	140,823	-	140,823	140,713	110	G	110
Total Income	850,352	-6,741	857,093	857,993	500		1,150
Net Expenditure	264,755	-	264,755	277,955	13,200		2,100

- 2.9 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.
- 2.10 A number of virements have been made in the month. These include the impact of the housing benefit mid year claim review which has increased claims (transfer payments) and associated grant by £7.3 million, the reclassification of a recharge within DASS for transport costs from transport to support services and adjustments for financing costs and grant receivable relating to regeneration schemes

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 are reported as red (unchanged from month 5); Personnel Assessment and Planning; and Personal Support. A forecast overspend of £10.2 million remains forecast for the department. The issues involve underlying pressures in Community Care, shortfall in 2011/12 re-provision and unachieved income which total £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: Three of the Department's Business Areas are flagged as red (unchanged from month 5) with a total £4.4 million overspend forecast for the department. The red areas are Children's Services, the Integrated Transport Unit and Capital and Support Services. Children's Services pressures relate in the main to social care costs and case numbers. The Children's Services overspend has increased by £100,000 in the month due to increases in numbers in foster care and court costs. A reduction of £100,000 has occurred in residential care costs due to clients with relatively high cost care packages having left the system. Transport is provided by the department on behalf of all departments and the projected overspend remains projected at £1.2m reflecting both Special Education Needs and Adults transport. Capital and Support Services is overspending due to difficulties in achieving vacancy control targets which are held within this area.

Law, HR and Asset Management: Two areas remain flagged red (as per month 5) with a forecast overspend of £1.7m. The red areas are Asset Management and Human Resources. Both of these areas continue to report issues regarding the non-achievement of savings across a number of activities. These include business transformation and terms and conditions within Human Resources and facilities management, office rationalisation and asset disposal under Asset Management.

Regeneration, Housing and Planning: One area is flagged as red (as in month 5) although in overall terms the department is forecasting a £500,000 underspend. The red area is Strategic Development which continues to have shortfalls on income within Planning and Building Control.

Technical Services: Two areas are flagged as red (up from one in month 5). The additional red area is Parks and Open Spaces where income from golf and from cemeteries and crematoria is projected to be significantly underachieved. Engineers is also flagged as red and includes shortfalls in car parking income and income relating to inspection and alteration of highways is similarly below target.

Schools. The authority is currently 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 income.

2.13 Business Area Yellows

Adult Social Services: one area, Finance and Performance is flagged as yellow. Some of this budget is to be allocated against Community Area.

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 the Connexions and Troubled Families Grant.

Finance: Two areas are flagged as yellow. Financial Services reflects savings on Treasury Management; lower borrowing costs and higher than forecast investment returns will provide benefit of £1.5m. Benefits and Revenue Services are forecast to provide a further £1m of savings from additional grant receipts.

Law, Human Resources and Asset Management: One new area Regulatory Services is flagged up as yellow for month 6. The variation is due to higher than anticipated income for Community Patrol services and the Fair Trading scheme combined with an underspend in expenditure within Environmental Health transport costs.

Regeneration, Housing and Planning: Housing and Regeneration Services are forecasted at yellow due to variances on Supporting people contracts and savings on regeneration implementation costs.

2.14 Subjective Area Reds

Employees. Departments have been allocated additional vacancy control targets for 2012/13 whilst for Adults there remains the achievement of savings expected from the Early Voluntary Retirement / Voluntary Severance Scheme. There are also savings targets under Employees Terms and Conditions and Business Transformation change projects which have yet to be progressed. The freeze decision regarding local pay has helped to reduce the level of projected overspend within this area.

Premises. This relates to the delivery of savings under the rationalisation of office accommodation which is not progressing in accordance with the expected timetable. A number of freeze decisions have helped to reduce the projected overspend.

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. There is also a projected overspend of £0.3m on the social workers car allowances budget.

Supplies and Services. The variation is mainly comprised of pressures within Adult Social Services and Children & Young People relating to care service costs and it is projected that the overspends will be in the order of £8.2m and £3.7m respectively, partly offset by variances from other departments.

Customer and Client Receipts. This mainly reflects likely income shortfalls within the Technical Services department. Areas forecasting to underachieve budget are car parking, Cultural Services, cemeteries and crematorium fees and highways inspection and inspection fees.

2.15 Subjective Area Yellows

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 including in respect of Academy funding

Interest: This area has dropped from yellow to green. This reflects the use of reserves to fund short term borrowing. This has resulted in larger savings within capital financing costs.

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. Administrative arrangements have been put in place to differentiate between critical expenditures, where the freeze will not apply, and non-critical expenditures, that will cease. The impact of freeze decisions will begin to be reflected from the month 6 monitor.

2.17 A number of items have been identified as recurring issues, such as the inability to meet income targets in cultural services and car parking. There is an exercise being 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,

and a parallel review of Earmarked Reserves is being undertaken.

2.18 A series of actions is being undertaken to produce a further reduction in the overspend in coming months. A review of current policy options has been undertaken and is included within the freeze proposals below. The Efficiency Investment Fund is currently being reviewed and changes to its operation may result in significant savings. Future monitors will also include additional savings from the HR freeze process.

FREEZE PROCESS AND OUTCOMES

2.19 The Freeze process was agreed on September 6 and developed further as reported in the month 5 monitor. Cabinet on 18 October agreed a recommendation to reject £1,071,638 of expenditure in weeks 1 and 2 of the freeze. This amount has been reduced by £72,000 as an item previously rejected relating to play area improvements is classed as capital expenditure and there has been a corresponding increase to the capital monitoring figure. The revised weeks 1-2 freeze figure of £999,638 has been incorporated into the current monitoring forecast.

2.20 The whole point 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. The outcome of the recommendations for rejection, for the next three weeks of the exercise are set out below. The savings of just under £1.5m would feed into the M7 monitor:

	£
Week 3 (4/10)	351,858
Week 4 (11/10)	0
Week 5 (18/10)	940,371
Week 6 (25/10)	0
Total saving	1,292,229

2.21 An analysis by department of the freeze items so far agreed is detailed in the following table. M7 will include any items agreed as per this months monitor.

Table 5: Freeze savings analysed by department

Description	DASS	CYP	Finance	LAWHRAM	RHP	Tech Serv	Total
	£	£	£	£	£	£	£
Weeks1-2	85,038	171,500	141,900	53,300	21,586	526,314	999,638

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, for the excess of codes has given scope to behaviours that have spread expenditure over inappropriate 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 18 October 2012 also considered a report on fees for residential and nursing home care. A consultation is currently taking place on three options which could result in a nil increase (which would risk a legal challenge) or increased costs of £757,473 or £1,401,942 over a full financial year.
- 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.

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 level of General Fund balance was set at £6m, as part of the March budget decision. The reduction in the overspend this month means that the balance has now risen above this policy level. However there are a number of areas which could result in adverse future pressures on the budget and the General Fund Balance.

Table 6 : 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	
		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	+6.3
Less : Potential overspends, at M6		-13.2
Projected balance 31 March 2013		7.8

- 7.2 The current levels of Earmarked Reserves are shown in Table 7 with a full listing included at Appendix 6.

Table 7: Earmarked Reserves 2012/13

	Balance at 1 April 2012 £000s	Movement in year £000s	Current Balance 30 Sept 2012 £000s
Housing Benefit Reserve	11,155	-	11,155
Insurance Fund	9,635	-	9,635
Working Neighbourhoods Fund	7,959	(7,000)	959
Debt Restructuring Fund	7,941	-	7,941
Grant Reserves	1,884	-	1,884
Management of other risks	32,530	(50)-	32,480
School Balances and Schools Related	15,144	-	15,144
Total Reserves	86,248	(7,050)	79,198

Note: Cabinet on 6 September 2012 agreed to release £7m of an Earmarked Reserve (Working Neighbourhood Fund).

8 LEGAL IMPLICATIONS

- 8.1 The whole report concerns the duty of the Council to avoid a budget shortfall as outlined at paragraph 2.20.

9 EQUALITIES IMPLICATIONS

- 9.1 An Equalities impact assessment is attached to this report. This is essentially a monitoring report which reports on financial performance. However 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 6 (September 2012), the full year forecast projects a potential General Fund overspend of £13.2m;
- b) A review of over/underspends and Earmarked Reserves has been undertaken and will be reported to a forthcoming Cabinet;

- 12.2 The Cabinet is asked to agree

- a) the rejected freeze items, set out at Appendix 7, in the columns 'Rejected', totalling £1,292,229, as evidenced at para 2.20.

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.

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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, weeks 3 - 6

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.	

APPENDIX 1

REVENUE MONITORING AND REPORTING TIMETABLE 2012/13

Budget Monitoring Timetable 2012/13

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Review by Departmental Teams	Reports Available For The Executive Team	Reports Available For Cabinet	Reports Available For Council Excellence Overview & Scrutiny Committee
			Monthly	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	tbc	04-Oct	18-Oct	-
6	September	05-Oct	tbc	25-Oct	08-Nov	27-Nov
7	October	07-Nov	tbc	29-Nov	13-Dec	-
8	November	07-Dec	tbc	03-Jan	17-Jan	-
9	December	08-Dec	tbc	24-Jan	07-Feb	26-Mar
10	January	07-Feb	tbc	28-Feb	14-Mar	-
11	February	07-Mar	tbc	tbc	tbc	tbc
12	Outturn (Provisional)	tbc	tbc	tbc	tbc	tbc

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

**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 12	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 12	Pacific Road Theatre – Law/Technical Services Increase budget	+0.6
12 Apr 12	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	1.4
n/a	Reallocation of Home Insulation Works within Regeneration, Housing and Planning between Supplies and Services category and Third Party payments	1.1
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.	

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
DASS	Review of all voluntary sector contracts	tbc
DASS	Overarching commissioning strategy developed	tbc
All	Spending freeze weeks 1-2	1,000
	Total savings from these actions	2,000

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

Department	16,441	Comments / progress on implementation	RA GB Y	4,732	1,519	10,190
	100%			28.8	9.2	62.0
DASS				R	A	G
Commissioning Of Services	1,600	The Department is currently reviewing how services are commissioned to deliver savings of £1.6m. An overarching commissioning strategy has been developed and was presented to 21 June Cabinet	R	1,600		
Prevention Services	500	The Department is currently undertaking a review of all voluntary sector contracts and is seeking to re-commission this activity at a more efficient cost.	R	500		
Employee Budgets 2%	400	This saving is in addition to the Department's existing staff turnover target of £496,100. The shortfall against the total target of £896,100 is estimated at £700,000.	R	400		
Procurement	26	It is anticipated that this saving will be achieved	G			26
Austerity – Supplies	24	It is anticipated that this saving will be achieved	G			24
EVR Scheme	17	Saving have been achieved in full	G			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 £500k 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			G
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	A		550	
Employees Budget 2%	520	This is part of the departments strategic savings target	A		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	A		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, the balance remaining is to be identified.	R	250		250
Business Transformation	300	Target will not be achieved in 2012/13	R	300		
Employee Terms & Conditions	300	Target will not be achieved in 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 at 1 April 2012 £000	Movement In Year	Current Balance 30 Sept 2012 £000
Schools Balances	11,767	-	11,767
Housing Benefit	11,155	-	11,155
Insurance Fund	9,635	-	9,635
Working Neighbourhood Fund	7,959	(7,000)	959
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	-	1,505
Cosyhomes Insulation	1,244	-	1,244
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	-	550
Home Adaptations	537	-	537
West Wirral Schemes	530	-	530
Merseyside Information Service	500	-	500
ERDF Match Funding	500	-	500
Strategic Asset Review	495	-	495
Planned Preventative Maintenance	483	-	483
Heritage Fund	420	-	420
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	-	322
Primary Care Trust Physical Activities	300	-	300
Schools Service IT	294	(16)	278
Schools Summer Term	280	-	280
Homeless Prevention	271	-	271
Other Reserves	<u>8,928</u>	<u>(34)</u>	<u>8,894</u>
	86,248	(7,050)	79,198

Note : Cabinet on 6 September 2012 agreed to release £7m of an Earmarked Reserve (Working Neighbourhood Fund).

Appendix 7

Revenue Freeze Executive Team October 4 2012 - Decisions

Dept	Ref	Project Title	Requested	Agreed	Suspend	Rejected	Reason for Recommendation
DASS	49	Consultancy support £10.75k, 50/50 funded with Health	5,375	5,375			Improve efficiency of re-enablement service
FIN	50	Improvement Plan - Concerto software - moving from individual licences to a site licence	33,750	33,750			Better VFM
CYP	51	Area Youth Forum Award Funding	10,000		10,000		Area funding - hold for review
CYP	52	NICEIC Electrical Testing Programme	60,000	60,000			Health & Safety
CYP	53	Improved outside car park lighting at Pensby Children's Centre	822	822			Health & Safety
CYP	54	Tea, coffee & water for staff & elected members Youth Parliament	75	75			In line with previous decision
FIN	55	Review of UPS Systems	6,000	6,000			Produces an overall saving
FIN	56	Financial Services - latest code of accounting practice	680	680			Operational necessity
FIN	57	Revenues and Benefits - National IRRV Conference	390	390			Operational necessity
FIN	58	Libraries - book fund £509k; £376 left	376,000	25,000		351,000	Provision for disabled and disadvantaged.
REGEN	59	Match funding for Homeless Prevention Opportunities	60,000	60,000			Supported by Grant
LHR	60	Security lighting & CCTV imagery Beechwood Recreation Centre	2,800	2,800			Health & Safety
LHR	61	Buffer cleaner for Grosvenor Assembly Rooms	858			858	They provide the buffer from income
TECH	62	Highway Maintenance - HESPE contract	10,000	10,000			Operational necessity
TECH	63	Remedial works - Holly Hedge Cottage Telegraph Road, Caldy	13,437	13,437			Commitment to property owner
TECH	64	Highway Management Investigatory works	14,000	14,000			Operational necessity
LHR	65	Hoylake Allotments - extension	1,320	1,320			Required to discharge planning obligations
TECH	66	Street Lighting for remote dimming £210k pilot	15,000	15,000			Required to complete project
			610,507	248,649	10,000	351,858	
V Oct 30			100.0	40.7	1.6	57.6	

Revenue Freeze Executive Team October 11 2012 - Decisions

Dept	Ref	Project Title	Requested	Agreed	Suspend	Rejected	Reason for Recommendation
			£	£	£	£	
CYP	67	Provision of Holocaust Memorial Day	950	950			Statutory duty
CYP	68	Staff Personal Protective Equipment	106	106			Personal protective equipment
CYP	69	Dance & Drama Wirral Youth Theatre	1,655	1,655			Looked after Children social development
FIN	70	Customer Services - ICT upgrade	17,500	17,500			To meet Equality Legislation - net savings of £2,700pa
FIN	71	Committee Processes & Councillors ICT Systems	350	350			Trial of already purchased I-Pads for Councillors; necessary software
FIN	72	WiFi Implementation Wallasey Town Hall	50,000	50,000			Further information required
LHR	73	Community Energy Efficiency Fund	27,550	27,550			7 schemes to reduce energy costs
LHR	74	Memorial Plaques to honour the war dead	3,250	3,250			Event already planned/committed to
RHP	75	Wirral Enterprise Strategy Update	3,000	3,000			Improve evidence base for better decision making
TEC	76	Traffic & Transportation - provision of on-street parking bays for disabled	3,000	3,000			But report to Cabinet on the implications of the policy
			107,361	107,361	0	0	
V Oct 30			100.0	100.0	0.0		

Revenue Freeze Executive Team October 18 2012 - Decisions

Dept	Ref	Project Title	Requested £	Agreed £	Suspend £	Rejected £	Reason for Recommendation
CYP	77	Oaklands Outdoor Education Centre - Annual AHOEC conference, fee only as lift sharing - find out from others about managing change and budget pressures	200			200	Nice to have, not life or limb
CYP	78	14-19 Team Community & Faith Sector Get involved project which started June 2012 to engage 16/17 year old NEETs to equip them with skills to get a job this autumn	17,043	17,043			Support employment, reduce crime
CYP	79	Raising of the Participation Age - provision of tools and data for forthcoming statutory duty	81,600	81,600			To keep within the law
CYP	80	Universal Youth Support Service Healthy Eating	171			171	Funding is from an Area Forum
CYP	81	Universal Youth Support Service Apple Final Cut - software	200	200			To upskill young worker-trainees and maintain employment
LHR	82	Intercom Installation Reception Cheshire Lines	700	700			Provide an intercom to eliminate need for receptionist
RHP	83	Private Sector Housing Stock Condition & Home Energy Survey - Housing Act 2004 requirement	30,000	30,000			Legal. Jointly procured with Sefton, saving 5%
RHP	84	Wirral Business Support Programme	500,000	500,000			Use of reserve - no effect on outturn
	85	Review of Policy options - 7 schemes	1,320,000	230,000	150,000	940,000	See below
			<u>1,949,914</u>	<u>859,543</u>	<u>150,000</u>	<u>940,371</u>	
V Oct 30			100.0	44.1	7.7	48.2	
One off Policy Options							
CYP		Child care pilot	100	100			Could be stopped and would impact on ability to respond to school readiness following work by Cambridge and an Early School Attendance Pilot (about £50k would be needed).

CYP	Work Experience Neets	120	120		Commitments are to a seconded post from Wirral Met and phase 1 of an extended work experience programme for young people (pre-apprentice). The uncommitted amount is for a 2nd and 3rd cohort, this would significantly restrict access for NEET young people to this programme.
LHR	Allotment Fund	50		50	Extensive works are needed on sites to maintain and the existing maintenance budget is insufficient to address all necessary works. The option was targeted for such works and bids were submitted in July and evaluated by an External Panel with 41 sites identified for funding. This has not been progressed beyond that stage. To be considered with other Allotment initiatives
RHP	Empty shops	500		500	Portas Pilots - bids invited and currently being assessed. Could stop process, but bids already made. Would be issues regarding support for town centres
RHP	Green Economy	450	10	440	Market Place event = £20k; Green Skills Growth for Business=£175k; Green Growth skills for individuals=£25k; Apprentices=£235k Green Skills for Business could be reduced, but would impact on number of businesses supported. Green Apprentices- Currently out for applications for 24 places specifically in green economy. No indication about demand.
TECH	Car Parking Free after 3 - saving in form of increased income, not reduced spend	100		100	Potential impact on local economy if shoppers chose not to return and pay for parking but instead shop elsewhere. A decision to end the scheme in October would impact from January with a potential saving of £100,000. However if shoppers did not return this may not be fully achieved. Further advice being sought.
		1320	230	150	940

Revenue Freeze Executive Team October 25 2012 - Decisions

Dept	Ref	Project Title	Requested £	Agreed £	Suspend £	Rejected £	Reason for Recommendation
CYP	86	Looked After Children's Xmas Party	244	244			Part of corporate parenting for disadvantaged children
FIN	87	Tables & Chairs for Birkenhead Central Library	2,400	2,400			The expenditure will be refunded by the Friends of Birkenhead library.
FIN	88	Customer Services - software to improve website	2,750		2,750		Require recommendation of IT also
LHR	89	Trading Standards Business Approval Scheme	13,622	13,622			Invest to save, funded out of income
LHR	90	Flu Vaccination Programme	5,000	5,000			Manage sickness and so retain efficiency
RHP	91	Legal and Financial Compliance	10,000	10,000			Requirement of BIS to unlock investment funds
RHP	92	Inward Investment Support	12,000	12,000			Will ensure staff remain updated in creating investment opportunities.

	46,016	43,266	2,750	0
	100.0	94.0	6.0	0.0

V Oct 30 Percent