

WIRRAL COUNCIL

CABINET

24 JANUARY 2013

SUBJECT	REVENUE MONITORING 2012/13 MONTH 8 (NOVEMBER 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 sets out the revenue position for 2012/13 as at Month 8 (November 2012). It identifies the latest financial projections and prioritises the risks for ongoing management actions, to ensure no overspend at the year-end.

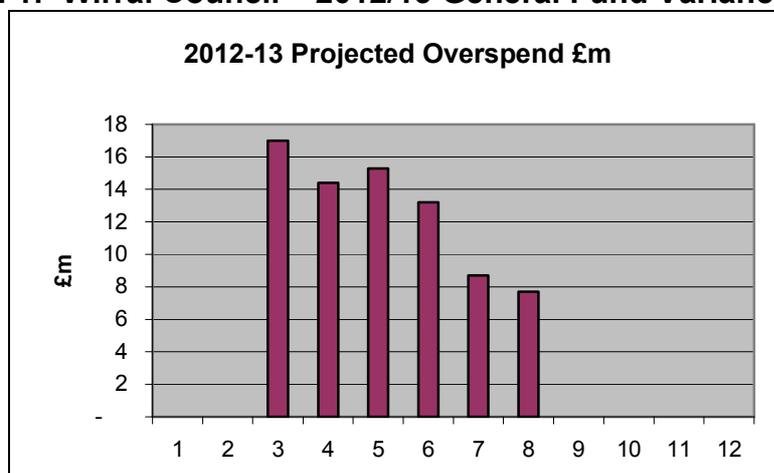
2 BACKGROUND

- 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 eleven to fifteen are reported within Appendix 7, attached.

OVERALL POSITION AT MONTH 8 (NOVEMBER 2012)

- 2.2 The projected revenue forecast for the year, at Month 8 (to end November 2012), shows a potential General Fund **overspend of £7.7m**, down £1m on the M7 projection of a £8.7m overspend. This improvement to the projected overspend is largely due to a reduced projected overspend within the Children and Young People department, plus a number of other departmental variations.

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



The Month 7 monitoring report outlined a series of factors which have contributed to the current overspend position. In addition work is continuing to examine the level of bad debt relating to income which has previously been included within the authority's accounts which had been assumed was collectable. The outcome of this work will be very likely to increase the size of the projected overspend. The release of earmarked reserves, to cover this cost, has been identified (see 2.14).

- 2.3 In August, the Cabinet instructed the Chief Executive and the Interim Director of Finance to instigate an emergency response, in the form of a spending freeze and review of all major areas of spend. This has reduced the level of overspend, however, the situation remains critical given a number of anticipated adverse changes which will increase the projected overspend in coming months. These include the outcome of the social services care home fees consultation and issues relating to debt recovery detailed later in this report.

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 1-7	Freeze Decisions Weeks 1-10	Approved Budget Virements Month 8	Revised Net Budget
	£000	£000	£000	£000	£000
Adult Social Services	66,660	-325	-85	-2	66,248
Children & Young People	73,665	-195	-172	-	73,298
Finance	24,610	-2,389	-493	-135	21,593
Law, HR & Asset Management	13,901	1,061	-54	122	15,030
Regeneration, Hsg & Planning	25,764	103	-962	27	24,932
Technical Services	59,478	215	-526	-37	59,130
Freeze Savings	-	-	2,292	-	2,292
Efficiency Fund	0	2,207	0	25	2,232
Net Cost of Services	264,078	677	0	-0	264,755

Note 1: the Month 8 virements are relatively minor and reflect movement of several employee posts between departments and the allocation of the Improvement Fund held within Finance. An additional £25,000 of the Efficiency Fund balance held within Finance has been added to General Fund balances following further work on determining outstanding commitments against the Fund.

- 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 7 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)	0 (0)	0 (1)	2 (1)	2 (2)
Finance	6	0 (0)	1 (0)	1 (3)	1 (1)	3 (2)
Law, HR & AM	7	2 (2)	0 (0)	3 (3)	1 (1)	1 (1)
Reg, Hsg & Plan	5	0 (0)	0 (0)	3 (4)	1 (0)	1 (1)
Technical Servs	7	1 (2)	1 (0)	5 (5)	0 (0)	0 (0)
TOTAL	36	8 (9)	2 (0)	13 (17)	5 (3)	8 (7)

- 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 £7.7m across the six Directorates for 2012/13, as set out in the table below, which records four departments on red and two on yellow (unchanged from M7).

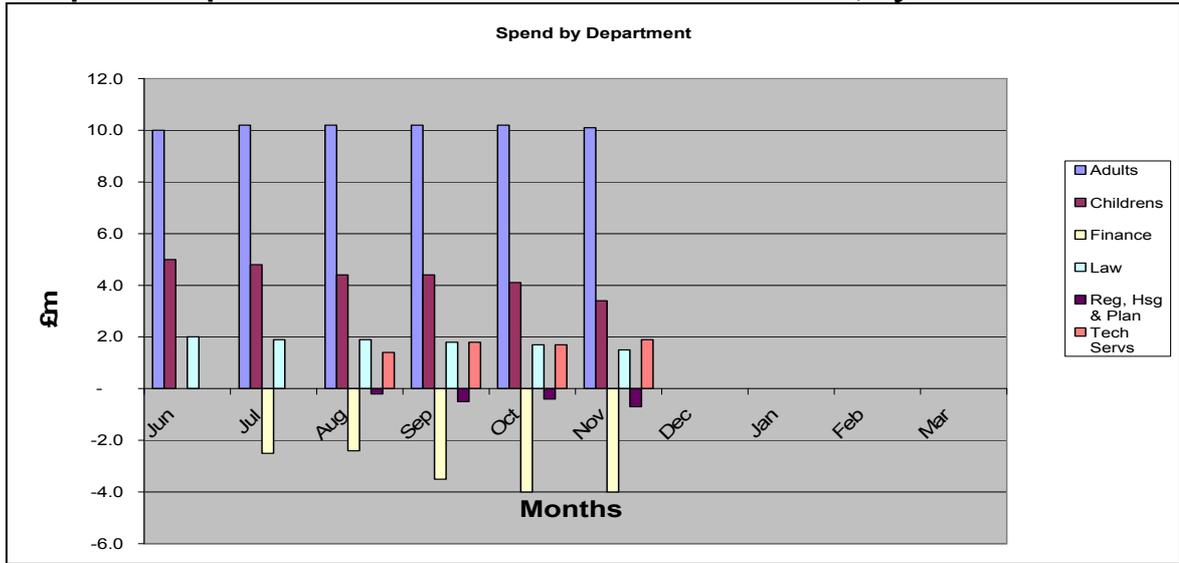
Table 3: 2012/13 Projected General Fund Budget variations by Department

Department	Revised Budget	Forecast Outturn	(Under) Overspend Month 8	RAGBY Classification	Month 7 (Under)/Overspend	Change
	£000	£000	£000		£000	£000
Adults	66,248	76,348	10,100	R	10,200	-100
Children & YP	73,298	76,698	3,400	R	4,100	-700
Finance	21,593	17,593	-4,000	Y	-4,000	-
Law,HR & AM	15,030	16,530	1,500	R	1,700	-200
Reg, Hsg & Plan	24,932	24,232	-700	Y	-500	-200
Technical Servs	59,130	61,030	1,900	R	1,700	200
Freeze wks	2,292	-	-2,300	n/a	-2,300	-
Efficiency Fund	2,232	-	-2,200	n/a	-2,200	-
TOTAL	264,755	272,431	7,700		8,700	-1,000

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

- **Adult Social Services** there is a potential overspend of £10.1m, an improvement of £0.1m since M7.
- **Children and Young People** there is a potential overspend of £3.4m, down £0.7m on M7.
- **Law, HR and Asset Management** there is a potential overspend of £1.5m, down £0.2m on M7.
- **Finance** is projecting a £4m underspend, no change on M7. Cabinet 8 November approved the removal of the Efficiency Fund base budget which was a corporate budget held within Finance. This has been shown within a separate line.
- **Regeneration, Housing and Planning** are forecasting a £0.7m underspend an improvement of £0.2m on month M7.
- **Technical Services** are forecasting a £1.7m overspend an improvement of £0.1m on M7.

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 largest area of variance remains and supplies & services which incorporates the cost of care for adults and childrens.

Table 4: Projected Departmental Variations by Spend and Income

	Reported Budget	Virements Month 7	Revised Budget	Forecast Outturn	Variance	R AGB Y	Change from Month 7
	£000	£000	£000	£000	£000	£000	£000
Gross Expenditure							
Employees	141,926	412	142,338	143,625	1,287	R	-113
Premises	20,477	-	20,477	19,927	-550	Y	-950
Transport	7,187	-	7,187	8,510	1,323	R	13
Supplies and Services	113,555	-482	113,073	124,904	11,831	R	-533
Third Party Payments	72,981	1,305	74,286	74,001	-285	B	-285
Transfer Payments	170,810	-	170,810	170,586	-224	B	-171
Support Services	81,321	-1,131	80,190	77,934	-2,256	Y	-82
Financing Costs	71,376	-	71,376	69,839	-1,537	Y	-1
Schools Expenditure	442,596	-	442,596	441,046	-1,550	Y	-150
Total Expenditure	1,122,229	104	1,122,333	1,130,372	8,039		-2,272
Gross Income							
Schools Income	439,851	-	439,851	438,451	1,400	R	-
Government Grants	212,736	-	212,736	214,672	-1,936	Y	214
Other Grants and Reimbursements	17,769	-	17,769	20,648	-2,879	Y	-229
Customer / Client Receipts	45,917	54	45,971	42,166	3,805	R	1,005
Interest	1,005	-85	920	877	43	G	236
Recharge Other Rev A/c	140,196	135	140,331	141,072	-741	Y	59
Total Income	857,474	104	857,578	857,886	-308		1,285
Net Expenditure	264,755	-	264,755	272,486	7,731		987

- 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. Exercises to realign budgets have taken place within a number of departments with a review of the treatment and classification of recharges leading to movement in budgets between premises and support service categories.

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 7); Personnel Assessment and Planning; and Personal Support. A forecast overspend of £10.1 million is forecast for the department. The issues 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: Three of the Department's Business Areas are flagged as red (unchanged from month 7) with a £3.4 million overspend forecast for the department. The red areas are Children's Services, the Integrated Transport Unit, 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 dropped during the month due to a drop in the number of placements. Transport is provided by the department on behalf of all departments and the projected overspend remains at £1.1m. Capital and Support Services is overspending due to difficulties in achieving vacancy control targets which are held within this area.

Finance No Business areas are flagged as red.

Law, HR and Asset Management: Two areas remain flagged red (as per month 6) with a forecast overspend of £1.5m. 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: No Business Areas are flagged as red.

Technical Services: Only one area is flagged as red (one less than in Month 7). Parks and Open Spaces where income from golf and from cemeteries and crematoria is projected to be significantly underachieved has dropped to amber. Engineers where shortfalls in car parking income and income relating to inspection and alteration of highways is 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: One area, Finance and Performance is flagged as yellow. However some of this budget related to amounts to be allocated against the Community Care budget 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 Connexions expenditure and receipt of a Troubled Families Grant.

Finance: Three areas are flagged as yellow. Financial Services reflects savings on Treasury Management; lower borrowing costs will provide benefit of £1.5m. 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 now forecast as yellow mainly due to savings on equipment costs.

Law, Human Resources and Asset Management: One area, Regulatory Services is flagged as yellow. 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.

Regeneration, Housing and Planning: Housing and Regeneration Services are forecasted at yellow due to variances on Staff savings from recharges to projects 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 and savings within Finance Department have helped to reduce the level of projected overspend within this area.

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: Discussion has 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 position has shown a deterioration this month largely due to 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 a result of the challenge process, a major risk has been brought to the attention of the Chief Executive and Interim Director of Finance concerning the reliability of fees and charges income, going back many years. It is clear from a system review of Social Services debt collection, that the process to enforce the payment of amounts owing is deficient. The process only consists of the production of reminder letters, with no recourse to the courts and enforcement to ensure payment. Officers have urgently put in place a system to ensure ongoing income is recovered, by implementing agreed policy. The further release of earmarked reserves, to cover this cost, has been identified. The reserve set aside for debt restructuring is unlikely to be used whilst the present economic situation continues so can be released. This releases £7.9m and £1.4m set aside for other purposes has been identified as no longer being required.

2.15 Subjective Area Yellows

Premises. This area has moved from a red to a yellow rating. 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 £2.2m 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 result in savings of £1.5m within this area.

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

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.

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

Recharge to other revenue Accounts: This variance is mainly due to the receipt of supporting people monies within DASS which is being used to fund care costs within supplies and services.

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 is being undertaken to produce a further reduction in the overspend in coming months. 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. 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 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. 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	LAWHRAM	RHP	Tech Serv	Total
	£	£	£	£	£	£	£
Weeks1-15	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, for the excess of codes has given scope to behaviours that have spread expenditure over inappropriate budgets. A review of codes has been put in place and will report back at the end of February 2013;
- 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. Cabinet, 20 December agreed, a revised fee proposal be subject to a four week consultation with providers. If agreed, this proposal would take effect from 1 April 2012, and cost £985,169 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.

3.2 The underlying level of under-budgeting remains an issue that will constitute an issue in 2013/14, as illustrated in the following table:

Table 6: Underlying level of under-budgeting £m

Overspends	M3	M8
	£m	£m
Adults	10.0	10.1
Children's	5.0	3.4
Law, HR & AM	2.0	1.5
Technical Services	0.0	1.9
	17.0	16.9

The savings in 2012/13 will not be available in 2013/14 to fund under-budgeting, for two reasons:

- The underspends in two departments, amounting to £4.7m, will contribute to funding the 2013/14 base budget, rather than meeting under-budgeting;
- The one-off emergency measures, amounting to £4.5m – freeze and efficiency fund – are, again, built into resolving next year's base budget.

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 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. 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 emerging concern as to the reliability of fees & charges income, going back many years.

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 M8 (includes Efficiency Fund removal)		-7.7
Projected balance 31 March 2013		23.8

- 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 30 Nov 2012 £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	(300)	1,584
Management of other risks	32,530	(9,558)	22,972
School Balances and Schools Related	15,144	(280)	14,864
Total Reserves	86,248	(19,754)	66,494

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.

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. This 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. 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 8 (November 2012), the full year forecast projects a potential General Fund overspend of £7.7m;
- b) there were no rejected freeze items in the month. Appendix 7 lists the items considered as part of the process.
- c) a major risk has just recently emerged concerning the reliability of fees & charges income, going back many years. Corrective action is being taken to maximise recovery. As better information becomes available, there will be further reports regarding this serious matter.

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 11 - 15

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	07-Feb	26-Mar
10	January	07-Feb	28-Feb	14-Mar	-
11	February	07-Mar	tbc	tbc	tbc
12	Outturn (Provisional)	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	1.400
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.	

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 weeks 1-10 (including Policy Option Review)	2,292
All	Abolition of Efficiency Fund	2,200
	Total savings from these actions	5,492

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

Department	16,441	Comments / progress on implementation	RA GB Y	4,732	260	11,449
	100%			28.8	1.6	69.6
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 £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			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	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, 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 1 April 2012 £000	Movement In Year	Current Balance 30 Nov 12 £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	-	322
Primary Care Trust Physical Activities	300	-	300
Schools Service IT	294	-	294
Schools Summer Term	280	(280)	-
Homeless Prevention	271	-	271
Other Reserves	<u>8,928</u>	<u>(2,100)</u>	<u>6,828</u>
	86,248	(19,754)	66,494

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.

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: 28 December 2012

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->

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?**