

## CABINET

13 JUNE 2013

<b>SUBJECT</b>	<b>REVENUE MONITORING 2013-14 MONTH 1 (APRIL 2013)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>INTERIM DIRECTOR OF RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

**1 EXECUTIVE SUMMARY**

- 1.1 This report sets out the revenue position for 2013-14 at Month 1 (April 2013) and actions to minimise risk. It has been revised with the addition of four sections.

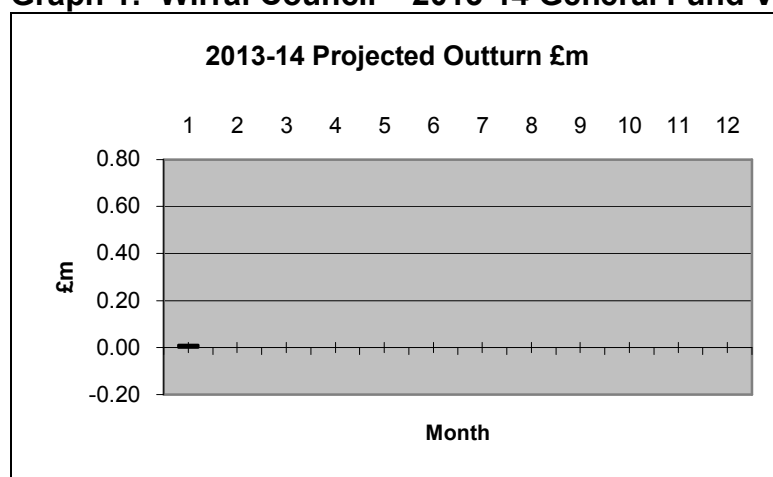
**2 RECOMMENDATIONS**

Cabinet is asked to note:

- 2.1 at Month 1 (April 2013), the full year forecast projects a balanced General Fund outturn. The monitor also reflects the identification of funding of up to £5.5 million towards the funding of agreed redundancy costs.
- 2.2 there were no rejected freeze items in the month;
- 2.3 the changes to the report, with the addition of new sections to improve control.

**3 OVERALL POSITION AT MONTH 1 (APRIL 2013)**

- 3.1 The projected revenue forecast for the year at Month 1 shows a balanced General Fund position. A number of departmental underspends have been earmarked against ongoing or emerging financial issues and whilst it has been assumed that a small number of overspend variances arising from slippage against targets will be funded from the savings profile account.

**Graph 1: Wirral Council – 2013-14 General Fund Variance, by month**

3.2 New sections have been introduced to improve control, and concentrate attention on areas of risk that are a feature of this year's budget. The new sections are:

- Section 5 Implementation of savings, in the short and medium term – tracking the progress on achieving the savings, be they the Council March 5 savings package, one-off funding, or the spending freeze;
- Section 6 Control of growth - estimates of growth, made in November 2012, are checked against actual demand before being released;
- Section 7 Income and debt – tracking improvements in the recovery of income and the reduction in the level of debts;
- Section 9 Cash flow – introduce proactive measures to improve the Council's cashflow and earn more income from interest.

#### 4 CHANGES TO THE AGREED BUDGET AND VARIATIONS

4.1 The Budget for 2013-14 was agreed by Council on March 5, 2013 and is detailed in Annex 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 are detailed in Annex 3.

**Table 1: 2013-14 Original & Revised Net Budget by Department £000's**

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 1	Revised Net Budget
Chief Executive	8,240		-4,602	3,638
People - Adult Social Services	82,951		-	82,951
People - Children & YP, & Schools	91,738		-1,180	90,558
People – Safeguarding	685		1,396	2,081
People – Sports and Recreation	8,904		-	8,904
Places - Environment & Regulation	79,651		-	79,651
Places – Housing & Comm Safety	15,342		-569	14,773
Places – Regeneration	5,134		-	5,134
Transformation & Resources	12,424		4,955	17,379
Corporate Growth & Savings	-3,252		-	-3,252
<b>Net Cost of Services</b>	<b>301,817</b>		<b>0</b>	<b>301,817</b>

4.2 A new council structure has been introduced for 2013/14. The Budget Book and forecasts 2013/16 was published with a number of assumptions regarding service splits which were to be refined. A number of changes have since been identified. Corporate and Democratic Services are to be grouped within the Transformation and Resources Directorate where direct management control for these areas lies. A support post has also been transferred from Transformation and Resources to the Chief Executive's Directorate. The anti-social behaviour team is part of the Families and Well Being Directorate - Children and Young People and the budget has therefore been transferred from Housing and community safety. A number of training and legal posts have been transferred from Children and Young People to Transformation and Resources, and finally Quality Assurance and Family Group Conferencing have been transferred from Specialist Services in Children and Young People to the Joint Safeguarding unit.

4.3 The main report will only comment on large variations (Red and Yellow items). The 'variations' analysis, over 27 budget areas, distinguishes between overspends and underspends. The 'risk band' classification is:

- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over -£301k)
- Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to -£140k); Blue (-£141k to -£300k)

**Table 2: Extreme Departmental Projected Budget variations**

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	0	0	0.0%
Yellow Underspend	0	0	0	0	0	0.0%

The full Table is set out at Annex 4

- 4.4 The reporting process identifies over or underspends and classifies them into risk bands. The projection is for no over or underspend for 2013-14, as set out in the table below, which records no departments as red or yellow:

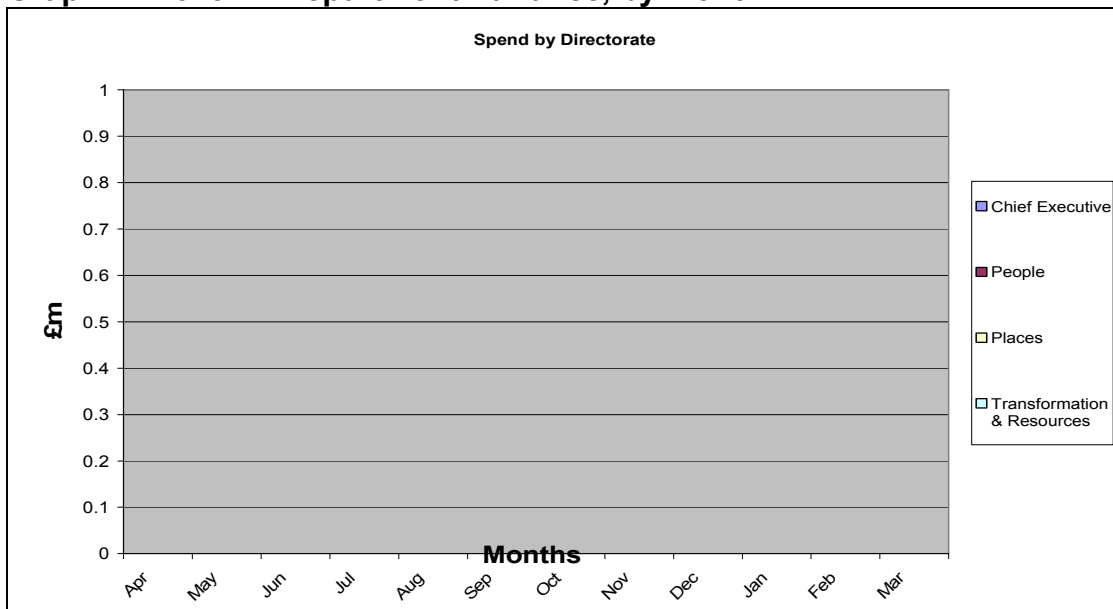
**Table 3: 2013-14 Projected Budget variations by Department £000's**

Department	Revised Budget	Forecast Outturn	(Under) Overspend Month 1	RAGBY Classification	Change from prev mth
Chief Executive	3,638	3,638	0	G	n/a
People - Adult Social Services	82,951	82,951	0	G	n/a
People - Children & YP, & Schools	90,558	90,558	0	G	n/a
People – Safeguarding	2,081	2,081	0	G	n/a
People – Sports and Recreation	8,904	8,904	0	G	n/a
Places - Environment & Regulation	79,651	79,651	0	G	n/a
Places – Housing & Comm Safety	14,773	15,064	291	A	n/a
Places – Regeneration	5,134	4,843	-291	B	n/a
Transformation & Resources	17,379	17,379	0	G	n/a
Corporate Growth & Savings	-3,252	-3,252	0	G	n/a
<b>TOTAL</b>	<b>301,817</b>	<b>301,817</b>	<b>0</b>		<b>-</b>

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

- **Chief Executive:** No variations are forecast at present.
- **People:** No overall variance is forecast at present. Some savings have been achieved within Adults and Children but are earmarked for use as below.
  - Adults: Monies have been earmarked to cover an adjustment to income of £2m to reflect the actual in year performance, and a further £0.5m has been earmarked against liabilities relating to past Social Services debt. A further £0.6m has been earmarked against repayment of the one-off funding provided in 2013-14.
  - Childrens: A number of variances have been assumed at this point to be covered by the corporate savings profiling account whilst £0.7 million has been earmarked against repayment of the one-off funding provided in 2013-14.
- **Places:** The Housing and Community Safety variance is mainly a result of a grant which has previously been incorporated into formula grant. This is in effect a bad budget. If not fixed, the variance would have to be covered on a temporary basis from the Regeneration business area.
- **Transformation & Resources:** No variations are forecast at present.

**Graph 2: 2013-14 Department Variance, by month**



- 4.6 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**

	Revised Budget	Forecast Outturn	Variance	RAGBY	Change from Previous
	£000	£000	£000	£000	£000
<b>Gross Expenditure</b>					
Employees	139,265	139,534	269	A	n/a
Premises	16,941	17,063	122	G	n/a
Transport	7,684	7,685	1	G	n/a
Supplies and Services	128,623	126,241	-2,382	Y	n/a
Third Party Payments	122,155	122,256	101	G	n/a
Transfer Payments	141,017	141,017	0	G	n/a
Support Services	73,778	73,799	21	G	n/a
Financing Costs	58,406	58,406	0	G	n/a
Schools Expenditure	211,961	211,961	0	G	n/a
<b>Total Expenditure</b>	<b>899,830</b>	<b>897,962</b>	<b>-1,868</b>		<b>-</b>
<b>Gross Income</b>					
Schools Income	209,366	209,366	0	G	n/a
Government Grants	183,234	183,013	-221	A	n/a
Other Grants and Reimbursements	19,674	19,674	0	G	
Customer/Client Receipts	47,695	45,904	-1,791	R	n/a
Interest	872	892	20	G	n/a
Recharge Other Rev A/c	137,172	137,296	124	G	n/a
<b>Total Income</b>	<b>598,013</b>	<b>596,145</b>	<b>-1,868</b>		<b>-</b>
<b>Net Expenditure</b>	<b>301,817</b>	<b>301,817</b>	<b>0</b>		<b>-</b>

- 4.7 Schools expenditure is funded from the Dedicated Schools Grant. As this grant is ringfenced any over/underspend will not impact on the General Fund.
- 4.8 Since agreeing the 2013/14 budget, a number of budgetary issues have arisen

which may require further corrective action. Work is underway to verify the values concerned and where possible reduce their impact. A number of items have been dealt with within this monitor. Details of these issues are at [Annex 12](#), Updates on the above position will be provided in future monitor reports.

## 5 IMPLEMENTATION OF 2013-14 SAVINGS – THREE TYPES

- 5.1 The delivery of the **March 5 Council** savings (Type 1) is so key to the Council's financial health, that they are being tracked at Council and Directorate level. The assumption is that, where there is slippage, the Strategic Director will implement replacement savings. The detail is at [Annex 5](#).

**Table 6: Budget Implementation Plan 2013-14 whole Council (£000's)**

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at April	To be Delivered
B - delivered	17	9,927	9,927	0
G – on track	38	27,430	0	27,430
A - concerns	15	10,988	0	10,988
R - failed	0	0	0	0
<b>Total</b>	<b>70</b>	<b>48,345</b>	<b>9,927</b>	<b>38,418</b>

Note: Budget Book page 56-58. Savings delivered have increased since April to. £16.7 million.

P – replacements for Red	0	0	0	0
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- 5.2 There are currently no savings options identified as red rated.
- 5.3 The **one-off funding** in 2013-14 for Adults and Children, requires that they identify equivalent savings (Type 2) during 2013-14 for 2014-15. It is expected that some of the savings will start in 2013-14. As this is identified, it will be presented in Table 7 below and detailed in [Annex 6](#):

**Table 7: Replacing £13.7m one-off 2013-14 funding (£000's)**

BRAG	Brought forward from previous years	Number of Options	Saving Proposed 2013-14	Saving Delivered 2013-14	Saving Proposed 2014-15	Saving Proposed 2015-16	Total Saving Proposed 2013-16
Adults 9.1	622	30	3,122	0	4,209	1,415	8,746
Children's 4.6	473	7	1,500	950	0	0	1,500
Use of 2013/14					1,300		1,300
<b>Total 13.7</b>	<b>1,095</b>	<b>37</b>	<b>4,622</b>	<b>950</b>	<b>5,509</b>	<b>1,415</b>	<b>11,546</b>

Note: Further proposals require identifying. Total proposals may end up being greater than target to allow for slippage. Any savings achieved in 2013/14 will reduce the agreed call on reserves in 2013/14. Assumed £1.3million of 2013/14 savings can be used to fund 2014/15 target.

- 5.4 The **spending freeze** (Type 3) has been extended for April-June 2013, for the three reasons set out below:
1. **Risk.** The increased level of financial risk in 2013 included items that introduced change from April 2013 for which there was no evidence on which to judge that the risk had diminished, remained the same, or increased. Therefore, the prudent response, whilst waiting for evidence to emerge, was to reign in expenditure;

2. **Closedown.** The outturn for 2012-13 would not be available to Cabinet until June 13<sup>th</sup>. To cover the possibility that it could be worse than the M11 forecast, of an overspend of £7.4m, the prudent response was to continue the spending freeze;

3. **Change.** The 2013-14 budget has built into a greater level of savings than has ever been attempted in the Council's history. Although reasonable assumptions have been made, there is the danger that a worse case could occur. Cover for that eventuality, via a spending freeze, would be prudent until there is evidence of successful implementation.

5.5 The detailed freeze items are set out at [Annex 7](#). The purpose of the exercise is to reduce any projected overspend, which by Section 28 of the Local Government Act 2003, is the duty of the Council, that is, all of its Members.

5.6 The 2013-14 Revenue Budget resolved a number of Bad Budgets that were identified during the year. This has been done in a number of ways:

- Base budgets were increased by £8.0 million;
- One-off funding of £13.7 million (see paragraph 5.3 above);
- Suppressing Demand by £3.4 million.

Suppressed demand in Children and Young People totals £1.9m which will be managed during the year. 2012-13 saw improvement in care costs and transport, which resulted in bad budgets and budget growth pressures being less than anticipated. Budgets were also reduced where savings were achieved in 2012-13 in areas such as Children in Need, Traded Services, and general expenditure controls.

The remaining suppressed demand of £1.5million relates to DASS. Future monitors will detail actions being put into place to deliver this.

5.7 The 2013-14 budget includes a savings profiling account of £2 million and a Change Management Implementation Fund of £4 million. The majority of savings included within the budget were calculated on a full year basis. However it was known that a number of savings would only achieve a part year impact in 2013/14. This is particularly the case where staffing reductions were required. The above accounts will be used to fund any slippage. The delivery of savings is under constant review. At this stage a call on the funds may be in the region of £3 million mainly due to the impact of part year staffing savings. This figure will be updated as the year progresses

## **6 CONTROL OF GROWTH**

6.1 The impact of demographic change and financial cover for risk - that is, outcomes that could be worse than assumed - was built into the budget, as set out in Tables 8 and 9, and is detailed at [Annex 8](#). What is important is that estimates of growth for 2013-14, made in November 2012, are checked against actual demand so that any over-estimate is clawed back. Equally, the funding to cover risk can only be accessed for 2013-14 where evidence can be adduced for that funding.

**Table 8: Growth £000's**

Department	2013/14 Budget	2013/14 Release	2014/15 Budget	2015/16 Budget
CYP Total	1,230	-	-	-
DASS Total	3,717		2,202	1,805
LHRAM Total	-		-	573
RHP Total	-		-	1,000
Technical Total	12		72	72
Finance Total	237		-	-
	<b>5,196</b>		<b>2,274</b>	<b>3,450</b>

**Table 9: Risk £000's**

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013/14 Release	2014/15 Budget	2015/16 Budget
Pay Inflation	1,700		3,400	5,400
Superannuation Revaluation	0		2,500	2,500
Change Management Implementation Fund	4,000		-	
Savings Profiling	2,000		-	
Price inflation unallocated				1,000
Growth unallocated			726	-
	<b>7,700</b>		<b>6,626</b>	<b>8,900</b>

Note: inflation incorporated into departmental budgets amounts to £2.464m

## 7 INCOME AND DEBT

- 7.1 The Council's income arrangements with regard to non Council Tax and Business Rates were reviewed and reported to the May 23 Cabinet. Revenue and Income falls into the four broad areas shown below for reporting purposes, which will be developed:

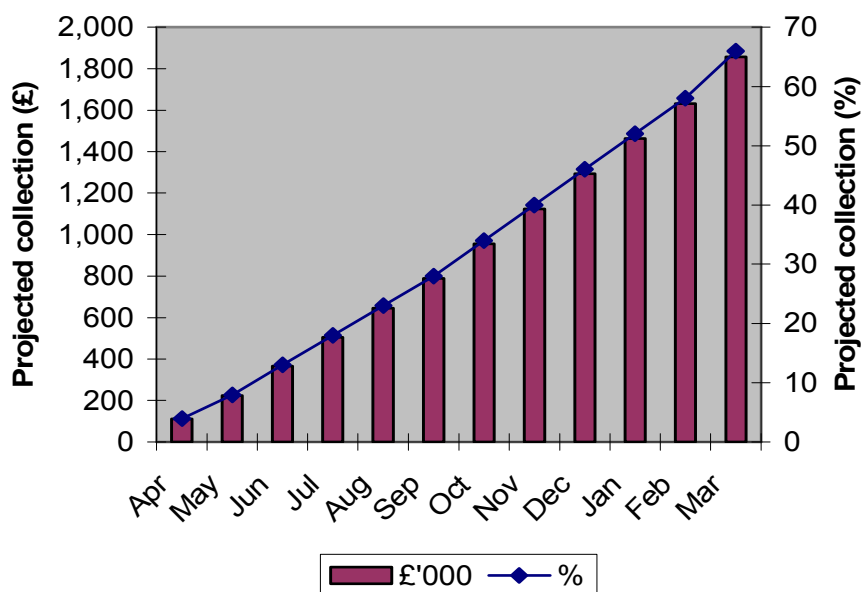
**Table 10: Amount to be collected in 2013-14 £000's**

	2013-14		
	Collectable	Collected	%
Council Tax	135,431	13,441	9.9
Business Rates	70,097	6,696	9.6
Fees and charges – Adults	22,402	4,848	21.6
Fees and charges – all other services	19,197	8,035	41.9

- 7.2 There is a backlog of Accounts Receivable debt to be processed in the last two areas. Reporting will continue until a normal level of debt is reached. The detail is at [Annex 9](#).
- 7.3 A high risk income item is that required from residents who previously paid no Council Tax. The graph will track collection performance against the budget assumption.

**Graph 3: Projected / Actual Council Tax Support Collection by month £000**

**Council Tax Support Collection 13-14**



7.4 The council tax support scheme was introduced in April. As this involves billing a large number of properties who have not previously paid Council Tax, having previously received benefit at 100%, an overall collection rate of 75% has been assumed. The forecast is that 66% will be collected by 31<sup>st</sup> March with recovery actions post 31<sup>st</sup> March increasing the figure to 75%. At 30<sup>th</sup> April collection was as forecast (4%).

7.5 Issues regarding the collection of sundry debt were reported to Cabinet on 23 May 2013. The use of reserves had been earmarked to fund any increased need for debt write offs or increase to the bad debt provision. A significant amount of income has been received to reduce the level of debt and therefore the call on reserves. There is a need to fund the costs of severance and associated increased pension costs in the year of up to £5.5 million. It is proposed that any unused reserves are re used for this purpose

7.6 Business Rates income collection was 9.6% during April. This was approximately £200,000 less than the equivalent period in 2012-13. The difference in the level of collection is largely due to Health Authority bulk payments which were received in April last year and only received in May this year.

**8 MANAGEMENT ACTIONS**

8.1 The Departmental Directors and the Chief Executive’s Strategy Team will seek to identify actions to keep spend within the Budget allocated – these actions are detailed in Annex 10. The spending freeze agreed decisions are reflected within the tables above.

8.2 It is proposed that, as part of the budget architecture, prudent budget management is rewarded at the year-end, with the ability to carry forward underspends. Equally, less than prudent budget management will require that



departments fund any overspending from the following year's budget. The detailed guidance will be presented for approval shortly.

## 9 CASHFLOW

9.1 As part of the development of monitoring, cost centre managers are embarking on the profiling of their budgets to reflect how spend actually occurs. Eventually we should be able to be proactive in deciding when spend will take place, and get income to arrive earlier to improve the Council's cashflow and earn more income from interest. This section will develop over the year.

## 10 RELEVANT RISKS

10.1 The possible failure to deliver the Revenue Budget will be mitigated by:

- The training of cost centre managers to improve skill levels; four events on profiling and forecasting budgets have been delivered to over 160 cost centre managers with the next event planned on building next year's budget.
- A specific tracking system of savings to ensure delivery;
- Improvements to procurement compliance, to generate more savings and better monitoring information;
- A monthly review by Chief Officers, and Cabinet, together with an improved Scrutiny regime, and greater transparency;
- Individual monthly review by Cabinet Portfolio holder at portfolio meeting;
- A successful capitalisation submission will reduce the call on revenue resources.

## 11 OTHER OPTIONS CONSIDERED

11.1 Any option to improve the monitoring and budget accuracy will be considered.

## 12 CONSULTATION

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

## 13 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

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

## 14 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

14.1 Cabinet 18 February 2013 agreed a revised 2013/14 General Fund balance risk calculation of a minimum of £13 million. The level to be achieved by March 2014 is £17.7m.

**Table 11: Summary of the projected General Fund balances**

Details	£m	£m
Projected balance 31 March 2014 when setting the Budget 2013-14		+13.6
Add: Estimated increase following completion of 2012-13 revenue accounts	+3.6	+3.6
Add/Less : In year under/overspends		0.0
Projected balance 31 March 2014		17.2

Note: these figures are subject to change as the 2012/13 accounts are currently being finalised and include possible revenue savings of £0.9m from the proposed capital outturn.

14.2 The current levels of Earmarked Reserves are shown in Table 12 with a full listing included at [Annex 11](#). Earmarked Reserves are currently forecast to be £64.9 million which compares to £86.2 million reported in the June 2012

**Table 12: Earmarked Reserves 2013/14**

	<b>Balance at 1 April 2013 £000</b>	<b>Movement in year £000</b>	<b>Current Balance 30 April 2013 £000</b>
Housing Benefit Reserve	10,155	-	10,155
Insurance Fund	7,820	-	7,820
Working Neighbourhoods Fund	761	-	761
Redundancy Fund	5,500	-	5,500
Grant Reserves	1,108	-	1,108
Management of other risks	25,898	-	25,898
School Balances and Schools Related	<u>13,684</u>	-	<u>13,684</u>
<b>Total Reserves</b>	<b>64,926</b>		<b>64,926</b>

Note: these figures are subject to change as the 2012/13 accounts are currently being finalised

- 14.3 On the same agenda is the provisional outturn for 2012-13. Careful consideration has been given to any proposals from departments to increase 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.

## **15 LEGAL IMPLICATIONS**

- 15.1 The entire report concerns the duty of the Council to avoid a budget shortfall as outlined at paragraph 5.5. 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.

- 15.2 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.

## **16 EQUALITIES IMPLICATIONS**

- 16.1 This report is essentially a monitoring report which reports on financial performance. Any budgetary decisions of which there are none in this report would need to be assessed for any equality implications.

## **17 CARBON REDUCTION IMPLICATIONS**

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

## **18 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

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

## **19 REASONS FOR THE RECOMMENDATIONS**

- 19.1 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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## Annexes

- Annex 1 Revenue Monitoring and Reporting Timetable 2013/14.
- Annex 2 General Fund Revenue Budget for 2013/14 agreed by Council.
- Annex 3 Changes to the Budget 2013/14 since it was set.
- Annex 4 RAGBY Full Details
- Annex 5 Savings tracker
- Annex 6 Adults/Children's Replacing one-off 2013-14 funding
- Annex 7 Freeze Outcomes
- Annex 8 Growth and Risk
- Annex 9 Income and Debt
- Annex 10 Management actions
- Annex 11 Earmarked Reserves – General Fund
- Annex 12 Budgetary Issues

## SUBJECT HISTORY

Council Meeting	Date
From September 2012, the Revenue monitoring reports are being submitted monthly.	
Budget Council	5 <sup>th</sup> March 2013

## Annex 1

## REVENUE MONITORING AND REPORTING TIMETABLE 2013/14

Period Number	Month	General Ledger Updated and Reports Available To Be Produced	Reports Available For The Executive Strategy Group	Reports Available For Cabinet	Reports Available For Council Excellence Overview & Scrutiny Committee
			Monthly	Monthly	Quarterly
1	April	May 8	May 28	June 13	-
2	May	Jun 7	June 25	July 11	-
3	June	Jul 5	Aug 20	Sept 5	01-Oct
4	July	Aug 7	Sept 24	Oct 10	-
5	August	Sept 6	Sept 24	Oct 10	-
6	September	Oct 7	Oct 22	Nov 7	27-Nov
7	October	Nov 7	Dec 2	Dec 18	-
8	November	Dec 6	Jan 19	Feb 4	-
9	December	Jan 8	Feb 1	Feb 17	26-Mar
10	January	Feb 7	Feb 25	Mar 13	TBC
11	February	Mar 7	TBC	TBC	TBC
12	Outturn (Provisional)	TBC	TBC	TBC	TBC

## AGREED BY COUNCIL ON 5 MARCH 2013

<b>Directorate/Service Area</b>	<b>Current Budget</b>
<b>Expenditure</b>	<b>£</b>
Chief Executives	8,239,800
Families and Well Being	
Children and Young People	89,143,300
- Adult Social Services	82,950,800
- Safeguarding Plus Schools and Schools Grant	3,280,500
-Sports and Recreation	8,904,000
Regeneration and Environment	100,127,300
Transformation and Resources	12,423,500
<b>Net Cost of Services</b>	<b>305,069,200</b>
Corporate Growth	7,700,000
Corporate Savings	10,952,000
<b>Budget Requirement</b>	<b>301,817,200</b>
Income	
Local Services Support Grant	45,000
New Homes Bonus	2,119,500
Revenue Support Grant	106,968,000
Business Rtes Baseline	31,424,000
Top Up	39,739,000
Council Tax Requirement	111,357,800
Contribution from General Fund Balances	10,163,900
<b>Total Income</b>	<b>301,817,200</b>
Statement of Balances	
As at 1 April 2013	23,800,000
Contributions from Balances to support budget	10,163,900
<b>Forecast Balances 31 March 2014</b>	<b>13,636,100</b>

## Annex 3 CHANGES TO THE BUDGET AGREED SINCE THE 2013-14 BUDGET WAS SET

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.

**Table 1: 2013-14 Original & Revised Net Budget by Department**

	Original Net Budget	Approved Budget Virements Mth 1	Previous Freeze Decisions	Approved Budget Virements Mth 2 -12	Revised Net Budget
	£000	£000	£000	£000	£000
Chief Executive	8,240	-4,602	-	-	3,638
People - Adult Social Services	82,951	-	-	-	82,951
People - Children & YP, & Schools	91,738	-1,180	-	-	90,558
People – Safeguarding	685	1,396	-	-	2,081
People – Sports and Recreation	8,904	-	-	-	8,904
Places - Environment & Regulation	79,651	-	-	-	79,651
Places – Housing & Comm Safety	15,342	-569	-	-	14,773
Places – Regeneration	5,134	-	-	-	5,134
Transformation & Resources	12,424	4,955	-	-	17,379
Corporate Growth & Savings	-3,252	-	-	-	-3,252
Freeze decisions	-	-	-	-	-
<b>Net Cost of Services</b>	<b>301,817</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>301,817</b>

### Relating to the completion of the 2012-13 accounts

Cabinet	Items	£m

### Variations to the approved budgets 2013-14

Cabinet	Items	£m
n/a	Corporate and Democratic Services to be grouped within the Transformation and Resources Directorate where Direct management control for these areas lies	4.639
n/a	The Anti-Social Behaviour team is part of the Families and Well Being Directorate - Children and Young People and the budget has therefore been transferred from Housing and community safety.	0.569
n/a	Quality Assurance and Family Group Conferencing have been transferred from Specialist Services in Children and Young People to the Joint Safeguarding unit where direct management control lies.	1.396
n/a	A support post has also been transferred from Transformation and Resources to the Chief Executive's Directorate.	0.037
n/a	A number of training and legal posts have been transferred from Children and Young People to Transformation and Resources	0.353
	<b>OVERALL IMPACT OF THESE DECISIONS</b>	<b>0.0</b>

### Virements below level requiring Cabinet approval

Cabinet	Items	£m

## Annex 4 - RAGBY FULL DETAILS

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Chief Executive	4	0	0	4	0	0
Adult Social Services	2	0	1	0	1	0
Children & Young People, & Schools	7	0	0	7	0	0
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	1	0	0
Environment & Regulation	2	0	0	1	1	0
Housing & Comm Safety	1	0	1	0	0	0
Transformation & Resources	7	0	0	7	0	0
Corporate Growth & Savings	2	0	0	2	0	0
<b>Total</b>	<b>27</b>	<b>0</b>	<b>2</b>	<b>23</b>	<b>2</b>	<b>0</b>

### RAGBY REPORTING AND OTHER ISSUES

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 in the Council Estimates (Green Book).) and,
- Subjective Area (by the type of spend / income).

#### Business Area Reds

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	0	0	0.0%

#### Business Area Yellows

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Yellow underspend	0	0	0	0	0	0.0%

#### Subjective Area Reds

##### Expenditure

**Customer/Client Receipts:** The forecast of £1.8 million below budget is due to the £2m income adjustment referred to in paragraph 4.5 in the main report.

#### Subjective Area Yellows

##### Expenditure

**Supplies and Services:** The forecast £2.4 million underspend is a result of various savings within Adult Social Services, Children and Young People, and Regeneration and Environment.

## Annex 5 SAVINGS TRACKER

### 1 Summary

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at April	To be Delivered
B - delivered	15	9,573	9,573	0
G – on track	40	27,784	0	27,784
A - concerns	15	10,988	0	10,988
R - failed	0	0	0	0
<b>Total</b>	<b>70</b>	<b>48,345</b>	<b>9,573</b>	<b>38,772</b>

P – replacements for R	0	0	0	0
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### 2 Detail

#### SAVINGS (TYPE 1) TARGETS – ACHIEVEMENT OF THE SAVINGS (2013-14)

##### Families and Well Being - DASS

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Community Meals	169	Contract to cease at the end of tenure in June 2013.	G
Charging for Non Residential Services	880	Implemented	G
Targeted Support through NHS Contracts	1,828	All clients no longer requiring double handling identified contract performance to be monitored. (£83k)	G
		Use of Social Fund Grant Allocation.(£800k)	A
		Service specifications and procurement schedule for re-ablement and domiciliary care in progress to enable contracts to be let from 1st October 2013. (£84k)	G
		Targets being prepared for residential placement numbers. Need to reflect the new neighbourhood structures. (£454k)	A
		Continuing Health Care – correct application of law and policy. (£377k)	A
Extra Care Housing/External Respite and Short-term Provision	300	Extra Care Housing Provider Negotiations continue.	G
		Revised Respite Policy to be produced and review the feasibility for block contracts for respite	A
Residential and Respite Care	160	Ongoing review of 4 clients transferring to supported living	G
Day Care and Day Services Transformation	750	Consultation completed and service proposals finalised	G



Review of Support for Carers	250	Letter issued and reviews planned for one-off payments, payments not related to client assessed need, and payments to related individuals	G
Assistive Technology	150	Charges to be introduced 1st July 2013	A
Review of VCF Sector Grants	705	Implemented	B
Review of Residential Care for Learning Disabilities	300	Overarching general framework, fee structures and outcomes approach agreed. Provider Consultation started	G
Review of Equipment Service	100	Revised S75 in place for 2013-14 with Community Trust. Discussions to commence with NHS re revised hosting arrangements	A

### Families and Well Being - Childrens

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Education Psychology Service	80	This has been achieved through existing vacancies in the service.	B
Schools Budget	250	Reduction in Council contribution towards Schools PPM	B
School Improvement and Income from Schools	160	The review of the school improvement programme is on track, as is anticipated buy back of services from Academies.	G
Careers, Education and Advice	700	Contract renegotiation has achieved this saving for the full year.	B
Transport Policies	250	Implementation of changes in DASS transport delayed until after consultation on Day Care. DASS are taking the lead on this saving.	A
Area Teams for Family Support	200	Restructure is underway, but anticipated slippage of £30k.	A
Schools Music Service	21	Will be achieved on target.	B
Oaklands Outdoor Education Centre	23	Will be achieved on target.	G
Foundation Learning	121	Reduced commissioning has achieved this saving	B
Commissioning of Parenting Services	700	Reduced commissioning has achieved this saving	B
Youth and Play Services	687	Restructure underway, but slippage of £100k is anticipated.	G
Youth Challenge	200	Reduced provision has achieved this saving	B
Children's Centres and Sure Start	1,576	Slippage in transfers and restructure is anticipated at 241k	A
Short Breaks for Children with Disabilities	150	Reduced commissioning has achieved this saving	B
Child and Adolescent Mental Health Service	250	Restructure is underway, but anticipated slippage of £13k	A

## Regeneration and Environment

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Pre-Planning Advice	10	On target to be achieved	G
Home Insulation	926	Programme ended saving achieved	B
Pest Control	30	There is some of slippage on this budget saving due to a delay in the departure of an employee and the associated costs. It is expected that this slippage will be managed within existing budget resources.	G
Invest Wirral	352	This saving is on target - the funding related to economic activities that are no longer continuing.	G
Car Parking	281	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from an increase in income generated from the review of car parking charges. The income target will be closely monitored throughout the year and currently there are no problems envisaged to achieving this saving.	G
Garden Waste Collection	582	The garden waste subscription service starts from June and to date over 15,000 residents have signed up for the service. At present, there are no immediate concerns to achieving this budget saving.	G
Household Waste Collection	80	An increase in the charge for the ERIC service has been agreed and the budgeted income target increased accordingly. However, increasing the range of charges for replacement wheelie bins has not yet been implemented due to resource problems within the CRM. This delay in implementation creates £4k of slippage per month on this budget saving.	A
Apprentice Programme	420	Savings achieved	B
Handyperson Scheme	209	There is some of slippage on this budget saving due to a delay in the departure of employees. It is expected that this slippage will be managed within existing budget resources.	G
Trading Standards	71	This budget savings option involved the reduction of two posts within the section. One of these posts was already vacant and so the saving will be achieved. There will be some of slippage with the saving on the other post due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources.	G

Highway Maintenance	588	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a reduction in maintenance works. This reduction has already been built into the works plan of the service and will therefore, be achieved.	G
Street Cleansing	1,000	A reduction in cleansing frequency has been negotiated with the Council's contractor. These changes take effect from July 2013. However, it is expected that there will be slippage of £250k in the budget savings due to these changes not being in place for the start of the financial year. At present it is unlikely that all this slippage can be managed within existing budget resources.	A
School Waste	180	An income target has been created which will be monitored throughout the year. Currently there are no problems envisaged to achieving this saving.	G
Street Lighting	265	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a reduction in maintenance works. This reduction has already been built into the works plan of the service and will therefore, be achieved.	G
Highway Drainage	106	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a rationalisation of inspections. This rationalisation has already been built into the inspection programme and will therefore, be achieved.	G
Reduction in Parks Maintenance	450	There is a small amount of slippage on this budget saving due to a delay in the departure of an employee. It is expected that this slippage will be managed within existing budget resources. The bulk of this saving will be achieved from a reduction in maintenance works. This reduction has already been built into the works plan of the service and will therefore, be achieved.	G
Housing Support for BME Communities	111	There is some of slippage on this budget saving due to a delay in the departure of employees. It is expected that this slippage will be managed within existing budget resources.	G

Dog Fouling Enforcement	97	On target to be achieved.	G
Modernisation of Leisure	429	Revised shift rotas to match programme changes at each of the Swimming Pools are expected to be fully implemented by July 2013. The initial delay in implementation is expected to result in slippage of £125k on this budget savings option.	A

### Transformation and Resources

Details	£000	Comments / progress on implementation	BRAGP (see note below)
Efficiency Investment Fund	4,400	Cabinet 8 <sup>th</sup> November 2012 agreed to elimination of fund and growth and replacement by rolling fund	B
Local Council Tax Support Scheme	2,785	Scheme introduced and progress being monitored as per section 7.3 above	G
Reducing Council Management	5,000	Broken down as: £318k LHRAM Senior Mgmt – £23k slippage against the target due to people still in post until mid-May. £110k Regulatory Services – slippage of £21k against the target due to people still in post until mid-May.	G G
Reducing the numbers of Agency workers	500	A corporate saving. This is to be allocated to Directorates during the year.	A
Service Restructures	905	Broken down as: £50k Asset Mgmt – delayed restructure but the full £100k should be achieved during 2013-15 £292k HR delayed restructure but it is envisaged that the full saving of £584k will be achieved over the course of 2013-15. £263k related to RHP £300k for Legal Services, of which £100k relates to employees which is expected to be achieved through compensatory budgets with the restructure helping to achieve the £200k that is currently set aside Legal/Court costs which are a very volatile area.	G A G A
Trade Union funding	- 270	The funding for the Trade Unions has been built in with the costs to still be recharged across business areas at the end of the year.	G
Reducing the Cost of Democracy	100	The cost of the Members Allowances has been reduced and the saving is expected to be achieved in this area.	G
The Mayor of Wirral	50	It is expected that Civic Services will be able to achieve this saving from June 2013 and there will be a drive to reduce overtime and supplies to achieve the saving.	G

Procurement	320	Increased commission income is being realised.	G
Treasury Management	1,700	Built into budget to reflect the revised Capital Programme	G
Information Technology Service	210	Staff savings have been incorporated into the budget.	G
Better Use of Buildings	100	Details as to how this saving will be achieved are to be finalised as there are also savings that have rolled forward from previous years relating to assets.	A
Transforming Business Support	500	Saving has been incorporated into the budget. Staff savings are expected and some have already been achieved. Further work is taking place to develop saving.	G
Revenues and Benefits	550	This saving has been built into the budget and staffing levels are in line with its achievement.	B
Marketing and Public Relations	167	Funding removed from budget	B
Tranmere Rovers Sponsorship	135	Sponsorship has ended.	B
Power Supplies - Contract Saving	11	A new supply contract is in place.	B
Reduction in External Audit Fees	140	The budget has been reduced to reflect the new contract and is expected to be fully realised in year.	G
Workforce Conditions of Service	3,800	Negotiations with TUs are concluding. Target saving likely to be £3.7 million. Slippage depending upon agreement is likely	A
Area Forum Funding	391	Savings achieved	B
Libraries and One Stop Shops	391	Staff savings at the budget level are evident in April monitoring.	G
Housing Benefits – Maximisation of Grant	2,000	Saving has been incorporated into the budget and is expected to be achieved.	G
Council Tax Increase	2,600	Saving has been incorporated into the budget and is expected to be achieved.	G
Council Tax: Discounts and Exemptions	2,284	Saving has been incorporated into the budget and is expected to be achieved.	G
Council Tax: Court Costs	2,429	Saving has been incorporated into the budget and is expected to be achieved.	G

## Annex 6 ADULTS/CHILDREN'S REPLACING ONE-OFF 2013-14 FUNDING

### ADULTS

Details	Proposed 13-14 (£000)	Delivered 13-14 (£000)	Proposed 14-15 (£000)	Proposed 15-16 (£000)	Comments / progress on implementation
<b>Live savings</b>					
Internal systems and configuration	1,170		745	500	
Service Reviews (for development and future discussion with members)	1,143		2,536	665	
Smarter Finances	809		928	250	
<b>Total all categories</b>	<b>3,122</b>		<b>4,209</b>	<b>1,415</b>	

### Children

Details	Proposed 13-14 (£000)	Delivered 13-14 (£000)	Proposed 14-15 (£000)	Proposed 15-16 (£000)	Comments / progress on implementati on
Commissioning (saving achieved in advance)	250	250			
Connexions/CEIAG (saving achieved in advance)	300	300			
Transfer Pension costs to Schools Budget	100				
Uncommitted Adoption Grant	200				
Further reduction in PPM programme for schools	200				
Springboard / School Readiness additional budget	400	400			
YOS bring forward service review	50				
<b>Total</b>	<b>1,500</b>	<b>950</b>			

## **Annex 7      FREEZE OUTCOMES**

No decisions have been made in 2013/14 which result in monies being transferred from directorate budgets to the freeze holding account.

## Annex 8 GROWTH AND RISK

### Growth £000's

		2013/14	2013-14
Ref	Department/ Option Title	Budget	Release
	<b>CYP</b>		
5	Independent Reviewing Officers	90	
6	Additional Social Worker Capacity in Wallasey District	315	
7	Social Workers in Schools	75	
8	Family Justice Review	100	
9	Staying Put Policy	100	
12	Foster Care	500	
13	Youth Justice Board Costs	50	
	<b>CYP Total</b>	<b>1,230</b>	
	<b>DASS</b>		
2	Increase in Fees for Residential & Nursing Care to reflect a Fair Price for Care	1,000	
4	Increase in Demand (Young Adults with Learning Disabilities)	944	
5	Increase in Demand (Older People)	1,773	
	<b>DASS Total</b>	<b>3,717</b>	
	<b>Technical</b>		
3	Annual Property Uplift Biffa contract	12	
	<b>Technical Total</b>	<b>12</b>	
	<b>Finance</b>		
1	Reduction in HB Admin grant 2013/14	237	
	<b>Finance Total</b>	<b>237</b>	
		<b>5,196</b>	

### Risk £000's

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013-14 Release
Pay Inflation	1,700	
Superannuation Revaluation	0	
Change Management Implementation Fund	4,000	
Savings Profiling	2,000	
Price inflation unallocated		
Growth unallocated		
	<b>7,700</b>	



## Annex 9 INCOME AND DEBT

### Council Tax

The following statement compares the amount collected for **Council Tax** in the period 1 April 2013 to 30 April 2013 with the amount collected in the same period in 2012/13:

	<b>Actual 2013/14</b>	Actual 2012/13
	£	£
Cash to Collect	<b>135,431,260</b>	126,124,221
Cash Collected	<b>13,441,199</b>	13,074,447
% Collected	<b>9.9%</b>	10.4%

Council Tax benefits has been abolished and replaced by Council Tax support and the numbers and awards as at 30 April 2013 are as follows:

Number of <b>Council Tax Support</b> recipients:	<b>38,660</b>
Total Council Tax Support expenditure:	<b>£28,176,013</b>
Number of pensioners:	<b>16,586</b>
Number of vulnerable:	<b>6,040</b>
Number of working age:	<b>16,034</b>

The level of collection reflects the increased charges to those charge payers now in receipt of Council Tax Support and having to pay a minimum of 22% of the annual charge as well as the increase charges in respect of reduced discounts and exemptions.

### Business Rates

The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2013 to 30 April 2013 with the amount collected in the same period in 2012/13:

	<b>Actual 2013/14</b>	Actual 2012/13
	£	£
Cash to Collect	<b>70,097,168</b>	68,845,952
Cash Collected	<b>6,696,565</b>	7,179,292
% Collected	<b>9.6%</b>	10.4%

The difference in the level of collection is largely due to Health Authority bulk payments which were received in April last year and only received in May this year.

### Accounts Receivable

The table below shows the old department names and the split at what stage of the recovery cycle they are. From June this will change to the new departments and service titles. It will be developed to reflect changes to the recovery process as these are introduced.

<b>Department</b>	<b>Less than 28 days old £</b>	<b>1<sup>st</sup> or 2<sup>nd</sup> Reminder stage £</b>	<b>Final or Legal stage £</b>	<b>Total Outstanding 30/4/13 £</b>	<b>Total Outstanding 30/4/12 £</b>
<b>Childrens</b>	582,390	464,736	203,121	1,250,247	1,370,447
<b>Corporate Services</b>	368,729	118,476	544,035	1,031,240	1,120,754
<b>Finance</b>	4,320,530	781,780	505,092	5,607,402	2,112,882
<b>Law, HR &amp; Asset Management</b>	250,571	81,514	123,210	455,295	494,136
<b>Regeneration</b>	19,546	5,655	14,510	39,711	27,217
<b>Social Services</b>	4,980,018	4,404,393	8,177,682	17,562,093	19,274,819
<b>Technical Services</b>	417,659	277,770	2,338,216	3,033,602	4,319,619
<i>Less funds received in period to be allocated after month end</i>				-398,754	-724,323
				<b>28,580,836</b>	<b>27,995,551</b>

The above figures are for invoices in respect of the period up to the end of April 2013. Payments and amendments such as write offs and debts cancellations continue to be made after this date on these accounts.

## Annex 10 MANAGEMENT ACTIONS

### ACTIONS TAKEN BY THE EXECUTIVE TEAM/DIRECTORATES TO REDUCE SPEND / INCREASE INCOME

Department	Items	£000
All	Spending freeze to continue during first quarter.	
All	Introduction of Concerto system to monitor progress against savings targets.	
People	Reviews by Adults and Children to identify measures to fund pay back of 2013/14 one-off funding (£13.7 million).	

## Annex 11 EARMARKED RESERVES - GENERAL FUND £000's

	Balance 1 April 13	Movement	Balance 30 April 13
	£000	£000	£000
School Balances	11,937	-	11,937
Housing Benefit	10,155	-	10,155
Insurance Fund	7,820	-	7,820
Redundancy Fund	5,500	-	5,500
IT/Intranet	3,161	-	3,161
Local Pay Review	2,296	-	2,296
Community Fund Community Asset Transfer	2,146	-	2,146
Efficiency Investment Rolling Fund	2,000	-	2,000
One Stop Shop / Libraries IT Network	1,878	-	1,878
Worklessness Programme	1,084	-	1,084
Supporting People Programme	996	-	996
Stay, Work, Learn Wise	908	-	908
Intensive Family Intervention Project	871	-	871
Working Neighbourhoods Fund	761	-	761
Schools Harmonisation	668	-	668
Children's Workforce Development Council	559	-	559
Apprentice Programme Phases 2&3	546	-	546
Home Adaptations	518	-	518
Planned Preventative Maintenance	463	-	463
ERDF Match Funding	444	-	444
Schools Automatic Meter Readers	415	-	415
Schools Contingency	370	-	370
Child Poverty	350	-	350
Business Improvement Grant	342	-	342
Local Area Agreement Reward	322	-	322
Group Repair	307	-	307
Schools Service IT	294	-	294
Homeless Prevention	271	-	271
New Homes Bonus	260	-	260
Strategic Asset Review	251	-	251
Other Reserves	<u>7,033</u>	-	<u>7,033</u>
<b>Total Reserves</b>	<b>64,926</b>	<b>-</b>	<b>64,926</b>

Note: these figures are subject to change as the 2012/13 accounts are currently being finalised

## Annex 12 BUDGETARY ISSUES

	Service area	Issue	2013-14	2014-15	2015-16	2016-17	Resolution
<b>People</b>							
	Adults overstated income	Income was included at 100% of billed, rather than at the (lower) level of collection. Improved collection would reduce the loss but this should be evidence led.	2,000	2,000	2,000	2,000	Entered into M1 Monitor
	Legal Fees ex CYP	Foster Care placements - with improved work routines, amenable to reduction.	100	50	0		Funding to be identified by Strategic Director
<b>Places</b>							
	RHP	Homeless Grant rolled into Formula Grant, but not taken out of budget. No solution.	221	221	221	221	Funding to be identified by Strategic Director
	Willowtree	Shortfall in accommodation budget; resolution depends on service and asset disposal	33	33	33	33	Agreed can be met from permanent budget reduction
<b>Transformation</b>							
	Market Supplements	Single Status is unimplemented. Until then, grade mismatches can only be 'fixed' by market factors. A known problem of £450k, with the remainder as cover. Short-term Option to remove cover; long-term option to resolve SS.	1,000	450	450	0	Entered into M1 Monitor
	2012-13 T&C's	Non-achievement; count as part of 2014-15 target	300	0	0	0	Funding to be identified by Strategic Director
	2012-13 Trans Bus S	Non-achievement; count as part of 2014-15 target	300	150	0	0	Funding to be identified by Strategic Director
	2013-14 T&Cs	Shortfall in achievement; count as part of 2014-15 target	90	0	0	0	Funding to be identified by Strategic Director
	Facilities Management	Shortfall in achievement on closure of buildings; count as part of 2014-15 target	250	0	0	0	Agreed can be met from permanent budget reduction
<b>Totals</b>			<b>4,294</b>	<b>2,904</b>	<b>2,704</b>	<b>2,254</b>	
<b>Solutions</b>			<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	
	Agreed redns	Willowtree Facilities Management	-33 -250	-33	-33	-33	Agreed can be met from permanent budget reduction
	In M1 monitor	Adults income – in 2013-14 funded from unbudgeted income budgeted for in later years	-2,000				
<b>Current additional resource required from savings</b>			<b>2,011</b>	<b>2,871</b>	<b>2,672</b>	<b>2,335</b>	