

WIRRAL COUNCIL

CABINET

19 SEPTEMBER 2013

SUBJECT	REVENUE MONITORING 2013-14 MONTH 3 (JUNE 2013)
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF RESOURCES
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1 EXECUTIVE SUMMARY

- 1.1 This report sets out the revenue position for 2013-14 at Month 3 (June 2013) and actions to minimise risk.

2 RECOMMENDATIONS

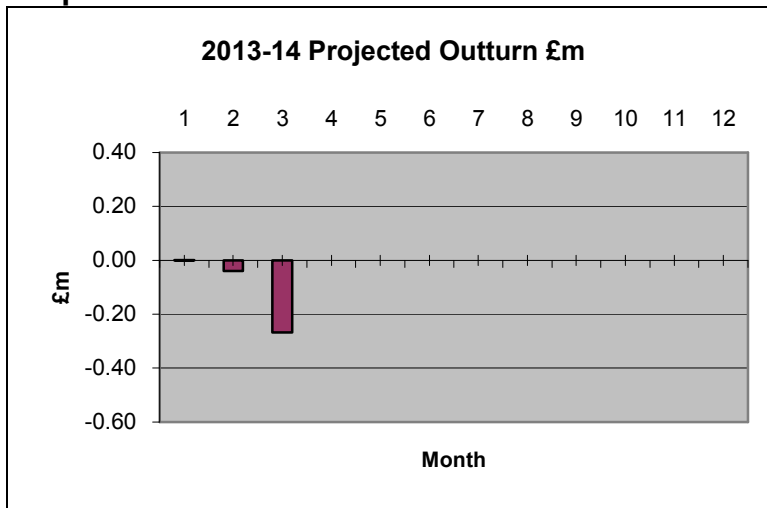
Cabinet is asked to note and /or agree:

- 2.1 at Month 3 (June 2013), the full year forecast projects a General Fund underspend of £267,000;
- 2.2 that the spending freeze be continued until further notice to aid continued good financial management and note there were no rejected freeze items in the month;
- 2.3 that the measures identified by the Strategic Directors to solve any budgetary issues highlighted in the previous monitor are agreed as per Annex 12 of this report;
- 2.4 that an amount of up to £1million is released from the Efficiency Investment Fund to fund the costs associated with the implementation of the 2013/14 Street Cleansing savings option. This is per the planned budget and will generate a permanent saving of £1m per annum with the Efficiency fund repaid over a four year period (i.e. £1m budget reduction in 2013/14 and a net £0.75m saving from 2014/15 for four years, rising to £1m per annum thereafter).

3 OVERALL POSITION AT MONTH 3 (JUNE 2013)

- 3.1 The projected revenue forecast for the year at Month 3 shows a projected underspend General Fund position of £267,000 (an improvement on the month 2 position of a £41,000 underspend). A number of departmental underspends have been earmarked against ongoing or emerging financial issues. An allocation of £1.8 million against the £2 million savings profiling account (page 7 of the Budget Book and Forecasts 2013/16) remains assumed based upon latest estimates of the delivery of staffing savings.

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



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 3	Revised Net Budget
Chief Executive	8,240	-4,602	25	3,663
People - Adult Social Services	82,951	-	-180	82,771
People – Children & YP, & Schools	91,738	-6,714	10	85,034
People – Asset Mgmt & Transport	-	5,534	-	5,534
People – Safeguarding	685	1,396	-	2,081
People – Sports and Recreation	8,904	-	-	8,904
Places - Environment & Regulation	79,651	-	-9	79,642
Places – Housing & Comm Safety	15,342	-569	18	14,791
Places – Regeneration	5,134	-	-18	5,116
Transformation & Resources	12,424	4,955	154	17,533
Corporate Growth & Savings	-3,252	-	-	-3,252
Net Cost of Services	301,817	0	0	301,817

Month 3 major change relate to centralising finance staff budgets from People – Adults to Transformation

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.

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	1	0	0	0	3.7%
Yellow Underspend	0	1	0	0	0	3.7%

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

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Month 3	RAGBY Classification	Change from prev mth
Chief Executive	3,663	3,642	-21	G	-21
People - Adult Social Services	82,771	82,771	0	G	-
People - Children & YP, & Schools	85,034	85,034	0	G	-
People – Asset Mgmt & Transport	5,534	5,534	0	G	-
People – Safeguarding	2,081	2,081	0	G	-
People – Sports and Recreation	8,904	8,904	0	G	-
Places - Environment & Regulation	79,642	79,642	0	G	-
Places – Housing & Comm Safety	14,791	14,791	0	G	-291
Places – Regeneration	5,116	5,116	0	G	291
Transformation & Resources	17,533	17,287	-246	B	-205
Corporate Growth & Savings	-3,252	-3,252	0	G	-
TOTAL	301,817	301,550	-267		-226

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

- **Chief Executive's:** A small underspend of £21,000 is currently forecast (Month 2 was forecast at nil).
- **People:** No overall variance is forecast at present (no change from previous month). Early implementation in 2013/14 of some measures to repay one-off funding supporting the 2013/14 budget has occurred. These were originally scheduled to commence in 2014/15 and have enabled monies to be used as follows:
 - Adults: Of the £8.8m savings to replace one-off funding in 2013-14, £3.430m was forecast in M2 to be delivered in 2013-14. It is now expected that £2.185m will be delivered in 2013-14. New additional expenditure on packages in Learning Disabilities (LD) is causing an adverse variance of over £3m in that area. An action plan is being implemented by the Director to reduce the unit costs of high cost packages in negotiation with providers. A review of packages is also being prioritised to ensure provision is consistent with care requirements. LD package costs are also being partly contained by reductions successfully achieved in packages in other client groups. Progress on the action plan will be reported in future monitors. The net impact on community care packages is therefore around £1m. Accordingly £1.2m is currently projected as available in 2013-14. Work is proceeding on further management actions to increase savings delivery in 2013-14. Any monies identified will be earmarked to contribute towards an adjustment to income of £2m to reflect the actual in year

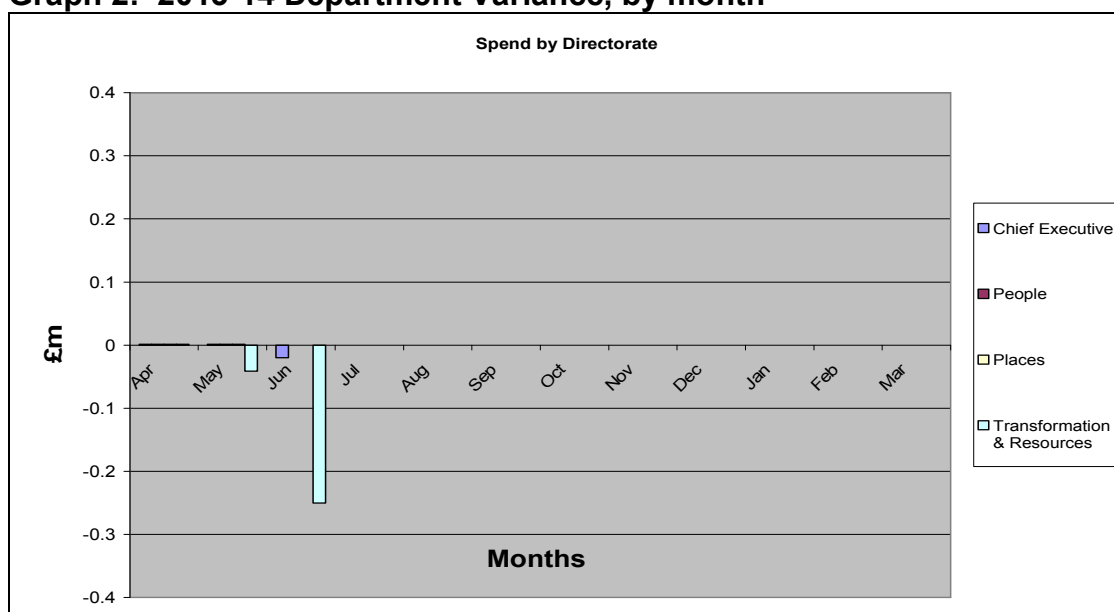
income performance.

- Childrens: A number of variances are assumed covered by the corporate savings profiling account whilst £0.7 million will contribute to funding 2013-14 Families and Well Being Annex 12 issues.

Month 3	Adults	Children	Total
Saving 2013-14	1.200	1.500	2.700
Use in 2013-14	-1.200	-1.500	-2.000
Carried forward to 2014-15	0.000	0.000	0.000

- **Places:** The net saving forecast is nil (month 2 nil). A significant saving has been achieved as a result of the early implementation of savings relating to Supporting People. Approximately £1.3 million has been earmarked to resolve a number of issues listed in annex 12 which cover all directorates. The funding covers 2013/14 shortfalls relating to transforming business support, terms and conditions. Measures to fund these issues from 2014/15 onwards will require identifying by Strategic Directors.
- **Transformation & Resources:** A £246K underspend is currently forecast (£41k Month 2), mainly as a result of insurance fund contract and capital financing savings.

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

	£000	£000	£000	£000	Previous £000
Gross Expenditure					
Employees	139,262	139,468	206	A	-63
Premises	17,083	17,089	6	G	-116
Transport	7,680	7,656	-24	G	-25
Supplies and Services	128,458	128,884	426	R	2,848
Third Party Payments	122,316	121,390	-926	Y	-1,026
Transfer Payments	141,010	140,985	-25	G	-25
Support Services	73,294	73,295	1	G	-20
Financing Costs	58,606	58,425	-181	B	-181
Schools Expenditure	211,961	211,961	0	G	-
Total Expenditure	899,670	899,153	-517		1,392
Gross Income					
Schools Income	209,366	209,366	0	G	-
Government Grants	183,193	182,970	-223	A	-2
Other Grants and Reimbursements	19,681	20,756	1,075	Y	1,075
Customer/Client Receipts	47,651	46,494	-1,157	R	634
Interest	870	870	0	G	-20
Recharge Other Rev A/c	137,092	137,147	55	G	-69
Total Income	597,853	597,603	-250		1,618
Net Expenditure	301,817	301,550	-267		-226

Note: For explanations of red or yellow variances please see [Annex 4](#).

- 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 After agreeing the 2013/14 budget, a number of budgetary issues were identified as requiring further corrective action. A number of items were dealt with in the previous monitor. Actions to deal with the remaining issues are outlined within this monitor. Details of these issues are explained in [Annex 12](#).

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 5: Budget Implementation Plan 2013-14 whole Council (£000's)

BRAG	Number of Options	June 2013	Change from prev mnth	Approved Budget Reduction	Amount Delivered at June	To be Delivered
B - delivered	23	22	1	17,096	17,096	0
G – on track	30	32	-2	19,710	9,733	9,977
A - concerns	16	16	0	11,239	1,487	9,752
R - failed	1	0	1	300	0	300
P – replacements for Red	0	0	0	0	0	0
Total at M3 June 13	70			48,345	28,316	20,029
<i>Total at M2 May 13</i>	<i>70</i>			<i>48,345</i>	<i>19,374</i>	<i>28,971</i>

Note: Budget Book page 56-58.

- 5.2 There is currently one saving option identified as red rated. This relates to Review of Residential Care for Learning Disabilities (£300k).
- 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 6: Replacing £13.7m one-off 2013-14 funding (£000's)

BRAG		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	8.8	30	2,185	0	3,689	1,689	7,563
Children's	4.9	7	1,500	950	0	0	1,500
Use of 2013/14					1,630		1,630
Total	13.7	37	3,685	950	5,319	1,689	10,693

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 £1.6 million of 2013/14 savings can be used to fund 2014/15 target. Adults Proposed 2013/14 reduced from £3.43m see 4.5 People.

- 5.4 The **spending freeze** (Type 3) was extended into the 2013/14 financial year, 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 was not available to Cabinet until June 13th. 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. The continued progress in financial management resulted in an actual 2012/13 overspend of £4.7m. An additional £0.9m was also identified for release from reserves. This has enabled £3.6m to be added to General Fund Balances taking the total close to the £17.739m level agreed by Cabinet on 18th February 2013.
 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 delivery of savings is under constant review and Directorates are examining ways of funding any slippage before a call on central funding is requested. The latest forecast staffing savings slippage is estimated at £1.8 million and, should this not be financed internally by Directorates, will be earmarked against the Savings Profiling account (page 7 of the Budget Book and Forecasts 2013/16). This figure will be updated as the year progresses.
- 5.8 Due to the financial management processes outlined above, the budget position as reported in this and previous monitors is stable. It is however recommended that the spending freeze be continued until further notice to aid financial management.
- 5.9 Cabinet is asked to agree the transfer of up to £1 million from the Efficiency Investment Fund to Regeneration and Environment to fund the implementation of the revised Street Cleansing contract as per the agreed 2013/14 budget savings option. The Street Cleansing saving of £1m (per full year) was agreed on the basis that investment would be provided to fund any change required to implement the contract change. A sum of £1 million was estimated to cover costs such as redundancies, part funding of the saving prior to contractual change date and any other transition costs. Funding was identified from the Efficiency Investment Fund which will be repaid over a four year period commencing 2014/15 as per the Budget Book and Forecasts 2013/16 (page 58). Final costs are still to be finalised but are estimated to be slightly below the original £1 million estimate. The £1million one off investment will generate a £1million saving each year and the figure net of Efficiency Fund repayment is already included within our future indicative budgets.

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](#). It is important that estimates of growth for 2013-14, made in November 2012, are checked against actual demand so that any over-estimate is revised accordingly. Equally, the funding to cover risk can only be accessed for 2013-14 where evidence can be adduced for that funding.

- 6.2 As part of the preparation for the 2014-15 budget, directorates are to provide confirmation and supporting evidence for current and future year growth requirements. Once verified these requests will lead to formal release within the current year or inclusion within future estimates.

Table 7: 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		-	-
	5,196		2,274	3,450

Table 8: 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	1,700	3,400	5,400
Superannuation Revaluation	0		2,500	2,500
Change Management Implementation Fund	4,000		-	
Savings Profiling	2,000	1,800	-	
Price inflation unallocated				1,000
Growth unallocated			726	-
	7,700	3,500	6,626	8,900

Notes: inflation incorporated into departmental budgets amounts to £2.464m. £1m pay inflation against T&Cs – investigation of alternative savings to allow pay award continue. £1.8m against employee profiling. £0.7m pay inflation relates to market supplements and other employee costs.

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 23 May Cabinet. Revenue and Income falls into the four broad areas shown below for reporting purposes.

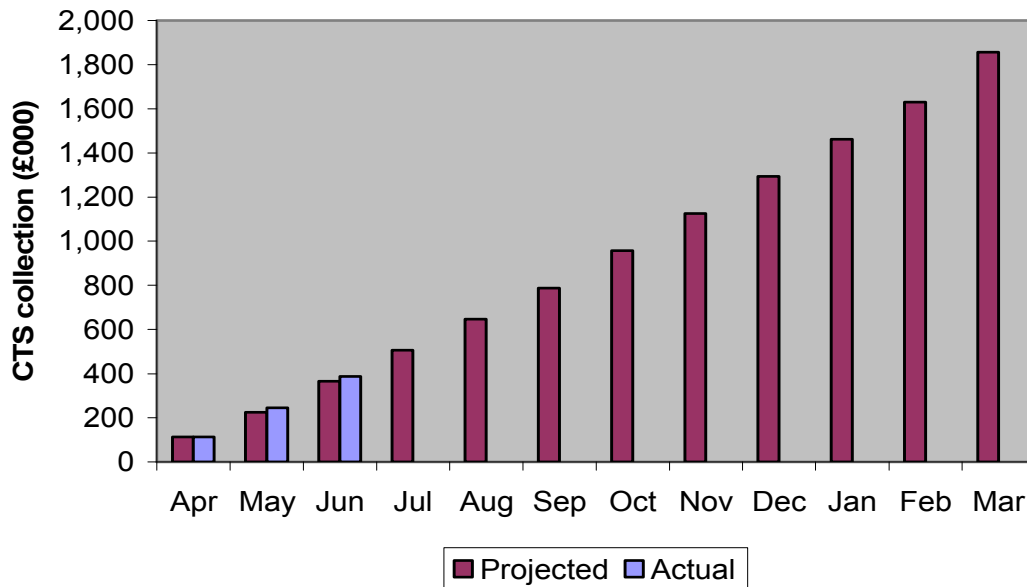
Table 9: Amount to be collected in 2013-14 £000's

	2013-14 Collectable	2013-14 Collected	%
Council Tax	135,419	37,803	27.9
Business Rates	70,396	19,600	27.83
Fees and charges – Adults	29,662	11,753	39.62
Fees and charges – all other services	23,575	15,642	66.35

- 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 below 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% generating £2.8 million has been assumed. The forecast is that £1.86 million (66%) will be collected by 31 March with recovery actions post 31 March increasing the collection to the target figure. At 30 June collection was 13.2% equating to £387,085 and is still slightly ahead of the profiled target.
- 7.5 Recovery from non Working Age debtors is continuing as normal. Action taken to recover from those of Working Age that previously received 100% Council Tax Benefit was delayed by a month to allow for late payments or any queries caused by having to pay for the first time. 6,750 reminders were issued on 10 May, which resulted in our first complaint, laid in June of 500 cases who were previously on 100% Council Tax Benefit.
- 7.6 Repayment plans offering weekly/fortnightly instalments were offered to those contacting the Council. The first court hearing including Council Tax Support was on 9 July, with 19 attendees a higher percentage than normal. Cases have been identified suitable for Deductions from Benefit; for benefit claimants this allows for £3.65 per week to be deducted from the claimants benefit which, for a Band A property, will take in excess of 18 months to collect. It is inevitable some customers will refuse to engage with the Council, or deductions or an attachment is not possible, and we will have no alternative other than to use bailiffs to attempt to collect this debt.
- 7.7 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 which has been used to fund the redundancy reserve/provision.
- 7.8 The delivery of permanent savings on staffing budgets requires initial costs to be

incurred for redundancy costs and where applicable pension. Provision of £5.5 million has been made for these costs. The latest estimate for these costs is just in excess of £5million but is still subject to change. Payments of £3.7 million have so far been incurred for these costs. The remaining costs will be incurred as staff leave the authority during 2013/14.

- 7.9 Business Rates income collection was 27.83% during June. This is slightly less than the 30.73% collected at the equivalent period in 2012/13. Comparisons can fluctuate as some payments received early last year in respect of Health Authority payments amongst others are awaited this year. The timing of refunds may also affect the comparison. Recovery procedures have been tightened with debt being pursued earlier and the position is being closely monitored.

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 following agreement of the updated financial regulations by audit and risk management committee.

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. A pilot study is shortly to commence which will lead to a wider roll out. 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 additional income from interest.

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;
 - Agreement that Strategic Directors are to 'consume their own smoke' regarding slippage not covered from central funds;
 - 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 10: 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: Potential underspend, at M3		+0.27
Projected balance 31 March 2014 (Target per Cabinet 18/2/13 £17.739)		17.47

Note: 2012/13 revenue accounts subject to audit which will be completed in September 2013.

14.2 The current levels of Earmarked Reserves are shown in Table 11 with a full listing included at Annex 11. Earmarked Reserves are currently forecast to be £64.8 million which compares to £86.2 million reported in the June 2012 Revenue Monitor.

Table 11: Earmarked Reserves 2013/14

	Balance at 1 April 2013 £000	Movement in year £000	Current Balance 30 June 2013 £000
Housing Benefit Reserve	10,155	-	10,155
Insurance Fund	7,821	-	7,821
Efficiency Investment Rolling Fund	2,000	-	2,000
Grant Reserves	1,308	-	1,308
Management of other risks	29,228	-	29,228
School Balances and Schools Related	<u>14,264</u>		<u>14,264</u>
Total Reserves	64,776	0	64,776

Note: 2012/13 revenue accounts and 1 April opening balance are subject to audit which will be completed in September 2013.

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 have been submitted monthly to Cabinet. Budget Council	5 th 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
			Monthly	Monthly
1	April	May 8	May 28	June 13
2	May	Jun 7	June 18	July 11
3	June	Jul 5	Aug 13	Sept 19
4	July	Aug 7	Sept 24	Oct 10
5	August	Sept 6	Sept 24	Oct 10
6	September	Oct 7	Oct 22	Nov 7
7	October	Nov 7	Nov 26	Dec 12
8	November	Dec 6	Dec 17	Jan 16
9	December	Jan 8	Jan 21	Feb 11
10	January	Feb 7	Feb 25	Mar 13
11	February	Mar 7	TBC	TBC
12	Outturn (Provisional)	TBC	TBC	TBC

AGREED BY COUNCIL ON 5 MARCH 2013

Directorate/Service Area	Current Budget
Expenditure	£
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
Net Cost of Services	305,069,200
Corporate Growth	7,700,000
Corporate Savings	10,952,000
Budget Requirement	301,817,200
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
Total Income	301,817,200
Statement of Balances	
As at 1 April 2013	23,800,000
Contributions from Balances to support budget	10,163,900
Forecast Balances 31 March 2014	13,636,100

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 Changes Prior Mths	Approved Budget Changes Month 3	Revised Net Budget
Chief Executive	8,240	-4,602	25	3,663
People - Adult Social Services	82,951	-	-180	82,771
People – Children & YP, & Schools	91,738	-6,714	10	85,034
People – Asset Mgmt & Transport	-	5,534	-	5,534
People – Safeguarding	685	1,396	-	2,081
People – Sports and Recreation	8,904	-	-	8,904
Places - Environment & Regulation	79,651	-	-9	79,642
Places – Housing & Comm Safety	15,342	-569	18	14,791
Places – Regeneration	5,134	-	-18	5,116
Transformation & Resources	12,424	4,955	154	17,533
Corporate Growth & Savings	-3,252	-	-	-3,252
Net Cost of Services	301,817	0	0	301,817

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
n/a	Transfer of staffing budgets from DASS in Families & Wellbeing to Financial Services within Transformation & Resources	0.170
n/a	Transfer from Transformation and Resources to Chief Executive for Community Engagement	0.025
n/a	Realigning of the call centre recharge relating to the new garden waste service from Environment & Regulation to Transformation and change.	0.009
n/a	Transfer of staffing budgets from DASS in Families & Wellbeing to CYP.	0.010
	OVERALL IMPACT OF THESE DECISIONS	0.0

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	1	0	4	1	1
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	1	0	0
Environment & Regulation	2	0	0	2	0	0
Housing & Comm Safety	1	0	0	0	1	0
Transformation & Resources	7	0	0	6	1	0
Corporate Growth & Savings	2	0	0	2	0	0
Total	27	1	1	20	4	1

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	1	0	0	0	3.7%

An overspend for staff and agency is projected in Specialist Services (Children & Young People).

Business Area Yellows

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Yellow underspend	0	1	0	0	0	3.7%

Forecasted under spend in Commissioning contract and School Readiness within Targeted Services (Children & Young People).

Subjective Area Reds

Expenditure

Customer/Client Receipts: The forecast of £1.16 million below budget is largely due to the £2m income adjustment referred to in paragraph 4.5 in the main report.

Supplies and Services: The forecast of £0.4 million over budget is due to expected overspend within Learning Disabilities area of Adult Social Services.

Subjective Area Yellows

Expenditure

Third Party Payments: The forecast £0.9 million underspend is a result of various savings within Adult Social Services, Children and Young People, and Regeneration and Environment.

Other Grants and Reimbursements: The forecast of £1.1 million variance is due to expected over recovery of income within Adult Social Services.

Annex 5 SAVINGS TRACKER

1 Summary

BRAG	Number of Options	June 2013	Change from prev mnth	Approved Budget Reduction	Amount Delivered at May	To be Delivered
B – delivered	23	22	1	17,096	17,096	0
G – on track	30	32	-2	19,710	9,733	9,977
A – concerns	16	16	0	11,239	1,487	9,752
R – failed	1	0	1	300	0	300
Total at M3 June	70			48,345	28,316	20,029
<i>Totals at M2 May</i>	70			48,345	19,374	28,971

P – replacements for R	0	0	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

Saving	Target £000	Comments / progress on implementation	BG AR	Amount delivered at M3 June 13 (£000)	To be delivered (£000)

Review of VCF Sector Grants	705	Implemented	B	705	0
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	0	250
Day Care and Day Services Transformation	750	Consultation completed and service proposals finalised	G	0	750
Community Meals	169	All reviews have been completed and provision of community meals now ceased.	G	0	169
Charging for Non Residential Services	880	Implemented	G	0	880
Targeted Support through NHS Contracts	1,828	<ul style="list-style-type: none"> - All clients no longer requiring double handling identified contract performance to be monitored (£83k). - Use of Social Fund Grant Allocation. (£800k). - Service specifications and procurement schedule for re-ablement and domiciliary care in progress to enable contracts to be let from 1st October 2013. (£84k). - Targets implemented for residential placement numbers plus scheme of delegation. (£454k) - Continuing Health Care – correct application of law and policy. (£377k). 	A B A G G	800	1028
Extra Care Housing/External Respite and Short-term Provision	300	<ul style="list-style-type: none"> - Extra Care Housing Provider Negotiations continue. - Revised Respite Policy to be produced and review the feasibility for block contracts for respite 	G A	0	300
Residential and Respite Care	160	Director implementing action plan to reduce Supported Living costs	A ↓	0	160

Transport Policies	250	Additional grant funding CYP to be available	A	0	250
Assistive Technology	150	Charges now proposed from 1st October 2013, income target remains achievable.	A	0	150
Review of Equipment Service	100	Revised S75 in place for 2013-14 with Community Trust. Discussions commenced with NHS re revised hosting arrangements	A	0	100
Modernisation of Leisure	429	Revised shift rotas have now been implemented. The delay in implementation is expected to result in slippage of £125k on this budget saving option.	A	0	429
Review of Residential Care for Learning Disabilities	300	LD packages currently overspending	R ↓	0	300

Families and Well Being – Childrens

Saving	Target £000	Comments / progress on implementation	BG AR	Amount delivered at M3 June 13 (£000)	To be delivered (£000)
Education Psychology Service	80	This has been achieved through existing vacancies in the service.	B	80	
Schools Budget	250	Reduction in Council contribution towards Schools PPM	B	250	
Careers, Education and Advice	700	Contract renegotiation has achieved this saving for the full year.	B	700	
Schools Music Service	21	Will be achieved on target.	B	21	
Oaklands Outdoor Education Centre	23	Will be achieved on target.	B	23	
Foundation Learning	121	Reduced commissioning has	B	121	

		achieved this saving			
Commissioning of Parenting Services	700	Reduced commissioning has achieved this saving	B	700	
Youth Challenge	200	Reduced provision has achieved this saving	B	200	
Short Breaks for Children with Disabilities	150	Reduced commissioning has achieved this saving	B	150	
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		160
Youth and Play Services	687	Restructure underway, but slippage of £103k is anticipated.	G	531	156
Child and Adolescent Mental Health Service	250	Confirmation that staff have left so saving on target.	G↑	210	40
Area Teams for Family Support	200	Restructure is underway, but anticipated slippage of £23k.	A	67	133
Children's Centres and Sure Start	1,576	Slippage in transfers and restructure is anticipated at £441k as procurement forecasts of a delay in completion to January – this will be offset by income.	A		1576

Regeneration and Environment

Saving	Target £000	Comments / progress on implementation	BG AR	Amount delivered at M3 June 13 (£000)	To be delivered (£000)
Invest Wirral	352	This saving is on target – the funding relates to economic activities that are no longer continuing.	B↑	352	0
Home Insulation	926	Programme ended saving achieved	B	926	0

Apprentice Programme	420	Savings achieved	B	420	0
Pre-Planning Advice	10	On target to be achieved	G	7	3
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	26	4
Garden Waste Collection	582	The garden waste subscription service starts from June and to date over 32,000 residents have signed up for the service. At present, there are no immediate concerns to achieving this budget saving.	G	400	182
Dog Fouling Enforcement	97	On target for savings to be achieved	G	85	12
Household Waste Collection	80	An increase in the charge for the ERIC services has been agreed and implemented. However, there is currently no capacity in IT to implement required changes to update CRM until end of August 2013 for bin charging element of project. Budget shortfall (est at £20K) will be met within existing budget provision.(Although there is an over achievement in income from schools waste as schools have not reduced their bin emptying requirements as much as anticipated).	G↑	0	80
Handyperson Scheme	209	There is some 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	G	170	39

		resources. Services to the general public ceased trading in April/May after scheduled works had been completed. Any new referrals have been directed to the Local Authorities Approved Contracted List held by Trading Standards.			
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 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	65	6
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	585	3
Street Cleansing	1,000	The service changes have been implemented on time. Transitional costs will be covered by a transfer from the efficiency fund, if approved in September.	G ↑	1000	0
School Waste	180	An income target has been created which will be monitored throughout the year. Currently there are no problems envisaged to achieving	G	0	180

		this saving.			
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	262	3
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	97	9
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	447	3
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	G	91	20

		expected that this slippage will be managed within existing budget resources.			
Car Parking	281	The bulk of this saving will be achieved from an increase in income generated from the review of car parking charges. At this stage the trends within car parking are below what we might expect for this budget savings option to be fully achieved by the end of the year. However, the income profile for car parking is not uniform throughout the year and we will continue to monitor income closely.	A ↓	0	281

Transformation and Resource

Saving	Target £000	Comments / progress on implementation	BG AR	Amount delivered at M3 June 13 (£000)	To be delivered (£000)
Efficiency Investment Fund	4,400	Cabinet 8th November 2012 agreed to elimination of fund and growth and replacement by rolling fund.	B	4,400	0
Treasury Management	1,700	Built into budget to reflect the revised Capital Programme	B	1,700	Nil
Revenues and Benefits	550	This saving has been built into the budget and staffing levels are in line with its achievement.	B	550	Nil
Information Technology Service	210	Full savings for this budget option delivered in year one.	B	210	0
Marketing and Public Relations	167	Funding removed from budget	B	167	Nil
Tranmere Rovers Sponsorship	135	Sponsorship has ended.	B	135	Nil

Power Supplies - Contract Saving	11	A new supply contract is in place.	B	11	Nil
Area Forum Funding	391	Savings achieved	B	391	Nil
Council Tax Increase	2,600	Saving has been incorporated into the budget and is expected to be achieved.	B	2,600	Nil
Council Tax: Discounts and Exemptions	2,284	Saving has been incorporated into the budget and is expected to be achieved.	B	2,284	Nil
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	Nil	140
Local Council Tax Support Scheme	2,785	Scheme introduced and progress being monitored as per section 7.3 above	G	Nil	2,785
Reducing Council Management	5,000	Vacant posts at Chief Officer level have been included in the latest management savings for June. Vacant posts are being pro rata'd over the year. April and May savings have been updated.	G	937	4,063
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	Nil	-270
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	Nil	100
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	Nil	50
Libraries and One Stop Shops	391	Staff savings at the budget level are evident in April monitoring.	G	391	Nil
Housing Benefits – Maximisation of Grant	2,000	Saving has been incorporated into the budget and is expected to be	G	2,000	Nil

		achieved.			
Council Tax: Court Costs	2,429	Saving has been incorporated into the budget and is expected to be achieved.	G	2,429	Nil
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	Nil	905
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	Nil	100
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.	A ↓	169	331
Reducing the numbers of Agency workers	500	The current saving in year is 30k up to June 2013. However, there are plans to bring a significant number of current contracts to an end later in year.	A	30	470
Procurement	320	This saving has not progressed as	A	91	229

		anticipated, but compensatory savings are expected to be made during the year.			
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	330	3,470

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
Live savings					
Service Reviews (for development and future discussion with members)	1,143		2,536	665	
Management action	2,340		1,714	1,004	
Total all categories	3,430		3,689	1,689	

Note: £3.430m to be reduced to £2.185m detail not yet received.

Children

Details	Proposed 13-14 (£000)	Delivered 13-14 (£000)	Proposed 14-15 (£000)	Proposed 15-16 (£000)	Comments / progress on implementation
Commissioning (saving achieved in advance)	250	250			Saving achieved in advance of 14-15 requirement
Connexions/CEIAG (saving achieved in advance)	300	300			Saving achieved in advance of 14-15 requirement
Transfer Pension costs to Schools Budget	100				Costs to be transferred as in 2012-13
Uncommitted Adoption Grant	200				As per cabinet report June 2013
Further reduction in PPM programme for schools	200				Reduction to be taken into account in the available programme
Springboard / School Readiness additional budget	400	400			Budget not committed
YOS bring forward	50				To be met

service review					from vacancies and spend controls
Total	1,500	950			

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

Ref	Department/ Option Title	2013/14 Budget	2013-14 Release
	CYP		
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	
	CYP Total	1,230	
	DASS		
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	
	DASS Total	3,717	
	Technical		
3	Annual Property Uplift Biffa contract	12	
	Technical Total	12	
	Finance		
1	Reduction in HB Admin grant 2013/14	237	
	Finance Total	237	
		5,196	

Risk £000's

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013-14 Release
Pay Inflation	1,700	1,000
Superannuation Revaluation	0	
Change Management Implementation Fund	4,000	
Savings Profiling	2,000	1,800
Price inflation unallocated		
Growth unallocated		
	7,700	2,800

Annex 8 (Continued)

Inflation Allocated to Departments 2013-16			
	2013/14	2014/15	2015/16
	£000	£000	£000
CYP			
PFI	140	140	140
Retirement Costs	80	80	80
Foster/Adoption	190	190	190
CYP Total	410	410	410
DASS			
Placements	15	15	15
Residential and Nursing Care	1,518	1,518	1,518
Transport	60	60	60
Total	1,593	1,593	1,593
Families and Well Being Total	2,003	2,003	2,003
Regeneration and Environment			
Biffa	413	413	413
Colas	48	48	48
Regeneration and Environment Total	461	461	461
Grand Total	2,464	2,464	2,464

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 June 2013 with the amount collected in the same period in 2012/13:

	Actual 2013/14 £	Actual 2012/13 £
Cash to Collect	135,442,533	125,830,867
Cash Collected	37,803,466	36,224,686
% Collected	27.9%	28.8%

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

Number of Council Tax Support recipients	38,413
Total Council Tax Support expenditure	£28,190,430
Number of pensioners	16,462
Number of vulnerable	6,412
Number of working age	21,951

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 June 2013 with the amount collected in the same period in 2012/13:

	Actual 2013/14 £	Actual 2012/13 £
Cash to Collect	70,430,843	68,834,818
Cash Collected	19,600,183	21,152,500
% Collected	27.83%	30.73%

Accounts Receivable

The table below shows the new department names and the split at what stage of the recovery cycle they are:

Description	Less than 28 days	1st reminder	2nd reminder	3rd reminder	Total as at 30.6.13
Chief Executive	£204,218.54	£7,848.31	£10,888.21	£518,875.12	£741,830.18
Neighbourhood	£16,093.19	£1,560.00	£2,587.98	£22,074.00	£42,315.17

Transformation	£4,682,752.65	£1,501,400.20	£565,830.20	£9,541,770.16	£16,291,753.21
Families	£254,039.87	£249,428.72	£400,870.69	£4,616,385.58	£5,520,724.86
Environment & Regulation	£567,400.33	£405,434.31	£205,592.26	£2,686,805.85	£3,865,232.75
Totals	£5,724,504.58	£2,165,671.54	£1,185,769.34	£17,385,910.71	£26,461,856.17

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

BENEFITS

The following statement details the number of claimants in respect of benefit and the expenditure for Private Tenants and those in receipt of Council Tax Benefit up to 30 June 2013:

	2013/14	2012/13
Number of Private Tenant recipients	31,529	31,629
Total rent allowance expenditure	£33,495,358	
Number under the Local Housing Allowance Scheme (included in the above)	12,021	11,854
	£13,816,375	
Number of Council Tax Support recipients	38,474	
Total Council Tax Support expenditure	£28,187,753	
Total expenditure on benefit to date	£61,683,111	

The following statement provides information concerning the breakdown according to client type as at 30 June 2013

Private Tenants

Claimants in the Private Rented Sector	14,669
Claimants in the Social Rented Sector	16,860
Owner Occupiers	10,627
Total claimants by age group	
under 25 years old	2,659
25 – 60 years old	21,877
over 60 years old	17,620

There are **42,156** benefit recipients in Wirral as at 30 June 2013.

Under Occupancy regulations

From 1 April 2013 property size criteria was introduced to working age tenants of social housing (Registered Providers). Where a claimant is deemed to be occupying accommodation larger than they reasonably require, Housing Benefit (HB) levels have been restricted as follows:

- One “spare” bedroom incurs a 14% reduction. In Wirral the current weekly average is £12. As at 30 June 2013 3,247 households were affected;
- Two or more spare bedrooms incur a 25% reduction. The weekly average in Wirral is currently £21 .As at 30 June 2013, 928 households were affected;
- Out of a total social sector HB caseload of 16,860; 4,177 are currently affected by this;
- Cases that are deemed exempt from the reduction is 3,375.

Housing Benefit Fraud and Enquiries – 01 April 2013 to 30 June 2013

New Cases referred to Fraud team in period	276
Cases where fraud found and action taken	12
Cases investigated, no fraud found and recovery of overpayment may be sought	117
Cases under current investigation	211
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	0
Caution issued and accepted	2
Successful prosecution	10
Summons issued for prosecution purposes	7

Discretionary Housing Payments

Discretionary Housing Payments (DHP) may be awarded to provide short term financial assistance to Housing Benefit claimants who are experiencing difficulty meeting a shortfall in their rent because maximum benefit is not being paid. DHP is not a payment of Housing Benefit and is funded separately from the main scheme.

The Government contribution for 2013/14 is £917,214 with an overall limit of £2,293,035 which the Authority must not exceed. These levels have increased significantly this year as part of central government's measures to help alleviate hardship resulting from the major welfare reforms, such as under occupancy as well as ongoing Local Housing Allowance issues. As at 30 June 2013 £79,330 of this fund has been allocated for liability up to this date. It is expected that Wirral will use up the full government contribution by year end.

Local Welfare Assistance

From April 2013, the discretionary Crisis Loans for Living Expenses and Community Care Grant elements of the Social Fund were abolished and replaced in Wirral by our new Local Welfare Assistance Support Scheme (LWA). For 2013/14 Wirral's scheme is supported by a £1,345,925 Government Grant. Wirral's scheme replaces cash payments in favour of suitable alternatives where at all possible e.g. through the provision of pre payment cards for food and fuel and direct provision of white goods. The scheme is to be reviewed after six months to see how implementation has gone and for possible scheme alterations. The number of applications is rising on a week by week basis. LWA applications for June 2013 average 83 per week.

LWA details for period from 02 April 2013 to 30 June 2013

Number of Awards Granted	1,010	£76,686
Number of Awards not qualifying	796	

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).	
Regeneration	Early implementation of Supporting People 2014-15 saving	1,300

Annex 11 EARMARKED RESERVES - GENERAL FUND £000's

	Balance at 1 April 2013 £000	Movement	Balance at 30 June 2013 £000
Schools Balances	11,936	-	11,936
Housing Benefit	10,155	-	10,155
Insurance Fund	7,821	-	7,821
Budget Support	4,200	-	4,200
Intranet Development	3,161	-	3,161
Local Pay Review	2,296	-	2,296
Community Fund Asset Transfer	2,146	-	2,146
Efficiency Investment Rolling Fund	2,000	-	2,000
One Stop Shop/Libraries IT Networks	1,878	-	1,878
Supporting People Programme	1,105	-	1,105
Worklessness	1,085	-	1,085
Severance Pay	1,026	-	1,026
Stay, Work, Learn Wise	908	-	908
Intensive Family Intervention Project	871	-	871
Working Neighbourhood Fund	760	-	760
School Harmonisation	668	-	668
Schools Capital Schemes	581	-	581
Childrens Workforce Development Council	558	-	558
Apprentice Programmes 2 & 3	546	-	546
Home Adaptations	518	-	518
Dedicated Schools Grant Carry Forward	472	-	472
Planned Preventative Maintenance	463	-	463
ERDF Match Funding	444	-	444
Schools Automatic Meter Readers	415	-	415
Schools Contingency	370	-	370
Strategic Asset Review	366	-	366
Child Poverty	350	-	350
Business Improvement Grant	342	-	342
Local Area Agreement Reward	322	-	322
Schools Service IT	294	-	294
Homeless Prevention	271	-	271
Other Reserves	6,448	-	6,448
Total Reserves	64,776		64,776

Note: 2012/13 revenue accounts and 1st April opening balance is subject to audit which will be completed in September 2013.

Annex 12 BUDGETARY ISSUES

	Service area	Issue	2013-14	2014-15	2015-16	2016-17	Resolution
People							
	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. 2013-14 from Directorate. 2014-15+ Bad debt provision will cover
	Legal Fees ex CYP	Foster Care placements - with improved work routines, amenable to reduction.	100	50	0	0	Funding from M3 increased grants
Places							
	RHP	Homeless Grant rolled into Formula Grant, but not taken out of budget. No solution.	221	221	221	221	2013-14 from forecast savings in M3
	Willowtree	Shortfall in accommodation budget; resolution depends on service and asset disposal	33	33	33	33	2014-15+ from grant adjustment Agreed can be met from permanent budget reduction
Transformation							
	Market Supplements	Single Status is unimplemented. Until then, grade mismatches can only be 'fixed' by market factors. Estimated has reduced from £1m in M1 to £490k excluding any additional cover.	490	450	450	0	Reduced from £1m M1 Monitor based on latest estimates. From pay growth budget M3
	2012-13 T&C's	Non-achievement; count as part of 2014-15 target	300	0	0	0	2013-14 from forecast savings in M3
	2012-13 Trans Bus S	Non-achievement; count as part of 2014-15 target	300	150	0	0	2013-14 from forecast savings in M3
	2013-14 T&Cs	Shortfall in achievement; count as part of 2014-15 target	472	0	0	0	2013-14 from forecast savings in M3
	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
Totals			4,166	2,904	2,704	2,254	
Solutions			2013-14	2014-15	2015-16	2016-17	
	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 bad debt provision in later years	-2,000	-2000	-2000	-2000	2013-14 in year savings and bad debt provision
		Market Supplements funding from central budget for pay growth (page 7) Budget Book	-490	-450	-450	0	funding from central budget for pay growth (page 7) Budget Book

	T&Cs part funding from central budget for pay growth (page 7) Budget Book	-200	0	0	0	
	Foster Care placements	-100	-50	0	0	Funding from increased grants per Directorate M3
	Homeless Grant	-221	-221	-221	-221	2013-14 from increased balances forecast in M3 monitor in M3, 2014-15+ from grant adjustment
	Remaining issues relating to 2013-14	-872	-150	0	0	Funded from increased balances forecast in M3 monitor
Current additional resource required from savings		0	0	0	0	