

WIRRAL COUNCIL

CABINET

10 OCTOBER 2013

SUBJECT	REVENUE MONITORING 2013-14 MONTH 4 (JULY 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 4 (July 2013) and actions to minimise risk.

2 RECOMMENDATIONS

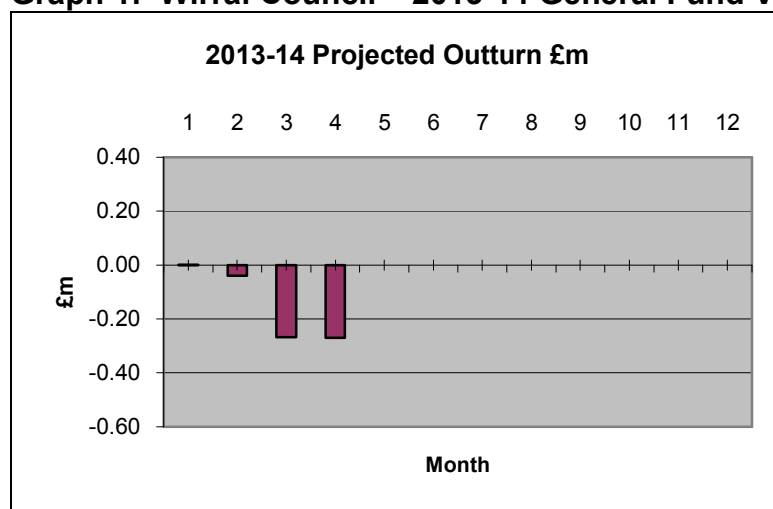
Cabinet is asked to note and /or agree:

- 2.1 at Month 4 (July 2013), the full year forecast projects a General Fund underspend of £270,000;
- 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;

3 OVERALL POSITION AT MONTH 4 (JULY 2013)

- 3.1 The revenue forecast for the year at Month 4 shows a projected underspend General Fund position of £270,000 (a small improvement on the month 3 position of a £267,000 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.

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 4	Revised Net Budget
Chief Executive	8,240	-4,577	137	3,800
People - Adult Social Services	82,951	-180	42	82,813
People – Children & YP, & Schools	91,738	-6,704	-139	84,895
People – Asset Mgmt & Transport	-	5,534	-	5,534
People – Safeguarding	685	1,396	-	2,081
People – Sports and Recreation	8,904	-	-42	8,862
Places - Environment & Regulation	79,651	-9	-42	79,600
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-	5,116
Transformation & Resources	12,424	5,109	44	17,577
Corporate Growth & Savings	-3,252	-	-	-3,252
Net Cost of Services	301,817	0	0	301,817

- 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	1	0	5.4%
Yellow Underspend	0	0	0	1	0	2.7%

The full Table is set out at [Annex 4](#)

Although no Directorate is currently forecasting an overspend position there are two Business Areas forecast at red. These relate to the following:

People – Specialist Services Childrens Services currently forecast at £534,000 overspent due to agency costs.

Transformation and Resources Business Processes currently forecast at £500,000 overspent (net of any other compensatory saving measures) due to a forecast unachieved savings option relating to court costs income.

The Transformation and Resources yellow rating relates to treasury management savings from use of internal borrowing in lieu of borrowing and scheme slippage.

- 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 4	RAGBY Classification	Change from prev mnth
Chief Executive	3,800	3,779	-21	G	-
People - Adult Social Services	82,813	82,813	0	G	-
People - Children & YP, & Schools	84,895	84,895	0	G	-
People – Asset Mgmt & Transport	5,534	5,534	0	G	-
People – Safeguarding	2,081	2,081	0	G	-
People – Sports and Recreation	8,862	8,862	0	G	-
Places - Environment & Regulation	79,600	79,600	0	G	-
Places – Housing & Comm Safety	14,791	14,791	0	G	-
Places – Regeneration	5,116	5,116	0	G	-
Transformation & Resources	17,577	17,328	-249	B	-3
Corporate Growth & Savings	-3,252	-3,252	0	G	-
TOTAL	301,817	301,547	-270		-3

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 3 was also forecast at £21,000).
- **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, a net £1.2m was forecast in M3 to be delivered in 2013-14. This was after covering adverse costs relating to the Learning Disabilities (LD) 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. Progress on the action plan will be reported in future monitors. Accordingly £1.8m 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. Any underspend in the year will be utilises to bridge the 2013-14 loan in 2014-15.

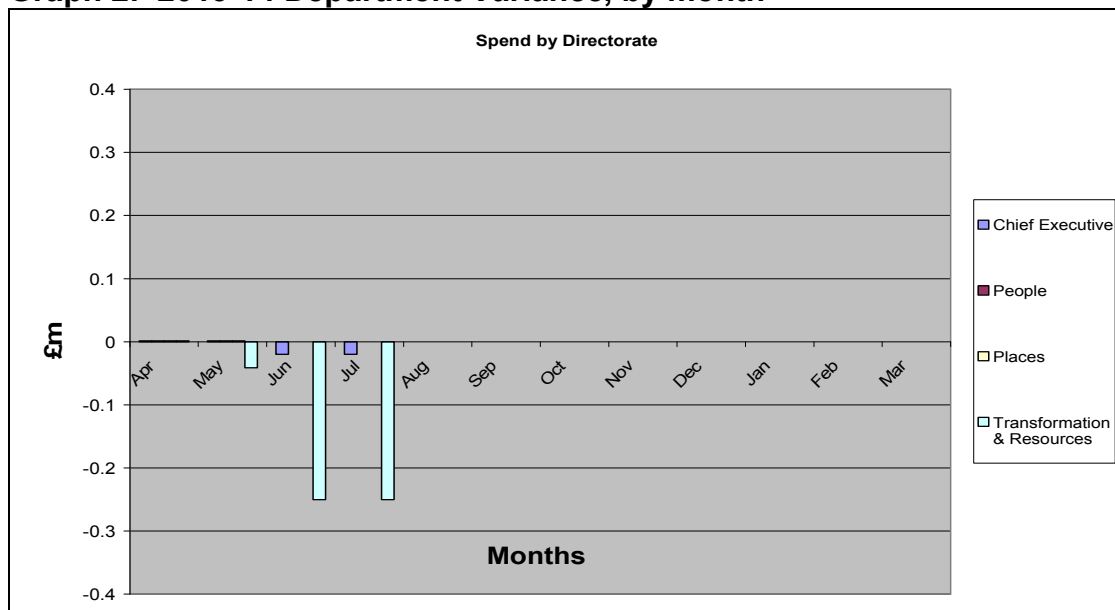
	Adults	Children	Total
Saving 2013-14	1.800	1.200	3.000
Use in 2013-14	-1.800	-0.000	-1.800
Carried forward to 2014-15	0.000	1.200	1.200

- **Places:** The net saving forecast is nil (month 3 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 £249K underspend is currently forecast (£246k Month 3), 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 Previous
	£000	£000	£000	£000	£000
Gross Expenditure					
Employees	139,369	138,644	-725	Y	-931
Premises	17,102	16,952	-150	B	-156
Transport	7,670	7,642	-28	G	-4
Supplies and Services	127,898	128,530	632	R	206
Third Party Payments	122,771	121,603	-1,168	Y	-242
Transfer Payments	141,010	141,024	14	G	39
Support Services	72,858	72,810	-48	G	-49
Financing Costs	58,631	58,131	-500	Y	-319
Schools Expenditure	355,221	355,221	-	G	-
Total Expenditure	1,042,530	1,040,557	-1,973		-1,456
Gross Income					
Schools Income	352,626	352,626	-	G	-
Government Grants	183,193	182,933	-260	A	-37
Other Grants and Reimbursements	19,651	20,940	1,289	Y	214
Customer/Client Receipts	47,655	44,923	-2,732	R	-1,575
Interest	870	870	-	G	-
Recharge Other Rev A/c	136,718	136,718	-	G	-55
Total Income	740,713	739,010	-1,703		-1,453
Net Expenditure	301,817	301,547	-270		-3

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 July	To be Delivered
B - delivered	24	23	1	17,265	17,265	0
G – on track	31	30	1	19,180	9,072	10,108
A - concerns	13	16	-3	9,171	687	8,484
R - failed	2	1	1	2,729	1,129	1,600
P – replacements for Red	1	0	1		433	867
Total at M4 July 13	71			48,345	28,586	21,059
<i>Total at M3 June 13</i>	<i>70</i>			<i>48,345</i>	<i>28,316</i>	<i>20,029</i>

Note: Budget Book page 56-58. Replacement savings cover shortfall in Court costs option

- 5.2 There are currently two savings options identified as red rated. They relate to

Review of Residential Care for Learning Disabilities (£300k).
Council Tax Court Costs (£2,429k)

- 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 6 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	1,376	0	6,858	1,690	9,924
Children's 4.9	7	1,500	1,200	0	0	1,500
Use of 2013/14		-1,376				
Total 13.7	37	1,500	1,200	6,858	1,690	11,424

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 firstly reduce any annexe 12 issues and then assist with loan repayments in 2014/15.

- 5.4 The **spending freeze** 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 addressed a number of budget issues 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

- 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 19th September agreed 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. 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). The £1 million one off investment will generate a £1 million saving each year and the figure net of Efficiency Fund repayment is already included within 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

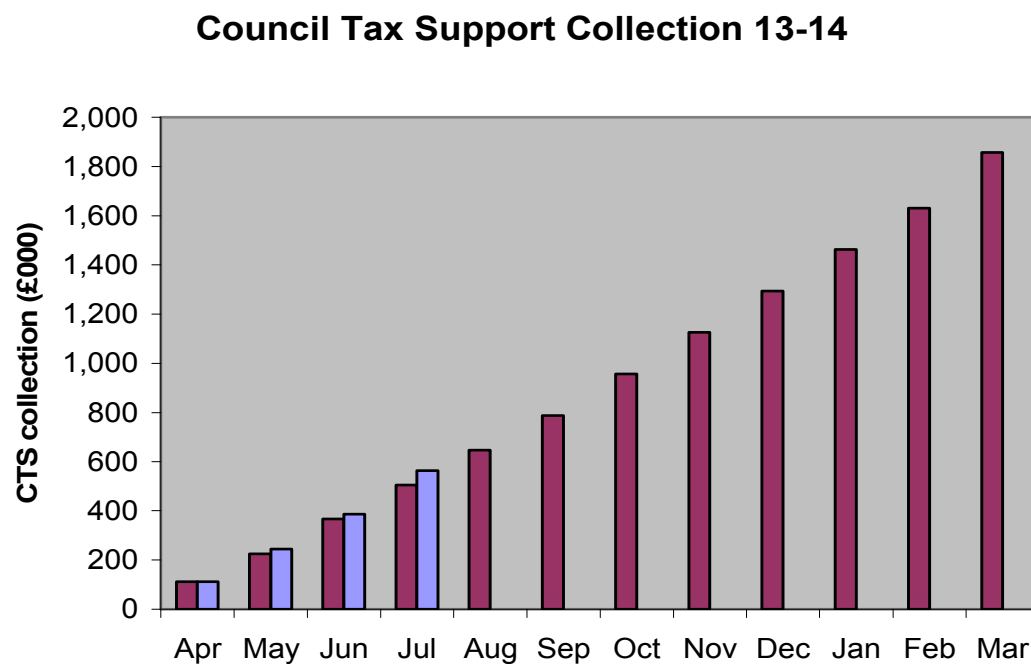
- 7.1 The Council's income arrangements with regard to non Council Tax and Business Rates were reviewed and reported to the 23 May Cabinet. Revenue and Income falls into the four broad areas shown below for reporting purposes, which will be developed:

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

	2013-14	2013-14	
	Collectable	Collected	%
Council Tax	135,456	50,106	36.99
Business Rates	70,405	27,482	39.03
Fees and charges – Adults	32,521	14,086	43.31
Fees and charges – all other services	26,352	19,053	72.30

- 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



- 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 31 July collection was 18.8% equates to £564,394 and remains ahead of 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. During July, 3,422 summons were issued which are to be heard over two hearing dates in August 2013 for customers who were previously on 100% Council Tax Benefit.
- 7.6 Repayment plans offering weekly/fortnightly instalments were offered to those contacting the Council.
- 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.
- 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 and this remains the latest estimate for the implementation of the 2013/14 savings. 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 37.96% during July. This is slightly less than the 39.34% collected at the equivalent period in 2012/13. Comparisons will 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 were 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 M4		+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 31 July 2013 £000
Housing Benefit Reserve	10,155	-	10,155
Insurance Fund	7,821	-	7,821
Efficiency Investment Rolling Fund	2,000	(1,000)	1,000
Grant Reserves	1,308	-	1,308
Management of other risks	29,228	-	29,228
School Balances and Schools Related	14,264		14,264
Total Reserves	64,776	(1,000)	63,776

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.

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.

REPORT AUTHOR:

Peter Molyneux
Head of Financial Control
Telephone (0151) 666 3389
Email petemolyneux@wirral.gov.uk

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

Annex 2

GENERAL FUND REVENUE BUDGET 2013-14

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 4	Revised Net Budget
Chief Executive	8,240	-4,577	137	3,800
People - Adult Social Services	82,951	-180	42	82,813
People – Children & YP, & Schools	91,738	-6,704	-139	84,895
People – Asset Mgmt & Transport	-	5,534	-	5,534
People – Safeguarding	685	1,396	-	2,081
People – Sports and Recreation	8,904	-	-42	8,862
Places - Environment & Regulation	79,651	-9	-42	79,600
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-	5,116
Transformation & Resources	12,424	5,109	44	17,577
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 T&R to Chief Executive. Funding 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
n/a	Transfer of 2 Constituency Committee Posts to Chief Executive from CYP.	0.095
n/a	Transfer of budget from Waste & Environment Service Area to create new roles to lead Constituency Committees.	0.042
n/a	Staff transfer from CYPD to Financial services following recent	0.044

	restructure.	
	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	0	2	0	0
Children & Young People, & Schools	7	1	0	4	2	0
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	1	0	0
Transformation & Resources	7	1	0	5	0	1
Corporate Growth & Savings	2	0	0	2	0	0
Total	27	2	0	22	2	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	1	0	5.4%
Value £000s/ % Overall Net Budget		534		500		0.34

An overspend for staff and agency is projected in Specialist Services (Children & Young People)
A shortfall on the court costs savings option has resulted in a red rating (Transformation and Resources).

Business Area Yellows

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Yellow underspend	0	0	0	1	0	2.7%
Value £000s/ % Overall Net Budget				749		0.29

Savings on treasury management due to use of internal borrowing and scheme slippage has produced a yellow rating (Transformation and Resources)

Subjective Area Reds

Expenditure

Customer/Client Receipts: The forecast of £2.73 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 £0.63 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 £1.2 million underspend is a result of various savings within Adult Social Services, Children and Young People, and Transformation & Resources.

Other Grants and Reimbursements: The forecast of £1.3 million variance is due to expected over recovery of income within Adult Social Services.

Employees: The forecast of £0.7 million underspend is as a result of a projected outturn within Business Processes in Transformation & Resources.

Financing Costs: The forecast of £0.5 million underspend is due to capital programme slippage.

Annex 5 SAVINGS TRACKER

1 Summary

BRAG	Number of Options	June 2013	Change from prev mnth	Approved Budget Reduction	Amount Delivered at July	To be Delivered
B - delivered	24	23	1	17,265	17,265	0
G – on track	31	30	1	19,180	9,072	10,108
A - concerns	13	16	-3	9,171	687	8,484
R - failed	2	1	1	2,729	1,129	1,600
P – replacements for Red	1	0	1		433	867
Total at M4 July 13	71			48,345	28,586	21,059
<i>Total at M3 June 13</i>	<i>70</i>			<i>48,345</i>	<i>28,316</i>	<i>20,029</i>

2 Detail

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

Families and Well Being – DASS

Saving	Target £0	Comments / progress on implementation	BGAR	Amount delivered at M4 July 13 £0	To be delivered £0
Review of VCF Sector Grants	705	Implemented	B	705	0
Community Meals	169	All reviews have been completed and provision of community meals now ceased.	B ↑	169	0
Review of Support for Carers	250	Letter issued and reviews progressed for one-off payments, payments not related to client assessed need, and payments to related individuals	G	250	0
Day Care and Day Services Transformation	750	Consultation completed and service proposals finalised	G	0	750
Charging for Non Residential Services	880	Implemented	G	300	580
Transport Policies	250	Additional grant funding CYP	G ↑	0	250
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). 	G B G ↑ G G	800	1028

Assistive Technology	150	Charges now proposed from 1st October 2013, income target remains achievable.	G	0	150
Extra Care Housing/External Respite and Short-term Provision	300	<p>- Extra Care Housing Provider Negotiations continue.</p> <p>- Revised Respite Policy to be produced and review the feasibility for block contracts for respite</p>	<p>G</p> <p>A</p>	0	300
Residential and Respite Care	160	Director implementing action plan to reduce Supported Living costs	A	0	160
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 £0	Comments / progress on implementation	BGAR	Amount delivered at M4 July 13 £0	To be delivered £0
Education Psychology Service	80	This has been achieved through existing vacancies in the service.	B	80	0
Schools Budget	250	Reduction in Council contribution towards Schools PPM	B	250	0
Careers, Education and Advice	700	Contract renegotiation has achieved this saving for the full year.	B	700	0
Schools Music Service	21	Will be achieved on target.	B	21	0
Oaklands Outdoor Education Centre	23	Will be achieved on target.	B	23	0
Foundation Learning	121	Reduced commissioning has achieved this saving	B	121	0
Commissioning of Parenting Services	700	Reduced commissioning has achieved this saving	B	700	0
Youth Challenge	200	Reduced provision has achieved this saving	B	200	0
Short Breaks for Children with Disabilities	150	Reduced commissioning has achieved this saving	B	150	0
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	100	60
Youth and Play Services	687	Restructure underway, but slippage of £103k is anticipated.	G	566	121
Child and Adolescent Mental Health Service	250	Confirmation that staff have left so saving on target.	G	250	0
Area Teams for Family Support	200	Restructure is underway, but anticipated slippage of £30k.	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	0	1576

Regeneration and Environment

Saving	Target £0	Comments / progress on implementation	BGAR	Amount delivered at M4 July 13 £0	To be delivered £0
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	10	0
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	Income target met and currently overachieving. Garden waste tonnages slightly below projections but drop in recycling credit income will be offset by subscription income and budget monitoring exercise has picked up necessary adjustments. Negotiations with Biffa over savings to be identified through fleet reduction are underway (to be completed by November 13).	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	G	60	20

		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).			
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 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.	G	170	39
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 this saving.	G	180	0
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	G	447	3

		works plan of the service and will therefore, be achieved.			
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	91	20
Car Parking	281	There is an emerging pressure on the parking income budget. Research and further analysis is being undertaken to understand the impact on the budget.	A	0	281

Transformation and Resource

Saving	Target £0	Comments / progress on implementation	BGAR	Amount delivered at M4 July 13 £0	To be delivered £0
Efficiency	4,400	Cabinet 8th November 2012 agreed to elimination of fund and growth and replacement by rolling fund.	B	4,400	0
Investment Fund					
Treasury Management	1,700	Built into budget to reflect the revised Capital Programme	B	1,700	0
Revenues and Benefits	550	This saving has been built into the budget and staffing levels are in line with its achievement.	B	550	0
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	0
Tranmere Rovers Sponsorship	135	Sponsorship has ended.	B	135	0
Power Supplies - Contract Saving	11	A new supply contract is in place.	B	11	0
Area Forum Funding	391	Savings achieved	B	391	0
Council Tax Increase	2,600	Saving has been incorporated into the budget and is expected to be achieved.	B	2,600	0
Council Tax: Discounts and Exemptions	2,284	Saving has been incorporated into the budget and is expected to be achieved.	B	2,284	0
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	0	140
Local Council Tax Support Scheme	2,785	Scheme introduced and progress being monitored as per section 7.3 above	G	0	2,785
Reducing Council Management					
	5,000	Vacant posts at Chief Officer level have been included in the latest	G	937	4,063

		management savings for June. Vacant posts are being pro rata'd over the year. April and May savings have been updated.			
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	0	-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	0	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	0	50
Libraries and One Stop Shops	391	Staff savings at the budget level are evident in April monitoring.	G	391	0
Housing Benefits – Maximisation of Grant	2,000	Saving has been incorporated into the budget and is expected to be achieved.	G	2,000	0
Service Restructures	905	<p>Broken down as:</p> <p>£50k Asset Mgmt – delayed restructure but the full £100k should be achieved during 2013-15</p> <p>£292k HR delayed restructure but it is envisaged that the full saving of £584k will be achieved over the course of 2013-15.</p> <p>£263k related to RHP</p> <p>£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</p>	<p>G</p> <p>A</p> <p>G</p> <p>A</p>	0	905

		Legal/Court costs which are a very volatile area.			
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	0	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 anticipated, but compensatory savings are expected to be made during the year.	A	91	229
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
Council Tax: Court Costs	2,429	Current projections show that the full saving will not be delivered. Compensatory savings will be made from staffing and financing budgets from within Transformation and Resources.	R ↓	1,129	1,300

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)	1,014		3,530	900	
Management action	362		3,328	790	
Total all categories	1,376		6,858	1,690	

Note: 21013/14 monies may be allocated first to annex 12 issues in 2013/14

CHILDRENS

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			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	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	400	400			Budget not committed

additional budget					
YOS bring forward service review	50	50			To be met from vacancies and spend controls
Total	1,500	1,200			

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

	Actual 2013/14 £	Actual 2012/13 £
Cash to Collect	135,456,284	125,772,781
Cash Collected	50,106,204	47,838,943
% Collected	37.0%	38.0%

Council Tax benefits has been abolished and replaced by Council Tax support and the numbers and awards as at 31 July 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 31 July 2013 with the amount collected in the same period in 2012/13:

	Actual 2013/14 £	Actual 2012/13 £
Cash to Collect	70,405,707	68,272,233
Cash Collected	27,994,105	26,857,524
% Collected	39.76%	39.34%

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 31.7.13
Chief Executive	£220,547.46	£21,233.72	£17,313.64	£531,632.59	£790,727.41
Neighbourhood	£14,334.99	£0.83	£6,388.20	£23,928.41	£44,652.43
Transformation	£5,415,068.05	£846,107.94	£319,492.64	£8,394,834.15	£14,975,502.78
Families	£443,070.75	£2,125,177.55	£199,179.59	£3,476,892.08	£6,244,319.97
Environment & Regulation	£534,515.12	£264,586.77	£149,422.71	£2,899,119.75	£3,847,644.35
Totals	£6,627,536.37	£3,257,106.81	£691,796.78	£15,326,406.98	£25,902,846.94

The above figures are for invoices in respect of the period up to the end of July 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 31 July 2013:

	2013/14	2012/13
Number of Private Tenant recipients	31,592	31,780
Total rent allowance expenditure	£49,558,204	
Number under the Local Housing Allowance Scheme (<u>included in the above</u>)	12,077	11,937
	£19,234,646	
Number of Council Tax Support recipients	38,413	
Total Council Tax Support expenditure	£28,190,430	
Total expenditure on benefit to date	£77,748,634	

The following statement provides information concerning the breakdown according to client type as at 31 July 2013

Private Tenants

Claimants in the Private Rented Sector	14,655
Claimants in the Social Rented Sector	16,937
Owner Occupiers	10,582
Total claimants by age group	
under 25 years old	2,649
25 – 60 years old	21,923
over 60 years old	17,602

There are **42,174** benefit recipients in Wirral as at 31 July 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 average is £12 weekly and there are 3,092 households affected;
- Two or more spare bedrooms incurs a 25% reduction – the Wirral average is currently £21 weekly and there are 817 affected;
- Out of a total social sector HB caseload of 16,937; 3909 are currently affected by this;
- Cases that are deemed exempt from the reduction is 3,378.

Numbers affected have reduced slightly since April as certain exemption criteria is applied.

Housing Benefit Fraud and Enquiries – 01 April 2013 to 31 July 2013

New Cases referred to Fraud team in period	401
Cases where fraud found and action taken	22
Cases investigated, no fraud found and recovery of overpayment may be sought	165
Cases under current investigation	211
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	0
Caution issued and accepted	4
Successful prosecution	18
Summons issued for prosecution purposes	12

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. To date £122,073 of this fund has been allocated, however there were at month end 387 claims still to be considered. These new applications are mainly due to those affected by the under occupancy sanctions

and additional information has been sought to allow assessment to proceed. In addition, £7,424 has been used by Housing Options to meet rent deposits to enable people to move into sustainable tenancies. 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 July 2013 average 90 per week

LWA details for period from 02 April 2013 to 31 July 2013

Number of awards granted for food	1,215	value	£53,489
Number of awards granted for fuel	898	value	£16,539
Number of awards granted for goods	174	value	£41,104
Total number of awards	1,354	value	£112,232
Number of claims not qualifying for assistance			1,107

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
Families (DASS)	Increased emphasis on home care and minimising where possible residential care	

Annex 11 EARMARKED RESERVES - GENERAL FUND £000's

	Balance at 1 April 2013 £000	Movement	Balance at 31 July 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	1,000	1,000
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	(1,000)	63,776

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	