

CABINET

7 NOVEMBER 2013

SUBJECT	REVENUE MONITORING 2013/14 MONTH 6 (SEPTEMBER 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 6 (September 2013) and actions to minimise risk.

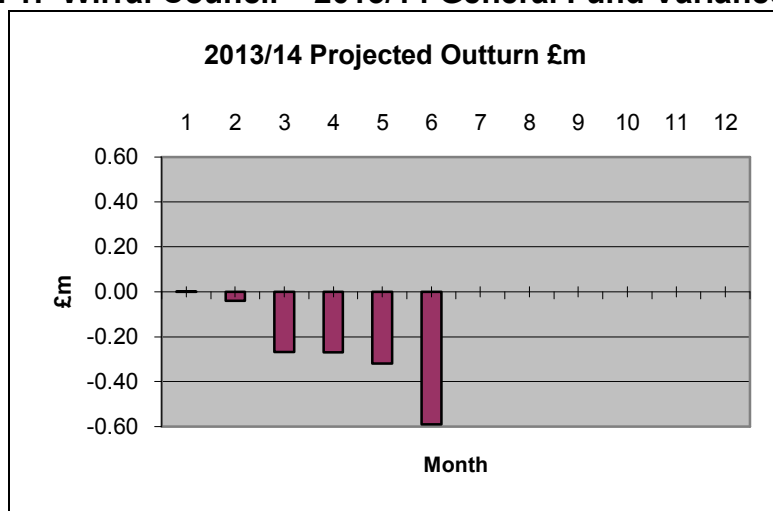
2 RECOMMENDATIONS

Cabinet is asked to note and /or agree:

- 2.1 at Month 6 (September 2013), the full year forecast projects a General Fund underspend of £592,000 and if achieved at year end this should be earmarked against future Council restructuring costs
- 2.2 to approve the transfer of £100,000 of various reserves within the Regeneration and Environment Directorate to enhance the existing Open Golf Reserve.

3 OVERALL POSITION AT MONTH 6 (SEPTEMBER 2013)

- 3.1 Month 6 shows a projected General Fund underspend of £592,000 (compared to the month 5 position of a £320,000 underspend). A number of departmental underspends have been earmarked against ongoing or emerging financial issues. An allocation of £1.6 million against the £2 million savings profiling account (page 7 of the Budget Book and Forecasts 2013/16) is 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 6	Revised Net Budget
Chief Executive	8,240	-4,440	68	3,868
People - Adult Social Services	82,951	-138	-82	82,731
People – Children & YP, & Schools	91,738	-6,843	82	84,977
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	-51	-	79,600
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-	5,116
Transformation & Resources	12,424	5,153	-68	17,509
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 have since been refined.
- 4.3 The main report will only comment on large variations (Red and Yellow items). The 'variations' analysis, over 27 budget areas, distinguishes between overspends and underspends. The 'risk band' classification is:
- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over -£301k)
 - Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to -£140k); Blue (-£141k to -£300k)

Table 2: Extreme Departmental Projected Budget variations

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	1	0	2.7%
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 is one Business Area forecast at red. This relates to the following: 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 6	RAGBY Classification	Change from prev mnth
Chief Executive	3,868	3,603	-265	B	-194
People - Adult Social Services	82,731	82,731	0	G	-
People – Children & YP, & Schools	84,977	84,977	0	G	-
People – Asset Mgmt & Transport	5,534	5,534	0	G	-
People – Safeguarding	2,081	2,132	51	G	51
People – Sports and Recreation	8,862	8,733	-129	G	-129
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	17,509	17,260	-249	B	-
Corporate Growth & Savings	-3,252	-3,252	0	G	-
TOTAL	301,817	301,225	-592		-272

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

- **Chief Executive's:** Underspend of £265,000 is currently forecast (Month 5 was forecast at £71,000). The movement relates mainly to Public Health Policy and Performance areas, vacancy/staffing and activity budgets.
- **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, which supports 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: There are adverse costs relating to the Learning Disabilities (LD) area which, are being compensated for by savings in other areas. An action plan has been 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 and additional NHS grant and other income has also offset some of the pressure. Progress on the action plan will be reported in future monitors. Accordingly £1.9m is currently projected as available 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 as detailed in Annexe 12 or against the 2013/14 loan repayment.
 - Childrens: A number of variances are being covered by the corporate savings profiling account. £1.5 million is forecast to be available in the year to contribute towards bridging the 2013/14 loan in 2014/15.

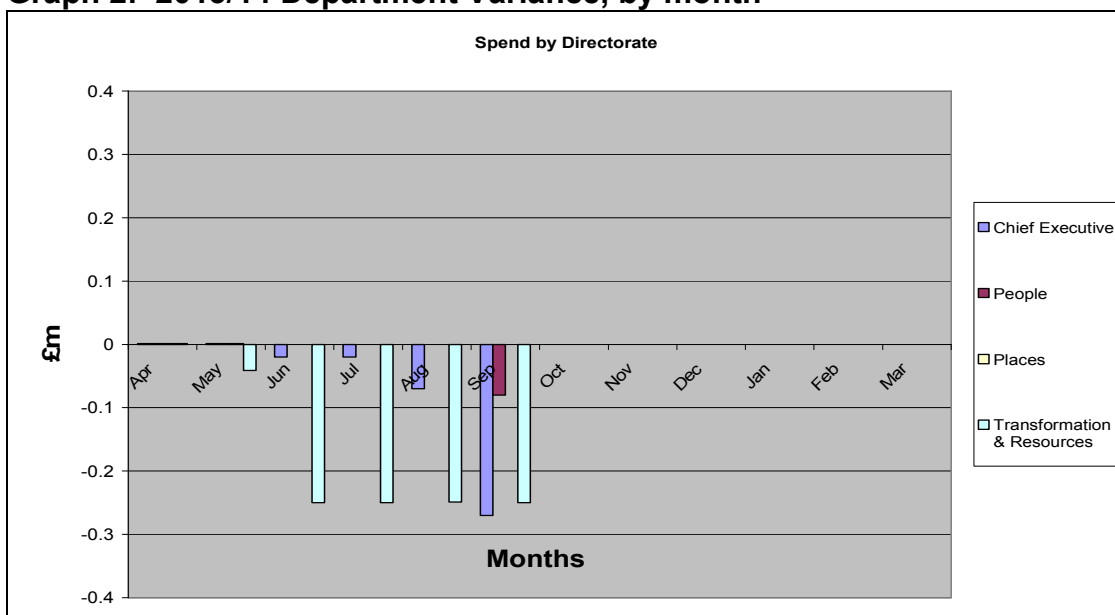
	Adults	Children	Total
Saving 2013/14	1.900	1.500	3.400
Use in 2013/14	-1.900	-0.000	-1.900
C/forward to 2014/15	0.000	1.500	1.500

- **Places:** The net saving forecast is nil (month 5 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. Measures to fund these issues from 2014/15 onwards will require identification by Strategic Directors. A shortfall of £350,000 in car parking income is currently forecast

against the 2013/14 budget income target. A number of factors impacting on the income for car parking operations include strong competition, in some areas, from off-street private parking contractors; a general borough wide decline in ticket sales; less car traffic / car use and a shift to other forms of transport. This shortfall is presently being offset by compensatory savings within other Sections (Parks & Countryside, Environmental Health, and Waste) of the Environment and Regulation Service Area.

- **Transformation & Resources:** A £249K underspend is currently forecast (unchanged from Month 5), 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	138,120	138,145	25	G	561
Premises	16,996	17,061	65	G	162
Transport	7,657	7,620	-37	G	-9
Supplies and Services	129,043	128,826	-217	B	-802
Third Party Payments	122,689	121,629	-1,060	Y	102
Transfer Payments	140,990	140,896	-94	G	-108
Support Services	72,979	72,978	-1	G	46
Financing Costs	58,631	57,651	-980	Y	-480
Schools Expenditure	384,042	384,042	0	G	200
Total Expenditure	1,071,147	1,068,848	-2,299		-328
Gross Income					
Schools Income	381,447	381,447	-	G	-
Government Grants	183,194	183,136	-58	G	102
Other Grants and	35,096	36,451	1,355	Y	-126

Reimbursements					
Customer/Client Receipts	47,676	44,800	-2,876	R	96
Interest	870	640	-230	A	-230
Recharge Other Rev A/c	121,047	121,149	102	G	102
Total Income	769,330	767,623	-1,707		-56
Net Expenditure	301,817	301,225	-592		-272

Note: For explanations of red or yellow variances please see [Annex 4](#). Budget realignment has taken place in month 6 between employees and supplies and services to reflect allocation of centrally held inflation and savings previously held on holding code reported under employees.

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 have been dealt with in previous monitors. Details of the issues are contained within [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	Aug 2013	Change from prev mnth	Approved Budget Reduction	Amount Delivered at Sept	To be Delivered
B - delivered	25	24	1	17,465	17,427	38
G – on track	37	32	5	20,895	10,832	10,063
A - concerns	6	12	-6	7,256	3,690	3,106
R - failed	2	2	0	2,729	1129	2,060
P – replacements for Red	1	1	0	0	650	650
Total at M6 Sep 13	71			48,345	33,728	15,917
<i>Total at M5 Aug 13</i>	<i>71</i>			<i>48,345</i>	<i>29,158</i>	<i>20,487</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 and delivered, it is 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	1,500	0	0	1,500
Use of 2013/14			-1,376				
Total	13.7	37	1,500	1,500	6,858	1,690	11,424

Note: Further proposals require identification 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 three reasons:

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.
2. **Closedown.** The outturn for 2012/13 was not available to Cabinet until June 13th. There was a risk that the outturn could be worse than the M11 forecast of a £7.4m overspend. 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.
3. **Change.** The 2013/14 budget has built in 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.

5.5 Cabinet 10th October 2013 agreed that the spending freeze should be continued until further notice to aid good financial management.

5.6 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.

5.7 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 is being 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.

- 5.8 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 £1.6 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.
- 5.9 Due to the financial management processes outlined above, the budget position as reported in this and previous monitors remains stable.
- 5.10 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.

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 7 and 8, 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 providing 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	1,230	-	-
DASS Total	3,717	3,717	2,202	1,805
LHRAM Total	-	-	-	573
RHP Total	-	-	-	1,000
Technical Total	12	12	72	72
Finance Total	237	237	-	-
	5,196	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	1,600	-	
Price inflation unallocated				1,000
Growth unallocated			726	-
	7,700	3,300	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. £1.6m against employee profiling. £0.7m pay inflation relates to market supplements and other employee costs.

- 6.3 In preparation for the Open Golf 2014 the identification of funding for some operational preparatory expenditure is required. To avoid in year growth the Strategic Director for Environment and Regeneration directorate have identified a number of directorate reserves which could be reduced to provide additional funding of £100,000 for this purpose. This comprises of £37,000 relating to Trading standards, £45,000 from Highways and Environmental Health Reserves, £13,000 unused reserve relating to a Birkenhead Park bridge scheme and £5,000 energy reserve. Cabinet is therefore asked to approve the transfer of these monies between reserves to aid the funding of Open golf preparatory works.

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.

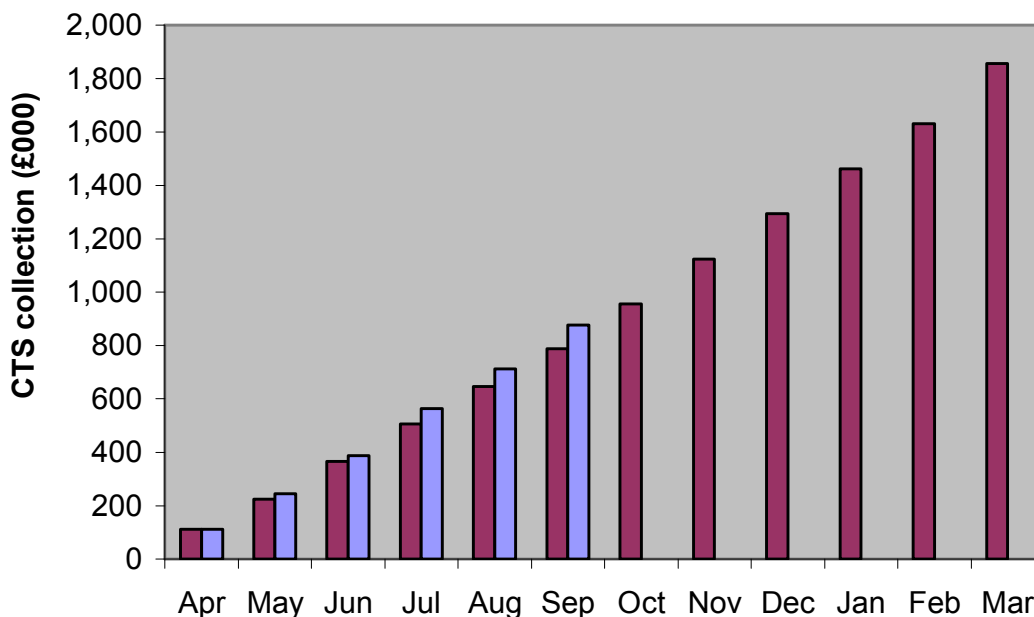
Table 9: Amount to be collected in 2013/14 £000's

	2013/14 Collectable £000	2013/14 Collected £000	%
Council Tax	135,505	74,633	55.1
Business Rates	70,565	41,384	58.6
Fees and charges – Adults	45,947	21,537	46.9
Fees and charges – all other services	37,151	25,972	69.9

- 7.2 There is a backlog of Accounts Receivable debt to be processed in the areas of fees and charges. 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 tracks collection performance against the budget assumption.

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

Council Tax Support Collection 2013/14



- 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 September collection was 28.5% which is ahead of target and equates to £877,156.
- 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 is being taken. Repayment plans offering weekly/fortnightly instalments were offered to those contacting the Council; an additional 1,875 applications for Deduction of Benefits have been made since July.
- 7.6 Business Rates income collection was 58.7% during September. This is slightly higher than the 58.3% 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 were paid in August. The taxbase has resulted in an extra £1 million to be collected in the first 5 months of this financial 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.
- 7.7 Issues regarding the collection of sundry debt were reported to Cabinet on 23 May 2013. The use of reserves has 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.

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. Any spend 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 Active cash flow management is a fundamental part of the Treasury Management Strategy. Borrowing for funding the 2013/14 capital programme, as in past years has been delayed via temporary use of internal reserves and cash balances. The consequence of this is that interest receivable will be below budget due to funds not being available for investment but this will be more than compensated for by reduced borrowing costs. Interest rates payable on investments have also declined during the year. A pilot study has commenced to introduce monthly expenditure and income profiled budgets within directorates. This it is hoped, will aid proactive spending decisions and assist to get income to arrive earlier to improve the Council's cashflow and earn additional interest income.

10 RELEVANT RISKS

- 10.1 The possible failure to deliver the Revenue Budget has been 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;

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 M6		+0.59
Projected balance 31 March 2014 (Target per Cabinet 18/2/13 £17.739)		17.79

14.2 The current levels of Earmarked Reserves are shown in Table 11 with a full listing included at [Annex 11](#).

Table 11: Earmarked Reserves 2013/14

	Balance at 1 April 2013 £000	Movement in year £000	Current Balance 31 Sep 2013 £000
Housing Benefit Reserve	10,155	-	10,155
Insurance Fund	7,821	(5)	7,816
Efficiency Investment Rolling Fund	2,000	(1,000)	1,000
Grant Reserves	1,308	-	1,308
Management of other risks	29,228	(410)	28,818
School Balances and Schools Related	<u>14,264</u>		<u>14,264</u>
Total Reserves	64,776	(1,415)	63,361

14.3 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 £4.1 million have so far been incurred for these costs. The remaining costs will be incurred as staff continue to leave the authority during 2013/14.

15 LEGAL IMPLICATIONS

15.1 The entire report concerns the duty of the Council to avoid a budget shortfall as outlined at paragraph 5.6. 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.

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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 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	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 2013/14 BUDGET 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 6	Revised Net Budget
Chief Executive	8,240	-4,440	68	3,868
People - Adult Social Services	82,951	-138	-82	82,731
People – Children & YP, & Schools	91,738	-6,843	82	84,977
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	-51	-	79,600
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-	5,116
Transformation & Resources	12,424	5,153	-68	17,509
Corporate Growth & Savings	-3,252	-	-	-3,252
Net Cost of Services	301,817	0	0	301,817

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 restructure.	0.044
n/a	Transfer of Caretaker posts from Adult Social Services to CYP	0.082
	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	2	2	0
Adult Social Services	2	0	0	2	0	0
Children & Young People, & Schools	7	0	1	6	0	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	1	1	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 Executive	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	1	0	2.7%
Value £000s/ % Overall Net Budget				500		0.16

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 £2.79 million below budget is largely due to the £2m income adjustment referred to in paragraph 4.5 in the main report.

Subjective Area Yellows

Expenditure

Third Party Payments: The forecast £1.0 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.

Financing Costs: The forecast of £1 million underspend is due to capital programme slippage.

Annex 5 SAVINGS TRACKER

1 Summary

BRAG	Number of Options	Aug 2013	Change from prev mnth	Approved Budget Reduction	Amount Delivered at Sept	To be Delivered
B - delivered	25	24	1	17,465	17,427	38
G – on track	37	32	5	20,895	10,832	10,063
A - concerns	6	12	-6	7,256	3,690	3,106
R - failed	2	2	0	2,729	1129	2,060
P – replacements for Red	1	1	0	0	650	650
Total at M6 Sep 13	71			48,345	33,728	15,917
<i>Total at M5 Aug 13</i>	<i>71</i>			<i>48,345</i>	<i>29,158</i>	<i>20,487</i>

2 Detail

SAVINGS (TYPE 1) TARGETS – ACHIEVEMENT OF THE SAVINGS (201314)

Families and Well Being – DASS

Saving	Target £000	Comments / progress on implementation	BGAR	Amount delivered at M6 Sep 13 £000	To be delivered £000
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). 	<p>G</p> <p>B</p> <p>G</p> <p>G</p> <p>G</p>	800	1028

Assistive Technology	150	Charges now proposed from 1st October 2013, income target remains achievable.	G	0	150
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.	G	304	125
Extra Care Housing/External Respite and Short-term Provision	300	- Extra Care Housing Provider Negotiations continue. - Revised Respite Policy to be produced and review the feasibility for block contracts for respite	G	0	300
Residential and Respite Care	160	Director implementing action plan to reduce Supported Living costs	G	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
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	BGAR	Amount delivered at M6 Sep 13 £000	To be delivered £000
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
Area Teams for Family Support	200	Restructure is complete with slippage of £38k.	B	162	38
School Improvement and Income from Schools	160	The school improvement programme has been reduced. However there is a shortfall in the buy back from Academies in respect of PFI of £45k.	G	115	45
Youth and Play Services	687	Restructure complete, but slippage of £124k is anticipated in relation to late vacation of premises and employees not leaving 1 st April.	G	563	124
Child and Adolescent Mental Health Service	250	Confirmation that staff have left with slippage of £45k.	G	205	45
Children's Centres and Sure Start	1,576	There is slippage in relation to the Management restructure of £57k and slippage in the transfer of day care, £453k, for which tenders are being evaluated. There are concerns that only a small number have been received which would mean this option needs to be re-evaluated. However this slippage identified is likely to be sufficient for the year to March 2014 since staffing costs have already reduced and there has been an increase in income projections.	A	1066	510

Regeneration and Environment

Saving	Target £000	Comments / progress on implementation	BGAR	Amount delivered at M6 Sep 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	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	582	0
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	G	60	20

		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).			
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	G	585	3

		achieved.			
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	G	447	3

		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.			
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	Although Car Parking Income is currently forecasting a shortfall against the 2013/14 budgeted income target, the reasons for the shortfall do not directly relate to the service changes made at the start of the year to achieve the savings option target of £281,000. These service changes included the reduction of a car parking administration post (1 FTE) and the reduction of expenditure on the car parking enforcement and cash collection contracts. Parking charges were also rationalised across the borough to bring all tariffs in line with Birkenhead and to remove the inequalities of low charges in West Wirral. The data collected to date shows that all of these changes have been successfully implemented and the expected savings of £281,000 will be achieved.	G	281	0

Transformation and Resources

Saving	Target £000	Comments / progress on implementation	BGAR	Amount delivered at M6 Sep 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	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	Increase in Council Tax has been applied. Achieved as in year receipt based on accrual based billed council tax.	B	2,600	0
Council Tax: Discounts and Exemptions	2,284	Changes to discounts and exemptions are incorporated in the 2013/14 taxbase.	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	Savings profile weighted towards increased delivery in 2 nd half of year	G	1,800	3,200

		reflecting date of leavers Vacant posts are being pro rata'd over the year.			
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	-270	0
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	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	G G G A	333	572

		Legal/Court costs which are a very volatile area.			
Better Use of Buildings	100	Corrective actions have been identified to resolve unachieved savings from previous years, and this project is now on track	G	100	0
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 71k up to September 2013. However, there are plans to bring a significant number of current contracts to an end later in year. Challenge is around how savings are allocated across departments.	A	71	429
Procurement	320	This saving has not progressed as anticipated, but compensatory savings are expected to be made during the year.	A	224	96
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. Challenge is around how savings are allocated across departments.	A	2,160	1,640
Council Tax: Court Costs	2,429	Current projections show full saving will not be delivered. 1.3M Compensatory savings will be made from staffing budgets (0.8M) and Treasury Management Budgets (0.5M) within Transformation and Resources.	R	1,129	1,300

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

ADULTS

Details	Proposed 2013/14 (£000)	Delivered 2013/14 (£000)	Proposed 2014/15 (£000)	Proposed 2015/16 (£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 annexe 12 issues in 2013/14

CHILDRENS

Details	Proposed 2013/14 (£000)	Delivered 2013/14 (£000)	Proposed 2014/15 (£000)	Proposed 2015/16 (£000)	Comments / progress on implementation
Commissioning (saving achieved in advance)	250	250			Saving achieved in advance of 2014/15 requirement
Connexions/CEI AG (saving achieved in advance)	300	300			Saving achieved in advance of 2014/15 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 Schools PPM programme	200				Reduction taken into account in the available programme
Springboard / School Readiness add'l budget	400	400			Budget not committed

YOS bring forward service review	50	50			To be met from vacancies and spend controls
Other variances		100			Various minor budget variances
Total	1,500	1,300			

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

Risk £000's

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013/14 Release
Pay Inflation	1,700	1,000
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 September 2013 with the amount collected in the same period in 2012/13:

	Actual 2013/14 £	Actual 2012/13 £
Cash to Collect	135,505,000	125,864,848
Cash Collected	74,633,000	71,184,532
% Collected	55.1%	56.6%

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

Number of Council Tax Support recipients	38,217
Total Council Tax Support expenditure	£27,919,000
Number of pensioners	16,399
Number of vulnerable	6,668
Number of working age	21,818

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 increased charges in respect of reduced discounts and exemptions. Overall there is an extra £10 million to be collected for 2013/14. Council Tax Support claimants of Working Age total 21,818, this includes 6,668 who receive maximum support leaving 15,150 paying at least 22%.

Business Rates

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

	Actual 2013/14 £	Actual 2012/13 £
Cash to Collect	70,564,835	68,227,482
Cash Collected	41,383,921	39,788,795
% Collected	58.7%	58.3%

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 30.9.13
Chief Executive	£193,676	£10,857	£10,079	£562,182	£776,794
Neighbourhood	£11,706	£1,651	£105	£12,772	£26,234
Transformation	£4,764,655	£846,972	£29,952	£784,329	£6,425,908
Families	£4,221,474	£7,512,279	£462,550	£10,793,530	£22,989,833
Regeneration & Environment	£818,794	£191,837	£148,383	£2,744,092	£3,903,106
Policy and Performance					
Totals	£10,010,305	£8,563,596	£651,069	£14,896,905	£34,121,875

The above figures are for invoices in respect of the period up to the end of September 2013. Payments as well as 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 September 2013:

	2013/14	2012/13
Number of Private Tenant recipients	31,516	31,757
Total rent allowance expenditure	£70,464,646	
Number under the Local Housing Allowance Scheme (<u>included in the above</u>)	12,195	12,010
	£27,757,984	
Number of Council Tax Support recipients	38,235	
Total Council Tax Support expenditure	£28,124,290	
Total expenditure on benefit to date	£98,588,936	

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

Private Tenants

Claimants in the Private Rented Sector	14,738
Claimants in the Social Rented Sector	16,869
Owner Occupiers	10,504

Total claimants by age group

under 25 years old	2,609
25 – 60 years old	21,887
over 60 years old	17,615

There are **42,111** benefit recipients in Wirral as at 30 September 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 3,005 households affected;
- Two or more spare bedrooms incurs a 25% reduction – the Wirral average is currently £21 weekly and there are 724 affected;
- Out of a total social sector HB caseload of 16,869, 3,729 are currently affected by this. Numbers have reduced slightly as the reduction has, in some cases, been overridden due to the claimant's circumstances.

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

New Cases referred to Fraud team in period	636
Cases where fraud found and action taken	31
Cases investigated, no fraud found and recovery of overpayment may be sought	250
Cases under current investigation	226
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	2
Caution issued and accepted	5
Successful prosecution	24
Summons issued for prosecution purposes	29

Discretionary Housing Payments

The tables below profile the position of Discretionary Housing Payment (DHP) administration and associated spend. DHP is not a payment of Housing Benefit and is funded separately from the main scheme. Whilst traditionally it was seen as a short term measure to financially assist those who had difficulty in meeting a rental shortfall, increasingly the nature of awards is changing as the impacts of Welfare Reform roll-out. The Department for Work and Pensions see such awards, for which the Government contribution has increased, in many cases as supporting people through the transition of reform, allowing them time to rebudget, increase their income or to secure a DHP award to help with moving costs.

The Government contribution for 2013/14 is £917,214 with an overall limit of £2,293,035 which the Authority must not exceed. In direct recognition of the impacts of the Reforms, the DWP also made a further £10 million Transitional Funding available for 2013/14, of

which Wirral's share is £64,000. Spend is closely monitored, with year end spend forecasted on a monthly basis. Whilst the percentage spend to date, at 33%, is lower than this time 2012/13, the escalating impacts of reforms such as Social Sector Size Criteria and wider increase in people struggling to manage financially as a result of a myriad of change, means that it is expected that Wirral will use up the full government contribution by year end. £35,000 has been allocated to Housing Options to meet rent deposits to enable people to move into sustainable tenancies and they have allocated £10,180 of this to date.

Data @ 01/10/2013										
Month	Awards Considered			DHP Awards in Payment	Current Awards	Committed awards up to 31/03/2014	% spent (committed) of Govt cont	Forecasted Y.E. spend	Annual Total Cont.	Cont remaining
	Total consid	Awarded	Refused							
April	62	26	36	65	£11,674.44	£16,883.88	2%	£198,794.07	£917,214.00	£888,655.68
May	228	103	125	136	£27,093.75	£41,845.90	5%	£242,440.53	£917,214.00	£875,368.10
June	296	122	174	230	£51,067.94	£79,329.82	9%	£314,732.44	£917,214.00	£837,884.18
July	358	143	215	355	£80,470.15	£122,073.16	13%	£371,305.86	£917,214.00	£795,140.84
August	387	210	177	680	£188,198.48	£257,560.21	28%	£598,786.48	£917,214.00	£659,653.79
September	158	86	72	785	£241,429.37	£306,388.10	33%	£611,101.95	£917,214.00	£610,825.90
Totals	1,489	690	799					Additional	£64,000.00	£64,000.00
									£971,214.00	£674,825.90

DHP Payment Type	April	May	June	July	Aug	Sept
Baby Due	3	5	5	5	9	9
Benefit Cap	1	1	1	1	6	6
Change of Address	1	3	4	4	4	4
Disability	5	8	10	11	16	16
Income Tapers	4	6	7	9	14	15
Legislation change	4	5	7	8	11	17
LHA reforms	22	36	44	46	60	61
NDD	2	2	3	3	4	4
Reduced HB ent	6	14	16	17	21	21
Removal Costs					2	2
Rent deposit	4	10	13	16	21	24
Rent restrictions	33	61	84	126	156	186
Social Size criteria	2	24	87	138	263	303

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 to see how implementation has gone and for possible scheme alterations. The number of applications is rising on a week by week basis.

Annex 11 EARMARKED RESERVES - GENERAL FUND £000's

	Balance at 1 April 2013 £000	Movement	Balance at 31 Sep 2013 £000
Schools Balances	11,936	-	11,936
Housing Benefit	10,155	-	10,155
Insurance Fund	7,821	(5)	7,816
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	86	549
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	(496)	6,448
Total Reserves	64,776	(1,415)	63,361

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 Adults	Foster Care placements - with improved work routines, amenable to reduction. Learning Disabilities additional supported living packages	100 2,700	50 0	0 0	0 0	Funding from M3 increased grants Management actions resolving shortfall including additional NHS support, increased income and budget realignment. Future year impact being assessed
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 2014/15+ from grant adjustment
	Willowtree	Shortfall in accommodation budget; resolution depends on service and asset disposal	33	33	33	33	Agreed can be met from permanent budget reduction
	Car Parking	Income shortfall from changing market	350	350	350	350	Compensatory savings identified for 2013/14, potential growth request 2014/15+ if modelling indicates permanent change
Transformation							
	Market Supplements	Using Market supplements when appropriate to ensure the appointment, and retention, of key, statutory employees.	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
	Council Tax Court Costs	Shortfall on 2013/14 savings option (Red Rated)	1,300	1,300	1,300	1,300	Compensatory savings from T&R in 2013/14, options being evaluated 2014/15 including possible growth request
Totals			8,516	4,554	4,354	3,904	

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	-2,000	-2,000	-2,000	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
		Council Tax Court Costs	-1,300	-1,300	-1,300	-1,300	2013/14 compensatory savings from T&R staffing and treasury Management, growth request/budget adjustment 2014/15 +
		Car Parking	-350	-350	-350	-350	2013/14 compensatory savings within R&E parks & countryside, Environmental Health and Waste. 2014/15+ potential growth/budget adjustment request if modeling indicates permanent change
		Learning Disabilities additional supported living packages	-2,700	0	0	0	Management actions resolving shortfall including additional NHS support, increased income and budget realignment. Future year impact being assessed
		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	