

## CABINET

10 DECEMBER 2013

<b>SUBJECT</b>	<b>REVENUE MONITORING 2013/14 MONTH 7 (OCTOBER 2013)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

**1 EXECUTIVE SUMMARY**

- 1.1 This report sets out the revenue position for 2013/14 at Month 7 (October 2013) and actions to minimise risk.

**2 RECOMMENDATIONS**

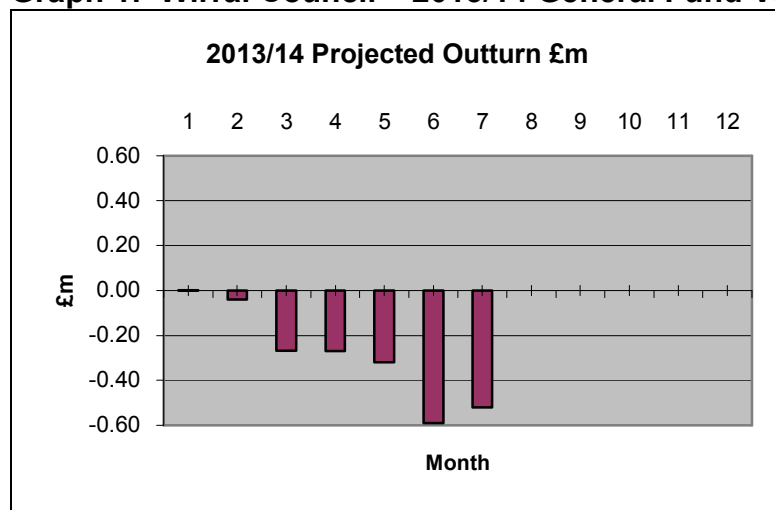
Cabinet is asked to note and /or agree:

- a) at Month 7 (October 2013), the full year forecast projects a General Fund underspend of £519,000 and if achieved at year end this should be earmarked against future Council restructuring costs.
- b) the use of £175,700 of General Fund balances to fund the part year effect of the increase in energy prices in 2013/14 as outlined in paragraph 6.3.

**3 OVERALL POSITION AT MONTH 7 (OCTOBER 2013)**

- 3.1 Month 7 shows a projected General Fund underspend of £519,000 (compared to the month 6 position of a £592,000 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 7	Revised Net Budget
Chief Executive	8,240	-4,372	-190	3,678
People - Adult Social Services	82,951	-220	-	82,731
People – Children & YP, & Schools	91,738	-6,761	-90	84,887
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	90	79,690
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-	5,116
Transformation & Resources	12,424	5,085	190	17,699
Corporate Growth & Savings	-3,252	-	-	-3,252
<b>Net Cost of Services</b>	<b>301,817</b>	<b>0</b>	<b>0</b>	<b>301,817</b>

4.2 A new Council structure has been introduced for 2013/14. The Budget Book and forecasts 2013/16 was published with a number of assumptions regarding service splits which 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	2.70%
Yellow Underspend	0	0	0	1	0	2.70%

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 £700,000 overspent (net of any other compensatory saving measures) due to forecast unachieved savings of £1.3 million relating to court costs income. The £700,000 will be funded from savings within other staffing and Treasury Management budgets with Transformation and Resources.

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 7	RAGBY Classification	Change from prev mnth
Chief Executive	3,678	3,568	-110	G	155
People - Adult Social Services	82,731	82,731	0	G	-
People – Children & YP, & Schools	84,887	84,887	0	G	-
People – Asset Mgmt & Transport	5,534	5,534	0	G	-
People – Safeguarding	2,081	2,123	42	G	-9
People – Sports and Recreation	8,862	8,660	-202	B	-73
Places - Environment & Regulation	79,690	79,690	0	G	-
Places – Housing & Comm Safety	14,791	14,791	0	G	-
Places – Regeneration	5,116	5,116	0	G	-
Transformation & Resources	17,699	17,450	-249	B	-
Corporate Growth & Savings	-3,252	-3,252	0	G	-
<b>TOTAL</b>	<b>301,817</b>	<b>301,298</b>	<b>-519</b>		<b>73</b>

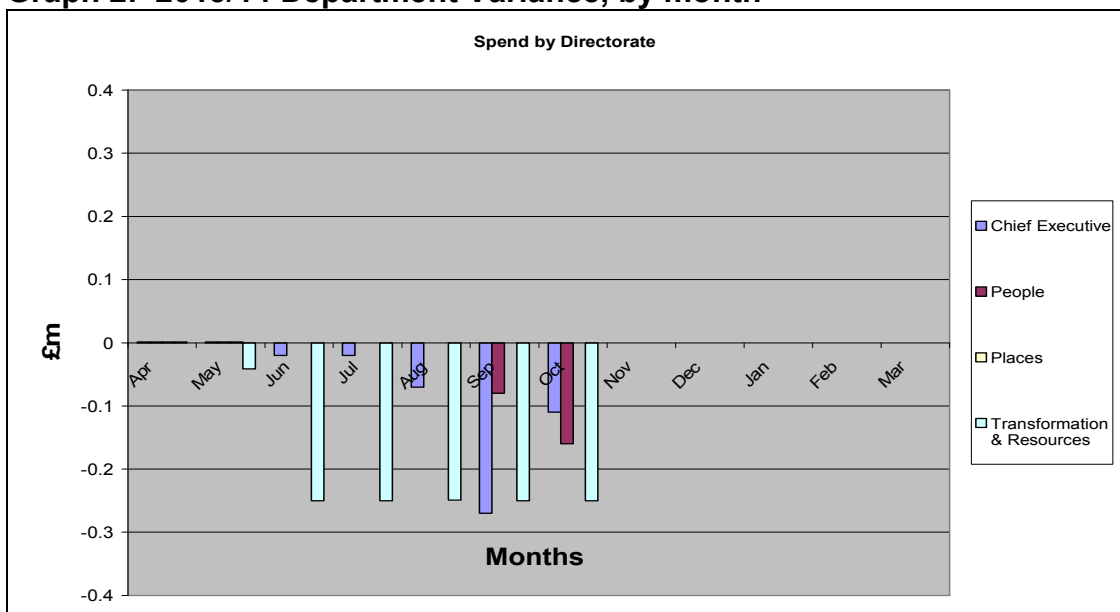
- 4.5 Within the various directorates there have been the following developments:

- **Chief Executive's:** Underspend of £110,000 is currently forecast (Month 6 was forecast at £265,000). The movement is due to additional Public Health investment agreed across the Council.
- **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 is significant progress on Learning Disabilities through realignment of community care budgets and an overall Directorate underspend is forecast. Management actions previously planned have delivered reductions in residential placements and increased NHS income. 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 6 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 has previously been reported and remains the forecast position. 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 6), 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 concerns customer and client receipts. This reflects the shortfall in Council Tax court costs income and an adjustment made to reflect that not all income raised will be received in year requiring a possible contribution to bad debt provision.

**Table 4: Projected Departmental Variations by Spend and Income**

	Revised Budget	Forecast Outturn	Variance	RAGBY	Change from Previous
	£0	£0	£0	£0	£0
<b>Gross Expenditure</b>					
Employees	136,888	136,927	39	G	14
Premises	16,985	17,042	57	G	-8
Transport	7,656	7,615	-41	G	-4
Supplies and Services	130,518	130,495	-23	G	194
Third Party Payments	122,601	121,668	-933	Y	127
Transfer Payments	141,089	140,994	-95	G	-1
Support Services	72,859	72,859	-	G	1
Financing Costs	58,631	57,651	-980	Y	-
Schools Expenditure	178,552	178,552	-	G	-
<b>Total Expenditure</b>	<b>865,779</b>	<b>863,803</b>	<b>-1,976</b>		<b>323</b>
<b>Gross Income</b>					
Schools Income	175,957	175,957	-	G	-
Government Grants	183,253	183,194	-59	G	-1
Other Grants and Reimbursements	36,428	37,793	1,365	Y	10
Customer/Client Receipts	47,676	45,008	-2,668	R	208
Interest	870	640	-230	A	-
Recharge Other Rev A/c	119,778	119,913	135	G	33
<b>Total Income</b>	<b>563,962</b>	<b>562,505</b>	<b>-1,457</b>		<b>250</b>
<b>Net Expenditure</b>	<b>301,817</b>	<b>301,298</b>	<b>-519</b>		<b>73</b>

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 A budget adjustment has been made this month relating to employee costs of £244,000 for temporary coaches, instructors and support within the Sports Development Unit of Sport and Recreation. These costs are funded from a number of grant and other income streams where approvals fluctuate during the year. The costs and associated income have now been split out in this monitor and allocated against the relevant budget lines.
- 4.9 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. Detail is at [Annex 5](#).

**Table 5: Budget Implementation Plan 2013/14 whole Council (£000's)**

BRAG	Number of Options	Sep 2013	Change from prev mnth	Approved Budget Reduction	Amount Delivered at Oct	To be Delivered
B - delivered	39	25	14	20,943	20,905	38
G – on track	24	37	-13	17,977	9,634	8,343
A - concerns	5	6	-1	6,696	3,763	2,933
R - failed	2	2	0	2,729	1,129	1,600
P – replacements for Red	1	1	0	0	750	550
<b>Total at M7 Oct 13</b>	<b>71</b>			<b>48,345</b>	<b>36,181</b>	<b>13,464</b>
<i>Total at M6 Sep 13</i>	<i>71</i>			<i>48,345</i>	<i>33,728</i>	<i>15,917</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				
<b>Total 13.7</b>	<b>37</b>	<b>1,500</b>	<b>1,500</b>	<b>6,858</b>	<b>1,690</b>	<b>11,424</b>

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 13<sup>th</sup>. 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 10 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 misaligned 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 in general expenditure controls. The remaining suppressed demand of £1.5million relates to Adults
- 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).
- 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 19 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	-	-
	<b>5,196</b>	<b>5,196</b>	<b>2,274</b>	<b>3,450</b>

**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	-
	<b>7,700</b>	<b>3,300</b>	<b>6,626</b>	<b>8,900</b>

Notes: inflation incorporated into departmental budgets amounts to £2.464m. £1m pay inflation against T&Cs . £0.7m pay inflation relates to market supplements and other employee costs.  
Savings profiling may reduce where directorates can self fund

- 6.3 An annual increase in the Council's electricity and gas supply contract has come into force from 1<sup>st</sup> October 2013. The contract is provided under the Customer Access Agreement with the Government Procurement Service. The impact on the General Fund in 2013/14 is an increased cost of £65,100 and £88,100 for Electricity and Gas respectively plus an additional £22,500 in respect of street lighting. To avoid misaligned budgets General Fund Balances should be used to fund the £175,700 increase in 2013/14. Growth will be also included within the budget assumptions for 2014/15.



## 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.

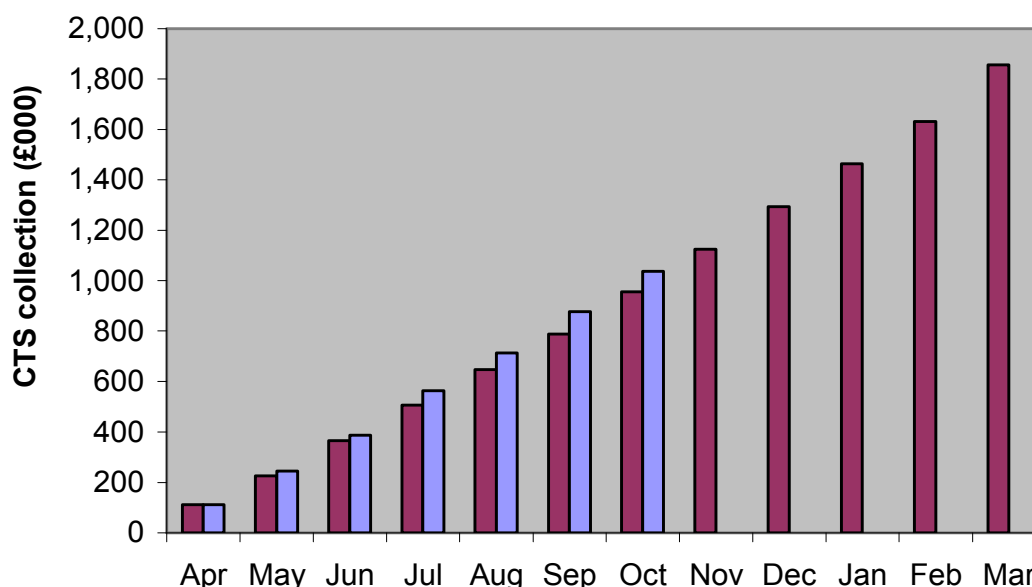
**Table 9: Amount to be collected in 2013-14 £000's**

	2013-14	2013-14	
	Collectable	Collected	%
Council Tax	135,501	86,930	64.2
Business Rates	70,353	48,415	68.8
Fees and charges – Adults	51,332	23,612	46.0
Fees and charges – all other services	39,604	32,550	82.2

- 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. Graph tracks collection performance against budget assumption.

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

### Council Tax Support Collection 13-14



- 7.4 The Council Tax Support Scheme was introduced in April. An overall collection rate of 75% generating £2.25 million has been assumed for this category of council tax payer. The forecast is that £1.98 million (66%) will be collected by 31 March with recovery actions post 31 March increasing the collection to the target figure. At 31 October collection was 33.7% which is ahead of target, £965,000 and equates to £1,038,000.

- 7.5 Recovery from non Council Tax Support recipient debtors is continuing as normal. Action taken to recover from those of Working Age that previously received Council Tax Benefit is ongoing. Repayment plans offering weekly/fortnightly instalments were offered to those contacting the Council 4,588 applications for Deduction of Benefits have been made since July. Where possible attempts to collect by Attachment of Earnings and Benefits will be prioritised however inevitably in some cases this will not be possible and alternative methods including Bailiffs will need to be utilised.
- 7.6 Business Rates income collection was 68.8%% during October. This is higher than the 66.2% collected at the equivalent period in 2012/13. Comparisons are not straight forward as large increases and decreases in Rateable Values are reflected in the collectable amount. The taxbase changes have resulted in an extra £1 million to be collected in the first 7 months of this financial year. The timing and amounts 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 Updated financial regulations have been agreed by audit and risk management committee. The regulations include the updating and clarification of a number of financial procedures including budget virements and the treatment of year end over and underspends.

## **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 fund any 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 M7		+0.52
Less: Funding of energy increase 2013/14		-0.18
Projected balance 31 March 2014 (Target per Cabinet 18/2/13 £17.739)		17.54

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**

	<b>Balance at 1 April 2013 £000</b>	<b>Movement in year £000</b>	<b>Current Balance 31 Oct 2013 £000</b>
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	(706)	28,522
School Balances and Schools Related	<u>14,264</u>	<u>(2)</u>	<u>14,262</u>
<b>Total Reserves</b>	<b>64,776</b>	<b>(1,713)</b>	<b>63,063</b>

- 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.

## **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

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

### Annex 3 CHANGES TO THE BUDGET AGREED SINCE 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 7	Revised Net Budget
Chief Executive	8,240	-4,372	-190	3,678
People - Adult Social Services	82,951	-220	-	82,731
People – Children & YP, & Schools	91,738	-6,761	-90	84,887
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	90	79,690
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-	5,116
Transformation & Resources	12,424	5,085	190	17,699
Corporate Growth & Savings	-3,252	-	-	-3,252
<b>Net Cost of Services</b>	<b>301,817</b>	<b>0</b>	<b>0</b>	<b>301,817</b>

#### 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
n/a	Transfer from Chief Exec Dep of one year's improvement plan funding to Transformation and Resources for Committee Services Officer.	0.040



n/a	Strategic Director post moved to Transformation and Resources from Chef Exec Dep.	0.150
n/a	Transfer of Allotments budget from Asset Management (CYP) to Parks and Countryside (R&E).	0.090
	<b>OVERALL IMPACT OF THESE DECISIONS</b>	<b>0.0</b>

## 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	0	1	5	1	0
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	0	1	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
<b>Total</b>	<b>27</b>	<b>1</b>	<b>1</b>	<b>22</b>	<b>2</b>	<b>1</b>

## RAGBY REPORTING AND OTHER ISSUES

The Red and Yellow RAGBY issues that are the subject of corporate focus are detailed in the following sections by

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

### Business Area Reds

	Chief Exec	People	Places	Trans & Res	Total	Percent of total
Red Overspend	0	0	0	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 £2.69 million below budget is largely due to the £2m income adjustment referred to in paragraph 4.5 in the main report and the shortfall in Council Tax Court Costs income.

## Subjective Area Yellows

### Expenditure

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

**Other Grants and Reimbursements:** The forecast of £1.6 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 and savings against the Minimum Revenue Provision budget.

## Annex 5 SAVINGS TRACKER

### 1 Summary

BRAG	Number of Options	Sep 2013	Change	Approved	Amount Delivered at Oct	To be
B - delivered	39	25	14	20,943	20,905	38
G – on track	24	37	-13	17,977	9,634	8,343
A - concerns	5	6	-1	6,696	3,763	2,933
R - failed	2	2	0	2,729	1,129	1,600
P – replacements for Red	1	1	0	0	750	550
<b>Total at M7 Oct 13</b>	<b>71</b>			<b>48,345</b>	<b>36,181</b>	<b>13,464</b>
<i>Total at M6 Sep 13</i>	<i>71</i>			<i>48,345</i>	<i>33,728</i>	<i>15,917</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 M7 Oct 13 £000	To be delivered £000
Review of VCF Sector Grants	705	Savings achieved	B	705	0

Community Meals	169	Savings achieved	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	Service changes implemented	G	750	0
Charging for Non Residential Services	880	New charges implemented	G	500	380
Transport Policies	250	Additional grant funding CYP	G	250	0
Targeted Support through NHS Contracts	1,828	<ul style="list-style-type: none"> <li>- All clients no longer requiring double handling identified contract performance to be monitored (£83k).</li> <li>- Use of Social Fund Grant Allocation. (£800k).</li> <li>- New contract starts 1.1.2014 (£84k).</li> <li>- Targets implemented for residential placement numbers plus scheme of delegation. (£454k)</li> <li>- Continuing Health Care – correct application of law and policy. (£377k).</li> </ul>	G B G G G	1000	828
Assistive Technology	150	Charges now proposed from 1st January 2014, 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
Residential and Respite Care	160	Director implementing action plan to reduce Supported Living costs	G	100	60
Review of Equipment Service	100	Revised S75 in place for 2013-14 with Community Trust. Discussions commenced with NHS re revised hosting arrangements	G	0	100

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  G	200	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 M7 Oct 13 £000	To be delivered £000
Education Psychology Service	80	Savings achieved	B	80	0
Schools Budget	250	Savings achieved	B	250	0
Careers, Education and Advice	700	Savings achieved	B	700	0
Schools Music Service	21	Savings achieved	B	21	0
Oaklands Outdoor Education Centre	23	Savings achieved	B	23	0
Foundation Learning	121	Savings achieved	B	121	0
Commissioning of Parenting Services	700	Savings achieved	B	700	0
Youth Challenge	200	Savings achieved	B	200	0
Short Breaks for Children with Disabilities	150	Savings achieved	B	150	0
Area Teams for Family Support	200	Savings achieved	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 1st April.	G	590	97
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 only 2 tenders were received. There are discussions with Primary Schools in relation to the remaining 4 sites. Options are continuing to progress however the revised timescale of 1 January 2014 is unlikely to be met with resources being identified to offset any costs till the end of the year.	A	1066	510

## Regeneration and Environment

	Target	Comments / progress on implementation	BGAR	Amount delivered at M7 Oct 13	To be delivered
Saving	£000			£000	£000
Invest Wirral	352	Savings achieved	B	352	0
Home Insulation	926	Savings achieved	B	926	0
Apprentice Programme	420	Savings achieved	B	420	0
Pre-Planning Advice	10	Savings achieved	↑ B	10	0
Pest Control	30	Savings achieved	↑ B	30	0
Dog Fouling Enforcement	97	Savings achieved	↑ B	97	0
Household Waste Collection	80	Savings achieved	↑ B	80	0
Handyperson Scheme	209	Savings achieved	↑ B	209	0

Trading Standards	71	Savings achieved	↑ B	71	0
Highway Maintenance	588	Savings achieved	↑ B	588	0
Street Cleansing	1,000	Savings achieved	↑ B	1000	0
School Waste	180	Savings achieved	↑ B	180	0
Street Lighting	265	Savings achieved	↑ B	265	0
Highway Drainage	106	Savings achieved	↑ B	106	0
Reduction in Parks Maintenance	450	Savings achieved	↑ B	450	0
Housing Support for BME Communities	111	Savings achieved	↑ B	111	0
Car Parking	281	Savings achieved	↑ B	281	0
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

## Transformation and Resources

Saving	Target £000	Comments / progress on implementation	BGAR	Amount delivered at M7 Oct 13 £000	To be delivered £000
Efficiency Investment Fund	4,400	Savings achieved	B	4,400	0
Treasury Management	1,700	Savings achieved	B	1,700	0
Revenues and Benefits	550	Savings achieved	B	550	0
Information Technology Service	210	Savings achieved	B	210	0

Marketing and Public Relations	167	Savings achieved	B	167	0
Tranmere Rovers Sponsorship	135	Savings achieved	B	135	0
Power Supplies - Contract Saving	11	Savings achieved	B	11	0
Area Forum Funding	391	Savings achieved	B	391	0
Council Tax Increase	2,600	Savings achieved	B	2,600	0
Council Tax: Discounts and Exemptions	2,284	Savings 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	Savings profile weighted towards increased delivery in 2nd half of year reflecting date of leavers Vacant posts are being pro rata'd over the year.	G	2,234	2,766
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 Legal/Court costs which are a very volatile area.	G G G A	333	572
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.	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	297	23
Workforce Conditions of Service	3,800	Negotiations with TUs are ongoing. 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
<b>Live savings</b>					
Service Reviews (for development and future discussion with members)	1,014		3,530	900	
Management action	362		3,328	790	
<b>Total all categories</b>	<b>1,376</b>		<b>6,858</b>	<b>1,690</b>	

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	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
<b>Total</b>	<b>1,500</b>	<b>1,300</b>			

## Annex 7 FREEZE OUTCOMES

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

## Annex 8 GROWTH AND RISK

### Growth £000's

Ref	Department/ Option Title	2013/14 Budget	2013-14 Release
	<b>CYP</b>		
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
	<b>CYP Total</b>	<b>1,230</b>	<b>1,230</b>
	<b>DASS</b>		
2	Increase in Fees for Residential & Nursing Care to reflect a Fair Price for Care	1,000	1,000
4	Increase in Demand (Young Adults with Learning Disabilities)	944	944
5	Increase in Demand (Older People)	1,773	1,773
	<b>DASS Total</b>	<b>3,717</b>	<b>3,717</b>
	<b>Technical</b>		
3	Annual Property Uplift Biffa contract	12	12
	<b>Technical Total</b>	<b>12</b>	<b>12</b>
	<b>Finance</b>		
1	Reduction in HB Admin grant 2013/14	237	237
	<b>Finance Total</b>	<b>237</b>	<b>237</b>
		<b>5,196</b>	<b>5,196</b>

### Risk £000's

Corporate Growth (Budget Book page 7)	2013/14 Budget	2013/14 Release
Pay Inflation	1,700	1,700
Change Management Implementation Fund	4,000	
Savings Profiling	2,000	1,600
Price inflation unallocated		
Growth unallocated		
	<b>7,700</b>	<b>3,300</b>

### Inflation £000's

Inflation Allocated to Departments 2013-16			
	2013/14	2014/15	2015/16
	£000	£000	£000
<b>CYP</b>			
PFI	140	140	140
Retirement Costs	80	80	80
Foster/Adoption	190	190	190
<b>CYP Total</b>	<b>410</b>	<b>410</b>	<b>410</b>
<b>DASS</b>			
Placements	15	15	15

Residential and Nursing Care	1,518	1,518	1,518
Transport	60	60	60
<b>Total</b>	<b>1,593</b>	<b>1,593</b>	<b>1,593</b>
<b>Families and Well Being Total</b>	<b>2,003</b>	<b>2,003</b>	<b>2,003</b>
<b>Regeneration and Environment</b>			
Biffa	413	413	413
Colas	48	48	48
<b>Regeneration and Environment Total</b>	<b>461</b>	<b>461</b>	<b>461</b>
<b>Grand Total</b>	<b>2,464</b>	<b>2,464</b>	<b>2,464</b>

## Annex 9 INCOME AND DEBT

### Council Tax

The following statement compares the amount collected for **Council Tax** in the period 1 April 2013 to 31 October 2013 with the amount collected in the same period in 2012/13:

	<b>Actual 2013/14 £</b>	Actual 2012/13 £
Cash to Collect	<b>135,501,000</b>	125,804,000
Cash Collected	<b>86,930,000</b>	82,873,751
% Collected	<b>64.2%</b>	65.9%

Council Tax benefits has been abolished and replaced by Council Tax support and the numbers and awards as at 31<sup>st</sup> October 2013 are as follows:

Number of <b>Council Tax Support</b> recipients	<b>38,189</b>
Total Council Tax Support expenditure	<b>£27,887,000</b>
Number of pensioners	<b>16,313</b>
Number of vulnerable	<b>6,945</b>
Number of working age	<b>21,876</b>

The level of collection reflects the increased charges to those charge payers now in receipt of Council Tax Support and having to pay a minimum of 22% of the annual charge as well as the increase charges in respect of reduced discounts and exemptions. 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%. This Council Tax Support debt is £3,078,434.

A Council Tax Discretionary Relief policy was agreed by Cabinet in October (minute 71 10 October 2013) and funded to a maximum of £50,000. An application form along with information on this has been placed on the website. No awards had been made to 31 October 2013. Report, next month, in a similar way to the Discretionary Housing Payment report.

## Business Rates

The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2013 to 31<sup>st</sup> October 2013 with the amount collected in the same period in 2012/13:

	<b>Actual 2013/14</b>	Actual 2012/13
	£	£
Cash to Collect	<b>70,353,460</b>	68,680,678
Cash Collected	<b>48,415,000</b>	45,466,158
% Collected	<b>68.8%</b>	66.2%

## Accounts Receivable

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

	Less than 28 days	1st reminder	2nd reminder	3rd reminder	Total as at 30.9.13
Chief Executive	£191,968	£3,258	£5,572	£567,566	<b>£768,364</b>
Neighbourhood & Engagement	£17,155	£0	£0	£18,720	<b>£35,875</b>
Transformation & Resources	£485,719	£816,675	£67,123	£532,663	<b>£1,902,180</b>
Families & Well Being	£5,246,871	£1,009,672	£1,524,444	£17,649,635	<b>£25,430,622</b>
Regeneration & Environment	£485,185	£23,477	£137,232	£2,978,217	<b>£3,624,111</b>
Policy & Performance	£1,165,357	£415,565	£67,000	£113,970	<b>£1,761,892</b>
<b>Totals</b>	<b>£7,592,255</b>	<b>£2,268,647</b>	<b>£1,801,371</b>	<b>£21,860,771</b>	<b>£33,523,044</b>

The above figures are for invoices in respect of the period up to the end of October 2013 and for the first time show Public Health invoices shown within Policy and Performance. Payments as well as amendments such as write-offs and debts cancellations continue to be made after this date on these accounts. There is a further deduction of £493,717 to be made for unallocated payments leaving a balance of **£33,029,327**

## 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 Support up to 31 October 2013:

	<b>2013/14</b>	2012/13
Number of <b>Private Tenant</b> recipients	<b>31,627</b>	31,757
Total rent allowance expenditure	<b>£82,765,419</b>	

Number under the <b>Local Housing Allowance</b> Scheme ( <i>included in the above</i> )	12,223	12,010
	£33,284,632	

Number of <b>Council Tax Support</b> recipients	<b>38,138</b>
Total Council Tax Support expenditure	<b>£28,109,821</b>
Total expenditure on benefit to date	<b>£110,875,240</b>

The following statement provides information concerning the breakdown according to client type as at 31 October 2013 and gives the early year numbers to show the shift in sector by benefit claimants during the year.

<b>Private Tenants</b>	<b>31.10.13</b>	<b>1.05.13</b>
Claimants in the Private Rented Sector	<b>14,738</b>	14,451
Claimants in the Social Rented Sector	<b>16,886</b>	16,765
Owner Occupiers	<b>10,434</b>	10,738

Total claimants by age group		
- under 25 years old	<b>2,582</b>	2,728
- 25 – 60 years old	<b>21,956</b>	21,741
- over 60 years old	<b>17,523</b>	17,623

There are **42,061** benefit recipients in Wirral as at 31 October 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 2,949 households affected;
- Two or more spare bedrooms incurs a 25% reduction – the Wirral average is currently £21 weekly and there are 709 affected;
- Out of a total social sector HB caseload of 16,869 - 3,658 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 31 October 2013**

New Cases referred to Fraud team in period	797
Cases where fraud found and action taken	38
Cases investigated, no fraud found & recovery of overpayment may be sought	304
Cases under current investigation	216
Surveillance Operations Undertaken	0

Cases where fraud found and action taken:	
Administration penalty	2
Caution issued and accepted	7
Successful prosecution	29
Summons issued for prosecution purposes	31

## 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 2013/2014, 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 38%, is lower than this time 2012/2013, 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 £11,690 of this to date.

Data @ 31/10/2013										
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	Awarde d	Refused							
April	62	26	36	65	£11,674	£16,883	2%	£198,794	£917,214	£888,655
May	228	103	125	136	£27,093	£41,845	5%	£242,440	£917,214	£875,368
June	296	122	174	230	£51,067	£79,329	9%	£314,732	£917,214	£837,884
July	358	143	215	355	£80,470	£122,073	13%	£371,305	£917,214	£795,140
August	387	210	177	680	£188,198	£257,560	28%	£598,786	£917,214	£659,653
September	158	86	72	785	£241,429	£306,388	33%	£611,101	£917,214	£610,825
October	114	78	36	880	£289,841	£351,393	38%	£611,101	£917,214	£565,821
Totals	1,603	768	835					Additional	£64,000	£64,000
									£971,214	£674,825

DHP Payment Type	02/05/2013	24/05/2013	03/06/2013	02/07/2013	30/07/2013	21/08/2013	05/09/2013	01/10/2013	30/10/2013
Baby Due	3	5	5	5	5	9	9	9	10
Benefit Cap	1	1	1	1	1	5	6	6	11
Change of Address	1	3	3	4	4	4	4	4	4
Combination of reforms									1
Disability	5	8	8	10	11	16	16	16	11
Income Tapers	4	6	6	7	9	14	14	15	15
Increase in work related expenses									1
Legislation change	4	5	5	7	8	9	11	17	17
LHA reforms	22	36	36	44	46	59	60	61	68
NDD	2	2	2	3	3	4	4	4	4
Reduced HB ent	6	14	14	16	17	20	21	21	23
Removal Costs						1	2	2	2
Rent deposit	4	8	10	13	16	21	21	24	27
Rent restrictions	33	56	61	84	126	152	156	186	209
Social Size criteria	2	21	24	87	138	248	263	303	347

## 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.

LWA details for period from 02 April 2013 to 31 October 2013:

Number of awards granted for food	2,101	value	£93,104
Number of awards granted for fuel	1,596	value	£30,165
Number of awards granted for goods	517	value	£128,072

<b>Total number of households receiving an award</b>	<b>2,477</b>	<b>value</b>	<b>£251,341</b>
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Number of claims not qualifying for assistance	2,041
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## 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
People	Management Actions to address learning disabilities budget pressures	

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

	Balance at 1 April 2013 £000	Movement	Balance at 31 Oct 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	10	482
Planned Preventative Maintenance	463	(27)	436
ERDF Match Funding	444	-	444
Schools Automatic Meter Readers	415	-	415
Schools Contingency	370	(2)	368
Strategic Asset Review	366	(149)	217
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	(540)	5,908
<b>Total Reserves</b>	<b>64,776</b>	<b>(1,713)</b>	<b>63,063</b>

## Annex 12 BUDGETARY ISSUES

	Service area	Issue	2013/14	2014/15	2015/16	2016/17	Resolution
<b>People</b>							
	Adults overstated income	Income was included at 100% of billed, rather than at the (lower) level of collection. Improved collection would reduce the loss but this should be evidence led.	2,000	2,000	2,000	2,000	Entered into M1 Monitor. 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 M7 increased grants Management actions resolving shortfall including additional NHS support, increased income and budget realignment. Future year impact being assessed
<b>Places</b>							
	RHP	Homeless Grant rolled into Formula Grant, but not taken out of budget. No solution.	221	221	221	221	2013/14 from forecast savings 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
<b>Transformation</b>							
	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 M7
	2012/13 T&C's	Non-achievement; count as part of 2014/15 target	300	0	0	0	2013/14 from forecast savings
	2012/13 Trans Bus S	Non-achievement; count as part of 2014/15 target	300	150	0	0	2013/14 from forecast savings
	2013/14 T&Cs	Shortfall in achievement; count as part of 2014/15 target	472	0	0	0	2013/14 from forecast savings
	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 growth request
<b>Totals</b>			<b>8,516</b>	<b>4,554</b>	<b>4,354</b>	<b>3,904</b>	

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	part funding from central budget for pay growth (page 7) Budget Book
		Foster Care placements	-100	-50	0	0	Funding from increased grants per Directorate M7
		Homeless Grant	-221	-221	-221	-221	2013/14 from funding identified in monitor, 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 funding identified in monitor
<b>Current additional resource required from savings</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	